

SCOE BIZ

Business Services

Bulletin No. 19-04



5340 Skylane Boulevard
Santa Rosa, CA 95403-8246
(707) 524-2600 ■ www.scoe.org

August 24, 2018

To: District and Charter Business Services
From: Shelley Stiles, Director External Fiscal Services
Subject: August 2018 Edition

State of the State

During the first month of the 2018-19 fiscal year, California took in less revenue than estimated in the budget enacted at the end of June, State Controller Betty T. Yee reported on August 10.

- ✚ *Personal income tax (PIT) receipts* for July were \$5.22 billion were \$231.7 million or 4.6 percent above what was expected.
- ✚ *Corporation tax receipts* for July of \$446.4 million were \$82.2 million, or 22.6 percent, above 2018-19 Budget Act assumptions.
- ✚ *Retail sales and use tax receipts* for July were \$659.1 million, or 44.6 percent, less than anticipated in the FY 2018-19 budget. Most of the variance was due to when the money was recorded.

Instructional Materials Public Hearing Requirements for Fiscal Year 2018-19

Education Code Section 60119 requires that local governing boards hold an annual public hearing **on or before the end of the eighth week from the first day pupils attend classes** and adopt a resolution stating whether each pupil in the LEA has sufficient textbooks or instructional materials. This public hearing and resolution are required annually. LEAs should keep the resolution on file for the LEA's annual audit, along with proof of posting and location of postings for the public hearing (at least 10 days in advance).

EC Section 60119(c)(1) states that sufficient textbooks or instructional materials means, "each pupil, including English Learners, has a standards-aligned textbook or instructional materials, or both, to use in class and to take home. This paragraph does not require two sets of textbooks or instructional materials for each pupil." This specifically applies to four subject areas: reading/language arts, mathematics, science, and history-social science.

For more detailed information go to <http://www.cde.ca.gov/ci/cr/cf/> and click on "Instructional Materials Frequently Asked Questions" for direct responses to realistic/practical questions. **The resolution sample can be found at the CDE web page by clicking on the link embedded in FAQ #43.**

See attached audit steps from the 2018-19 Guide for Annual Audits of K-12 Local Education Agencies. The full audit guide can be found at <https://www.cde.ca.gov/fg/au/ag/requirements.asp>.

CalPads Submission Windows

Shorter submission windows in CalPads data begin for 2018-19. CalPads data is used for several things in California's education funding and accountability system. Supplemental and Concentration grant funds are calculated based on the Fall 1 certified submission. Accountability rubrics used in the Local Control and Accountability Plan (LCAP) come from CalPads data and other sources. The Fiscal Crisis and Management Assistance Team (FCMAT) published a Fiscal Alert in July regarding submission window deadlines. The Fiscal Alert is attached for your reference.

FCMAT – new format for Engagement with Districts

The Fiscal Crisis and Management Assistance Team (FCMAT) has a new responsibility with Districts, stemming from trailer bills in the 2018-19 State Adopted Budget. Beginning this fiscal year (2018-19) FCMAT will automatically engage with a district at no charge for the following reasons:

- Three times filing a Qualified certification
- Disapproved budget by COE
- Certification changed by COE
- Negative certification
- District is considered a lack of going concern

When any of these five triggers is met, FCMAT will automatically contact the District and work directly with the District to conduct a Fiscal Health Risk Analysis (FHRA). The District will be responsible and accountable to FCMAT for the completion of the FHRA. The County office will be notified when FCMAT engages with the District and as the FHRA progresses. Districts that certify as Qualified will be assessed to see if two immediately prior Qualified certifications have occurred.

Mandate Block Grant

The 2018-19 web-based application for the Mandate Block Grant is now available to school districts and charter schools. The Mandate Block Grant application link is located at:

<http://www.cde.ca.gov/fg/aa/ca/mandatebg.asp> Applications must be submitted by August 30, 2018, in order to receive 2018-19 MBG funding.

Funds are allocated using average daily attendance (ADA) calculated as of the 2017-18 Second Principal Apportionment. Rates are as follows:

Districts receive \$31.16 per ADA for students in grades K thru 8, and \$59.83 per ADA for students in grades 9 thru 12. Charters receive \$16.33 per ADA for students in grades K thru 8, and \$45.23 per ADA for students in grades 9 thru 12.

