

2020-2021 Budget Reductions and Priorities

Brent Stephens, Superintendent
Pauline Follansbee, Asst. Superintendent
Bajé Thiara, Associate Superintendent
April 15, 2020



Tonight's Outcomes

Summarize known expenses and possible savings or revenue associated with the COVID-19 school closures, as well as the possible fiscal impact of COVID-19

Ask for Board of Education approval for \$514,000 in transfers from the General Fund in 2020-2021

Update the Board on adjustments to the 2020-2021 LCAP Budget, potentially for a vote on April 22

The 2020-2021 Budget Development Process

BUSD 2020-2021 Budget Development Process

DRAFT DATE: February 28, 2020

		Week of								
January		February 24	March 9	COVID-19 SCHOOL CLOSURES	April 13	April 22	May 4	May 15	May 18	
Staff Preparations	Revenue Projections based on Governor's First Budget	Revenue Adjustments: Unduplicated Pupil Count; Title I; Special Education Base Funding	Review of committee feedback to create Second Staff Proposal; Identification of reduction strategies for action by the Board of Education		Review of committee feedback to create Fourth Staff Proposal; Identification of reduction strategies for action by the Board of Education	Review of committee feedback to create Fifth Staff Proposal; Identification of reduction strategies for action by the Board of Education			Required date for final notification of staff reduction (not anticipated)	
SBAC, EAC, PAC, Principals, and DELAC		First Proposal and Feedback	Second Staff Proposal and Feedback		If needed, Fourth Staff Proposal and Feedback	If needed, Fifth Proposal and Feedback				
Board of Education			March 11: Presentation of First and Second Proposals; For Action: First Proposal for Reductions		April 15: If needed, presentation of Third and Fourth Proposals; For Action: Third Proposal for Reductions	April 25: If needed, presentation of Fourth and Fifth Proposals; For Action: Fourth Proposal for Reductions				

June, 2020: LCAP Approval

LCAP Budget Reductions

Summary of Expenses and Savings from the COVID-19 School Closures

	Expense	Savings/Revenue
Facilities Cleaning Overtime	\$ 15,000	
5% Differential for BCCE, Local 21, and UBA	\$ 5,600 (All funds - paid on timesheets / First Month)	
BFT Teacher Leader Stipends	\$100,000 (Estimated)	
Chromebooks, Possible 20% Loss and Replacement	\$200,000	
SB117 COVID-19 Response Revenue		\$164,000
Possible FEMA Reimbursements (Approx 80% of Title 1 Funding - pending grant application)		\$500,000

Summary of Expenses and Savings from the COVID-19 School Closures; LCAP

LCAP Savings	
AVID Summer	\$15,000
Extended Day	\$20,000
Super Science Saturday Supplies	\$10,000
Attract and Retain ToC	\$30,000
BPACT	\$10,000
Indirect Costs	\$10,000
TOTAL	\$95,000

The Unknown Impact of COVID-19 on State Revenue

“The economic disruption from the pandemic is expected to result in a recession and have significant negative effects on state revenues. This impact is expected to be immediate, affecting fiscal year 2019–20, and will continue into fiscal year 2020–21 and additional years depending on the pace of recovery of local, state, and national economies.”

“The May Revision that the Administration will submit to the Legislature by the statutory deadline will reflect the extraordinary impacts of the COVID-19 pandemic on the state’s fiscal condition. As this letter demonstrates, the state faces daunting challenges and difficult decisions in the weeks and months ahead. The Administration will continue to work with the Legislature during this unprecedented crisis to maintain a balanced budget that promotes opportunity and supports an equitable economic recovery.”

April 10, 2020, Keely Bosler, Director of the Department of Finance (DOF)

Potential Multi-Year Projections, 2020-2021

Scenario 1 - 1% Reduction in COLA

2020-21			
COLA	Base	Supplemental	Total
Was	2.29%	2.29%	
Revised	1.29%	1.29%	
Change	-1.00%	-1.00%	

2021-22			
COLA	Base	Supplemental	Total
Was	2.71%	2.71%	
Revised	1.71%	1.71%	
Change	-1.00%	-1.00%	

Amount	Base	Supplemental	Total
Was	\$ 89,355,006	\$ 5,240,830	\$ 94,595,836
Revised	\$ 88,544,084	\$ 5,189,613	\$ 93,733,697
Change	\$ (810,922)	\$ (51,217)	\$ (862,139)

Amount	Base	Supplemental	Total
Was	\$ 91,604,169	\$ 5,229,481	\$ 96,833,650
Revised	\$ 89,947,559	\$ 5,127,831	\$ 95,075,390
Change	\$ (1,656,610)	\$ (101,650)	\$ (1,758,260)

