

SONOMA COUNTY OFFICE OF EDUCATION



Bulletin No. 17-08

February 2017

February 24, 2017

To: District/Charter Business Services

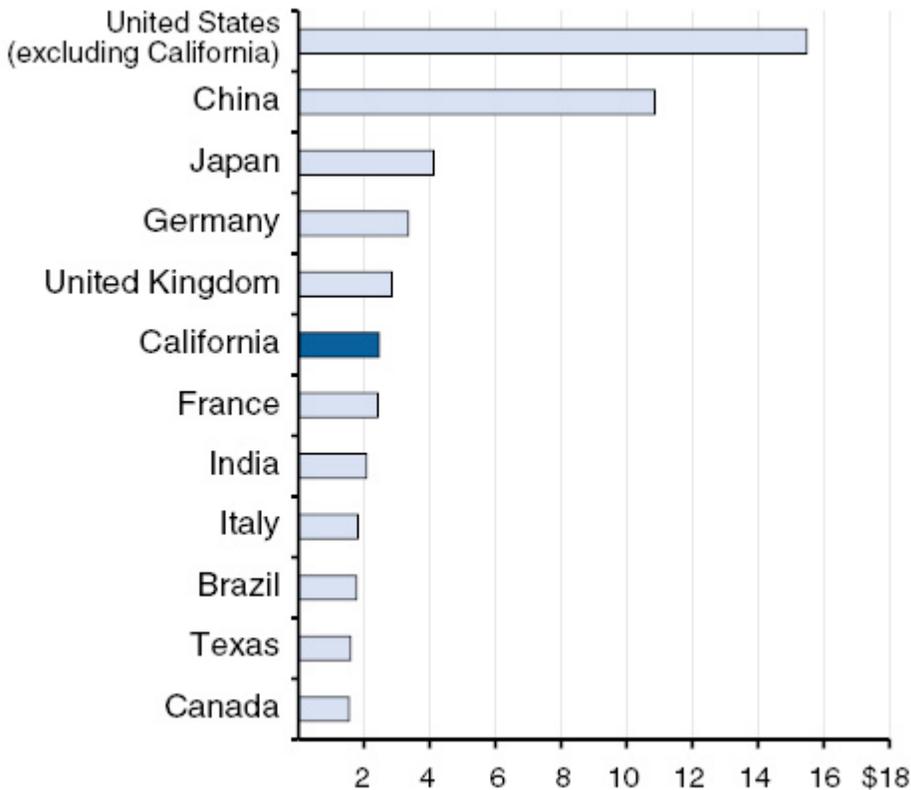
From: Judy Thomson, Director Fiscal Services

State of the State

In December 2016, the "big three" sources of California general fund dollars—personal income taxes, corporation taxes, and retail sales and use taxes—all fell short of monthly and fiscal year-to-date budget estimates. However in January 2017, all three outpaced 2016-17 Budget Act assumptions and projections in the governor's proposed 2017-18 budget. For the first seven months of the fiscal year that began in July, total revenues of \$66.76 billion are now \$392.5 million below last summer's budget estimates, and just \$115.5 million short of January's revised fiscal year-to-date predictions, or -0.2 percent.

The Legislative Analyst's Office (LAO) issued Cal Fact California's Economy on December 5, 2016. California economy is one of the largest in the world.

Gross Domestic Product (In Trillions)



- ✚ Gross domestic product (GDP) is the value of goods and services produced in a country or state.
- ✚ Measured in U.S. dollars, only five countries had a GDP larger than California's \$2.5 trillion GDP in 2015. Weakness in the value of European currency caused France's GDP to be just a bit smaller than California's that year.
- ✚ With 34 percent of California's population, the Los Angeles/Orange County region produces 38 percent of California's economic output. With only 17 percent of the population, the Bay Area produces 27 percent of the state's output.

On February 9, 2017 the Legislative Analyst's Office (LAO) released its comprehensive assessment of Governor Jerry Brown's 2017-18 Budget proposals regarding K-12. The LAO noted the following:

LCFF Funding Increase in 2017-18 Smaller Than Total School District Pension Cost Increases Projected for That Year. Compared with their experience the past three years, districts are likely to find pension rate increases more challenging to accommodate in 2017-18. Total district pension contributions are expected to increase by about \$1 billion (\$782 million for CalSTRS and \$244 million for CalPERS). These cost increases compare to the \$744 million proposed augmentation for LCFF under the Governor's budget. Thus, the average district would have to redirect some of its existing resources to cover the pension-related costs in excess of its LCFF increases.

School Services of California noted that, since the enactment of the LCFF, pension costs will consume 30% of the increase in school funding through 2020-21, or roughly \$6.4 billion of the \$22 billion in added funding.

Parcel Tax ~ Law Change

As of January 1, 2017, two new laws take effect:

- ✚ AB 1891 requires that taxpayers who are granted exemptions from a parcel tax continue to receive that exemption without re-application. However, the law does not prohibit a district from monitoring or auditing exemption eligibility.
- ✚ AB 2476 requires districts with "new" parcel taxes to mail notice of the tax to property owners who do not live in the district. The notice must include the rate, duration, frequency and manner of collection of the tax, and provide contact information for taxpayers with questions about the tax. The statute provide a sample notice.

Districts with parcel taxes may need to review their current policies and procedures to make sure they are in compliance with these new requirements.

