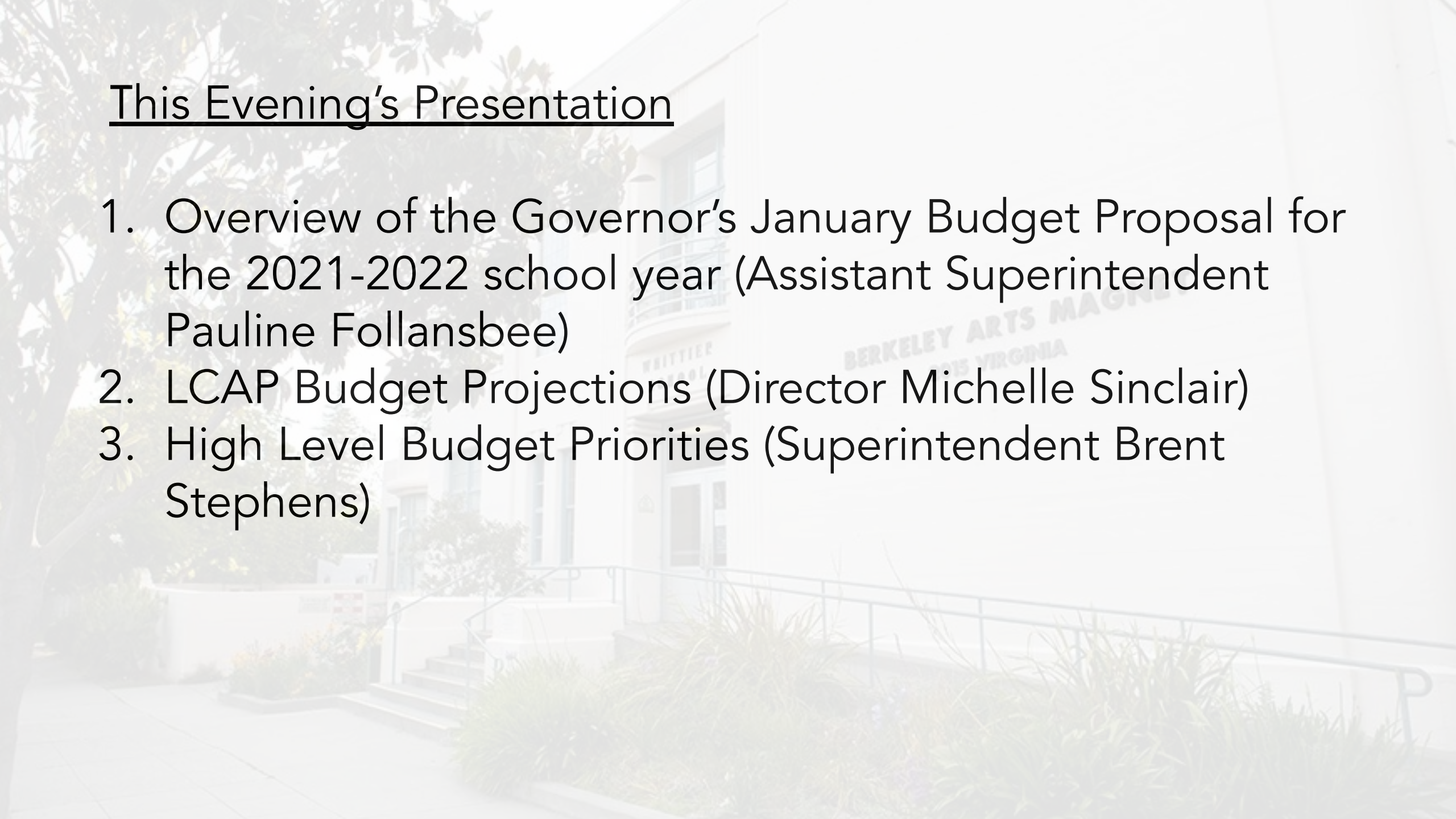


Berkeley Unified School District

Update on the 2021-2022 Governor's January Budget Proposal and LCAP Budget Projections

Pauline Follansbee, Assistant Superintendent, Business Services
Michelle Sinclair, Director, State, Federal, and Special Projects
Brent Stephens, Superintendent




