

**Superintendents Budget Advisory Committee Minutes
October 10, 2017**

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

SBAC Committee Members Present

Cynthia Allman, BFT	Stephen Collins, Local 21
Robin Henke, Superintendent appointment	Cathy Campbell, BFT
Bruce Simon, P&O	Rosa Luevano, BHSDG
Rebeca Todd, UBA	
Eric Weaver, Superintendent appointment	

SBAC Committee Members Absent

Judy Appel, Board Member	Stephanie Upp, P&O (A)
Paula Phillips, BCCE	Tim Mull, Local 21
Michael Herbert Gray, PAC	Frank Hernandez, BCCE
Christine Staples, PTA	Josh Daniels, Board Member
Audrey Amos, UBA (A)	Dan Lindheim, Audit Committee representative

Visitors, Guests

Yesenia Garcia, BHS Student	Christian Pecot-Rodriguez, BHS Student
Amaya Armstead, BHS Student	Neelam Khan, BHS Student
Jahlil Taylor, BHS Student	Haleemah Evans, BHS Student
Jaali Henniger Crenshaw, BHS Student	Alex Hunt, Principal of Malcolm X
Erica Johnson, Administrative Assistant BTA	

BUSD Staff

Donald Evans, Ed.D, Superintendent	Natasha Beery, BSEP Director
Pauline Follansbee, Assistant Superintendent of Business Services	

Meeting called to order at 5:40 pm

1. Opening of Meeting / Roll Call of Committee Members

2. Public Comments

The students listed above from BHS made personal pleas to the committee not to cut counselors. Principal Hunt from Malcolm X Elementary School asked that we not cut Malcolm X's VP Erica from BTA came to get information

3. Review of Minutes

- a. Page 4 line 26, need to remove language about moving .5 BTA counselor to BHS. This is an error. (not an error, this is correct)
- b. Motion to approve with corrections passed.

4. Superintendent comments

Thank you all for your work. It is a difficult situation, and we will have many people who will want to keep things in place as they are. Please keep in mind we have a target of cutting \$1.8 million and identifying an additional \$300K in cuts. We had many things we were asked to bring back to this meeting, i.e., unaudited actuals, multi-year funding, enrollment/ADA, and finally the special education financials. We are having a special education presentation tomorrow night at the board meeting. Tonight we will talk about the financial piece. Let us move on to the unaudited actuals.

5. Old Business

Pauline Follansbee, Superintendent of Business Services, introduced the use of Q drive to share documents and reduce the number of paper copies we provide at meetings. She began her review of the unaudited actuals.

Unaudited Actuals

Proposed cuts list has not changed. It is in the shared drive. We will go over items that you asked us to bring back. Cathy Campbell had asked us to bring unaudited actuals so everyone would understand how we closed the books on June 30. We have estimated actuals, i.e., our budget for 2016-17, and then we look at the unaudited actuals for 2016-17 and explain the variance.

We projected we would have \$89.2 million, when we closed books we had \$89.5 million. That is an increase of \$.3 million.

Item A summarizes positive variance in revenue. Although we lost prior year state revenue, we received more LCFF funding, other state revenue, and local revenue than expected.

Item B summarizes expenditure variance—we spent \$550K less than we expected. Page 4 lists unspent money from programs, a total of \$662K, including \$100K in special ed transportation

Item C—transferred \$277K more than expected to Child Development Fund.

Item D—transferred \$168K to Special Reserve Fund, which was not anticipated.

Item E—Received \$295K more than expected from BSEP.

Item F—State and mental health. Will go into more detail.

Item G—Fund balance: on page two you can see we projected that we would decrease fund balance by \$3.5 million, but we ended up decreasing it by \$4.1 million, so the ending fund balance was \$5.5 million as opposed to the \$6.1 million we projected. We explained where the variance came in.

Questions:

Cathy Campbell questions whether fund balance set aside will increase fund balance: it will not

In terms of commitments, we set aside certain funds based on board action or in terms of committed expenditures. We committed \$416K for BSEP support towards the end of the measure. The measure ended in 2016-17 as a result this \$416K will return to the pot, is it not set aside, but it needed board action, which we received when we took the unaudited actuals to the board. We designate for economic uncertainties, LCAP reserve is now a million dollars. We are meeting the reserve with the fund 17 balance. Are there any questions?

