



Board of Education
Budget 20-21
June 10, 2020

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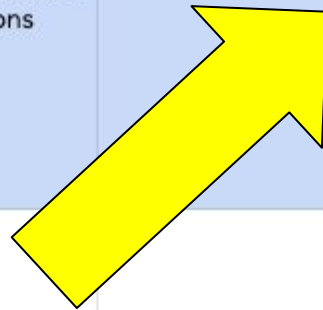
Agenda

1. Updates on 20-21 Budget Estimate
2. Anticipated New Expenses
3. Managing Uncertainty with a Tiered Approach
4. General Fund Reduction Ideas
 - a. Tier One
 - b. Tier Two
 - c. Tier Three
5. LCAP Reductions
6. BSEP Savings
7. Next Steps

BUSD 2020-2021 Revised Budget Development Process

Response to the Governor's May Revise

		Week of					
	May 14	May 27	June 1	June 8	June 15	June 22	June 29
Staff Preparations P&O, SBAC, EAC, PAC, Principals, and DELAC	Revenue Projections based on Governor's May Revise	Analyze survey of managers for additional reduction ideas; conduct research on budget reduction options; develop projections for COVID-related expenses	Ongoing research on budget options; internal communication with program managers	Respond to SBAC and EAC feedback; prepare presentation to the Board of Education	Respond to Board of Education feedback; prepare revisions to the preliminary proposals; prepare for presentation to the Board	Respond to Board of Education feedback; prepare revisions to the preliminary proposals; prepare for presentation to the Board	Respond to Board of Education feedback; prepare revisions to the preliminary proposals; prepare for presentation to the Board
			Share preliminary proposal for reductions and COVID expenses		Share second proposal for reductions and COVID expenses		
Board of Education		Share information about BSEP and ASES grants; share timeline for budget reduction decisions		Present preliminary package of reductions and additional COVID expenses for discussion	Present revised package of reductions and additional expenses for action; present FIRST READING of BUSD's 2020-2021 budget	If needed, present additional reductions expenses for action	If needed, present revised package of reductions expenses for action; present SECOND READING of BUSD's 2020-2021 budget
PCAD					Share second proposal for reductions and COVID expenses		



Updates on 20-21 Budget Estimates

Revised Impact of May Revise			
	2020-21		
COLA	Base	Supplemental	Total
Was	2.31%	2.31%	
Revised	-7.92%	-7.92%	
Change	-10.23%	-10.23%	
Amount	Base	Supplemental	Total
Was	\$ 89,373,750	\$ 5,242,003	\$ 94,615,753
Revised	\$ 80,742,088	\$ 4,737,123	\$ 85,479,211
Change	\$ (8,631,662)	\$ (504,880)	\$ (9,136,542)
Retirement Relief UGF	We are required to plan for a \$7.72M reduction to our General Fund in 2020-2021		\$ 1,415,567
			\$ (7,720,975)

In addition, several other revenue sources could be reduced in the coming school year.

ASES After School Funding
Adult Education

CARES Act Private School Allocation
California Partnership Academy Grant
Rental Fees

ASES After School Funding

After School Education and Safety (ASES)	State BUSD	
	State	BUSD
2019-20 State Funding	\$537,018,242	\$ 1,927,813
May Revise Reduction % (Derived)	19%	19%
May Revise Reduction School Services	\$100,000,000	\$ 358,985
2020-21 State Funding	\$437,018,242	\$ 1,568,828

Adult Education

2020-2021 California Adult Education Program (CAEP) revised funding. Across 71 Adult Education consortia there will be a 12% cut to the originally proposed 2020-2021 allocation. (\$331,442K)

Workforce Innovation and Opportunity Act (WIOA) is also impacted. (Reduction \$145,131) (Federal Funding)

Planning at BAS for this reduction will take place in June.

CARES Act, Private School Allocation

9,801: BUSD student counts (Oct 2019 CALPADS)

2,701: Proj. non-public student counts

12,502 Total Enrollment in Berkeley

\$ 625,654: CARES Act, ESSER funds per CDE

-\$ 28,427: 4.76% Indirect cost reserve (LEA approved rate in 2020-21)

-\$ 67,192: 10.74% Admin cost reserve (Allowable per CDE)

\$ 530,035 Available for equitable services

\$530,035

-\$114,512 Projected non-public schools equitable services

\$415,523 Projected BUSD portion

Other Programs

California Partnership Academy - CPA Grant -
reduction of 50% or \$116,000

CTEIG and Strong Workforce Grants - receiving
2019-20 in 2020-21. Impact maybe felt in 2021-22

Anticipated New Expenses

Estimated New Expenses, 2020-2021

Distance Learning

Mental Health Services for Students		
		\$150,000
Technology		
	Zoom license	\$25,000
	Employee Hotspots	\$20,000
	Family Hotspots	\$12,000
	Replacement Equipment; Laptops for Classified Staff	0
	Subscription based curriculum to support DL	\$100,000
	Continuing contracts for tech to support HR/business services	\$50,000
Tutoring Support		
	Create a COVID Equity Fund	\$200,000
	SUBTOTAL, DISTANCE LEARNING	\$557,000