This Evening's Presentation

1. Overview of the Governor's January Budget Proposal for the 2021-2022 school year (Assistant Superintendent Pauline Follansbee)
2. LCAP Budget Projections (Director Michelle Sinclair)
3. High Level Budget Priorities (Superintendent Brent Stephens)



2021-2022 Governor's January Budget Proposal



3 Themes for the 2021–22 Governor's Budget

With revenue growth surpassing original expectations early in the pandemic, the Governor's Budget proposal forecasts a dramatic restoration of funding including

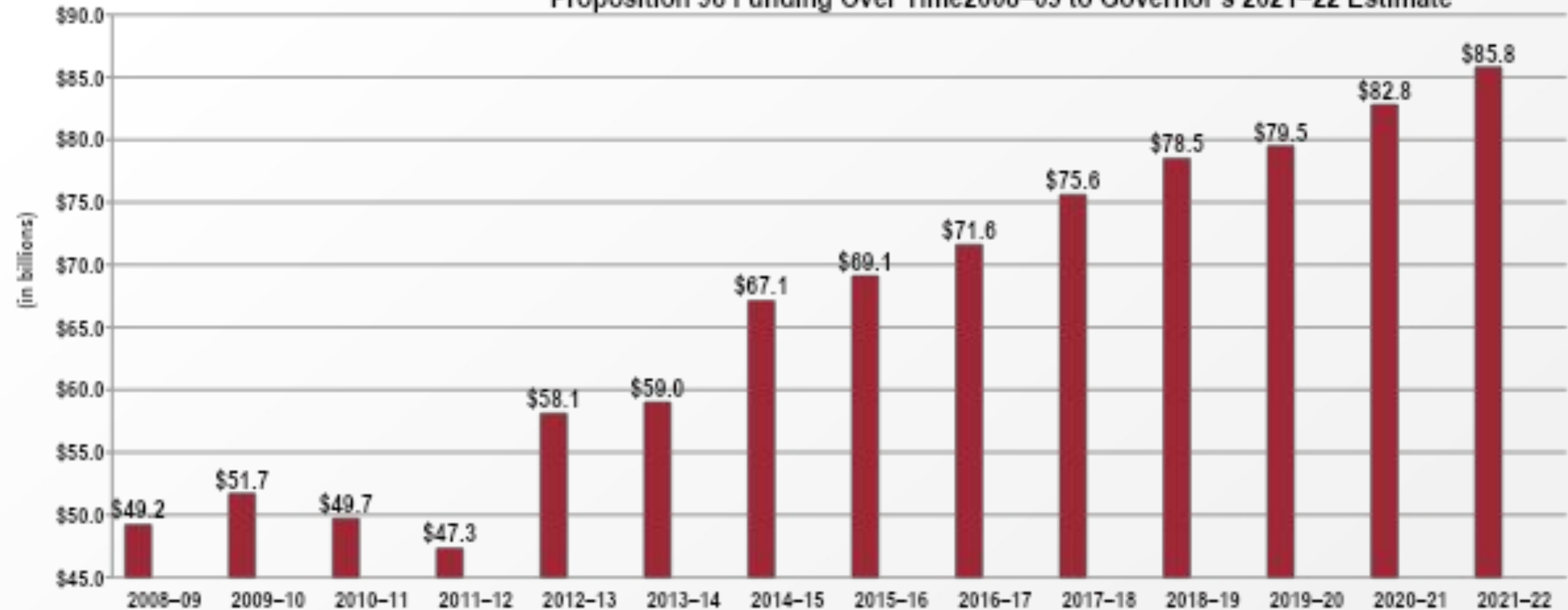
- Growth in programs
- Reserves,
- Cost-of-living adjustment (COLA)

Budget Proposal Highlights include

- \$89.2 billion for total spending (\$88.1 billion through Prop. 98 formula) K-12 and community colleges.
- \$4.6 billion for summer school and extra learning time.
- \$500 million for teacher development programs.
- \$700 million in funding for programs that help students cope with anxiety, depression, stress and other disorders, and an additional \$300 million for special education.

