

BSEP PLANNING & OVERSIGHT COMMITTEE MINUTES

October 29, 2019

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

P&O Committee Members Present

Nicole Chabot, *Berkeley Arts Magnet*
Jonathan Weissglass, *Emerson*
Pamela Hyde, *Emerson (Alt)*
Chris Wallace, *Jefferson*
Jane Tunks Demel, *Malcolm X*
Carla Bryant, *Oxford*
Weldon Bradstreet, *Rosa Parks*
Kate Jordan, *Sylvia Mendez*

Heather Flett, *Washington*
Terry Pastika, *King Middle School*
Rita Gaber, *Willard*
Aaron Glimme, *Berkeley High*
Josh Irwin, *Berkeley High*
Shauna Rabinowitz, *Berkeley High*
Bruce Simon, *Berkeley High*
Felicia Bellows, *Independent Study*

P&O Committee Members Absent*:

Tamara Perkins, *Early Childhood Education*
Jenny Morgan, *Willard*
Evon Williams, *Berkeley Technology Academy*

**Alternates and co-reps are not marked absent if another rep is present. Currently there is no representation from Cragmont, John Muir, Thousand Oaks and Longfellow.*

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

Judy Appel, *School Board Member*

BUSD Staff:

Dr. Brent Stephens, *Superintendent of Schools*
Natasha Beery, *Director of BSEP and Community Relations*
Danielle Perez, *BSEP Program Specialist*

1. Orientation for New Members

Natasha Beery, Director of BSEP and Community Relations

Director Beery welcomed new and returning members to the orientation at 7:10 pm. See Orientation slides for details. Director Beery explained that the goal of the orientation is to give new committee members an overview of what BSEP is and what the P&O Committee will be working on this year.

2. Call to Order and Introductions

At 7:32 p.m. Chairperson Bradstreet called the meeting to order. The meeting began with introductions around the table.

3. Establish the Quorum/Approve the Agenda

The quorum was established with 15 voting members present. Chair Bradstreet asked for a motion to approve the agenda, Rep. Glimme moved to approve the agenda, Rep. Irwin seconded the motion; the agenda was approved unanimously.

4. Chairperson's Comments

Chairs Bradstreet and Pastika welcomed members back to a new school year. Chair Pastika shared that she had been contacted by the public commenter from the last Steering Committee meeting in September, who raised concerns about the City's basis for tax assessment and gave her opinion about how to assess taxes. Chair Pastika referred her to the Board Policy Subcommittee and invited her back to P&O meetings if she had further interest.

5. BSEP Director's Comments

Natasha Beery, Director BSEP & Community Relations

Director Beery welcomed and thanked committee members and district staff for attending. She acknowledged that attending on a Tuesday evening is a big ask, and promised that she and the other presenters would try to keep the meeting short given how strange the week had been [due to power outages, weather and air quality issues].

6. Superintendent's Comments

Brent Stephens, Superintendent of Schools

Dr. Stephens greeted the group, and acknowledged that the previous day had been difficult due to Public Safety Power Shutoff by PG&E at John Muir Elementary, particularly as it marked the first BUSD school to go through a full day without power. It was a learning experience, but something to expect more of in adjusting to this "new normal." The district found new challenges to address, like securing generators and dealing with internet-based phone lines being out of service during power outages. Also, given the smoke coming in from the fires nearby, district leadership had advised restricting access to the outdoor activities for students. On a happier note, the district reached a tentative agreement with BFT late the previous evening, with details and a general press release expected the following day from the union. BFT will hold a general membership meeting after school the next day, and will have a 14-day window to ratify the agreement, which would then be ratified by the Board as the final step.

7. Approval of Minutes

Meeting Minutes drafts from June 4, 2019 and September 17, 2019

Chair Bradstreet asked the committee to review the minutes drafts and offer any suggestions or corrections.

Rep Flett motioned to approve the 6.4.19 meeting minutes, Rep Bellows seconded; the minutes were approved unanimously.

Rep Flett motioned to approve the 9.17.19 meeting minutes, Rep Simon seconded; the minutes were approved with one abstention.

