

SCOE BIZ

Business Services Bulletin No. 20-12



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January 23, 2020

To: District and Charter Business Services
From: Shelley Stiles, Director External Fiscal Services
Subject: January 2020 Edition

Governor's Proposed Budget

On January 10, 2020, the Governor released his proposed State Budget for the upcoming 2020-2021 fiscal year. Governor Newsom's second State Budget proposes to provide targeted investments to education, through his recognition of federal funding deficiencies in Special Education and several one-time funding opportunities, while continuing his commitment to Local Control Funding Formula. Some of the major 2020-21 budget components include:

- 2.29% statutory COLA, applied to LCFF based grant in 2020-21
- \$645 million in ongoing increases to Special Education base rates
- \$250 million in one-time funding to school districts based on preschoolers with disabilities
- \$900 million one-time investment in the educator workforce for professional development, recruitment, retention and expanded Classified School Employees Credentialing Programs
- \$318 million in funding for the statewide system of support with \$300 million proposed in opportunity grants for lowest-performing schools and school districts
- Continued support and opportunities for computer science supplementary credential, curriculum and professional development through proposed funding of \$19.5 million
- Promotion healthier and more nutrition meals with \$60 million for ongoing funding increases in addition to \$10 million for one-time training of school food service workers

Important to note, fiscal year 2019-20 is the first year, since the establishment of Proposition 2, Rainy Day Budget Stabilization Fund Act, which all four conditions met for a state deposit into the Proposition 98 reserve. Fortunately, due to an amendment in law, the deposit did not trigger the cap on reserves for 2019-20, as it was significantly less than the required 3% level needed.

2nd Interim Guidance & Common Message

A separate SCOE Biz containing 2nd Interim guidance and required submissions will be e-mailed out to all Business contacts the first week of February, along with the Common Message for 2nd Interim. SCOE will be analyzing fiscal stability of each LEA using the updated assumptions included with the Governor's 2020-21 Proposed Budget.

The School Services of California Dartboard is attached for your reference.

ESSA PPE Update

The CDE has developed a web application for LEAs to submit school and LEA-level per-pupil expenditure data. The application is anticipated to be available in the coming weeks, and **LEAs are expected to submit data to the CDE no later than February 29, 2020**. Login information for the

application was sent to each LEA Superintendent and Administrators of direct-funded charter schools listed in the California School Directory.

Last week CDE hosted a webinar and provided guidance and documentation. Yesterday, 1/22/2020 I emailed out a copy of the presentation and a recorded version of the webinar that our IT department was able to make. Please let me know if you need me to forward to you directly.

2017 Wildfire Relief – 2018-19 Property tax back fill for Basic Aid Districts

An additional backfill of \$625,000 for lost property taxes due to the October 2017 fires has been received at the county treasury, for specific Basic Aid Districts (Alexander Valley, Cinnabar, Kenwood, Old Adobe, Healdsburg, Geyserville, Sonoma Valley, and Calistoga). These funds are being backfilled from State revenue sources that are NOT property tax based. It has been determined that the most **appropriate revenue code would be All Other State Revenue, object 8590, with Resource code 0000.** The funds will be posted by the end of the month.

J-13A Waivers

Almost all LEAs have submitted their board approved waivers to SCOE for the Fall 2019 closures. Remember, it is important to remember that districts will need to complete a Form J-13A, Request for Allowance of Attendance Because of Emergency Conditions. Waivers will cover instructional minutes and material decreases in addition to closed days. If an LEA has unused Emergency days built into the 2019-20 school calendars, those days must be used (see FAQ #23) and a waiver should not be filed. After the exhaustion of built in Emergency days, the LEA should file a waiver for any additional days.

We have not yet received any approvals for the waivers submitted. CDE will contact LEAs directly if they need clarification. Waivers have typically been approved in the order received by CDE. The first batch of waivers was submitted by SCOE on 12/4/2019, with continued submission at least weekly as waivers are received.

Federal Cash Management Data Collection (CMDC)

The data collection window for the federal Cash Management Data Collection (CMDC) System is now available from January 10, 2020 to January 31, 2020. You may report your data at any time during this period. LEAs must submit cash balance data by January 31, 2020, for the following programs in order to receive funds in the next apportionment for those programs (if you are a Title III Consortium LEA, your cash apportionments flow based on the total combined reporting for all Consortium LEAs):

- Title I, Part A;
- Title I, Part D;
- Title II, Part A;
- Title III, Immigrant;
- Title III, LEP
- Title IV

Note: The cash balance is to be reported regardless of the fiscal year from which the funds originated. CMDC information, including instructions, future reporting dates, FAQs, and Login can be found at the CDE Web site <http://www.cde.ca.gov/fg/aa/cm/>.

