
September 24, 2020

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

SB 820 – State Budget cleanup bill

On September 18th the Governor signed SB 820, which included a significant number of changes to clarify trailer bills adopted as a part of the Budget Act 2020. The following are the highlights of SB 820:

- ❖ **Allows an adjustment for enrollment growth** to LEAs who projected enrollment or ADA growth in the LEA board approved 2019-20 Second Interim report or 2020-21 Adopted Budget
 - Based on the lesser of (both reduced by the statewide average absence rate for the appropriate grade level):
 - Actual enrollment growth as of Census Day
or
 - ADA or enrollment growth included in the LEA budget
- ❖ **Expands the use and timelines of some Learning Loss Mitigation Funds**
 - Extends the expenditure deadline for GEER Funds to September 30, 2022
 - Extends the expenditure deadline for LLM Prop 98 funds to June 30, 2021
 - Expands the use of funds to support students in childcare, preschool, and adult education programs and adds allowable expenses related to COVID-testing, PPE, sanitation and other related needs
- ❖ **Ties to Budget Overview for Parents to Learning Continuity and Attendance Plan**
 - The Budget Overview for Parents must be completed, board approved with the 2020-21 First Interim Report, submitted to the COE, and prominently posted on the LEA web-site. A separate meeting with a public hearing is not required. It is recommended that the BOP be a separate action item. The revised and updated template, with instructions, is available on the CDE website at <https://www.cde.ca.gov/re/lc/>
- ❖ **Clarify Distance Learning requirements** regarding video for synchronous and asynchronous instruction
- ❖ Allows for **Federal Cares Act funds to be excluded** from the calculation of LEA's Routine Restricted Maintenance contribution
- ❖ Clarifies that **instructional materials can include laptop computers and devices** that provide internet access for use by students, teachers and faculty as learning resources

Tuesdays @ Two – Webinar Series by CDE

CDE is hosting weekly webinar series on current topics that may be helpful for LEAs. Past webinars included topics such as the Learning Continuity Plan, Overview of SB98 – the State Adopted Budget, and changes to the LCAP. You can find past information and the presentation slides at <https://www.cde.ca.gov/fg/aa/lc/tuesdaysat2.asp>.

An upcoming topic may be of interest to many LEAs: **CSI (Comprehensive Support & Improvement) webinar**: September 29, 2020 at 10AM. The webinar slide deck and the CSI Prompts Form will be posted

by the close of business on Monday, September 28, 2020, on the CDE CSI web page located at <https://www.cde.ca.gov/sp/sw/t1/csi.asp>.

SCOE sponsored TRAN – what happens next?

As Sonoma County districts refine and update cash flow projections on a monthly basis, please remember to send them in to your SCOE Advisor. Our review of these cash flows will help us guide you in cash management issues and allow us to assess the need and cash amounts for a SCOE sponsored TRAN. Look for more information coming out in October about possible TRAN issuance due dates.

The Cash Flow and budget reports received by the October 15 request date will be shared with Government Financial Strategies, Inc. (GFSI), for an outside look at Sonoma County Districts cash flow needs. Don't miss out on this opportunity! If you have questions, please contact Shelley Stiles.

ESSA PPE Reporting for 2019-20

Last year was the first year for the required annual Per Pupil Expenditure Reporting. 2019-20 PPE reporting will be due again. The expenditure data sources are the 2019-20 Unaudited Actuals, which you have now completed. Now is the time to review the information, look over your methodology used for reporting last year and for gathering the data needed to submit again.

2019-20 Books Closed, What's Next?

Each LEA's Unaudited Actuals should have been board approved on or before September 15 and submitted to SCOE. It's now time to begin reviewing your budget and assumptions for 2020-21. It's never too early to start reviewing, updating and compiling changes for First Interim.

- Revenue updates – one-time revenue review and adjustments
- LCFF calculations – with updated enrollment from start of school, unduplicated student count updates and average daily attendance calculations
- Basic aid calculations – recalculating projected property taxes using prior-year actuals as a starting point (P-1 2020-21 property tax estimates will be sent out in early November)
- Personnel costs - now that school has started and first payrolls have run, estimated costs will be more concrete, positions are now filled, step and column can be re-calculated
- Negotiations – cost of 1% can be calculated with more accuracy
- Health and welfare costs – project based in unaudited actuals as a starting point with actual premium increase/change and open enrollment information

Reminders

2nd Reminder: Instructional Materials Public Hearing Requirements for Fiscal Year 2020-21

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.

