

BERKELEY UNIFIED SCHOOL DISTRICT

TO: Planning and Oversight Committee
FROM: Kathy Fleming, Director of Local Resources
DATE: March 26, 2024
SUBJECT: Second Interim Report of Revenue and Expenditures in FY 2023-24 of the Berkeley Public Schools Educator Recruitment and Retention Act of 2020 (*BERRA Measure E*)

The Second Interim Report covers the reporting period from July 1, 2022 ending January 31, 2023. The BERRA Second 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 2023-24 Fiscal Year is the fourth 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 fourth year of this 12-year measure, revenues are projected to total **\$11,200,000** 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 (\$110,320) are set aside for costs related to planning, monitoring, and reporting the use of these funds, providing support for staffing the oversight committee and attendant purposes.

Revenues totaling **\$10,375,596** for educator salaries are projected, of which **\$10,806,419** are planned for expenditure (expenditure figure includes use of 2023-24 Beginning Fund Balance). The 5% set aside for programs and expenses related to recruitment and retention for hard to fill positions, is projected at **\$546,084**, of which **\$732,138** is planned for expenditure (expenditure figure includes use of 2023-24 Beginning Fund Balance). The projected expenses of **\$783,903** includes an increase for salaries and benefits to reflect a 0.5 FTE increase.

Indirect Costs

The budget for 2023-24 sets aside funds for The Indirect Cost rate for 2023-24 is **6.14%** and is calculated by a formula determined by the State. The rate is applied to BERRA expenses and transfers, and is projected to total **\$662,195**. 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

BERRA 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 from the current BERRA Measure E of 2020 are held in separate Resources in Fund 4 and are managed in accordance with the specific terms of the Measure.

Measure E 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 FY 2031-32. The Fund Balances in the Program Resources remain with prior year carryover available for use in accordance with the measure.