

Guide to the BUSD Budget





Objectives of This Presentation

1. To mobilize members to volunteer in the campaign to pass Proposition 13 reform and increase funding for education.
2. To begin to prepare for our 2018-2019 contract campaign by understanding revenue streams.
3. To understand how BFT is working to improve BUSD's budget forecast in order to increase funds available for compensation.



The Challenge

California does not adequately fund public education. We are 41st in the nation in per pupil funding.

BUSD faces local and statewide structural financial challenges that impact BFT's ability to win raises for our members.

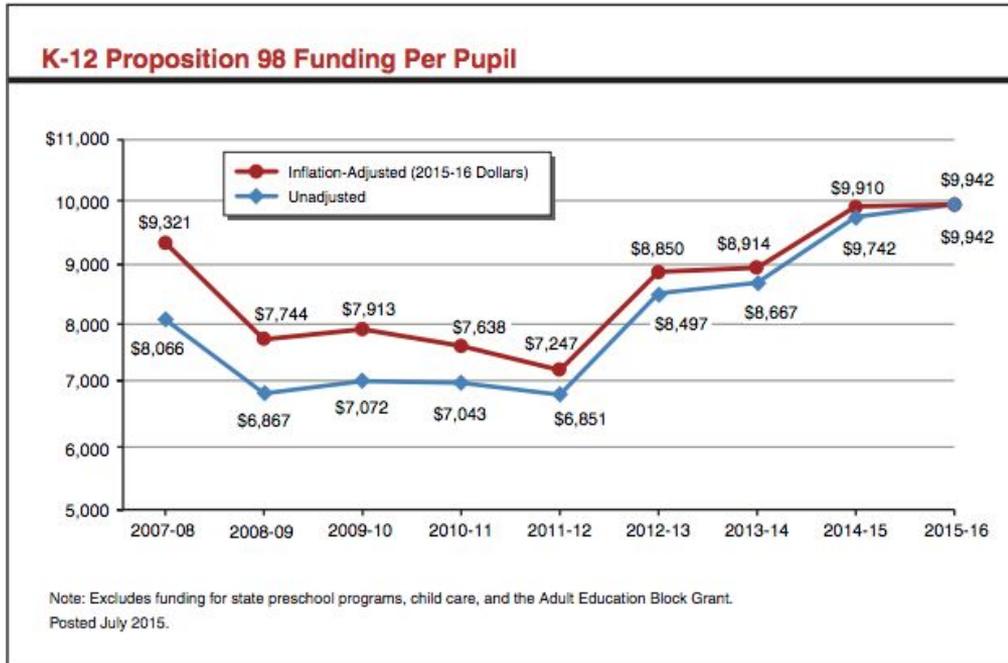
District revenues are not increasing as quickly as costs.

BFT is working towards increasing district revenues, decreasing expenditures and statewide solutions that will create funds that can be bargained for salaries and benefits.



Prop 98

Proposition 98 is state law that mandates that a minimum of 40% of state revenues must be spent on K-14 education. This was supposed to be a funding floor but has become a ceiling.



California is largely dependent on personal income tax and sales tax for state revenues.

Both of these revenue streams are volatile, especially during a recession.

How California Compares

How Does California's Support for K-12 Education Compare?

	Rank	California	US	Source
Spending Per Student				
K-12 Spending Per Student Adjusted for Cost of Living (2015-16)*	41	\$10,291	\$12,252	National Education Association (NEA) and Texas A&M University
Spending as a Share of the Economy				
K-12 Spending as a Percentage of Personal Income (2015-16)*	37	3.29%	3.78%	NEA and US Bureau of Economic Analysis
Staffing Ratios				
Number of K-12 Students Per Teacher (2015-16)*	51	22.1	15.4	NEA
Number of K-12 Students Per Guidance Counselor (2012-13)	51	790	451	National Center for Education Statistics (NCES)
Number of K-12 Students Per Librarian (2012-13)	51	7,834	997	NCES
Number of K-12 Students Per Administrator (2012-13)	48	315	198	NCES

* Data are estimated.

