

BERKELEY UNIFIED SCHOOL DISTRICT

TO: BSEP Planning and Oversight Committee
FROM: Donald Evans, Ed.D., Superintendent, and Pasquale Scuderi,
Assistant Superintendent for Educational Services
DATE: April 14, 2015
SUBJECT: Recommendation for Allocation of BSEP Class Size Reduction
Funds in FY 2015-16

BACKGROUND INFORMATION

In compliance with *The Berkeley Public Schools Educational Excellence Act of 2006* (BSEP/Measure A), the BSEP Planning and Oversight Committee develops annual recommendations in conjunction with District staff for the allocation of funds for each Purpose of the Measure.

The following recommendation is for the allocation of funds for the Purpose of Class Size Reduction, Expanded Course Offerings, Counseling Services and Program Support in accordance with BSEP Measure A, Section 3A:

Reducing Class Sizes at all K-12 schools, expanding course offerings at all secondary schools, and providing counseling services at each of the District's middle schools.

The goals for the class sizes to be achieved with these revenues are District-wide Average Class Sizes of 26:1 for the elementary schools grades K-5, 28:1 for the secondary schools, and 18:1 for continuation high school and other secondary opportunity programs. Average class sizes in the K-3 grades shall be reduced to 20:1 as long as state class size reduction funds are provided for that purpose at a level not less than currently funded by the State.

After resultant class sizes meet the goals stated above, additional teachers may be added first to allow for expanded course offerings and then for program support in schools in so far as the funds permit.

Program Summary

Class Size Reduction Staffing in the 2015-16 School Year

This recommendation is based on the following assumptions:

- Staffing enrollment of K-12 students is projected at **9,600**.
- Total average compensation (includes salary and employer paid fringe benefits) of classroom teachers is projected at **\$93,500**, an increase of **\$1,300** per FTE over the prior year projection.

- BSEP revenue for the CSR fund in FY 2015-2016 is projected at \$16,118,873 with a net allocation, after 6.54% indirect costs, of **\$15,088,384**.
- General Fund revenue is projected based on the Governor's budget of January 2015.

The class size reduction is achieved with General Fund monies being used to establish a ratio of 34:1 for the K-5 grades and 36:1 in grades 6-12, and BSEP CSR funds used to reduce the pupil-teacher ratios to the lower class sizes.

According to the BSEP measure, average class sizes in the K-3 grades shall be reduced to 20:1 as long as State Class Size Reduction funds are provided for that purpose at a level not less than currently funded by the State. Under the new Local Control Funding Formula, funding for the K-3 Class Size Reduction Program has changed; the CSR target is now 24:1, with funding allocated to that purpose at \$1.9 million for BUSD, rather than the \$2.6 million previously awarded for the 20:1 ratio. However, the difference of \$700,000 is provided to the District in its base funding, and may be used to continue class size reduction at a lower than 24:1 level. For the 2015-2016 school year, the funding will continue to be used for that purpose.

The staffing formula used for secondary schools in FY 2015-16 is that defined in the BSEP Measure, section 6.B: student enrollment x 6 class periods per day/per student, divided by 5 teaching periods, divided by average class size objective of 28:1.

This calculation results in a total of **450.62** Full Time Equivalent (FTE) classroom teachers projected to be necessary to staff the K-12 classrooms at the ratios listed above, of which BSEP would fund **137.23** FTE teachers (including the associated preparation time for BSEP funded teachers), an increase of **1.57 FTE** over the previous year's plan.

To meet these targeted class size reduction goals, the expense to the BSEP Class Size Reduction fund in 2015-16 is projected to be **\$13,465,800**. This figure includes the FTE compensation, substitute compensation, as well as "direct support," which is operational and other costs associated with opening and maintaining additional classrooms. The attached "Teacher Template" details this recommendation. (Attachment A)

It should be noted that enrollment projections are reviewed both prior to presentation of the budget to the Board for adoption in June, and again in early September after the actual enrollment has stabilized. The actual expense for the BSEP transfer to the General Fund for classroom teachers is calculated at the close of the Fiscal Year.

Discretionary Expenditures: Expanded Course Offerings, Counseling Services and Program Support

After the class size goals are achieved, the BSEP Measure stipulates that BSEP CSR funds may be used for “expanded course offerings (ECO),” counseling services at each of the District’s middle schools, and “program support.”

BSEP revenue growth has not kept pace with increased costs in recent years. Program Support, which had once expanded during a period of high COLA increases and lower costs, will now have to be reduced, or an alternate funding source will have to be determined if the District is to continue those programs. The target reduction has been calculated by Business Services to be approximately \$400,000 per year, or \$800,000 over the remaining two years of the current BSEP measure, which sunsets in 2016-17,

For 2015-2016 there are two options being considered for dealing with this funding gap.

