Berkeley Schools Excellence Program

Berkeley PUBLIC SCHOOLS

Planning and Oversight Committee Orientation

November 18, 2014

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BSEP Past, Present & Future

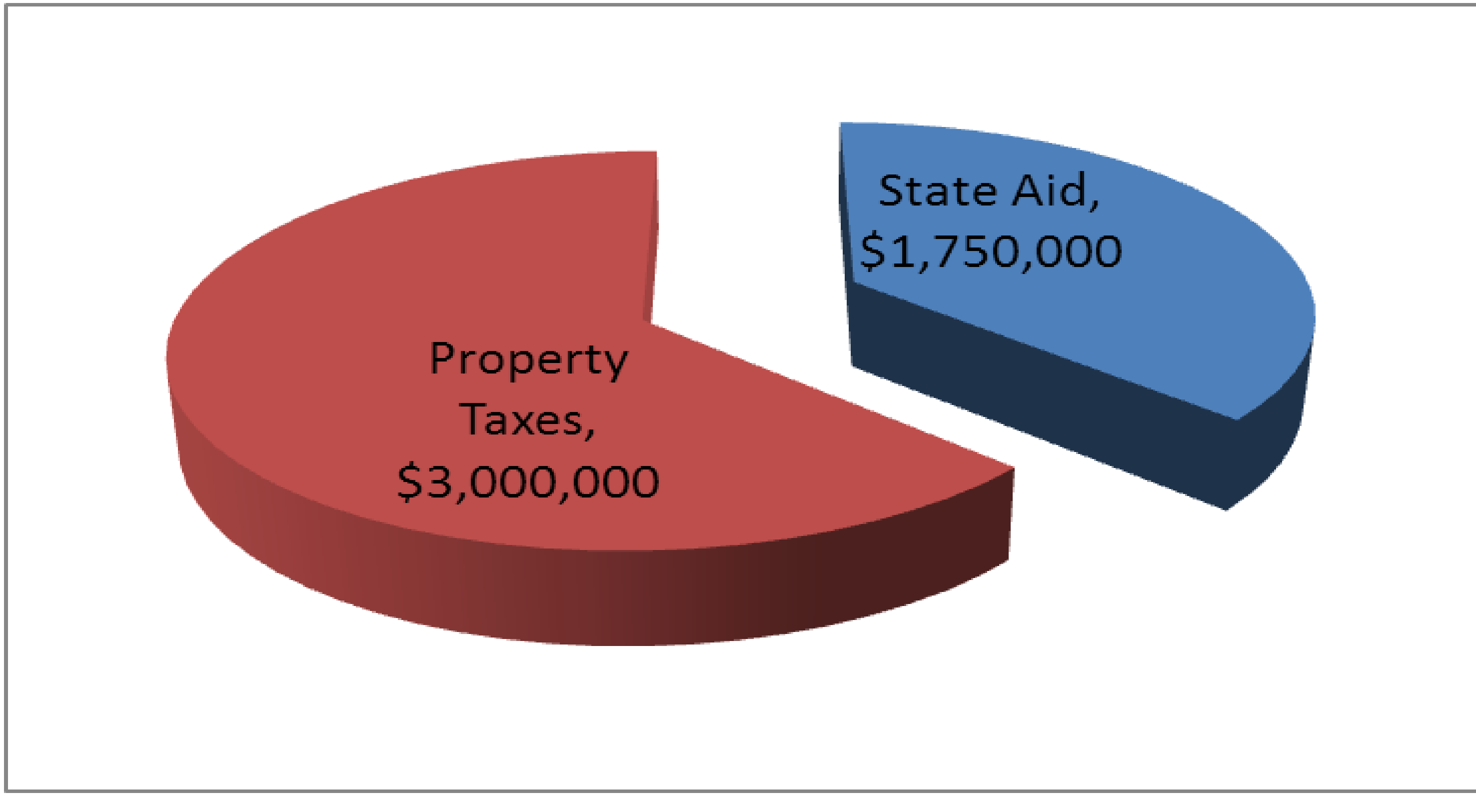
- District Funding Overview
- BSEP History
- Measure A of 2006: Allocation to Purposes
- BSEP Revenue Projections and Allocations
- BSEP Financial Management (District)
- P&O Functions
- Budget Cycle
- Sample Financial Summary
- Overview of Current Resources
- Timeline for BSEP 2016 Planning
- Additional Resources

