May 27, 2021
To: District and Charter Business Services  
From: Sarah Lampenfeld, Director, External Fiscal Services  
Subject: May 2021 Edition

2021-22 May Revision
SCOE Biz Bulletin 21-18 was prepared and emailed to LEAs on May 27, 2021. The purpose of the bulletin was to provide Sonoma County LEAs guidance regarding the 2021-22 May Revision. Once available the BASC Common Message will add one more layer of information or clarification when it is published. It’s expected to be completed in early June and will be sent out immediately upon receipt. As always, we are here to support you and to try to answer your questions and concerns.

LCFF Calculator New Look and May Revision Calculator Caveats
On May 17th, FCMAT released a new redesigned LCFF calculator that included the May Revision estimates. This version of the calculator (22.1b or higher) should be used for 2021-22 budget development. The redesigned LCFF includes:

- An eight year-fixed structure that includes three historical years, current budget year and four projection years  
- Simplified data entry tab for all projection types  
- Simplified navigation, including conditional formatting based on each LEA projection type and conditions specific to the LEA, that identifies fields that required user data entry  
- Removal of all historical elements supporting transition calculations

The information and caveats were included on the FCMAT web page with the calculator release and should be reviewed with each update. SCOE agrees with the information and considerations included in the May Revision caveats.

To assist LEAs completing the new redesigned calculator we have attached an updated LCFF calculator section from the Next Fiscal Year Manual/workshop.

SCOE recommends sending LCFF calculators to your Fiscal Advisor before finalizing projections in the 2021-22 Adopted Budget due to the significant changes made to the calculator.
**Cash borrowing options**

Please re-read SCOE Biz Bulletin No. 21-17 dated April 22, 2021 for details about cash borrowing options. You can find it posted in the SCOE website, under DBUG resources at [21-17_SCOE_Biz_Cash_Borrowing_for_Next_Fiscal_Year.pdf](https://example.com)

Three options are presented in the bulletin for District consideration:

A. County Treasurer (Line of Credit) – available to Districts only

B. TRAN (tax and revenue anticipation notes) – available to Districts only

   Although SCOE cannot make vendor recommendations, we can share a list of vendors used across the state for TRAN issuance. Please contact Sarah Lampenfeld directly at slampenfeld@scoe.org if you need vendor names.

C. Interfund Borrowing

The May Revision proposes paying down an additional $1.1B in deferral. This additional amount combined with January’s proposal of $9.2B eliminates the ongoing deferrals scheduled for February through May 2022. These proposals do not impact current deferrals. The repayments of February through June 2021 deferrals will be received in July through November 2021.

Now is the time to **update your 2020-21 Cash Flow** with actuals through April 2021 and revise your estimates for May and June 2021 and to establish reasonable beginning balance 2021-22 Cash Flows.

**USDA Waiver Granted through 2021-22**

In an effort to support the school reopening while allowing for flexibility to LEAs the USDA has extended waivers through 2021-22. The waivers allow LEAs the following flexibility through June 30, 2022. Full details on the waivers can be located [here](https://example.com). While this is welcomed news, this could have a significant effect on collecting information for the unduplicated pupil percentage (UPP) and thus an LEA’s LCFF apportionment. LEAs are encouraged to start planning early on how to mitigate the negative impact to their UPP.

**GASB 84 and 87**

- **GASB 84:** Fiduciary Activities and Associated Student Body (effective 2020-21)
  - GASB 84 presentation can be found [here](https://example.com)
  - Review each associated student body (ASB) activity or club to determine if it meets the definition of fiduciary activity in accordance with GASB 84.
    - Meet the definition: will continue to be reported in Fund 95, Student Body Fund.
    - Does not meet the definition: should be reported in a governmental fund
  - The General Fund (Fund 01, 09,62)
    - Or
      - The Student Activity Special Reserve Fund (Fund 08)
  - CDE also established a unique resource, Resource 8210, Student Activity Funds, for reporting governmental ASB activities. This will allow for identification of governmental ASB activities regardless of the fund in which they are reported.
• LEAs are required to use this resource for reporting all governmental ASB activities regardless of the fund in which they are reported. Resource 8210 is open to Fund 01, Fund 08, Fund 09, and Fund 62.