Note: All figures reflect Budget Center calculations. K-12 spending reflects "current expenditures," and cost-of-living adjustment calculations use a "comparable wage index" developed by the NCES and updated by Texas A&M University. Spending per student and staffing ratios are based on average daily attendance.



California Budget
& Policy Center

Independent Analysis. Shared Prosperity.

California is 41st in per student funding in the nation.

The recession caused major cuts to education and the state is close to 2007-2008 levels of spending on education.

For comparison, the highest spending state, New York, spent \$21,206 per student.



Changes to the California State Education Funding Formula

State funding changed in 2013 moving additional education funding to districts with HIGH numbers of high needs students (ELs, Free and Reduced Lunch, Foster Youth). These students are called 'unduplicated students'.

In addition to 'base' dollars which can be used for salaries and benefits, the state provides extra funding based on unduplicated students. This is called LCAP.

BUSD qualifies for limited extra funding (supplemental LCAP dollars) and does not qualify for 'concentration' dollars, which are given to districts with high numbers of high needs students.

Berkeley's percentage of unduplicated students has been decreasing over 4 years and was 35.8% in 2017-18. (A drop of over 2% in the past year alone).

Concentration Grant Funds



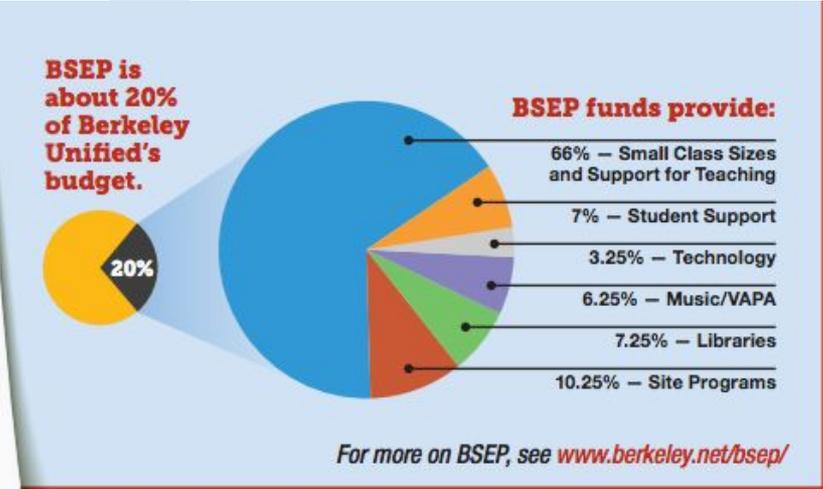
Berkeley would need a population of at least 55% unduplicated students in any grade span to receive concentration grant money.

Last year we had 38.3% unduplicated students and this number is dropping.

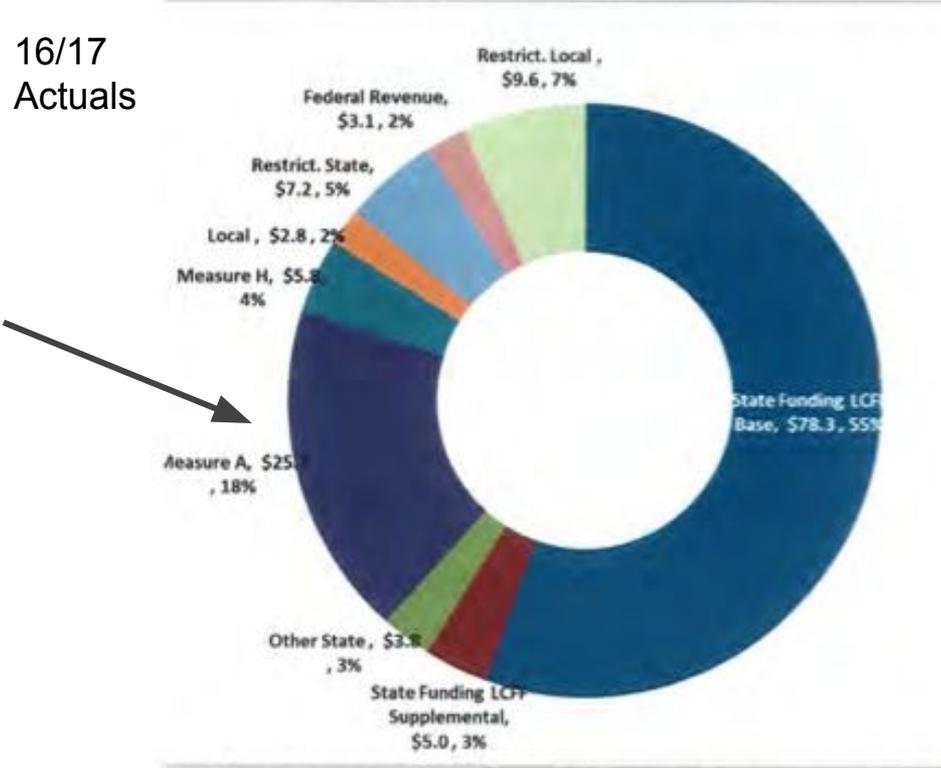
Neighboring large urban districts such as Oakland, San Francisco, and West Contra Costa do receive this money.

