

SCOE Biz

Business Services

Bulletin No. 23-08



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October 20, 2022

To: District and Charter Business Services
From: Sarah Lampenfeld, Director, External Fiscal Services
Subject: October 2022 Edition

State of the State

For the first three months of the 2022-23 fiscal year, California took in less revenue than estimated in the budget by -11.1% or \$4.781 billion, the Department of Finance (DOF) reported in October 2022's bulletin. Per the October 2022 bulletin, "Shortfalls in September continued to be driven by lower proceeds from personal income tax."

- ✚ **Personal income tax (PIT) receipts** for September were \$3.045 billion or -22.9% below what was expected.
- ✚ **Corporation tax receipts** for September were \$160 million, or 6.7%, above 2022-23 Budget Act assumptions. Per the bulletin, "As seen in previous months since July, unanticipated Pass-Through Entity (PTE) elective payments offset lower receipts and higher-than-expected refunds."
- ✚ **Retail sales and use tax receipts** for September were \$2 million, or -0.1%, less than anticipated in the FY 2022-23 Budget.

2021-22 Independent Study Certification for ADA Loss Mitigation Due Now!

EC Section 42238.023 authorizes the California Department of Education to adjust the 2021-22 reported ADA for school districts, COEs, and classroom-based charter schools, if the 2019-20 ADA to enrollment ratio exceeds the 2021-22 ADA to enrollment ratio. In order to be eligible for the adjustment, **a school district or COE must certify that it met the independent study program offering requirements specified in subdivision (c) of EC Section 42238.023.** Note: if the district or COE did not meet the requirements they must still report. **Charter Schools do not need to submit the certification only school districts and county offices.** The certification is **due on or before November 1, 2022** and can be accessed via the [PADC](#) system – period: 2021-22 Annual. If you have not already submitted, please do so as soon as possible.

Cafeteria Fund: Change in Net Resources (NCR)

Effective July 1, 2022, the CDE increased the cafeteria fund net cash resources (NCR) limitation to six months of average operating expenditures. To ensure compliance, program operators that have NCR of six months or more will be required to enter into a budget agreement with the CDE. A budget agreement is a plan to spend down excess funds over a period of time. Information about the NCR limit and budget agreements can be found on the Cafeteria Fund Guidance web page at [Cafeteria Fund Guidance - School Nutrition \(CA Dept of Education\)](#)

Summer School, Third Parties, and Tuition Fees

As a result of questions regarding tuition fees for summer school programs, the CDE released an advisory on the topic of Summer School, Third Parties, and Tuition Fees. [Attached](#) is the most recent advisory which is a supplement to the California Department of Education's (CDE) guidance provided in July 2020 via [Fiscal Management Advisory 20-01](#).

Juneteenth: New State Holiday

Governor Gavin Newsom signed [Assembly Bill 1655](#) into law, making Juneteenth a state holiday and requiring K-12 schools and community colleges to close every June 19th. This legislation takes effect January 1, 2023, meaning that the first Juneteenth holiday affected by the bill will be in 2023 and after. **Please reach out to SCOE IT if you need assistance adjusting work calendars.**

Federal Cash Management Data Collection (CMDC)

The data collection window for the Federal Cash Management Data Collection (CMDC) System is open. You may report your data at any time during this period. **LEAs must submit cash balance data by October 31st** 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 (due October 31st)

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 (once available) for the **current quarter's rate of .978%** can be found at <https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/auditor-controller-treasurer-tax-collector/divisions/treasury/publications/interest-apportionment>. 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, ESSER I, II, and III would need to be included, but you may have other non-reimbursable programs.**

FAQ for taxpayers – Bonds

Each fall, the Sonoma County Tax Collectors Office asks Districts with School Bonds on the tax rolls to provide a contact telephone number that is printed on property tax bills. Tax payers with questions about school Bonds or parcel taxes need to have easy access to Districts for questions. To better help you answer those questions we have prepared a frequently asked question sheet ([attached](#)). Please share this information with the contact who answers the phone number printed on the tax bills. It is the time of year for those questions to come your way.

Annual Accounting for School Developer Fees ~ Fund 25, Object 8681

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, 2022**). **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, may result in a refunding of the fees in question.

For more detail information, please see School & College Legal Services of California's Legal Update *Annual Development Fee Accounting: 2022 update* once available.

It's important to note a school district should also consider updating its study when circumstances change, such as when student enrollment decreases or classroom capacity increases.

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:

-  UCLA Economist Predict Slowing (Not Recessionary) Economy
-  COVID-19 Supplemental Leave Use Extended
-  Developer Fee Report(s)

Reminders

2022 – Governing Board Elections and Organizational Meetings

Each school district and County Office of Education is required to hold an annual organizational meeting within the fifteenth day of the second Friday in December. There are expectations outlined in the [attached](#) SCLS legal update, please read and ensure your school district's December meeting(s) follow the requirement.

SAMS.gov renewal

Please remember, renewal with the System for Award Management (SAM) is free. Often times LEAs will receive solicitation to register with the system for a fee. Please be aware, LEAs can register on their own via SAM.gov for FREE.

Professional Development – Supported by SCOE

[Attached](#) is a flier for professional development opportunities this fiscal year.

SCOE is hosting several workshops presented by CASBO. SCOE will reimburse for the cost of one registration by a district employee for one of the eligible workshops listed on the flier.

Not hosted by SCOE but is another great opportunity for aspiring CBOs...CASBO is offering a Business Executives Leadership Program (January – June 2023). To learn more, click [here](#).