• LEAs are not required to record ASB activities in LEA’s local financial systems on a daily basis. LEAs may record monthly, quarterly, or annual journal entries in the appropriate fund as deemed necessary for preparing interim and year-end financial statements.

GASB 87: Leases (effective 2021-22)

• The effective year of GASB 87, Leases, has been postponed from fiscal year 2020-21 to 2021-22. GASB 87 was issued in June 2017 and supersedes previous leases guidance. Under previous guidance, leases could be presented as either capital leases or operating leases. Under GASB 87, there is only one single model for lease accounting because the new statement is built upon the foundational principle that all leases are financings of the right to use an underlying asset.

• To prepare for GASB 87 implementation, LEAs should consider the following:
  • Apply GASB 87 to new leases going forward, but also retroactively to existing agreements.
  • Create an inventory of existing leases and other contracts and agreements for review.
  • Determine which leases, contracts, or agreements meet the definition of a lease and which can be excluded.
  • Separate contracts into lease and nonlease components.
  • Don’t assume the agreement or contract is not a lease because the word “lease” is not in the agreement or contract. Review it using the definition of a lease under GASB 87.
  • Once you’ve identified the leases in accordance with GASB 87, determine the key elements – lease term, extensions, termination provisions, payment provisions, and etc.

With both GASB Statement 84 and 87, SCOE recommends LEAs discuss the requirements with your auditor. Especially if you are unsure if they pertain to your LEA or if you are unsure which option of reporting is best for your LEA under GASB 84.

P-Annual Attendance and Prior year Correction Due Dates

As a result of the hold harmless provision, P-Annual attendance reporting is not required at year-end for 2020-21. However, the P-Annual window is open for Audit Adjustments to Calpads Data. These reports, if applicable to your LEA, and any prior year corrections to P-2 and P-Annual 2019-20 Principal Data Reports are due to SCOE on June 21, 2021.

STRS on-behalf

STRS on-behalf calculations for posting to LEA financial statements prior to the close of the 2020-21 books are in process, and will be included in the upcoming Year End Close Workshop/Manual on June 3, 2021.
Non-Voter Approved Debt notification to SCOE
Public Disclosure of Non-Voter Approved debt is required pursuant to Education Code sections 17150(a) and 17150.1(a), and Government Code section 53635.7. Notification must be provided to SCOE and the County Auditor at least 30 days prior to the district’s governing board approval of an issuance of non-voter approved debt. SCOE has updated the debt notification form for school district’s use. You can find it attached to this memo and posted on SCOE’s website at https://www.scoe.org/pub/htdocs/fiscal-forms.html


Charter Schools Annual Information Survey
The 2021-22 Charter Schools Annual Information Update is required by CDE for all charter schools. The Annual Update consists of five questions & should take only a few moments of your time. The 2021-22 Charter Schools Annual Information Survey is now available online at https://www.cde.ca.gov/sp/ch/csinfosvy.asp. It must be completed in the online system May 31, 2021.

Consolidated Application and Reporting System (CARS)
The opening of 2021-22 Consolidation Application and Reporting System (CARS) Spring release was delayed. The planned opening date was moved to June 1, 2021, with a deadline date of approximately six weeks after the open date. Stay tuned...

In-Person Instruction Grant (IPI)
IPI Grant certifications are due by June 1, 2021! LEAs were sent a link to the form on April 30, 2021. The content of the form content can be found here.

This funding is for in-person instruction, including hybrid models, must be offered by April 1, 2021 for specified student groups. Grant allocations will be reduced by one percent for each calendared instructional day that an LEA does not offer in-person instruction for all required groups. Additionally, LEAs forfeit the funds if it does not offer in-person instruction for all required groups by May 15, 2021, or if in-person instruction is not offered continuously through the end of the scheduled 2020-21 school year, unless ordered by a state or local health officer.

Expanded Learning Opportunities Grant Plan
As a condition for receiving Expanded Learning Opportunities Grants LEA must complete a plan. The Expanded Learning Opportunities (ELO) Grant Plan must be adopted by the local governing board or body of the LEA at a public meeting on or before June 1, 2021. The ELO Plan must be submitted within five (5) days of adoption by the governing board or body. School districts must submit the plan to their COE; Charter schools must submit their plans to their chartering authority; COEs and school districts in a single-district county must submit their plans to the CDE.

