State of the State

The April State Controller’s Office communication with revenue received has not arrived at the time of writing this edition of SCOE Biz. I’ll catch you up on State finance next month!

2018-19 audit guidelines for LCAPs

As part of the annual audit, there are procedures which relate to the LCAP or approved annual update. These annual audit procedures require the auditor to:

- Obtain a copy of the approved LCAP
- Select a sample of actions and/or services in the Annual Update section that have expenditures, and review supporting documentation to determine whether the expenditures were consistent with the actions and/or services.
- Review supporting documentation to verify the following: FOR DISTRICTS AND COE’s ONLY
  - LCAP was presented to the parent advisory committee and English learner parent advisory committee (Education Code [E.C.] 52062[a][1-2] or 52068[a][1-2])
  - Notification was made to members of the public for an opportunity to comment on specific actions and expenditures (E.C. 52062[a][3] or 52068[a][3])
  - LCAP was presented in at least one public hearing (E.C. 52062[b][1] or 52068[b][1])
  - LCAP or approved annual update was adopted in a public meeting (E.C. 52062[b][2] or 52068[b][2])
- If any of the above did not occur, or was not properly supported, a finding will be included in the annual audit report.

Indirect Cost Rates

The 2018-19 and 2019-20 indirect cost rates for district and charters are posted on the CDE Indirect Cost Rate (ICR) web page at http://www.cde.ca.gov/fg/ac/ric/index.asp. EC Section 38101(c) limits food service program indirect costs to amounts derived using the lesser of a district’s approved indirect cost rate or the statewide average indirect cost rate. Each district should compare to determine the lesser rate for use with this program.

The 2019-20 statewide average indirect cost rate is 5.12 percent.

Payroll Addons in ESCAPE

In light of the recent CalSTRS and CalPERS audits and audit findings in Sonoma County, SCOE is requiring a review and cleanup of addons. SCOE IT has reserved time in the Madrone Lab for Districts to have focused time to do an in-depth review of their addons with one-on-one help. We are requiring all LEAs to book a 1-2 hour time slot and take part in the review process. Time slots are available in May, June, and July. You can reserve your slot by filling in the google document
that can be found here
https://docs.google.com/spreadsheets/d/1zbHIEnYvAh622t12HckwWJvTeYncCqLvAKZ6lF2KwM/edit#gid=1284132859.

**FCMAT Alert: Planning to Meet Essential Data Reporting Requirements**
The End-of-Year 1-3 submissions begin in May; the time to plan is now. As a first step, FCMAT/CSIS recommends sharing the attached document with district leaders, including the superintendent’s cabinet, to help communicate the need for proactive planning and staffing efforts. The collecting, tracking and reporting of data about student programs and services need to be prioritized as part of the educational service we provide to our communities. Attached is a copy or read the full FCMAT Alert at http://fcmat.org/wp-content/uploads/sites/4/2019/04/FCMAT-Alert-CALPADS-Use-4-2019-final.pdf

**SCOE Alt Ed District Costs and Special Education Fee for Service Cost for 2019-20**
SCOE’s Alt Ed district rate for “A & B” students served will increase from $7,500 per ADA to **$8,300** per ADA for 2019-20. The rate is set a no higher than the lowest LEA funding rate of $8,304. Alt Ed rates are charged to districts of residence for students served by SCOE Court and Community Schools. The districts receive the ADA funding with their LCFF revenue.

SCOE’s Special Education Fee for Service rates will increase from $42,750 to **$47,750** for 2019-20. In prior years, 50% of fee increases were covered by carryover. If this can happen in 2019-20 a reduced rate will be announced in the fall.

**Suggested Steps to move Fund 25, Resource 0000 to Resource 9XXX**
To be consistent with GASB 54 standards, effective 2019-20 the CDE will close Resource 0000 to Object 8681. Before developing your 2019-20 budgets, districts should move all budgets and expenditures from Fund 25, Resource 0000. Attached is a checklist to assist you with that process.

If you are a member of West County JPA and have provided a code for payments of Facility leases in Resource 0000 you will need to supply them with a new code.