Dates to Remember:

10/31/2022	Budget Review/Cleanup working session (in-person only)
11/01/2022	Debt Issuance Training by GFSI (zoom only) click here to register
11/13/2022	Scheduled Maintenance Day 7:30am -12:00pm
11/17/2022	Mini-Training: Cash Flow (before DBUG) 11:15 am (in-person only)
11/17/2022	DBUG (hybrid)
12/01/2022	Escape - 2022 1099 Reporting Click here to register
12/09/2022	Escape W2 Reporting Click here to register
12/15/2022	1 st Interim Report due to SCOE
12/16/2022	Escape ACA Reporting Click here to register
12/16/2022	Fall 1 Certification Deadline

NO DBUG in December

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](#) are 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.

FISCAL MANAGEMENT ADVISORY 22-01

DATE: September 2, 2022

TO: County and District Superintendents
Charter School Administrators

FROM: Abel Guillen, Deputy Superintendent,
Operations and Administration Branch

RE: Summer School, Third Parties, and Tuition Fees

I. Introduction

Recently, questions have arisen regarding tuition fees for summer school programs that are charged by third parties other than public schools, school districts, charter schools or county offices of education (hereinafter local educational agencies or LEAs). This Advisory is a supplement to the California Department of Education's (CDE) most recent guidance on pupil fees, Fiscal Management Advisory 20-01, that is available at <https://www.cde.ca.gov/re/lr/fm/fma2001.asp>.

II. Pupil Fees

The California *Education Code* (EC) provides that a pupil enrolled in a public school shall not be required to pay a pupil fee for participation in an educational activity. (EC Section 49011(a)). "Educational activity" is defined as an activity offered by the LEA that constitutes an integral fundamental part of elementary and secondary education, including, but not limited to, curricular and extracurricular activities. (EC 49010(a)). "Pupil fee" is defined as a fee, deposit or charge imposed on pupils, or a pupil's parents or guardians. (EC 49010(b)). It includes a fee charged as a condition for participating in a class, regardless of whether it is elective or compulsory, or is for credit. (EC 49010(b)(1)). The law does not prohibit imposition of a fee that is otherwise allowed by law. (EC 49011(e)).

Any person can file a complaint relating to unauthorized pupil fees with the principal of a school pursuant to local Uniform Complaint Procedures (UCP), and can appeal the local decision to the CDE. (EC sections 33315(a)(1)(l) and 49013.) If the local educational agency finds merit in the complaint, or the CDE finds merit in an appeal, the LEA must provide a remedy to all affected pupils, parents and guardians that, where applicable, includes reasonable efforts by the public school to ensure full reimbursement. (EC sections 33315(a)(6) and 49013(d)).

LEAs must provide an annual notice to parents and guardians that includes information regarding the legal requirements on pupil fees as set forth in the *Education Code*. (EC 49013(e); *California Code of Regulations* Title 5 (5 CCR) Section 4622(b)(5)).

A sample notice may be found on the CDE website at:
<https://www.cde.ca.gov/re/cp/uc/ucpmonitoring.asp>.

III. Summer School

LEAs may offer summer school but it is not required. (*EC 35160*) If a LEA chooses to offer a summer school program, it cannot charge tuition or other pupil fees. (*EC 49011, 5 CCR Section 350*). A longstanding opinion of the Attorney General states that a school may not charge a fee for attendance in summer school. (Ops. Cal. Atty. Gen. Number NS 2469 (1940)).

IV. Third Parties

As noted above, the prohibition on pupil fees extends only to educational activities that are “*offered by [a LEA]*” and that constitute an integral fundamental part of education. (emphasis added) (*EC 49010(a)*). Questions have arisen as to whether a third party that is affiliated in some way with a LEA can lawfully charge tuition fees for a summer school program. Stated another way, is a summer school program that is provided by such a third party deemed to be “offered” by the LEA under the law?

Any such allegation that such summer school tuition fees are impermissible pupil fees is a proper subject for a UCP pupil fees complaint. When investigating such a complaint, the LEA should make an individualized inquiry as to the relationship between the LEA and the third party, and the students, based on a variety of factors to determine whether the educational activities are being offered by the LEA.

Factors that can be weighed in determining if the LEA is offering the educational activities may include, but are not limited to:

- (1) the organizational structure of the third party, such as whether it is a separate legal entity and the degree of independence from the LEA;
- (2) the relationship between the third party and the LEA, such as the composition of the third party’s governing body and leadership and its relationship to the LEA;
- (3) the content of any Memorandum of Understanding or other written agreement between the parties regarding the use of facilities, equipment and materials, including any payment of fees by the third party to the LEA for that use;
- (4) the entity responsible for communicating about the summer school program to students, parent and guardians and how that responsibility is communicated to parents;
- (5) what student population is eligible to participate, such as whether the program is open to students attending non-LEA schools;

- (6) responsibility for choosing courses to be taught;
- (7) responsibility for registration;
- (8) responsibility for scheduling;
- (9) responsibility for collecting fees from enrolled students;
- (8) responsibility for hiring, supervision and payment of summer school staff;
- (9) responsibility and procedure for awarding and/or transferring course credit; and
- (10) other factors.

V. Conclusion

As the 2022-2023 school year begins, and as we look forward to the summer of 2023, the CDE recommends that LEAs review the CDE's Fiscal Management Advisory 20-01 and this guidance to ensure compliance with the constitutional prohibition against charging impermissible pupil fees.

