

# SONOMA COUNTY OFFICE OF EDUCATION



## **SCOEBIZ** Business Services

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**Bulletin No. 15-09**

**January 2015**

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January 20, 2015

To: District/Charter Business Services

From: Judy Thomson, Director Fiscal Services

### State of the State

On January 9, 2015, the Governor released his 2015-16 Budget Proposal (Proposal). The economy has improved as well as aided by an additional \$7 billion in annual revenues were generated by Proposition 30. The administration projects that General Fund tax revenues will end 2014-15 more than \$2 billion above its projections in last June's state budget package. Further, the administration projects that the General Fund's three major taxes collectively will increase by over \$5.6 billion in 2015-16—to a level that is more than \$1 billion above administration estimates from last June for the 2015-16 fiscal year.

The Governor's Budget Proposal includes significant new funding for Education. The largest single education augmentation is \$4 billion to continue implementing the Local Control Funding Formula, which is enough to eliminate approximately 32% of the remaining funding gap. Some of the other augmentations are as follows:

- o \$1.1 billion one-time discretionary funding to further investment in Common Core (which will offset any applicable mandate reimbursement claims). The funding will be distributed on a per ADA basis.
- o \$1 billion to eliminate the remaining K-14 apportionment deferrals in 2014-15.
- o \$500 million for Adult Education Block Grant
- o \$273 Emergency Repair Program (one time)
- o \$250 CTE incentive grants (one-time for each of the next three years)

### Proposition 30

Proposition 30, approved by the voters in 2012, temporarily increased the following:

1. Sales and Use Tax (SUT) by one-quarter cent (January 1, 2013 – December 31, 2016)
2. Personal Income Tax (PIT) rates for the top 1 percent of income earners (2012-December 2018)

The LAO estimates Proposition 30 has generated the following state revenues:

- 2011-12: \$3.5 billion (PIT)
- 2012-13: \$6 billion (\$5.3 billion in PIT and \$700 million in SUT)
- 2013-14: \$7 billion (\$5.6 billion in PIT and \$1.4 billion in SUT)

The LAO estimates Proposition 30 will generate the following state revenues:

- 2014-15: \$7.4 billion (\$5.9 billion in PIT and \$1.4 billion in SUT)
- 2015-16: \$7.4 billion (\$5.9 billion in PIT and \$1.5 billion in SUT)
- 2016-17: \$6.9 billion (\$6.1 billion in PIT and \$800 million in SUT)
- 2017-18: \$6.3 billion (all PIT)
- 2018-19: \$2.5 billion (all PIT)

Per Barrett Snider of Capitol Advisors Group, "It is important to note the most serious impact of the Prop 30 revenues shutting off is felt by schools. The LAO cites a particular effect on the Prop 98 minimum funding guarantee for K-14 schools, where the expiration of the additional revenues over the shutting-off period will contribute to slower growth in the Prop 98 guarantee...."

### Board Resolution ~ Committed Reserves

Attached is an example board resolution for establishing committed reserves.

### FCMAT LCFF Calculator

With the Governor's Budget Proposal out, please note the following:

- o **v15.3b2** of the LCFF Calculator will receive a mini-update once the Department of Finance calculates and provides the official estimated multi-year COLA and gap assumptions. Assumptions in the LCFF Calculator will be updated and an email announcement will be sent out alerting field users of this minor change. **Please note:** Assumption changes do not receive a new point release. Once this information becomes available, you may choose to download a new copy of the calculator from the FCMAT website and reenter your local information – or– update your existing copy of the LCFF Calculator with the new assumptions on the 'Assumptions' tab.
- o **A major release update of the LCFF Calculator (v16.1) is anticipated to be released mid-February to be used in developing the 2015-16 Adopted Budget.** The release will include the addition of the 2017-18 fiscal year, necessary to create a three-year multi-year projection. Additionally, the calculator will be expanded to allow local users to develop a five-year multi-year projection, through 2019-20, for grants and other applications that require a five-year projection of revenues. An email will be sent out on this listserv alerting field users to the availability of version 16.1 and include a full list of changes.

### CALPADS

Please note that the Fall 1 Amendment Window closes February 27, 2015.

### Consolidated Application Reporting System (CARS) Reporting

The CARS 2014 winter data collections became available as of January 15, 2015, and are due on **February 28, 2015**. Additional information is available on the CDE CARS Web page at <http://www.cde.ca.gov/fg/aa/co/cars.asp>. All password / security question changes are made in Central Authentication System (CAS ), not CARS.

