

HIGH QUALITY INSTRUCTION
Class Size Reduction, Support for Teaching and Learning
BSEP Measure E1, Resource 0741

ANNUAL REPORT: FY 2022-23
UPDATE: FY 2023-24

Measure E1 Purpose

...reducing class sizes at all District-operated K-12 schools, and may also be allocated to provide funding for professional development, classroom support, program evaluation, and expanded course offerings.¹

Budget Managers: Jill Hogendyk, Associate Superintendent for Educational Services

BACKGROUND INFORMATION

According to Measure E1 of 2016, High Quality Instruction (HQI), “sixty-six percent (66%) of the Available Revenues shall be dedicated annually to reducing class sizes at all District-operated K-12 schools, and may also be allocated to provide funding for professional development, classroom support, program evaluation, and expanded course offerings.”²

Under the prior BSEP measures, elementary class size averages were calculated district-wide, allowing for significant variation among schools, and the K-3 and 4-5 class averages had different goals of 20:1 and 26:1. Since the inception of BSEP Measure E1 in 2017, the average class sizes are being gradually adjusted, with the aim of achieving school-wide K-5 averages of 23:1. This exceeds the State class-size reduction goal of 24:1 for K-3 both in class size and grade span. The BSEP class size goals for grades 6-12 remain as under prior measures, with district-wide averages of 28:1, and are further reduced to below 18:1 for the continuation high school.

The contribution of BSEP Class Size Reduction (CSR) Funds for classroom teachers is estimated using a planning tool known as the “Teacher Template.” The Teacher Template calculates student enrollment and staffing for class size ratios to be paid for by General Fund (GF) resources, and then calculates additional class size reduction costs to be paid for by BSEP funds. This calculation is based on the average actual cost of classroom teachers and release time, along with the average costs of substitute teachers, and a “direct support” calculation that provides for the costs of the additional classrooms that must be maintained to achieve lower class sizes. This contribution to the General Fund by BSEP is known as the “Teacher Transfer.”

After Class Size Reduction targets are met through the Teacher Template calculation, the Measure allows for discretionary expenditures in support of teaching and learning, including such purposes as professional development, classroom support, program evaluation, and expanded course offerings. These expenditures are directly charged to the Measure.

REPORT ON EXPENDITURES 2022-23

The HQI programs Professional Development, Program Evaluation, Expanded Course Offerings and Classroom Support are described in more detail in their respective reports in appendices.

¹ BSEP Measure E1 of 2016 Section 3.A

² BSEP Measure E1 of 2016, Section 3.A

Below is the Revenue and Expenditure summary report for 2022-23 for expenditure of BSEP funds towards Class Size Reduction and additional purposes included in this resource.

2022-23 CLASS SIZE REDUCTION FUND – REVENUE AND EXPENDITURES

Class size goals were met through this resource, as detailed in the Class Size Reduction report to the Board of Education, October 4, 2023.

The initial Teacher Template Calculations for the coming year are developed in the spring and are reviewed and approved by both the Planning and oversight Committee and the Board of Education. The approved Teacher Template is an estimate of anticipated costs to achieve the class size reduction targets for the coming year and are adjusted as necessary as financial information becomes known. The amount of the approved Teacher Template can change between budget adoption and the closing of the fiscal year due to unanticipated changes in annual costs. See the Revenue and Expenditures Comparison Report FY 2022-23 at the end of this report for further detail.

RESOURCE SUMMARY

Plans for FY 2022-23 for this resource included additional program-related costs that were intended to draw down upon the fund balance. The following table shows the Adopted Budgeted and Unaudited Actuals for each HQI program:

HQI Program	Adopted Budget as of 7/01/22	Unaudited Actuals as of 6/30/23
Professional Development	2,331,940	1,810,214
Program Evaluation	770,975	874,719
Expanded Course Offerings	920,374	886,806
Classroom Support	1,863,763	1,584,683

Expenditures from HQI Program were lower than initially budgeted primarily due to savings in employee salary benefits and the unused Unallocated Reserve. The program savings accrue to the overall HQI Fund Balance.

3/12/24: The fund balance for this resource at close of 2022-23, the sixth year of the eight year measure, is \$2,597,551, which is a \$2.8M decrease from the ending fund balance for 2021-22.

3-22-24 Update : The fund balance for this resource at close of 2022-23, the sixth year of the eight year measure, is \$2,947,551, which is a \$2.45M decrease from the ending fund balance for 2021-22.

The reduction of the ending fund balance was driven largely by the increase in the Teacher Transfer actual cost over the adopted budget. The increase was due to a 1st Interim adjustment for the 6% raises in 2022-23 and a final adjustment at closing due to actual staffing costs exceeding projections.

3/22/24 Update :

Subsequent to 3-12-22, an analysis was conducted to examine the source of the final adjustment to the BSEP Teacher Transfer costs at the closing of 2022-23. The analysis resulted in a reduction adjustment to the final figure for the BSEP Teacher Transfer costs as included in the table below. The +\$350,000 adjustment will be made to the BSEP Teacher Transfer at the closing of 2023-24.