ANSWERS for Frequently Asked BOND Questions

1. Voter approval authorizes the sale of General Obligation bonds. Usually the school districts sell blocks of bonds (issue) instead of the total authorized amount. That is why each issue is numbered, also because each issue has a different maturity date and debt service schedule.
2. No one is excluded or waived from paying GOB taxes, including senior citizens. Debt service is a rate x value and does not take into account the owner. If a senior citizen states they are waived from other taxes; they are referring to Direct Charges / Parcel taxes. These taxes are different from General Obligation bonds. Seniors are exempt for those direct charges only if that clause was part of the creation of the resolution for ballot. Each district must respond to those questions if their direct charges allow for a senior exemption.
3. If a senior citizen states they did not pay school taxes in Marin, they are referring to direct charges. Marin County has confirmed that for GO bonds their county treats it the same as Sonoma County; no one is waived from paying these taxes.
4. CCPI: California Consumer Price Index – determined by the State
5. Questions on how the money is spent should be answered by the School district.
6. The Auditor's Office sets the tax rates, creates the bills, and apportions to the debt service fund to pay the principal and interest on the bond. The school receives the bond money at the time of sale. They are the ones who allocate the funds for school improvements or new construction. The taxpayers pay the principal and interest to the bondholders through BNY as paying agent by paying their debt service property taxes. The rate is determined by the value of the district, the principal and interest owed for 18 months, and how much reserves are in the fund. Debt service amounts on the tax bills are calculated by the value of property times the rate. All taxpayers within that district have the same rate. Any questions related to tax rate calculations or tax bill errors should be forwarded to the Auditor's office at 565-2635.
7. Questions on School vs. County boundaries refer to the Office of Education at 524-2631 Mary Downey, Deputy Superintendent's office. Tax boundaries are sometimes different from school boundaries. Some taxpayers will pay taxes for one school but their children attend another school. You may receive questions on what school should a child attend based on the parcel number. Refer to the Office of Education. The school district determines which school a parcel belongs in. They are the ones to initiate any changes to the state chart.
8. Do not answer any questions about direct charges or other districts; refer to phone numbers on tax bills.
9. Questions regarding Assessment Appeals should be referred to the County Assessor's Office.

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

UCLA Economist Predict Slowing (Not Recessionary) Economy



BY [PATTI F. HERRERA, EDD](#)

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posted September 23, 2022

Economists at the UCLA Anderson Forecast (Forecast) released their updated predictions for the U.S. and California on September 21, 2022, that include a moderately more cautious outlook for the economy than their June 2022 forecast.

The Forecast acknowledges recent dynamics of stubborn and broad inflation, a cooling housing sector, and a tight labor market as contributing to below-trend economic growth while citing more positive economic signals among consumer savings and spending, easing supply chains, government defense spending, and investments in new energy technology as reasons why they predict a not more than 50% chance that the economy will slide into a recession in the next 12 months. Furthermore, UCLA economists argue that the gap between falling U.S. gross domestic product (GDP)—our conventional way of measuring economic growth—and rising gross domestic income (total U.S. earnings) precludes us from declaring the economy in a recession even though GDP has fallen for two consecutive quarters. Averaging output and income show a flat, but not contracting, economy, according to the Forecast.

Monetary tightening actions by the Federal Reserve (Fed), including its third straight increase of 75 basis points to the federal funds rate at its September 21 meeting, threaten to cause a recession if history is predictive. The Forecast expects headline inflation to reach 7.8% in 2022, 4.3% in 2023, and 3.1% in 2024—notably higher than the Fed's 2.0% target. The Fed is committed to taming inflation even if it pains the average American. Its steadfastness is cause for concern and likely the biggest risk to the economy and the Forecast because, as is highlighted by the UCLA economists, 9 of the last 12 instances in which the Fed increased interest rates has ushered in a recession. The question is if this time there are extraordinary conditions that can help stave off an economic contraction in a tightening cycle. The answer is unclear.

In any event, the Forecast expects the U.S. economy to remain sluggish (not recessionary) through 2023 before beginning to rebound in 2024. National GDP is expected to increase 1.5% in 2022, 0.3% in 2023, and 2.0% in 2024.

National and California employment growth remains a bright spot. However, the UCLA economists anticipate current employment rates to moderate over the forecast period as monetary tightening and demand for wage increases impact hiring trends. According to the Forecast, post-pandemic job recovery currently offers over 1.7 job openings for every one unemployed person. The tight labor market creates conditions for workers to

demand higher compensation, particularly amidst rising costs of everyday items. Employer response to wage demands exacerbates inflation, creating an unhealthy economic cycle that the Fed will attempt to mitigate through aggressive monetary policy. Consequently, the Forecast expects employment to cool, modestly increasing U.S. and California unemployment rates through the early part of 2024. U.S. unemployment is predicted to increase to 3.7% by the end of 2022, and to 4.2% by the end of 2023 before peaking at 4.3% in the first quarter of 2024. California's unemployment rate is expected to reach 4.3%, 4.4%, and 4.8% in 2022, 2023, and 2024, respectively, as high-touch sectors continue struggling to recover from the pandemic.

Overall, UCLA's revised economic forecast for the nation and California is more cautious than it was in June 2022, with updated inflation data, but the economists refrain from predicting a recession in the next 12 months because of key positive signals. However, there are risks to the economy and the Forecast, with inflation being the most significant.

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

COVID-19 Supplemental Leave Use Extended

 [BY MICHELLE MCKAY UNDERWOOD](#)

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As expected, Governor Gavin Newsom signed Assembly Bill (AB) 152 (Committee on Budget, Statutes of 2022) last Thursday, September 29, 2022, extending the final date that current COVID-19 supplemental paid sick leave can be used. Previously, September 30, 2022, would have been the end of the use of those hours; however, under AB 152, existing leave can be used until December 31, 2022.