Anticipated New Expenses, 2020-2021

School Opening

Elementary School Day Camp		
		\$500,000
Employee Training		
	Risk Reduction Practices	0
Cleaning and Protective Wear		
	COVID related cleaning (supplies, electrostatic cleaners)	\$300,000
Nursing Services		
	Contracted Nurses (Increase from 1.0 to 2.0 FTE)	\$136,500
	SUBTOTAL, SCHOOL OPENING	\$936,500

SUBTOTAL, DISTANCE LEARNING	\$557,000
SUBTOTAL, SCHOOL OPENING	\$936,500
TOTAL	\$1,493,500

Managing Uncertainty with a Tiered Approach

Since the Governor's May revise on May 14, we have been working to turn a set of budget reduction concepts into concrete proposals.

We have also been working to uphold a set of values:

- Maintain and expand investments in equity strategies
- Keep reductions away from schools
- Minimize or delay layoffs
- Account for what might be different next year

Uncertainty about the 2020-2021 Budget

While both the May Revision and the Legislature's Version contain a Federal Funds / Trigger Solutions interaction, the two versions differ in the presumed starting point and other key details of trigger solutions.

- The Governor's May Revision proposes \$14 billion in budget cuts that would take effect, but then be triggered off if Federal Funds materialize to replace the proposed cuts.
- The Legislature's Version flips the presumption, and instead includes the anticipated federal funds in the budget, but then establishes trigger solutions that take effect should the federal funds not materialize.

And there are other things we don't know yet

What will school look like in the Fall? How much it will cost?

What if the US Senate does not pass legislation that provides relief to states, and to BUSD?

- When will this happen?
- How much will BUSD receive?

What if state revenue declines again in 2021-2022?

What if state revenue declines again in 2022-2023?

Managing Uncertainty with a Tiered Approach to Reductions

Tier One	Adopt and implement now, and do not backfill these cuts even if there is federal relief
Tier Two	Adopt and implement when we know more about the state budget and the availability of federal relief
Tier Three	Adopt and implement when we know more about the state's 2021-2022 budget

Managing Uncertainty with a Tiered Approach

Tier One	Now
Tier Two	Mid-Year, if needed
Tier Three	Next Year, if needed

Managing Uncertainty with a Tiered Approach

Tier One	A first step towards managing the worst-case scenario - a \$7.6M cut. If the worst doesn't come to pass, this is a chance to build our reserves for an uncertain future
Tier Two	A second step to balance the 20-21 budget if we have to
Tier Three	Another step to balancing the 21-22 budget, if we have to

Reduction Ideas for Discussion

Tier One

Tier Two

Tier Three

DRAFT Reduction Tiers

20-21

Mid-Year
If Needed

21-22
If Needed

Tier One	Tier Two	Tier Three
Selective Hiring Freeze Reduce Staff Overtime DO Admin Furloughs Nutrition Services Contracts Substitutes Cooking & Gardening One Time Funds Reduce Positions	Department Reduction Staff Reductions Staff Furloughs Cooking & Gardening One Time Funding	Transportation Layoffs Additional Furloughs Early Retirement Incentive
-\$5,384,376	About \$3,000,000	TBD

Tier One Reductions: For 2020-2021

Substitutes	Reduce spending on substitute teachers	-\$1,250,000
Gardening and Cooking Program	Reduce Gardening by \$50,000	-\$50,000
Nutrition Services	Switch meals to grab and go; reduce staffing and costs, unfilled position	-\$300,000
Furlough	District Office Unrepresented Managers	-\$-20,800
Contracts	SPG (Special Education)	-\$500,000
	Mandated Costs Consultant	-\$30,000
Overtime	Shift Security Overtime to Fund 2	-\$200,000
	Reduce District Office Staff Overtime by 50%	-\$50,000
Positions	BHS Maintenance Manager	-\$101,000
	Central Office Position	-\$84,000

Tier One Reductions, 2020-2021:

Selective Freeze on Open/Vacant Positions

Attendance Technician	BTA/BIS	-\$70,000	
Accounting Manager	Business Services	-\$130,000	
Student Welfare and Attendance	BHS	-\$70,000	
Restorative Justice Counselor	BHS		LCAP
Math Coordinator	BHS	-\$110,000	
Behavior Intervention Specialists (3.8 FTE)	Special Education	-\$171,576	
Teachers on Special Assignment (2.4 FTE)	Special Education	-\$220,000	
Limited Term Instructional Assistants (8 FTE)	Special Education	-\$224,000	
504 Coordinator	BHS		BSEP
Campus Aides (4.4 FTE)	Elementary Schools	-\$130,000	
School Safety Officers (2.0 FTE)	Vacant	-\$90,000	
	SUBTOTAL	-\$1,225,576	

Tier One Reductions, 2020-2021

One Time Funding

Move to LCAP: Literacy Coach	-\$103,000
CARES Funding	-\$300,000
Contribution from Fund 20	-\$1,000,000
19-20 Nutrition Savings	-\$170,000
	-\$1,573,000