4 Proposition 98

Proposition 98 Funding Over Time 2008–09 to Governor's 2021–22 Estimate





5 COLA—What a Difference a Year Makes

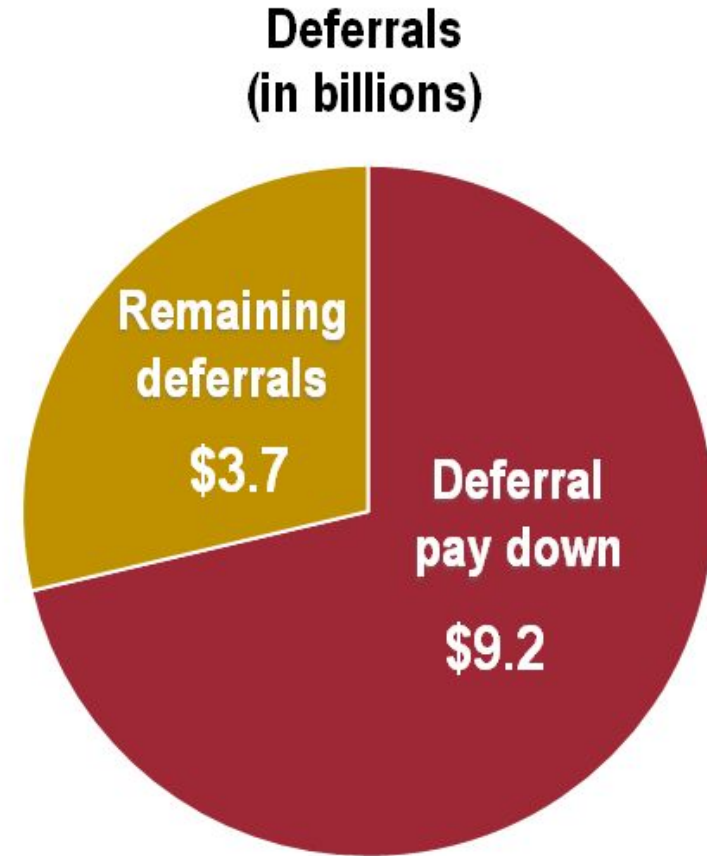
- The pandemic did not have the draconian financial impacts projected in June 2020, but local educational agencies (LEAs) still have not been made whole
 - The zero cost-of-living adjustment (COLA) in 2020–21 has likely fallen into a black hole as a one-time loss for the Local Control Funding Formula (LCFF), and an ongoing loss for other categorical programs

Comparison of Statutory and Funded COLA 2020–21 and 2021–22

	2020–21	2021–22	Applied to
Statutory COLA	2.31%	1.50%	<ul style="list-style-type: none">• 3.84% applied to LCFF• 1.50% applied to special education and other categorical programs (e.g., Mandate Block Grant)
Funded COLA	0.00	3.84%	

6 Deferrals

- The 2020–21 Enacted Budget included almost \$13 billion in K–12 LCFF deferrals
- The Governor's Budget proposes paying down a portion of the deferrals—effectively eliminating the on-going deferrals scheduled for February through May 2022
 - Note that this pay down does not impact the deferrals currently scheduled for February through June 2021!
 - The repayment schedule for these deferrals remains the same





7 2021–22 LCFF Funding Factors

- The Governor’s Budget proposes a 3.84% compounded COLA for 2021–22, which is applied to the LCFF base grants for each grade span
- Two grade span adjustments (GSAs) are applied as percentage increases to the base grants
 - Grades K–3 receive a 10.4% increase for smaller average class sizes
 - Grades 9–12 receive a 2.6% increase in recognition of the costs of career technical education coursework

Grade Span	2020–21 Base Grant per ADA	3.84% Compounded COLA	2021–22 Base Grant per ADA	GSA	2021–22 Adjusted Base Grant per ADA
K–3	\$7,702	\$296	\$7,998	\$832	\$8,830
4–6	\$7,818	\$300	\$8,118	-	\$8,118
7–8	\$8,050	\$309	\$8,359	-	\$8,359
9–12	\$9,329	\$358	\$9,687	\$252	\$9,939



8 2021–22 LCFF Funding Factors

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- Supplemental and concentration (S/C) grants are calculated based on the percentage of an LEA enrolled students who are English learners, free and reduced-price meal program eligible, or foster youth—the unduplicated pupil percentage (UPP)

Grade Span	2021–22 Adjusted Base Grant per ADA	20% Supplemental Grant per ADA—Total UPP	50% Concentration Grant per ADA—UPP Above 55%
K–3	\$8,830	\$1,766	\$4,415
4–6	\$8,118	\$1,624	\$4,059
7–8	\$8,359	\$1,672	\$4,180
9–12	\$9,939	\$1,988	\$4,970



9 What Does the LCFF Mean for Berkeley Unified School District

	2021-22		
	Base	Supplemental	Total
2021-22 Proposed Budget	90,959,799	5,189,943	96,149,742
2020-21 Enacted Budget	87,832,969	4,998,080	92,831,049
Difference	3,126,831	191,863	3,318,694

Impact of Unduplicated Pupil Percentage (UPP) not reflected in calculation of Supplemental funding.

