

**CHIEF FISCAL OFFICERS MEETING
AGENDA
Wednesday, March 20, 2024
12:15 p.m. – 2:00 p.m.**

12:15 p.m. – 2:00 p.m. CFO Meeting

- 1) Introductions and What's New**
 - a) Additions to the agenda**
 - b) District Sharing**
- 2) Reminders**
 - a) Interest due quarterly on federal funds in excess of \$500 in fiscal year. See CDE website for list of Federal Resources that may be EXCLUDED from the calculation.
<https://www.cde.ca.gov/fg/ac/co/reimbursableprograms.asp>**
 - b) AB1200 Public Disclosure-include copy of Tentative Agreement (TA) and Multi-Year Projection (MYP) when submitting**
 - Form should be signed by BOTH Superintendent and CBO before submitting**
 - Disclosure of a settlement is required even if no salary/benefit change**
 - c) AB2197 disclosure required for non-voter approved debt**
 - d) Document wages charged to federal/state programs (CSAM Procedure 905: Personnel Activity Reports (PARs)) [Including COVID 19 Programs]**
 - Please follow your policy.**
 - e) Complete Admin to Teacher ratio form. (Retain for your audit records)**
 - f) Reconcile payroll liability accounts**
 - g) Abatements: Please notify your Business Advisor if you are abating revenues or expenditures. This will ensure that budgets and Cash Flow projections are accurate.**
 - Reach out to your advisor if you are thinking about abating any revenue.**
- 3) Date Reminders**
 - a) April 1st – FY 2023-24 Auditor service contracts due to SCSOS (EC §41020[b][3])**
 - b) April 1st – Home-to-School Transportation Plan must be approved by LEA Board**
 - c) April 5th – Year 4 ESSER & GEER Annual Reporting Due to CDE**
 - d) April 12th – COVID-19 Federal Stimulus Funds 2024 Spring Quarterly Reporting Deadline, including Expanded Learning Opportunities Grant (ELOG) Spring Reporting**
 - e) April 15th – Application for Exemption from the Required Expenditures for Classroom Teachers' Salaries due to SCSOS to avoid Fund Balance Designations**
- 4) Technology**
 - a) IT Department Update**
 - b) Frontline/Escape Update**
- 5) Payroll**
- 6) Draft 2024-25 CFO Meeting Schedule (pg. 3)**
- 7) Form J-13A**
 - a) CDE Checklist (pgs. 5-8)**
- 8) 2024 Rural Education Achievement Program (REAP) Email to LEAs (pgs. 9-10)**
- 9) School Level Finance Survey (SLFS)**
 - a) CDE Notification (pgs. 11-16)**
- 10) Fair Value Adjustment to Cash in the County Treasury**
 - a) CSAM Procedure 425: Fair Value: Accounting and Reporting for Certain Investments (pgs. 17-22)**

- 11) Form CEA Waiver Request
 - a) FCMAT Procedure 29: Current Expense Formula and Reporting — SACS Form CEA (pgs. 23-27)
 - b) Application for Exemption from the Required Expenditures for Classroom Teachers' Salaries (pgs. 29-30)
- 12) ESSCO
- 13) Roundtable Discussion
 - a) Home-to-School Transportation expenditure tracking
 - b) Learning Recovery Emergency (LRE) Block Grant Plans
- 14) Articles (pgs. 31-41)
 - a) *SSC Fiscal Report: Proposition 28 Audit Procedures Published*
 - b) *SSC Fiscal Report: Ask SSC . . . TK Ratio and Classroom Requirements*
 - c) *SSC Fiscal Report: Inflation Shows Persistence*
 - d) *SSC Fiscal Report: Top Legislative Issues—March 15, 2024*
 - e) *SSC Fiscal Report: Critical Deadlines and Funding Opportunities*
- 15) Workshops/Webinars (pgs. 43-45)
 - a) SSC Webinars & Workshops
 - b) CASBO Webinars & Workshops
- 16) Next Meeting
 - a) April 17th – Board Room/Zoom

