



Audit Committee Meeting

Date: December 6, 2021

Time: 4:00-5:30pm via Zoom

Facilitator: Pauline Follansbee

In Attendance

Laurie Snowden, Isaiah Roter, Dan Lindheim, Pauline Follansbee, Elizabeth Karam, Laura Babbitt,

Members absent: Kadijah Brown

Call to order was made by Member Laurie Snowden and Quorum was established

Member Laurie Snowden reviewed the agenda

Approval of Minutes

Quorum was not established in prior meeting, no minutes were recorded

Public Comments

No public comments

Assistant Superintendent Comments

I want to thank Liz for all our hard work for putting the book together. It's very challenging for all of us in the fiscal department. We are converting to escape so several days a week we're in four or five hours meetings going through all the nuts and bolts of converting from one system to a new one so thanks Liz and her team. Just initially for the governor's budget we're hearing very good things every meeting I've been in. Nothing but good news, additional money just a matter of determining how much and how they're going to give it to us or they're going to give us a cola, they're going to give us one-time funding and again going to give us a break, we're looking forward to the governor's budget in January.

Review of the Agenda

First Interim Overview

- **Budget Reduction Principles**
- **Budget Reduction Proposal**
- **ACOE Format for Budget Reductions**

First Interim Variance Report

First Interim Budget

Budget Priorities

New Business – First Interim

Assistant Superintendent Follansbee started the review of First Interim with comments on: Positive certification after budget reductions of \$4.6M, change from initial target shared with public of \$6M. One item is reduction of contribution to nutrition services regardless of ADA is included in the first interim budget. We have convened a budget leadership team on how we are going to do cuts. Budget reduction will be shared with you of the draft taken to SBAC and board and share the format ACOE believes we should present these reductions. We are protecting services to students LCAP goals and programs. All reductions decisions are on our data before we make any reductions.

Member Dan Lindheim asked Pauline to remind the committee the reason for budget cuts and the fiscal cliff.

Assistant Superintendent Follansbee explained.; We are in what is called a “Hold Harmless” position in terms of ADA at 2019 pre-pandemic ADA numbers, we were able to use funding for 2020-21. –22. No more provision to take advantage of prior year funding. We no longer have that option to our budget; our ADA has decreased by 600 students in 2022-23 enrollment numbers driving the budget reduction. This is the funding cliff you hear about. If we don’t meet these budget requirements we may receive a negative opinion, which is serious.

Assistant Superintendent Follansbee reviewed the Budget Reductions and the ACOE format in which was requested to determine budget reductions. (see link below to review presentation). Following the review of the Budget Reduction the committee went forward to review the first interim budget. (see links under first interim below for data).

Link to Presentation

<https://docs.google.com/presentation/d/1d-YxhKSSIEgP-Eh1MLyNiUlybqN5nAX1hE4p2UEO4ro/edit#slide=id.p>

First Interim Overview

Positive Certification after Budget Reductions

- a. Budget Reductions
 - Principles
 - SBAC List
 - ACOE Format

First Interim

- b. [Enrollment and ADA](#)
- a. [Variance Report](#)
- a. [Budget Book](#)

a. [Multi- Year Projection](#)

Questions:

Member Roter asked clarification on maintenance of effort in Special Education

Maintenance of effort requirement says that you have to spend \$ 1 more in the current year than you spent in the last year. If we are being more efficient in providing services to our special education students, those efficiencies result in saving, do we still comply with the maintenance of effort requirements?

Assistant Superintendent Follansbee reported that there are exceptions we can file. If we are serving less, for example, that shows we do not need to spend as much. Based on dollars for students, and not total amount spent. We self-report these requirements.

Member Roter asked if these ratings or other processes when June arrives and the board does have to institute cuts or other cuts. Will there be a process, and we find out there is more money available, which cuts get reinstated?

Assistant Superintendent Follansbee response; We start budget discussion in January after the budget workshop by the Governor, we will then know how much we will get and then we look at budget priorities and determine which program remains.

Member Snowden asked for clarification on who determined the reductions to Special Education

Assistant Superintendent Follansbee reported that various budget leaders came together and collaborated on these reductions where a disproportionate amount of spending was identified. The budget leadership team determined Education Services look at programs for savings.

Next Steps:

Governors Adopted Budget, may be additional funding for STRS/PERS. Schools are submitting before Governors adopted budget from the state. 45-day revision if amendment is needed, continue working with committees regarding budget.

Structural deficits in our budgets major parts are hoping enrollment returns to pre- pandemic levels. We are losing 400 students \$10K per ADA, LCF \$4M working with the enrollment team. Suspect we will be back on track but unsure.

MYP with and without one- times

Revenue projections were calculated using the (FCMAT) LCFF calculator and are based on the Governor's 2021-22 May Revise Budget. The ACOE is requiring districts to provide two multi-year scenarios, one with and one without one-time funds. (see attachments for detail on MYP with and without)

Next Meeting Date: January 24, 2022 (4-5:30P) – Review Governors Workshop Results

Meeting adjourned at 5:10 pm

Action Items

None recorded

First Interim can be found @

<https://www.berkeleyschools.net/departments/business-services-division/>