It is important to note that existing employees are not granted additional leave under AB 152, but if they have a balance as of last Friday, they can continue to access those hours until the end of the year. For additional information on the use of this leave, see "[COVID-19 Paid Sick Leave Extended](#)" in the September 2022 *Fiscal Report*.

As a reminder, because AB 152 is a budget-related bill, it took effect immediately on September 29.

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Developer Fee Report(s)



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posted October 14, 2022

School districts have limited resources to construct or modernize facilities. One source that is available to school districts is developer fees. Given that developer fees are mostly collected during times of economic and enrollment growth and that most school districts in the state are seeing declines in enrollment, the proper accounting of existing balances is critical.

Local agencies collecting developer fees need to prepare two reports to ensure compliance with the law and continue to collect and be good stewards of fees collected. One of the two reports—the annual developer fee report—is due prior to the end of the calendar year. The annual developer fee report is required by Government Code Section (GC §) 66006. The annual report must be made available to the public within 180 days of the close of the fiscal year, and then reviewed at the next regularly scheduled public board meeting not less than 15 days afterward.

The annual report must contain the following information:

1. A brief description of the type of fee in the fund
2. The amount of the fee
3. The beginning and ending balance of the fund
4. The amount of the fees collected, and the interest earned
5. 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
6. 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
7. A description of each interfund transfer or loan made from the 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 fund will receive on the loan

8. The amount of refunds made pursuant to GC § 66001(e) and any allocations pursuant to GC § 66001(f)

Now, as to the second developer fee report required, it is completed less frequently, though it is no less important. Developer fees are required to be deposited in a separate capital facilities account or fund, which, for school agencies, is the Capital Facilities Fund (Fund 25), so that the collection and use of developer fees is accounted for separately from the rest of the agency's facilities activities and expenditures. Any interest earned on those funds must be credited to the same fund and must be used for the same purpose as the fees collected. This second report, required by GC § 66001(d), must be prepared in the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, for any uncommitted or unexpended funds. This report should:

- Identify the purpose for which the fee will be utilized
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements
- Designate the approximate dates on which this funding is expected to be deposited into the appropriate account or fund

Penalties for noncompliance can be significant, so be sure to accurately and timely complete these two reports.

While we are on the topic of developer fees, you should know that Assembly Bill 185 (Committee on Budget, Statutes of 2022)—the education omnibus trailer bill—made changes regarding the triggering of Level III developer fees. We will cover those changes in an upcoming *Fiscal Report* article.



SCHOOL & COLLEGE LEGAL SERVICES OF CALIFORNIA

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LEGAL UPDATE

October 13, 2022

To: Superintendents, Member School Districts (K-12)
From: Jennifer Henry, Senior Associate General Counsel *J.H.*
Subject: 2022 Governing Board Elections and Organizational Meetings
and Frequently Asked Questions
Memo No. 25-2022

ORGANIZATIONAL MEETINGS (Education Code Section 35143)

Each school district and county office of education is required to hold an annual organizational meeting. In an election year, a school district organizational meeting must be held on a day within the fifteen (15) day period that commences with the date upon which a governing board member elected at that election takes office (the second Friday in December). In years in which no regular election for governing board members is conducted, the organizational meeting is held during that same fifteen day period. Exceptions to this rule are discussed below. **This year, the date on which elected trustees will take office is December 9, 2022** (per FAQ #6 below).

Organizational meetings should be held as follows:

1. Governing Boards of School Districts

The organizational meeting must be held within 15 days of the second Friday in December. Unless otherwise provided by a rule of the Governing Board, the *date* of the organizational meeting must be selected by the Board at its regular meeting held immediately *prior* to December 1st (presumably the regular November board meeting).

Since this year is an election year, the organizational meeting must, therefore, be held between December 9, 2022 and December 24, 2022.

2. Governing Boards of School Districts Governed by a City Charter

These Boards have the option of holding their organizational meetings as described above, or may hold their organizational meeting between December 15th and January 14th, if so provided by the Governing Board rules.



3. County Boards of Education

For those boards holding an organizational meeting following the November election, their organizational meetings will now be held on the second Friday in December instead of at the end of November. For boards whose members are elected in June, the organizational meeting remains July 1. (Education Code § 1009.)

Board Member Term of Office **(Education Code Section 1007 and 5017)**

County Boards of Education:

Starting in 2019, the date on which outgoing members' terms of office end, and on which newly-elected members take office, is moved from the last Friday in November to the second Friday in December. The terms of office of county board members elected at the California primary (whether in March or June) will continue to commence on the first day of July.

Likewise, the law has changed the date for county board organizational meetings from the last Friday in November to the second Friday in December. For those county boards with members elected at the primary, their organizational meeting remains the first board meeting held after July 1.

School Districts:

For school district board members, the 2019 amendment to Education Code section 5017 changes the last day of an incumbent trustee's term of office, and the first day of a newly-elected trustee's term, from the first Friday in December to the second Friday in December.

Because all of these changes to the terms of office—for county board and school board—lengthen the terms of office for board members slightly, any incumbent's term of office will simply be extended by that additional time beginning in December 2019 and thereafter, depending on when the term of office would otherwise have expired. For example, someone elected in 2022 will commence office on December 9, 2022. Incumbents' terms of office were similarly extended – where previously an incumbent's term would have expired on December 2, 2022, under the new law that person's term will now expire December 9, 2022. County board members, the only local body whose terms of office previously began and ended in November, will have their terms of office extended by approximately two weeks, and terms will now match those of school boards.

Election Issues

Districts with the governing board elections scheduled for 2022 should be aware of the following information:



1. Number of Candidates Less Than or Equal to the Number of Board Seats

No election is held. The existing Board members continue to serve until the organizational meeting of the Board, at which time the candidate(s) are seated and become Board members. (Education Code §§ 5326 and 5328.)