**Notice of Public Hearing for 19-20 Budget** ~ Please fill out the publication notification (SCOE Biz Bulletin No. 19-15 dated March 22, 2019) so that SCOE can place the ad in the newspaper for you. This requirement applies to Districts and is optional for Charters.

Please make sure to check the newspaper to ensure your LEA’s Notice of Public Hearing has been correctly published. Copy and save for our auditors.

**Have you performed the following annually required Public Disclosures?**

<table>
<thead>
<tr>
<th>Education Protection Act (EPA) ~ Resource 1400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposition 30 requires an LEA’s governing board to make spending determinations for EPA funds at an open public meeting. Proposition 30 language does not specify that the open public meeting has to be a separately held meeting only for the discussion of EPA funding. Therefore, this requirement may be satisfied at a regularly scheduled board meeting.</td>
</tr>
</tbody>
</table>

LEAs must report on their Web sites an accounting of how much money was received from the EPA and how that money was spent. LEAs may not use EPA funds for administrative costs.

For additional information on EPA calculations, payment schedules, spending restrictions, SACS financial reporting and more, please go to frequently asked questions posted on the CDE Web site at http://www.cde.ca.gov/fq/aa/pa/epa.asp.
Reserve TRANSPARENCY disclosure at the Public Hearing (all Districts and general fund charters)

EC 42127 (a)(2)(B) requires a district’s public hearing for the Adopted Budget must provide all the following for public review and discussion:

1) The minimum recommended reserve for economic uncertainties (REU) for each fiscal year identified in the budget.
2) The combined assigned and unassigned ending fund balances that are in excess of minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget. The fund balances include the General Fund and Fund 17, Special Reserve Fund for Other than Capital Outlay.
3) A statement of reasons that substantiate the need for assigned and unassigned fund balance in excess of the minimum recommended reserve for economic uncertainties for each fiscal year.

EC 42127 (d) states the County cannot approve a District’s budget unless the reserve transparency disclosures have been made.

To ensure each district has performed the Reserve Transparency disclosure at the Public Hearing, please:

1) Note the Reserve Transparency disclosure as a line item on the Agenda of the Public Hearing.
2) In the minutes of the meeting, report that reserves were reviewed and discussed in accordance with EC Section 42127 (a)(2)(B).

What should be done between NOW and your PUBLIC HEARING….

1) Add the Reserve Transparency disclosure to the Agenda of the public hearing.
2) Determine the applicable District ADA.
3) Calculate minimum REU as determined by the State board.
4) Commit reserves as you deem applicable, discuss with auditors if you have concerns.
5) Identify the assigned and unassigned (includes REU) fund balance amounts.
6) Determine/create a statement of reason for amount of assigned and unassigned fund balances in excess of State minimum REU, which is supported by your governing board.
7) An Excel spreadsheet titled Statement of Reason for Excess Reserves is posted on the SCOE website under financial forms http://www.scoe.org/pub/htdocs/fiscal-forms.html
8) Be able to articulate why the reasons are relevant and necessary.
9) Be ready to present at your public hearing date, which is earlier than your budget adoption date.
10) Make sure the minutes of the public hearing note that reserves were reviewed and discussed in accordance with EC42127 (a)(2)(B).

Federal Cash Management Data Collection (CMDC Reporting)
The data collection window for the federal Cash Management Data Collection (CMDC) System is open from April 10, 2019 to April 30, 2019. You may report your data at any time during this period. Your agency must submit cash balance data by April 30, 2019, for the Title I, Part A; Title I, Part D; Title II, Part A; Title III, Immigrant; Title III, EL, and Title IV, Part A (formula grant) programs in order to receive funds in the next apportionment. Only those LEAs that report a cash balance, meet the cash management threshold, and meet other program eligibility requirements will receive an apportionment. The CDE will apportion funds in June 2019 for each of the six programs to those LEAs that report a cash balance, meet the cash management threshold, and meet other program requirements.

