

## BERKELEY UNIFIED SCHOOL DISTRICT

**TO:** Planning and Oversight Committee  
**FROM:** Kathy Fleming, Director of Local Resources  
**DATE:** January 21, 2022  
**SUBJECT:** First Interim Report of Revenue and Expenditures in FY 2021-22 of the *Berkeley Public Schools Educational Excellence Act of 2016 (BSEP Measure E1)* and *Berkeley Public Schools Educational Excellence Act of 2006 (BSEP Measure A)*

The BSEP First Interim report provides a summary of the budgeted revenues and expenditures based on the allocations to each of the restricted Resources within the Fund, organized according to the structure of BSEP Measure E1 of 2016 and BSEP Measure A of 2006.

### **Revenue and Expenditures**

In FY 2021-22, BSEP revenue is projected to total **\$33,420,002**, which represents **19.1%** of the District's General Fund budget. This is an increase of **\$490,302** over the prior year, primarily due to a **2.0%** Cost Of Living Adjustment (COLA) as permitted by the Measure.

Projected expenditures of **\$20,814,546** and transfers to the General Fund of **\$16,522,828** (this includes the VAPA release-time transfer to the General fund of \$258,028) bring the total BSEP budgeted expenditures for 2021-22 to **\$37,337,374**, an increase of **\$1,012,528** over the prior year.

### **Indirect Costs**

The Indirect Cost rate for 2022-22 is **5.42%** and is calculated by a formula determined by the State. The rate is applied to BSEP expenses and transfers, and is projected to total **\$1,795,618**. These funds are transferred to the General Fund to support the District's common functions such as Payroll, Purchasing, Human Resources and Plant Operations.

### **Reserves and Fund Balances**

BSEP maintains a 3% reserve as required by the State. During the budgeting process, each Resource carries an unallocated reserve as a contingency to allow for variances in personnel expenditures (salary and benefits). The fund balances remaining from BSEP Measure A of 2006 and the fund balances from the current BSEP Measure E1 of 2016 are both held in separate Resources in Fund 4, and are managed in accordance with the specific terms of the Measure through which the revenues were obtained.

Measure E1 Fund Balances are maintained in each Resource of Fund 4 to meet projected program needs through the life of the current Measure, which will expire in 2024-25. The Fund Balances in the Site Program Resource (0852/0752) remain with the budgets allocated to each BUSD Site for expenditure according to the School Plan for Student Achievement, with prior year carryover available for one-time needs in accordance with the plan.

The BSEP Measure E1 budget model forecasts the need to provide fund balance reserves to meet the expectations of rising costs, particularly in the High Quality Instruction Resource, 0741,

which provides for the costs of class size reduction by paying for 30% of BUSD classroom teachers. Due to increased revenues, the fund balance in that Resource has grown beyond initial projections, and is available to meet additional program needs. Planned deficit spending continues to draw down on fund balances in multiple resources.

Measure A Fund Balances are available for expenditure in accordance with the terms of the prior 2006 Measure, and are being managed to support one-time expenditures and deferred needs. Fund balances in Measure A were drawn down significantly in 2019-20, with one-time funding provided for several positions at Berkeley High School, purchases made for instruments needed for the Music program, and Chromebook expenses, which eliminated the balance in the Technology Resource. For 2021-22, expenditures totalling **\$392,316** continue to draw down the funds across multiple resources, particularly in Music/VAPA for needed instrument purchases and repairs.

#### **POLICY/CODE**

*Berkeley Public Schools Educational Excellence Act of 2016 (Measure E1)*

*Berkeley Public Schools Educational Excellence Act of 2006 (Measure A)*

#### **FISCAL IMPACT**

BSEP budgeted expenditures are expected to total **\$37,337,374** from Measure E1 and **\$392,316** from Measure A, for a projected total of **\$37,729,690** for 2021-22.

#### **STAFF RECOMMENDATION**

Review and accept the First Interim Report for FY 2021-22 of the *Berkeley Public Schools Educational Excellence Act of 2016 (BSEP Measure E1)* and *Berkeley Public Schools Educational Excellence Act of 2006 (BSEP Measure A)*