District Funding: LCFF

Local **C**ontrol **F**unding **F**ormula (Replaces Revenue Limit)

- Dollar amount per unit of attendance
- Multiplied by ADA (Average Daily Attendance)
- Equals the District's Entitlement
- **State Aid** (revenue from the State) is the difference between the LCFF Entitlement and revenue from local (ad valorem) property taxes
- State Aid is the portion of state funding that was reduced over the past several years
- Special Taxes (BSEP) are not included in this calculation

LCFF Revenue: an Example



Total Entitlement: $4,750,000

Proposition 30

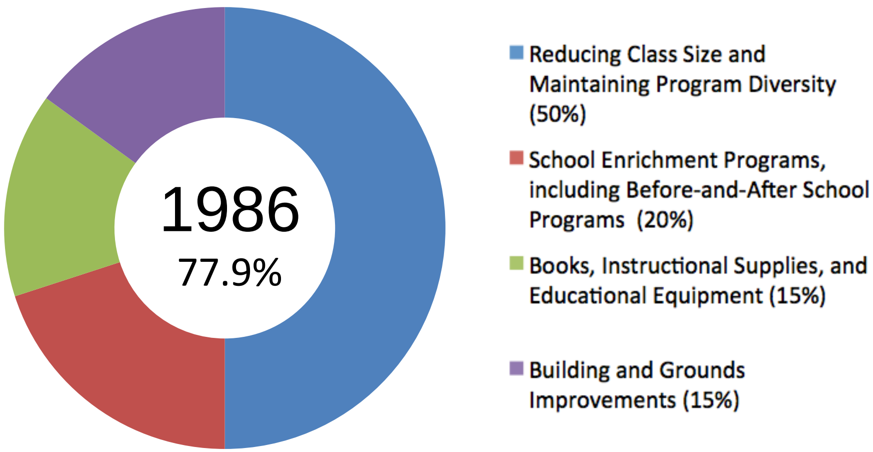
- Prevented further revenue reductions to school districts
- Improved cash flow, reducing deferrals
- Did not provide additional funding
- Sales tax increase expires **December 2016**
- Income tax provisions expire **December 2018**

BSEP Revenue

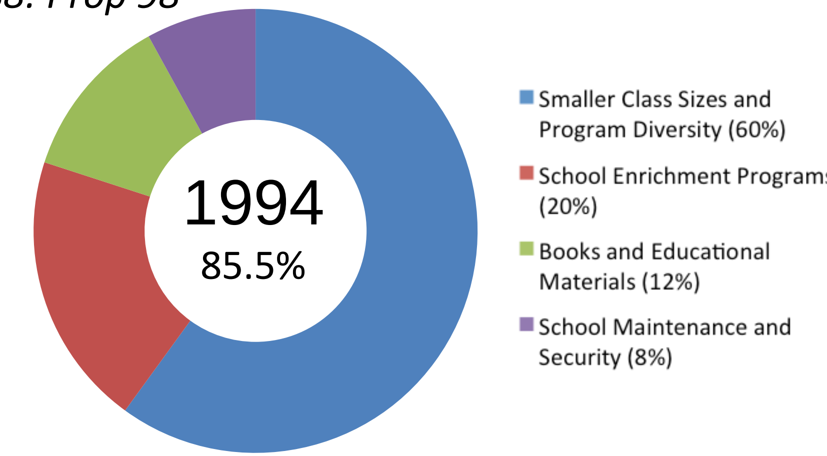
- Local property taxes – assessed and collected at the local level
- Local property taxes – do not impact State Aid
- Supplementary funds
- Net revenue allocated according to the percentages in the Measure