For more information, please see the California Department of Education’s Every Student Succeeds Act Implementation Timeline –August 2018 Information Memoranda, dated August 22, 2018: https://www.cde.ca.gov/be/pn/im/infomemoaug2018.asp.
The web page to log in to the CMDC system is at https://www.cde.ca.gov/fg/aa/cm/. If your agency cannot locate its PIN, you can request that it be resent via email by going to https://www2.cde.ca.gov/cashmanagement/default.aspx and clicking on “Request PIN.” Follow the prompts and your PIN will immediately be emailed to the email address on file with the CDE for your LEA’s Superintendent. Other information regarding the CMDC, including instructions, future reporting dates, and FAQs, can be found at the CDE web site at https://www.cde.ca.gov/fg/aa/cm/.

**Federal Quarterly Interest Reporting**

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

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

Beginning in 2018-19, please provide documentation of the interest calculations and the interest rates supplied by the county treasurer's office with your quarterly reports. 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 would need to be included but you may have other non-reimbursable programs. The CSI funding is Federal and is not a reimbursable program. Please remember to add this to your specific list of resources to include in your calculation.**

**Sports Equity**

Education Code section 221.9 requires schools/district to publish on its website separately for each individual school:

1. Total school enrollment, classified by gender.
2. Total number of students who participate in athletics, classified by gender.
3. Total number of school athletic teams, classified by gender, sport, and competition level.

The law first became effective for the 2015-16 school year. Annual postings are required by June 30th. The numbers reported should reflect the total number of players on a team roster "on the official first day of competition.

**Attachments**

FCMAT Alert: Planning to Meet Essential Data Reporting Requirements
SSC Fiscal Report: 2019-20 CalPERS Rate and Updated Out-Year Estimates
SSC Fiscal Report: Charter School Reform Package Passes First Legislative Hurdle
SSC Fiscal Report: Ask SSC...Is Sick Leave Earned under AB1522 Creditable to STRS or PERS?

**REMINDERS:**

**Upcoming Professional Development Opportunities:**

- FCMAT – **ASB Workshop** May 3, 2019
- CASBO - **Pupil Attendance and Accounting for School Site Personnel** May 8, 2019
• CASBO – Standardized Account Code Structure: Basic Concepts  May 30, 2019
• CASBO – Standardized Account Code Structure: Advanced Concepts  May 31, 2019

If you have any questions about the registration process, please contact Bonnie Tanner in SCOE Business Services at btanner@scoe.org.

Future SCOE workshops will be posted on the SCOE Workshop registration platform. Signing up will ensure that we have enough printed documents for you to have and take with you after the workshop. You can go to https://www.scoe.org/pub/htdocs/classlist.html to sign up now for
✓ Next Fiscal Year Workshop May 16, 2019
✓ Fiscal Year End Closing Workshop May 23, 2019

SCOE Biz E-Blast Recap – Please email Shelley Stiles  sstiles@scoe.org for duplicate
E-Blast#19-01 through 19-19 sent out via email in August through February. No new SCOE Biz E-Blasts have been sent since last meeting.

Dates to Remember:
04/19/2019  ESCAPE Open Lab
05/02/2019  Aeries User Group Meeting
05/03/2019  ASB Workshop
05/03/2019  School Wise User Group Meeting
05/08/2019  CASBO Pupil Attendance and Accounting for School Site Personnel
05/09/2019  HR/Payroll Year End Workshop
05/10/2019  ESCAPE Open Lab
05/16/2019  Next Fiscal Year Workshop
05/21/2019  School Services of California May Revise (must register with School Services)
05/23/2019  Fiscal Year End Close Workshop & DBUG
05/28/2019  Capitol Advisors May Revise Workshop (must register with Capitol Advisors)
05/30/2019  CASBO SACS Basics Workshop (Sold Out)
05/31/2019  CASBO SACS Advanced Workshop

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

Background
During each school year since 2009-10, local educational agencies (LEAs) have submitted data on their students, staff, programs, services and institutions through the California Longitudinal Pupil Achievement Data System (CALPADS). California’s system of accountability uses information collected through CALPADS in state indicators on the California School Dashboard. In California’s system of support, county offices of education and school districts rely on these data to identify challenges and improve educational services. Student enrollment and program data collected using CALPADS also affect the Local Control Funding Formula (LCFF) and various grant funding. As tools for accountability and continual improvement, the Dashboard and the Local Control and Accountability Plan (LCAP) contribute to important discussions about goals and resources at the local level.

