Sonoma County Office of Education

an introduction for school boards

Steven D. Herrington, Ph.D.
Sonoma County Superintendent of Schools
Fostering student success through service to students, schools, and the community

SCOE’s Mission

Fostering student success through service to students, schools, and the community
Today’s Presentation

Overview of SCOE/School Board Relations
Steve Herrington, Ph.D., County Superintendent

LCAP (Alignment to LCFF) and the Board’s role
Jennie Snyder, Ed.D., Deputy Sup., Instructional Services

California’s System of Support and the Board’s role
Jennie Snyder, Ed.D., Deputy Sup., Instructional Services

Financial Governance (LCFF/AB 1200) and the Board’s role and responsibility
Mary Downey, Deputy Sup., Business Services
Overview of Sonoma County Schools and Students
Sonoma County by the Numbers

68,194 students

173 schools
- 109 elementary
- 26 middle/jr. high
- 19 high schools
- 19 alternative ed. /independent study

40 school districts
Sonoma County’s 40 School Districts

There are 40 school districts that provide kindergarten through grade 12 education for Sonoma County: 31 elementary school districts, 3 high school districts, and 6 unified districts.

Students in elementary districts “feed” into high school or unified districts as indicated by the color coding on this map. Students attending school in elementary districts transition to secondary schools in these four districts.

Unified districts operate both elementary and secondary schools for the students residing within their boundaries. Cloverdale, Cotati-Rohnert Park, Geyserville, Healdsburg, Sonoma Valley, and Windsor are unified districts.

Horicon and Kashia are unique in that these small elementary districts feed into Mendocino County.
Sonoma County Office of Education: An Overview
SCOE’S Six Focus Areas

- CA State Standards
- Financial Stability for Districts
- Assessment/Accountability
- English Learner Success
- College & Career Readiness
- Activities/Events for Youths
58 County Offices in CA

Acts as the State’s intermediary agency

- Connects California Department of Education (CDE) to local districts
- Monitors Local Control plans (LCAP)
- Monitors Local Control funding (LCFF)
- Supports district growth and success through coordinated services
- Focus on continuous improvement

Acts as administrative unit for:

- North Coast School of Education
- School and College Legal Services
- Sonoma County SELPA

Role of the County Office
Support for Superintendents

**Leadership 40**
Superintendents meet monthly

**Coaching for new superintendents**
Coaching/professional development for superintendents in first year of service; sponsored by SCOE

**Superintendents Forum**
Superintendents meet to discuss legal issues, problems of practice, and other issues of interest based on district size.
County Board of Education

• Carries out SCOE’s mission in concert with the County Superintendent
• Adopts and reviews SCOE’s budget
• Works to support and strengthen school districts and their governing boards
• Hears inter-district transfer and expulsion appeals
• Promotes public school success
Support for School Boards
Workshop Series

Upcoming offerings include:

• Brown Act, Ethics, and Conflicts of Interest | Jan. 26
• Biennial Trustee Recognition | Feb. 1
• Board Member Boot Camp | Feb. 20

Learn more at scoe.org/trustees
Consultation & Confidential Support

SCOE can assist boards with confidential matters and concerns with district leadership, including leadership coaching and professional development.

Contact the Administration Office:
Kimberly Vallée
kvallee@scoe.org
Biennial Trustee Recognition

Date: Feb. 1, 2021
Time: 5:30-7:00pm
Location: Zoom
Speaker: Dr. Victor Rios

Dr. Victor Rios, award-winning professor, author, and former high school drop-out, will share his personal story as well as his research on educational equity and supporting marginalized students in building a voice and succeeding in life.

Register:
scoe.org/trustees
And Now...

- **LCAP (Alignment to LCFF)**
  Jennie Snyder, Ed.D., Deputy Sup., Instructional Services

- **California’s System of Support**
  Jennie Snyder, Ed.D., Deputy Sup., Instructional Services

- **Financial Governance (LCFF/AB 1200)**
  Mary Downey, Deputy Sup., Business Services
Aligning LCFF, LCAP, and District Support for Continuous Improvement
Continuous Improvement
The California Way rests on the belief that educators want to excel, trusts them to improve when given the proper supports, and provides local schools and districts with the leeway and flexibility to deploy resources so they can improve.
A Changing Approach

“Over the past six years, California has made significant changes to all aspects of the K-12 education system, including curriculum and instruction, assessment, school finance, and school accountability systems. At the heart of these changes is a commitment to helping LEAs prepare all students to be ready for college and 21st century careers. These changes reflect an increased focus on improvement, including growth for all student groups and support for ongoing professional learning for educators.”

