



2020-21 Adopted Budget and Budget Reductions

Board Presentation

June 24, 2020

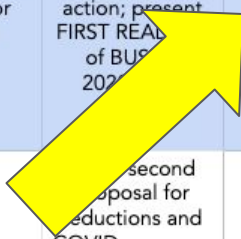
Brent Stephens, Superintendent

Pauline Follansbee, Assistant Superintendent, Business Services

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
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	Respond to Board of Education feedback; prepare revisions to the preliminary proposals; prepare for presentation to the Board
Staff Preparations P&O, SBAC, EAC, PAC, Principals, and DELAC			Share preliminary proposal for reductions and COVID expenses		Share second proposal for reductions and COVID expenses		
		Share information about BSEP and ASSES 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
Board of Education							
PCAD					Share second proposal for reductions and COVID expenses		



Agenda

Unrestricted General Fund

- ❑ 2020-21 Adopted Budget - Changes from Preliminary Budget
- ❑ Reserve Level Disclosure
- ❑ Approval of New Equity Expenses
- ❑ Approval of Tier 2 Reductions
- ❑ Other Resources and Funds

LCAP

- ❑ Approval of LCAP report
- ❑ Update on Essential Protective Equipment

Additional Comments on The State Budget

The Governor and Legislature have reached an agreement on the 2020-21 Budget

LCFF funding will remain at the 2019-20 amount (Zero COLA)

More deferrals from 2020-21 to 2021-22 (deferrals begin in February 2021)

Additional Federal and State one-time funding based on 2019-20 SPED, Supplemental and LCFF

No layoffs for classified staff in positions related to nutrition, transportation or custodial staff.

No certificated employee summer layoffs

Enacted Budget - Revenue

	2020-21		
	Base	Supplemental	Total
Enacted Budget	87,832,969	5,144,699	92,977,668
May Revise	80,742,087	4,737,123	85,479,210
Difference	7,090,882	407,576	7,498,458

	2021-22		
	Base	Supplemental	Total
Enacted Budget	87,832,969	4,998,080	92,831,049
May Revise	80,742,087	4,602,119	85,344,206
Difference	7,090,882	395,961	7,486,843

Enacted Budget - Revenue

	2022-23		
	Base	Supplemental	Total
Enacted Budget	87,832,969	4,998,080	92,831,049
May Revise	80,742,087	4,602,119	85,344,206
Difference	7,090,882	395,961	7,486,843

Additional Comments on The State Budget

Maintaining LCFF funding levels is better news, but additional deferrals will make the District's cash flow challenge worse

State budget to be enacted will still rely on additional information about federal relief that will be available this summer

The District expects to receive additional updates on the State Budget

Staff will bring a revised budget to the board for approval within the 45 day revision period

The Adopted Budget is based on the May Revise. Tier 2 budget reductions will be reversed since expected revenue exceeds the \$4 million in budget reductions

Tier 2 budget reductions will be reversed since expected revenue exceeds the \$4 million in budget reductions

Tier 2 budget reductions were not meant to be enacted

2020-21 Adopted Budget Changes from Preliminary Budget

Equity expenditures totaling \$300K included in the budget

Tier 1 budget reductions reduced by \$110,000 for Math Coordinator at BHS. \$80,000 for 1 FTE in enrollment office (previously approved), moved to Tier 2

Unrestricted revenue overstated - \$200K corrected at Adoption

2020-21 Adopted Budget - Changes from Preliminary Budget - Budget Reductions

Tier 2 Budget Reductions at Preliminary	\$3,469,951
Additional reduction	
- Equity costs	\$ 300,000
- Revenue overstatement	\$ 200,000
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Tier 2 Budget Reductions at Adoption	\$3,969,951

Budget Highlights

- ❑ Positive Certification AFTER implementing \$10.2 million in budget reductions
\$1.3 million and \$5.1 million previously board approved
- ❑ \$4 million in budget reductions pending board approval for inclusion in the budget. Will require additional board approval to implement if federal funding is unavailable
- ❑ Fund Balance of \$703,962 - Undesignated Fund Balance \$31,197

Variance Report - Unrestricted General Fund

Link to the District's Unrestricted General Fund Variance Report:

[Adopted Budget - Variance Report](#)

Multi-Year Projections Unrestricted General Fund

Removal of one-time funding and expenses with flat LCFF funding necessitates significant ongoing reductions in the out years.

Additional funding from the State or Federal Government will mitigate or eliminate the need for budget reductions in the out years.

Multi-Year Projections 2020-21 Adopted Budget

Unrestricted General Fund

Unrestricted General Fund (in millions)	2020-21	2021-22	2022-23
REVENUE			
Total COLA - 2020-21 Preliminary Budget	-7.92%	0.00%	0.00%
<i>Based upon Governor's May Revision</i>			
Gap %	100.00%	100.00%	100.00%
LCFF Funding			
<i>Base Funding</i>	80.7	80.7	80.7
<i>Supplemental Funding</i>	4.7	4.6	4.6
Total LCFF Funding	85.4	85.3	85.3
Other State Funding	1.9	1.9	1.9
Local Funding	2.5	2.5	2.5
TOTAL REVENUE	89.8	89.7	89.8

Unrestricted General Fund (in millions)	2020-21	2021-22	2022-23
Expenditures	-88.9	-93.3	-95.0
<i>Budget Reductions - Ongoing</i>		11.0	11.0
<i>Additional Budget Reductions</i>			2.0
TOTAL EXPENDITURES	-88.9	-82.3	-82.0
TOTAL SOURCES AND USES	-2.3	-7.4	-7.4
Change in Fund Balance	-1.4	0.0	0.4
Beginning Fund Balance	2.1	0.7	0.7
Ending Fund Balance	0.7	0.7	1.1
Revolving Cash	-0.1	-0.1	-0.1
Assignment for Supplemental Grant LCAP	-0.8	-0.8	-0.8
Fund 01 share of 3% reserve	0.2	0.2	0.3
Ending Fund Balance - Undesignated	0.0	0.0	0.5