The Consequences of Not Certifying CALPADS Data
In addition to helping the California Department of Education (CDE) maintain and operate CALPADS, the Fiscal Crisis and Management Assistance Team and California School Information Services (FCMAT/CSIS) provide training and technical assistance to LEAs five times per year to help collect, validate and certify CALPADS data during the Fall 1, Fall 2, and End-of-Year 1-3 data submissions.

Although little changed in CALPADS for the most recent Fall 2 submission, which ended March 22, 2019, analysis of the three-month data submission window shows that 80% of LEAs were at risk of not certifying CALPADS data on time. Three weeks before the end of the submission window, these LEAs had fatal errors that prevented them from certifying their data. One week before the end of the submission window, 20% of LEAs still had fatal errors and could not certify. Not certifying CALPADS data has a number of consequences for LEAs at both the state and federal levels (see the attached table). It can also affect an LEA’s California School Dashboard results for two years, including automatic orange indicators.

State-level data comes from local systems. Clear action and leadership are needed to foster a local institutional culture that recognizes the importance of high-quality data in the service of students. CALPADS submission timelines are becoming shorter because of the demand for real-time, data-driven decisions. This also means
there is less time to correct inaccurate data. Every LEA’s data team needs support from their leaders to achieve accurate and timely results.

**Recommendations**

To avoid the negative consequences of not certifying CALPADS data on time, FCMAT/CSIS recommends developing a written plan for successfully certifying high-quality data, and ensuring that an LEA’s leaders receive communication about, understand and commit to that plan. The plan should include deadlines, activities, roles and responsibilities, using a number of best practices to formalize a local data governance structure:

1. Establish a data team by identifying key individuals as data stewards who are responsible for verifying program and site data. A single person doing the work means a single point of failure; teamwork is essential in this high-stakes environment. Have a contingency or backup plan for unforeseen staffing issues or natural disasters. Designate a leader, such as someone in the superintendent’s cabinet or the CALPADS coordinator, to schedule, communicate and coordinate the data team’s activities.
   a. Establish a data calendar integrated with, not separate from, LEA operations.

2. Communicate roles and responsibilities.

3. Allocate sufficient resources for daily operations to prepare data during the submission windows.

4. Standardize data entry and verification procedures, including sampling and validating data protocols regularly. High-quality data relies on accuracy in data entry as well as monitoring over time.
   a. Give regular feedback to site staff on areas that generate errors.

5. Meet and communicate regularly to ensure a high level of accountability across the data team.

6. Assess and improve the data team’s skills and knowledge on local data systems such as the student information, human resources and special education systems, as well as in CALPADS itself.

7. Keep local data systems up to date with service packs and vendor tools.

8. Schedule routine meetings that include agendas, and record action items for accountability.
   a. Develop a calendar that includes opportunities for structured collaboration and review.

9. At the end of a data submission, identify areas of strength and opportunities for improvement. Document and implement changes to timelines, processes and staffing to nurture a culture that supports data collection, use and reporting locally.

The End-of-Year 1-3 submissions begin in May; the time to plan is now. As a first step, FCMAT/CSIS recommends sharing the attached document with district leaders, including
the superintendent’s cabinet, to help communicate the need for proactive planning and staffing efforts. The collecting, tracking and reporting of data about student programs and services need to be prioritized as part of the educational service we provide to our communities.

Establishing a team and a plan now will enable LEAs to be more resilient and better prepared for additional requirements for monitoring teacher assignments and reporting special education data in the fall.

Additional Assistance

For additional assistance, LEAs should contact FCMAT/CSIS for mentoring and learning opportunities to help create a sustainable local data environment. For more information, support and other resources, visit:

FCMAT/CSIS: https://csis.fcmat.org

CDE, CALPADS Calendar: https://www.cde.ca.gov/ds/sp/cl/rptcalendar.asp
How CALPADS Data are Used and Consequences

The data certified in the CALPADS Annual Submissions are used for many purposes, including funding calculations for various state and federal programs. The data maintained in the CALPADS Operations Data Store (ODS) are used for many purposes including accountability metrics and statewide assessment registration.