- State Board of Education memo, June 3, 2017
<table>
<thead>
<tr>
<th>From compliance...</th>
<th>To continuous improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interventions done to schools and districts</td>
<td>Local educators/stakeholders identify student needs and implement responsive strategies</td>
</tr>
<tr>
<td>Prescriptive and punitive</td>
<td>Build local capacity to improve</td>
</tr>
<tr>
<td>One-size-fits-all approach</td>
<td>Local flexibility/decision-making with responsibility for the results</td>
</tr>
<tr>
<td>Two metrics: ELA and math test scores</td>
<td>Multiple measures</td>
</tr>
<tr>
<td>Looked at results without context</td>
<td>Asks what works for whom under what conditions</td>
</tr>
</tbody>
</table>
Local Control Funding Formula (LCFF)
LCFF and Equity:

“Equal treatment for children in unequal situations is not justice.”
– Governor Jerry Brown, January 2013 State of the State speech

LCFF recognizes that students with additional academic needs – low income, English language learner, and foster youth students - also need additional financial resources to ensure equity of opportunity.

LCFF is an important step toward closing opportunity and achievement gaps that separate many students from their more advantaged peers.
Local Control Funding Formula (LCFF)

- State allocates funds to districts/charters based on average daily attendance (ADA)
- Extra dollars go to districts serving higher proportions of:
  - English learners
  - Foster youth,
  - Students in poverty
- Districts/ charters decide how money is spent, with input from teachers, students, and community members.
Base Grants: Provide districts with the bulk of their funding. These per pupil grants vary by grade level. These targets are adjusted each year for cost-of-living.

Supplemental Grants: Supplemental grants provide districts with 20% more funding for each student who is either low-income, English language learners, and/or in foster care (i.e. high-need).

Concentration Grants: In districts where at least 55% of students are high-need, concentration grants provide additional funding. For each low-income, English learner, or foster youth student above the 55% enrollment threshold, the district receives an additional 50% in funding.
Sample Per-Pupil Funding for a High-Need California District

(one that is 80% low-income, English language learner, and/or foster youth)

$7,171

Categorical Aid Programs and Other State Funds

Revenue Limit

2012-13

$11,434

Concentration Grant

Supplemental Grant

Base Grant

Around 2020-21*

*The state is projected to reach full LCFF implementation around 2020-21, although this date could change based on many factors

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Spending Regulations

1. Spending on High-Need Students
   - Districts are required to spend *no less* on high-need students than they have in the past
   - And should *add* to this spending with new LCFF funds

2. Use of Supplemental & Concentration Grants
   - Districts must use their supplemental and concentration funds to *increase* or *improve* services for its high-need students

3. Use of Base Grants
   - Base funding is intended to support the district’s general educational services and operations
Local Control Accountability Plan (LCAP)
Local Control Accountability Plan (LCAP)

• 3-year plans for how to spend LCFF dollars to serve students
• Districts/charters use community input to determine how money will be spent to best address inequities and improve overall student performance.
• Plans are amended based on what data show is working well/not working.
• SCOE reviews annually
Creating LCAP Goals

8 State Priorities
*Required by the state

Local Priorities

LCAP Goals
8 State Priorities

- Basic Services
- Standards Implementation
- Course Access
- School Climate
- 8 State Priorities
- Pupil Engagement
- Pupil Achievement
- Parental Involvement

Sonoma County
Office of Education
LCAP Sections

- Plan Summary
- Annual Update
- Stakeholder Engagement
- Goals, Actions, and Services
- Demonstration of Increased and Improved Services
What does this mean for districts?