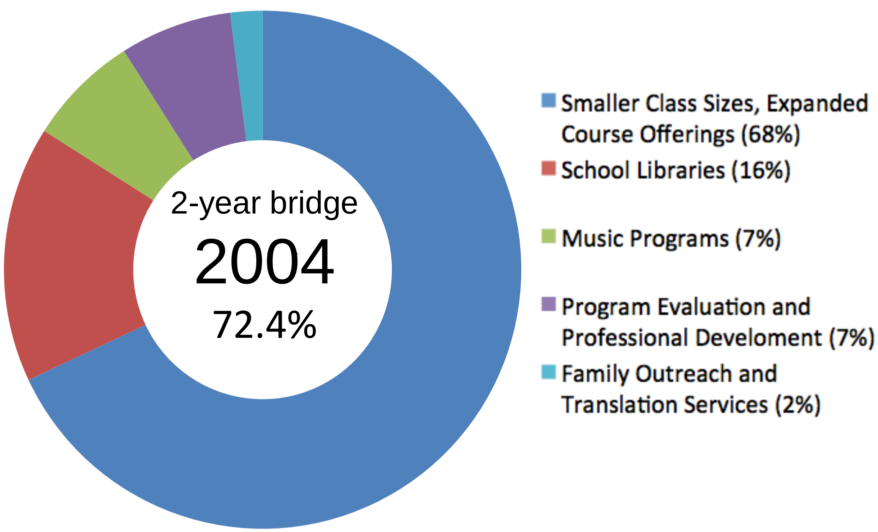
BSEP Measures 1986 - 2006

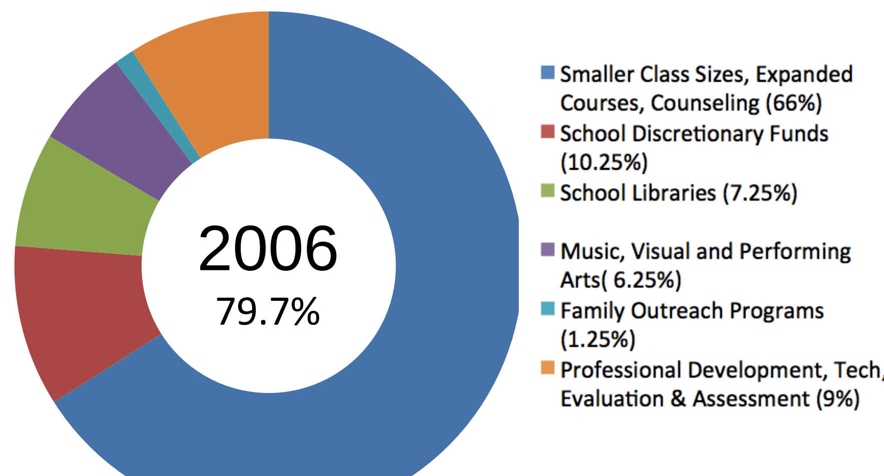
1978: Prop 13



1988: Prop 98

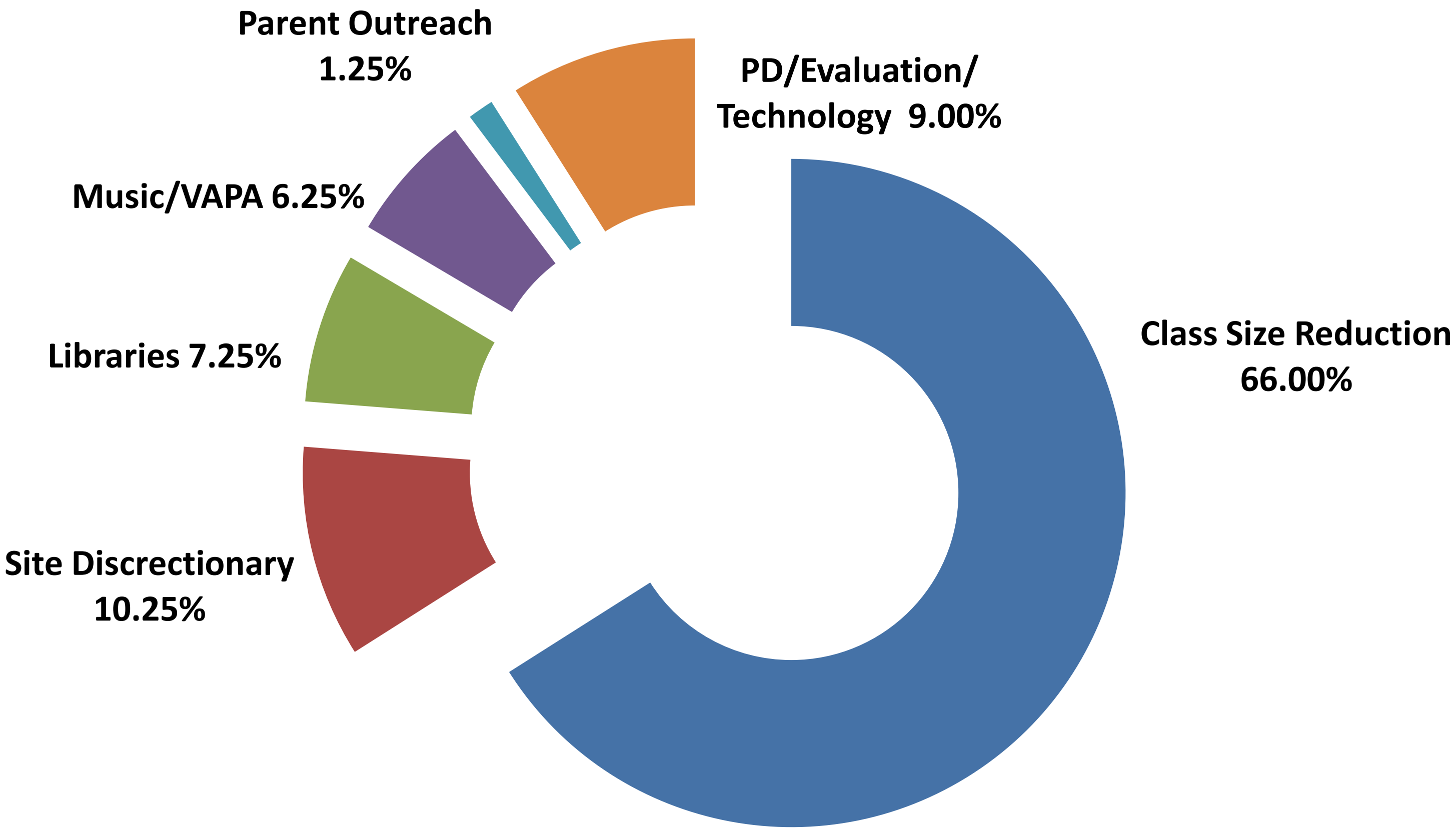






2012: Prop 30

BSEP Measure A of 2006 Revenue Allocation



BSEP Revenue Allocation 2014/15

	Resource	%	Budget 2014/15	Costs 7.22%	Net
Resource Allocation					
Class Size Reduction (66%)	0841	66.00%	$ 16,023,555	$ (1,078,997)	$ 14,944,558
Site Discrectionary (10.25%)	0852	10.25%	$ 2,488,507	$ (167,572)	$ 2,320,935
Libraries (7.25%)	0860	7.25%	$ 1,760,163	$ (118,526)	$ 1,641,637
Music/VAPA (6.25%)	0853	6.25%	$ 1,517,382	$ (102,178)	$ 1,415,204
Parent Outreach (1.25%)	0857	1.25%	$ 303,476	$ (20,436)	$ 283,041
PD/Evaluation/Technology (9%)					
Prof. Development	0855	36.00%	$ 786,611	$ (52,969)	$ 733,642
Evaluation	0856	28.00%	$ 611,808	$ (41,198)	$ 570,610
Technology	0862	36.00%	$ 786,611	$ (52,969)	$ 733,642
Net Resource Allocation			$ 24,278,114	$ (1,634,844)	$ 22,643,270
Public Information/P&O	0854		$ 495,472	$ -	$ 495,472
Total Allocation to All Resources			$ 24,773,586	$ (1,634,844)	$ 23,138,742

BSEP Financial Management (District)

- Revenue and expenses are tracked in a separate fund from General Fund revenue
- Separate BSEP audit determines if expenditures are in compliance with the Measure and with the approved plans for each Resource

P & O Functions

- Providing District-wide oversight of BSEP funds
  - Budgets
  - Annual Report: Unaudited Actuals (Year End results)
  - BSEP Audit
- Budgets begin with **plans** for each Resource that
  - Comply with the BSEP Measure
  - Support District Goals
- Why is the budget important?
  - Blueprint for the activity for the year
  - Basis for financial decision making and management

Budget Cycle for 2015/16

January 2015

- Release of the Governor's budget:
  - Proposal for funding public schools for Fiscal Year (FY) beginning 7/1/15
  - Includes estimated **COLA** (may apply to BSEP revenue)
- BSEP Revenue projections
  - Allocated based on the percentages in the Measure

February through May 2015

- Program plans/budgets presented to the P&O for each BSEP Resource (Program)

Budget Cycle for 2015/16

February through May (continued)

- BSEP plans/budgets presented to the P&O (two readings) and then to the Board of Education.
- May: Governor's Budget Revision including final COLA
- End of May: Budget entries completed to meet deadline for preliminary budget
- Budget adopted by the Board by June 30, 2015.

