

# SCOE BIZ

## Business Services Bulletin No. 21-08



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November 19, 2020

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

### **SCOE TRAN POOL – preliminary dates for participation**

Cash flow projections received with your permission to share with Government Financial Strategies, Inc. (GFSI), for an outside look at Sonoma County District's cash flow needs have been sent off for review. GFSI will provide a written document with comments, suggestions, and feedback.

SCOE led TRAN Pool Program: No cost of obligation to explore, Sonoma County Districts only

- Begin process by turning in October 15 cash flow (reviews in progress right now!)
  - Cash flow review by Government Financial Systems Inc.
  - Cash flow coaching by GFSI & SCOE
- 1<sup>st</sup> Interim cash flow – shared with GFSI
  - December 15
- Participating Districts – Initial information request form due
  - January 15
- Revised/updated cash flow projections for fiscal year 2020-21 and 2021-22 provided to GFSI
  - January 22 (no later than)
- Feedback on cash flow projections received by participating Districts
  - January 25 through February 21
- Participating Districts – Board approved resolutions and associated legal documents
  - March 1 – 23, 2021
- TRAN Sizing spreadsheets updated, incorporating 2<sup>nd</sup> Interim information
  - Data due to GFSI March 5, 2021
- Final Decision to Participate by District
  - March 17, 2021

If your LEA is issuing a TRAN outside of the SCOE TRAN Pool, please let us know. We will asking you to provide more details to keep the County Treasury apprised of your cash flow solutions.

### **Principal Apportionment Data Collection – changes for 2020-21**

The 2020-21 Principal Apportionment Data Collection (PADC) software is planned for release in December 2020. In response to changes implemented by SB98 and SB820 for 2020-21, the data items included in the collection have been modified, for the 2020-21 fiscal year only. Detailed directions for data submissions will be sent out prior to the SCOE submission deadline of January 4, 2021.

#### **2020-21 P-1 Data Collected:**

- Necessary Small School (modified version)
- Transfer of Funds Alternate Rate Option [ADA served by the CDE]
- Charter School Physical Location

### **ESSA Per-Pupil Expenditure Reporting**

The Every Student Succeeds Act Per-Pupil Expenditure Reporting Application

The Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by the Every Student Succeeds Act (ESSA), requires state educational agencies and their local educational agencies (LEAs) to prepare and publish annual report cards that contain specified data elements, including LEA and school-level per-pupil expenditures (PPE).

For this requirement, the California Department of Education (CDE) developed the ESSA Per-Pupil Expenditure Application. This web-based application will allow LEA's and direct-funded charter schools the ability to submit their required PPE information.

The deadline for each LEA to submit their PPE information to the CDE is no later than March 1, 2021. To submit your LEA's data, please access the website below, and enter the LEA's unique access code.

Application website: <https://www3.cde.ca.gov/essars>

To provide support to LEAs, the CDE will conduct monthly webinar sessions to briefly go through the application and answer questions related to the ESSA per-pupil expenditure requirement.

The resources listed below provide additional information and tools related to the ESSA per-pupil expenditure reporting requirement:

- CDE's August 1, 2018 letter, "The Every Student Succeeds Act Per-Pupil Expenditure Reporting Requirement" <https://www.cde.ca.gov/fg/ac/co/essappeltr.asp>
- U.S. Department of Education's Non-Regulatory Guidance <https://www2.ed.gov/policy/elsec/leg/essa/report-card-guidance-final.pdf>
- CDE's Local Educational Agency Accountability Report Card <https://www.cde.ca.gov/ta/ac/le/>

If you have any questions, please contact the Office of Financial Accountability and Information Services by email at [essappe@cde.ca.gov](mailto:essappe@cde.ca.gov).

### **FCMAT Fiscal Alert – Bonds**

Just a reminder, during this time of deferrals and potential interfund cash borrowing: The Fiscal Crisis & Management Assistance Team posted a Fiscal Alert in October 2019 regarding Interfund Borrowing Using Bond Proceeds. The full document is attached and can be found on the FCMAT web page at <https://www.fcmat.org/fiscal-documents>. The document provides background and potential issues and is a good reference tool for learning about acceptable interfund borrowing practices.

### **Requisition account code restrictions for object 9110**

LEAs should never use object code 9110 on a requisition. Proper accounting practices dictate that all entries are two sided. The code on the requisition should be the proper expenditure code for the expense and cash (object 9110) is then hit automatically. Did you know that you can restrict your requisitions to specific object code ranges, and exclude specific ranges to prevent errors? Depending on your LEA system set ups in ESCAPE, you may be able to change these settings at the fiscal level. If you need assistance you can send a help desk ticket to [helpdesk@scoe.org](mailto:helpdesk@scoe.org).

### **Summer Assistance Program grant – continues for 3<sup>rd</sup> year**

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 2021-22 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 2021-22 school year.

School districts and county offices of education that elect to participate must notify their classified school employees by January 1, 2021, and the California Department of Education (CDE) by April 1, 2021.

If you participated on the CSESAP program in year 1 or 2 you may opt to offer for a third year, but are not required to do so. In addition, if you did not participate in year 1 or 2 you may opt to participate in year 3. Participating LEAs in year 2, must report to the CDE by July 31, 2021, amounts withheld from participating classified school employees' paychecks. CDE will apportion funds in August 2021.

### **LCAP workshops and template changes**

The development of the 2021-22 LCAP will begin in the upcoming months. The new template and changes included will be shared at upcoming workshops. Please watch for upcoming information.

## **REMINDERS:**

### **Budget Overview for Parents**

- 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/>

### **Audit extension requests: inoperable for 2019-20 audit**

In a normal year, while not operating under COVID-19 special conditions, written request for an audit report filing extension would have been due to SCOE before November 30. **Districts:** A reason for the extension request and the expected date of audit submission on District letterhead or via email was required. Subsequently, SCOE would submit the extension request to the State Controller's Office (SCO) by December 15. The SCO and CDE would then review the request and accompanying justification and provide notification as to whether the extension will be granted. The guidelines state that extensions will be granted only under extraordinary circumstances.

For the 2019-20 audit, authorized under AB820 State Budget Trailer bill language, the deadline for 2019-20 audit submission to the SCO and SCOE has been delayed to on or before March 30, 2020.

**Independent Charters:** In a normal year, while not operating under COVID-19 special conditions, there is no provision in the law for an extension of a charter school audit (E.C. 47605(m)). For the 2019-20 audit, authorized under AB820 State Budget Trailer bill language, the deadline for 2019-20 audit submission to the SCO and SCOE has been delayed to on or before March 30, 2020 for Charters as well.

Please see SCOE Biz Bulletin 21-09 for full details for the 2019-20 Audit submission process.