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.**

COVID-19 Guidance Documents

SCOE prepared guidance documents have been posted on the SCOE web page, under DBUG Resources <https://www.scoe.org/pub/htdocs/fiscal-dbug.html>. Updates to each document are completed, as more information becomes known. Please watch for updates via e-mail and on the SCOE web page. You can updated information on the following topics:

- LCAP - Fiscal Perspectives - Updated 7/10/2020
- COVID-19 Funding Sources - Updated 7/20/2020
- Attendance Reporting Matrix – Updated 8/31/2020

Monthly cash flow and budget updates for 2020-21

Please mark your calendars now for the following cash flow and budget update submissions:

1. October 15: Budget update report (Fiscal 26a for all funds) and updated cash flow
2. February 15: Budget update report (Fiscal 26a for all funds) and updated cash flow
3. April 15: Budget update report (Fiscal 26a for all funds) and updated cash flow

Fiscal Reports by School Services of California

School Services does an excellent job of providing explanations to current topics. If you are a member of School Services of California you can also see these reports by logging in to view on their web page or subscribe to their email services. Attached for your convenience are:

- ASK SSC...Is It Likely the Deadline for CRF will be extended?
- Spend Your Federal Funds Wisely
- CDE Releases Updated LCFF Budget Overview for Parents
- By the Way... Education Budget Clean-up Bill Signed
- Senate Bill 117 and Executive Order N-26-20 Inoperative as of July 1

Dates to Remember:

09/28/2020	Cash Flow Projection Workshop – Zoom
09/30/2020	Learning Continuity Plan due to SCOE (email to CI Director)
10/07/2020	2020-21 Census Day (used for CalPads Fall 1)
10/07/2020	ESCAPE Finance User Group
10/15/2020	SEMA and SEMB due to SELPA
10/16/2020	CalPads Fall 1 Training
10/21/2020	Aeries in CalPads Fall 1 Training
10/22/2020	2020-21 Interim Reporting Workshop
10/22/2020	DBUG

Workshops

- 2020-21 Interim Reporting Workshop – Thursday October 22, 2020 9:00 am-Noon
- 2021-22 Next Fiscal Year Workshop – Thursday May 13, 2021 9:00 am – Noon
- 2020-21 Year End Close Workshop – Thursday June 3, 2021 9:00 am – Noon
- 2020-21 Unaudited Actuals Workshop – Thursday July 26, 2020 9:00 am – Noon

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.

[Click Here for COVID-19 Related Resources](#)

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Ask SSC . . . Is It Likely the Deadline for the Coronavirus Relief Fund for Learning Loss Mitigation Will Be Extended?

 [BY KYLE HYLAND](#)

 [BY MICHELLE MCKAY UNDERWOOD](#)

 [BY LEILANI AGUINALDO](#)

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Q. I am glad to hear that the Learning Loss Mitigation funds have some additional flexibility, but one thing is unclear: will the use of the Coronavirus Relief Fund for learning loss be extended?

A. While some of the spending timelines were very clearly extended through Senate Bill (SB) 820 (Chapter 110/2020), the federal Coronavirus Relief Fund dollars are less certain (see "[COVID-19 Resources for LEAs](#)"). Here's a review of the timelines that have clearly changed with SB 820:

- The statutory timeline for the use of Governor's Emergency Education Relief funds apportioned to eligible local educational agencies (LEAs) based on students with disabilities (\$355 million) was updated to reflect March 13, 2020, to September 30, 2022—this is a full-year extension that aligns with the California Department of Education's published timeline for expenditure
- Proposition 98 funds apportioned based on Local Control Funding Formula (LCFF) allocations shall be used from March 1, 2020, to June 30, 2021—this is a half-year extension

SB 820 did not directly change the timeline for the federal Coronavirus Relief Fund dollars—which provides \$1.1 billion based on students with disabilities and \$440 million for learning loss based on the LCFF—and currently must be used from March 1, 2020, to December 30, 2020. The new caveat, however, is that the use of these funds can be changed if "otherwise provided in federal law."