The following table shows the Adopted Budgeted, Unaudited Actuals and an adjustment for HQI, as of 3/22/24:

2022-23	Adopted Budget as of 7/01/22	Unaudited Actuals as of 6/30/23	Adjustment 3-22-24	Adopted Budget vs. Unaudited Actuals 2022/23	Adopted Budget vs. Unaudited Actuals 2022/23 Adjustment 3-22-24	Increase to Ending Fund Balance per Adjustment 3-22-24
Revenue	22,158,906	22,158,906	22,158,906			
HQI Expenditures						
Teacher Transfer	16,017,100	18,397,956	18,047,956	2,380,856	2,030,856	
HQI Programs (Includes Indirect Costs)	7,297,679	6,571,048	6,571,048	(730,629)	(730,629)	
HQI Expenditures Total	23,314,779	24,969,004	24,619,004	1,650,227	1,300,227	350,000
Change to Fund Balance	(1,159,871)	(2,810,098)	(2,460,098)			
Beginning Fund Balance	4,409,134	5,407,649	5,407,649			
Net Increase (Decrease) in Fund balance	(1,155,873)	(2,810,098)	(2,460,098)			
Ending Fund Balance	3,253,261	2,597,551	2,947,551			

Update FY 2023-24 for BSEP High Quality Instruction Budget

3-12-24: As noted in the First Interim Report for 2023-24, The cost of the Teacher Transfer for Class Size Reduction remained consistent with the 2023-24 Adopted Budget at \$17,463,100. The updated projected Ending Fund Balance for the HQI program area for 2023-24 is \$1,072,865.

3-22-24 Update: The updated projected Ending Fund Balance for the HQI program area for 2023-24 is \$1,422,865.

HQI Revenue and Expenditures Comparison Report FY 2022-23

BERKELEY UNIFIED SCHOOL DISTRICT				
FUND 04 - BERKELEY SCHOOLS EXCELLENCE PROGRAM (BSEP)				
Revenue and Expenditures				
0741 High Quality Instruction				
Comparison Report 12/4/23				
	Adopted Budget 2022-23 as of 6/29/22	Unaudited Actuals 2022/23 as of 06/30/23	Adopted Budget 2023-24 As of 06/14/23	1st Interim Budget 2023/24 as of 10/31/23
REVENUE				
Parcel Tax Revenue	\$ 22,158,906.00	\$ 22,158,906.00	\$ 23,622,430.00	\$ 23,622,430.00
Parcel Tax Revenue-Prior Year	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ -
Interest-Prior Year	\$ -	\$ -	\$ -	\$ -
NET REVENUE	\$ 22,158,906.00	\$ 22,158,906.00	\$ 23,622,430.00	\$ 23,622,430.00
EXPENDITURES				
Certificated Salaries	\$ 3,788,236.00	\$ 3,567,213.64	\$ 4,393,878.00	\$ 4,484,648.00
Classified Salaries	\$ 104,511.00	\$ 121,880.32	\$ 138,696.00	\$ 138,696.00
Employee Benefits	\$ 1,233,645.00	\$ 1,156,512.20	\$ 1,454,564.00	\$ 1,476,794.00
Books & Supplies	\$ 12,000.00	\$ 10,874.60	\$ 12,000.00	\$ 65,289.00
Unallocated Reserve	\$ 317,160.00	\$ -	\$ (161,335.00)	\$ (161,335.00)
Contracted Services	\$ 431,500.00	\$ 299,941.94	\$ 391,500.00	\$ 225,211.00
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Indirect Costs	\$ 1,410,627.00	\$ 1,414,625.38	\$ 1,454,713.00	\$ 1,454,713.00
TOTAL EXPENDITURES	\$ 7,297,679.00	\$ 6,571,048.08	\$ 7,684,016.00	\$ 7,684,016.00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 14,861,227.00	\$ 15,587,857.92	\$ 15,938,414.00	\$ 15,938,414.00
OTHER FINANCING SOURCES AND USES				
BSEP Contribution	\$ (15,152,600.00)	\$ (17,511,267.81)	\$ (16,587,200.00)	\$ (16,587,200.00)
BSEP Direct Support	\$ (584,900.00)	\$ (593,566.00)	\$ (569,900.00)	\$ (569,900.00)
BSEP Substitute Compensation	\$ (279,600.00)	\$ (293,122.00)	\$ (306,000.00)	\$ (306,000.00)
Total Interfund Transfers Out	\$ (16,017,100.00)	\$ (18,397,955.81)	\$ (17,463,100.00)	\$ (17,463,100.00)
NET INCREASE (DECREASE)	\$ (1,155,873.00)	\$ (2,810,097.89)	\$ (1,524,686.00)	\$ (1,524,686.00)
FUND BALANCE ANALYSIS				
Beginning Fund Balance	\$ 4,409,134.00	\$ 5,407,649.06	\$ 3,114,160.00	\$ 2,597,551.00
Net Increase (Decrease) in Fund Balance	\$ (1,155,873.00)	\$ (2,810,097.89)	\$ (1,524,686.00)	\$ (1,524,686.00)
Ending Fund Balance	\$ 3,253,261.00	\$ 2,597,551.17	\$ 1,589,474.00	\$ 1,072,865.00