Projected decrease of 250 students in 2020-21-being verified



10 Special Education—Base Funding

- Governor Newsom continues to prioritize students with disabilities, often citing his own experience with dyslexia
- The base special education funding formula, which provides \$625 per ADA for most Special Education Local Plan Areas, will receive the estimated statutory COLA of 1.5%
 - Bringing the new base funding rate to \$634.38
 - Unfortunately, the Newsom Administration is not proposing to make up for the 0% COLA in the current year
- At this time, no further structural changes are proposed to the Assembly Bill 602 funding formula



11 State Categorical Funding and Other Programs

- The Governor's Budget includes one-time funds to incentivize expanded transitional kindergarten (TK) and full-day kindergarten programs.
- Recognizing the extraordinary challenges faced by teachers, administrators, and classified staff during the COVID-19 pandemic, the Governor's Budget includes investments of more than \$540 million one-time Proposition 98 funds to support:

Professional
Learning

Teacher
Effectiveness

The Teacher
Pipeline

12 In-Person Instruction Grant

- Governor Newsom is calling for swift and early action by lawmakers to appropriate at least \$2 billion in one-time Proposition 98 funds to aid in the safe reopening and operation of in-person instruction for K–12 students

Funding Formula (per ADA)

Base Grants = \$450.00 (February reopening)
= \$337.50 (March reopening)

Additional grants above base grant based
on LEA's relative share of LCFF

Funding based on TOTAL ADA /less students enrolled in independent study





13 New COVID-19 Federal Stimulus Package

- **On December 27, 2020, President Trump signed the \$2.3 trillion Consolidated Appropriations Act, 2021 into law, which includes:**
 - **The \$900 billion COVID-19 relief package, which earmarks \$82 billion for education, \$7 billion to expand broadband access, \$10 billion for childcare, and continued funding for school meal programs**
 - **BUSD will receive an additional \$2.6 million in COVID-19 Funds**



14 SSC Financial Projection Dartboard

LCFF PLANNING FACTORS

Factor	2020–21	2021–22	2022–23	2023–24	2024–25
DOF Estimated Statutory COLA	2.31%	1.50%	2.98%	3.05%	N/A
DOF Estimated Funded COLA	0.00%	3.84%*	2.98%	3.05%	N/A
SSC Estimated Statutory COLA	0.00%	3.84%*	1.28%	1.61%	1.90%

*Calculated by compounding the unfunded COLA of 2.31% from 2020–21 and the estimated statutory COLA of 1.50% in 2021–22

- SSC Estimated Statutory COLA was calculated by SSC's independent economist
- In most years, the SSC estimates and the Department of Finance (DOF) estimates are very close, so we only include the DOF calculation on the dartboard
- Due to the large difference in the estimates, we have included our estimate for your consideration



15 CalPERS and CalSTRS Employer Contribution Rates

- The Governor does not include any new funding towards the California Public Employers' Retirement System (CalPERS) for LEAs
 - However, previous investments reduce the employer contribution rate for CalPERS from 24.9% to 23.00% in 2021–22
- Similar to CalPERS, the Governor does not include any new funding towards the California State Teachers' Retirement System (CalSTRS) for LEAs
 - However, previous investments reduce the employer contribution rate for CalSTRS from 18.1% to 15.92%

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2021-2022 LCAP Projections

Local Control Accountability Plan (LCAP)

New 3 year plan for 2021-1024

Advisory Committees - there will also be a number of community-wide meetings regarding the budget including the Superintendent's State of the District Address

PAC

Parent Advisory Committee - parents, staff, and community members Advises district officials on the LCAP & increasing or improving services for unduplicated students

DELAC

District-level English Learner Advisory Committee - parents, staff, and community members - Advises on English learner programs and services.