Potential Multi-Year Projections, 2020-2021

Scenario 2 - 2% Reduction in COLA

	2020-21			2021-22		
COLA	Base	Supplemental	Total	Base	Supplemental	Total
Was	2.29%	2.29%		2.71%	2.71%	
Revised	0.29%	0.29%		0.71%	0.71%	
Change	-2.00%	-2.00%		-2.00%	-2.00%	
Amount	Base	Supplemental	Total	Base	Supplemental	Total
Was	\$ 89,355,006	\$ 5,240,830	\$ 94,595,836	\$ 91,604,169	\$ 5,229,481	\$ 96,833,650
Revised	\$ 87,731,762	\$ 5,138,307	\$ 92,870,069	\$ 88,310,447	\$ 5,027,377	\$ 93,337,824
Change	\$ (1,623,244)	\$ (102,523)	\$ (1,725,767)	\$ (3,293,722)	\$ (202,104)	\$ (3,495,826)

Potential Multi-Year Projections, 2020-2021

Scenario 3 -ZERO COLA

2020-21			
COLA	Base	Supplemental	Total
Was	2.29%	2.29%	
Revised	0.00%	0.00%	
Change	-2.29%	-2.29%	

2021-22			
COLA	Base	Supplemental	Total
Was	2.71%	2.71%	
Revised	0.00%	0.00%	
Change	-2.71%	-2.71%	

Amount	Base	Supplemental	Total
Was	\$ 89,355,006	\$ 5,240,830	\$ 94,595,836
Revised	\$ 87,500,494	\$ 5,123,700	\$ 92,624,194
Change	\$ (1,854,512)	\$ (117,130)	\$ (1,971,642)

Amount	Base	Supplemental	Total
Was	\$ 91,604,169	\$ 5,229,481	\$ 96,833,650
Revised	\$ 87,500,494	\$ 4,977,678	\$ 92,478,172
Change	\$ (4,103,675)	\$ (251,803)	\$ (4,355,478)

Scenario 4 - 1% COLA

Implications

Though it is not possible yet to know the overall impact of COVID-19 on BUSD's 2020-2021 revenue and expenses, a great deal of caution is warranted.

Prior to COVID-19, we were searching for revenue for a variety of new expenses:

Possible New Expenses for 2020-2021

New Priorities	
African American Success Project	\$350,000
Additional Support for Sexual Harassment Education and Response	\$341,000
Support for English Learners	\$200,000
504 Coordinator, BHS	\$120,000
Longfellow Middle School	\$200,000
Human Resources, Position Control	\$80,000
Total New Costs	\$1,291,000
Early Literacy Support	\$500,000 (Already Included in 2020-2021 Budget)

Implications

For now, until we have concrete information in May about revenue in 20-21, is it most wise to pause all recommendations for new expenses in all funding sources: General Fund, BSEP, and LCAP?

This includes:

- 504 Coordinator at the BHS
- Longfellow Middle School
- African American Success Project

General Fund, 2020-2021

Summary of March 11, 2020 General Fund Proposals

		Proposal 2		
Proposed Reductions		-\$1,518,253		
	Efficiencies and Reductions	\$901,253		Approved
	Shifts to Other Revenue	\$617,000		Postponed
	Proposed Addition	\$120,000		Approved
Total Reductions to General Fund		-\$1,398,253		
Total Cost Transfers from General Fund				\$617,000
				LCAP
				\$103,000
				BERRA
				\$84,000
				BSEP
				\$280,000
				Maintenance Tax
				\$150,000

This evening's recommended actions:

1. Approve the following amended proposal for transfers from the General Fund in the 2020-2021 school year

Important Notes:

On March 11, 2020, the Superintendent recommended a total of \$617,000 in shifts from the General Fund

Among these shifts, the Superintendent recommended shifting a 1.0FTE Middle School Literacy Coach to LCAP. This \$103,000 proposal is removed, thereby leaving this Literacy Coach on the General Fund for the 2020-2021. This amendment is due to the fact that there is considerably more pressure on the LCAP budget for the 2020-2021 school year.

These recommended shifts in revenue source now total \$514,000

General Fund Reductions, April 15, 2020 Proposals

FUNDING SHIFTS

	<i>Proposal #</i>	<i>Position or Program</i>	Reduction: Proposal 1, Week of Feb 24	Reduction: Proposal 2, Week of March 9	<i>New Source</i>	<i>Transfer</i>	<i>Notes</i>
0000	1	Shift BHS BHS Activity Director to BSEP	\$100,000	-\$100,000	BSEP	\$100,000	Please see below, BSEP Budget, 2020-2021. This idea proposes to move the BHS Activities Director from the General Fund to BSEP.
0000	4	Shift 1.0 FTE Literacy Coach, Longfellow to LCAP	-\$103,000	-\$103,000	LCAP	\$103,000	This position is currently funded from the General Fund. This proposal would move it to LCAP.
	1	Shift 0.4 FTE District Induction Coach to BERRA	-\$34,000	-\$34,000	BERRA	\$34,000	BUSD's current induction support is one 0.6 FTE TSA, funded at 0.4 from BTSA and 0.2 from LCAP. This proposal moves the funding from this position from the General Fund to the new BERRA funding, approved by Berkeley voters on March 3.