<table>
<thead>
<tr>
<th>Annual Submission</th>
<th>State or Federal</th>
<th>State/Federal Data Usage</th>
<th>LEA Impact if Not Certified</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fall 1:</strong></td>
<td><strong>State</strong></td>
<td>DataQuest (current year official enrollment, prior year Graduates, Dropouts)</td>
<td>0 counts on DataQuest</td>
</tr>
<tr>
<td>Current Year enrollment counts</td>
<td></td>
<td>Unduplicated Pupil Count (UPC) for Local Control Funding Formula (LCFF) supplemental and concentration grant calculations</td>
<td>0 counts &amp; impact on funding</td>
</tr>
<tr>
<td>Prior Year Grads &amp; Dropouts</td>
<td></td>
<td>Free and Reduced Price Lunch Eligibility counts used in various grant applications</td>
<td>0 counts for grant applications</td>
</tr>
<tr>
<td>Immigrant counts</td>
<td></td>
<td>Long-term English Learner calculations</td>
<td>0 counts on DataQuest</td>
</tr>
<tr>
<td>Free and reduced meal eligibility counts</td>
<td></td>
<td>School Accountability Report Card (SARC)</td>
<td>No SARC pre-population</td>
</tr>
<tr>
<td>FRPM/EL/Foster</td>
<td></td>
<td>Department of Finance for budget projections</td>
<td>0 counts</td>
</tr>
<tr>
<td>Unduplicated Count</td>
<td></td>
<td>Respond to lawsuit and audits</td>
<td>0 counts</td>
</tr>
<tr>
<td>English Language Acquisition Status</td>
<td></td>
<td>Address requests from policy makers, researchers, and other entities</td>
<td>0 counts</td>
</tr>
<tr>
<td><strong>Federal</strong></td>
<td>Title I and Title II</td>
<td>0 counts &amp; 0 funding for COEs and direct funded charter schools</td>
<td></td>
</tr>
<tr>
<td>Consolidated State Performance Report (CSPR)</td>
<td></td>
<td>0 counts</td>
<td></td>
</tr>
<tr>
<td>Title III Limited English Proficiency Program</td>
<td></td>
<td>0 counts &amp; 0 funding</td>
<td></td>
</tr>
<tr>
<td>Title III Immigrant Program – Student National Origin Report (SNOR)</td>
<td></td>
<td>0 counts &amp; 0 funding</td>
<td></td>
</tr>
<tr>
<td>Titles VI &amp; IX reports for the Civil Rights Act of 1964</td>
<td></td>
<td>0 counts</td>
<td></td>
</tr>
<tr>
<td>Individuals with Disabilities Education Act (IDEA)</td>
<td></td>
<td>0 counts</td>
<td></td>
</tr>
<tr>
<td><strong>Both</strong></td>
<td>Eligibility to apply for various state and federal grants (especially those based on counts of economically disadvantaged students)</td>
<td>0 counts and ineligibility to apply for grants</td>
<td></td>
</tr>
</tbody>
</table>

| **Fall 2:**       | **State**        | DataQuest (Teacher Counts, Course Enrollments, and EL Services) | 0 counts |
| Staff assignments |                   | No data for assignment monitoring (to begin in 2019-20) | Commission reports no qualified staff assignment monitoring exceptions |
| Student course enrollments |                   | CCR Title V, Section 97 (certificated staff) | 0 counts |
| English Learner services |                   | Monitoring for English Language services | Increased potential for monitoring |
| **Federal**       | Consolidated State Performance Report (CSPR) | 0 counts |
|                   | Quality Education Investment Act (QEIA) funding | 0 counts & 0 funding |