2018-19 Advance Apportionment is now available

The 2018-19 Advance Principal Apportionment (Advance) has been certified. The Advance is based primarily on prior year funding and establishes each LEA's monthly state aid payment amount for July 2018 through January 2019. **Because this apportionment is merely a means to begin allocating funds in accordance with Education Code 41330, it should not be used by LEAs for budgeting.** Next month, your SCOE advisors will share information on how to locate, read and digest CDE apportionment information. It is important for each District and Charter to review the certifications and verify the actual receipt of the revenue. Tips and tricks will be shared. Stay tuned for more information!

2017-18 J-13a Waiver status

Waiver approval letters are still coming in slowly. Waivers submitted in December have all been approved. Waivers submitted in January and February are still in process, with some approvals received. If you submitted your waiver in March, April, May or June you are still waiting. If you have a question or concern, please contact Shelley directly.

SCOE Revenue Posting

Did you know that SCOE posts thousands of revenue entries each month in ESCAPE for Sonoma County LEAs? It has been our long standing policy to post to an account code string that is consistent for the county, using the appropriate Fund, Resource and Object for the revenue. Customized requests from LEAs are very difficult to accommodate and still maintain posting accuracy. If you would like to add a specific School or Management Code to your revenue accounts please feel free to move the revenue via a general journal posting at the District/Charter level.

Things to consider in August and September

Attached to this bulletin is a listing of items to consider in the next few weeks. It is not conclusive; we know that you do a whole lot more than these nine items! Got items to add to the list for next year? Email them to Shelley for addition. It never hurts to get a few extra reminders so nothing falls off your radar.

REMINDERS:

General Obligation (GO) Bonds and Proposition 39 (55% Local Vote Bonds)

Traditional GO Bonds require 2/3 vote of the registered voters voting in the election. Under Proposition 39, which was enacted in November 2000, schools can authorize GO Bonds with 55% voter approval. Proposition 39 bond issuances include additional accountability requirements such as, including certain types of audits, provisions for conducting elections, and establishing a Citizens Oversight Committee. Some requirements are listed below:

- ✚ Following a bond election, the County Registrar of Voters will provide the school district calling the election with the formal results in the form of a Certificate of Election Results. The governing board of the school district is to enter the results of such election into its minutes and to certify such proceedings to the County Superintendent of Schools, usually done in the form of a resolution. This action is normally taken at the next regular meeting of the governing board of the school district after the certification is received. This action must occur before the issuance and sale of the authorized bonds.
- ✚ Ed Code Section 15278(a) requires that bond measures passed pursuant to Proposition 39 establish a Citizens Oversight Committee (Committee). The initial members of the Committee must be established within 60 days after the date that the governing board of the school district enters the results of the bond election on its minutes. The governing board of the school district may also adopt policies, guidelines and procedures to be applicable to the Committee once it is established. It is recommended that policies, guidelines and procedures be adopted before members of the Committee are selected. The Committee shall consist of at least seven (7) members to serve for a term of two (2) years, without compensation, and for no more than two (2) consecutive terms. The Committee *may not include* any employer or official of the school district or any vendor, contract, or consultant of the school district and must include certain member types from the community.
- ✚ Ed Code Section 15278 (b) requires certain documents relating to the Committee be made available on an internet website maintained by the school district.

AB 2274 added reporting requirements to debt from bonds already approved by voters. It requires agencies to notify CDIAC of **any** proposed debt issuance, which would **include refinancing and other secondary issuances**. Prior to AB 2274, LEAs were only required to notify CDIAC of any *new* debt issuance. CDIAC can now require any information about the debt issuance "it considers appropriate" as part of the notification rather than limiting it to the sale date, the name of the issuer, the type of debt, and the estimated principal. In addition, the bill reduces the timeframe in which agencies shall notify CDIAC of a final debt sale from 45 days to 21 days after the sale or issuance. The aforementioned CDIAC reporting requirements are applicable to any issuance of debt after January 1, 2015.

AB 2551 enhanced transparency requirements for local bond elections, including Proposition 39 (2000) and two-thirds vote general obligation bonds. The bill requires LEAs attempting to pass local bonds to *submit to their local elections office* the total estimated debt service, including principal and

interest, if all bonds are issued, as part of the Tax Rate Statement required pursuant to Elections Code Sections 9400-9401. The aforementioned reporting requirements are applicable to any issuance of debt after January 1, 2015.