### Federal Cash Management Data Collection

The data collection window for the federal Cash Management Data Collection (CMDC) System is January 10, 2015 to January 31, 2015. You may report your data at any time during this period. LEAs must submit cash balance data by January 31, 2015, for the Title I, Part A; Title I, Part D; Title II, Part A; Title III, Immigrant; and Title III, LEP programs in order to receive funds in the next apportionment for those programs.

The CDE will apportion funds in March 2015 for each of the five programs to those LEAs that report a cash balance, meet the cash management threshold, and meet other program requirements. Apportionments will equal the difference between 25% of the LEA's annual entitlement, and cash balance up to the entitlement amount. Apportionments for a particular fiscal year will be paid after the allocations for any prior year grant award(s) have been fully paid, unless the authority to obligate those funds has expired.

The Web site to login to the CMDC system is at <http://www.cde.ca.gov/fg/aa/cm/>. Other information regarding the CMDC, including instructions, future reporting dates, and FAQs, can be found at the CDE Web site at <http://www.cde.ca.gov/fg/aa/cm/>.

### 2014 Standard Mileage Rates

Beginning on January 1, 2015, the Internal Revenue Service's standard mileage rates for the use of a car (also vans, pickups or panel trucks) are as follows:

- o 57.5 cents per mile for business miles driven, up from 56 cents in 2014
- o 23 cents per mile driven for medical or moving purposes down half a cent from 2014
- o 14 cents per mile driven in service of a charitable organization

### Creditable Compensation

New credible compensation regulations and guidelines go into effect with the January 31, 2015 regular payroll submission. An overview is attached. More detail information can be found at SCOE's website under DBUG with today's date.

### Parental Limit of Liability for Willful Pupil Misconduct annual adjustment – letter posted at:

Calendar Year	Liability Limit	Percentage Change in Implicit Price Deflator
2013	\$18,100	2.99%
2014	\$18,300	.858%
2015	\$18,700	2.26%

For further detail, please go to: <http://www.cde.ca.gov/fg/ac/co/parentliability2015.asp>

### Bid Threshold annual adjustment :

Contracts subject to competitive bidding include:

1. Purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school district.
2. Services that are not construction services.
3. Repairs, including maintenance as defined in *PCC* Section 20115, that are not public projects as defined in *PCC* Section 22002(c).

Effective January 1, 2015 the adjusted bid threshold is \$86,000.

Calendar Year	Bid Threshold	Percentage Change in Implicit Price Deflator
2014	\$84,100	.858%
2015	\$86,000	2.26%

Also note that public projects as defined in *PCC* Section 22002(c), such as construction or reconstruction of publicly owned facilities, have a lower bid threshold of \$15,000 that is not adjusted for inflation. For further detail, please go to: <http://www.cde.ca.gov/fg/ac/co/bidthreshold2015.asp>

### Assembly Bill 1522 (AB 1522) – "Sick Leave for All" law

Although the "effective date" for AB 1522 is confusing (the new law did not contain an effective date but does reference January 1, 2015 or July 1, 2015), the Labor Commission is taking the position that the written notice to employees must be provided beginning January 1, 2015. The Labor Commissioner's new poster states that "accrual shall begin on the first day of employment or July 1, 2015, whichever is later." The Paid Sick Leave Poster Template can be found [here](#).

- o LEAs should download the poster template and display the poster in key areas before January 1, 2015.
- o Check your board policies and collective bargaining agreements (CBAs) to be sure you are in compliance with the provisions of the law which would include the definition of "family" is consistent with the new law and that your CBA includes language that provides an employee the ability to use the time off if he/she is a victim of domestic violence, sexual assault, or stalking.

### **Guidelines for the California Clean Energy Jobs Act**

Attached are the summary of changes to the newly revised *Proposition 39 Guidelines* which are located at:

<http://www.energy.ca.gov/efficiency/proposition39/index.html> , by clicking on... **New Final Guidelines - Proposition 39: California Clean Energy Jobs Act – 2015 Program Implementation Guidelines** (Revised December 10, 2014).

### **New Online Education Program Opportunities: Course-Based Certification Program**

The 2014-15 Senate Bill (SB) 858 established an alternative independent study program that streamlines the administrative burdens and amended existing independent study requirements that benefit both traditional independent study programs, as well as the newly created Course-Based Certification Program.