### **Developer Fee reporting reminder**

Developer fees are required to be deposited in a separate capital facilities account/fund so that their collection and use is accounted for separately away from the rest of the district's activities. Interest earned must be credited to the same fund and must be used for the same purpose as the fees. Government Code section 66006 requires that within 180 days of the end of the fiscal year, each district that levies developer fees should make the accounting available to the public **[by December 27, 2020, which is within 180 days after the last day of the fiscal year as required by statute]**. The governing

board must review the information at its next regularly scheduled meeting held no earlier than 15 days after the information becomes available to the public.

Additionally, Government Code section 66001 requires each district that collects developer fees to **make further findings every five years** about any fund in which those fees remained unexpended at the end of the fiscal year. It is recommended that the five-year accounting be made in conjunction with the annual accounting for each fund or account. Failing to comply with the statute, results in a refund of fees in question.

For more detail information, please see School & College Legal Services of California's Legal Update Annual Development Fee Accounting attached.

### **California Department of Education 2020-21 Requirements for Collecting FRPM Eligibility Data**

CDE released a letter regarding 2020-21 requirements for collecting free and reduced-price meal (FRPM) eligibility data for purposes of the Local Control Funding Formula Supplemental and Concentration Grants. For more detail information, please see CDE's letter dated November 17, 2020.

### **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:

- Coronavirus Relief Funds in Jeopardy of Being Swept
- By the Way...Need Devises for Distance Learning?

### **Dates to Remember:**

11/20/2020	CASBO CalSTRS/CalPERS Workshop (SCOE reimburse 1 participant from each LEA)
11/25/2020	Graton Rancheria Clean Air Program: invoices and certification form due to SCOE
12/02/2020	ESCAPE 1099 Workshop
12/10/2020	ESCAPE Hosted Webinar W-2 reporting
12/11/2020	ESCAPE W-2 Reporting Workshop – SCOE led
12/11/2020	ESCAPE ACA Reporting Workshop – SCOE led
12/15/2020	1 <sup>st</sup> Interim and Budget Overview for Parents due to SCOE
12/17/2020	ESCAPE Hosted Webinar ACA Reporting
01/04/2021	P-1 Principal Apportionment Data Collection due to SCOE

### **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.



# SCHOOL & COLLEGE LEGAL SERVICES OF CALIFORNIA

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## LEGAL UPDATE

November 5, 2020

**To: Superintendents, Member School Districts (K-12)**

**From: Erin E. Stagg, Associate General Counsel** *EF*

**Subject: Annual Development Fee Accounting  
Memo No. 68-2020**

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**Reminder:** Development Fee Accounting requirements must be met within 180 days after the last day of each fiscal year. This year, **180 days after the last day of the fiscal year falls on Sunday, December 27, 2020.** As a result, we recommend that Development Fee Accounting disclosure requirements be completed prior to any December holiday office closures. The following information and documents are provided to assist school districts maintain statutory compliance.

Government Code Section 66006 requires that an annual accounting of development fees must be made available to the public within 180 days after the last day of each fiscal year, here, no later than December 27, 2020.

In addition, the governing board must review the disclosed information at its next regularly scheduled board meeting held no earlier than 15 days after the information becomes available to the public. Notice of the time and place of this meeting, including the address at which the information may be reviewed, must be mailed at least 15 days prior to the meeting to anyone who has filed a written request with the district for such notice.

Every five years, additional findings must be made for any fund in which development fees remained unexpended at the end of a fiscal year.

### **I. Annual Accounting: Government Code Section 66006**

School districts collecting development fees (e.g., statutory school facilities fees and other impact mitigation payments) must provide a separate accounting for each separate account or fund into which such fees or payments were deposited.

Section 66006(b)(1) requires the annual accounting for each fund include the



following information:

- (A) A brief description of the type of fee in the account or fund.
- (B) The amount of the fee.
- (C) The beginning and ending balance of the account or fund.
- (D) The amount of the fees collected and the interest earned.
- (E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement; include the total percentage of the cost of the public improvement that was funded with fees.
- (F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.
- (G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
- (H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.<sup>1</sup>

## **II. Every Fifth Fiscal Year: Government Code Section 66001**

Government Code section 66001(d)(1) requires that for the fifth fiscal year following the first deposit into each account or fund, and every five years thereafter, the local agency must make certain findings. These findings must also be made available to the public within 180 days after the last day of each fiscal year, here, no later than December 27, 2020. When a local agency fails to make the required five-year findings, the agency is required to refund the *unexpended portion* of the fee, and any interest accrued thereon. *Walker v. City of San Clemente*, 239 Cal. App. 4th 1350, 1371 (2015)(emphasis in original).

In *Walker*, the city was ordered to refund approximately \$10.5 million in unexpended fees for failing to make the required five-year findings. Specifically, the city failed to discuss the relationship between the nearly \$10 million balance in the Beach Parking Impact Fee account and the purpose for which the fee was established, nor did it demonstrate a reasonable relationship between the unexpended fees and their purpose. The city's purported findings identifying the sources and funds anticipated to complete financing for incomplete beach parking

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<sup>1</sup> Government Code section 66001(e) requires districts to refund developer fees that are not appropriated within a five-year period from date of collection. Government Code section 66001(f) provides a method for allocating such non-appropriated fees if the administrative costs of refunding exceed the amount to be refunded.



improvements and designating the approximate dates when it anticipated receiving that funding were also insufficient.

The *Walker* decision affirms that Section 66001 imposes a duty on the local agency to reexamine the need for the unexpended fees. Specifically, the *Walker* court explained, “[t]he City may not rely on findings it made 20 years earlier to justify the original establishment of the Beach Parking Impact Fee, or the findings it made 13 years earlier to justify reducing the amount of the fee. Instead, the Act required the City to make new findings demonstrating a continuing need for beach parking improvements caused by the new development in the noncoastal zone.”

To comply with section 66001(d)(1), a district must make all of the following findings *with respect to that portion of the account or fund remaining unexpended*, whether committed or uncommitted:

- (A) Identify the purpose to which the fee is to be put.
- (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged. The *Walker* decision interpreted this to include an assessment of the impact of the development on the local agency, the current status of the need for the fund, the status of any improvements identified when the fee was established, what has been done since the fee was imposed, and future plans.
- (C) Identify all sources and amounts of funding anticipated to complete financing and incomplete improvements identified in Government Code section 66001(a)(2), which states if the use is financing public facilities, the facilities shall be identified. It is optional, but identification can be made by reference to a capital improvement plan as specified in Government Code sections 65403 or 66002, or in other public documents that identify the public facilities for which the fee is charged.
- (D) Designate the approximate dates on which the funding referred to in paragraph (3) is expected to be deposited into the appropriate account or fund.

In sum, the local agency must affirmatively demonstrate that it still needs the unexpended fee to achieve the purpose for which it was originally imposed and that the agency has a plan on how to use the unexpended balance to achieve that purpose.