Concentration grants increase the amount of money available for salaries.

BUSD's Revenue Streams



16/17
Actuals



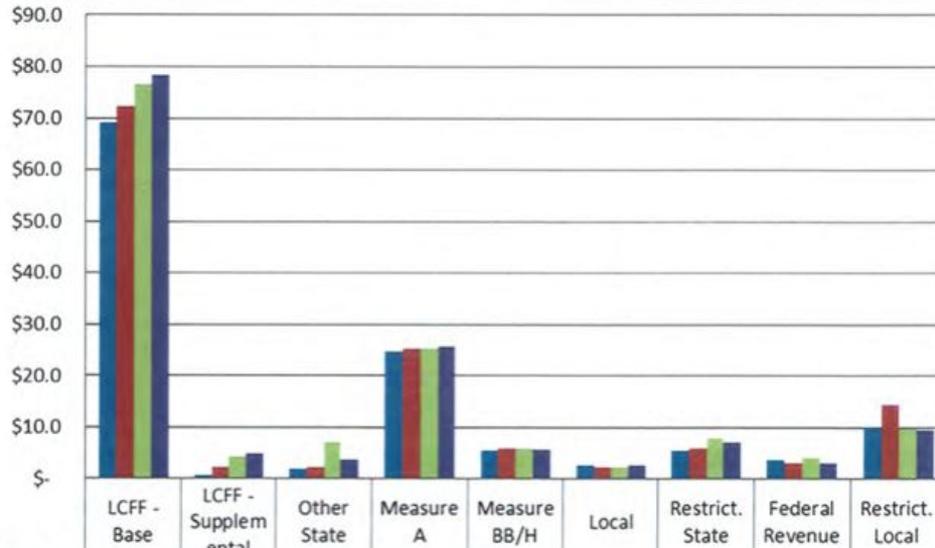


Some Examples of Restraints on Budget Revenue

- LCAP Supplemental Funds have to be spent to improve or increase services to 'unduplicated' students.
- For LCAP Supplemental Funds, a group of BUSD educators and a group of parents advise district staff on expenditures and the School Board makes final decisions.
- BSEP expenditures are outlined in the language of the parcel tax. The BSEP Measure mostly pays for decreased class size but also includes middle school counselors, the music program, technology, site priorities among other items.
- Measure H funds are for facility maintenance.

Base revenues are the funds that can be used for salaries and benefits.