CFO Meeting Schedule

2024-2025

12:00PM* – 3:00PM

DATE	LOCATION*
July - No Meeting	N/A
August 12, 2024	N/S Board Room
September 18, 2024	N/S Board Room
October 16, 2024	N/S Board Room
November 20, 2024	N/S Board Room
December 18, 2024	N/S Board Room
January 15, 2025	N/S Board Room
February 19, 2025	N/S Board Room
March 19, 2025	N/S Board Room
April 16, 2025	N/S Board Room
May 12, 2025	N/S Board Room
June 18, 2025	N/S Board Room

*While COVID-19 related social distancing protocols are in place, meetings for all attendees will be held remotely via Zoom beginning at 1 pm. When social distancing protocols are not in place, meetings will be held in the location above at Noon, and attending remotely via Zoom will be optional.

California Department of Education Summary of Form J-13A Additional Items Needed

The following information lists the additional items needed to complete the Form J-13A package submitted by the local educational agency (LEA) to the California Department of Education (CDE).

Form J-13A Request Information

LEA:	
CDS Code:	
Fiscal Year:	
Type of J-13A:	
CDE Log #:	
Dates of Emergency:	

Form J-13A Item	Action required	If checked-complete and resubmit
Section B: School Closure, Part I, Nature of Emergency	Add a description of the nature of the emergency	
Section B: School Closure, Part II, Column G	Verify dates of emergency closure	
Section B: School Closure, Part II, Column H	Verify closure dates requested	
Section B: School Closure, Part II, Column I	Verify the total number of days requested	
Section B: School Closure, Part III	Add the closure history for all schools	
Section C: Material Decrease, Part I, Nature of Emergency	Add a description of the nature of the emergency	

Section C: Material Decrease, Part II, Column C	Use the "Normal" Attendance for the October or May school month and input the ADA for that month. The month must be within the same school year.	
Section C: Material Decrease, Part II, Column D	Use dates for determining "Normal" Attendance that are prior to the date of the emergency. October or May average daily attendance (ADA) is the ADA for the school month that has the most days in either October or May, within the same school year. It is not the calendar month of October or May. The month used might span the preceding or following month. Each school month consists of four weeks, five days each. All school months consist of 20 days, begin on a Monday, and end on a Friday.	
Section C: Material Decrease, Part II, Column H	Submit the calculations for the Net Increase of Apportionment Days.	
Section C: Material Decrease Calculation for Continuation High Schools, Part III, Column C	Calculate the "Normal" Attendance Hours. Please use hours (not ADA) and compare to the same day of the week prior or week following the emergency (example: compare a Tuesday to a Tuesday of the week prior or the week following the event date).	
Section C: Material Decrease Calculation for Continuation High Schools, Part III, Column D	Use the same day of the week prior or week following the emergency (example: compare a Tuesday to a Tuesday of the week prior or the week following the event date).	
Section E: Part I, Affidavit, Board Member Signatures	A majority of the governing board members must sign the Affidavit.	
Section E: Part I, Affidavit, Witness to the	A witness to the signatures of the governing board members must sign the Affidavit.	

Board Members' Signatures		
Section E: Part I, Affidavit, Charter School Authorizing District Superintendent Signature	The Superintendent of the charter school's authorizing district must sign the Affidavit.	
Section E: Part I, Affidavit, County Superintendent of Schools, or Designee Signature	The County Superintendent (or designee) of Schools must sign the Affidavit.	
Section E: Part I, Affidavit, Witness to the County Superintendent Signature	A witness to the County Superintendent of Schools' signature must sign the Affidavit.	
Certification Form for Independent Study	<p>The Certification Form for Independent Study must accompany all Form J-13A submittals. The form must have the check box certifying that the independent study plan accompanying the Form J-13A submission meets the requirements on the Certification Form and is true and correct. The form must be signed by the School District Superintendent, the Charter School Administrator, or County Superintendent (or designee).</p> <p>The form can be found through the following link: https://www.cde.ca.gov/fg/aa/pa/documents/certificationform.pdf</p>	
Certified Independent Study Plan	An LEA must submit an independent study plan with the first submittal of a Form J-13A request for a fiscal year.	