**Fund 4 Measure E1 Resources**  
**First Interim Budget 2021-22**  
**As of 10/31/21**

RESOURCE DESCRIPTION RESOURCE NUMBER	Reserve 0700	SR/ Instruction 0741	Site Programs 0752	Music/ VAPA 0753	Insight/ Comm. 0754	Family Eng 0757	Library 0761	Tech 0762	Student Achievement 0763	Counseling 0764	Total
<b>REVENUE</b>											
Revenue	610,715	21,221,046	3,295,693	2,009,569	656,186	0	2,331,100	1,044,976	1,559,425	691,292	33,420,002
Interest	65,000	0	0	0	0	0	0	0	0	0	65,000
BSEP Contribution to General Fund	0	(15,305,500)	0	(258,028)	0	0	0	0	0	0	(15,563,528)
BSEP Direct Support	0	(576,800)	0	0	0	0	0	0	0	0	(576,800)
BSEP Substitute Compensation	0	(382,500)	0	0	0	0	0	0	0	0	(382,500)
<b>NET REVENUE</b>	<b>675,715</b>	<b>4,956,246</b>	<b>3,295,693</b>	<b>1,751,541</b>	<b>656,186</b>	<b>0</b>	<b>2,331,100</b>	<b>1,044,976</b>	<b>1,559,425</b>	<b>691,292</b>	<b>16,962,174</b>
<b>EXPENDITURES</b>											
Certificated Salaries	0	3,690,098	1,535,677	861,098	91,500	0	732,792	93,577	1,164,634	426,691	8,596,067
Classified Salaries	0	123,837	541,279	178,085	236,565	0	703,991	538,741	0	0	2,322,498
Employee Benefits	0	1,231,759	659,975	364,865	179,479	0	608,622	272,265	320,250	262,513	3,899,728
Books and Supplies	0	52,150	355,558	240,582	12,000	0	143,056	34,000	0	0	837,346
Unallocated Reserve	0	433,294	1,004,866	50,378	15,035	0	81,018	45,783	48,700	22,231	1,701,305
Contract Services	625,715	248,500	295,793	313,300	80,626	0	70,937	0	27,112	0	1,661,983
Capital Outlay	0	0	0	0	0	0	0	0	0	0	0
Indirect Costs	0	1,150,181	238,108	108,851	0	0	121,975	53,353	84,590	38,560	1,795,618
<b>TOTAL EXPENDITURES</b>	<b>625,715</b>	<b>6,929,819</b>	<b>4,631,257</b>	<b>2,117,159</b>	<b>615,205</b>	<b>0</b>	<b>2,462,391</b>	<b>1,037,719</b>	<b>1,645,286</b>	<b>749,995</b>	<b>20,814,546</b>
<b>NET INCREASE (DECREASE)</b>	<b>50,000</b>	<b>(1,973,573)</b>	<b>(1,335,564)</b>	<b>(365,618)</b>	<b>40,981</b>	<b>0</b>	<b>(131,291)</b>	<b>7,257</b>	<b>(85,861)</b>	<b>(58,703)</b>	<b>(3,852,372)</b>
<b>FUND BALANCE ANALYSIS</b>											
Beginning Fund Balance	1,088,926	6,382,707	1,736,906	1,074,415	348,129	47,874	746,621	280,499	608,288	245,027	12,559,392
Net Increase (Decrease) in FD Bal	50,000	(1,973,573)	(1,335,564)	(365,618)	40,981	0	(131,291)	7,257	(85,861)	(58,703)	(3,852,372)
Ending Fund Balance	1,138,926	4,409,134	401,343	708,797	389,110	47,874	615,330	287,756	522,427	186,324	8,707,021

**Fund 4 Measure A Resources**  
**First Interim Budget 2021-22**  
**As of 10/31/21**

RESOURCE DESCRIPTION RESOURCE NUMBER	Reserve 0000	Class Size Reduction 0841	te Discre- tionary 0852	lusic/ VAPA 0853	Public Info 0854	PD 0855	Evaluation 0856	mily Eng 0857	Library 0860	Tech 0862	Total
<b>REVENUE</b>											
Revenue	(10,000)	0	0	0	0	0	0	0	0	0	(10,000)
BSEP Contribution to General Fund	0	0	0	0	0	0	0	0	0	0	0
BSEP Direct Support	0	0	0	0	0	0	0	0	0	0	0
BSEP Substitute Compensation	0	0	0	0	0	0	0	0	0	0	0
<b>NET REVENUE</b>	<b>(10,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(10,000)</b>
<b>EXPENDITURES</b>											
Certificated Salaries	0	0	0	0	0	0	0	0	0	0	0
Classified Salaries	0	0	0	0	0	0	0	0	0	0	0
Employee Benefits	0	0	0	0	0	0	0	0	0	0	0
Books and Supplies	0	0	0	190,000	1,200	0	0	4,000	80,000	0	275,200
Unallocated Reserve	0	0	0	0	0	0	0	0	0	0	0
Contract Services	3,500	0	0	0	80,000	0	0	17,800	0	0	101,300
Capital Outlay	0	0	0	0	0	0	0	0	0	0	0
Indirect Costs	0	0	0	10,298	0	0	0	1,182	4,336	0	15,816
<b>TOTAL EXPENDITURES</b>	<b>3,500</b>	<b>0</b>	<b>0</b>	<b>200,298</b>	<b>81,200</b>	<b>0</b>	<b>0</b>	<b>22,982</b>	<b>84,336</b>	<b>0</b>	<b>392,316</b>
<b>NET INCREASE (DECREASE)</b>	<b>(13,500)</b>	<b>0</b>	<b>0</b>	<b>(200,298)</b>	<b>(81,200)</b>	<b>0</b>	<b>0</b>	<b>(22,982)</b>	<b>(84,336)</b>	<b>0</b>	<b>(402,316)</b>
<b>FUND BALANCE ANALYSIS</b>											
Beginning Fund Balance	41,659	171,144	187,501	216,686	219,751	52,057	19,106	75,145	162,613	0	1,145,660
Net Increase (Decrease) in FD Bal	(13,500)	0	0	(200,298)	(81,200)	0	0	(22,982)	(84,336)	0	(402,316)
Ending Fund Balance	28,159	171,144	187,501	16,388	138,551	52,057	19,106	52,163	78,277	0	743,344