MY Projections

Dan Lindheim previously asked how we determined the \$1.8 million. We looked at our MY projections, we did not have additional revenue for one state revenues, did not have the projected 1% this year. We took revenue and expenses that we presented at second interim and adjusted for the subsequent events that we knew about.

Total revenue, we had \$88.2 million for 2017-18, for 2018-19 we had \$90.5 million; 2019-20 we had \$92.7 million. Then we looked at expenses before we had changes, \$87.2 mill, \$89.4 mill, \$91.8 mill.

We removed the one-time expenditure in 2017-18 we identified when we did our adopted budget. We also had one-time expenses of \$.5 million that we removed. Ongoing reductions for 2018-19 we put that in for special education we determined we needed to add more to special education. One-time salary increases that is the 1% that we paid for the bonus. One time salary increases and special contribution that is the one percent and the prep time we are introducing in 2018-19. That is the \$1.2million, and another \$1.2 million, which is ongoing, that is on the salary schedule.

Sources and Uses did not change. The change in fund balance \$.5, \$.6, \$.12 that is after we added the \$1.8 million. How we got the cuts? we looked at these numbers before adding in the \$1.8 million as a deduction, without the \$1.8 million, the change in fund balance would be \$2.4 million. If we put that cut in, our deficit spending would go to \$.6, which is manageable. Beginning fund balance, even though we lost \$600K we still projected we would end the year with \$4.4 million in 2018-19 that is an ongoing cut. You can see deficit spending and change in fund balance in 2019-20 is up to \$1.2 million we have to revisit cuts for 2019-20, keep deficit spending to \$.6 million. If we do no further cuts in 2019-20 will end the year with \$3.2 million.

Enrollment and ADA

We looked at enrollment, the measurement date is the first Wednesday in October, that is our census date, and then we report on enrollment to the State by October 27th. We are past the enrollment date and are in the process of getting final enrollment numbers. In terms of attendance which is what we are funded on, P1 covers the period Jan 1 to the end of December. In terms of first interim that will go to the board and we will not wait for P1, we will estimate to make reasonable projection. P2 is what we are funded from, that is July through April and we file in mid-April, P-annual reported is in early July.

What does that mean for our first interim, our budget, and us when we adopted the budget our enrollment was 9718. Our ADA percentage was 95.28 so the ADA reported and what we built the budget from was 9259. 10th day of enrollment, Francisco reported increase of 65 students. If we apply the same percentage, the ADA would be 93.21, which is an increase in ADA calculator of 62. We earn \$9k per ADA. If we change staffing by one teacher that is \$102K. We get a 1/3 of the cost of teachers from teacher template.

Enrollment and ADA

Not waiting for P1 attendance numbers, which won't arrive until early January. Instead we will make a reasonable projection.

The final budget is based on P2 attendance numbers, which are determined in mid-April.

When we adopted budget last spring, we anticipated enrollment of 9718, but by the 10th day of enrollment in 2017, we had 9783 students, 65 more than expected.

Question: Cynthia Allman asked if district is adding students to under enrolled classes to avoid adding FTE for teachers. Dr. Evans explains it is difficult to target particular classes with students too broad of possibilities, not able to specifically target school and classes. Look at total number of students to determine FTE's. Converse of this is there a way to increase enrollment without increasing FTE to fill in every possible slot-maximizing enrollment without increasing FTE.

Special Education

We looked at changes over the years, increase in 2014-15 what happened to revenues. Increase in salaries and revenue. Each line was reviewed in this year to show the increase in cost for special education. It was suggested that the **board packet** should be used to present to SBAC. Will bring this back after the board has reviewed tonight. Will review special education again at next meeting.

BSEP Review

Natasha Beery reviewed Measure E1

Three buckets; 1. 66% goes to class size reductions, High Quality Instruction;

2. 27% goes to Essentials for Excellence i.e VAPA, Instructional Technology, School Site programs.

3. 7% go to Effective Student Support, Behavior Health, Family Engagement and access.

2% Measure Oversight/Communications. – will bring *updated numbers in presentation* –

Natasha Beery

Specific concerns and requests for additional information

Percentage of ADA by school level, i.e., Elementary, Middle, High School in **board book**

Stephen Collins item

Board Packet

Special Education

Staff Recommendations