

# BERKELEY UNIFIED SCHOOL DISTRICT

TO: Donald Evans, Ed.D, Superintendent  
FROM: Javetta Cella and Deputy Superintendent  
DATE: April 9, 2014  
SUBJECT: One-time Expenditure of PI Proceeds from Sale

## BACKGROUND INFORMATION

The District sold the property located at 1587 Avenue (Hillside) for \$1.7 million and the proceeds net of expenses are approximately \$1.6 million. The proceeds have been deposited into the Building Fund. The District meets certain conditions for the transfer of funds to the financial institution. Education Code Section 17463 was created to permit school districts to transfer surplus site sale proceeds into their general fund account through January 1, 2014. As a condition of transferring the proceeds, the Board must approve a resolution along with the expenditure plan pursuant to Section 1700 of Title 2 of the California Code of Regulations, one-time expenditures are defined as paid by the general fund, nonrecurring in nature and do not commit the district to incur the future, and are exclusive of ongoing expenditures. See attached list of other District one-time expenditures approved by the State.

Staff presented the one-time expenditure plan to the Board on January 23, 2013 as an information item. The Board provided the expenditure plan to be used for three District needs including technology, instructional programs, and employment and retirement benefits. The summary below includes a list of one-time expenditure needs as determined by staff based on the following criteria:

- One-time needs that support the implementation of the new Common Core Standards
- Professional development to increase staff capacity
- Expenditures that will improve the efficiency and effectiveness of operations

One-Time Expenditures	Amount
Technology	
Electronic Data Storage	\$ 300,000
Technology for teachers	225,000
Financial System Upgrades	75,000
Instructional Program	
Common Core Implementation	400,000
Classified Professional Development	200,000
Post Employment Benefits	500,000
TOTAL	\$ 1,700,000

Technology

Electronic Storage Documents \$300,000

Many Human Resources Business Services Special Education documents are stored on West Campus but are difficult to access, due to the sheer number of documents and boxes in storage. This project will scan the records to make them available to staff and administrators. This will require some additional staff time if the needed documents are not then a scanning service to securely scan the documents. Outcomes include more secure personnel and student records, reduced staff time to access these records, and fewer facility issues due to storage boxes on West Campus.

Teacher Laptops/FTE \$225,000

Most district classrooms have LCD projectors and many have webcams. Providing laptops to teachers will make greater use of classroom resources and also give them the flexibility to ease lessons at home. These laptops will be the same as those used on mobile carts that the students will be using. Each classroom will be provided an allowance based on the number of FTE. The Site Principal will be responsible for distribution at each site with the expectation that some teachers will elect to use their own laptops. Teachers who use their own laptops will register them with the Technology Department.

Financial System Upgrades \$75,000

These funds will improve the efficiency of district financial systems including electronic requisitioning, payroll and benefits systems. These funds will be used to pay for QSS support at a time to improve these systems.

Instructional Program

Common Core Instructional Materials \$400,000

The transition to CCSS will require new or additional materials at grade levels and in most subjects. The current funding for instructional materials is not sufficient to purchase all the related materials that will be needed. The funding requested will provide the district the opportunity to purchase additional materials. For example, new math textbooks for high school. There is a need for CCSS materials in Spanish for the Two Way Immersion Bilingual programs. Previously presented to the Board totaling \$3.6 million over a three year period began in 2011. The State has only provided limited non-time funds for CCSS. part of the three year period for new materials and technology about \$2 million. There is no guarantee that the State will provide more funding for implementation of Common Core; therefore staff is recommending that the District set aside funds for this purpose.

Classified Staff Development \$200,000

Professional development for classified employees is limited to one of three staff development categories. Classified employees work closely with instructional staff. There is still very little professional development for classified employees. Some departments provide additional professional development that is either mandatory or optional. Where possible, there is no formal plan. With these funds, the District will provide professional development to the classified employees by improving their skills and knowledge relative to their job duties. This could range from learning English for business to CPR or Crisis Prevention Institute. Staff is proposing a professional development plan for 2014-15 in collaboration with BCCE professional development for completion in 2014-15 and 2015-16 school year. Currently, there is no dedicated budget for professional development for classified employees.

Post Employment Retirement Health Benefits

Post employment retirement benefit \$500,000

Under Governmental Accounting Standards, the District's audited financial statements disclose the District's post-employment benefit cost (OPEB) liability to fund retiree health benefits based on an actuarial report. An actuarial report projects how much the District will reserve in order to meet its future fiscal obligation for health care for all retired employees. The District currently uses a pay-as-you-go method and has not funded the future liability. The OPEB liability as of June 30, 2013, is \$20 million. The OPEB liability increases about \$500,000 to \$600,000 a year. It would be fiscally prudent for the

District is funding this obligation at \$500,000 before it becomes an ever substantial financial obligation. These are benefits that have already been earned by current employees paid out in future periods. Therefore, the District sets aside the necessary funds to ensure that these benefits will be paid. There is a city government bankruptcy due to unfunded OPEB obligation that is now due.

#### DISTRICT GOAL

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