- More flexibility over spending and programs
- Must create a 3-year plan – the Local Control Accountability Plan (LCAP) and annually update this plan
- Must engage and solicit community feedback
- Must show progress in 8 state priority areas
- Must follow minimum requirements on how to spend funds
County Office Approval

• Based on three requirements (Ed Code 52070):
  ○ Adherence to the SBE Template
  ○ Sufficient expenditures in the budget to implement the LCAP
  ○ Adherence to SBE expenditure requirements
Accountability
California School DASHBOARD

Sonoma County Office of Education
California School Dashboard

- Provides district/school data on various performance metrics:
  - High school graduation rates
  - College/career readiness
  - Student test scores
  - English learner (EL) progress
  - Suspension rates
  - Parent engagement
- Measures how students are doing in a given year as well as improvement over time.
- Allows educators to pinpoint successes and areas for growth.
District Support
# Three Levels of Support for Districts

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Support for all schools/districts</td>
<td>State/local agencies provide resources and <strong>voluntary technical assistance</strong> to improve student performance and narrow disparities among student groups.</td>
</tr>
<tr>
<td>2. Differentiated assistance</td>
<td><strong>County offices</strong> provide differentiated assistance for districts and schools, in the form of <strong>individually designed assistance</strong>, to address performance issues including significant gaps in performance among student groups.</td>
</tr>
<tr>
<td>3. Intensive intervention</td>
<td>The State Superintendent of Public Instruction may require <strong>more intensive interventions</strong> for districts/schools with persistent performance issues and a lack of improvement over a specified time period.</td>
</tr>
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</table>
Criteria for Determining Eligibility for Differentiated Assistance

An LEA will be eligible for Differentiated Assistance if it does not show improvement across **more than one** state priority for **one or more** student groups.

<table>
<thead>
<tr>
<th>Condition</th>
<th>State Priority</th>
<th>State Priority</th>
<th>State Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pupil Achievement (# 4)</td>
<td>Both ELA and Math</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Pupil Achievement (# 4)</td>
<td>ELA or Math</td>
<td>ELA or Math</td>
</tr>
<tr>
<td>3</td>
<td>Pupil Achievement (# 4)</td>
<td>English Language Indicator</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Pupil Achievement (# 4)</td>
<td>College/Career Indicator</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Pupil Engagement (# 5)</td>
<td>Chronic Absenteeism</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Pupil Engagement (# 5)</td>
<td>Graduation Indicator</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>School Climate (# 6)</td>
<td>Suspension Rate Indicator</td>
<td></td>
</tr>
</tbody>
</table>
How Do We Gain a Better Understanding of the Problem and the System that Produces it?

- Dashboard – District & Site
- Learning Questions
- Local Data – Empathy interviews, Shadowing, academic, other
- Learner Centered Problem
- Root Cause Analysis
Statewide System of Support
Geographic Lead Agencies

Sonoma County Office of Education
Thank You!

Questions?

Jennie Snyder | jsnyder@scoe.org
Brief Overview of School Finance

Mary Downey
Deputy Superintendent, Business Services
School Finance Topics

- Overview of School Funding
- Role of the Board in Financial Reviews and Approvals
- Fiscal Oversight by the County Office of Education
- Role of FCMAT – Fiscal Crisis and Management Assistance Team
The Funding Model - Prior to LCFF

- Prior to 1971, school districts in California levied their own property tax rates and the State supplemented.
- Revenue Limits (AB90) were created in 1972.
- Revenue Limit – School Districts – per ADA allocation based on a unique revenue limit, plus funding for over 50 categorical programs.
The Funding Model – Local Control

Local Control Funding Formula (2013-14)
- Collapse over 50 Categorical Funds into LCFF

- Governor Brown introduced Local Control Funding Formula – School Districts & Charter Schools
  - Grade span base grants plus supplemental and concentration grants (based on demographics-free & reduced lunch; English language learners, & foster youth).
School Districts – Sources of Revenue

State Aid
Property Taxes
Education Protection Account Entitlement (Prop 30)

Federal Funds
Other State Funds
Local Funds
How are School Districts Funded?

The combination of local property taxes and state aid are the major funding source.

What is a Basic Aid District (aka Excess Property Tax or Community Funded)?

This is a district in which local property taxes exceed the amount that the State says that the district is entitled to receive by the State’s formula.
Basic Aid Supplemental Funding

As a sponsoring district of charter schools, the district is required to transfer funding “in lieu of property taxes” to each associated charter school for all students who attend the charter school, even if they are not resident students of the district.