	<p><i>Education Code (EC) Section 46393 provides that the certified plan to offer independent study must comply with the following:</i></p> <ul style="list-style-type: none"> • Independent study is offered to any student impacted by any of the conditions listed in <i>EC Section 46392</i> within ten days of the first day of a school closure or material decrease in attendance. Students who are individuals with exceptional needs shall receive the services identified in their individualized education programs (IEPs) pursuant to <i>EC Section 56345(a)(9)</i> and may participate in an independent study program. • Require reopening for in-person instruction as soon as possible unless prohibited under the direction of the local or state health officer. • Include information regarding establishing independent study master agreements in a reasonable amount of time. <p>This plan can be a board policy, master agreement, or any other relevant documentation as long as it adheres to the conditions listed above.</p>	
Signed documentation from the local county health department.	When submitting a Form J-13A for Covid-19 or other epidemics, a signed letter from the county health department is required.	
School Calendar	Submit a school calendar for the fiscal year of the emergency.	
Supporting documentation	Provide supporting documentation to substantiate that the school closure or loss of attendance was due to an emergency. (School announcements, news articles, external communication, internal communication).	

----- Forwarded message -----

From: U.S. Department of Education <ed.gov@info.ed.gov>

Date: Mon, Feb 26, 2024 at 12:50 PM

Subject: Fiscal Year 2024 REAP Master Eligibility Spreadsheet Data Review

To: <mbautista@eastnicolaus.k12.ca.us>

Dear Local Educational Agency (LEA) Contact,

We are writing to encourage you to review the information the U.S. Department of Education (Department) will use to determine eligibility for the fiscal year (FY) 2024 Rural Education Achievement Program (REAP) Small, Rural School Achievement (SRSA) and Rural and Low-Income Schools (RLIS) grant awards. Your LEA's information is contained in the Master Eligibility Spreadsheet, which can be found on the [REAP website](#). In particular, please review your LEA's average daily attendance data, primary contact name and email address, and virtual designation. We encourage your LEA to review the data in the REAP Master Eligibility Spreadsheet as soon as possible. For planning purposes, you may also find it helpful to review your LEA's estimated allocations.

If you find any inaccurate information in your review of the spreadsheet, immediately contact the REAP State Coordinator at your State educational agency (SEA) ([see contact list here](#)), who will work with the Department to update the spreadsheet as necessary.

FY 2024 SRSA Application Process

Each LEA eligible to receive SRSA grant funding in FY 2024, according to the Master Eligibility Spreadsheet, may apply for an SRSA grant using a unique invitation link that will be sent to eligible LEAs via email when the Department opens the SRSA application period. Each SRSA-eligible LEA can expect to receive an email containing a link to its SRSA application in mid-March 2024. The Department is still finalizing the application period dates but anticipates the application will be open through early-May 2024. The exact dates for the application period will be shared as soon as possible. The primary contact for each eligible LEA, which is listed in the Master Eligibility Spreadsheet, will receive the SRSA application link via email, which is why it is important to review your LEA's contact information.

SRSA Application Webinars

The Department will conduct a series of webinars to demonstrate how to complete the SRSA application and discuss changes to the FY 2024 application. The first webinar will be held on Thursday March 21, 2024, at 1:00pm ET. To join the conference, follow [this link](#).

If you cannot join by computer, you may dial in by phone only at 1-202-735-3323 with access code 5245033#.

Unique Entity IDs (UEIs)

To apply for and access awarded SRSA grant funds in G5/G6 (the Department's grants management system), an LEA must have a 12-character alphanumeric Unique Entity ID (UEI), assigned by and registered in the System for Award Management ([SAM.gov](#)). Your LEA's UEI must go through the one-time, initial registration process and then be renewed annually in SAM.gov. The Department recommends that you check your LEA's UEI in SAM.gov as soon as possible to ensure that it will maintain an active registration. If the

UEI registration will expire, please ensure that it will be renewed in a timely manner. An active and registered UEI is required to access awarded SRSA funds in G5/G6.