April 2019
# How CALPADS Data are Used and Consequences

## Certified Data

<table>
<thead>
<tr>
<th>Annual Submission</th>
<th>State or Federal</th>
<th>State/Federal Data Usage</th>
<th>LEA Impact if Not Certified</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EOY-1:</strong> Course completion Career Technical Education (CTE) concentrators and completers</td>
<td>State</td>
<td>DataQuest - Course Completion, Career Technical Education (CTE)</td>
<td>0 counts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CTE Incentive Grant</td>
<td>0 counts &amp; 0 funding</td>
</tr>
<tr>
<td></td>
<td></td>
<td>California School Dashboard – College/Career Indicator</td>
<td>Unverified counts</td>
</tr>
<tr>
<td></td>
<td>Federal</td>
<td>Carl Perkins E-1 Reporting (CTE Participants, Concentrators and Completers)</td>
<td>0 counts &amp; grant eligibility</td>
</tr>
<tr>
<td><strong>EOY-2:</strong> Program participation Homeless and TK enrolled counts</td>
<td>State</td>
<td>DataQuest (Programs and Homeless)</td>
<td>0 counts</td>
</tr>
<tr>
<td></td>
<td>Federal</td>
<td>Elementary and Secondary Education Act (ESEA) Title I, Part A Neglected</td>
<td>0 counts &amp; grant eligibility</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EDEN (Education Data Exchange Network) Reporting</td>
<td>0 counts</td>
</tr>
<tr>
<td><strong>EOY-3:</strong> Student discipline Cumulative enrollment Chronic absenteeism</td>
<td>State</td>
<td>California School Dashboard – Suspension and Expulsion</td>
<td>Automatic Orange Indicator</td>
</tr>
<tr>
<td></td>
<td></td>
<td>California School Dashboard – Chronic Absenteeism</td>
<td>Automatic Orange Indicator</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DataQuest – Cumulative Enrollment</td>
<td>0 counts and impacts suspension and chronic absenteeism rates</td>
</tr>
<tr>
<td></td>
<td>Federal</td>
<td>NCLB Title IX – At Risk/Persistently Dangerous Schools</td>
<td>0 counts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ESEA Title IV, Part A, Subpart 3, Safe and Gun-Free Schools Act</td>
<td>0 counts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consolidated State Performance Report (CSFR)</td>
<td>0 counts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Individuals with Disabilities Education Act (IDEA)</td>
<td>0 counts</td>
</tr>
</tbody>
</table>

## Operational Data Store (ODS) Data

<table>
<thead>
<tr>
<th>Accountability</th>
<th>State</th>
<th>California School Dashboard – English Learner Progress Indicator</th>
<th>Data are pulled from the ODS at announced times and used for these purposes.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>California School Dashboard – Student Demographic and Program Participation Data to determine student groups for academic indicators and all other indicators</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>School Accountability Report Card (SARC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>California School Dashboard and federal accountability – student enrollment/exit data to calculate the four-year graduation cohort rate and determine students who were continuously enrolled</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>California School Dashboard and federal accountability – student demographic and program participation data to determine student groups</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Assessments

<table>
<thead>
<tr>
<th>State</th>
<th>California Assessment of Student Performance and Progress (CAASPP) Smarter Balanced interim and summative assessment registration</th>
<th>Missing registrations and inaccurate aggregates.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>English Language Proficiency Assessment for California (ELPAC) pre-identification and to validate eligibility for testing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Science CAASPP assessment pre-identification</td>
<td></td>
</tr>
</tbody>
</table>
Suggested Steps to move Fund 25, Resource 0000 to Resource 9XXX

Developer fees must be deposited in Fund 25, Capital Facilities Fund. Expenditures reported in Fund 25 are restricted to the purposes specified in Government Code sections 65970-65981 or GOV section 65995 et seq. Therefore, developer fees deposited in Fund 25 meet the definition of restricted fund balance, and LEAs should use resource 9010, Other Restricted Local, or a locally-defined resource that rolls up to Resource 9010.

To be consistent with GASB 54 standards, effective 2019-20 the CDE will close Resource 0000 to Object 8681. **Before** developing your 2019-20 budgets, districts should move all budgets and expenditures from Fund 25, Resource 0000. The following is a checklist to assist you with that process.

1. **Assign Restricted Resource:** Contact your SCOE Advisor to set up a locally restricted resource for Fund 25 “Capital Facilities.” Select an unused 9000-9999 Resource code. When reporting to CDE, this resource must roll up to Resource 9010.