SCOE requests that all School Districts and Charter School's ELO Plans be submitted to Katie Anderson, prior Fiscal Analyst with the External Fiscal Team at kanderson@scoe.org. Please note Katie’s emails are being forward to ensure all plans are received and forwarded to the LEA's Fiscal Advisor and CI Director.
**ESSER II and III**

- ESSER II apportionments are expected to be processed in the beginning of June.
- ESSER III preliminary allocations have posted. Allocation can be found [here](#). Two resource codes have been identified; resource 3213 (80%) and 3214 (20%).
  - LEAs must reserve not less than 20% of its total ESSER III allocation to address learning loss.
  - Please note LEAs will need to submit a Legal Assurance by June 25th to receive the first apportionment. LEAs that do not apply by June 25th may apply after June 25th to receive funds through subsequent apportionments.
  - One significant difference between ESSER III and ESSER I & II is the completion of two plans: 1) Safe Return to In-Person Instruction and Continuity of Services Plan and 2) Expenditure Plan. The details on the plan are still being determined so more to come, once known.

**Property and Liability 2021-22 Preliminary Program Rate**

Rates for property and liability insurance have not yet been released by RESIG. For budget development purposes, it is recommended to use a 25% increase over the 2020-21 rates. Actual premium increases district-to-district will vary based on each individual district’s allocation. RESIG will provide more details as soon as possible.

**Special Education Fee for Service Cost for 2021-22**

SCOE’s Special Education Fee for Service rates will increase from $52,000 to $62,000 for 2021-22.

**County Program fees**

According to Assembly Bill (AB) 2235, funding now flows directly from the CDE to the County Office for Community School voluntary transfers and NPS/LCI placements based on the actual ADA generated for each LEA. LEAs still need to include the ADA for these students in the LCFF calculator and budget for the expenditure in 01-0000-0-0000-9200-7142-000-0000.

**REMINDERS:**

**Notice of Public Hearing for 2021-22 Budget** – At this point most LEAs have returned the publication notifications so that SCOE can place the ad in the newspaper for you (thank you!). If you have not returned it, please do so as soon as possible. The publication notice can be found on the website here [SCOEBizBulletinNo.21-15datedApril26,2021](#). If you have any questions regarding publishing your notification, please contact Vickie Holden, District Fiscal Management Analyst at [vholden@scoe.org](mailto:vholden@scoe.org) or your SCOE Fiscal Advisor.

Please make sure to check the newspaper to ensure your LEA’s Notice of Public Hearing has been correctly published. Copy and save for your auditors.
**Dates to Remember:**
- 06/02/2021  SchoolWise User Group (1 pm to 3 pm)
- 06/03/2021  Year End Close Workshop 9 am to 11:30 am (presented by SCOE IT/Fiscal teams)
- 06/06/2021  Schedule Escape Maintenance (Sunday: 8 am to 10 am)
- 06/18/2021  2021-22 Fiscal Year Start-Up Form due to SCOE IT
- 06/18/2021  ESCAPE AP Year End Workshop 8:30 am to 10:30 am [click to register]
- 06/18/2021  ESCAPE AR Year End Workshop 11 am to 12:30 pm [click to register]
- 06/18/2021  Vendor Warrant Cancellations due to SCOE, final for 2020-21
- 06/21/2021  P-Annual Attendance and Prior Year Corrections due to SCOE
- 06/22/2021  Final 2020-21 AP due at Noon
- 06/24/2021  2020-21 Last Cash Deposits and Cash Transfers due by 4:30 pm
- 06/24/2021  DBUG

**NOTE:**
- Want to add something to a DBUG Agenda? Want a topic added to SCOE Biz? Contract DBUG Chair Christina Menicucci cmenicucci@gusd.com
- Workshop manuals and Fiscal Services/IT forms may be found at [http://www.scoe.org/escape](http://www.scoe.org/escape) under the heading of Resources on the left side of the page.
Local Control Funding Formula Calculator

Use the newest version available. The LCFF Calculator, Calculator Caveats, LCFF Listserve Subscription, LCFF Online Help Desk are accessible at https://www.fcmat.org/lcff

IMPORTANT: A newer version of the LCFF calculator has been released by FCMAT based upon the release of the Governor’s May Revision, which includes updated planning factors as reflected in the May Revision.