Federal Quarterly Interest Reporting

CDE federal program grantees are required to report and remit interest to the CDE at least quarterly. Although grantees are allowed to keep interest amounts up to \$500 per year for administrative purposes, the \$500 is in total for all federal programs, not for each federal program. When reporting and remitting federal interest to the CDE, grantees should specify the time period of interest earning and the federal program resource codes. Interest on federal cash balances should be sent to the CDE at the following address:

California Department of Education
P.O. Box 515006
Sacramento, CA 95851
Attention: Cashier's Office

If no\$ to Remit: Email
cashmanagement@cde.ca.gov

Beginning in 2018-19, documentation of the interest calculations and the interest rates supplied by the county treasurer's office should be included with your quarterly reports. A complete list of federally reimbursable programs that should be EXCLUDED from your interest calculations can be found at <https://www.cde.ca.gov/fg/ac/co/reimbursableprograms.asp>. A good report to use for documenting your calculations is the Fiscal24 Resource Cash daily balances. You will need to enter the reporting period (quarter dates), interest rate for the quarter, and specific federal resources you would like to include in the calculation. **Title I, II, III, IV would need to be included but you may have other non-reimbursable programs.**

CARS – Consolidated Application and Reporting System

The CARS Winter Release of data collections is now open. The deadline for data certification is February 28, 2020. The CDE offers a training webinar for new users, Navigating CARS. The webinar can be accessed at <https://www.cde.ca.gov/fg/aa/co/cars.asp>. Details on changes in reporting for the Winter Release can be found at the same link. Remember, we have scheduled two CARS working labs to help you with your CARS reporting on February 5 and February 19 from 9:30 – 10:30 am.

Minimum Wage Increase

In California, the 2020 minimum wage rate of **\$12** an hour for businesses with 25 employees or fewer and **\$13 an hour** for larger companies takes effect on Jan. 1. That compares with a minimum wage of \$11 in 2019. The minimum wage will increase to \$15 per hour in 2022.

IRS Standard Mileage Rate for 2019

Beginning January 1, 2020 the mileage reimbursement rate for business travel is 57.5 cents per mile (down from 58 cents in 2019).

Summer Assistance Program grant

The Classified School Employee Summer Assistance Program (CSESAP) provides up to a dollar for dollar match on amounts withheld from a participating local educational agency's (LEA's) classified school employees' monthly paychecks during the 2020-21 school year. The classified employees' pay withheld and the state match funds will be paid by LEAs to the LEA's eligible employees in the summer months following the 2020-21 school year.

School districts and county offices of education that elect to participate must notify their classified school employees by January 1, 2020, and **the California Department of Education (CDE) by April 1, 2020**. More information can be found on the CDE webpage <https://www.cde.ca.gov/fg/aa/ca/csesap.asp>. If you participated on the CSESAP program in year 1 you may opt to offer for a second year, but are not required to do so. In addition, if you did not participate in year 1 you may opt to participate in year 2. Participating LEAs for year 1, must report to the CDE by July 31, 2020, amounts withheld from participating classified school employees' paychecks. CDE will apportion funds in August 2020.

REMINDERS:

Contact Information and Helpful Web links

• 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>
- Funding Rates and Information ~ Principal Apportionment: <https://www.cde.ca.gov/fg/aa/pa/ratesandinfo.asp>

LCAP Workshops

Leveraging the LCAP #3: Incorporating Stakeholder Feedback, Tying It All Together, Planning to Monitor for Success is scheduled for two identical sessions to choose from, Either February 4 or 6. This **Leveraging the LCAP** workshop will cover incorporating stakeholder feedback, tying it all together, planning to monitor for success.

Professional Development Opportunities at SCOE

- February 12, 2020: Pupil Attendance for Business Office Personnel ***Revised date
- March 9, 2020: Leaves of Absence
- March 20, 2020: Payroll Concepts
- April 16, 2020 : Budget Basics
- April 17, 2020: Advanced Budgeting
- TBD: Legal Requirements for HR/Payroll

Dates to Remember:

01/24/2020	Capitol Advisors Governors Budget Perspective Workshop
01/29/2020	Assignment Monitoring/Cal SAAS Phase 3
02/04/2020	Leveraging the LCAP #3 Workshop
02/05/2020	CARS – Inputting Data
02/05/2020	CalPads Fall 2
02/06/2020	Leveraging the LCAP #3 Workshop
02/07/2020	ESCAPE Open Lab
02/12/2020	CASBO Pupil Attendance for Business Office Personnel (register with CASBO)
02/19/2020	CARS - Inputting Data
02/26/2020	CalPads Fall 2 for Administrators
02/27/2020	Mini-Workshop – Principal Apportionment: Revised CDE exhibits
02/27/2020	DBUG

