

BERKELEY UNIFIED SCHOOL DISTRICT

TO: Enikia Ford Morthel, Superintendent
FROM: Kathy Fleming, Director of Local Resources
DATE: February 21, 2024
SUBJECT: First Interim Report of Revenue and Expenditures in FY 2023-24 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 First Interim Report covers the reporting period from July 1, 2023 ending January 31, 2024. 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. In 2022-23, expenditures were made to draw down the funds to a balance of \$0 across all Measure A resources. Measure A resources were fully expended at the end of 2022-23.

Revenue and Expenditures

In FY 2023-24, BSEP Measure E1 revenue is projected to total **\$37,210,002**, which represents **18%** of the District's General Fund budget. This is an increase of **\$2,325,002** over the prior year's adopted budget, due to a **4.9%** Cost Of Living Adjustment (COLA) as permitted by the Measure.

Projected expenditures of **\$22,773,912** and transfers to the General Fund of **\$17,410,647** (this includes the VAPA release-time transfer to the General fund of (\$306,000) bring the total BSEP budgeted expenditures for 2023-24 to **\$40,490,559**.

Indirect Costs

The Indirect Cost rate for 2022-23 is **6.14%** and is calculated by a formula determined by the State. The rate is applied to BSEP expenses and transfers, and is projected to total **\$2,218,133**. 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 at the end of the 2024-25 fiscal year. The Fund Balances in the Site Program Resource 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 approximately 30% of BUSD classroom teachers. 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. In 2022-23, expenditures were made to draw down the funds to a balance of \$0 across all Measure A resources. Measure A resources were fully expended at the end of 2022-23.

BERKELEY UNIFIED SCHOOL DISTRICT
FUND 04 - BERKELEY SCHOOLS EXCELLENCE PROGRAM (BSEP)
Revenue and Expenditures
1st Interim Report 2023-24