The findings required by this subdivision need only be made for moneys in possession of the local agency and need not be made with respect to letters of credit, bonds, or other instruments taken to secure payment of the fee at a future date. As noted above, if the findings are not made as required by this subdivision, the local agency must refund the unexpended moneys in the account or fund plus interest as provided in Government Code section 66001(e).



### III. Additional Information and Suggestions

Enclosed with this letter are three forms to assist with Government Code sections 66001 and 66006 compliance. The attachments include:

- A sample resolution related to statutory fees collected under Education Code section 17620. (For districts which still have fees collected under “SB 201” — Government Code section 65970, *et seq.*—a separate resolution is available upon request.)
  - A sample Exhibit 1, to be completed and attached to the resolution addressing the information required by Government Code section 66006 (Annual Accounting).
  - A sample Exhibit 2, to be completed and attached to the resolution addressing the information required by Government Code section 66001 (Fifth-Year Accounting).
- Instructions to complete Exhibit 1 and Exhibit 2.
- Copies of relevant Code provisions.

These three documents assume that there are funds remaining in the account(s) or fund(s) in question for which a report under Government Code section 66001 is necessary. If that is not the case, please contact our office and we can provide a modified form of resolution. Finally, a reminder that even if funds remaining at the end of the fiscal year have been spent prior to the date of the accounting, it remains necessary to comply with Government Code section 66001 and complete the Fifth-Year Accounting. Although, the fact that the funds remaining have been spent will be reflected on both Exhibit 1 (reference (F)) and Exhibit 2 (references (C) and (D).)

Please contact our office with questions regarding this Legal Update or any other legal matter.

*The information in this Legal Update is provided as a summary of law and is not intended as legal advice. Application of the law may vary depending on the particular facts and circumstances at issue. We, therefore, recommend that you consult legal counsel to advise you on how the law applies to your specific situation.*

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**RESOLUTION OF THE GOVERNING BOARD OF THE  
\_\_\_\_\_ SCHOOL DISTRICT  
REGARDING ACCOUNTING OF DEVELOPMENT FEES  
FOR 2018-2019 FISCAL YEAR  
IN THE FOLLOWING FUND OR ACCOUNT:**

\_\_\_\_\_  
(Government Code sections 66001(d) & 66006(b))

**1. Authority and Reasons for Adopting this Resolution.**

- A. This District has levied school facilities fees pursuant to various resolutions, the most recent of which is dated \_\_\_\_\_, and is referred to herein as the “School Facilities Fee Resolution” and is hereby incorporated by reference into this Resolution. These resolutions were adopted under the authority of Education Code section 17620. These fees have been deposited in the following fund or account:

\_\_\_\_\_  
(the “Fund”);

- B. Government Code sections 66001(d) and 66006(b) require this District to make an annual accounting of the Fund and to make additional findings every five years if there are any funds remaining in the Fund at the end of the prior fiscal year;
- C. Government Code sections 66001(d) and 66006(b) further require that the annual accounting of the Fund and those findings be made available to the public no later than December 27, 2019, that this information be reviewed by this Board at its next regularly scheduled board meeting held no earlier than 15 days after the findings become available to the public, and that notice of the time and place of this meeting (as well as the address at which this information may be reviewed) be mailed at least 15 days prior to this meeting to anyone who has filed a written request for it.
- D. The Superintendent has informed this Board that a draft copy of this Resolution (along with Exhibits 1 and 2 which are hereby incorporated by reference into this Resolution) was made available to the public on \_\_\_\_\_, 2019. The Superintendent has further informed this Board that notice of the time and place of this meeting (as well as the address at which this information may be reviewed) was mailed at least 15 days prior to this meeting to anyone who had filed a written request for it.
- E. The Superintendent has also informed this Board that there is no new information which would adversely affect the validity of any of the findings made by this Board in its School Facilities Fee Resolution.

**2. What This Resolution Does.**

This Resolution makes various findings and takes various actions regarding the Fund as required by and in accordance with Government Code sections 66001(d) and 66006(b).

**3. Findings Regarding the Fund.**

Based on all findings and evidence contained in, referred to, or incorporated into this Resolution, as well as the evidence presented to this Board at this meeting, the Board finds each of the following with respect to the Fund for the 2018-2019 Fiscal Year:

- A. In reference to Government Code section 66006(b)(2), the information identified in section 1 above is correct;
- B. In further reference to Government Code section 66006(b)(2), this Board has reviewed the annual accounting for the Fund as contained in Exhibit 1 and determined that it meets the requirements set forth in Government Code section 66006(b)(1);
- C. In reference to Government Code section 66001(d)(1)(A), and with respect only to that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, the purpose of the fees is to finance the construction or reconstruction of school facilities necessary to reduce overcrowding caused by the development on which the fees were levied, which facilities are more specifically identified in Exhibit 2;
- D. In reference to Government Code section 66001(d)(1)(B), and with respect only to that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, the findings and evidence referenced above demonstrate that there is a reasonable relationship between the fees and the purpose for which it is charged as more specifically identified in Exhibit 2;
- E. In reference to Government Code section 66001(d)(1)(C), and with respect only to that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, all of the sources and amounts of funding anticipated to complete financing in any incomplete improvements identified as the use to which the fees are to be put is identified in Exhibit 2;
- F. In reference to Government Code section 66001(d)(1)(D), and with respect only to that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, the approximate dates on which the funding referred to in paragraph E above is expected to be deposited into the appropriate account or fund is designated in Exhibit 2; and
- G. In reference to the last sentence of Government Code section 66006(d), because all of the findings required by that subdivision have been made in the fees that were levied in paragraphs C-F above, the District is not required to refund any moneys in the Fund as provided in Government Code section 66001(e).

**4. Superintendent Authorized to Take Necessary and Appropriate Action.**

The Board further directs and authorizes the Superintendent to take on its behalf such further action as may be necessary and appropriate to effectuate this Resolution.

5. **Certificate of Resolution.**

I, \_\_\_\_\_, \_\_\_\_\_ of the Governing Board of the \_\_\_\_\_ District of \_\_\_\_\_ County, State of California, certify that this Resolution proposed by \_\_\_\_\_, seconded by \_\_\_\_\_, was duly passed and adopted by the Board, at an official and public meeting this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_ of the Board  
of the \_\_\_\_\_  
District of \_\_\_\_\_ County, California

**EXHIBIT 1**

**TO RESOLUTION REGARDING  
ACCOUNTING OF DEVELOPMENT FEES  
FOR FISCAL YEAR 2018-2019  
FOR THE FOLLOWING FUND OR ACCOUNT:  
\_\_\_\_\_ (the "Fund")**

Per Government Code section 66006(b)(1)(A-H) as indicated:

- A. A brief description of the type of fee in the Fund:
- B. The amount of the fee.
- C. The beginning and ending balance of the Fund.