Option 1:

Reduce the FTE for expanded course offerings (ECO) and reduce support to the 3/4/5 TWI combo classes.

Option 2:

Under this option we would recommend to continue the expenditures for the majority of expanded course offerings (ECO) and current levels of middle school counseling, in keeping with the priorities of the BSEP measure and the needs of students. To do so would require a transfer the cost of literacy coaches on page 2, currently \$348,200, to a combination of general fund surpluses, namely EIA Replacement Funds and Educational Services funds, to cover the cost of those positions for this year, and allow the \$348,200 in BSEP funds in this year’s CSR fund to roll and cover those costs in 2015-2016.

The combined general funds found in the aforementioned EIA Replacement Funds and Educational Services surplus funds total approximately \$360,000. This means that a transfer of those costs to help cover literacy coaches for the 2015-2016 school year would still fall somewhat short of the proposed \$400,000 that needs to be cut or funded through alternative sources on page 2 of the BSEP CSR budget.

As a result, the proposed use of general fund surplus to cover literacy coaches for a year would need to be augmented by a proposed reduction of .4 FTE (approximately \$38,000) from the 6.4 allocation of ECO funds currently allocated to BHS.

It should be noted that Option 2 would cover existing expenditures only through one year, and the same level of cuts or alternative funding needs would have to be considered next year. Further, the use of general funds to support these expenditures, even on a limited term basis, will require board action.

The “page two” portion of the CSR fund provide valuable services to our students. The expanded course offerings offer a wide variety of options for students, from AP augmentation classes, which give access to AP coursework for students who might not otherwise have such access, to science labs, yearbook and music classes. Middle school counseling provides social-emotional and academic support to our students at a crucial point in their development.

In the area of Program Support, this resource is currently funding 3.3 FTE for elementary literacy coaches and 1.8 FTE teachers for 3/4 and 4/5 combination classes at the TWI schools. The BSEP-funded RtI2 program continues to function as a comprehensive way of tailoring education to meet all students’ needs, using data to make decisions about student learning.

Following is the summary of the cost of continuing to fund Counseling Services, ECO classes and Program Support in FY 2015-16.

Counseling Services at each Middle School

- **4.8 FTE counselors** at the middle schools, that is, 1.2 FTE at Longfellow, 1.2 FTE at Willard, and 2.4 at King. This is the same allocation as in FY 2014-15.

Projected expense: \$475,200

Expanded Course Offerings (ECO)

- **6.4 FTE classroom teachers** for ECO classes at Berkeley High School
- **1.6 FTE classroom teachers** for ECO classes at the Middle Schools

Projected expense: \$785,016

Program Support

Current funding is for **10.6** FTE Program Support teachers in the next school year as follows:

- **3.3 FTE elementary school Literacy Coaches/Teachers;** (.3 FTE for each elementary school).
- **1.8 FTE elementary school teachers** for a .5 FTE allocation (plus .10 FTE prep time for each teacher) to each of three schools: Cragmont, LeConte and Rosa Parks to provide grade-specific time for students in 3/4 or 4/5 combination classes.

- **2.75 FTE RTI² teachers** for the 11 elementary schools (.25 FTE at each elementary school).
- **2.75 FTE RTI² teachers** for the three middle schools (.75 FTE for Longfellow, .75 FTE for Willard, and 1.25 FTE at King)

Projected expense: \$1,030,700

BUDGET SUMMARY

With a COLA of 1.58% producing a small increase in revenue, and an increase of 1.57 FTE in classroom teachers coupled with higher salary costs, the deficit spending trend in the CSR budget has continued. Following is the budget as reflected in the attached CSR FTE Planning document, which demonstrates the deficit spending beyond the capacity of the fund balance. Discussions with staff will take place this week. Discussion with the Board on April 22 will refine direction and allow us to bring back either a more detailed option 1 or option 2 back to the committee on April 28 for final review.

2015/16 BSEP Class Size Reduction Budget Summary

Revenue Allocation 16,118,873

Expenditure Budget

Interfund Transfer to General Fund for Classroom Teachers	
Classroom Teachers	12,830,900
Illness Substitutes	241,100
Direct Support	393,800
Expanded Course Offerings (8.0 FTE)	785,016
Middle School Counseling (4.80 FTE)	475,200
Program Support (10.60 FTE)	1,030,700
Indirect Costs	1,030,489
Total Expenditure Budget	16,787,205
 Net Change to Fund Balance	 (668,332)
 Projected Beginning Fund Balance	 360,113
Net Change to Fund Balance	(668,332)
Projected Ending Fund Balance	(308,219)