	Administration 0000	Administration 0700	CSR/Instruction 0741	Site Programs 0752	Music/VAPA 0753	Oversight/Comm 0754	Family Engagement 0757	Library 0761	Tech 0762	Student Achievement 0763	Counseling 0764	Total
REVENUE												
Parcel Tax Revenue	\$ - .00	\$ 603,000.00	\$ 23,622,430.00	\$ 3,668,635.00	\$ 2,236,973.00	\$ 730,440.00	\$ - .00	\$ 2,594,888.00	\$ 1,163,226.00	\$ 1,735,891.00	\$ 769,519.00	\$ 37,125,002.00
Parcel Tax Revenue-Prior Year	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00
Interest	\$ - .00	\$ 85,000.00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ 85,000.00
Other Local	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00
Net Revenue	\$ - .00	\$ 688,000.00	\$ 23,622,430.00	\$ 3,668,635.00	\$ 2,236,973.00	\$ 730,440.00	\$ - .00	\$ 2,594,888.00	\$ 1,163,226.00	\$ 1,735,891.00	\$ 769,519.00	\$ 37,210,002.00
												\$ - .00
EXPENDITURES												
Certificated Salaries	\$ - .00	\$ - .00	\$ 4,484,648.00	\$ 1,702,415.00	\$ 971,034.00	\$ 139,749.00	\$ - .00	\$ 837,854.00	\$ 93,668.00	\$ 1,164,476.00	\$ 505,357.00	\$ 9,899,201.00
Classified Salaries	\$ - .00	\$ - .00	\$ 138,696.00	\$ 687,438.00	\$ 202,628.00	\$ 408,076.00	\$ - .00	\$ 753,315.00	\$ 459,298.00	\$ 4,000.00	\$ - .00	\$ 2,653,451.00
Employee Benefits	\$ - .00	\$ - .00	\$ 1,476,794.00	\$ 837,090.00	\$ 432,211.00	\$ 212,070.00	\$ - .00	\$ 692,376.00	\$ 346,937.00	\$ 358,480.00	\$ 171,818.00	\$ 4,527,776.00
Books & Supplies	\$ - .00	\$ - .00	\$ 65,289.00	\$ 297,119.00	\$ 162,000.00	\$ 15,000.00	\$ 16,018.00	\$ 216,540.00	\$ 57,450.00	\$ 17,963.00	\$ - .00	\$ 847,379.00
Unallocated Reserve and Carryover	\$ - .00	\$ - .00	\$ (161,335.00)	\$ 225,594.00	\$ 65,435.00	\$ 26,859.00	\$ - .00	\$ 41,369.00	\$ 156,289.00	\$ 182,132.00	\$ 8,251.00	\$ 544,594.00
Contracted Services	\$ 5,500.00	\$ 688,000.00	\$ 225,211.00	\$ 376,943.00	\$ 339,075.00	\$ 91,300.00	\$ 8,532.00	\$ 76,800.00	\$ 146,017.00	\$ 84,000.00	\$ - .00	\$ 2,041,378.00
Capital Outlay	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ 40,000.00	\$ - .00	\$ - .00	\$ 40,000.00	\$ - .00	\$ - .00	\$ - .00	\$ 80,000.00
Indirect Costs	\$ - .00	\$ - .00	\$ 1,454,713.00	\$ 212,224.00	\$ 129,405.00	\$ - .00	\$ - .00	\$ 163,217.00	\$ 67,290.00	\$ 111,199.00	\$ 42,085.00	\$ 2,180,133.00
TOTAL EXPENDITURES	\$ 5,500.00	\$ 688,000.00	\$ 7,684,016.00	\$ 4,338,823.00	\$ 2,341,788.00	\$ 893,054.00	\$ 24,550.00	\$ 2,821,471.00	\$ 1,326,949.00	\$ 1,922,250.00	\$ 727,511.00	\$ 22,773,912.00
												\$ - .00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (5,500.00)	\$ - .00	\$ 15,938,414.00	\$ (670,188.00)	\$ (104,815.00)	\$ (162,614.00)	\$ (24,550.00)	\$ (226,583.00)	\$ (163,723.00)	\$ (186,359.00)	\$ 42,008.00	\$ 14,436,090.00
												\$ - .00
OTHER FINANCING SOURCES AND												
												\$ - .00
BSEP Contribution	\$ - .00	\$ - .00	\$ (16,587,200.00)	\$ - .00	\$ (253,547.00)	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ (16,840,747.00)
BSEP Direct Support	\$ - .00	\$ - .00	\$ (569,900.00)	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ (569,900.00)
BSEP Substitute Compensation	\$ - .00	\$ - .00	\$ (306,000.00)	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ (306,000.00)
Total Interfund Transfers Out	\$ - .00	\$ - .00	\$ (17,463,100.00)	\$ - .00	\$ (253,547.00)	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ - .00	\$ (17,716,647.00)
												\$ - .00
NET INCREASE (DECREASE)	\$ (5,500.00)	\$ - .00	\$ (1,524,686.00)	\$ (670,188.00)	\$ (358,362.00)	\$ (162,614.00)	\$ (24,550.00)	\$ (226,583.00)	\$ (163,723.00)	\$ (186,359.00)	\$ 42,008.00	\$ (3,280,557.00)
												\$ - .00
FUND BALANCE ANALYSIS												
Beginning Fund Balance	\$ 32,553.00	\$ 3,284,363.00	\$ 2,597,551.00	\$ 2,106,168.00	\$ 1,175,346.00	\$ 591,486.00	\$ 47,676.00	\$ 896,866.00	\$ 493,397.00	\$ 1,109,352.00	\$ 309,929.00	\$ 12,644,687.00
Net Increase (Decrease) in Fund Balance	\$ (5,500.00)	\$ - .00	\$ (1,524,686.00)	\$ (670,188.00)	\$ (358,362.00)	\$ (162,614.00)	\$ (24,550.00)	\$ (226,583.00)	\$ (163,723.00)	\$ (186,359.00)	\$ 42,008.00	\$ (3,280,557.00)
Ending Fund Balance	\$ 27,053.00	\$ 3,284,363.00	\$ 1,072,865.00	\$ 1,435,980.00	\$ 816,984.00	\$ 428,872.00	\$ 23,126.00	\$ 670,283.00	\$ 329,674.00	\$ 922,993.00	\$ 351,937.00	\$ 9,364,130.00