2. **Set up Restricted Resource accounts:** Once the Resource is set up, enter the Fund 25 revenue, expense, and budget accounts in Escape to the restricted resource. Run a Fiscal 02, Fund 25 (include asset & liability accounts) to see the active accounts. **Add an account using Object 898X (Contributions from Unrestricted Revenues) for both the Resource 0000 and Resource 9XXX. These accounts will be used later to move the Resource 0000 cash balance to the Resource 9XXX.**

   **Tip:** You can go to Escape; Finance, Setup, Chart of Accounts, Accounts & use the copy feature to copy accounts to Resource 9XXX. NOT OBJECTS (9110 & 9791).

3. **Future deposits:** At this point, whoever is responsible for depositing developer fees should be instructed to now deposit to the Resource 9XXX. Accounts Payable should be made aware of the change and add the Resource 9XXX to any open purchase orders.

4. **General Ledger:** Review your general ledger (Object 9XXX) accounts in Fund 25. Make sure all receivables and payables (Objects 9210 & 9510), and due to/from (Objects 9310 & 9610) are cleared. Contact your SCOE Advisor if you have other 9xxx balances in question.

5. **Move year-to-date actual account balances to Resource 9XXX:** Complete a General Journal: If credit balance (Debit-Resource 0000 & Credit-Resource 9XXX) for the balance. If debit balance (Credit-Resource 0000 & Debit-Resource 9XXX) for the balance. Reminder, leave objects 9110 & 9791. Save/Close, and re-run the Fiscal 02, including unposted journals to check results. Post.

Move current REVISED budgets to the Resource 9XXX: Complete a budget transfer: Decrease Resource 0000 & Increase Resource 9XXX for the amount in the revised budget column of each account. DO NOT INCLUDE OBJECTS (9110 & 9791), but INCLUDE THE TWO OBJECT 898X ACCOUNTS. Again, Save/Close, (Fund Balance account 9790 will automatically enter as the offsetting account for resource) and re-run the Fiscal 02, including unposted journals to check results. Post.

Final check: Run a Fiscal 13, Fund 25, by resource, Balance sheet only. The first page should have zero cash and zero asset and liability ending balances. The last page of the report for Resource 0000 should have zero Revised Budget Calculated Ending Fund Balance, and zero Actual Calculated Ending Fund Balance.

Important note: The interest earned (Object 8660) in Fund 25 will continue to be posted to Resource 0000. As part of the closing process, you will move the actual interest received to Resource 9XXX.

This is only a guide, and steps or results may vary. Be sure to contact your SCOE advisor with any questions.

Please let your advisor know when you have completed this process.

Thank you!

March 4, 2019
2019-20 CalPERS Rate and Updated Out-Year Estimates

For the April 16, 2019, meeting of the California Public Employees' Retirement System (CalPERS) Board, the staff recommendation is to adopt a school employer contribution rate of 20.733% for 2019-20. This is a slight increase from the previous estimate of 20.7%. This rate increases local school agency costs by 2.7% of payroll from the current year.

The table below illustrates this actual rate for 2019-20 (pending CalPERS Board approval) along with the latest estimates for the subsequent years:

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</thead>
<tbody>
<tr>
<td>Previous Rates</td>
<td>18.062%</td>
<td>20.700%</td>
<td>23.40%</td>
<td>24.50%</td>
<td>25.00%</td>
<td>25.50%</td>
<td>25.70%</td>
<td>25.50%</td>
</tr>
<tr>
<td>Revised Rates</td>
<td>18.062%</td>
<td>20.733%</td>
<td>23.60%</td>
<td>24.90%</td>
<td>25.70%</td>
<td>26.40%</td>
<td>26.60%</td>
<td>26.50%</td>
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</tbody>
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Note that the projections for future years have all increased slightly from the previous estimates. We will reflect these new projections in the next version of our Financial Projection Dartboard, to be updated when the Governor releases his 2019-20 May Revision.

—Kathleen Spencer and Sheila Vickers

posted 04/09/2019
Charter School Reform Package Passes First Legislative Hurdle

On Wednesday, April 10, 2019, the Assembly Education Committee passed a charter school reform package that consists of three bills that would make significant changes to charter school law including the authorization, appeal, and renewal processes.

The bills brought hundreds of stakeholders to the Capitol to voice their support or opposition to the measures, adding to a several hours-long robust policy debate. All three bills were eventually approved by the Committee, where four of the six members are either an author or principal coauthor of at least one of the bills.