It is recommended that districts that have recently passed GO Bonds discuss regulatory requirements with their bond or legal counsel. For more detailed information, please see the California Debt Advisory Investment Committee (CDIAC) website (<http://www.treasurer.ca.gov/cdiac/>) and California's Coalition for Adequate School Housing (C.A.S.H.) website (<http://www.cashnet.org/>).

Non-Voter Approved Debt disclosure form and requirements

Education Code Section 17150 *requires school districts to notify* the County Superintendent of Schools and County Auditor *at least 30 days prior to the governing boards' approval of the issuance of certificates of participation (COPs) or other non-voter-approved debt secured by real property* such as: Lease purchases (LP) secured by real property; Qualified Zone Academy Bonds (QZABs) secured by real property; Revenue bonds; Energy Loans or Bond Anticipation Notes (BANs). The law requires the district provide repayment schedules, evidence of the ability to repay, and costs of issuance as well as information necessary to assess the anticipated effect of the debt issuance. Within 15 days of the receipt of the information, the County Superintendent of Schools and the County Auditor are authorized to comment publicly regarding the district's capacity to repay the debt obligation, based on the information provided.

The Disclosure of Non-Voter Approved Debt form is located at <https://fb.scoe.org/default.asp?W81>. Please complete, supply supporting documentation, and submit in accordance to the above.

Cash Transaction limits at the County

The County Treasury requires 5 days advance notice anytime \$1 million or more is paid out to a single vendor. This requirement is in place giving the Treasury time to ensure there are sufficient funds for such a large outflow of cash. The Treasury invests our funds in the County Pool, receiving interest income. In the case of a large outflow of \$1 million or more, the funds cannot be invested the entire time the check is outstanding, eliminating the ability to invest and receive interest income. Wire Transfers (*5 day advance notice for transfer requests \$1 million or more; 2 day advance notice for transfer request over \$90k, but less than \$1 million*), on the other hand, are an immediate payment. In order to both accommodate Treasury's 5 days advance notice requirement and maximize our interest income, SCOE implemented the following protocol:

Districts anticipating a payment over \$1 million to a single vendor please use the wire transfer process in lieu of running payment through Escape's APY. Likewise, these should originate from the district's Chief Business Official.

The instructions (*Wire Transfer Procedures for Districts*) and form (*Wire Transfer Request Form, Rev. 12/22/16*) are located at: <https://fb.scoe.org/default.asp?W81>.

Per County policy wire transfers need to be greater than \$100K unless mandated to do so for a lesser amount. Each wire transfer incurs a \$6 fee from the bank to send them, and the vendor incurs a fee by their bank for every wire received.

SCOE Biz E-Blast Recap – Please email Shelley Stiles [@sstiles.scoe.org](mailto:ssstiles.scoe.org) if you did not receive

E-Blast#19-01: Frontline/AESOP renewal notices for 2018-19 emailed 7/09/2018

E-Blast#19-02: 2018-19 45-Day Revision emailed 7/18/2018

E-Blast#19-03: Addendum to the 2017-18 Unaudited Actual Manual – Form ESMOE emailed 8/01/2018

Dates to Remember:

08/30/2018	Aeries Training at SCOE
08/30/2018	Mandate Block Grant applications due
09/03/2018	Labor Day Holiday – SCOE Closed
09/12/2018	ESCAPE – HR/Payroll User Group
09/14/2018	ESCAPE Open Lab
09/15/2018	Unaudited Actuals Due to SCOE (statutory deadline)
09/18/2018	CalPads New Year Start Up workshop
09/21/2018	Prior Year Corrections to P-2 & Annual 2017-18 Principal Appt. Data due to SCOE
09/21/2018	Aeries User Group Meeting
09/21/2018	DBUG and Principal Apportionment training
09/26/2018	Payroll Management for CBOs
09/27/2018	School Wise User Group Meeting
10/12/2018	ESCAPE Open Lab
10/18/2018	Interim Reporting Workshop
10/24/2018	CalPads Fall 1 Training
10/25/2018	DBUG
10/26/2018	CalPads Fall 1 in Aeries

NOTE:

- Want to add something to a DBUG Agenda? Want a topic added to SCOE Biz? Contract DBUG Chair Christina Menicucci
- Documents presented at DBUG found posted at <http://www.scoe.org/pub/htdocs/fiscal-dbug.html>
- Workshop manuals and Fiscal Services/IT forms may be found at <http://www.scoe.org/escape> under the heading of Resources on the left side of the page.