SB 858 also changes class size ratio requirements for all independent study programs, traditional and Course-Based Certification Programs, to align with the Local Control Funding Formula grade spans of K-3, 4-6, 7-8, and 9-12.

### **New Course-Based Certification Program**

Beginning with the 2015-16 school year, LEAs can offer and be funded for Course-Based Certification Independent Study Programs *without having to convert student effort into time or earn ADA through the minimum instructional minutes requirements (seat time) when certain criteria are met.*

The Course-Based Certification independent study programs do not require LEAs to determine the time value of student work in order to be funded for students enrolled in the program. LEAs self-certify that nonclassroom-based courses (e.g., online courses) are of *equivalent instructional minutes* as those provided in traditional classroom settings without having to deliver the equivalent instructional minutes, unless student learning progressions require such instructional time and support. LEA certification of nonclassroom-based courses are to be of equivalent quality, rigor, and equivalent instructional minutes. When an LEA makes the required certifications to initiate and offer Course-Based Certification Programs and student enrollment—and not the determination of the time value of their work—is what generates funding for LEAs.

Attached is a matrix that outlines the changes and the major differences between traditional independent study programs and Course-Based Independent Study Programs.

### **Dates to Remember:**

02/09/2015	Holiday
02/10/2015	User Group – Finance
02/13/2015	Open Lab
02/16/2015	Holiday
02/23/2015	Position Control Budgeting
02/26/2015	Open Lab
02/26/2015	DBUG
02/27/2015	Open Lab

### **NOTE:**

*Documents that are presented at DBUG may be found at [dp-scoe.org](http://dp-scoe.org) website under the "DBUG/SCOE Bulletins" tab.*

Sample Resolution  
Governing Board of \_\_\_\_\_ School District

Resolution Authoring the Spending Constraints imposed on the use of Fund Balance Reserves for Specific Purposes on motion of Member \_\_\_\_\_, second by Member \_\_\_\_\_, the following resolution is adopted:

WHEREAS, Government Accounting Standards Board (GASB) issued Statement 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which implements a five-tier fund balance (Non-spendable, Restricted, Committed, Assigned and Unassigned) hierarchy that depicts the extent to which a government is bound by spending constraints imposed on its use of its resources, and

WHEREAS, state law requires that each school district maintain a minimum level of unassigned general fund monies as a Reserve for Economic Uncertainties, and

WHEREAS, the \_\_\_\_\_ School District anticipates having an unassigned fund balance at the end of the 20xx-xx fiscal year in excess of this minimum reserve requirement, and

WHEREAS, the \_\_\_\_\_ School District wishes to Commit for specific uses the unassigned fund balance in excess of the minimum reserve requirement,

NOW, THEREFORE, BE IT RESOLVED, that the Governing Board of the \_\_\_\_\_ School District hereby commits the amount of unassigned fund monies in the 20xx-xx fiscal year ending balance in excess of the minimum reserve requirements specified in state law for the following purposes:

Committed Reserve #1: Name/Identify commitment

Statement of Reason: Substantiate the need for the Committed Reserve #1 here

Committed Reserve #2: Name/Identify commitment

Statement of Reason: Substantiate the need for the Committed Reserve #2 here

Committed Reserve #3: Name/Identify commitment

Statement of Reason: Substantiate the need for the Committed Reserve #1 here

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 201X.

\_\_\_\_\_  
Name and title

\_\_\_\_\_  
Date



## OVERVIEW OF NEW CREDITABLE COMPENSATION REGULATIONS AND GUIDELINES FOR REVIEWING ADDONS

### I. Overview:

- I. New Creditable Compensation Regulations are for CalSTRS 2% @ 60 members
- II. The provisions go into effect with the January 31, 2015 Regular Payroll Submission
- III. Salary is compensation that meets all four requirements (*see 27400. Salary in conjunction with Ed Code 22119.5(a)(6)*)
- IV. *Outgrowth* is compensation that is not creditable on its own, but is considered *Salary* when the *outgrowth* of another assignment and meets all requirements of *Salary*
- V. For all creditable service performed that meets the definition of *Salary*, employers must establish a full-time basis compensation earnable for all assignments (*see 22115. "Compensation earnable"*)
- VI. Remuneration in addition to Salary is not associated with performance of additional service that either meets the requirements per 27401 *Remuneration that is paid in addition to salary(1)(A-F)* or is paid contingent upon the availability of funds (2) and is
- VII. *Remuneration in addition to Salary* is compensated and reportable Special Compensation, going straight to DB (Defined Benefit), but not earning service credit
- VIII. Fringe benefits are noncreditable compensation unless restructured into Salary (*see Article 4. Noncreditable compensation pages 4-5*)
- IX. *Article 5. Appropriate crediting of contributions* (*see pages 6-9*) addresses consistent treatment of compensation and how this will be assessed at time of calculating final compensation
- X. 27602. *Compensation that is paid a limited number of times* identifies the compensation and these contributions are credited to the member's DBS (Defined Benefit Supplemental) account.