EAC

Educator Advisory Committee - BUSD staff - Advises on the LCAP & increasing or improving services for unduplicated students

Local Control Funding Formula (LCFF)

BASE GRANT: Least Restrictive - Grade span-specific base grant based on Average Daily Attendance (ADA)

- 2020-2021 Enacted: \$92,831,049
- 2021-2022 Projection: \$90,831,049

SUPPLEMENTAL GRANT: Base on enrollment of Unduplicated Students

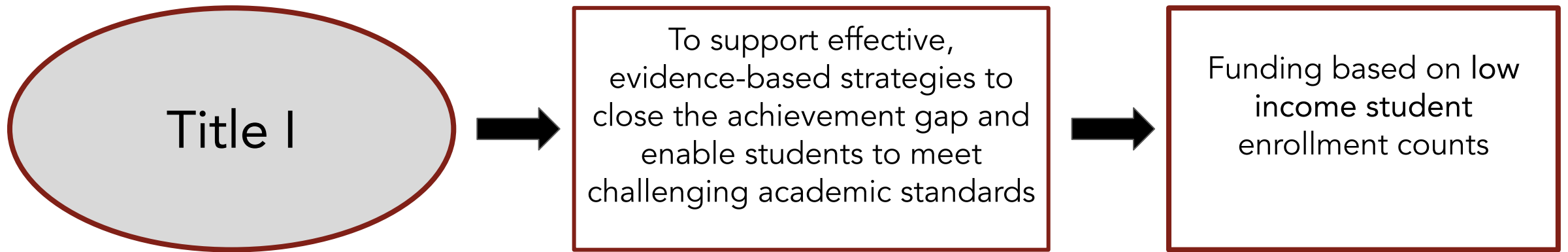
- Must increase or improve services
 - English learners
 - Low income students
 - Foster youth students
- 2020-2021 approximately \$5,189,943
- 2021-2022 Projection: Estimated \$4,998,080 - Will depend on Unduplicated Pupil Percentage (UPP)

LCFF Supplemental Grant

The **LCFF Supplemental Grant** is calculated based on the percentage of enrolled students who are English learners, free and reduced-price meal program eligible, or foster youth—the unduplicated pupil percentage (UPP)

Grade Span	2021–22 Adjusted Base Grant per ADA	20% Supplemental Grant per ADA—Total UPP
K–3	\$8,830	\$1,766
4–6	\$8,118	\$1,624
7–8	\$8,359	\$1,672
9–12	\$9,939	\$1,988

Federal Funds - Title I



Expenditures must supplement services, not supplant

2020-2021: Approximately \$693,000

2021-2022 Projection: Will be based on pupil count



2021-2022 Budget Building Process

High-Level Priorities

- **BLACK LIVES MATTER:** Ensure adequate funding for the Board's "Black Lives Matter" resolution, including professional development and student programming
- **FAMILY ENGAGEMENT:** Improve BUSD's current engagement with the African American and Latinx communities by
 - Increasing capacity for identifying and managing community-based partnerships
 - Supporting all BUSD middle schools with a OFEE liaison
- **ETHNIC STUDIES:** Improve BUSD's current capacity to develop and implement ethnic studies, TK-12
- **GENDER EQUITY:** Supplement BUSD's most recent investments in consent education and Title IX
- **TRANSGENDER STUDENTS:** Ensure full implementation of the Board's "Transgender and Gender Non-Conforming Students" policy

High-Level Priorities

- **SUPPORT FOR LATINX STUDENTS:** Develop culturally and linguistically affirming programs for Latinx students.
- **EARLY LITERACY:** Continue improvements to BUSD's early literacy screening, assessment system, instruction, intervention, and progress monitoring
- **LABOR PARTNERS:** Work with our labor partners to approve new contracts for the 2022-2024 school years.

January

Budget Overview, Reductions Targets (if any), and High-Level Priorities

February

Development of Options to Meet Priority Items

Detailed Proposals for Board Review

Data Review

March

Refinement of proposals

Initial Board approvals

April

Ongoing Board discussion and approvals

May

Ongoing Board discussion and approvals

June

Final approval of the General Fund and LCAP Budgets

Regular Board Updates and Action

BUSD Advisory Committees

Superintendent's Budget Advisory Committee

Educator Advisory Committee

Parent Advisory Committee

District English Learner Advisory Committee

Consultation with Key Partners

Labor Partners

City of Berkeley

Community Engagement

Superintendent's State of the District Webinar, January 27 @ 6:00pm

Parent and Community Groups

Affinity Based Meetings

Discussion