General Fund Reductions, April 15, 2020 Proposals

FUNDING SHIFTS

	<i>Proposal #</i>	<i>Position or Program</i>	<i>Reduction: Proposal 1, Week of Feb 24</i>	<i>Reduction: Proposal 2, Week of March 9</i>	<i>New Source</i>	<i>Transfer</i>	<i>Notes</i>
	1	Shift 0.5 FTE Peer Assistance and Review to BERRA	-\$50,000	-\$50,000	BERRA	\$50,000	Currently, the BPAR program serves 2 teachers, and is staffed by one certificated retiree at 0.1 FTE. This idea moves the entirety of the BPAR budget to the new Berkeley Educator Recruitment and Retention Act (BERRA) revenue source.
	2	Shift General Fund budget for program evaluation for reading intervention in the BREA budget		-\$60,000	BSEP	\$60,000	BSEP P&O has heard a proposal by the Superintendent to fund contracted program evaluation for \$60,000 in the 20-21 school year. This additional revenue could be used to fund a program evaluation for dyslexia related services, a project that the district had previously budgeted from the General Fund.
	1	Shift BHS Dean of Attendance from Unrestricted General Fund to BSEP		-\$120,000	BSEP	\$120,000	This position had initially been funded through General Fund resources, and in 2019-20 was funded through BSEP Measure A carryover funds.

General Fund Reductions, April 15, 2020 Proposals

FUNDING SHIFTS

	<i>Proposal #</i>	<i>Position or Program</i>	Reduction: Proposal 1, Week of Feb 24	Reduction: Proposal 2, Week of March 9	<i>New Source</i>	<i>Transfer</i>	<i>Notes</i>
	2	Shift District Security Office positions from the General Fund to the new Measure H. This is equivalent to 1.0 FTE.		-150,000	Maintenance Tax	150,000	The safety and security officers are currently split funded through the general fund and measure H (Facilities Safety and Maintenance measure). Since the security officers are primarily tasked with ensuring the safety and security of the facilities within BUSD, it is appropriate to shift this expense fully into Measure H.
					\$514,000		TOTAL

Summary: Amended Proposal for Shifts from the General Fund

Total Cost Transfers from General Fund		\$514,000
	BERRA	\$84,000
	BSEP	\$280,000
	Maintenance Tax	\$150,000

For Action This Evening

Move to accept the adjustments to the General Fund that are listed in the Board Memorandum accompanying this item.

Shifts to other revenue sources (\$514,000)

LCAP Budget, 2020-2021

- Lower than anticipated COLA
- Increasing staffing costs
- Decreasing unduplicated student count
- 19-20 positions on LCAP Carryover
- Unknown total impact of COVID-19 on BUSD expenses and state funding

LCAP Supplemental Funds: Rising Costs

In the coming year, the increases in LCAP Supplemental revenue will not cover the increases in staffing costs (Step and Column, a 2.5% increase, and STRS). With no increase in revenue, there will be a shortfall of \$319,625* in 20-21.

** This estimate of the budget shortfall is revised based on the Second Interim Report, 2020.*

Also, in January we submitted a final unduplicated student count to CDE. Our unduplicated student count is 255 less than the prior year. Based on this revised student count, we estimate the impact of this decline on supplemental funding for 2019-20, 2020-21 and 2021-22 as follows:

2019-20	\$55,688 (covered by program cost savings)
2020-21	\$319,625
2021-22	\$517,307

The total reduction over three years is \$892,620.

LCAP Carryover

0.6 FTE Longfellow Math Support	\$60,000
0.2 FTE Sylvia Mendez Math Support	\$25,000
0.2 FTE Thousand Oaks Math Support	\$25,000
Subtotal	\$110,000

COVID-19 Impact

It is also possible that COLA for LCAP will be impacted by the COVID-19 school closures and probably recession.

Currently, we have no estimates for any possible further reduction to LCAP revenue.

We are beginning planning for summer support for unduplicated students, and may redeploy unspent LCAP resources towards this effort.

LCAP Summary

Lower than anticipated COLA, 20-21	-\$38,634
Increases in staffing costs, 20-21	-\$57,925
Decreasing unduplicated student count, 20-21	-\$285,441
19-20 positions on LCAP carryover	-\$110,000
Unknown impact of COVID-19	
TOTAL 20-21 LCAP REDUCTION TARGET	-\$492,000
Reduced Revenue as a % of Total LCAP Budget	-9.83%

LCAP Budget engagement was interrupted for the last month

Committee	Dates			
Educator Advisory Committee	Feb 10	Feb 24	March 9	April 13
Parent Advisory Committee				April 13
District English Language Advisory Committee				April 14

20-21 LCAP Proposal, Update

Item	Line	Savings
One-Time LCAP Prior Years Unspent Carry Over		\$250,000
Reduce Extended Day Academic After School Intervention (K-8)	11	\$20,000
Shift "Attract & Retain Teachers of Color" to BERRA	14	\$60,000
Shift Classified Employee Teacher Pathway to BERRA	15	\$16,000
Total		\$346,000
TOTAL NEEDED		\$492,000
STILL TO BE IDENTIFIED		\$146,000

For DISCUSSION this Evening:

LCAP Budget Reductions