CALPADS Submission Windows

Uses and Importance of CALPADS Data

LCFF funding relies on each student's enrollment date and eligibility for additional funding. Enrollment and program data for LCFF funding come from the California Longitudinal Pupil Achievement Data System (CALPADS).

CALPADS data are used for the following:

- LCFF and other funding
- LCAP evaluation rubrics
- Eligibility for state and federal grants
- Statewide assessments
- California School Dashboard
- DataQuest
- Ed-Data
- School accountability report cards
- State agencies for data matches (foster youth and direct certification)
- Research

Although ADA is reported via periodic attendance reports at P-1, P-2, and P-annual, student enrollment and demographics are reported via CALPADS.

Shorter Submission Windows for CALPADS Data

CALPADS data are vital to the indicators published in the Dashboard. Earlier timelines are needed to enable these critical data to be available for public review. The 2018-19 CALPADS calendar on the following page shows submission windows that are shorter than in previous years. It is essential to start submitting and reviewing data early. These submission windows have strict deadlines that impact funding if not met.

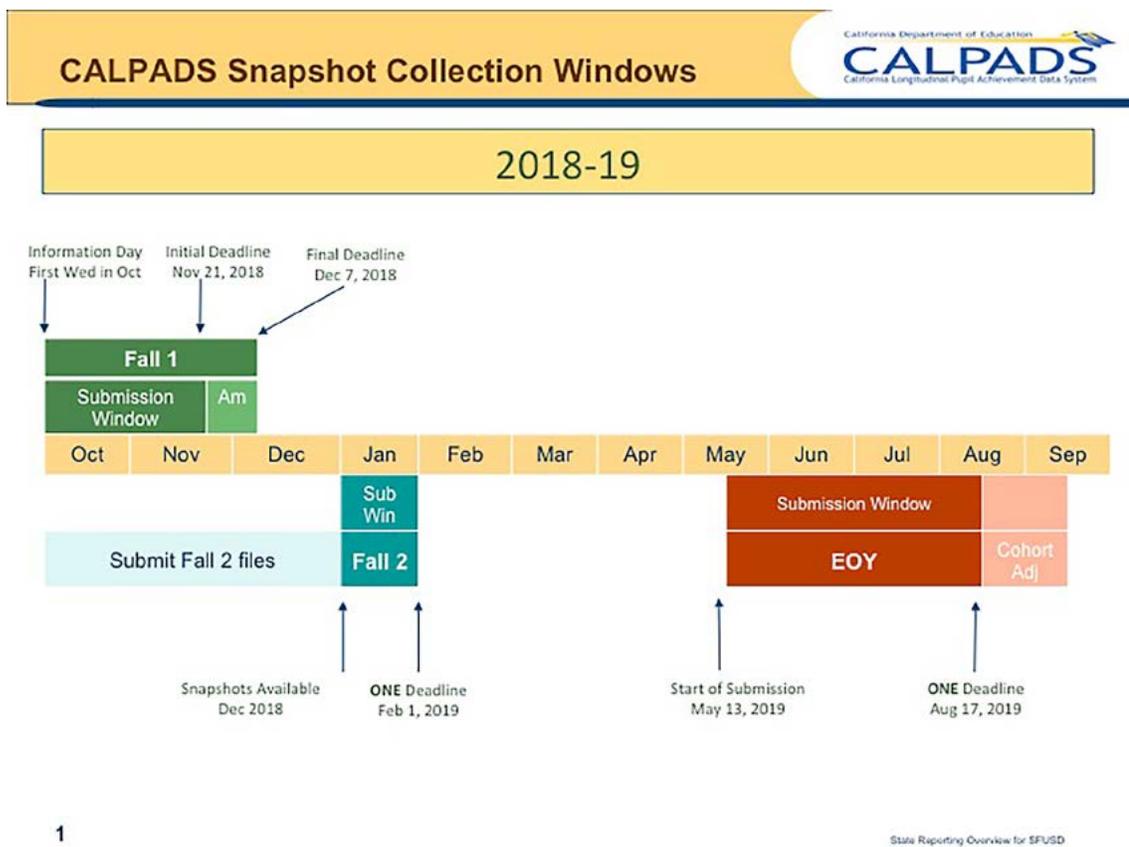
FCMAT

Michael H. Fine
Chief Executive Officer

1300 17th Street - CITY CENTRE
Bakersfield, CA 93301-4533
Telephone 661-636-4611
Fax 661-636-4647