For additional information on how to request a UEI or renew a UEI registration, see the UEI Support Guide for SRSA Grantees on the REAP website. If your LEA is facing outstanding difficulties with the UEI registration or renewal process, please contact REAP@ed.gov to request additional assistance.

For Further Information

If you have any questions or need additional information about the FY 2024 SRSA application process, please contact the REAP Team at REAP@ed.gov.

Thank you,

The Rural Education Achievement Program (REAP)

Office of Elementary and Secondary Education, U.S. Department of Education

400 Maryland Ave. SW | Washington, DC 20202

202-401-0039 | reap@ed.gov

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March 15, 2024

Dear County and District Superintendents, County and District Chief Business Officials,
and Charter School Administrators:

New Federal School Level Finance Survey Reporting Requirement

The Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by the Every Student Succeeds Act (ESSA), required state educational agencies (SEAs) and their local educational agencies (LEAs) to prepare and publish annual report cards that contain specified data elements, including LEA and school-level per-pupil expenditures (PPE). Since fiscal year (FY) 2018–19, the California Department of Education (CDE) has collected ESSA-PPE data annually from LEAs. To strengthen the data that has been collected via the ESSA-PPE requirements, the National Center for Education Statistics (NCES) within the U.S. Department of Education (ED), along with the Office for Civil Rights (OCR), is implementing a new requirement, the School-Level Finance Survey (SLFS) that will allow for more continuity in reporting data at the school-level so that expenditures can be compared on a local, state, and national level.

The SLFS will be used to provide data to researchers, state and federal agencies, and the public on topics such as resource inequities, correlation at the school and per-pupil level of expenditures across states, how expenditures vary between low and high-income schools, and how spending on different functions affects student outcomes.

Prior to FY 2022–23, participation by states in the SLFS was voluntary. However, the ED has mandated that the SLFS data collection be completed for all 50 states. The SLFS data collection differs from the ESSA-PPE requirement in that it collects financial data in greater detail and does not collect data at a per-pupil level. The CDE anticipates modifying the existing ESSA-PPE data collection system to collect the SLFS data in addition to ESSA-PPE data. After the modifications, the data collection system will be able to separately capture both ESSA-PPE and SLFS data.

The ED has agreed to a phased-in implementation in California to allow time for LEAs to modify local systems to accommodate this new data collection. The table below summarizes the fiscal years of the data being collected, the required data for each collection window, and the collection window time frame.

For FY 2022–23 data, ESSA-PPE data submissions will satisfy the SLFS submission for that year. Beginning with FY 2023-24 data, the SFLS data collection will comprise of the

collection of Instruction (NCES Function 1000) expenditures with the remaining expenditure categories being added in FY 2024–25.

Fiscal Year of Data	Required Data	CDE Collection Window
2022–23	ESSA PPE submission	December 2023 to March 2024
2023–24	NCES Function Instruction (1000)	December 2024 to March 2025
2024–25 and beyond	NCES Functions: <ul style="list-style-type: none"> • Instruction (1000) • Pupil Support Services (2100) • Instruction Support Services (2200) • School Administration (2400) Plus, three exhibits: <ul style="list-style-type: none"> ○ Salaries paid to teachers (With NCES Function 1000) ○ Salaries paid to instructional staff or assistants (With NCES Function 1000) ○ Books and Periodicals (with NCES Functions 1000 and 2200) 	December to March of each year.

Calculating School Level Finance Survey Data

The SLFS data collection does not require that states develop new accounting structures to implement this reporting requirement. The guidance provided in this letter works within the current standardized account code structure (SACS) structure. LEAs, including charter schools, will calculate school-level SLFS data using the financial data available in their local accounting systems. To assist LEAs in understanding and calculating the data fields required by the SLFS, the CDE has created the following figures to crosswalk between the NCES codes and SACS codes.