See Attachment \_\_\_.

- D. The amount of the fees collected and the interest earned.

See Attachment \_\_\_.

- E. An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

See Attachment \_\_\_.

- F. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) subdivision (a) of section 66001, and the public improvement remains incomplete:
- G. A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan:
- H. The amount of refunds made pursuant to subdivision (e) of section 66001 and any allocations pursuant to subdivision (f) of section 66001:

N/A. No refunds or allocations were made pursuant to subdivision (e) or (f) of section 66001.

## EXHIBIT 2

**TO RESOLUTION REGARDING  
ACCOUNTING OF DEVELOPMENT FEES  
FOR FISCAL YEAR 2018-2019  
FOR THE FOLLOWING FUND OR ACCOUNT:  
\_\_\_\_\_ (the “Fund”)**

Per Government Code section 66001(d)(1)(A-D) as indicated:

- A. With respect to only that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, the purpose of the fees is to finance the construction or reconstruction of school facilities necessary to reduce overcrowding caused by the development on which the fees were levied, which facilities are more specifically identified as follows:
- B. With respect to that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, there is a reasonable relationship between the fee and the purpose for which it is charged, including:
  - a. There is an ongoing need for the Fund to complete construction or reconstruction to reduce overcrowding caused by the development.
  - b. The status of improvements identified when the fee was established are as follows:
  - c. The following has been done since the fee was imposed:
  - d. Future plans include:
- C. With respect to only that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, the sources and amounts of funding anticipated to complete financing in any incomplete improvements identified in paragraph A above are as follows:
- D. With respect to only that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, the following are the approximate dates on which the funding referred to in paragraph C above is expected to be deposited into the appropriate account or fund:

Annual Development Fee Accounting  
**INSTRUCTIONS TO COMPLETE EXHIBITS 1 AND 2**

**INSTRUCTIONS for Exhibit 1**

- **SECTION A:**

The fees may be described as: **Statutory school facilities fees**

- **SECTION B:**

The amount of the fee could be generally described as follows:

1. For unified districts (or districts not sharing the fee with another district):

**\$4.08 per square foot of assessable space of residential construction; and \$0.66 per square foot of covered and enclosed space of commercial/industrial construction; but subject to the district’s determination that a particular project is exempt from all or part of these fees.**

Note: The \$4.08 and \$0.66 amounts are based upon the January 22, 2020, State Allocation Board index adjustment. Districts which have not increased their fees should use the actual amount of their fees.

2. For elementary or high school districts (sharing the fee with another district):

**\$4.08 per square foot of assessable space of residential construction; and \$0.66 per square foot of covered and enclosed space of commercial/industrial construction; but subject to the district’s determination that a particular project is exempt from all or part of these fees. Pursuant to Education Code section 17623 and an agreement with the district(s) sharing territory with the district, generally only \_\_\_\_\_ % of the maximum fee specified above is distributed to this district.**

- **SECTION E:**

The identification of each public improvement on which fees were expended must be as specific as possible. This can be done by referring to the project’s name if it has one (e.g., “construction of comprehensive high school #4, ABC High School), or a description of the project which identifies the nature and scope of the improvement (e.g., “construction of one new classroom of approximately 1000 square feet at ABC Elementary School”). This section should also indicate those amounts spent for administration costs associated with adopting, collecting, and reporting the fees, and any refunds made (other than those reported in section H. of Exhibit 1).

- **SECTION F:**

**INSTRUCTIONS TO COMPLETE EXHIBITS 1 AND 2**

If the district has not made the determination identified, the following may be inserted: **N/A. The District has not made this determination.**

- SECTION G:

If the district has not made any transfers or loans, the following may be inserted: **N/A. The District has not made any such interfund transfers or loans.**

- SECTION H:

The Exhibit 1 template assumes that no refunds or allocations under the specified statutes have been made. The refunds referred to are not refunds made under the district's exemption procedures, but refunds made if the district fails to identify an approximate starting date for a project once it has determined that there are sufficient funds to complete it.

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**INSTRUCTIONS for Exhibit 2**

With respect to Exhibit 2, remember that this report **only** applies to any money remaining **unexpended** in the fund or account at the end of the fiscal year.

- With respect to SECTION A of Exhibit 2, information as to how any money remaining unexpended in the fund or account at the end of the fiscal year will be spent must be inserted. This information must be as specific as possible, referring to the particular project or projects on which the money will be spent. This can be done by referring to the project's name if it has one (e.g., "construction of comprehensive high school #4, ABC High School), or a description of the project which identifies the nature and scope of the improvement (e.g., "construction of one new classroom of approximately 1000 square feet at ABC Elementary School"). This section should also indicate those amounts spent for administration costs associated with adopting, collecting, and reporting the fees.
- With respect to SECTION B of Exhibit 2, information demonstrating a reasonable relationship between the fee and the purpose for which the fee was originally changed should be as specific as possible. District's must consider that the requirements of section 66001 impose a duty to *reexamine* the need for the unexpended fees under the *Walker* decision.
- With respect to SECTIONS C and D of Exhibit 2, the information to be provided relates to the project or projects identified in section A. of Exhibit 2.

**State of California**

**GOVERNMENT CODE**

**Section 66001**

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66001. (a) In any action establishing, increasing, or imposing a fee as a condition of approval of a development project by a local agency, the local agency shall do all of the following:

(1) Identify the purpose of the fee.

(2) Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged.

(3) Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

(4) Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

(b) In any action imposing a fee as a condition of approval of a development project by a local agency, the local agency shall determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

(c) Upon receipt of a fee subject to this section, the local agency shall deposit, invest, account for, and expend the fees pursuant to Section 66006.

(d) (1) For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the local agency shall make all of the following findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

(A) Identify the purpose to which the fee is to be put.

(B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

(C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements identified in paragraph (2) of subdivision (a).

(D) Designate the approximate dates on which the funding referred to in subparagraph (C) is expected to be deposited into the appropriate account or fund.

(2) When findings are required by this subdivision, they shall be made in connection with the public information required by subdivision (b) of Section 66006. The findings required by this subdivision need only be made for moneys in possession of the local agency, and need not be made with respect to letters of credit, bonds, or other instruments taken to secure payment of the fee at a future date. If the findings are not



made as required by this subdivision, the local agency shall refund the moneys in the account or fund as provided in subdivision (e).