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. **We will be migrating all forms and materials to a shared Google based folder soon. A link will be provided when this occurs.**

School and College Legal February Workshops at SCOE

February 4th – Public Contracting²

[DETAILS/REGISTER](#)

- Competitive Bidding Requirements
- Change Orders
- Bidding Exceptions
 - Professional Services
 - When is an RFQ required?
- Lease-Leaseback
- Energy Service Contracts
- Emergencies
- Technology Purchases
- DSA Approval
- Performance and Payment Bonds
- Stop Notices
- Prevailing Wages/Labor Compliance/DIR-OPSC Issues
- Prop 39 Projects
- New Pre-qualification Rules
- Piggybacking

February 12th – Preschool Special Education Issues^{1,2}

[DETAILS/REGISTER](#)

- Transition
- Assessment
- Placement

February 25th – Review of New Legislation for 2020²

[DETAILS/REGISTER](#)

New legislation, new legal decisions, miscellaneous issues

Advance registration is necessary and space is limited.

¹ This course meets the qualifications for continuing education credit for LEPs, LPCCs, LMFTs, LCSWs, and NCSP. This course also qualifies for 3 hours of continuing professional development for Nationally Certified School Psychologists, under provider number 1025. The California Association of School Psychologists maintains responsibility for the program and its content. There is an additional \$15 per person per workshop fee. Please contact our office if you have any questions.

² Participants in this training will earn Continuing Education Units for the total length of the workshop, which can be used towards California Association of School Business Officials CASBO certification.

SSC School District and Charter School Financial Projection Dartboard 2020-21 Governor's Proposed State Budget

This version of School Services of California Inc.'s (SSC) Financial Projection Dartboard is based on the 2020–21 Governor's State Budget proposal. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We have also updated the Local Control Funding Formula (LCFF) factors. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

LCFF GRADESPAN FACTORS				
Entitlement Factors Per ADA*	K-3	4-6	7-8	9-12
2019-20 Base Grants	\$7,702	\$7,818	\$8,050	\$9,329
COLA at 2.29%	\$176	\$179	\$184	\$214
2020-21 Base Grants	\$7,878	\$7,997	\$8,234	\$9,543
Grade Span Adjustment Factors	10.4%	–	–	2.6%
Grade Span Adjustment Amounts	\$819	–	–	\$248
2020-21 Adjusted Base Grants	\$8,697	\$7,997	\$8,234	\$9,791
Supplemental Grants (% Adj. Base)	20%			
Concentration Grants (% Adj. Base)	50%			
Concentration Grant Threshold	55%			

*Average daily attendance (ADA)

PLANNING FACTORS						
Factors		2019–20	2020–21	2021–22	2022–23	2023–24
Statutory COLA ¹		3.26%	2.29%	2.71%	2.82%	2.60%
California CPI		3.09%	2.99%	2.89%	2.69%	2.73%
California Lottery	Unrestricted per ADA	\$153	\$153	\$153	\$153	\$153
	Restricted per ADA	\$54	\$54	\$54	\$54	\$54
Mandate Block Grant (District)	Grades K–8 per ADA	\$32.18	\$32.92	\$33.81	\$34.76	\$35.74
	Grades 9–12 per ADA	\$61.94	\$63.36	\$65.08	\$66.92	\$68.81
Mandate Block Grant (Charter)	Grades K–8 per ADA	\$16.86	\$17.25	\$17.72	\$18.22	\$18.73
	Grades 9–12 per ADA	\$46.87	\$47.94	\$49.24	\$50.63	\$52.06
One-Time Discretionary Funds per ADA		–	–	–	–	–
Interest Rate for Ten-Year Treasuries		2.07%	2.25%	2.51%	2.50%	2.60%
CalSTRS Employer Rate ²		17.10%	18.40%	18.10%	18.10%	18.10%
CalPERS Employer Rate ³		19.721%	22.80%	24.90%	25.90%	26.60%

STATE MINIMUM RESERVE REQUIREMENTS	
Reserve Requirement	District ADA Range
The greater of 5% or \$69,000	0 to 300
The greater of 4% or \$69,000	301 to 1,000
3%	1,001 to 30,000
2%	30,001 to 400,000
1%	400,001 and higher

¹Applies to LCFF, Special Education, Child Nutrition, Preschool, Foster Youth, American Indian Education Centers/American Indian Early Childhood Education and Mandate Block Grant.

²California State Teachers' Retirement System (CalSTRS) rates in 2019–20 and 2020–21 are final. Rates in the following years are subject to change based on determination by the CalSTRS Board.

³California Public Employees' Retirement System (CalPERS) rate in 2019–20 is final. Rates in the following years are subject to change based on determination by the CalPERS Board.