Figure 1a — NCES Functions to SACS Functions Crosswalk shows the recommended SACS Function codes that an LEA can sum to obtain the equivalent NCES Function Code. For example, for FY 2023–24 data collection (CDE Collection Window 12/2024 to 3/2025) the requirement is Instruction (NCES Function 1000). To obtain the equivalent of NCES Function 1000 it is recommended for the LEA to take the sum of SACS Functions 1000, 1110, 1120, 1130, and 1190.

Figure 1a

NCES Function	NCES Description	SACS Function(s)
1000	Instruction	1000 - Instruction 1110 - Special Education: Separate Classes 1120 - Special Education: Resource Specialist Instruction 1130 - Special Education: Supplemental Aids and Services in Regular Classrooms 1190 - Special Education: Other Specialized Instructional Services
2100	Student Support Services	3110 - Guidance and Counseling Services 3120 - Psychological Services 3130 - Attendance and Social Work Services 3140 - Health Services 3150 - Speech, Pathology, and Audiology Services 3900 - Other Pupil Services
2200	Instructional Staff Support	2100 - Instructional Supervision and Administration 2130 - Curriculum Development 2140 - In-House Instructional Staff Development 2420 - Instructional Library, Media, and Technology 2490 - Other Instructional Resources 3160 - Pupil Testing Services
2400	School Administration	2700 - School Administration

Figure 1b — NCES Exhibits to SACS Codes Crosswalk is very similar to Figure 1a except that it requires a subsection of data previously calculated. For example, when calculating Salaries paid to teachers (NCES Function 1000; NCES Objects 1X1 and 1X3), it is recommended the LEA filter the sum of SACS Functions 1000, 1110, 1120, and 1190 by SACS Object 1100. The resulting value will be entered into the data field.

Figure 1b

NCES Description	SACS Object(s)
Salaries paid to teachers (With NCES Function 1000)	1100 - Certificated Teachers' Salaries
Salaries paid to instructional staff or assistants (With NCES Function 1000)	2100 - Classified Instructional Salaries 2200 - Classified Support Salaries 2900 - Other Classified Salaries
Books and Periodicals (with NCES Functions 1000 and 2200)	4100 - Approved Textbooks and Core Curricula Materials 4200 - Books and Other Reference Materials

Expenditure Detail

The guidelines that follow are from the National Public Education Financial Survey (NPEFS) and should be used by LEAs in determining the expenditures that should be included and excluded when submitting school-level data.

Included Expenditures

To meet the SLFS requirement, LEAs need to report all expenditures related to the day-to-day operation of their schools, and include appropriate expenditures incurred by the LEA on behalf of the school. These expenses can include staff salaries, benefits, supplies, purchased services, as well as general and school administration costs.

It is important to note that the SLFS requires actual expenditures, not budgeted or estimated, to be used.

Excluded Expenditures

Certain expenditures should be excluded when reporting school-level financial information. For example, expenditures not associated with prekindergarten through grade twelve students, such as adult education. Additionally, one-time significant

expenditures, such as facility acquisition, should be excluded as it may distort the school-level data. The CDE recommends LEAs consider the following categories for exclusion:

- Adult Education (Fund 11; Goal 4XXX)
- Capital Outlay (Function 8500; Object 6XXX)
- Community Services (Goal 8100, Function 5000)
- Debt Service (Function 9100, Object 74XX)
- Nonagency (Goals 7110 and 7150)
- Tuition (Function 9200, Object 71XX)
- Transfers (Functions 9200 and 9300; Object 72XX, 76XX)
- County Services to Districts (Goal 8600)

Reporting Central-Level Expenditures

The expenditure calculation in the central-level expenditure fields should include those districtwide expenditures that are attributable to the school. To prevent duplication of expenditures, do not include expenditures reported elsewhere in this collection effort. Examples of central expenditures include:

- General Administration
- Food Services
- Transportation Services
- Enterprise Operations

LEA CONSIDERATIONS

LEAs are ultimately responsible for the spending decisions made on behalf of their schools and are in the best position, based on LEA characteristics and governance, to identify expenditures that should be excluded and those central-level costs that benefit individual schools. To minimize the reporting burden and ensure consistency when fulfilling federal reporting requirements, the CDE recommends LEAs to use their methodology to determine inclusions/exclusions of ESSA-PPE expenditures. That said, LEAs should ensure that, to the extent possible, expenditures reflect costs that were actually incurred in educating the students at the school site. LEAs should not use an averaging methodology to distribute expenditures among their schools whenever feasible.

