

2021-22 Budget Update



Parent Advisory Committee
District English Learner Advisory Committee
April 15, 2021

Brent Stephens. Superintendent

Topics For This Evening

1. Review of the Current LCAP Reporting and Planning Process
2. Update on 2020-21 (current year) Covid Expenditures
3. Update on Spending Capacity ("Scorecard")
 - a. Unrestricted General Fund
 - b. LCAP
 - c. BSEP
4. Revenue Assumptions and Multi-Year Projections - Unrestricted General Fund
5. Pre-Community Engagement - staff's work to build off Board priorities
6. Next Steps

Looking Forward

2021-2024

Local Control and Accountability Plan (LCAP)

1. Review Data for Areas of Greatest Progress and Greatest Need
2. Identify Performance Gaps
3. Support for Identified Schools (CSI and ATSI)
4. Stakeholder Engagement
5. Set Goals (State Priorities and Local Priorities)
6. Establish Action Areas
7. Establish Outcome Measures and Targets
8. Identify Funding
- 9.

The LCAP includes

General Fund
Supplemental Funding
BSEP
BERRA
Federal Funding

The LCAP serves as

The District's Strategic Plan for the coming school years

The LCAP draws from input from

Community
Committees
Principals and School Staff
Central Office Leaders
The Board of Education

Looking Forward

2021-2024

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The LCAP integrates

Analysis of our current participation and outcome data

- greatest progress
- greatest need

Review of current programming

Information about the district's projected revenue, and our ability over time to support schools and programs (Multi-Year Projections)

Tonight's presentations on the 21-22 Budget and the 21-24 LCAP work together:

The budget presentation provides a look ahead - as best we can right now - at our projected funding

The LCAP presentation provides a look ahead at our work to define our coming LCAP goals; the actions that drive our budgeting; and the goals and measures for our district.

21-22 Budget Scorecard:

Key Information on Budget Capacity

	General Fund	LCAP	BSEP(HQI) Measure A	Projected One Time COVID Relief
Revenue Increase (COLA), and other revenue	+\$3.3M		+\$230,000	
Cost Increases (STRS, PERS, Step and Column) and budget reductions per MYP, and increase in other sources and uses	-\$4.0M	-\$ 201,134	-152,000	
Decreased Student Enrollment/Decreased Funding	No impact in 21-22	-284		
Available New Revenue/(Deficit) (Ongoing)	<\$.7M>	NA	current deficit spending <130,000>	
Available One Time Revenue			\$171,000 Measure A	\$16M
Balance	-\$700,000	-\$978,435		

Update: 2020-21 COVID Expenditures include

- Additional contract Sports for Learning
 - (Grades 6-8) \$240,345
- Stipends, in-person instruction (all units) \$303,000
- Lifelong (Additional Staffing) \$ 50,265
- Hot Spots \$ 75,000
- Communications \$ 25,000
- Additional nursing staff for student COVID testing \$118,755

Reminder: Revenue Assumptions

	2020-21	2021-22	2022-23
Enrollment	9,844	9,155	9,155
UPC (Students)	2,743	2,551	2,551
UPP - rolling average in LCFF calculator	30.64%	28.82%	27.86%
ADA - Funded	9,426	9,426	8,766
ADA - Projected	9,426	8,766	8,766
COLA	0.00%	3.84%	2.11%

We continue to assume a 7% decrease in overall student enrollment in 21-22 and 22-23.

We have adopted an assumption for the COLA in 22-23 that averages estimates provided by the state and School Services.

Enrollment and Revenue Projections

For now, we strongly recommend using a -7% enrollment assumption for 21-22 and the following years. This places BUSD on a conservative footing for now, which we feel is wise given the dynamic nature of enrollment and state funding.

We recommend revising our enrollment assumptions only after the May 16 Round 2 enrollment deadline, and after the May 15 Revision from the state.

Collective Bargaining

Contracts with all four bargaining units are opening at the end of this year.

The cost of a 1% raise is about \$1,100,000 ongoing to the General Fund, and BSEP and LCAP are also impacted.

Let's look at three scenarios:

Modest: 1% raise, 1% one time

Moderate: 2% raise, 2% one time

COLA: 3% raise, 3% one time

Example	New Ongoing Spending from the General Fund	One Time Expenses
1% raise	\$1.1M	\$1.1M
2% raise	\$2.2M	\$2.2M
3% raise	\$3.3M	\$3.3M

What does this mean for the General Fund?

Student Enrollment	Right now, at the end our assumption about an ongoing-7% decline in enrollment appears to be accurate.	\$8M ongoing reduction in 22-23; and \$1M one time in 22-23
Increased Costs for 21-22	Right now, we are projecting cost increases that are \$700,000 in excess of new revenue.	\$700,000 reduction in spending in 21-22
Collective Bargaining	We do not know yet the impact of collective bargaining on the General Fund.	??
New Investments	New investments will require a dollar for dollar reduction in other spending - on top of the reductions listed above.	
	GF Reductions for 21-22	\$1.5M - \$3.7M (without the use of one-time funds)

Before Our Data Analysis

There are a number of organizational efficiencies or requirements that we have identified for consideration in this year's budgeting process:

1. Communications Office and BSEP/BERRA
2. Special Education
3. Unemployment Insurance
4. Conversion from QSS to ESCAPE

These are not recommendations, but a preview of one of many categories of needs.