Tier One Reductions, Totals

Contract Total	-530,000
Gardening and Cooking Program Total	-50,000
Hiring Freeze Total	-1,225,576
Nutrition Services Total	-300,000
One Time Funding Total	-1,573,000
Staff Furlough Total	-\$20,800
Overtime Total	-250,000
Substitutes Total	-1,250,000
Positions	-185,000
Sub-Total	-\$5,384,376

Tier 2
Reductions

Mid-Year

If Needed

Department Reduction	10% reduction from Personnel Commission	-\$50,000
Gardening and Cooking Program	Reduce Gardening by \$50,000	-\$50,000
One Time Funding	Contribution from Fund 20	-\$500,000
Staff Furlough	BCCE	
	BFT	
	Non Rep Cert	
	Non Rep Class	
	Local 21	
	UBA	
Staff Layoff	Site and District Office Positions	-\$365,000
	TOTAL	About \$3M

Staff Furlough

Furlough Savings Per Day	
BCCE	-138,446
BFT	-401,224
Non Rep Cert	-11,369
Non Rep Class	-10,840
Local 21	-16,385
UBA	-26,720
	-604,984

CA Government Code, 20969.2.

A "mandatory furlough" includes any time period on or after July 1, 2008, during which employees are directed to be absent from work without pay on the day or days designated by their employer or by a memorandum of understanding by the parties entered into on or after July 1, 2008, for purposes of achieving budgetary savings.

Important Note: A furlough is a bargainable change to the work calendar for each bargaining unit

Tier 3
Reductions -
Other
Considerations

2021-2022

If Needed

BSEP	Teacher Template
Layoffs	Certificated
	Classified
Furloughs	Certificated
	Classified
Transportation	Eliminate Elementary Busing
Retirement Incentive	
	TBD

7. Special Reserve Fund for Post-Employment Benefits – Fund 20

This fund is a special reserve for funds the District has set aside for the future cost of postemployment benefits but has not contributed irrevocably to a separate trust for a postemployment benefit plan. The projected ending fund balance is \$7,994,861 after a transfer of \$3.2 million to the General Fund.

Fund 20	
2019- 20 Beginning Fund Balance	11,200,000
2019-20 Transfers Out	(3,200,000)
2019-20 Estimated Ending Fund Balance	8,000,000
2020-21 Contribution less expenses	120,000
2020-21 Transfers Out	(3,200,000)
	4,920,000
Dedicated Re Sale of Hillside	(416,000)
Additional Transfer	(1,000,000)
2020-21 Projected Ending Fund Balance	3,504,000

LCAP

LCAP Supplemental Funding - a 10% reduction in LCAP is equal to \$512,000

Reduction Strategy	Components	Possible Savings
Longfellow Literacy Coach	Move from UGF to LCAP	\$103,000
Super Science Saturday	Eliminate	-\$70,000
Tutoring Stipends	Eliminate	-\$80,000
0.8 FTE Climate TSA	Close position	-\$70,000
Freeze 1 RJ Counselor, BHS	Freeze the hiring for this position	-\$103,000
Reduce AASP SWA Classified	Close position; keep funding in AASP	\$0
LCAP COVID Equity Fund		\$100,000
SUBTOTAL		-\$120,000

Supplemental Funding - a 10% reduction in LCAP is equal to \$512,000

From previous page		-\$120,000
LCAP Carryover		-\$179,000
LCAP Reserve		-\$200,000
	Total	-\$499,000

BSEP

DRAFT BSEP Savings Strategies

BSEP VAPA	Hourly Staffing	-\$15,000	1
	Teacher Hourly	-\$7,500	1
	ES Arts Extension After School Program	-\$64,000	1
	Instruments	-\$50,000	1
	Teacher Mileage	-\$10,000	1
	Performance Exhibitions	-\$3,000	1
	IPAD Technology	-\$5,000	1
	Sheet Music Scanning -BHS	-\$100,000	1
	Collaborative Partnerships	-\$12,000	1
BSEP Professional Development	Teaching Workshops and Consultants- reduce SEL by 10K and culturally responsive language labs by 30K	-\$40,000	1
BSEP Classroom Support	504 Coordinator Freeze	\$110,000	1
Student Support	AASP, Freeze \$220,000 - "COVID Equity Fund"	-\$110,000	1

Additional BSEP Savings Strategies

BSEP Professional Development	K-8 Teacher Leaders Stipends
BSEP Professional Development	Teacher Initiated Professional Development*
BSEP Professional Development	Elementary Lead Lit Coach
BSEP Professional Development	BHS Professional Development Leaders
BSEP BREA	TSA

* BUSD MOU with BFT, currently funded by BSEP

Steps in the Budget Building Process

1. We have add two special Board meetings for June 17 and July 1 to permit adequate time for review and discussion
2. Staff will continue to conduct research on a range of budget reduction options
3. Committee Engagement
 - SBAC on June 2 and 16
 - PCAD on June 16
 - P&O on June 16
 - PAC feedback from a June 4 meeting is expected soon
4. First Reading of the 2020-2021 Budget, June 17, as well as a revised set of reductions
5. Second Reading of the 2020-2021 Budget, June 24



Discussion