## Follow-up to Addon User Group Meeting 1/7/2015

### FACTS:

- Every district *must* review every certificated addon used beginning with the January Regular payroll and make determinations of how each addon needs to now be set up with the implementation of the New Creditable Compensation Regulations
- Special Compensation is credited to the member's DB (Defined Benefit), but does not earn service credit
- An employee cannot earn more than 1.0 service credit. Anything over 1.0 service credit, STRS credits to the member's DBS (Defined Benefit Supplemental)
- At retirement the member's DBS account gets paid out (there are several disbursement options) after the member has depleted their DB account.
- Stipends associated with the performance of additional service may have previously been reported as special compensation crediting the member's DB. With the implementation of the New Creditable Compensation Regulations, stipends that meet the definition of outgrowth (see attached Creditable Compensation, page 3 in conjunction with Teachers Retirement Law page 3) need to be reported as a full-time basis compensation earnable and earns service credit.
- Bonus pay for 2% @ 60 continues to be creditable compensation if it meets ed code 27401. *Remuneration that is paid in addition to salary and more commonly meeting (2) Compensation that is paid contingent upon availability of funds* (see attached Creditable Compensation, page 3 and 4)
  - Reported as special comp and credited to the member's DB
- 27602. *Compensation that is paid a limited number of times* is credited to the member's DBS (see attached Creditable Compensation, page 9 and 10)
  - e.g. early retirement bonus
- Fringe benefits are no longer creditable (see attached Creditable Compensation, pages 4-5 under *Article 4. Noncreditable compensation*)

### THINGS TO CONSIDER:

- Remember with the implementation of PEPR in January 2013, Bonus pay is not creditable compensation for 2% @ 62 (see attached CalSTRS Employer Directive 2014-01, page 5)
- With Masters and Doctorate now being reported as special comp, those employee's base pay will now be less which would affect other salary paid to the employee that uses the employee's base pay.
- May want to alert employees (most commonly superintendents) their fringe benefits are no longer creditable effective with the January Regular Payroll unless restructured into *Salary* (see attached definition of Salary, ed code 27400. *Salary*)
- Need to ponder the affect these changes to creditable compensation for 2% @ 60 may have in negotiations



# Energy Expenditure Plan Handbook

## *Summary of All Changes*

Please discard any previous versions of the Energy Expenditure Plan Handbook and use the most updated version, listed first below.

Version/ Date Revised	Topic	Handbook Revision	Page
Version 4  (7/30/14)	Energy Audit	Updated this section to refer to Chapter 6 regarding the "Information Required for Energy Audits"	Chapter 1, What to include in the Energy Expenditure Plan, 4c Page 5
Version 4  (7/30/14)	Grant Balance Available	A correction was made on the last sentence. It should read: If this Energy Expenditure Plan is submitted in fiscal year 2013-2014, the grant balance equals the total award amount <i>remaining</i> .	Chapter 2, Section 1c: Grant Balance Available Page 9
Version 4  (7/30/14)	Amount requesting for Energy Manager	A clarification was added that this is for Year 2 to 5 only.	Chapter 2, Section 3b: Amount requesting for Energy Manager Page 12
Version 4  (7/30/14)	Amount requesting for Training	A clarification was added that this is for Year 2 to 5 only.	Chapter 2, Section 3d: Amount requesting for Training Page 12
Version 4  (7/30/14)	Information Required for Energy Audits	Chapter 6, Information Required for Energy Audits was added. This information is required for LEAs who do not use the Energy Commission energy savings calculators as backup documentation to validate their energy savings and SIR calculations.	Chapter 6, Information Required for Energy Audits Page 58 - 62
Version 3  (5/16/14)	Electricity Production from onsite PV system	Two fields were added to the Electricity section of the Benchmarking calculator. Instructions on how to fill out these two fields were added and the "total annual electric use" instructions were revised for clarity. The graphic was also updated to show the revised Electricity section.	Chapter 3, Section 1c: Benchmarking Calculator, Electricity Page 36