The CDE highly encourages LEAs to create an action plan on how they anticipate being able to capture/code the required SLFS data elements at the school level. As LEAs record FY 2023–24 financial transactions, consideration should be given to this new reporting requirement and how LEA local financial systems will capture the information needed for school-level reporting at the Instruction Function level. Moving beyond FY 2023–24, LEAs should begin planning for the additional function categories that will be required to be reported to SLFS.

Other areas for consideration:

- Use prior year financial data to prepare test SLFS data to make preliminary assessments of the outcomes and whether those outcomes meet expectations.
- Anticipate questions that may be asked by the governing board, parents, and other stakeholders, and be prepared to answer them.

CURRENT AND FUTURE EFFORTS

The CDE will provide technical assistance and support to LEAs through the implementation of the SLSF requirement. A SLSF web page (<https://www.cde.ca.gov/fq/ac/fs/>) has been developed and CDE is working on frequently asked questions and other technical resources to post on this web page. Additionally, the CDE will host technical assistance webinars in the future on the SLFS requirements. Updates and webinar announcements will be shared via the ESSA PPE listserv. If you would like to join, please send a blank message to subscribe-essa-ppe@mlist.cde.ca.gov to subscribe to our mailing list.

If you have any questions regarding the SLFS reporting requirement, please email the CDE School Fiscal Services Division, Fiscal Oversight and Support Office at SLFS@cde.ca.gov.

Sincerely,

Elizabeth Dearstyne

Elizabeth Dearstyne, Director
School Fiscal Services Division

ED:JM:rs

Procedure 425 Fair Value: Accounting and Reporting for Certain Investments

Governmental Accounting Standards Board (GASB) Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, establishes accounting and reporting standards for certain investments held by governmental entities, including school districts and county offices of education. GASB Statement 31 requires school districts and county offices to report their investments at fair value on the balance sheet.

Local educational agency (LEA) investments affected by this statement are as follows:

- Participating interest-earning investment contracts.
- External investment pools, including cash with county treasurer.
- Open-end mutual funds.
- Debt securities.
- Equity securities, option contracts, stock warrants, and stock rights.

The provisions of GASB Statement 31, as amended by GASB Statement 72, apply only to investments that (a) are held primarily for the purpose of income or profit and (b) have present service capacity based on their ability to generate cash or to be sold to generate cash. Most school districts and county offices deposit their receipts and collections of moneys with their county treasurer because they are required to by *Education Code* Section 41001, not “primarily for the purpose of income or profit.” The LEA’s cash is nonetheless in external investment pools, however, because most of the county treasurers in California sponsor external investment pools. An external investment pool commingles (pools) the moneys of more than one entity and invests, on the participants’ behalf, in an investment portfolio. Because GASB Statement 31 applies to external investment pools, LEAs should report their cash in the county treasury at fair value on the balance sheet.

GASB Statement 31 provides certain exceptions to the general rule requiring that investments be reported at fair value. These exceptions include:

- Investments with a remaining maturity of one year or less at the time of purchase
- Nonparticipating investment contracts, such as nonnegotiable certificates of deposit
- Investments in 2.a.7-like pools, which are external investment pools that adopt policies similar to those of private companies that operate under the Securities and Exchange Commission’s Rule 2.a.7 of the Investment Company Act of 1940. They invest only in short-term securities and are required to sell securities whose market values deviate more than a set percentage from amortized costs.