Assembly Bill (AB) 1505, by Assembly Education Committee Chair Patrick O’Donnell (D-Long Beach), would make the most significant changes to current charter school law by giving school districts more autonomy in considering charter school petitions and renewals. More specifically the bill would, among other things:

- Authorize, rather than require, school districts to approve charter school petitions and renewals.
- Allow school districts and county offices of education (COEs) to consider the academic, fiscal, and facilities impacts of a charter school during the petition process.
- Limit the ability of COEs to consider an appeal to only those allegations that the school district committed a procedural violation in reviewing the petition. If a COE finds a procedural violation, it can only remand the petition back to the school district for reconsideration.
- Repeal the charter school authorizing power, both directly and on appeal, of the State Board of Education.

AB 1506, by Assembly Member Kevin McCarty (D-Sacramento), would put a cap on the number of charter schools, equal to the total statewide number of charter schools authorized and operating as of January 1, 2020. The bill would allow a charter school authorizer to approve a charter school petition after January 1, 2020, only after a charter school under its jurisdiction closes. In considering any new charter petitions, the bill also requires that the authorizer give priority to a charter petition submitted by an entity that is not already operating another charter school in that area.

AB 1507, by Assembly Member Christy Smith (D-Santa Clarita), would eliminate the ability of a school district to authorize a charter school outside of the school district’s boundaries. The bill also authorizes a charter school to establish one resource center within the jurisdiction of the school district where the charter school is located.

The final vote count for each bill was 4-1 with the lone Republican on the committee, Assembly Member Kevin Kiley (R-Rocklin), voting against the measures. Assembly Member Shirley Weber (D-San Diego) abstained on the three bills as she stated she wants to see how the bills evolve during the legislative process.

Assembly Member Weber also expressed a desire to wait for the work of the Charter School Task Force convened by Governor Gavin Newsom and Superintendent of Public Instruction Tony Thurmond. The eleven-member Task Force has been asked to examine the financial impact of charter school growth on school district budgets with a report and recommendations due to Governor Newsom by July 1, 2019.

AB 1505 and AB 1506 proceed to the Assembly Appropriations Committee where their fiscal implications will be scrutinized. AB 1507, however, will go straight to the Assembly Floor where it will be voted on by the full Assembly.

—Kyle Hyland and Leilani Aguinaldo

posted 04/11/2019
Ask SSC . . . Is Sick Leave Earned Under AB 1522 Creditable to CalSTRS or CalPERS?

Q. With the implementation of the Healthy Families Act (Assembly Bill [AB] 1522), or “substitute sick leave,” is the unused sick leave eligible for retirement credit? Is the employer required to report substitute leave balances on the CalSTRS or CalPERS retirement paperwork?

A. The Healthy Workplace Healthy Family Act of 2014 (AB 1522) affords part-time and temporary employees paid sick leave. In most cases, local educational agencies employ part-time and temporary staff as substitutes. Substitutes earn at least one hour of paid leave for every 30 hours worked. Employees covered by collective bargaining agreements are exempt from this law.

Certificated substitutes who have met the CalSTRS thresholds to become members may submit notice of retirement to their employer and CalSTRS. Per CalSTRS Employer Directive 17-06, the sick leave that has accrued under AB 1522 shall be treated in the same manner as all other sick leave. In other words, employers should document substitute leave balances on the CalSTRS Express Benefit Report so the sick leave balance can be included in the retirement calculation.

Classified substitutes who are members of CalPERS also receive retirement credit for unused sick leave. Per Government Code Section 20963, school and community college employees shall be entitled to receive credit for unused sick leave accrued during employment, provided the member has an accrued sick leave balance. Employers who have received the CalPERS Service Retirement Election form should note the unused sick leave balance on the form.

Depending on the geographical area, some substitutes work for more than one employer. In these cases, and in the scenario when the substitute works frequently, there is an opportunity for them to accrue leave in multiple agencies. In addition, AB 1522 allows a leave balance of three days of substitute sick leave to be carried over. Due to the impacts of leave balances on service credit, it is critical that employers track and report accurate leave balances of substitute employees for retirement purposes.

—Danyel Conolley

posted 04/15/2019