755 Baywood Drive,
Second Floor
Petaluma, CA 94954
Telephone 707-775-2850
www.fcmat.org

Administrative Agent
Mary C. Barlow
Office of Kern County
Superintendent of Schools



1

State Reporting Overview for SFUSD

Comparison of prior year and current year deadlines

	Prior Year, 2017-18	Current Year, 2018-19
Fall 1 Final Deadline	January 26	December 7
Fall 2 Deadline	March 23	February 1
End of Year (EOY) Deadline	August 24	August 17
Cohort Deadline	September 14	Mid-September

Some student data should be kept up to date on an ongoing basis in CALPADS, including student enrollment, student information, and student program data, because the data will be used throughout the year for many purposes. In addition, doing so will minimize workload during submission windows.

FCMAT recommends committing to a strategic plan to maximize LCFF funding by creating the following supports for districts’ and charter schools’ data management:

1. Provide comprehensive training to all personnel who interact with data in the student information system (SIS) and CALPADS.
2. Keep local data in the student information system (SIS) up to date and complete. CALPADS will reject missing or nonconforming data from SIS.

3. Review the CALPADS Snapshot Collection Window calendar deadlines. Consider adding these deadlines to the district's or charter school's master calendar.
4. Communicate the importance of timely information processing to all staff who input and process required CALPADS information.
5. Update direct certification results in the local nutrition system regularly to automatically identify students who qualify for free or reduced-price meals.
6. Ensure that data in systems other than SIS have been included and uploaded into CALPADS where appropriate.
7. Compare prior year reports with current year reports, and research variances. Small variances can result in large losses in funding.
8. Ensure adequate management review of the data prior to certification.

FCMAT recommends sharing this Fiscal Alert locally to help mobilize your teams to meet critical timelines.

For more information, support, training and other resources please visit:

FCMAT/CSIS, <https://csis.fcmat.org/Pages/CALPADS.aspx>

CDE, CALPADS <https://www.cde.ca.gov/ds/sp/cl/>

CDE, CALPADS Calendar <https://www.cde.ca.gov/ds/sp/cl/rptcalendar.asp>

Business Managers

Some Things to do in the months of August/September



1 Attendance

- CHECK:** ~ check actual attendance (kids in seats) vs your estimated enrollment
first day of school
end of the first week
end of the second week
- COMPARE:** ~ compare/analyze CY actual attendance info versus the budgeted estimate of enrollment/attendance
- ADJUST:** ~ report information to administration
adjust budget to reflect revised ADA estimates
adjust staffing to meet number of students, if material

2 CALPADS

- ~ CALPADS coordinator should contact school sites & program directors (also principals, food service, EL, CTE, Homeless, Foster Youth) associated with student enrollment and subgroup types and discuss...
- >> the information that will be needed from them for submission to CALPADS
 - >> the importance of the information ~ supplemental & concentration grant funding
 - >> the need for accuracy

3 Instructional Materials Public Hearing requirement ~ Ed Code 60119

On or before the 8th week from the first day pupils attend classes, the governing board must adopt a Resolution stating if each pupil has sufficient textbooks. Agendize accordingly!

4 Complete Unaudited Actuals and present to the your Board prior to September 15, 2018.

5 After Assets and Liabilities rolled from 2017-18 to 2018-19 and...

- a. run a Fiscal 13 by " Sort Option: b) Org. Fund, Resource" and " Stmt Option?: Balance Sheet Only"
- b. compare 2017-18 ending account balances to 2018-19 beginning account balances by fund and resource for all 9xxx object codes

6 Apply (electronic submission) for Mandated Block Grant by August 30, 2018.

7 Recompute Cash Flow Statement for 2018-19 - consider the EPA allocation will be paid quarterly and if you need:

- a. Line of Credit (LOC) with the County, or
- b. TRAN

8 Calculate class sizes and determine if any classes exceed...

- a. negotiated limits
- b. State class size limits
- c. GSA K-3 class sizes meet LCFF's criteria
no more than 24:1, or
no more than negotiated class size, or

9 Excess cost calculations due to SELPA by September 15, 2018.

10 Special Education MOE

Reminder: you should be working on these in September as well.

- a. SEMA & SEMB to SELPA October 15, 2018
- b. Subsequent year tracking sheet