BUSD Total Revenue Over Time



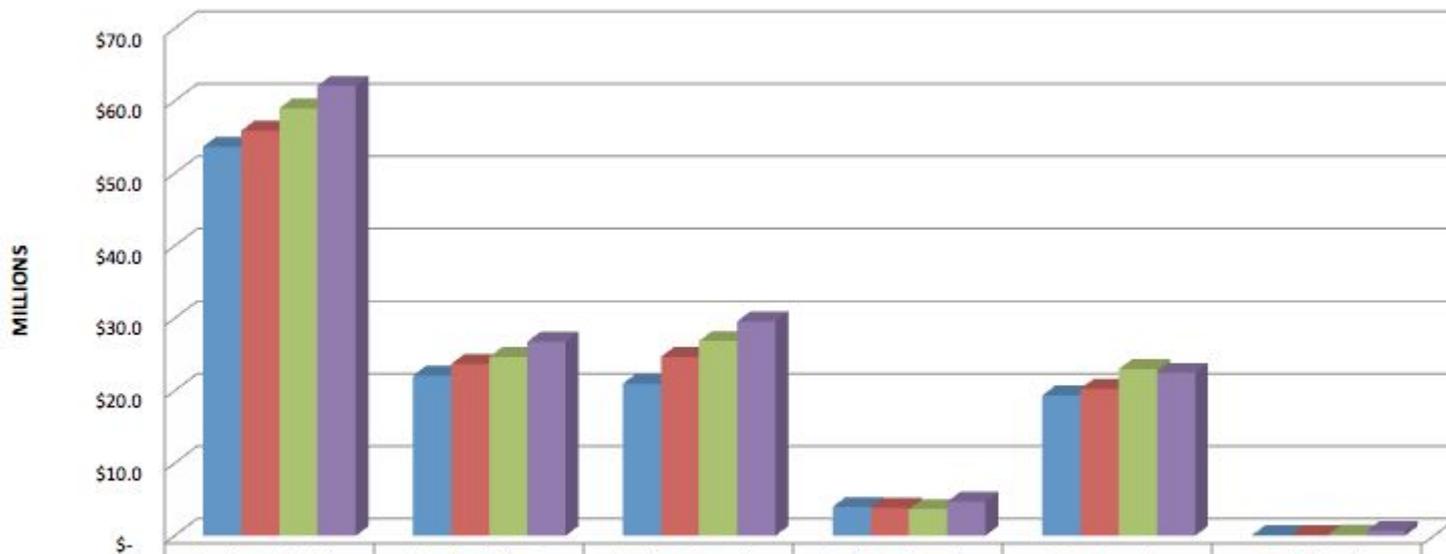
This is total revenue.

Base Funding has gone up between 2013 and 2017.

LCFF Base is the money that can be used for salary and benefits.

BUSD Expenditures

TOTAL GENERAL FUND EXPENDITURES



	Certificated Salaries	Classified Salaries	Employee Benefits	Books and Supplies	Services and Operating Expenses	Capital Outlay
13-14 Actuals	\$53.7	\$22.1	\$21.0	\$4.0	\$19.4	\$0.1
14-15 Actuals	\$55.9	\$23.7	\$24.7	\$3.9	\$20.3	\$0.1
15-16 Actuals	\$59.0	\$24.7	\$26.9	\$3.7	\$23.0	\$0.2
16-17 Actuals	\$62.1	\$26.8	\$29.6	\$4.7	\$22.5	\$0.7

This is Total General Fund.

Spending on certificated salaries has risen greatly since 2013-17.

Cost of a 1% Raise

Bargaining Unit	Cost of a 1% Raise (2017-18)
BCCE	\$336,559
BFT	\$710,867
Classified Upper Management	\$5,468
District Office Classified	\$5,705
Certificated Upper Management	\$17,403
Local 21	\$37,384
UBA	\$62,706
Total	\$1.2 Million

A 1% raise for all employees costs about \$1.2 million which is an ongoing expense.

Any raise that applies to BFT members will eventually apply to all employees.

In addition to raises, BFT demands that a significant portion of new one-time revenues goes to BFT members. This comes in the form of bonuses.

Compensation Increases since 2012/2013

BFT members have received 12% in ongoing raises and 9.5% in bonuses since 2012/13. Cost listed is total cost for all BUSD employees. Figures are approximate.