## Energy Expenditure Plan Handbook

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Version 2 (3/4/14)	Power Purchase Agreement	Instructions on how to input information on Power Purchase Agreements (PPA) with Third Party PV Developers is added.	Chapter 3, Section 5: Photovoltaic Measure Page 26 – 28
Version 2 (3/4/14)	Power Purchase Agreement in Site Project Summary	An automatically calculated field for Total Cost Paid Under PPA is added.	Chapter 3, Section 6: Site Project Summary Page 28 – 29

	Prior Law	Traditional Independent Study	Course-Based Independent Study
Class Size Ratio Limits	Equivalent to average ratio of other educational programs in the district	Equivalent to average ratio of all other educational programs per grade span unless an alternative is collectively bargained	Equivalent to average ratio of all other educational programs per grade span unless an alternative is collectively bargained
Enrollment Limitations	No more than 10% of students in continuation HS or opportunity program	No more than 10% of students in continuation HS or opportunity program	None  Except that program enrollment will be reduced, as specified, by statewide absence rates when more than 10% of local educational agency's (LEA's) average daily attendance (ADA) is enrolled in a program
District Independent Study Policy	Learning Agreement duration cannot exceed one (1) <u>semester</u> Policy must be kept on file as a <u>hard copy</u>	Learning Agreement duration cannot exceed one (1) school year Policy can be maintained electronically	Learning Agreement duration cannot exceed one (1) school year Policy may be maintained electronically
Pupil Work	As a condition of apportionment, districts must determine and report the time value of student work products and <u>sign and date each product</u>	As a condition of apportionment, districts must determine and report the time value of student work products	No requirement for districts to determine and report the time value of student work products

Prior Law		Traditional Independent Study		Course-Based Independent Study	
Learning Agreement Requirements					
(1) The manner, time, frequency, and place for submitting a pupil's assignments and for reporting his or her progress.	X	X	X	See (4) below	
(2) The objectives and methods of study for the pupil's work and the methods utilized to evaluate that work.	X	X	X	X	Evaluation of satisfactory student progress is used to determine, among other things, whether the student should remain in the program or be referred to an alternative program
(3) The specific resources, including materials and personnel, that will be made available to the pupil.	X	X	X	X	
(4) A statement of the policies adopted regarding the maximum length of time allowed between the assignment and the completion of a pupil's assigned work, and the number of missed assignments allowed before an evaluation of whether or not the pupil should be allowed to continue in independent study.	X	X	X	X	Statement need only include course learning objectives and expectations and description for evaluating satisfactory educational progress

	Prior Law	Traditional Independent Study	Course-Based Independent Study
(5) The duration of the independent study agreement, including the beginning and ending dates for the pupil's participation in independent study under the agreement.	Limited to one (1) semester	Limited to one (1) school year	Limited to one (1) school year
(6) A statement of the number of course credits or, for the elementary grades, other measures of academic accomplishment appropriate to the agreement, to be earned by the pupil upon completion.	X	X	X
(7) The inclusion of a statement in each independent study agreement that independent study is an optional educational alternative in which no pupil may be required to participate. In the case of a pupil who is referred or assigned to any school, class, or program as a result of suspension or expulsion, the agreement also shall include the statement that instruction may be provided to the pupil through independent study only if the pupil is offered the alternative of classroom instruction.	X	X	X

	Prior Law	Traditional Independent Study	Course-Based Independent Study
(8)(A) Each written agreement shall be signed, before the commencement of independent study, by the pupil, the pupil's parent, legal guardian, or caregiver, if the pupil is less than 18 years of age, the certificated employee who has been designated as having responsibility for the general supervision of independent study, and all persons who have direct responsibility for providing assistance to the pupil.	X	X	X
(8)(B) A signed written agreement may be maintained on file <u>electronically</u> .	Must be maintained as a <u>hard copy</u>	X	X Must be maintained for at least three (3) years
(9) A summary of the policies and procedures adopted by the governing board or body.	None	None	Required to include any policies/procedures to comply with Course-Based Program and State Board of Education regulations, if applicable

For a full text of the law, please see Senate Bill 858 by visiting the California Legislative Information website at:

[http://leginfo.ca.gov/faces/billNavClient.xhtml?bill\\_id=201320140SB858](http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB858)

Relevant Independent Study Program sections can be found in SECTIONS 35 - 39 of the bill.