



Berkeley Unified School District

## **Audit Committee MINUTES**

**Monday, December 10, 2019**

**5:15 pm – 6:45 pm (Regular Meeting)**

**Business Services Conference Room**

**(Second Floor)**

**2020 Bonar Street,**

**Berkeley, CA 94702**

### **Opening of Meeting and Roll Call of Committee Members**

*Members present:*, Laurie Snowden, Isaiah Roter,

*Staff present:* Pauline Follansbee, Antonette West

*Members absent:* Judy Appel, Ka'Dijah Brown , Dan Lindheim

### **Review and approval of minutes;**

Minutes approved from September 17<sup>th</sup> **(not approved no quorum)**

### **Public Comments**

There were no Public Comments.

### **Assistant Superintendent Comments:**

- None

### **Review of 2019-20 First Interim Budget Report:**

#### **Changes since Adoption:**

- \$0.6M for state funding due to early intervention grant
- \$0.8 M mainly due to grant for low emission buses

#### **\$4M increase in expenditures**

- \$2.5M salaries and benefits due to negotiated increase and “me-too” assumptions
  - \$2.4M in expenditures mainly for ballot measure, legal and low emissions buses
- <.9M> offset for reduction in retiree benefit rate

#### **2.2M increase in contributions in**

- \$2M from Special Reserve Fund for Post-Employment Benefits
- \$0.2M from BSEP due to increase in average teacher cost as a result of negotiated salary increase

#### **2.4M increase in contributions out**

- \$1.8M in contribution to Special Education from base grant funding due to reassessing costs at First Interim

- 0.6M in contribution to Special Education from Grant for early intervention.

**Changes Since Adoption**

	<u>Adoption</u>	<u>First Interim</u>	<u>Variance</u>
Net increase (decrease) in Fund Balance	\$1,936,457	\$(856,204)	\$2,792,661
expenses			
Beginning Fund Balance	\$2,289,344	\$2,289,344	-
Ending fund balance	\$4,225,801	\$1,433,140	\$2,792,661

**Special Education Contribution Trend**

**2018-19**

Budget Adoption	\$17,685,401
Increase	\$500,000
First Interim	\$18,185,401
Increase	\$800,000
Second Interim	\$18,985,401
After Second Interim	\$1,090,000
Unaudited Actuals	\$20,075,401

**Overall Increase \$2,390,000 14%**

**2019-20**

Budget Adoption	\$18,872,921
Increase	\$2,365,097 <b>13%</b>
First Interim	\$21,238,018
Increase over prior Yr	\$1,162,617

**Multi-year Projections**

<b>Unrestricted General Fund (in millions)</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
Revenue			
<b>COLA-May Revise</b>	<b>3.26%</b>	<b>3.00%</b>	<b>2.80%</b>
Gap %	100.00%	100.00%	100.00%
LCFF Funding			
<i>Base Funding</i>	87.5	89.9	92.3
<i>Supplemental Funding</i>	5.5	5.6	5.7
Total LCFF Funding	93.0	95.5	98.0
Other State Funding	2.4	2.4	2.4
Local Funding	3.2	2.5	2.5
<b>TOTAL REVENUE</b>	<b>98.6</b>	<b>100.4</b>	<b>102.9</b>
Expenditures			
<i>Salary and Benefits</i>	-83.3	-87.9	-89.4
<i>Books and Supplies</i>	-1.9	-1.9	-1.9
<i>Services</i>	-11.1	-9.6	-9.5
<i>Capital Costs</i>	-0.7	-0.1	-0.1
<i>Indirects</i>	3.2	3.3	3.1
<i>BUDGET CUT TARGET</i>		0.0	1.0
<b>TOTAL EXPENDITURES</b>	<b>-93.8</b>	<b>-96.2</b>	<b>-69.8</b>

**Multi-year Projections CONT..**

<b>Unrestricted General Fund (in millions)</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>TOTAL SOURCES AND USES</b>	<b>-5.7</b>	<b>-4.4</b>	<b>-6.4</b>
Change in Fund balance	-0.9	-0.2	-0.3
Beginning Fund balance	2.3	1.4	1.2
<b>ENDING FUND BALANCE</b>	<b>1.4</b>	<b>1.2</b>	<b>0.9</b>
Revolving Cash	-0.1	-0.1	-0.1
Assignment for Supplemental Grant LCAP	-1.0	-0.8	-0.5
Fund 01 share of 3% reserve	-0.3	-0.2	-0.2
<b>Ending Fund Balance – Undesignated</b>	<b>0.0</b>	<b>-0.3</b>	<b>0.1</b>

**Other Considerations**

- Permit the expiration of Title 1 funds at four schools that no longer qualify for Title 1 funding
- For the second year, pay for the Dean of Attendance, two high school counselors, and the CTE coordinator position from alternative funding source
- Assume that staffing and contracting adjustments in Ed Service’s will be cost neutral
- Cost for a conversion from QSS to Escape, and from Illuminate ISI to a new Student Information System, will take place in the 2021-2022 school year.

**Closing comments: None**

**Meeting adjourned at 6:45pm**

**Dates and time of Future Meeting  
January 21, 2020 5:15 – 6:45pm**

To find a copy of the 2018-19 Audit Report:  
<https://www.berkeleyschools.net/departments/business-services-division/>