Year	Cost of salary increase	Cost of bonus (for all employees)	Cost of benefit increase	State Cost of Living Adjustment	Total Compensation (salary, benefit, bonus)
2012/13	1.8 Million	2.5 Million		3.24%	6%
2013/14	1.4 Million	1.9 Million		1.57%	3.5%
2014/15	2.0 Million			.85%	2%
2015/16	4.0 Million		1 Million	1.02%	5%
2016/17	2.0 Million	3.0 Million		0%	5%
2017/18		1.2 Million		1.56%	1% *projected
2018/19	1.2 Million	1.8 Million*		2.5%*	2.5%*



San Francisco Unified

- San Francisco has a significant teacher retention problem.
- SFUSD has almost 6 times as many students as BUSD.
- SFUSD has a much higher % of 'unduplicated' students (62.7%) than BUSD , which means they qualify for significantly more money per pupil from the state.
- SFUSD has very high cash reserves. In BUSD BFT has fought to give 'one-time' funds from the state to employees as they are received, so our reserves are not sky high.
- SFUSD will make major budget cuts in order to fund new raises.
- SFUSD will pay for the new raises largely from their reserves and hope that by 2020-2021 revenues have risen enough to pay for the new raises.
- The Employer proposed a 10% compensation increase at the start of negotiations. The Union eventually agreed to a 11% increase.
- If a parcel tax passes in June, San Francisco will receive an additional 5% increase.



Class Size Comparisons

	Berkeley (averages)	Oakland (maximums)	San Francisco (these are goals)	West Contra Costa (averages)
K	23:1	24	23	28:1
1-3	23:1	27	23	28:1
4-5	23:1	30	30	33
6-8	26:1	32	30	32:1
9-12	28:1	32	30	32:1

Note: These numbers are still being verified. These numbers are based on a review of actual contract language.



STRS and PERS Increases

Employer Contribution Increases

School employer contributions will increase from 8.25 percent to a total of 19.1 percent of payroll, phased in over the next seven years.

Effective Date	Prior Employer Contribution Rate	Increases Under AB 1469	
		Increase	Total
July 1, 2014	8.25%	0.63%	8.88%
July 1, 2015	8.25%	2.48%	10.73%
July 1, 2016	8.25%	4.33%	12.58%
July 1, 2017	8.25%	6.18%	14.43%
July 1, 2018	8.25%	8.03%	16.28%
July 1, 2019	8.25%	9.88%	18.13%
July 1, 2020	8.25%	10.85%	19.1%
July 1, 2046	8.25%	Increase from prior rate ceases in 2046-47	

STRS and PERS increases come to an additional \$1.2 million a year at least until 2020-21 due to changes in state law.

These increases contributions come from grant base funds.

The employer is paying 11% more in employer STRS contributions over 7 years.

Major LCAP Supplemental Funds Expenditures for 2017-2018



Goal 1: Provide high quality classroom instruction and curriculum that promote college and career readiness with academic interventions in place to eliminate barriers to student success.

- Rtl Teachers at K-8 (\$900,000)
- Math Coaches (\$225,000)
- Math Support Classes K-12 (\$235,000)
- Literacy Coaches at K-5 (partial funding; \$250,000)
- AVID Program in Grades 7-12 (\$200,000)
- High School Bridge (\$150,000)
- Saturday Science Program K-5 and Grade 7 (\$70,000)
- After School Intervention (\$120,000)

Goal 2: End the racial predictability of academic achievement by ensuring that all systems are culturally and linguistically responsive to the needs of our students.

- ELD Teachers at K-12 (\$960,000)
- ELD TSA for K-5 (\$55,000)
- Staffing for Recruitment and Retention of Teachers of Color (\$60,000)
- Classified Pathway to Teaching (\$40,000)

Goal 3: Ensure all school sites have safe, welcoming and inclusive climates for all students and their families, so that all students are in their classes ready to learn.

- Intervention Counselors at BHS (\$300,000)
- Restorative Practices at Secondary (\$450,000)
- Behavior/Mental Health Counseling at K-5 and BTA (\$145,000)
- Family Liaisons (\$315,000)
- TSA for Coordination of School Based Services (\$140,000)
- Manager for African-American Student Success Program (\$125,000)

Multi-year Projections Ongoing (2nd Interim Report)

Years	New Base Revenue (projected)	Increased Cost of STRS/PERS	Step and Column Increases	Cost of an ongoing raise	Contributions from funds to programs	Net (without contributions)
2017-18	1.2 Million	1.2 Million	1.2 Million		<ul style="list-style-type: none"> • Special Ed: 1.5 Million more • Nutrition Services: 1 Million • PreSchool: 125,000 • Adult School: 70,000 • Gardening: 300,000 	Negative 1.2 Million
2018-19	3.5 Million	1.2 Million	1.2 Million	1.2 Million		Negative .1 million
2019-20	2.0 Million	1.7 Million	1.2 Million	TBD		Negative .9 million

Special Ed Costs in BUSD Are Rising



The District General Fund contribution to Special Ed continues to increase. All districts contribute to Special Ed, but the BUSD contribution is at least 20% higher than the average CA school district.

