

SONOMA COUNTY OFFICE OF EDUCATION



Bulletin No. 16-10

February 2016

February 26, 2016

To: District/Charter Business Services
From: Judy Thomson, Director Fiscal Services

State of the State

State revenues in January fell short of projections included in the Governor's Budget Proposal by approximately \$240 million or about 1.8% less than expected. The Governor's Budget proposal projected that the state would take in approximately \$13.24 billion in January versus, however total revenues received were just under \$13 billion.

January	Actual*	Forecast*	Difference
Corporate Tax	\$362.60	\$200.20	81.1%
Personal Income Tax	\$11,735.60	\$12,032.00	-2.5%
Sales Tax	\$738.00	\$870.00	-15.2%
<i>*in millions</i>			

Proposition 30 extension effort

The Proposition 30 extension initiative effort, the California Children's Education and Health Care Protection Act (CEHCP), is now collecting signatures. Here is a summary of the Act's provisions:

- ✚ Temporarily extends the current income tax rates created under Prop 30 for 12 years, which are:
 - \$250k - \$299k – 10.3% (individual)
 - \$300k - \$499k – 11.3% (individual)
 - \$500k+ - 12.3% (individual)
 - All brackets double for joint-filers and are indexed for inflation
- ✚ **Raises an estimated \$8-11 billion each year**
- ✚ Revenues will continue to be deposited into the Education Protection Account, a special fund where monies go to fund K-12 public schools and community colleges.
- ✚ The argument is that by helping the state maintain and fund critical resources for education, the state will then be freed up to use funds that would have otherwise been necessary for education, to help critical services like health care and other essential services, invest in the Rainy Day Fund and maintain a balanced budget.
- ✚ The revenue will be subject to the provisions of the Prop 2 rainy day fund.
- ✚ Once the state meets its education requirements, the remaining revenue will be used to fill spending gaps in existing General Fund programs (described in the initiative text as the "workload budget."). It is expected there will be revenue remaining, which will be split as follows:
 - 50% for additional Medi-Cal funding, capped at \$2 billion – must target low-income children and their families. The funds cannot supplant current funding but can be suspended by statute during a budget emergency called by the Governor.
 - The rest will be available for General Fund purposes including one-time spending, program expansion and accelerated debt repayment.
- ✚ **Does not extend the original Proposition 30 sales tax.**

The initiative as well as a sample school board resolution to support the initiative can be found at dp.scoe.org website under the "DBUG/SCOEBulletins" tab.

2015-16 First Principal Apportionment

P-1 Apportionment funding exhibits and apportionment Excel files that provide detailed funding amounts are available on the CDE webpage at <http://www.cde.ca.gov/fg/aa/pa/pa1516.asp>.

The 2015-16 Principal **Apportionment Exhibit Reference Guides** will now include reference guides for the Special Education programs and the Adults in Correction Facilities program also funded through the Principal Apportionment. This document will be available with the P-1 certification later this month at <http://www.cde.ca.gov/fg/aa/pa/exhibitguides.asp>.

New in 2015-16, the CDE provides funding rates and information at <http://www.cde.ca.gov/fg/aa/pa/ratesandinfo.asp>.

CALPADS LCFF Data and Unduplicated Pupil Percentage (UPP)

For most LEA's the UPP at P-1 will be equal to the UPP used for the 2014-15 Annual Apportionment certification, which will be the same as 2014-15 P-2 unless the LEA submitted an audit adjustment to CALPADS data through the Principal Apportionment Data Collection Software by the end of October. **The data in the final 2015-16 CALPADS UPC file certified by March 18, 2016 (CDE extended the Fall 1 amendment window to March 18, 2016) will be used in the 2015-16 Second Principal Apportionment (P-2) to calculate actual 2015-16 LCFF entitlements.** CALPADS will not refresh any Fall 1 snapshot data after the close of the amendment window; therefore any corrections not certified in CALPADS by the March 18, 2016 deadline must be made through the audit process.

For 2015-16 newly operational charter schools, CDE will use the data reported to CDE in the 20-day survey with the exception of the charter schools that did not report 20-day data to CDE or reported zero enrollment and/or unduplicated pupil counts.

The CALPADS LCFF Data private preview available to LEAs that certified by December 18, 2015 was released on February 16, 2016. These data include preliminary:

- 2015-16 Enrollment and English Learner (EL) Data
- Local Control Funding Formula (LCFF) Data for the CALPADS Unduplicated Pupil Count (UPC)
- 2014-15 Graduate and Dropout Counts

See <http://www.cde.ca.gov/ds/sp/cl/calpadsupdf115.asp> for further information.

The deadlines are summarized below:

	Submission	Original Deadline	New Deadline
Fall 1	Last Day of Amendment Window	February 19, 2016	March 18, 2016
Fall 2	Certification Deadline	March 4, 2016	No Change
Fall 2	Last Day of Amendment Window	April 8, 2016	No Change

Expanded Transitional Kindergarten (ETK) Cost-Benefit Calculator

School Services of California (SSC) has created the Expanded Transitional Kindergarten Cost-Benefit Calculator. The goal of the calculator is to assist LEAs make informed decisions regarding the implementation ETK. The calculator can be found at <http://www.sscal.com/> by clicking on "Tools & Resources" on the left side of their home page. Then select "Budget Tools" followed by "ETK Tools".