Through a complicated funding formula, districts that qualify, may receive additional funding to backfill, in part, for the loss of local tax revenue. This funding is NOT guaranteed because of the many factors beyond the district’s control that determine the qualification for funding and amount of funding.
School Districts – Sources of Revenue

Enrollment and Average Daily Attendance
Largest Source of State Aid Revenue

• Fall 1 Census of Unduplicated pupil counts and total district enrollment are driving factors of Supplemental and Concentration grant funding.
• Average Daily Attendance (ADA) is multiplied by the grade span allocation rates for LCFF funding.
• Accurate Budget Year reporting of both enrollment and attendance provides reasonable revenue estimates and flow of funding.
• Enrollment projections for subsequent years should follow cohort enrollment trends to provide consistent revenue estimates for long term financial planning.
School Districts – Sources of Revenue

J13a Waivers for 2020-21

• Unable to provide instruction (Distance Learning, Hybrid, or In-Classroom)
• Cause: valid emergency, such as fire, evacuation, flood, power outage
• First activate any emergency days built into school calendar
• After emergency days exhausted, complete waiver for any additional closed days of instruction
Financial Accounting – Districts

Fund Structure

What's NEW

What Does it all mean
Fund Structure – Districts

- Fund 01 - General Fund
- Fund 03 - Conversion Charter (rolls up into General Fund)
- Fund 11 – Adult Education Fund
- Fund 12 - Child Development Fund
- Fund 13 - Cafeteria
- Fund 14 - Deferred Maintenance Fund
- Fund 17 - Reserve (Other than Capital Outlay)
- Fund 21 - Building Fund (Bond Fund)
- Fund 25 – Developer Fees
- Fund 35 - School Facilities Fund
Financial Accounting – Districts

School Finance Terminology

- Unrestricted revenue/expenditures (any educational use)
- Restricted revenue/expenditures
- Deficit Spending – Expenditures exceed revenue
- Fund Balance – Beginning Fund Balance plus Revenue minus expenditures
The difference between revenues and expenditures can be designated as:

- Reserve for Economic Uncertainties
- Nonspendable – inventory, prepaid items, etc.
- Restricted – Externally imposed and legally enforceable constraints.
- Committed – Formal action by the highest level of decision-making authority
- Assigned – Informal action
- Unassigned – Residual Balance
Reserve Requirement & Transparency

**Minimum Reserve Requirement**

<table>
<thead>
<tr>
<th>Reserve Requirement for School Districts</th>
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<tbody>
<tr>
<td>Percentage Level</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>5% or $69,000 (greater of)</td>
</tr>
<tr>
<td>4% or $69,000 (greater of)</td>
</tr>
<tr>
<td>3%</td>
</tr>
<tr>
<td>2%</td>
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<tr>
<td>1%</td>
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Reserve Transparency Disclosure Requirements

During the public hearing of the District Adopted Budget each district must provide the following information for public review and discussion:

- Provide the State Board of Education minimum recommended reserve for economic uncertainties.
- Provide the amount of assigned & unassigned ending fund balance that exceeds the minimum.
- Provide a statement of reasons that substantiate the need for the reserve being greater than the minimum. Be able to articulate why the reasons are relevant and necessary.
District Financial Story

- **Financial Documents tell your story**
  - Multi-Year Projection (MYP) – basis for the certification of your First and Second Interim Reports
    - Built on assumptions, such as estimated health benefits increases, step/column increases, estimated revenue.
    - Current year and a projection of the subsequent two years.
    - Assumptions change!
Multi-Year Projection (MYP) – basis for the certification of the First and Second Interim Reports

- MYP is **not** a forecast nor is it a prediction of the future.
- Built on assumptions at a point in time, such as estimated salaries based on hiring assumptions; estimated health benefits increases, step/column increases, and estimated revenue.
- Includes current year and a projection of the subsequent two years.
State Budget Process & Impact on MYP

- January - Governor's Proposed Budget
- February – Trailer Bills; Budget Sub-Committees
- May Revision – Changes to the Governor’s Budget based upon the latest economic forecasts
- June - enacted Budget- passed by the Legislature and signed by the Governor
- COEs/Districts prepare 45-day Revision
Cash Management & Deferrals

Deferrals???
Deferrals and Cash Flow

• For the 2019–20
• P-2 deferral only, there is a statutory requirement for the state to issue it by July 15, 2020

Cash Deferrals 2019–20 (in billions)

- May 2020: $4.23B
- June 2020: $4.23B
- July 2020: $4.23B
- August 2020: $4.23B
• The P-2 deferral is ongoing
  – Plus, additional deferrals are implemented starting in February 2021:
Financing Options for School Districts