Non-Public Agency (Contractors) costs are increasing significantly. Our Special Ed transportation costs are higher than average, and Non-Public School costs have increased.

BUSD hired a consultant to do a review of BUSD's Special Ed program and the full report should be released soon.

BFT fought for and won contract language for guaranteed Special Ed staffing levels at each site. Any change to staffing levels would need to be negotiated with BFT.

	14/15	15/16	16/17	17/18 (projected)
General Fund Contribution	13.1	15	16.6	16.6
Increase (from prior year)	1.1 million	1.9 million	1.6 Million	TBD



Nutrition Services Costs Are Rising and Revenue is Decreasing

	14/15	15/16	16/17	17/18
General Fund Contribution	\$633,000	\$633,000	\$1,000,000	\$883,000*
Increase (from prior year)	0	0	467,000	TBD

State and Federal Nutrition Services revenues are not enough to provide for our current program. The General Fund makes up the difference between expenditures and revenues.

* Projection



Why are Budget Cuts Occurring in Most CA School Districts and in BUSD?

- California does not adequately fund schools. California ranks 41st in the nation in per pupil funding.
- Large increases in state funding per year have stopped. Basic state funding for schools is leveling off.
- Costs continue to rise, especially in the areas of STRS and PERS. contributions and Special Education
- Districts, including BUSD, used 'savings' to balance their budget last year (and in some cases the year before). Districts have to make cuts to balance budgets as using savings is not a sustainable approach.
- Districts need to make cuts in some areas in order to free up ongoing funds for salaries and benefits.
- BUSD has made these budget cuts
 - 2017-18 cut \$500,000
 - 2018-2019 will cut \$1.8 million
 - 2019 - 2020 \$1 million projected



BFT Activism Wins Big at our School Sites

- **All of us working together as a Union created a great victory:** The vast majority of the proposed cuts to **school sites** were ultimately rejected by District staff and the Board.
- The Union was able to protect essential **Academic Counselor positions at BHS**; the **Vice-Principal position at MX** which is so critical to staff and students; the **BHS Dean of Attendance** that helps students get to school and to class; and the **Campus Monitor position at Washington**.
- Due to our advocacy our School Board chose to make needed cuts in legal costs and consultant fees, **rather than slashing services at our sites**.
- Teachers and counselors came and spoke at Budget Advisory Committee meeting, wrote emails, organized parents to speak, attended School Board meetings, and worked with parent organizations and our brothers and sisters in the Berkeley Council of Classified Employees to create a strong voice.



How to Increase Revenue

- BFT is a major proponent of the Schools and Community First campaign to reform Prop. 13 and bring \$9-\$12 billion in new revenue to our state. We will be asking members to gather signatures for this initiative this spring.
- BUSD needs more revenue for compensation. BFT is carefully researching options for a parcel tax for teacher salaries for the 2020 ballot in Berkeley.
- In general, some BUSD budget cuts will be needed. A combination of budget cuts and increased revenues will be needed to provide for compensation increases in future negotiations.



What Can We Do Now?

Volunteer for the Schools and Community First ballot initiative to gather signatures and canvass in 2018.

Volunteer to speak at an April or May BUSD School Board meeting about compensation by contacting the BFT office at bft4tchr@lmi.net.

Help represent BFT at local political events on weekends and evenings.

Volunteer for BFT endorsed candidate Judy Appel's campaign for Assembly District 15.

Attend BFT endorsement interviews for BUSD School Board candidates.

Commit now to high participation in our 18/19 Contract Campaign.

Your Site Rep can help you organize!