While considered in various versions of the next round of COVID-19 relief packages, the current political climate and the short remainder of the Congressional calendar does not lend itself towards resolution before the end of the calendar year and the current timeline to expend funds. It is possible that legislation to continue to fund the federal government by “continuing resolution” may include such an extension, but it is more likely that a “clean” continuing resolution will not include language deemed unessential to keep the lights on for the federal government past September 30, 2020.

In short, LEAs should plan to use these funds according to SB 820 timelines and not plan on a timeline extension from the federal government.

[Click Here for COVID-19 Related Resources](#)

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

By the Way . . . Education Budget Clean-up Bill Signed

 [BY SSC LEGISLATIVE ADVOCACY TEAM](#)

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Today, September 18, 2020, Governor Gavin Newsom announced he had signed a series of 2020–21 State Budget related bills, including Senate Bill 820 (Chapter 110/2020). As reported in previous Fiscal Reports, this bill makes a number of changes to the education provisions in the 2020–21 State Budget:

- [Education Trailer Bill Proposes Changes, Big and Small](#)
- [The Latest Proposal for Growth Funding: An SSC Editorial](#)
- [Legislation Proposes Clarification on Video Use During Distance Learning](#)
- [Education Budget Trailer Bill Changes Numerous Assessments](#)
- [Education Trailer Bill—Impacts on Charter Schools](#)

As a State Budget related bill, it is effective immediately.

[Click Here for COVID-19 Related Resources](#)

FISCAL REPORT

CDE Releases Updated LCFF Budget Overview for Parents Template



BY KYLE HYLAND

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posted September 22, 2020

On Friday, September 18, 2020, the California Department of Education (CDE) released the updated template and instructions for the Local Control Funding Formula (LCFF) Budget Overview for Parents, as required by Senate Bill (SB) 820 (Chapter 110/2020), which was recently signed into law by Governor Gavin Newsom. Among other things, SB 820 requires the State Superintendent of Public Instruction, in consultation with the executive director of the State Board of Education, to update the template and instructions for the LCFF Budget Overview for Parents in order to reflect alignment with the Learning Continuity and Attendance Plan, which local educational agencies (LEAs) are completing for the 2020–21 school year in lieu of the Local Control and Accountability Plan.

Today, Tuesday, September 22, 2020, at 2:00 p.m., the CDE will host a webinar to present the updated template as well as field questions and input from stakeholders on the changes (see “[By the Way . . . CDE to Host Webinar on New Budget Overview for Parents](#)” in the September 2020 Fiscal Report for more information on the webinar).

LEAs are required to adopt their LCFF Budget Overview for Parents by December 15, 2020, in conjunction with the First Interim report. You can find the updated template [here](#) and the instructions [here](#).

[Click Here for COVID-19 Related Resources](#)

FISCAL REPORT

Senate Bill 117 and Executive Order N-26-20 Inoperative as of July 1

 [BY MICHELLE MCKAY UNDERWOOD](#)

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As of July 1, 2020, the education budget cleanup bill (Senate Bill [SB] 820, Chapter 110/2020) makes SB 117 and Executive Order (EO) N-26-20 inoperative. EO N-26-20, now inoperative, required local educational agencies (LEAs)—as a condition of continued funding—to continue to pay its employees, provide school meals, arrange supervision for students, and continue to deliver high-quality educational opportunities. (See [“Governor Issues Executive Order in Response to School Closures Due to the COVID-19 Crisis”](#) and [“Updates on Executive Order”](#) in the March 2020 Fiscal Report for prior reporting on EO N-26-20.)

While some provisions of SB 117 were explicitly specified to the 2019–20 academic year, the following were not, and are now retroactively inoperative as of July 1, 2020:

- Specifies that the State Superintendent of Public Instruction (SSPI) shall consider the days following the school’s COVID-19 closure as days between a pupil’s regular school session, until the school reopens and regular session convenes when determining LEA compliance with special education timelines and service provisions
- Specifies that timelines for the Uniform Complaint Procedures are extended by the length of a school’s COVID-19 closure
- Waives the requirements for instructional days and minutes for LEAs during a COVID-19 school closure
- Specifies that charter schools that do not currently have an independent study or distance-learning program in their currently approved petition shall not be required to submit a material revision to its authorizer
- Specifies that for the purposes of funding After School Education and Safety Programs, a COVID-19 closure qualifies as an event that prevents a program from operating its entire program, and grantees shall be credited for their entire average annual attendance as if the program had operated the full program

- Provides that attendance and reporting for childcare and development programs are waived for agencies complying with Executive Orders and pursuant to guidance provided by the SSPI

Retroactively removing these flexibilities may be problematic for LEAs that have relied upon them since July 1, 2020. (See “Legislature Passes Emergency Legislation Related to COVID-19” in the March 2020 Fiscal Report for prior reporting on SB 117.)