2. No Candidates or Insufficient Candidates for Number of Seats Vacant

Seats for which there are sufficient candidates are discussed above. For those seat(s) for which there are no candidates, the Board must appoint. It is important to note that, except for seats which have been specifically designated two-year seats, an appointment to a governing board seat due to lack of a candidate or candidates is a four-year appointment.

The appointment must be made *prior* to the election. Prior to making the appointment, “. . . the governing board shall cause to be published a notice once in a newspaper of general circulation published in the district or, if no such newspaper is published in the district, in a newspaper having general circulation in the district, stating that the board intends to make an appointment and informing persons of the procedure available for applying for the office.” (Education Code section 5328.5.)

3. Changing the Election Cycle from Odd-Year to Even-Year

Until 2018, the “default” for school districts and community college districts under the Elections Code was to hold elections in odd-numbered years. In 2015, AB 415 was signed into law, and required most local entities that formerly held their elections in odd-numbered years to move them to even-numbered years. **Those districts that were required to do so but did not want to make the change-over immediately were required to adopt a plan, by January 1, 2018, to make this change by the November 2022 election.** Any districts that have not made the switch and need assistance in doing so should contact our office for further information and assistance.

Because most entities that were required to make this change have either already done so or have adopted the required plan, this Legal Update does not address how to switch an election cycle from odd-numbered to even-numbered years. **Any districts that need assistance in doing so before the November 2022 deadline should contact our office for further information and assistance.**

FREQUENTLY ASKED QUESTIONS

Eligibility to Hold Office

1. What are the qualifications to be elected/appointed to a school board?

Education Code section 35107, subdivision (a) provides as follows:

- (a) Any person, regardless of sex, who is 18 years of age or older, a citizen of the state, a resident of the school district, a registered voter, and who is not disqualified by the Constitution or laws of the state from holding a civil office, is eligible to be elected or



appointed a member of a governing board of a school district without further qualifications.

2. Can employees of the school district serve on the governing board?

No. Education Code section 35107, subdivision (b)(1) provides as follows:

An employee of a school district may not be sworn into office as an elected or appointed member of that school district's governing board unless and until he or she resigns as an employee. If the employee does not resign, the employment will automatically terminate upon being sworn into office.

3. Are there limitations on the employment of a spouse or other relatives of a board member?

Yes. Under Government Code sections 1090-1099, a long-term school district employee whose spouse is appointed to or elected to the district's governing board may not be promoted by the board. "Long-term" means that the employee has served for one year or more. (Government Code section 1091.5(a)(6).) The spouse of a new employee, i.e., someone with less than one year of employment at the district in question, may not be elected or appointed to the board unless the other spouse resigns his or her employment first.

In other words, if a spouse has been an employee of the district for at least one year, then the non-employee spouse may be elected or appointed to serve on the governing board. Even if the employee-spouse meets this requirement, the board will not be able to take action affecting the spouse's employment status. For example, the employee-spouse could not be promoted, changed from a temporary to a regular employee, or have his or her position selectively reclassified while the other spouse is a board member. Furthermore, under the Political Reform Act (Government Code section 87100 *et seq.*), the board-member spouse would have to abstain from any discussion or participation in any decision that would uniquely affect the employee-spouse. You should also check your LEA's Board Bylaw that addresses Conflicts of Interest and may impose any additional restrictions (typically BB 9270).

4. Are there term limits for school board members?

There can be, but only if the voters choose to impose them. Education Code section 35107, subdivision (c) provides as follows (emphasis added):

Notwithstanding any other provision of law, the governing board of a school district may adopt or the residents of the school district may propose, by initiative, a proposal to limit or repeal a limit on the number of terms a member of the governing board of the school district may serve on the governing board of the school district. Any proposal to limit the number of terms a member of the governing board of the school district may serve on the governing board of the school district shall apply prospectively only *and shall not become operative unless it is submitted to the electors of the school district at a regularly scheduled election and a majority of the votes cast on the question favor the adoption of the proposal.*



Therefore, unless action is taken as set forth in section 35107 (c), term limits do not apply to school district governing boards.

5. May a school board member hold another public office?

The answer depends on whether the other public office has “potentially overlapping public duties” with the school board position. Where there is potential for overlapping duties, the common law doctrine of “incompatible” offices prevents one person from holding both offices. By way of example, a board member of a “feeder” elementary school district cannot at the same time also serve as a board member of that elementary district’s high school district. (See 68 Ops.Cal.Atty.Gen. 171 (1985).)

Government Code section 1099 prohibits holding incompatible offices much like the common law rule. Prior attorney general’s opinions and judicial interpretation of the common law rule continue to aid in the application of this statute. As of 2021, the California Attorney General’s office opined that Section 1099 applies to charter school employees, administrators, and board members as well, such that a charter school Executive Director may not serve as a member of the county board of education in the county where their employing school is located. (104 Ops.Cal.Atty.Gen. 66 (2021).)

Term of Office

Note: The responses set forth below may not apply to school district elections that are subject to the provisions of a city charter. Districts governed by a city charter should always review the charter to determine whether it governs the district’s elections.

6. When does the term of office begin?

Education Code section 5017 provides as follows¹ (emphasis added):

Each person elected at a regular biennial governing board member election shall hold office for a term of four years *commencing on the second Friday in December next succeeding his or her election*. Any member of the governing board of a school district or community college district whose term has expired shall continue to discharge the duties of the office until his or her successor has qualified. The term of the successor shall begin upon the expiration of the term of his or her predecessor.