2016-17 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/pa1617.asp>.

The 2016-17 Principal **Apportionment Exhibit Reference Guides** 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>.

The CDE provides funding rates and information at <http://www.cde.ca.gov/fg/aa/pa/ratesandinfo.asp>.

Proposition 51

The Office of Public School Construction (OPSC) is now accepting applications for a new Charter School Facilities Program. Interested charter schools, or school districts filing on behalf of a charter school, need to submit a complete and valid *Application for Charter School Preliminary Apportionment* (Form SAB 50-09) and all supporting documents to OPSC beginning February 6, 2017 through June 5, 2017. More detailed information can be found at: <http://www.dgs.ca.gov/opsc/programs/charterschoolfacilitiesprogram.aspx>

A workshop for charter schools and school districts interested in applying to the Charter School Facilities Program and accessing Proposition 51 funding will be held on Wednesday, March 1, 2017, at the Department of General Services (DGS) in the Ziggurat Building auditorium located at 707 Third Street in West Sacramento, CA from 10:00 a.m. to 4:00 p.m. Attendees must register by February 24, 2017, by emailing Erin.Cunneen@dgs.ca.gov. Please include the name and position of each attendee as well as the name of the charter school, school district, or other organization for each attendee.

See attached regarding School Facilities Program

District of Choice Funding ~ 2017-18 and out-years

The Second Interim Common Message notes a change in District of Choice funding guidance. The Common Message's **Second Interim guidance now indicates that, "Districts need to consider the reduction of funding in their 2017-18 budget and MYP."** Previous Common Message guidance indicated that "funding would flow through 2017-18" which is similar to SCOE's "2016-17 Second Interim guidance and the Governor's 2017-18 Budget Proposal" correspondence dated February 8, 2017. Based upon this change in interpretation by CCESBA/BASC (creators' of the Common Message), SCOE now recommends: *not* budgeting this revenue in 2017-18 OR establishing a contingency to plan to counter the loss of revenue in 2017-18 should this funding not come to fruition.

Mental Health Services

CDE guidance regarding the use of mental health funds can be found on the CDE website at <http://www.cde.ca.gov/sp/se/ac/useofmhfunds.asp>

CALPADS Snapshot Collection Windows and Certification Deadlines

CALPADS Submission	Census Day	Primary Data Submitted	Official Submission Window	Certification Deadline	Amendment Window
Fall 2	October 5, 2016	Student Course Enrollments Staff Assignments and FTE English Learner Education Services	December 28, 2016 to March 3, 2017	March 3, 2017	March 4, 2017 to March 31, 2017

LCFF – MPP Calculation

Step 2 (Prior Year [estimated] Expenditures for Unduplicated Pupils above what was spend on services for all pupils) of the 7-step Minimum Proportionality Percentage (MPP) calculation gives LEAs leeway to shape inputs into the calculation in ways that affect the LEA's future obligation to increase or improve services for 'high need students' (low-income students, English learners, and foster youth) such as in **defining the prior year or baseline expenditures on services provided for high need students and defining what is your core program.**

1. How did the LEA define the prior year (baseline) level of services for high need students in 2013-14? Did the LEA use only the prior (2012-13) level of Economic Impact Aid (EIA) or did the LEA add additional services too?
2. How did the LEA add to the prior year level of services for high need students each year after 2013-14 (i.e., for new high need student services added in 2014-15 and thereafter)?

Contact Information and Helpful Web links

- Principal Apportionment and Special Education (PASE) Office: PASE@cde.ca.gov
- Stay informed by joining CDE's listservs:
 - ✚ PASE: join-pase-contacts@mlist.cde.ca.gov(send a blank e-mail)
 - ✚ LCFF: join-LCFF-list@mlist.cde.ca.gov(send a blank e-mail)
 - ✚ CALPADS: <http://www.cde.ca.gov/ds/sp/cl/listservs.asp>
- LCFF Information (Funding Overview, FAQs, etc.): <http://www.cde.ca.gov/fg/aa/lc/>
- CDE's LCFF Reports Web Page: <http://ias.cde.ca.gov/lcffreports/>
 - ✚ LCFF Funding Snapshot
 - ✚ LCFF State Priorities Snapshot
- LCFF Audit Finding Calculator and Derived Value of ADA: <http://www.cde.ca.gov/fg/au/ag/statecomp.asp>
- EPA FAQs <http://www.cde.ca.gov/fg/aa/pa/pafaq.asp>

Dates to Remember:

03/08/2017	LCAP Workshop: Putting It All Together – relationship between the Dashboard and LCAP
03/09/2017	LCAP Workshop: Putting It All Together – relationship between the Dashboard and LCAP
03/10/2017	Open lab
03/15/2017	15-16 Audit ~ Certification of Corrective Action due to SCOE
03/15/2017	Second Interim Reports due to SCOE
03/15/2017	Position Control Workshop ~ morning in Redwood C
03/15/2017	Budget Development ~ afternoon in Redwood C
03/17/2017	Hands on Position Control Development Lab ~ morning in Madrone
03/17/2017	Hands on Budget Development Lab ~ afternoon in Madrone
03/31/2017	Charter/District meeting
03/31/2017	DBUG
04/01/2017	16-17 Auditor contract for services due to SCOE
04/17/2017	P-2 due to SCOE

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