[Click Here for COVID-19 Related Resources](#)

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Spend Your Federal Funds Wisely

 [BY MATT PHILLIPS, CPA](#)

 [BY LEILANI AGUINALDO](#)

 [BY ROBERT MCENTIRE, EDD](#)

Copyright 2020 School Services of California, Inc.

posted September 18, 2020

The current pandemic has created extraordinary challenges, but has also generated unparalleled amounts of new federal funding. The immediate future of California's economic health is yearning for a much-needed boost, and federal funding can be the lifeline for local educational agencies (LEAs) to help cover the near-term deficits.

In total, nearly \$7 billion dollars have been appropriated in response to the pandemic: \$5.3 billion of Learning Loss Mitigation (LLM) funds, \$1.5 billion of Elementary and Secondary School Relief (ESSER) funds, and \$100 million generated from Senate Bill 117. To put that in context, the 2020–21 cost-of-living adjustment for the Local Control Funding Formula would have cost the state approximately \$1.3 billion had it been funded. The default position is to spend all these new funds on new items, and while there is certainly a need for new purchases, LEAs should also consider if current expenditures can be allocated to the new funds. Let's take a deeper dive into the LLM funds, and more specifically, the Coronavirus Relief Funds (CRF).

The CRF, which total \$4.4 billion of the LLM funds, have the same [allowable uses](#) as the other funding sources in the LLM funds, but come with one additional restriction at the federal level. That restriction prohibits an LEA from spending the CRF on an item that was in the most recently approved budget as of March 27, 2020. This restriction likely hamstrung a number of great ideas—but where there's a will, there's a way!

[Guidance](#) created by the U.S. Treasury allows an exception to the March 27 restriction. The exception is that if a cost was in the most recently approved budget, but has been repurposed for a “substantially different use,” the cost is considered new and potentially eligible to be charged against the CRF. The U.S. Treasury published a list of [Frequently Asked Questions](#) (FAQs) which provides an example of a “substantially different use” as education support staff or faculty being repurposed to develop online learning capabilities. If we use this

thought pattern while considering how staff duties can be aligned to satisfy at least one of the state-level allowable uses, there may be a pathway for current salaries and benefits to be charged against the CRF. Continuing along this same vein, here are a few more examples:

- **Protected staff:** This includes bus drivers, nutrition services employees, and custodians whose duties may be substantially reduced or eliminated in 2020–21, but must be maintained on the payroll. An example may include bus drivers driving meals to remote sites for disbursement, nutrition services staff reaching out to families to encourage them to return free or reduced-price meal applications and/or alternate income forms, or custodians providing assistance for meal distribution to families.
- **Site support staff:** Although these classifications were not protected in the 2020–21 Enacted State Budget, it's likely that site support staff are operating in a different capacity during distance learning. Repurposing the staff for activities such as welfare checks on students, technology support for student devices, supporting the Information Technology Help Desk to field parent technology questions, or supporting food services staff in their endeavor to feed as many students as possible are just a few examples.
- **Central office staff:** Online learning development was called out as explicitly allowable in the FAQs, so staff who would not normally be involved in the development of online learning, or the monitoring of online platforms such as learning management systems, may be eligible to have a portion of their salaries and benefits charged to the CRF.

These ideas are not one-size-fits-all—and while this list is not exhaustive, it is intended to get the mental juices flowing. The practice of charging current costs against the CRF is also not intended to ignore the learning loss gap that is widened as a result of distance learning, nor to ignore the costs needed to ensure all stakeholders are safe upon the reopening of schools. The practice attempts to alleviate the spending restrictions of the CRF, as well as the aggressive timeline requiring costs to be incurred by December 30, 2020. Repurposing current expenditures to meet the spending requirements of the CRF will free up unrestricted resources and address the pressing timeline set in law by the federal government.

As LEAs consider how to prioritize these new funds, it's important to recognize that an LEA's independent auditor will be tasked with determining the allowability of costs, and so it's prudent to seek their approval on any costs that might fall into a gray area.