Additionally, Elections Code section 10554 provides that elective officers, elected or appointed pursuant to this part, take office *at noon* on the first Friday in December next following the general district election. Prior to taking office, each elective officer shall take the official oath and execute any bond required by the principal act.

¹ Please note that if your district has not yet converted to an even-year election cycle, the rules are slightly different. Please contact legal counsel for additional information if your district is still on an odd-year election cycle.



However, because Education Code section 5300 provides that provisions of the Elections Code apply to school district and community college district elections “except as otherwise provided in the code,” the 2018 amendments to sections 1007, 5017, and 72027 regarding commencement of the terms of office on the second Friday in December will take precedence over Elections Code section 10554.

7. Is there a different rule for when the term of office begins for County Boards of Education?

Yes. Education Code section 1007, subdivision (a) provides: “Members [of county boards of education] elected at the time of the direct primary shall take office on the first day of July, and members elected at the date on which members of school district governing boards are elected shall take office on the second Friday in December subsequent to their election.” *Thus, the first day of the term of incoming board members who were elected in June 2022 is July 1, 2022 and for those elected in November 2022, their first day is December 9, 2022.*

The organizational meeting for County Board trustees is either the first meeting on or after the first day in July (for those elected at the June primary) or the second Friday in December (for those elected in November).

Awaiting the organizational meeting is done purely for ceremonial reasons, however, and has no legal effect on the true first day in office of the incoming member (or the last day of office of the outgoing member). Some board members choose to be sworn in privately (e.g., by a notary public) before the organizational meeting. In addition, these statutes permit a district to adopt a local rule of procedure to hold the organizational meeting on a different date, so check your local rules to see if they prescribe a different date.

Oath of Office

8. Is it necessary for a board member to take an “oath of office”?

Yes. Government Code section 1360 provides as follows:

Unless otherwise provided, following any election or appointment and before any officer enters on the duties of his or her office, he or she shall take and subscribe the oath or affirmation set forth in Section 3 of Article XX² of the Constitution of California.

Failure to take the oath of office and file a bond as required by law is one way in which a public office becomes vacant, as provided in Government Code section 1770, subdivision (i).

² That is, “Article 20.”



9. Who can administer the oath of office to a newly elected/appointed board member?

Any person listed in Education Code section 60 or Government Code section 1362 may administer the oath to a newly elected/appointed board member.

Education Code section 60 provides as follows:

The Superintendent of Public Instruction, Deputy and Assistant Superintendents of Public Instruction, secretary of the Superintendent of Public Instruction, members of the Board of Governors of the California Community Colleges, the Chancellor of the California Community Colleges, county superintendents of schools, school trustees, members of boards of education, secretaries and assistant secretaries of boards of education, city superintendents of schools, district superintendents of schools, assistant superintendents of schools, deputy superintendents of schools, principals of schools, and every other officer charged with the performance of duties under the provisions of this code may administer and certify oaths relating to officers or official matters concerning public schools.

Government Code section 1362 provides as follows:

Unless otherwise provided, the oath may be taken before any officer authorized to administer oaths.

This is a very broad provision – “any officer authorized to administer oaths.” It includes judges, virtually all elected officials, notaries public, and numerous county and state officers.

10. What happens if the elected/appointed officer fails or refuses to take the oath of office?

Education Code section 5017 provides, in pertinent part, as follows:

. . . Any member of the governing board of a school district or community college district whose term has expired shall continue to discharge the duties of the office until his or her successor has qualified. The term of the successor shall begin upon the expiration of the term of his or her predecessor.

In addition, Government Code section 1302 provides as follows:

Every officer whose term has expired shall continue to discharge the duties of his office until his successor has qualified.

Thus, if an elected or appointed official fails or refuses to take the oath of office, the outgoing board member can continue to discharge the duties of office until a new member qualifies. Conversely, if the office becomes vacant, then the position remains vacant until filled by a



qualified candidate, either by appointment or election depending on the procedure to be followed.³

11. When may the oath be taken by a newly elected/appointed school board member?

Elections Code section 10554 provides as follows (emphasis added):

Elective officers, elected or appointed pursuant to this part, take office at noon on the first Friday in December next following the general district election. *Prior to taking office*, each elective officer shall take the official oath and execute any bond required by the principal act.

Thus, the oath of office may be administered at any time after the election results are certified by the county clerk. This is typically done at the district’s organizational meeting, but once elected, a new board member can choose to be sworn in earlier, as discussed above.

12. How long does the county clerk have to certify the election results?

Elections Code section 15372 provides as follows:

The elections official shall prepare a certified statement of the results of the election and submit it to the governing body within 30 days of the election or, in the case of school district, community college district, county board of education, or special district elections conducted on the first Tuesday after the first Monday in November of odd-numbered years, no later than the last Monday before the last Friday of that month.

Elections Code sections 15400 and 15401 provides as follows:

The governing body shall declare elected or nominated to each office voted on at each election under its jurisdiction the person having the highest number of votes for that office, or who was elected or nominated under the exceptions noted in Section 15452. The governing board shall also declare the results of each election under its jurisdiction as to each measure voted on at the election.

The elections official shall make out and deliver to each person elected or nominated, as declared by the governing body, a certificate of election or nomination, signed and authenticated by the elections official.

13. What are the rules with respect to the annual organizational meeting?

Education Code section 35143 provides as follows:

³ As discussed below, district boards can sometimes make an appointment within 60 days of a vacancy. In other cases, if the vacancy occurs too close to a scheduled election or the end of a member’s term, the vacancy must await an upcoming regular election or a special election.



