

BERKELEY UNIFIED SCHOOL DISTRICT

TO: Enikia Ford Morthel, Superintendent
FROM: Kathy Fleming, Director of Local Resources
DATE: February 1, 2023
SUBJECT: First Interim Report of Revenue and Expenditures in FY 2022-23 of the Berkeley Public Schools Educator Recruitment and Retention Act of 2020 (*BERRA Measure E*)

The BERRA First Interim report provides a summary of the budgeted revenues and expenditures based on the allocations to each of the Resources within the Fund, organized according to the structure of BERRA Measure E of 2020.

Revenue

The 2022-23 Fiscal Year is the third year of the BERRA measure, which was passed by the voters of Berkeley in March, 2020 in order to recruit and retain qualified teachers and staff for the Berkeley Unified School District (“District”) by providing funding, as specified in the Measure, to improve Berkeley public school educator salaries and address hard-to-staff positions.

For the third year of this 12 year measure, revenues are projected to total **\$10,609,300** which represents **5%** of the District’s General Fund budget.

Unrestricted Funds, Oversight, and Expenditures

Ninety-five percent (95%) of Available Revenues from the BERRA measure are to be dedicated to supplementing the salaries of District Educators, and five percent (5%) are to be dedicated to providing programs designed to strengthen recruitment, retention and development strategies for certificated and classified District personnel, especially in hard-to-fill positions.

In order to determine the Available Revenues of the Measure, funds are first set aside in an “unrestricted” resource to meet the charges for services provided by the County of Alameda and the City of Berkeley for the preparation and collection of the tax, legal and audit fees, and to maintain a 3% reserve as required by the State. One percent (1%) of the remaining revenues (\$100,699) are set aside for costs related to planning, monitoring, evaluating and reporting the use of these funds, providing support for staffing the oversight committee and attendant purposes.

Revenues totalling **\$9,791,571** for educator salaries are projected, of which **\$10,174,594** are planned for expenditure. The 5% set aside for programs and expenses related to recruitment and retention for hard to fill positions, is projected at **\$515,346**, of which **\$618,688** is planned for expenditure.

Indirect Costs

The budget for 2022-23 sets aside funds for The Indirect Cost rate for 2022-23 is **6.44%** and is calculated by a formula determined by the State. The rate is applied to BERRA expenses and transfers, and is projected to total **\$629,489**. These funds are transferred to the General Fund to support the District’s common functions such as Payroll, Purchasing, Human Resources and Plant Operations.

POLICY/CODE

Berkeley Public Schools Educator Recruitment and Retention Act of 2020

FISCAL IMPACT

BERRA budgeted expenditures are expected to total **\$11,112,254**.

STAFF RECOMMENDATION

Review and accept the First Interim Report for FY 2022-23 of the *Berkeley Public Schools Educator Recruitment and Retention Act of 2020*

BERKELEY UNIFIED SCHOOL DISTRICT
Berkeley Educator Recruitment and Retention Act (BERRA)
First Interim Budget 2022-23
As of 10/31/2022

	Unrestricted 600	Oversight 610	Recruitment and Retention 615	Educator Compensation 620	Total
REVENUE					
Parcel Tax Revenue	198,273	104,110	515,346	9,791,571	10,609,300
Parcel Tax Revenue-Prior Year	0	0	0	0	0
Interest	20,000	0	0	0	20,000
Net Revenue	218,273	104,110	515,346	9,791,571	10,629,300
EXPENDITURES					
Certificated Salaries	0	42,317	322,671	4,884,000	5,248,988
Classified Salaries	0	31,769	97,200	2,264,697	2,393,666
Employee Benefits	0	21,928	116,753	1,947,972	2,086,653
Books & Supplies	0	500	9,710	0	10,210
Unallocated Reserve and Carryover	0	185	0	485,500	485,685
Contracted Services	218,273	4,000	35,290	0	257,563
Indirect Costs	0	0	37,064	592,425	629,489
TOTAL EXPENDITURES	218,273	100,699	618,688	10,174,594	11,112,254
NET INCREASE (DECREASE)	0	3,411	(103,342)	(383,023)	(482,954)
FUND BALANCE ANALYSIS					
Beginning Fund Balance	365,422	49,038	370,180	737,077	1,521,718
Net Increase (Decrease) in Fund Balance	0	3,411	(103,342)	(383,023)	(482,954)
Ending Fund Balance	365,422	52,449	266,838	354,054	1,038,764
3% reserve	6,548	3,021	18,561	305,238	333,368
Unrestricted Amount	358,874	49,428	248,277	48,817	705,396