FY 2020-21 Adopted Budget

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Reserve Level Disclosure - Funds 01-08

Year:	Minimum Reserve Level Required	
2020-21	\$4,955,031	3%
2021-22	\$4,980,835	3%
2022-23	\$4,942,639	3%

**Amount of Assigned & Unassigned
Ending Fund Balance**

**Exceeding the Minimum Reserve in Each
Year**

2020-21	Total Amount	\$ 31,198
2021-22	Total Amount	\$ 71,758
2022-23	Total Amount	\$ 572,377

Additional Budget Adjustments
related to Equity Goals

Black Lives Matter
Resolution

COVID Equity Fund

Expenses to Implement the BLM resolution

COVID Equity Fund

Resources for Educators and Families	OFEE/Ed Services	Create easily accessible resources, in partnership with families, to empower parent advocacy for navigating district and schools systems	\$50,000
Mandates training across the organization including board members, administrators, teachers and staff	Superintendent's Office	Training to support equity-based mindset to "disrupt business as usual" practices in budgetary decisions at the Board and District committee level.	\$25,000
Black Lives Matter at School Week	Ed Services	During the week of February 1-5, all schools will celebrate BLM week.	\$15,000
Longfellow School	OFEE/AASP	Black Parent component to promote African American Success, OFEE Specialist	0

Expenses to Implement the BLM resolution

COVID Equity Fund

Black Joy Campaign	Comms, OFEE	Provide clubs (Black space) for Black children starting in elementary school *Student led webinars featuring Black Excellence/discussing important issues. (After School Enrichment) * Current- visual representations of Blackness at every school (updated art/murals, posters). * Social Worker(s), group leaders (Black IAs,ITs), to facilitate student groups	\$20,000
Resources that Focus on the Well-Being of Black Families	OFEE	<u>*Invest in existing programs:</u> AA Studies Department, BSU-Student Leadership development for elementary/middle/HS * Parent Ombudsman program (stipend Black parents to mentor and support new parents & those needing support). <u>*Invest in student programs</u> (Black Girls Rise, Cinnamon Girls, The Talented, YGB, Black History Oratorical Fest, and other existing programs that uplift Blackness)	\$60,000

Expenses to Implement the BLM resolution

COVID Equity Fund

Identify Additional Measures of Racial Inequity	BREA	Engage Black students and stakeholders through focal groups and semi-structured interviews regarding district policies and practices to better understand how subtle and overt institutional racism affects the Berkeley Unified community. Publish a report on findings with recommendations for policy and procedural changes to our system.	0
School Renaming	Comms	Jefferson and Washington Town Halls, Adv. Committees, Community Process. Facilitator and Community resources on top names	\$10,000
COVID Equity Resources, unallocated	Ed Services	Additional resources to address student needs as they come up over the school year. May include tutoring, parent support resources, and other strategies designed to mitigate against learning loss for unduplicated students	\$97,000
		SUBTOTAL	\$277,000

Updated: Summary of Reductions

20-21

Mid-Year
Not 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
-\$5,080,994	-\$3,969,951	TBD
Board Approved 6-17-2020	-\$9,050,945	

Methodology in the Adopted Budget

Tiers 1&2 - Reduction in expenditures and increased contributions are included in the Adopted Budget

Because revenue is restored, budget reductions in Tier 2 will be eliminated, beginning with furloughs

Reductions in 2020-2021 to be determined in the Spring, if needed

Budget Reductions in the Adopted Budget

List of Budget Reductions totaling \$4 million will be presented on the following slides for board approval.

Tier 1 \$5.1 Million. (Approved June 24, 2020)

Tier 2 \$4 Million

Tier 2 Reductions

FY20-21 Reductions

Tier	Category	Components	Total
2	Prior Year Unused Balances	BLM	\$ (300,000.00)
	One Time Funding	Additional Fund 20	\$ (1,600,000.00)
	Department Reductions	10% reduction from Personnel Commission	\$ (50,000.00)
	Gardening	Reduce Gardening	\$ (50,000.00)
	Positions	Enrollment Office, 1 FTE	\$ (80,000.00)
	Staff Layoff	Eliminate School Service Assistants	\$ (75,000.00)
	Staff Furlough	3 Day Furlough	\$ (1,814,951.00)
2	Total		\$ (3,969,951.00)

Fund 20 Summary

2019-20 Beginning Fund Balance	\$ 11,194,861.00
2019-20 Transfers Out	\$ 3,200,000.00
2019-20 Estimated Ending Fund Balance	\$ 7,994,861.00
2020-21 Transfers Out	\$ 3,200,000.00
2020-21 Additional Transfers Out	\$ 3,100,000.00
2020-21 Projected Ending Fund Balance	\$ 1,694,861.00

LCAP

Local Control Accountability
Plan

The Board is being asked to approve LCAP Operational Report at tonight's meeting

Next year's LCAP will be presented to the board before the December deadline

Amended LCAP Budget

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		+\$77,000
SUBTOTAL		+\$30,00

Amended LCAP Budget, 2020-2021

From previous page		+\$30,000
LCAP Carryover*		-\$30,000
LCAP Reserve		0
	Total	0

*Reserve balance after \$30,000 will be \$147,000

12.3. Approval of Additional Budget Adjustments related to Equity Goals

12.4.1. Approval of Tier 2 Reductions

12.4.2. Approval of LCAP Reductions

12.4.3. Approval of 2020-2021 Budget