(e) Except as provided in subdivision (f), when sufficient funds have been collected, as determined pursuant to subparagraph (F) of paragraph (1) of subdivision (b) of Section 66006, to complete financing on incomplete public improvements identified in paragraph (2) of subdivision (a), and the public improvements remain incomplete, the local agency shall identify, within 180 days of the determination that sufficient funds have been collected, an approximate date by which the construction of the public improvement will be commenced, or shall refund to the then current record owner or owners of the lots or units, as identified on the last equalized assessment roll, of the development project or projects on a prorated basis, the unexpended portion of the fee, and any interest accrued thereon. By means consistent with the intent of this section, a local agency may refund the unexpended revenues by direct payment, by providing a temporary suspension of fees, or by any other reasonable means. The determination by the governing body of the local agency of the means by which those revenues are to be refunded is a legislative act.

(f) If the administrative costs of refunding unexpended revenues pursuant to subdivision (e) exceed the amount to be refunded, the local agency, after a public hearing, notice of which has been published pursuant to Section 6061 and posted in three prominent places within the area of the development project, may determine that the revenues shall be allocated for some other purpose for which fees are collected subject to this chapter and which serves the project on which the fee was originally imposed.

(g) A fee shall not include the costs attributable to existing deficiencies in public facilities, but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to (1) refurbish existing facilities to maintain the existing level of service or (2) achieve an adopted level of service that is consistent with the general plan.

(Amended by Stats. 2006, Ch. 194, Sec. 1. Effective January 1, 2007.)

**State of California**

**GOVERNMENT CODE**

**Section 66006**

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66006. (a) If a local agency requires the payment of a fee specified in subdivision (c) in connection with the approval of a development project, the local agency receiving the fee shall deposit it with the other fees for the improvement in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments, and expend those fees solely for the purpose for which the fee was collected. Any interest income earned by moneys in the capital facilities account or fund shall also be deposited in that account or fund and shall be expended only for the purpose for which the fee was originally collected.

(b) (1) For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

(B) The amount of the fee.

(C) The beginning and ending balance of the account or fund.

(D) The amount of the fees collected and the interest earned.

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

(H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

(2) The local agency shall review the information made available to the public pursuant to paragraph (1) at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public, as required by this subdivision. Notice of the time and place of the meeting, including the address where this information may be reviewed, shall be mailed, at least 15 days prior to the meeting, to any interested party who files a written request with the local agency for mailed

notice of the meeting. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

(c) For purposes of this section, “fee” means any fee imposed to provide for an improvement to be constructed to serve a development project, or which is a fee for public improvements within the meaning of subdivision (b) of Section 66000, and that is imposed by the local agency as a condition of approving the development project.

(d) Any person may request an audit of any local agency fee or charge that is subject to Section 66023, including fees or charges of school districts, in accordance with that section.

(e) The Legislature finds and declares that untimely or improper allocation of development fees hinders economic growth and is, therefore, a matter of statewide interest and concern. It is, therefore, the intent of the Legislature that this section shall supersede all conflicting local laws and shall apply in charter cities.

(f) At the time the local agency imposes a fee for public improvements on a specific development project, it shall identify the public improvement that the fee will be used to finance.

(Amended by Stats. 1996, Ch. 569, Sec. 2. Effective January 1, 1997.)

# INDEX ADJUSTMENT ON THE ASSESSMENT FOR DEVELOPMENT

## PURPOSE OF REPORT

To report the index adjustment on the assessment for development, which may be levied pursuant to Education Code Section 17620.

## DESCRIPTION

The law requires the maximum assessment for development be adjusted every two years by the change in the Class B construction cost index, as determined by the State Allocation Board (Board) at its January meeting. This item requests that the Board make the adjustment based on the change reflected using the RS Means index.

## AUTHORITY

Education Code Section 17620(a)(1) states the following: "The governing board of any school district is authorized to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the district, for the purpose of funding the construction or reconstruction of school facilities, subject to any limitations set forth in Chapter 4.9 (commencing with Section 65995) of Division 1 of Title 7 of the Government Code."

Government Code Section 65995(b)(3) states the following: "The amount of the limits set forth in paragraphs (1) and (2) shall be increased in 2000, and every two years thereafter, according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting, which increase shall be effective as of the date of that meeting."

## BACKGROUND

There are three levels that may be levied for developer's fees. The fees are levied on a per-square foot basis. The lowest fee, Level I, is assessed if the district conducts a Justification Study that establishes the connection between the development coming into the district and the assessment of fees to pay for the cost of the facilities needed to house future students. The Level II fee is assessed if a district makes a timely application to the Board for new construction funding, conducts a School Facility Needs Analysis pursuant to Government Code Section 65995.6, and satisfies at least two of the requirements listed in Government Code Section 65995.5(b)(3). The Level III fee is assessed when State bond funds are exhausted; the district may impose a developer's fee up to 100 percent of the School Facility Program new construction project cost.

**STAFF ANALYSIS/STATEMENTS**

A historical comparison of the assessment rates for development fees for 2016 and 2018 are shown below for information. According to the RS Means, the cost index for Class B construction increased by 7.64, during the two-year period from January 2018 to January 2020, requiring the assessment for development fees to be adjusted as follows beginning January 2020:

RS Means Index Maximum Level I Assessment Per Square Foot

	2016	2018	2020
<b>Residential</b>	\$3.48	\$3.79	\$4.08
<b>Commercial/Industrial</b>	\$0.56	\$0.61	\$0.66

**RECOMMENDATION**

Increase the 2020 maximum Level I assessment for development in the amount of 7.64 percent using the RS Means Index to be effective immediately.

This item was approved by the State Allocation Board on January 22, 2020.

**RESOLUTION OF THE GOVERNING BOARD OF THE  
SCHOOL DISTRICT  
REGARDING ACCOUNTING OF DEVELOPMENT FEES  
FOR 2018-2019 FISCAL YEAR  
IN THE FOLLOWING FUND OR ACCOUNT:**

\_\_\_\_\_  
(Government Code sections 66001(d) & 66006(b))

**1. Authority and Reasons for Adopting this Resolution.**

- A. This District has levied school facilities fees pursuant to various resolutions, the most recent of which is dated \_\_\_\_\_, and is referred to herein as the “School Facilities Fee Resolution” and is hereby incorporated by reference into this Resolution. These resolutions were adopted under the authority of Education Code section 17620. These fees have been deposited in the following fund or account:

\_\_\_\_\_  
(the “Fund”);

- B. Government Code sections 66001(d) and 66006(b) require this District to make an annual accounting of the Fund and to make additional findings every five years if there are any funds remaining in the Fund at the end of the prior fiscal year;
- C. Government Code sections 66001(d) and 66006(b) further require that the annual accounting of the Fund and those findings be made available to the public no later than December 27, 2019, that this information be reviewed by this Board at its next regularly scheduled board meeting held no earlier than 15 days after the findings become available to the public, and that notice of the time and place of this meeting (as well as the address at which this information may be reviewed) be mailed at least 15 days prior to this meeting to anyone who has filed a written request for it.
- D. The Superintendent has informed this Board that a draft copy of this Resolution (along with Exhibits 1 and 2 which are hereby incorporated by reference into this Resolution) was made available to the public on \_\_\_\_\_, 2019. The Superintendent has further informed this Board that notice of the time and place of this meeting (as well as the address at which this information may be reviewed) was mailed at least 15 days prior to this meeting to anyone who had filed a written request for it.
- E. The Superintendent has also informed this Board that there is no new information which would adversely affect the validity of any of the findings made by this Board in its School Facilities Fee Resolution.