(a) The governing board of each school district shall hold an annual organizational meeting. In a year in which a regular election for governing board members is conducted, the meeting shall be held on a day within a 15-day period that commences with the **second Friday in December** following the regular election. Organizational meetings in years in which no such regular election for governing board members is conducted shall be held on any date in December, **but no later than December 20**. Unless otherwise provided by rule of the governing board, the day and time of the annual meeting shall be selected, in a year in which a regular election for governing board members is conducted, by the board at its regular meeting held immediately before the first day of such 15-day period, or in a year in which no such regular election for governing board members is conducted, by the board at its last regular meeting held immediately before the organizational meeting. The board shall notify the county superintendent of schools of the day and time selected. The clerk of the board shall, within 15 days before the date of the annual meeting, notify in writing all members and members-elect of the date and time selected for the meeting.

(b) If the board fails to select a day and time for the meeting, the county superintendent of schools having jurisdiction over the district shall, before the first day of such 15-day period and after the regular meeting of the board held immediately before the first day of such 15-day period, designate the day and time of the annual meeting. The day designated shall be within the 15-day period. The county superintendent of schools shall notify in writing all members and members-elect of the date and time.

(c) At the annual meeting the governing board of each high school district, union high school district, and joint union high school district shall organize by electing a president from its members and a clerk.

(d) At the annual meeting each city board of education shall organize by electing a president from its members.

(e) At the annual meeting the governing board of each other type of school district, except a community college district, shall elect one of its members clerk of the district.

(f) As an alternative to the procedures set forth in this section, a city board of education whose members are elected in accordance with a city charter for terms of office commencing in December, may hold its annual organizational meeting required in this section between December 15 and January 14, inclusive, as provided in rules and regulations that shall be adopted by such board. At the annual meeting the city board of education shall organize by electing a president and vice president from its members who shall serve in such office during the period January 15 next to the following January 14, unless removed from such office by majority vote of all members of the city board of education.

Note that, as discussed in section 7 above, section 35143 permits a district, by local rule, to choose a different date for its organizational meeting.



14. At the organizational meeting which board members (e.g., outgoing or incoming) convene the meeting?

Where the oath of office is administered at the organizational meeting, the outgoing board may convene the meeting, the oath(s) may be administered, and then the board with new members seated would complete the remainder of the agenda. If a new member or members have taken the oath of office prior to the organizational meeting, the meeting should convene with any previously-sworn members sitting with the board.

Brown Act

15. Does the Brown Act apply to newly elected members before they take office?

Yes. Government Code section 54952.1 provides as follows:

Any person elected to serve as a member of a legislative body who has not yet assumed the duties of office shall conform his or her conduct to the requirements of this chapter and shall be treated for purposes of enforcement of this chapter as if he or she has already assumed office.

The reference to “elected to serve” arguably applies once the county clerk has certified the election results (See Elections Code sections 15372, 15400 and 15401, set forth above).

Board Member Resignation

16. May a school board member resign from his/her office?

Yes. Government Code section 1770(c) provides that “[a]n office becomes vacant. . . [upon the incumbent’s] resignation.”

17. How does a school board member resign?

Education Code section 5090 provides that “a vacancy resulting from resignation occurs when the *written resignation is filed with the county superintendent of schools . . .*” (Emphasis added.)

Please note that resignations that are not filed with the county superintendent of schools are not effective.

18. Is it necessary for the school board to take action to accept a member’s resignation?

No. As noted above the resignation is effective upon the county superintendent of schools’ receipt of the written resignation.

Some governing board meetings do have public agenda items to “accept” a member’s resignation. This is usually done for purposes of creating an occasion to honor a departing board member and is purely ceremonial with no legal significance.



19. May a board member rescind a written resignation once it is filed with the county superintendent of schools?

No. Education Code section 5090 provides that a “written resignation . . . shall, upon being filed with the county superintendent of schools be irrevocable.”

20. What constitutes “filing” a resignation with the county superintendent?

A resignation is filed with the county superintendent upon physical receipt by the county superintendent’s office of a writing indicating a resignation.

21. May a board member defer the effective date of a resignation?

Yes. Education Code section 5090 provides that a board member’s written resignation may indicate a “deferred effective date.” Section 5091 provides further that the resignation may not be deferred “for more than 60 days after he or she files the resignation with the county superintendent of schools.”

22. Would an e-mail or facsimile transmission constitute a written resignation?

The law is unclear, however likely yes. The law applicable to resignations has not been amended to provide for electronic or facsimile substitution for written resignations, however Evidence Code section 250 defines a “writing” to include an electronic transmission. Therefore, such a method would likely be sufficient. We recommend that districts contact their county superintendent of schools for further clarification.

23. What is the effective date of a resignation?

Unless the resignation contains a “deferral” date, the effective date of a written resignation is the date it is actually received by the county superintendent’s office.

24. Are there any limits on the role of a board member who files with the county superintendent a written resignation with a deferred effective date?

Yes. Education Code section 35178 provides as follows (emphasis added):

A member of the governing board of a school district who has tendered a resignation with a deferred effective date pursuant to Section 5090 shall, until the effective date of the resignation, continue to have the right to exercise all powers of a member of the governing board, except that such member *shall not have the right to vote for his or her successor in an action taken by the board to make a provisional appointment pursuant to Section 5091.*

Note: This prohibition applies only to the actual vote and does not appear to preclude the member whose resignation is pending from participating in the selection process or board discussion of who to appoint.



25. What does a school board need to do after learning of a resignation from one of its members?

Education Code section 5091 provides that the governing board “shall, within 60 days of the vacancy or the filing of the deferred resignation, either order an election or make a provisional appointment to fill the vacancy.”

Note: The 60 days starts to run when the resignation is received by the county superintendent even if the resignation contains a deferred effective date.

