

**CLASS SIZE REDUCTION, EXPANDED COURSE OFFERINGS,
MIDDLE SCHOOL COUNSELING, PROGRAM SUPPORT
(BSEP Measure A, Resource 0841)**

OVERVIEW: FY 2016-17

Purpose

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.¹

**Budget Managers: Pasquale Scuderi, Associate Superintendent for Educational Services
Donald Evans, Superintendent**

BACKGROUND INFORMATION

The contribution of BSEP Class Size Reduction (CSR) Funds for classroom teachers is estimated each year using a planning tool known as the "Teacher Template." The Teacher Template calculates student enrollment and staffing for class size ratios to be paid for by General Fund (GF) resources, at 34:1 for the K-5 grades and 36:1 in grades 6-12, and then calculates additional staffing to be paid for by BSEP Measure A, which provides funds to reduce class sizes toward a district-wide average of 20:1 for K-3, 26:1 for 4-5, 28:1 for grades 6-12, and 18:1 for the continuation high school. The calculation also includes the cost of release time teachers, based on the contractual obligations at each grade level, as well as "necessary FTE" to round out classroom staffing at each school.

At the elementary level, the BUSD class size goal of 20:1 at K-3 was put in place after the State of California began a Class Size Reduction (CSR) program in 1996, rewarding districts that reduced class sizes to that district-wide goal. Thanks to BSEP, our district was one of the few to achieve this goal. However, as of Fiscal Year (FY) 2013-14, the new Local Control Funding Formula from the State changed class size reduction targets to 24:1 for K-3, and reduced the state funding associated with this goal. While the language in BSEP Measure A did allow for adjusting class size goals if the State funding changed, the Board decided to maintain K-3 average class sizes at 20:1 through the expiration of Measure A in FY 2016-17, despite the reduction in funding from the State.

¹ BSEP Measure A, Section 3.A

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The Teacher Template is developed in the spring of the preceding school year and adopted by the Board of Education as part of the District's Annual Budget in June. When the District's books are closed in September, a final transfer is made from BSEP CSR to the General Fund to pay for the actual FTE required for the class size reduction teachers. This calculation is based on the average actual cost of classroom teachers and release time, along with the average costs of substitute teachers, and a "direct support" calculation that provides for the costs of the additional classrooms that must be maintained to achieve lower class sizes. This contribution to the General Fund by BSEP is known as the "Teacher Transfer."

After Class Size Reduction targets are met through the Teacher Template calculation, the Measure allows for discretionary expenditures for specified purposes, including providing middle school counseling services, funding teachers to provide middle and high school Expanded Course Offerings (ECO), and providing FTE for a variety of positions across the district under the rubric of "program support." These expenditures are directly charged to the Measure.

BUDGETARY CHALLENGES IN 2016-17

During the early years of Measure A, this BSEP resource grew significantly, due to high Cost of Living Adjustments (COLAs) in the 4% range. These revenues provided funds for 20-30 FTE per year in additional staffing, above and beyond the class size reduction calculation. However, in the later years of the measure, BSEP revenues flattened, with a **COLA of 0.00** (zero) percent for the Measure in 2016-17, preceded by COLAs of 0.86 and 1.58%. Meanwhile, enrollment grew, and compensation and associated costs such as STRS also rose significantly. While the Measure could still meet the class size goals, it was necessary to shift the expense of some of the discretionary staffing formerly funded through this BSEP resource back to the General Fund, which had finally seen some restoration of funding through LCFF.

The following is the Revenue and Expenditure summary report for 2016-17 for expenditure of BSEP funds towards Class Size Reduction and additional purposes included in this resource.