8. Public Comment

There was no Public Comment

9. Information: P&O Calendar and Preview of 2019-20

Natasha Beery, Director of BSEP of BSEP and Community Relations

Director Beery reminded the group that this is a living document which is updated online as conditions change. She called attention to the format, noting that items in black text are P&O Committee meetings, those in blue are School Board meetings that relate to BSEP, and that those in red are Superintendent's Budget Advisory Committee (SBAC) meeting dates. The SBAC reviews and assists the Superintendent in reviewing the district-wide budget, and has P&O representatives. For the past two years and almost certainly again this year, there have been and will continue to be budget reductions. BSEP tax revenues represent 20% of the district budget overall, and we are in the situation of state funding being insufficient to fulfill all district needs. SBAC discussions start in December, and the P&O will elect SBAC reps at our next meeting.

10. Information: Class Size Report

Natasha Beery, Director of BSEP and Community Relations

Director Beery Distributed:

- Class Size Report
- Class Size Report Appendix A

Director Beery noted that usually we try to get the Class Size Report to the P&O first for review, and then it would be presented to the Board, but because of the Board calendar this year the order was reversed. If there were any problems it would have also been brought to the Steering Committee in September, but in the absence of any unusual points it was held until this first full meeting.

In reviewing the Report and appendix data, note that we are still phasing in the balanced elementary class sizes goals that began with the new measure in 2018, so 3rd-5th grade classes in some schools may still be higher than the 23:1 seen in K-2nd grade. Rep. Tunks Demel expressed concern with the few sites that have 4th and 5th grade classes as high as 29 students. Director Beery responded that this is a holdover from the previous measure. With Measure A's goals of a 20:1 ratio at K-3 and a 26:1 ratio for grades 4-5, smaller schools with only 3 classes per cohort faced the constant challenge of how to take 3 classes of 20 in 3rd grade and meet a 26 student goal in the upper grades. This was one of the motivations in changing the class size goals with Measure E1. Rep. Irwin noticed a large gap between class sizes at Cragmont and Emerson, and asked if students are ever re-assigned or are families offered the opportunity to change schools to be at a site with smaller classes in upper grades. Director Beery answered that the district never pushes changing schools on parents. Rep. Glimme reminded the group that this has always been a problem with the staggered class size goals at elementary level in each of the previous measures, but the good news is that with this new measure it will finally go away in 2 years. Director Beery added that we're already under the 23:1 ratio school-wide for every site, so we're meeting that goal earlier than expected, despite these few schools with spikes in class sizes. It is worth mentioning that with the introduction of the Local Control Funding Formula (LCFF), the state stopped providing incentive funding for hitting 20:1 goals, amending to 24:1 as the goal, and reduced the reward amount even for reaching higher student to teacher ratios. Currently BUSD is beating state goals by 23:1 rather than 24:1, and BSEP sets that goal at each school K-5 rather than just the state-required K-3 district-wide. Rep. Weissglass asked if the overall student numbers at each grade level are taken into account when new families come into the district.

Director Beery answered that yes, the head of Admissions tracks class sizes very closely and this is one of the reasons some families don't get their first choice of schools.

11. Update on BUSD Budget

Brent Stephens, Superintendent of Schools

Dr. Stephens presented his general remarks on the general district budget, noting that there would be some duplication from his presentation at the October 17th committee training event. This provides important context for the P&O, the Board, all other committees as we think about where BUSD is heading in the future. [See BUSD Budget Presentation Slides for details.] A big point to understand is that the district is back into a period of structural deficits due to state funding level and costs. A relatively small portion of BUSD's overall budget is fungible, and there is only a very small portion in which any changes can be made. LCAP funds are restricted to serving Unduplicated students (socioeconomically disadvantaged students, foster youth, and English Learners). BUSD is somewhat unique in the number and types of local resources (taxes and bonds). These include General Obligation Facilities Bond, Maintenance special tax, and BSEP tax. If the Maintenance tax were not to be renewed, that would represent a proportional burden added back into the General Fund which would reduce available funds for any other purposes. This Maintenance Tax is up for renewal in the coming year.