Organizational Efficiencies or Requirements: Communications and BSEP/BERRA

COMMUNICATIONS	Total Transactions	GF impact	LCAP Impact	COVID	BSEP
BSEP/BERRA Director (reorg)	\$30,000				\$30,000
Comms Manager (reorg)	\$20,000	\$2,000			\$18,000
Comms Specialist (reorg)	\$50,000				\$50,000
Comm. Relations Special Projects	\$140,000	\$70,000			\$70,000
<i>see also Sp. Outreach proposed for OFEE</i>					
	\$240,000	\$72,000	\$0	\$0	\$168,000

Organizational Efficiencies or Requirements: Unemployment Insurance

<u>STATUTORY CHANGES - NEW</u> <u>4/2/2021</u>	Total Transactions	GF impact	LCAP Impact	COVID	BSEP
Change in UI rate from .05% to 1.23% - Districtwide (Can use ESSER last bucket) one time? Out years by fund resource	\$1,420,000			\$ 1,420,000	
	\$1,420,000	\$0	\$0	\$1,420,000	\$0

Organizational Efficiencies or Requirements: Conversion from QSS to ESCAPE

Business Enterprise System	Total Transactions	GF impact	LCAP Impact	COVID	BSEP	
Business Enterprise System (ESCAPE) - Licensing and Technical Support - One Time	\$140,000	\$140,000		\$ -	\$0	
Business Enterprise System (ESCAPE) - Licensing and Technical Support - Ongoing	\$376,000	\$376,000		\$ -	\$0	
ESCAPE Training costs One time	\$192,000	\$192,000		\$ -	\$0	
	\$708,000	\$708,000	\$0	\$0	\$0	
					\$0	
Staffing To COVID					\$0	
Site/central office based Salaries and Benefits - consider \$3 million one time	\$708,000	(\$708,000)		\$708,000	\$0	
	Total Transactions	GF impact	LCAP Impact	COVID	BSEP	
TOTALS	Year 1	\$5,004,000	\$97,000	(\$125,000)	\$4,031,000	\$168,000
	Year 2		\$473,000			

Multi-Year Projection - UGF

Multi-Year Projections 2021-22 Budget Development			
Unrestricted General Fund			
Unrestricted General Fund (in millions)	2021-22	2022-23	2023-24
REVENUE			
COLA	3.84%	2.11%	2.33%
ADA	9,426	8,766	8,766
UPP	2,551	2,551	2,551
LCFF Funding			
<i>Base Funding</i>	91.0	86.9	88.9
<i>Supplemental Funding</i>	4.9	4.5	4.6
Total LCFF Funding	95.9	91.4	93.5
Other State Funding	1.8	1.8	1.8
Local Funding	2.7	2.7	2.7
TOTAL REVENUE	100.4	95.9	98.0

Multi-Year Projection - UGF

Unrestricted General Fund (in millions)	2021-22	2022-23	2023-24
Expenditures	-92.6	-95.6	-97.1
<i>Prior Budget Adjustments - Ongoing</i>		<i>8.0</i>	<i>8.0</i>
<i>Prior Additional Adjustments - One Time</i>		<i>1.0</i>	
<i>2021-22 Pre-Community Engagement Reductions and Transfers</i>	<i>-0.1</i>	<i>-0.5</i>	<i>-0.5</i>
<i>2021-22 Pre-Community Engagement Reductions and Transfers On-going Costs</i>		<i>1.0</i>	<i>1.0</i>
<i>Negotiated salary increases will require additional reductions</i>			
TOTAL EXPENDITURES	-92.7	-86.1	-88.6
TOTAL SOURCES AND USES	-9.5	-9.5	-9.5
Change in Fund Balance	-1.8	0.3	-0.1
Beginning Fund Balance	3.0	1.2	1.5
Ending Fund Balance	1.2	1.5	1.4
Revolving Cash	-0.1	-0.1	-0.1
Assignment for Supplemental Grant LCAP	-0.8	-0.8	-0.8
Fund 01 share of 3% reserve	-0.3	-0.3	-0.3
Ending Fund Balance - Undesignated	0.0	0.3	0.2

Next Steps

Focus on data analysis for the purpose of identifying areas of improvement and equity; as well as LCAP Goals

Bring P&O recommendations for 21-22 BSEP budgets to the Board to the Board, starting next week

Continue to collaborate with Advisory Committees:
Superintendent's Budget Advisory Committee, Educator Advisory Committee, Parent Advisory Committee and District English Learner Advisory Committee

Staff will continue to consult with key partners, including our labor partners and the City of Berkeley

LCAP Community Engagement Process (described in the next presentation)