**2. What This Resolution Does.**

This Resolution makes various findings and takes various actions regarding the Fund as required by and in accordance with Government Code sections 66001(d) and 66006(b).

### 3. Findings Regarding the Fund.

Based on all findings and evidence contained in, referred to, or incorporated into this Resolution, as well as the evidence presented to this Board at this meeting, the Board finds each of the following with respect to the Fund for the 2018-2019 Fiscal Year:

- A. In reference to Government Code section 66006(b)(2), the information identified in section 1 above is correct;
- B. In further reference to Government Code section 66006(b)(2), this Board has reviewed the annual accounting for the Fund as contained in Exhibit 1 and determined that it meets the requirements set forth in Government Code section 66006(b)(1);
- C. In reference to Government Code section 66001(d)(1)(A), and with respect only to that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, the purpose of the fees is to finance the construction or reconstruction of school facilities necessary to reduce overcrowding caused by the development on which the fees were levied, which facilities are more specifically identified in Exhibit 2;
- D. In reference to Government Code section 66001(d)(1)(B), and with respect only to that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, the findings and evidence referenced above demonstrate that there is a reasonable relationship between the fees and the purpose for which it is charged as more specifically identified in Exhibit 2;
- E. In reference to Government Code section 66001(d)(1)(C), and with respect only to that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, all of the sources and amounts of funding anticipated to complete financing in any incomplete improvements identified as the use to which the fees are to be put is identified in Exhibit 2;
- F. In reference to Government Code section 66001(d)(1)(D), and with respect only to that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, the approximate dates on which the funding referred to in paragraph E above is expected to be deposited into the appropriate account or fund is designated in Exhibit 2; and
- G. In reference to the last sentence of Government Code section 66006(d), because all of the findings required by that subdivision have been made in the fees that were levied in paragraphs C-F above, the District is not required to refund any moneys in the Fund as provided in Government Code section 66001(e).

### 4. Superintendent Authorized to Take Necessary and Appropriate Action.

The Board further directs and authorizes the Superintendent to take on its behalf such further action as may be necessary and appropriate to effectuate this Resolution.

5. **Certificate of Resolution.**

I, \_\_\_\_\_, \_\_\_\_\_ of the Governing Board of the \_\_\_\_\_ District of \_\_\_\_\_ County, State of California, certify that this Resolution proposed by \_\_\_\_\_, seconded by \_\_\_\_\_, was duly passed and adopted by the Board, at an official and public meeting this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_ of the Board  
of the \_\_\_\_\_  
District of \_\_\_\_\_ County, California



**EXHIBIT 1**

**TO RESOLUTION REGARDING  
ACCOUNTING OF DEVELOPMENT FEES  
FOR FISCAL YEAR 2018-2019  
FOR THE FOLLOWING FUND OR ACCOUNT:  
\_\_\_\_\_ (the "Fund")**

Per Government Code section 66006(b)(1)(A-H) as indicated:

- A. A brief description of the type of fee in the Fund:
- B. The amount of the fee.
- C. The beginning and ending balance of the Fund.

See Attachment \_\_\_.

- D. The amount of the fees collected and the interest earned.

See Attachment \_\_\_.

- E. An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

See Attachment \_\_\_.

- F. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) subdivision (a) of section 66001, and the public improvement remains incomplete:
- G. A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan:
- H. The amount of refunds made pursuant to subdivision (e) of section 66001 and any allocations pursuant to subdivision (f) of section 66001:

N/A. No refunds or allocations were made pursuant to subdivision (e) or (f) of section 66001.

## EXHIBIT 2

**TO RESOLUTION REGARDING  
ACCOUNTING OF DEVELOPMENT FEES  
FOR FISCAL YEAR 2018-2019  
FOR THE FOLLOWING FUND OR ACCOUNT:  
\_\_\_\_\_ (the “Fund”)**

Per Government Code section 66001(d)(1)(A-D) as indicated:

- A. With respect to only that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, the purpose of the fees is to finance the construction or reconstruction of school facilities necessary to reduce overcrowding caused by the development on which the fees were levied, which facilities are more specifically identified as follows:
- B. With respect to that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, there is a reasonable relationship between the fee and the purpose for which it is charged, including:
  - a. There is an ongoing need for the Fund to complete construction or reconstruction to reduce overcrowding caused by the development.
  - b. The status of improvements identified when the fee was established are as follows:
  - c. The following has been done since the fee was imposed:
  - d. Future plans include:
- C. With respect to only that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, the sources and amounts of funding anticipated to complete financing in any incomplete improvements identified in paragraph A above are as follows:
- D. With respect to only that portion of the Fund remaining unexpended at the end of the 2018-2019 Fiscal Year, the following are the approximate dates on which the funding referred to in paragraph C above is expected to be deposited into the appropriate account or fund:



**CALIFORNIA DEPARTMENT  
OF EDUCATION**

**TONY THURMOND**  
STATE SUPERINTENDENT OF  
PUBLIC INSTRUCTION

1430 N STREET, SACRAMENTO, CA 95814-5901 • 916-319-0800 • WWW.CDE.CA.GOV

November 17, 2020

Dear County and District Superintendents, Charter School Administrators:

**2020-21 Requirements for Collecting Free and Reduced-Price  
Meal Eligibility Data Used to Determine Supplemental and  
Concentration Grant Funding**

Due to the coronavirus pandemic (COVID-19), the United States Department of Agriculture (USDA) issued nationwide waivers allowing schools to operate summer meal programs through December 31, 2020. On October 9, 2020, the USDA announced the extension of these waivers to June 30, 2021. With the operation of the summer meal programs, all children receive meals at no charge and no free and reduced-price meal (FRPM) applications, which are required under the National School Lunch Program (NSLP), are collected.

In California, students who are determined to be FRPM-eligible based on an FRPM application are included in the Unduplicated Pupil Count (UPC) used to determine supplemental and concentration grant funding under the Local Control Funding Formula (LCFF). Prior to the USDA announcing the summer meal programs waiver extension through June 30, 2021, the California Department of Education (CDE) had communicated to local educational agencies (LEA) that those school sites opting to operate under the waiver may continue to solicit FRPM applications for LCFF funding purposes, and in anticipation of the waiver expiring on January 1, 2021. With the USDA waiver now in place for the entire school year, **all school sites within an LEA operating summer meal programs need to transition to collecting alternative household income forms to determine FRPM eligibility for the UPC.** FRPM applications distributed prior to October 9 and received by December 31 are valid for LCFF and LEAs do not need to collect alternative household income forms from these families at the affected school sites.