The governing board must also make sure that the person provisionally appointed to the position is “qualified” under Education Code section 35107 as discussed in more detail above.

26. May the board meet in closed session to develop questions or interview candidates?

No. Under the Brown Act, all aspects of making a provisional appointment must be done in public session, except where the board appoints an advisory ad hoc committee of less than a quorum of board members and no other members. If an advisory ad hoc committee is appointed it may assist in screening or evaluating applications and preparing interview questions, but may not make any final decisions for the board. (See Government Code section 54952(b).)

The provisional appointment must be put on the public session agenda and the full Board must take action to approve the appointment.

27. Once the board makes a provisional appointment to fill a vacancy, what happens next?

Education Code section 5092 provides as follows:

Whenever a provisional appointment is made to the governing board of a school district pursuant to Section 5091, the board shall, within 10 days of the provisional appointment of a person to fill a vacancy which occurs or will occur, post notices of both the actual vacancy or the filing of a deferred resignation and also the provisional appointment in three public places in the district and shall publish a notice pursuant to Section 6061 of the Government Code. If there is no newspaper of general circulation published in the district, notice need not be published.

The notice shall state the fact of the vacancy or resignation and the date of the occurrence of the vacancy or the date of the filing of, and the effective date of, the resignation. The notice shall also contain the full name of the provisional appointee to the board and the date of his appointment, and a statement that unless a petition calling for a special election, containing a sufficient number of signatures, is filed in the office of county superintendent of schools within 30 days of the date of the provisional appointment, it shall become an effective appointment.

Thus, the residents of the district whose board has appointed a provisional board member can petition to force a special election—although in practical terms, this rarely happens. Effective



2023, Education Code section 5091 is amended to make it easier to consolidate such a special election with a regularly scheduled election, in order to save election expenses. (SB 1061, 2022)

28. What happens if vacancies occur in a majority or more of the board seats at the same time?

Education Code section 5094 provides as follows:

If for any reason vacancies should occur in a majority of the offices on any school district or community college district governing board, the president of the county board of education having jurisdiction may appoint members of the county board of education to the district governing board until new members of the governing board are elected or appointed.

Note: At the discretion of the president of the county board of education, appointments may be made in one or more of the vacant positions. In other words, the county board president is not limited to making appointments only sufficient to create a quorum on the district board. Thus, on a five person board with 3 vacancies, the county board president may designate up to 3 members of the county board of education to serve as district board members. Once appointed, the county board members continue to serve as district board members until new members “are elected or appointed.”

29. May a district board reappoint the same person who resigned from the seat that is vacant?

No. Government Code section 1752, subdivision (a) provides, in pertinent part, as follows:

. . . no person elected or appointed to the governing body of any city, county, or district having an elected governing body, shall be appointed to fill any vacancy on that governing body *during the term for which he or she was elected or appointed* (emphasis added).

Please note: This provision also prohibits a board member with a “short” term from resigning and being appointed to a vacant “long” term.

30. If the district chooses to call for written applications from candidates who wish to be considered for appointment, are the submitted applications public records?

Yes. Under the Public Records Act (Government Code section 6250 et seq.⁴) copies of any applications for a board vacancy that are received by the district must be made available for public inspection and copies provided upon request.

⁴ Beginning January 1, 2023, the Public Records Act will be moved to Government Code sections 7920.000-7931.000, without any substantive changes. (AB 473, 2021).



Note: Because the applications become public records, we recommend that prospective candidates be so-informed before they submit an application.

31. If the board chooses to interview candidates one at a time before making an appointment do all candidates have a right to be present?

Under the Brown Act all persons—including candidates for a board appointment—have a right to attend all public sessions of the board.

At the same time the board may request (but not require) the other candidates to remain outside the meeting room until after they are interviewed.

Our experience has been that most candidates honor the request, as they understand the essential fairness of the request, and that the refusal to do so may have an impact on the remaining board members' willingness to appoint a candidate who refuses to cooperate.

32. If everything must be done in public session, how does the board develop questions that will not be known in advance by the candidates?

The Brown Act does not provide a ready response to this question. We recommend against using email (or other private communications) among board members to reach a board decision on what questions to ask the candidates.

It is recommended that individual board members submit proposed questions to the board president, who will compile a composite question list. The board can also have such questions referred to an executive officer, such as the superintendent, who can undertake the task of compiling such questions, perhaps in concert with a single board member or an ad hoc committee of the board.

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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SONOMA COUNTY OFFICE OF EDUCATION

WORKSHOPS HOSTED BY SCOE BUSINESS SERVICES

As of August 24, 2022

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. Districts will pay for the registration upfront and then be reimbursed after proof of attendance has been provided to SCOE. One person per district (unless approved by Greg Medici or Sarah Lampenfeld).

Eligible Workshops Register directly with CASBO unless indicated as another presenter

- **Accounts Payable Rules and Best Practices**
- **Advanced Management & Supervision**
- **Budget Basics & Beyond**
- **CalSTRS/CalPERS: Best Practices for Employment Agreements, CBAs & Avoiding Adverse Audits**
- **CalSTRS/CalPERS: Retirement Concepts**
- **Legal Aspects & Hands-On Accounting for Student Body Organizations**
- **Payroll Compliance & Calendar Year-End Reporting**
- **Payroll Concepts**
- **Payroll Essentials**
- **Pupil Attendance Accounting for Business Office Personnel**
- **Standard Account Code Structure (Basic and Advanced)**
- **Using Data Analytics to Maintain Fiscal Solvency**
- **1099 Reporting Concepts**
- **ERP-CA Benefits Management Course ([register with Frontline](#))**

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