

SCOE BIZ

Business Services

Bulletin No. 21-10



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January 28, 2021

To: District and Charter Business Services
From: Sarah Lampenfeld, Director External Fiscal Services
Subject: January 2021 Edition

Governor's Proposed Budget

On January 8, 2021, the Governor released his proposed State Budget for the upcoming 2021-2022 fiscal year. Governor Newsom's State Budget focused on the impacts related to the COVID-19 pandemic along with a push to safely reopen schools. Some of the major 2021-22 budget components include:

- \$2 billion for in-person instruction grants related to 2020-21
- 3.84% compounded COLA, applied to LCFF base grant in 2021-22 and 1.5% COLA for other programs
- \$7.3 billion to pay down most deferrals in 2021-22 – eliminating the on-going deferrals scheduled for February 2022 through May 2022
- \$4.6 billion for expanded instructional time
- \$300 million for Special Education Early Intervention Grant
- \$450 million for training, support and expansion to TK, Kindergarten and childcare
- \$725 million for various programs related to student wellness and mental health
- \$315.3 million to support educator professional learning and teacher effectiveness

Important to note, the Governor's budget proposal does not reflect any federal COVID-19 stimulus funding approved in December 2020. Plus, the proposal includes \$3 billion in deposits into the education rainy day fund for 2020-21 and 2021-22 since all four conditions of Proposition 2 would be met. The proposed deposits would trigger the cap on district reserves for the 2022-23 fiscal year. Basic aid and districts with fewer than 2,501 ADA are exempt from the reserve cap. Deferrals for 2020-21 remain in place, while deferrals in 2021-22 are for June 2022 only.

2nd Interim Guidance & Common Message

A separate SCOE Biz containing 2nd Interim guidance and required submissions will be e-mailed out to all Business contacts the first week of February, along with the Common Message for 2nd Interim. SCOE will be analyzing fiscal stability of each LEA using the updated assumptions included with the Governor's 2021-22 Proposed Budget.

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

ESSA PPE Reporting

CDE's web-based application for LEAs to submit Every Student Succeeds Act Per-Pupil Expenditures (ESSA PPE) is now available. Login information for the application was sent to each LEA Superintendent and Administrators of direct-funded charter schools listed in the California School Directory in mid-November. **LEAs are expected to submit data to the CDE no later than March 1, 2021.**

Additionally, last week the CDE announced a series of short informational webinars regarding ESSA PPE reporting. Each webinar will contain the same information and registration is required.

Below are dates and registration links.

January 27 - https://uso2web.zoom.us/webinar/register/WN_rWOtKgIAQVeVwlKezIUUnA

February 10 - https://uso2web.zoom.us/webinar/register/WN_NRV9H_8jR7Wd1qRz-wKrdg

February 24 - https://uso2web.zoom.us/webinar/register/WN_eGQcCSc-SsuB1my33tlpeg

Reopening Schools Plan

Governor Newsom proposed \$2 billion one-time funding to establish The Safe Schools for All grant program to incentivize LEAs to reopen schools and would provide approximately \$450 per student, to all public schools open for in-person instruction by specified date. This proposal would include Basic Aid districts but exclude non-classroom-based charter schools and require swift legislative action and support to meet deadlines. More information to follow as it becomes available.

New CDPH Health order:

Beginning January 25, every Local Education Agency (LEA) and private school in California must notify the Department of Public Health whether it is instructing students in person. The school must provide the following information via a web form that will be made available by the Dept. of Public Health:

- Is in-person instruction provided full time? Include whether it is provided for all grades or for certain grade spans.
- Is in-person instruction provided part-time (hybrid model)? Include whether it is provided for all grades or for certain grade spans.
- Is in-person instruction provided only pursuant to the Guidance Related to Cohorts?
- Is the site distance learning only (no in-person instruction or services provided)?

This reporting will continue every other Monday (or the Tuesday after if the Monday is a state holiday) until the directive is modified or rescinded.

School Energy Efficiency Stimulus Program

The SEES program was established, in the fall, by the Governor to provide funding to upgrade heating, air conditioning and ventilation (HVAC) systems and to replace noncompliant plumbing fixtures and appliances via grants to LEAs. Funding for the two grants; School Reopening Ventilation and Energy Efficiency Verification and Repair Program and School Noncompliant Plumbing Fixture and Appliance Program will be available for three years, 2021-2023, and applications will be available by April 1, 2021. Additional information regarding the SEES program can be found on the California Energy Commission's website. <https://www.energy.ca.gov/programs-and-topics/programs/school-energy-efficiency-stimulus-sees-program-assembly-bill-841>

Federal Cash Management Data Collection (CMDC)

The data collection window for the Federal Cash Management Data Collection (CMDC) System is now available from January 10, 2021 to January 31, 2021. You may report your data at any time during this period. **LEAs must submit cash balance data by January 31, 2021**, for the following programs in order to receive funds in the next apportionment for those programs (if you are a Title III Consortium LEA, your cash apportionments flow based on the total combined reporting for all Consortium LEAs):