The CDE anticipates that many school sites will opt to operate summer meal programs since all students may receive free meals and to benefit from the significantly reduced administrative burden. The purpose of this letter is to provide LEAs with specific information on ways to mitigate the FRPM application LCFF funding impact when operating the summer meal programs now that the waiver has been extended to June 30, 2021.

Attachment A provides specific actions LEAs may take based on whether the school is operating the summer meal programs, under a Community Eligibility Provision (CEP), or Provision 2/3. In order to maximize the return of completed forms, LEAs collecting alternative household income forms may want to provide information to households

November 17, 2020

Page 2

regarding the importance of the information being collected and the potential benefit to their LEA.

It should also be noted that an LEA's FRPM-Eligible count that the CDE posts on DataQuest is used for various other programs/grants beyond LCFF. These counts are derived from the same data LEAs certify for the UPC as part of the Fall 1 submission to the California Longitudinal Pupil Achievement Data System (CALPADS). Therefore, any increased count that results from the time extension and other accommodations that have been made this year to support LEA efforts to collect UPC data for LCFF, will be reflected in the FRPM-eligible count, posted on DataQuest, that LEAs rely on for other purposes.

The CDE recognizes all the challenges the LEAs are facing this year and it is unlikely that any additional COVID-19 related legislation will be considered until next year. In the meantime, please direct any questions as follows:

- For questions related to LCFF funding and the alternative household income form, please contact the Principal Apportionment Section by email at [PASE@cde.ca.gov](mailto:PASE@cde.ca.gov).
- For questions about NSLP, summer meal programs, CEP, or Provisions, please contact the School Nutrition Program Unit by email at [SNPinfo@cde.ca.gov](mailto:SNPinfo@cde.ca.gov).
- For questions related to CALPADS, please contact the CALPADS Service Desk by email at [calpads-support@cde.ca.gov](mailto:calpads-support@cde.ca.gov).

Sincerely,

*Elizabeth Dearstyne*

Elizabeth Dearstyne, Director  
School Fiscal Services Division

*Kimberly Frinzell*

Kim Frinzell, Director  
Nutrition Services Division

KF:ED:pm

cc: Chief Business Officials  
Food Service Directors  
CALPADS Administrators

## Attachment A

### 2020–21 Requirements for Collecting Free and Reduced-Price Meal Eligibility Data Used to Determine Supplemental and Concentration Grant Funding Based on Meal Program Type

#### Basic Requirements for All Meal Program Types

In order to be included in the Unduplicated Pupil Count (UPC) that determines supplemental and concentration grant funding under the Local Control Funding Formula (LCFF), a student must be identified in the California Longitudinal Pupil Achievement Data System (CALPADS) as enrolled on Census Day and meeting *at least one of the following criteria*:

- Free and Reduced-Price Meal (FRPM) eligible based on one of the following:
  - An FRPM application that was distributed prior to October 9, 2020 and received by December 31, 2020.
  - An alternative household income form that was received by December 31, 2020.
  - A direct certification match in one of the CALPADS monthly matches conducted through January 2021.
  - A local direct certification match for students with eligibility established on or before December 31, 2020.
  - A migrant, homeless, or tribal foster youth status on Census Day.
  - A foster youth on Census Day as identified through the statewide match or local match functionality in CALPADS.
- An English Learner (EL), identified as such by December 31, 2020.

In order to be included in the UPC, a student does not require an FRPM application or alternative household income form, if they are an EL, foster, homeless, migrant, or directly certified. LEAs may therefore choose to focus any additional collection of FRPM applications or alternative household income forms on students who are not already meeting one of the other UPC criteria. LEAs are reminded, however, that not collecting applications or forms from students who are EL and who are not directly certified, will impact their FRPM-Eligible count.

LEAs are required to certify the data used to determine their UPC, by approving their Fall 1 CALPADS submission, which includes Report 1.17 – *FRPM/English Learner/ Foster Youth Count* in CALPADS. In order to be included in First Principal Apportionment (P-1) LCFF funding calculations, the required records must be included

in LEAs' approved Fall 1 submission by the December 18, 2020 certification deadline. To be included in Second Principal Apportionment (P-2) LCFF funding calculations, the required records must be included in LEAs' certified Fall 1 submission by the close of the amendment window on January 29, 2021. Subsequent changes to CALPADS counts for LCFF can only be submitted through the audit process.

## Summary of Meal Program Requirements for 2020–21

Table 1

Meal Program Type	FRPM Application Required for Meal Program	FRPM Application Allowed for LCFF	Alternative Household Income Form Required for LCFF (a)
Summer Meal Programs	No	No (b)	Yes (b)
National School Lunch Program (NSLP)	Yes	Yes	No
Community Eligibility Provision (CEP)	No	No	Yes (c), if base year or collecting annually
Provision 2/3	Yes, in base year only	Yes (d)	Yes (d)

- a. Alternative household income form prototypes can be found on the California Department of Education (CDE) LCFF Frequently Asked Questions web page at: <https://www.cde.ca.gov/fq/aa/lc/lcffffaq.asp#PROV2and3>.

Alternative household income forms may be distributed and collected online, and electronic signatures are acceptable.

In 2020–21, LEAs may complete an alternative household income form on behalf of a student's household by collecting the required information over the telephone provided the LEA documents 1) the date, time, and name of the student's adult household member spoken to, and 2) the date, time, name, and signature of the LEA staff member collecting the information.

- b. FRPM applications that were distributed prior to October 9, 2020 and which are received by December 31, 2020 are valid for LCFF.

- c. Alternative income forms may be collected to establish an LCFF base year during the CEP cycle, or collected each year during the CEP cycle if an LEA chooses not to establish an LCFF base year.
- d. Provision 2/3 schools collect FRPM applications only in the base year. LEAs may choose to use FRPM applications collected in the Provision 2/3 base year to establish an LCFF base year. LEAs that choose not to establish an LCFF base year, may collect alternative income forms in Provision 2/3 non-base years of the Provision cycle.

## Information Specific to Meal Program Type

### 1. Schools Participating in Summer Meal Programs

Schools opting to participate in summer meal programs should no longer solicit FRPM applications. (Information about the summer meal programs can be found here: <https://www.cde.ca.gov/ls/nu/cnpcovid19guidance.asp>.) Such LEAs should no **longer distribute FRPM applications at these school sites, and should only distribute alternative household income forms for LCFF information.**

Any FRPM applications that were distributed prior to October 9, 2020 (announcement of the June 30, 2021 waiver extension), and are received by December 31, 2020, are valid for identifying a student as eligible to be included in the UPC which is used to determine LCFF funding.