As of May, 2021 there are significant changes to the formatting of the LCFF Calculator:

**Calculator Tabs have changed!**

**Older Version:**

Data that was previously reported on separate tabs (Assumptions, Awards, MYP Data, District Class Size, NSS, District In-Lieu) are now all reported on one single Data Entry Tab.

**New Version:**

The New Data Entry Tab:

1. enter your CDS Code
2. enter "no" if NOT a new charter
3. Enter Other Data

**General Info:**

1. enter your CDS Code
2. enter "no" if NOT a new charter
3. Enter Other Data

**Assumptions:**

Pre-loaded with data.

Yellow boxes unlocked to run scenarios

**COLA:** The calculator reflects the COLA as estimated by the Department of Finance (DOF). The actual statewide need could be more or less than the estimate. LEAs should consider running multiple fiscal scenarios in the calculator to understand the implications of changes.

All applicable District Data will have a highlighted background in blue
All applicable Charter Data will have a highlighted background in green
All data that is NOT applicable will have a highlighted background in gray
Answer Questions Regarding:

- In Lieu Taxes
- Necessary Small School
- Grade Span Adjustment

By answering these questions, the backgrounds of the individual sections will turn blue (for Districts) or green (for Charters) where further data entry is required.

**Grade Span Adjustment:**

- The LCFF calculation contains additional funding for primary grades, K-3 Grade Span Adjustment. As a pre-requisite to receiving this funding, school districts must maintain an average class enrollment for each school site for grades K-3 of 24 students or less, or have collectively bargained an alternative annual average K-3 class enrollment for each school site.
- If a district does not meet this requirement, change the default “yes” to “no” and the calculator will remove the funding add-on.

**What is a class?**

- A group of students assigned to a teacher during the regular school day. This includes transitional kindergarten, but does not include special day classes, evening classes, or summer school classes.

**How is the average calculated?**

- The active enrollment count is the class count on the last day of each attendance month that ends prior to April 15th.
- The average number of pupils enrolled per class is the sum of active enrollment count divided by # of attendance months in P2.
- The average class enrollment per school site is the sum of the average number of pupils enrolled per class divided by # of classes (rounded to nearest half or whole integer).

**Property Taxes:**

The calculator reflects 2020-21 P-1 estimates therefore, update as appropriate. Per the County Auditor, districts should anticipate growth in property taxes to remain flat for 2021-22 countywide. Growth in each area of the County will vary from district to district, and estimates are subject to change.
**Enrollment and Unduplicated Pupil Percentage:**

This version is prefilled through the 2020-21 1st Principal Apportionment data. It includes the LEA’s 2020-21 data as of the Fall 1 CALPADS certification deadline (12/18/20). Overwrite the 2020-21 prefilled data if changes were made during the final amendment window (ending 2/04/21). There were discrepancies found in CALPADS data extract used for the P-1 calculations, but were corrected during the amendment window ending on 2/4/21.

**Average Daily Attendance:**

Data for 2020-21 is pre-filled through the 2020-21 1st Principal Apportionment data. For districts that submitted applications for growth funding under SB 820, growth adjustments should be included. If the calculator does not match your application, contact CDE. For 2021-22 through 2023-24 projection years, key in LEA estimates.
ADA Reminders:

- Districts should enter exact year data – the calculator will use greater total of current or prior year ADA where appropriate.
- For the 2021-22 Adopted Budget, LEAs are not required to enter data for years beyond 2023-24.

Charter Shift:


In-Lieu Property Taxes:

- Only enter info in this section if need to manually calculate in-lieu taxes due to charters.
- Districts enter in applicable ADA for each charter due in-lieu taxes.
Charter and district communication for LCFF calculations: The calculator is designed for a district to calculate the in-lieu taxes. Sponsoring districts should contact their external charters for ADA projections, and communicate the in-lieu tax result to the charter.

Data to calculate the district in-lieu amounts is now entered into the "Data Entry" tab. The "District In-Lieu Taxes" tab provides a summary of the in-lieu tax amounts to provide to the charters.