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

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

Federal Quarterly Interest Reporting

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

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

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

The CDE requests LEAs submit documentation regarding the calculations and the interest rate used. Documentation for the **current quarter's rate of .761%** can be found at https://sonomacounty.ca.gov/templates_portal/Service.aspx?id=2147528173. A complete list of federally reimbursable programs that should be EXCLUDED from your interest calculations can be found at <https://www.cde.ca.gov/fg/ac/co/reimbursableprograms.asp>. A good report to use for documenting your calculations is the Fiscal24 Resource Cash daily balances. You will need to enter the reporting period (quarter dates), interest rate for the quarter, and specific federal resources you would like to include in the calculation. **Title I, II, III, IV, GEER and ESSER would need to be included but you may have other non-reimbursable programs.**

CARS – Consolidated Application and Reporting System

The CARS Winter Release of data collections is now open. The deadline for data certification is February 28, 2021. The CDE offers a training webinar for new users, Navigating CARS. The webinar can be accessed at <https://www.cde.ca.gov/fg/aa/co/cars.asp>. Details on changes in reporting for the Winter Release can be found at the same link.

Minimum Wage Increase

In California, the 2021 minimum wage rate of **\$13** an hour for businesses with 25 employees or fewer and **\$14 an hour** for larger companies took effect on Jan. 1. Note that, depending on location, your LEA may be required to comply with a higher local minimum wage. In addition, keep in mind that under the current remote working conditions of many employees, it is important to understand that local ordinances are based on where the employee is working.

IRS Standard Mileage Rate for 2021

Beginning January 1, 2021, the mileage reimbursement rate for business travel is 56 cents per mile (down from 57.5 cents in 2020).

Bid Limit Increased for 2021

Effective January 1, 2021 the bid threshold limit for non-construction, competitively bid contacts has increased \$96,700. This higher bid limit only applies to 1) the purchase of equipment, materials and supplies; 2) services, except construction services; and 3) repairs, including maintenance as defined in Public Contract Code section 30115. Note: The \$15,000 threshold for construction services/public works projects has not changed.

Summer Assistance Program grant

The Classified School Employee Summer Assistance Program (CSESAP) provides up to a dollar for dollar match on amounts withheld from a participating local educational agency's (LEA's) classified school employees' monthly paychecks during the 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.** More information can be found on the CDE webpage <https://www.cde.ca.gov/fg/aa/ca/csesap.asp>.

REMINDERS:

Contact Information and Helpful Web links

- Stay informed by *joining* CDE's listservs:

PASE: join-pase-contacts@mlist.cde.ca.gov (send a blank email)

LCFF: join-LCFF-list@mlist.cde.ca.gov (send a blank email)

CALPADS: <http://www.cde.ca.gov/ds/sp/cl/listservs.asp>

CARES ACT join-caresact@mlist.cde.ca.gov. (send a blank email)

- LCFF Information (Funding Overview, FAQs, etc.): <http://www.cde.ca.gov/fg/aa/lc/>

- LCFF Audit Finding Calculator and Derived Value of

ADA: <http://www.cde.ca.gov/fg/au/ag/statecomp.asp>

- EPA FAQs <http://www.cde.ca.gov/fg/aa/pa/pafaq.asp>

- Funding Rates and Information ~ Principal Apportionment:

<https://www.cde.ca.gov/fg/aa/pa/ratesandinfo.asp>

LCAP Workshops

Strategic Planning for Sonoma County District Leadership Teams. This three-part series will use problem identification to help develop a strategic plan. This critical work will support and inform the LCAP planning for the 2021-22 school year. Part two and three are February 22nd and March 31st. Registration is available on the SCOE website.

Professional Development Opportunities hosted by the SCOE

CASBO: Attendance Accounting for Office Personnel

SSC: Declining Enrollment

Dates to Remember:

01/29/2021 *Calpads Fall 1 amendment window closes*

02/01/2021 *Annual Performance Report - ESSER and GEER due by 8:00am*

02/04/2021 *Mini-training: Budget Review/Preparing for 2nd Interim Reporting*

02/15/2021 *Budget update report (Fiscal 26a for all funds) and updated cash flow due to SCOE*

02/22/2021 *Part -two: Strategic Planning for Sonoma County District Leadership workshop*

02/24/2021 *Escape STRS Reform Workshop*

02/25/2021 *DBUG*

NOTE:

- Want to add something to a DBUG Agenda? Want a topic added to SCOE Biz? Contact DBUG Chair Christina Menicucci
- Documents presented at DBUG found posted at <http://www.scoe.org/pub/htdocs/fiscal-dbug.html>
- Workshop manuals and Fiscal Services/IT forms may be found at <http://www.scoe.org/escape> under the heading of Resources on the left side of the page. **We will be migrating all forms and materials to a shared Google based folder soon. A link will be provided when this occurs.**



SONOMA COUNTY OFFICE OF EDUCATION

WORKSHOPS HOSTED BY SCOE BUSINESS SERVICES

As of January 25, 2021

If a Sonoma County school district employee attends one of the eligible workshops listed below their district will be reimbursed for the cost of registration (at the early bird rate). This will be valid for one person per district unless other agreements have been made with SCOE. Districts will be responsible for registering their staff with the presenter. Districts will only be reimbursed if the staff member attends the workshop.