The CDE recognizes the difficulty of implementing the collection of a new form at this late date. However, United State Department of Agriculture (USDA) policy prohibits the distribution of FRPM applications for purposes other than establishing eligibility for participation in Child Nutrition Programs. Alternative household income form prototypes can be found on the CDE's LCFF Frequently Asked Questions web page at <https://www.cde.ca.gov/fg/aa/lc/lcfaq.asp#PROV2and3>. These forms may be distributed and collected online, and electronic signatures are acceptable.

Additionally, for the 2020–21 school year only, LEAs may complete an alternative household income form on behalf of a student's household by collecting the required information over the telephone provided the LEA documents 1) the date, time, and name of the student's adult household member spoken to, and 2) the date, time, name, and signature of the LEA staff member collecting the information. Food service staff may also assist in the distribution and collection of alternative household income forms. However, the time spent on this activity cannot be charged to food service funds. LEAs should refer to the time documentation guidelines in the *California School Accounting Manual*, available on CDE's Accounting Definitions, Instructions & Procedures web page at <https://www.cde.ca.gov/fg/ac/sa/> to ensure time documentation requirements are satisfied.

Schools that choose not to operate under the summer meal programs waiver, must adhere to all NSLP rules, which includes collecting FRPM applications.

## **2. Schools Operating under CEP**

Schools participating under the CEP receive reimbursements for meals served based on the percentage of students who have been directly certified each year (in a four-year cycle, plus grace year), and are prohibited from collecting FRPM applications. Students are directly certified through a state or local match that determines school meal program eligibility based on students' enrollment in public assistance programs, such as CalFresh. Since CEP schools are prohibited from collecting FRPM applications, *California Education Code* authorizes the collection of alternative household income forms for LCFF purposes. To minimize this data collection, the *EC* also authorizes CEP schools to determine students' eligibility in an "LCFF base year" and to report that eligibility in each of the following three school years, after which the school must establish a new LCFF base year.

During this COVID-19 year, the need to collect alternative household income forms primarily impacts schools that did not opt to establish a base year and collects forms annually, and those schools establishing an LCFF base year in 2020–21. The CDE recognizes that these schools may find it difficult to collect forms from families this year. Unfortunately, the CDE does not have the authority to exempt schools from this statutory requirement. To provide more time during this COVID-19 year, the deadline by which LEAs must receive those forms in order to be included in the UPC was extended from October 31, 2020 to December 31, 2020. LEAs may also distribute and collect alternative household income forms online, and electronic signatures are acceptable. Additionally, for the 2020–21 school year only, LEAs may complete an alternative household income form on behalf of a student's household by collecting the required information over the telephone provided the LEA documents 1) the date, time, and name of the student's adult household member spoken to, and 2) the date, time, name, and signature of the LEA staff member collecting the information.

LEAs may also establish a new base year earlier than required. Anticipating that the number of students who are FRPM-eligible due COVID-19 will be higher this year, some LEAs are choosing to establish a new LCFF base year in 2020–21. This is permissible, but LEAs are reminded that they must only use the information collected in 2020–21. For example, if a household was previously identified as FRPM eligible, but does not return a form in 2020–21, they will no longer be considered FRPM eligible since the base year has been reset. Alternatively, LEAs may establish a new base year in 2021–22 should schools anticipate a higher UPC due to increased collection of alternative household income forms when operations return to normal.

## **3. Schools Operating Under Provision 2/3**

Schools operating under Provision 2/3 receive reimbursement for meals served based on participation in a base year (of a four-year cycle for Provision 2; five-year cycle for Provision 3). These schools collect NSLP applications in the base year, and are prohibited from collecting applications in subsequent years the school is on a Provision 2 or 3 status, except to reestablish a base year. For LCFF purposes, these schools must also establish an LCFF base year, similar to CEP schools. Schools, however, may



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perform the LCFF base year data collection during the same year that they establish a “Provision 2/3 base year” under the NSLP, in which case, NSLP applications can be used for LCFF purposes.

On November 2, 2020, the USDA issued guidance to state agencies and LEAs regarding the establishment of Provision 2 base years at school sites in the 2020–21 school year. This guidance stipulates that since schools that operate summer meal programs for a portion of school year 2020–21 will not have a complete base year and claim data to establish claim percentages, Provision 2 base years cannot be established for such schools in 2020–21. The CDE’s Nutrition Services Division will contact LEAs approved for a Provision 2 base year in 2020–21 with options for restarting a base year in 2021–22.

LEAs that operate Provision 2 or 3 and established a separate LCFF base year that must be reestablished in 2020–21, can collect alternate income information forms to establish the UPC for LCFF. Like CEP, the deadline by which LEAs must receive those forms in order to be included in the UPC was extended From October 31, 2020 to December 31, 2020.

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

## FISCAL REPORT

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By the Way . . . Need Devices for Distance Learning?



**[BY LEILANI AGUINALDO](#)**

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posted November 6, 2020

The California Department of Education (CDE) recently included on its [website](#) information to help local educational agencies (LEAs) acquire technology devices and internet connectivity to assist with distance learning. The website lists partnerships between the CDE and various companies to enable LEAs to procure such items as Chromebooks and iPads, including devices with an estimated delivery before the end of 2020. The information may be particularly helpful for LEAs that still have Learning Loss Mitigation funds available that need to be spent by December 30, 2020.

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

## FISCAL REPORT

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### Coronavirus Relief Funds in Jeopardy of Being Swept



**BY MATT PHILLIPS, CPA**

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posted November 16, 2020

As reported in our November 2020 *Fiscal Report* article “[CDE Opens New CRF Reporting Window](#),” the California Department of Education (CDE) opened a supplementary reporting window to allow local educational agencies (LEAs) an opportunity to report Coronavirus Relief Fund (CRF) expenditures and obligations through October 31, 2020, as well as planned CRF expenditures through December 30, 2020—the deadline established by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

LEAs that choose not to utilize this supplementary reporting window, or report unexpended and projected unexpended CRF in this supplementary reporting window, are in jeopardy of losing the balance of any unused CRF. Under federal law, the Department of Finance (DOF) must return any CRF that are not spent by December 30, 2020, and given other exorbitant costs generated by the pandemic, the DOF has heightened motivation to repurpose or reallocate unexpended CRF from LEAs to other high-cost priorities elsewhere in the State Budget related to combatting the virus or stimulating the California economy.

LEAs that have not completed the supplementary reporting window have until Wednesday, November 18, 2020, to do so. For those who have already completed the reporting, please ensure that the totals reported are accurate. LEAs should be acutely aware that any balance reported on the Projected Unexpended CRF line could be recaptured by the DOF under its authority to do so as included in the 2020–21 Enacted State Budget.

The reporting module can be accessed on the CDE [website](#).