

BERKELEY UNIFIED SCHOOL DISTRICT

TO: Enikia Ford Morthel, Superintendent
FROM: Kathy Fleming, Director of Local Resources
DATE: May 6, 2026
SUBJECT: Second Interim Report of Revenue and Expenditures in FY 2025-26 of the *Berkeley Public Schools Educational Excellence Act of 2024 (BSEP Measure H)* and *Berkeley Public Schools Educational Excellence Act of 2016 (BSEP Measure E1)*

The Second Interim Report covers the reporting period from November 1, 2025 ending January 31, 2026. The BSEP Measure H and the BSEP Measure E1 Second Interim Reports provide a summary of the budgeted revenues and expenditures based on the allocations to each of the restricted Resources within each Measure of the Fund organized according to the structure of BSEP Measure H of 2024 and BSEP Measure E1 of 2016.

BSEP Measure H Revenue and Expenditures

At Second Interim, the 2025-26 BSEP Measure H revenue is projected to total **\$46,167,071**, which represents approximately **20%** of the District's General Fund budget. This is an increase of **\$4,220,047** over the prior year's adopted budget driven by the tax rate as included in the measure language of BSEP Measure H of 2024. This additional revenue has been allocated to each BSEP resource per the percentages specified in the measure.

In order to determine the Available Revenues of the Measure, funds are first set aside in BSEP Resource 0800 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. Two and a half percent (2.5%) of the remaining revenues are set aside to support of the Planning and Oversight Committee, School Site Councils and Community Engagement, and for communications and public information services costs related to planning, monitoring, evaluating and reporting the use of these funds, providing support for staffing the oversight committee and attendant purposes.

Projected expenditures of **\$25,216,623** and transfers to the General Fund of **\$20,193,500** (this includes the VAPA release-time transfer to the General fund of \$258,500) bring the total BSEP budgeted expenditures for 2025-26 to **\$45,410,123**.

Indirect Costs

The Indirect Cost rate for 2025-26 is **6.81%** and is calculated by a formula determined by the State. The rate is applied to BSEP expenses and transfers, and is projected to total **\$2,712,676**. 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. Additionally, each Resource carries an unallocated reserve of 5% as a contingency to allow for variances in personnel expenditures (salary and benefits). The revenue from BSEP Measure H of 2024 are held in separate

Resources within Fund 4, and are managed in accordance with the specific terms of the Measure through which the revenues were obtained.

BSEP Measure H 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 2031-32 fiscal year. The Fund Balances in the Site Program Resource 0852 remain with the budgets allocated to each BUSD Site for expenditure according to the School Plan for Student Achievement, with prior measure (BSEP measure E1 of 2016) carryover available for one-time needs in accordance with the plan.

BSEP Measure E1 Fund Balances are available for expenditure in accordance with the terms of the prior 2016 Measure, and are being managed to support one-time expenditures and deferred needs. For 2025-26, **\$1,724,621** in net revenue was received as the final tax revenue payment of BSEP Measure E1 of 2016 for 2024-25 which was received after the close of 2024-25. expenditures totalling **\$3,106,556** continue to draw down the funds across multiple resources.

POLICY/CODE

Berkeley Public Schools Educational Excellence Act of 2024 (BSEP Measure H)

Berkeley Public Schools Educational Excellence Act of 2016 (BSEP Measure E1)

FISCAL IMPACT

BSEP Measure H budgeted expenditures are expected to total **\$45,410,123**.

BSEP Measure E1 budgeted expenditures are expected to total **\$3,106,556**.

STAFF RECOMMENDATION

Review and accept the Second Interim Report for FY 2025-26 of the *Berkeley Public Schools Educational Excellence Act of 2024 (BSEP Measure H)* and FY 2025-26 of the *Berkeley Public Schools Educational Excellence Act of 2016 (BSEP Measure E1)*.