Eligible Workshops Register directly with presenter

Currently, we are only offering the following workshops for reimbursements to the districts.

These workshops will be offered on a virtual platform. Use the links below to register.

[CASBO: Attendance Accounting for Office Personnel](#) (2 people per district will be reimbursed)

[School Services of CA \(SSC\): Declining Enrollment](#)

To receive the reimbursement from SCOE you will need to submit proof of payment to the presenter along with proof of attendance at the workshop.

These items should be emailed to Bonnie Brown, bbrown@scoe.org

For more information contact Bonnie Brown at bbrown@scoe.org

SSC School District and Charter School Financial Projection Dashboard 2021–22 Governor’s Budget

This version of School Services of California Inc.’s (SSC) Financial Projection Dashboard is based on the 2021–22 Governor’s Budget proposal. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We have also updated the Local Control Funding Formula (LCFF) factors. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

LCFF PLANNING FACTORS					
Factor	2020–21	2021–22	2022–23	2023–24	2024–25
Department of Finance (DOF) Estimated Statutory COLA	2.31%	1.50% ¹	2.98%	3.05%	N/A
DOF Estimated Funded COLA	0.00%	3.84% ²	2.98%	3.05%	N/A
SSC Estimated Statutory COLA ³	0.00%	3.84%	1.28%	1.61%	1.90%

LCFF GRADE SPAN FACTORS FOR 2021–22				
Entitlement Factors per ADA*	K–3	4–6	7–8	9–12
2020–21 Base Grants	\$7,702	\$7,818	\$8,050	\$9,329
Compounded COLA at 3.84%	\$296	\$300	\$309	\$358
2021–22 Base Grants	\$7,998	\$8,118	\$8,359	\$9,687
Grade Span Adjustment Factors	10.4%	–	–	2.6%
Grade Span Adjustment Amounts	\$832	–	–	\$252
2021–22 Adjusted Base Grants ⁴	\$8,830	\$8,118	\$8,359	\$9,939

*Average daily attendance (ADA)

OTHER PLANNING FACTORS						
Factors		2020–21	2021–22	2022–23	2023–24	2024–25
California CPI		1.44%	1.57%	1.82%	2.12%	2.40%
California Lottery	Unrestricted per ADA	\$150	\$150	\$150	\$150	\$150
	Restricted per ADA	\$49	\$49	\$49	\$49	\$49
Mandate Block Grant (District)	Grades K–8 per ADA	\$32.18	\$32.66	\$33.08	\$33.61	\$34.25
	Grades 9–12 per ADA	\$61.94	\$62.87	\$63.67	\$64.70	\$65.93
Mandate Block Grant (Charter)	Grades K–8 per ADA	\$16.86	\$17.11	\$17.33	\$17.61	\$17.94
	Grades 9–12 per ADA	\$46.87	\$47.57	\$48.18	\$48.96	\$49.89
Interest Rate for Ten-Year Treasuries		0.98%	1.48%	1.65%	1.90%	2.10%
CalSTRS Employer Rate ⁵		16.15%	15.92%	18.00%	18.00%	18.00%
CalPERS Employer Rate ⁵		20.70%	23.00%	26.30%	27.30%	27.80%

STATE MINIMUM RESERVE REQUIREMENTS	
Reserve Requirement	District ADA Range
The greater of 5% or \$71,000	0 to 300
The greater of 4% or \$71,000	301 to 1,000
3%	1,001 to 30,000
2%	30,001 to 400,000
1%	400,001 and higher

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

²Amount represents the 2020–21 unfunded statutory COLA of 2.31% compounded with the 2021–22 estimated statutory COLA of 1.50%.

³Estimated Statutory COLAs in 2022-23 and beyond are estimated using an independent economist and represent an alternative more closely aligned with the changes in consumer price index.

⁴Additional funding is provided for students who are designated as eligible for free or reduced-price meals, foster youth, and English language learners. A 20% augmentation is provided for each eligible student with an additional 50% for each eligible student beyond the 55% identification rate threshold.

⁵California State Teachers’ Retirement System (CalSTRS) and California Public Employees’ Retirement System (CalPERS) rates in 2020–21 and 2021–22 were bought down by a \$2.3 billion payment from state of California. Rates in the following years are subject to change based on determination by the respective governing boards.