Other Considerations:

- The calculator does not take into account the following funding adjustments for districts:
  - Basic Aid Supplement
  - Special Education Property Taxes
- The calculator does take into account the following EPA funding adjustments for Basic Aid ‘Choice’:
  - Found on Data Entry tab after NPS ADA section

Important: For accurate revenue projections, only enter data applicable to your LEA. Entering in other "grey" sections of the Data Entry tab that are not applicable to your LEA will skew the projections!
**Data Entry Tab**

(2) Charter School Data Elements Required to Calculate the LCFF

<table>
<thead>
<tr>
<th>Chart</th>
<th>Description</th>
<th>Data Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEW CHARTER SCHOOLS</strong></td>
<td>New Charter School Name:</td>
<td>Year that charter starts operation (select from drop down list): 2021-22</td>
</tr>
<tr>
<td><strong>(a) TRANSFER OF IN-LIEU PROPERTY TAX</strong></td>
<td>Note: Charter schools should contact sponsoring district(s) for in-lieu estimate</td>
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<tr>
<td>I-4</td>
<td>F_G-F_J In-Lieu of Property Tax</td>
<td>564,183</td>
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<td><strong>(b) UNDUPlicated PUPil PERCENTAGE (UPP)</strong></td>
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<tr>
<td>A-12, A-22, A-: Enrollment (second prior year)</td>
<td>135</td>
<td>116</td>
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<td>A-11, A-21, A-: Enrollment (first prior year)</td>
<td>116</td>
<td>113</td>
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<td>A1, A2, A3</td>
<td>Enrollment</td>
<td>113</td>
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<tr>
<td>B-12, B-22, B-: Unduplicated Pupil Count (second prior year)</td>
<td>112</td>
<td>84</td>
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<td>B-11, B-21, B-: Unduplicated Pupil Count (first prior year)</td>
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<td>B1, B2, B3</td>
<td>Unduplicated Pupil Count</td>
<td>85</td>
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</table>

| School district of physical location UPC% | | |
| Single Year Unduplicated Pupil Percentage | 75.22% | 77.27% | 0.00% | 0.00% | 0.00% |
| Unduplicated Pupil Percentage (%) | 77.62% | 74.75% | 0.00% | 0.00% | 0.00% |

| **(c) CONCENTRATION GRANT FUNDING LIMITATIONS: District of Physical Location** | | |
| D-1 | Unduplicated Pupil Percentage (%) | 73.60% | 74.63% | 0.00% | 0.00% | 0.00% |

| **(d) AVERAGE DAILY ATTENDANCE (ADA)** | | |
| Enter P2 Data: Charter School ADA is always funded on Current Year | |
| B-1 | Grades TK-3 | 58.89 | 58.89 |
| B-2 | Grades 4-6 | 45.81 | 45.81 |
| B-3 | Grades 7-8 | - | - |
| B-4 | Grades 9-12 | - | - |
| SUSTOTAL ADA | 104.70 | 104.70 | - | - | - |
| RATIO: ADA to Enrollment | 0.98 | 1.19 | - | - | - |

| **(e) OTHER LCFF ADJUSTMENTS** | | |
| Miscellaneous Adjustments (line H-2) | Include adjustments for audit penalties and special legislation. Adjustments can be positive or negative. |
| Minimum State Aid Adjustments (line J-5) | Capture adjustments for audit penalties and special legislation. Adjustments can be positive or negative. |

**Important:**

Charters should only enter data in section - (1) Universal Assumptions and section - (2) Charter School Data Elements. The other data entry sections (3, 4, and 5) should remain completely unpopulated for accurate projections.
Printing Tips:

It is not necessary to print out all of the LCFF calculator forms for your SCOE Advisor, only those which were presented to the board. Also, e-mail the final electronic calculator that was used for the 2021-22 Budget.

It is always recommended that districts/charters send in their LCFF calculators to their SCOE Advisor for review before completing Adopted Budget reporting.

➢ The current LCFF calculator projects several years out, but for your 2021-22 budget presentation materials you most likely will be focusing on the current year (2020-21), the budget year (2021-22), and two years out (2022-23 & 2023-24).

➢ Most of the calculator tabs are pre-set to print for portrait. To minimize the number of pages, and simplify it for your audience, you can customize and print what is important to your LEA.

- Hide columns for previous years (2018-19 and 2019-20) and unused future projected years (2024-25 through 2027-28).
- Hide irrelevant rows.
- Select print area and print in desired orientation.

For example: simplify the multi-page Summary report to 1 page

<table>
<thead>
<tr>
<th>SUMMARY OF FUNDING</th>
<th>2020-21</th>
<th>2021-22</th>
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<tr>
<td><strong>School District Details</strong></td>
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