BERKELEY UNIFIED SCHOOL DISTRICT
FUND 04 - BERKELEY SCHOOLS EXCELLENCE PROGRAM (BSEP) - Measure E1
Revenue and Expenditures
Comparison Report

	CSR/Instruction 0741	Site Programs 0752	Music/VAPA 0753	Oversight/Comm 0754	Library 0761	Tech 0762	Student Achievement 0763	Counseling 0764	Total
REVENUE									
Parcel Tax Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parcel Tax Revenue-Prior Year	\$ 734,867.00	\$ 114,127.00	\$ 69,590.00	\$ 28,550.00	\$ 80,724.00	\$ 36,187.00	\$ 54,002.00	\$ 23,939.00	\$ 1,773,540.00
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest-Prior Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,926.00
Net Increase (Decrease) Fair Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (98,998.00)
Other Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,926.00
Net Revenue	\$ 734,867.00	\$ 114,127.00	\$ 70,743.00	\$ 28,550.00	\$ 80,724.00	\$ 36,187.00	\$ 54,002.00	\$ 23,939.00	\$ 1,724,621.00
EXPENDITURES									
Certificated Salaries	\$ 148,045.00	\$ 226,690.00	\$ 16,105.00	\$ -	\$ 4,406.00	\$ 49,822.00	\$ 1,323.00	\$ -	\$ 446,391.00
Classified Salaries	\$ -	\$ 85,873.00	\$ 77,793.00	\$ 14,347.00	\$ -	\$ -	\$ 4,340.00	\$ -	\$ 182,353.00
Employee Benefits	\$ 35,323.00	\$ 80,468.00	\$ 12,587.00	\$ 5,453.00	\$ 1,062.00	\$ 12,057.00	\$ 1,976.00	\$ -	\$ 148,926.00
Books & Supplies	\$ 231,031.00	\$ 407,088.00	\$ 203,920.00	\$ -	\$ 332,000.00	\$ 57,858.00	\$ -	\$ -	\$ 1,231,897.00
Unallocated Reserve and Carryover	\$ -	\$ 529.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 529.00
Contracted Services	\$ 301,123.00	\$ 421,808.00	\$ 20,080.00	\$ -	\$ 40,000.00	\$ 39,952.00	\$ 90,000.00	\$ -	\$ 920,963.00
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Costs	\$ 47,400.00	\$ 83,248.00	\$ 15,867.00	\$ -	\$ 12,085.00	\$ 10,330.00	\$ 6,567.00	\$ -	\$ 175,497.00
TOTAL EXPENDITURES	\$ 762,922.00	\$ 1,305,704.00	\$ 346,352.00	\$ 19,800.00	\$ 389,553.00	\$ 170,019.00	\$ 104,206.00	\$ -	\$ 3,106,556.00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (28,055.00)	\$ (1,191,577.00)	\$ (275,609.00)	\$ 8,750.00	\$ (308,829.00)	\$ (133,832.00)	\$ (50,204.00)	\$ 23,939.00	\$ (1,381,935.00)
OTHER FINANCING SOURCES AND USES									
BSEP Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BSEP Direct Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BSEP Substitute Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Interfund Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCREASE (DECREASE)	\$ (28,055.00)	\$ (1,191,577.00)	\$ (275,609.00)	\$ 8,750.00	\$ (308,829.00)	\$ (133,832.00)	\$ (50,204.00)	\$ 23,939.00	\$ (1,381,935.00)
FUND BALANCE ANALYSIS									
Beginning Fund Balance	\$ 1,307,141.00	\$ 2,291,997.00	\$ 1,359,446.00	\$ 666,206.00	\$ 878,818.00	\$ 428,368.00	\$ 803,838.00	\$ 402,036.00	\$ 7,564,368.00
Net Increase (Decrease) in Fund Balance	\$ (28,055.00)	\$ (1,191,577.00)	\$ (275,609.00)	\$ 8,750.00	\$ (308,829.00)	\$ (133,832.00)	\$ (50,204.00)	\$ 23,939.00	\$ (1,381,935.00)
Ending Fund Balance	\$ 1,279,086.00	\$ 1,100,420.00	\$ 1,083,837.00	\$ 674,956.00	\$ 569,989.00	\$ 294,536.00	\$ 753,634.00	\$ 425,975.00	\$ 6,182,433.00

BERKELEY UNIFIED SCHOOL DISTRICT

TO: Enikia Ford Morthel, Superintendent
FROM: Kathy Fleming, Director of Local Resources
DATE: May 6, 2026
SUBJECT: Second Interim Report of Revenue and Expenditures in FY 2025-26 of the Berkeley Public Schools Educator Recruitment and Retention Act of 2020 (*BERRA Measure E*)

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 2025-26 Fiscal Year is the sixth 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 by providing funding, as specified in the Measure, to improve Berkeley public school educator salaries and address hard-to-staff positions.