Rep. Chabot asked, given the percentage of increase in district and employee contributions, who or what used to be paying this? Dr. Stephens replied that the State is now paying less, while the districts and employees are paying more. Costs are generally climbing as is seen in all retirement systems. Rep. Glimme added that at the end of the recession, STRS (and probably PERS) realized their actuarial tables and planning were underfunded, so state legislature passed a law for increased contributions to make up for the lack of funding received through the great recession, with the goal of trying to get back to fully funding. Note that STRS is the program for certificated employees, while PERS is for classified. Rep. Irwin asked to clarify if the \$600,000 shown is an increase in next year's contribution. Dr. Stephens replied that yes, when taking both STRS and PERS obligations combined. Further, this comes right off the top of any Cost of Living Adjustment (COLA). Rep. Rabinowitz asked which other district was not deficit spending. Dr. Stephens could not recall but would look up for the next meeting, it was one of 18 in the county. Rep. Irwin felt that the takeaway from this information is that we have to grow the pie, we can't really carve from anywhere else. Rep Flett asked if there was feeling or indication of where the Governor is on this issue and the will to dump Prop 13. Dr. Stephens responded that there is mixed news; potentially there may be two measures attempting to generate revenue on the state ballot, one modifying commercial real estate assessments and taxing commercial properties at market rate, and also one in which the Ca School Board is aiming for "full and fair" funding similar to LCFF to be achieved by dialing up state funding. The Governor's budget is estimated in January, then revised May, then July-August the actual final numbers come out after our budgets are already set. The district relies on expert agencies to give us good counsel, and it's difficult to know where we're heading. Currently the thinking is that the COLA could be 2.5 million dollars in 2019-20.

Rep. Hyde asked if the agreement with the teachers' union avoids a strike situation, and also how long the agreement will be in effect? Dr. Stephens responded that BFT will share details

with teachers first before they are made public. Generally speaking contracts run 2-3 years, so we could be back at the table in 12-24 months.

12. Update on Special Tax Measure Planning

Brent Stephens, Superintendent of Schools; Natasha Beery, Director of BSEP

Dr. Stephens explained that in the past two years BUSD has been managing problems with the budget by reducing expenses, to the tune of \$3.8 million across variety of programs. There have been decreases in line items and some staffing reductions, and the district has tried to spread the reductions out across programs while keeping cuts as far from school sites as possible. Rep Simon added that 4 of the reductions in '19-20 are only possible because expenses were moved from GF to BSEP. Dr. Stephens added that there are other items as well being paid from other one-time funds, and using one-time funds means we're only postponing making hard decisions. Rep. Tunks Demel felt that only using the language of budget reduction is unclear, because in reality many changes are reductions to the GF by shifting expenses to other budgets. Judy Appel noted that the year before, it was \$2 million in actual cuts. Rep. Simon added that it is a complicated story to tell, some of it having to do with the BSEP COLA in a given year, and having that conversation broadly and publicly can lose the message and lead to more confusion. Ms. Appel felt it would be good to have a list of actual cuts over the multi-year span, separating out where funds are shifted when applicable. Director Nitschke shared that as a budget manager, although he has staff paid by BSEP, the rest of his budget is paid by the GF and there were definitely GF cuts to his budget. Rep. Bryant advised that we build a culture of explaining things, assuming that people will eventually get it. As soon as we start asking the public to pay for more, people and families will need to know the full why, and if it's complicated today, it will only get more difficult if the new tax hits. She feels that it's doable to communicate a full picture, especially if the state is also talking about making changes and improvements to taxes and school funding. However, we also need to see improvements in our end-game; where is the improvement for the dollar? What is the impact of small class size? We need data and continued plans for improvement.