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2016-17 CLASS SIZE REDUCTION FUND – REVENUE AND EXPENDITURES

	Budget	Actual	Variance
Revenue	16,142,284	16,316,524	174,240
Revenue Transfers to the General Fund			
Teacher Compensation (139.3 FTE)	(13,967,700)	(14,256,756)	(289,056)
Direct Support	(391,700)	(395,051)	(3,351)
Substitute Compensation	(251,900)	(253,898)	(1,998)
Total Revenue Transfers	(14,611,300)	(14,905,705)	(294,405)
Expenditures			
Certificated Teacher Salaries	89,969	90,122	153
Certificated Counselor Salaries	439,304	436,150	(3,154)
Employee Benefits	159,084	157,378	(1,706)
Indirect Cost	980,708	999,278	18,570
Total Expenditures	1,669,065	1,682,928	13,863
	Beginning	Ending	Decrease
Fund Balance	446,072	173,963	(272,109)

RESOURCE SUMMARY

At the time the recommendation for expenditures was made, the projected shortfall for this budget was **\$1,874,747**, based on average teacher costs and 136.48 FTE in the teacher template, together with discretionary staffing for the secondary purposes. The expectation was that after the planned expense of the Teacher Transfer, there would be sufficient funds remaining in this BSEP resource to fund Middle School Counselors (4.8 FTE) and 1.2 FTE for TWI Support.

As a result of the shortfall, the General Fund picked up the expense for Expanded Course Offerings (7.2 FTE) and some of the cost of FTE in Program Support (9.15 FTE). The expense to the General Fund was less than had been projected, at **\$1,579,283**.

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Discretionary FTE was funded based on the following table:

Program	GF	BSEP	Total	Plan
Expanded Course Offerings				
Middle School	1.20	0.00	1.20	1.60
Berkeley High	6.00	0.00	6.00	6.00
	7.20	0.00	7.20	7.60
Middle School Counseling	0.00	4.80	4.80	4.80
Program Support				
TWI	0.60	1.20	1.80	1.80
Lit Coaches	3.30	0.00	3.30	3.30
RTI				
Elementary	2.75	0.00	2.75	2.75
Middle School	2.50	0.00	2.50	2.75
Total Program Support	9.15	1.20	10.35	10.60
Total FTE	16.35	6.00	22.35	23.00

The ending fund balance was **\$173,963**. The remaining funds are available for future expenditure for the purposes outlined in Measure A, including class size reduction, middle school counseling, expanded course offerings, and program support.

STATUS REPORT

There were sufficient funds to meet the class Size Reduction goals of BSEP Measure A, and to provide for some additional purposes, with the support of the General Fund for some of the programs previously funded through BSEP.

It should be noted that this BSEP Resource met the goal of funding class size reduction throughout the life of the Measure, providing over \$150,000,000 toward that goal. This resource also provided significant support and opportunities for our students through middle school counseling, expanded course offerings at the Middle Schools and Berkeley High, and program support staffing including TWI support, Literacy Coaches, ULSS/RtI staffing, Middle School and High School math teachers, and teachers to provide targeted High School student support.

As we look at the General Fund contribution toward some of the discretionary staffing costs in this final year of the measure, it's important to understand the cycle of funding over the 10 year span of the Measure. In early years, BSEP was called upon to provide more FTE for the ancillary purposes of the CSR resource, during a period when the General Fund was suffering from the

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lack of State Funding during the Great Recession. In the later years the tables were turned, as state funding through LCFF provided the means for the General Fund to address needs for compensation and benefit cost increases, while BSEP, with low (to no) COLA, could not meet the demands of higher costs while also supporting as much additional FTE. Reductions were made in some staffing areas, including eliminating the math class size reduction teaching positions for middle school and high school, and reducing some of the FTE for expanded course offerings. EIA carryover was used in 2015-16 to pick up some of the Literacy Coach costs, and the General Fund picked up 0.09 FTE at each site for Literacy Coaches, for a total of **\$97,185**.

In the final year of the Measure, the General Fund then provided **\$1,579,283** to support some of the district's priority programs for TWI, Literacy Coaches and RtI. While this staffing was paid for in part by BSEP Program Support in prior years (and in the case of Literacy Coaches and RtI staff, continues to be paid for by BSEP through Professional Development and Site Funds), these are not "BSEP Programs" per se, in that they are not specified in the Measure. These are BUSD programs that have been funded in part, and at certain times by BSEP. The General Fund commitment to share responsibility for funding some essential program support positions was explained in the Budget Priorities documents that went to the Board Feb 10, 2015 and May 6, 2016.

Our district is fortunate to have the flexibility of drawing upon multiple funding strategies, calling upon BSEP, the General Fund and other resources when available to support our students and the dedicated staff who serve them.