The Second Interim Report covers the reporting period from November 1, 2025 ending January 31, 2026. The BERRA Measure E Second Interim Reports provide a summary of the budgeted revenues and expenditures based on the allocations to each of the restricted Resources within each Measure of the Fund organized according to the structure of BERRA Measure E of 2020.

At Second Interim, the 2025-26, revenues are projected to total **\$12,832,499** which represents approximately **5%** of the District's General Fund budget and includes an increase for additional revenue received after the close of 2024-25. This additional revenue has been allocated to each BERRA resource per the percentages specified in the measure.

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 second set aside in BERRA Resource 0600 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 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 **\$11,839,757** for educator salaries are projected, of which **\$10,856,308** 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 **\$623,145**, of which **\$782,263** is planned for expenditure (expenditure figure includes use of 2025-26 Beginning Fund Balance).

Indirect Costs

The budget for 2025-26 sets aside funds for The Indirect Cost rate for 2025-26 is **6.81%** and is calculated by a formula determined by the State. The rate is applied to BERRA expenses and transfers, and is projected to total **\$740,766**. 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 **\$12,010,015**.

STAFF RECOMMENDATION

Review and accept the Second Interim Report for FY 2025-26 of the *Berkeley Public Schools Educator Recruitment and Retention Act of 2020*

BERKELEY UNIFIED SCHOOL DISTRICT
Berkeley Educator Recruitment and Retention Act (BERRA)
2025-26 2nd Interim Budget
Revenue and Expenditures
Comparison Report

	Unrestricted 0600	Oversight 0610	Recruitment and Retention 0615	Educator Compensation 0620	Total
REVENUE					
Parcel Tax Revenue	\$ 160,500.00	\$ 120,395.00	\$ 595,955.00	\$ 11,323,150.00	\$ 12,200,000.00
Parcel Tax Revenue-Prior Year	\$ -	\$ 5,493.00	\$ 27,190.00	\$ 516,607.00	\$ 549,290.00
Interest	\$ 65,000.00	\$ -	\$ -	\$ -	\$ 65,000.00
Interest-Prior Year	\$ 18,209.00	\$ -	\$ -	\$ -	\$ 18,209.00
Net Revenue	<u>\$ 243,709.00</u>	<u>\$ 125,888.00</u>	<u>\$ 623,145.00</u>	<u>\$ 11,839,757.00</u>	<u>\$ 12,832,499.00</u>
EXPENDITURES					
Certificated Salaries	\$ -	\$ 45,453.00	\$ 330,582.00	\$ 5,267,084.00	\$ 5,643,119.00
Classified Salaries	\$ -	\$ 47,961.00	\$ 166,499.00	\$ 2,577,382.00	\$ 2,791,842.00
Employee Benefits	\$ -	\$ 33,610.00	\$ 178,745.00	\$ 2,318,030.00	\$ 2,530,385.00
Books & Supplies	\$ -	\$ 1,500.00	\$ 8,500.00	\$ -	\$ 10,000.00
Unallocated Reserve and Carryover	\$ -	\$ 6,420.00	\$ 22,152.00	\$ -	\$ 28,572.00
Contracted Services	\$ 225,500.00	\$ 11,000.00	\$ 28,831.00	\$ -	\$ 265,331.00
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Costs	\$ -	\$ -	\$ 46,954.00	\$ 693,812.00	\$ 740,766.00
TOTAL EXPENDITURES	<u>\$ 225,500.00</u>	<u>\$ 145,944.00</u>	<u>\$ 782,263.00</u>	<u>\$ 10,856,308.00</u>	<u>\$ 12,010,015.00</u>
NET INCREASE (DECREASE)	\$ 18,209.00	\$ (20,056.00)	\$ (159,118.00)	\$ 983,449.00	\$ 822,484.00
FUND BALANCE ANALYSIS					
Beginning Fund Balance	\$ 140,743.00	\$ 68,309.00	\$ 159,118.00	\$ 1,892,336.00	\$ 2,260,506.00
Net Increase (Decrease) in Fund Balance	\$ 18,209.00	\$ (20,056.00)	\$ (159,118.00)	\$ 983,449.00	\$ 822,484.00
Ending Fund Balance	\$ 158,952.00	\$ 48,253.00	\$ -	\$ 2,875,785.00	\$ 3,082,990.00