- Budget Revisions:
  - 1st Interim as of 10/31/15, approved by the Board by 12/15/15.
  - 2nd Interim as of 1/31/16 approved by the Board by 3/15/16.
- Unaudited Actuals
  - Approved by the Board by 9/15/16

Sample Financial Summary: Technology

	Audited Actuals FY 09/10	Audited Actuals FY 10/11	Unaudited Actuals FY 11/12
REVENUE	726,612	728,352	745,276
EXPENDITURES			
Certificated Monthly Support Staff	0	0	24,322
Classified Monthly Support Staff	343,033	333,738	352,417
Employee Benefits	153,575	150,059	170,788
Materials & Supplies	53,627	53,506	98,490
Equipment	66,491	61,145	97,984
Services & Other Operating Expenses	54,912	50,329	10,803
Indirect Costs	39,224	40,678	50,572
TOTAL EXPENDITURES	710,862	689,455	805,376
NET INCREASE (DECREASE)	15,750	38,897	(60,100)
FUND BALANCE ANALYSIS			
Beginning Fund Balance, July 1	44,156	59,906	98,803
Net Increase (Decrease) in Fund Balance	15,750	38,897	(60,100)
Ending Fund Balance, June 30	59,906	98,803	38,703

Meanwhile….Planning for the Next Measure

January – June 2015

- Workgroups Review Issues with Current BSEP Resources
- Provide Fiscal Estimates and Scenarios (including Split Roll)
- Review Additional District Priority Programs
- Align with LCAP and District Strategic Planning

August 2015 – March 2016

- Plan and Hold Community Forums,
- Budget Workshops, Opinion Surveys

April – June 2016

- Board Discussions, Hearings and Decision

November 2016

- Measure on Ballot

BSEP Resources – Current Status

CLASS SIZE REDUCTION

- During late 2000s, expenditures in "program support" area of budget provided reduced math class sizes, RtI, Literacy Coaches. Spending cannot be maintained at prior levels.
- State K-3 Class Size Reduction (CSR) funds have shifted from 1:20 to 1:24; $600,000 previously used for CSR are now in LCAP base (district base state funding)

MUSIC/VAPA

- $4^{th}/5^{th}$ grade enrollment increases lead to higher expenditures for staff & instruments
- Participation in middle school music has grown dramatically
- General Fund is has resumed 50% funding of music teachers for $4^{th}/5^{th}$ release time; BSEP pays all additional 4^{th}-8^{th} music teachers.

PARENT OUTREACH:

- Co-funding school-based family engagement coordinators with LCAP

SCHOOL SITE DISCRETIONARY FUNDS

- Per pupil allocations affected by enrollment fluctuations;
- School Site Plan decisions and LCAP decisions interrelate
- Some items funded at school level are supplementing district-funded programs

PROFESSIONAL DEVELOPMENT, PROGRAM EVALUATION, TECHNOLOGY, LIBRARY

- All programs are multi-funded
- Technology needs are evolving
- Library has increased FTE at larger sites

Split Roll Tax Rates

Property Type	Square Feet	2013/14 Split Rate	Residential Rate Only	Difference
Residential	61 million	$17,049,000	$17,049,000	$0
Commercial	18 million	$7,698,000	$5,106,000	($2,592,000)
	79 million	$24,747,000	$22,155,000	($2,592,000)

Assumptions

1. Based on 2013/14 non-exempt square footage
2. Measure A/BSEP 14/15 rates:
   $.2792 Residential, $.4209 Commercial

Additional Resources

- District Web site www.berkeleyschools.net
  - Lookup **BSEP** information
    - P & O Agendas
    - BSEP Annual Plan
    - Summary of BSEP Site Plans
    - Other BSEP Documentation
  - Search for Business Services for a summary of the District's budget and other financial documents.
- California Department of Education www.cde.ca.gov
- EdSource www.edsource.org