Audit Issues

Immunization Procedures ~ 2015-16

Only schools that did not report immunization data or that reported a high number of conditionally enrolled students will be audited (total of 376 schools). Auditors will not be testing students in independent study and students with an individualized education plan (IEP) that includes special education and related services. A list of schools can be found at: <http://www.shotsforschool.org/k-12/audit/>

Unduplicated Pupil Counts

There were the numerous UPC findings in prior years caused from:

- ✚ **Lack of proper supporting documentation regarding Free & Reduced-Priced Meals (FRPM) and English Learners (EL)**
- ✚ Counting students ineligible for designation
- ✚ Inaccurate counts due to clerical errors
- ✚ **Incorrect coding students of FRPM students**
 - FRPM ~ LEAs were carrying over prior year status of FRPM students based on the National School Lunch Program (NSLP) 30-day grace period. CALPADS requires current year data. If a student is determined to be ineligible for FRPM during the NSLP verification process, that student's FRPM must be changed during the CALPADS correction window.
 - Verification is completed for NSLP applications approved between the beginning of the current school year and October 1st and must be completed by November 15th.
- ✚ **Incorrect coding students of EL students**
 - A student identified as EL on Census Day is counted as EL for the remainder of the school year.
 - If a student is reclassified after Census Day the change is not entered into CALPADS until the following year.

Sharing Free and Reduced Price Meals (FRPM) information for LCFF Purposes

Per amended EC Section 49558, information on the NSLP applications can be shared with other LEAs, but not the actual NSLP application itself. However, LEAs can provide the actual forms to their auditors. Please see the attached "Unduplicated Pupil Count Questions" handout for greater detail.

Instructional Time Requirement Reminder

In 2015-16, instructional time requirements revert to the statutory limits (five day reduction ends): 180 days for districts and 175 days for charter schools. For the Instructional Time Table for day and minutes, go to:

<http://www.cde.ca.gov/fg/aa/pa/instructionaltimetable.asp>

Education Code (EC) Section 46146.5 allows middle and early colleges, as defined in EC 11300 or 11302 to have a 180 minimum day if the student is concurrently enrolled in college. To be included in the minimum instructional time requirement, the student must be under the supervision and control of an employee of the LEA. The time instructed by a college teacher cannot be counted toward the LEA's instructional time.

If instructional time deficiencies exist, the loss of revenue can be material. LEAs should:

- ✚ **Review bell schedules to ensure enough time is being offered**
- ✚ **Verify if schools that bell schedules are being followed**
- ✚ **There is no longer a requirement to offer the minutes offered in 1982-3 if they exceed the minutes listed in the statute.**
- ✚ **Calculating instructional minutes using the weighted average by school site is no longer permitted (beginning in 2013-14).**

Audit Resources – State Compliance can be found at: <http://www.cde.ca.gov/fg/au/ag/statecomp.asp>

Personally identifiable information of students

A February 17, 2016 News Release from the State Superintendent of Public Instruction, Tom Torlakson, reminded parents, guardians, and some former students over 18 that they can object to the release of personally identifiable information to plaintiffs in a court case, *Morgan Hill Concerned Parents Association vs. California Department of Education*. Plaintiffs in the case have sought numerous documents and data stored in databases maintained by the California Department of Education (CDE). U.S. Federal Judge Kimberly Mueller has issued an order allowing parents, guardians, and former students over the age of 18 to object, but has required **any objection to be submitted to the court by April 1**.

The court order can be found here: [Notice of Disclosure of Student Records](#) (PDF).

A person can object by printing out, completing, and mailing to the court the "Objection to Disclosure of Student Information and Records Case No. 2:11-CV-03471" form at the CDE's Web site at [Objections to Disclosure of Student Records](#).

Alternatively, a parent, guardian, or former student can write a confidential letter to the judge, including the name of the student on whose behalf the letter is written, the author's name and relationship to the student, the student's date of birth, county, school district, and school, and, if desired, the basis of your objection.

Letters or Objection forms should be mailed to the Honorable Kimberly J. Mueller c/o Clerk of the Court, U.S. District Court for the Eastern District of California, 501 I Street, Room 4-200, Sacramento, CA, 95814.

California School Accounting Manual (CSAM)

The CSAM 2016 release is scheduled to be approved by the State Board of Education in March 2016.

CSAM Procedure 905, Documenting Salaries and Wages has been updated to include the federal Uniform Guidance. The new guidance specifically does not refer to personnel activity reports (PARs), but rather what is documented in the PAR. CDE will not change the current PARs guidance in Procedure 905, as the guidance is relevant and what is required by the new federal guidance is provided there.

CDE added an example in Procedure 905 of a more detailed PAR at the request of CDE's Audits and Investigations Division. This example illustrates time documentation for employees whose time spent on multiple cost objectives is unpredictable and varies significantly. This format is not a new requirement, but it can facilitate the audit process. In December 2014, the CDE Nutrition Services Division issued a management bulletin (SNP-06-2014) in which this PAR example was also included.

Dates to Remember:

02/29/2016	ASB Workshop presented by FCMAT
03/04/2016	Open Lab
03/08/2016	HR/Payroll User Group
03/11/2016	Hands on Position Control
03/14/2016	Budget Development workshop
03/15/2016	14-15 Audit ~ Certification of Corrective Action due to SCOE
03/18/2016	Open Lab
03/21/2016	Facilities workshop
04/01/2016	15-16 Audit contract for services due to SCOE

NOTE: Documents that are presented at DBUG may be found at dp.scoe.org website under the "DBUG/SCOE Bulletins" tab.