Dr. Stephens anticipates reductions for the coming year, the Board is working on what those reduction targets will need to be. A fixed anticipated set of cost increases will take most of what the state COLA brings in, so our "extra" revenue will already be accounted for. Compensation in new BFT contract is a large increase in costs as well. Low class size is one of the many things that draw teachers to the district, but take-home pay matters as well. Rep. Bryant felt that the district is serving fewer children, with fewer high needs, yet still has some of the highest disproportionality in outcomes; and it's going to go out and asking for another tax. Rep. Pastika added that any additional measure before the voters does not deal with the district's systemic deficit, and regardless of its passage BUSD will still be considering budget cuts. Rep. Bryant noted that it also won't touch SpEd costs.

Rep. Chabot expressed that, while supporting teachers being paid well, it felt like the overall message about teacher compensation is opaque. She recommended talking specifically about salary, benefits, pension costs, and the overall cost of living. Berkeley property owners just received tax bills, and existing taxes have already increased a lot this year. So many families are struggling already and will demand that the district give more information. She appreciates

getting raw data, which allows clearer understanding to make decisions, and so hopes that the teacher contract communication will focus on raw data rather than messaging. Rep Irwin advised caution about the three taxes, which could create fatigue in Berkeley voters, and noted that we still don't know what will happen with potential Prop 13 revision months later. The ultimate problem is that Sacramento needs to increase funding for schools, especially for Special Education; we need to raise taxes at the state level. Dr. Stephens responded that the Board has been feeling dilemmas around this timing timing, and the varied information about what we might get in the future from the state.

Dr. Stephens spoke about recruitment issues for the district, particularly in Special Education and classified positions. Rep. Rabinowitz noted that living in Berkeley is not easy or feasible for everybody, and not everyone who works in the city can live here. It is the same situation in Albany, San Francisco, etc., because it is just astronomical to live in the Bay Area. Dr. Stephens acknowledged that the goal from this measure is to fill classrooms and positions and help the district remain competitive in hiring, not necessarily to enable home ownership for teachers or staff within city limits. One is admirable but the other is crucial. Rep. Glimme agreed, noting that the core Bay Area hasn't built enough housing for the people working here. But the challenge is that as a teacher or staff person you can't stay before and after school to complete your work if you commute 1.5 hours each way. Housing is the larger cultural and social issue now. Rep. Bryant suggested that the district take priorities a step further, to providing affordable housing specifically for teachers; asking if we partner with the city, why can't we ask builders to set aside housing. Rep. Tunks Demel asked what the future is for classified salaries. Ms. Appel answered that what is being discussed is for the proposed tax to include both certificated and classified staff salary funding increases. Rep. Glimme explained that classified and administrator union contracts have "me-too" clauses tied to the BFT contract, to ensure corresponding pay increases when the teachers receive them. Rep. Tunks Demel felt that classified staff need more of an increase even than teachers. Ms. Appel added that given the class and race differential between the classified and certificated groups, we need to be clear that we're not just taking care of the teachers with this.

BSEP measure language and the School Board advise about how BSEP funds may be used, and an upcoming discussion will be around the High Quality Instruction (HQI) fund balance of about \$4 million.

Dr. Stephens explained that of course the fourth obvious strategy in reducing the GF budget, not included on slides, is cutting; so we are facing reductions in staff and programs that support schools, for example Professional Development (PD). There is lots of work to do, and discussions to be had about how any reductions can be applied as thoughtfully as possible. The OpportunityGap.com provided the information for the last slide, representing the single most pressing issue in our district and community. It may be more accurately called a service gap, resulting in differential outcomes based on who you are. The budget building process starts rightly with articulation of goals and values, and we should remain engaged in conversations about the effectiveness of existing budgets, targeting supports, adding supports, or re-thinking where our best bets can be made to satisfy this need.

To clarify, Dr. Stephens explained that the new contract makes definite commitments to staff salary increases based on GF resources, and other commitments contingent on gaining new tax revenue; the new income will not be supplanting GF spending but complementing it. Rep. Pastika asked when the proposed measure language will be shared, as she was curious to see what accountability provisions, etc. are included. Dr. Stephens responded that the language would be completed by the coming Friday for a first reading at the Board meeting the following week. Director Beery also reminded the group that a preview was included in the October 23 Board document, which contained the tax amount and term of the measure.