1. County Treasurer Line of Credit
2. Tax and Revenue Anticipation Notes
3. Interfund Borrowing
4. SCOE Loan
District Finance

• LEAs Fiscal Reports – Attendance reports, budget revisions/updates, journals, review of assumptions
  • First Interim – (Oct. 31<sup>st</sup>)
  • P-1
  • Second Interim – (January 31<sup>st</sup>)
  • P-2
  • LCAP/Budget Adoption – June 30<sup>th</sup>
  • P-Annual
  • 45-day Revision
  • Unaudited Actuals
Challenges for School District

1. LCAP/LCFF – Connecting the Plan to the funding
2. Enrollment – Increasing, flat or declining
3. STRS/PERS Rates – increase is not covered by COLA
4. Deficit Spending & Decline in Fund Balance
5. One-time Funds
6. Facilities/Infrastructure
7. Collective Bargaining and Union Relationships
8. Economic Cycle - Recession Cycle – When?
9. Fires, Air Quality, Floods, Pandemics
FISCAL OVERSIGHT
Fiscal Oversight

- Components of Fiscal Oversight
  1. District internal control procedures.
  2. Board review of fiscal reports.
  3. AB1200 – COE reviews district LCAP, budget, and interim reports.
  4. Superintendent of Public Instruction - State
  5. Annual Audit
  6. Fiscal Crisis and Management Assistance Team (FCMAT) – has a new responsibility
Fiscal Risk Health Analysis
Fiscal Oversight

- County Superintendent – Fiscal Oversight
  - Passage of Assembly Bill 1200 (1991) gave additional powers to enforce sound budgeting to ensure the fiscal integrity of the district.
  - Responsible for examining and approving:
    - School District Adopted LCAP and Budget
    - First Interim Report – October 31, 2020
    - Second Interim Report – January 31, 2021
    - Unaudited Actuals – Closing of the books
    - Review of Annual Audit and resolution of audit findings
Fiscal Oversight

• County Superintendent – Fiscal Oversight
  • Budget Approval
  • Criteria and Standards Compliance
  • Ability to meet financial commitments in the current and subsequent two fiscal years.
  • COE either approves, conditionally approves, or disapproves the adopted budget by September 15th.
  • If COE disapproved, LEA must respond by Oct. 8th.
  • COE recommend budget revisions to district’s board.
  • COE may assign a fiscal advisor, appoint a committee or appoint a State administrator (new).
County Superintendent’s Role – Fiscal Oversight

- Certifications - COE can change a district Interim Report certification
- Positive – Will meet financial obligations for the current and two subsequent fiscal years
- Qualified – May not meet their obligations for the current or next two fiscal years
- Negative – Will be unable to meet their obligations for the current or next fiscal year
Fiscal Oversight

- County Superintendent – Fiscal Oversight
  - Collective Bargaining Agreements
    - Positive Certification – Public Hearing and COE Disclosure Form.
    - Qualified or Negative Certification – Disclosure Form and must submit to COE 10 days prior to Public Hearing to comment on agreement.
Fiscal Oversight

• County Superintendent – Fiscal Oversight
  • Issuance of Non-voter Approved Debt
    • Positive Certification - Must provide COE with evidence of ability to repay.
    • Qualified or Negative Certification – District cannot issue debt without COE determination that repayment of debt is probable.
County Superintendent’s Role – Fiscal Oversight

What happens if a district runs out of cash or has a negative certification?

• COE can bring in a Fiscal Advisor or a Fiscal Expert or ask FCMAT (Fiscal Crisis Management Assistance Team) to come into the District and make decisions for the District.

• COE can impose “stay and rescind” authority, meaning that the Board and the District no longer have authority to make decisions.

• Ultimately, when the State takes over the District, authority is transferred to the County Superintendent of Schools, the school district board no longer has any authority and the district Superintendent is fired.
Fiscal Oversight

• Role of Fiscal Crisis and Management Assistance Team beginning 2018-19 FCMAT will engage with a district (at no charge) and conduct a Fiscal Health Risk Analysis for the following reasons:
  • Three times filing a Qualified certification
  • Disapproved Budget by COE
  • Certification changes by COE
  • Negative certification
  • District is considered a lack of going concern
Why We Do What We Do!

It’s all about the children and young adults that we teach….it’s about them and for them….
THANK YOU!