13. BSEP Funds for High Quality Instruction: Potential Uses

Brent Stephens, Superintendent of Schools; Natasha Beery, Director of BSEP

Director Beery distributed the following documents:

- Measure A Resource Summary
- Measure E1REsource Summary
- 2019-20 Teacher Template

Director Beery asked, given the lateness of the hour, if she might share these handouts with committee members as a takeaway to be considered and further discussed at a later date. Given what Dr. Stephens had said previously in the meeting about needing to address district needs without using GF resources, one of the levers to achieve that is to ask what BSEP can do to help relieve budgetary pressure. These documents summarize how BSEP funds were used last year, and this year's information is coming soon. Taking a look at the current High Quality Instruction plan, we ask: are we achieving outcomes that we want, and how are we keeping to our budget? Asking these questions and evaluating their answers is the P&O Committee's task. Members should weigh in about whether the HQI budget could be a place for SpEd spending, for example. That \$3 million fund balance accumulated in the HQI budget in the first two years of the measure, and once the increase to staff compensation is figured out for this year, we may still have money to add to that fund balance. Part of that large balance is planned, specifically to avoid running out of funds as happened at the end of measure A, when the GF had to take on some expenses that were previously covered by BSEP. The BSEP budgets will still have to pick up their share of the increase in compensation (the portion not tied to the potential new tax revenue), but it won't necessarily have to keep as much of a fund balance as it has. Director Beery has asked for a budget projection from Pauline Follansbee and Liz Karam in Fiscal Services, once the compensation increase is known. We will need to evaluate how that increase will play out over a couple of years, given what's projected for enrollment, and then with that information Dr. Stephens will come with proposals about how we might use remaining available funds. Rep. Glimme reminded the group that it was actually the last two measures that ran out of money toward the end of each measure's life, so caution in planning is useful and advised.

Director Beery explained that the 2019-20 Teacher Template document is to be evaluated by the committee members in anticipation of the new Teacher Template coming soon for the 2020-21 school year. The goal is to spend time understanding how each year we calculate the number of teachers we think we'll need in the coming year. District staff start with current enrollment and projections, to estimate the total number of classrooms needed to fit class size goals, and also includes a rounding factor to eliminate partial teachers and classrooms. This year we may need to

look at adjusting those contributions if it's possible for that to be sustainable and it proves necessary. It has happened before in BSEP history. Then there is a calculation using the average cost of your teaching force, multiplied by the total number of teachers, adding in substitute pay, and direct support costs for lights and utilities to have classrooms open, which all add up to the total "BSEP bill," what amount is transferred into the GF from BSEP each year. The one piece of information that's missing from this document, and we hope Pauline Follansbee will add it, is the total overall BSEP budget for this expense. In 2019-20 it is a little over \$20 million and includes FTE for Expanded Course Offerings (ECO), Professional Development (PD), Program Evaluation, and Classroom Support. Indirect costs are also charged to the BSEP budget.

Note that BSEP will only match the average teacher compensation amount in the Teacher Template calculations, even with the new tax passage. The new tax revenue will pay the difference, with calculations built in so that it won't increase costs to GF or BSEP.

Rep Rabinowitz asked about the substantial drop-off in student enrollment in grade 12. Director Nitschke explained that high school seniors often take only 5 classes, so the number on the Teacher Template is prorated based on that reality of reduced need for teachers at that level.

Director Beery asked, before the next meeting, what committee members would like to see addressed. Rep. Flett asked about the concept behind how we can squeeze BSEP to increase teacher compensation, and if that is based on SpEd caseloads being based on the inclusion model. Also, with the idea of caseload caps, are we proposing raising class size? Rep. Rabinowitz requested a document that tracks all cuts to the district budget over the past 3 years, including a calculation of total reductions, where costs shifted, which positions were eliminated so that we can remember what has already happened.

14. For the Good of the Order

No items were offered for the good of the order.

15. Adjournment

Meeting was adjourned by acclamation at 9:27 p.m.