Determining Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined from the published market price in newspapers or trade journals and quotes from recognized stock exchanges or over-the-counter markets. For investments without a quoted

market price, the fair value may be determined by using the market price of similar instruments, discounted cash flow, or any other valuation technique that provides the best estimates. The fair value of investments in external pools (i.e., cash in the county treasury) is based on the fair value of the pools' underlying portfolio. LEAs should obtain this information from the county treasurer.

Recognition and Reporting of Investment Income

All investment income, including changes in the fair value of investments, should be recognized as revenue on the operating statement. The change in fair value of investments should be captioned "net increase (decrease) in the fair value of investments." Realized gains and losses should not be reported separately from unrealized gains and losses except in the notes to the financial statements.

There are two revenue object accounts for reporting investment income:

- Object 8660, Interest
- Object 8662, Net Increase (Decrease) in the Fair Value of Investments

All investment income other than changes in the fair value of investments should be reported in Object 8660. The change in the fair value of investments, which includes realized and unrealized gains and losses, should be reported in Object 8662.

The change in the fair value of investments is defined as the ending fair value, plus proceeds from investments maturing or sold during the year, less investment purchases made during the year, less the beginning fair value. The following examples illustrate how to calculate the changes in the fair value for cash in the county treasury and the accompanying accounting entries. The examples cover two fiscal years.

Note that Object 9110, although titled Cash in County Treasury, really represents the book value of the LEA's share of an external investment fund. However, for most purposes, Object 9110 is administered as a cash account. To avoid making noncash adjusting entries to this "cash" account, entries for unrealized gains or losses on the value of cash with the county treasurer are made to Object 9111, Fair Value Adjustment to Cash in County Treasury.

Fiscal Year 2013–14

Assume that on July 1, 2013, the school district had \$100,000 cash in the county treasury with a fair value of \$105,000. During the fiscal year, the district had deposits of \$900,000 and disbursements of \$925,000. On June 30, 2014, the district has \$75,000 cash in the county treasury with a fair value of \$78,000.

The change in fair value is calculated as follows:

Description	Amount
Fair value, ending 6-30-14	\$78,000
Add: Disbursements (comparable to proceeds of investments sold)	925,000
Less: Receipts (comparable to costs of investments purchased)	(900,000)
Less: Fair value, beginning 7-1-13	(105,000)
Net increase (decrease) in fair value for fiscal year 2013–14	\$(2,000)

Although the fair value of the cash in the county treasury at the end of the fiscal year is \$3,000 higher than the actual cash balance (\$78,000 minus \$75,000), the change in fair value during the year is a decrease of \$2,000. The reason is that the fair value of the cash in the county treasury at the beginning of the fiscal year was \$5,000 higher than the actual cash balance (\$105,000 minus \$100,000), and the \$5,000 difference would already have been recognized by the end of the prior year.

The entry is as follows:

Date	Object Title	Object Code	Debit	Credit
6-30-14	Net Increase (Decrease) in the Fair Value of Investments	8662	\$2,000	
	Fair Value Adjustment to Cash in County Treasury	9111		\$2,000
	To report the ending cash balance at fair value and the current year decrease in the fair value of investments.			

Fiscal Year 2014–15

Assume that during fiscal year 2014–15, the district had deposits of \$1,000,000 and disbursements of \$985,000. On June 30, 2015, the district has \$90,000 cash in the county treasury with a fair value of \$94,000.

The change in fair value is calculated as follows:

Description	Amount
Fair value, ending 6-30-15	\$94,000
Add: Disbursements (comparable to proceeds of investments sold)	985,000
Less: Receipts (comparable to costs of investments purchased)	(1,000,000)
Less: Fair value, beginning 7-1-14	(78,000)
Net increase (decrease) in fair value for fiscal year 2014-15	\$1,000

Although the fair value of the cash in the county treasury at the end of the fiscal year is \$4,000 higher than the actual cash balance (\$94,000 minus \$90,000), the change in fair value during the year is an increase of \$1,000. The other \$3,000 difference between the fair value of cash and the actual cash balance was already recognized at the end of the prior fiscal year.

The entry is as follows:

Date	Object Title	Object Code	Debit	Credit
6-30-15	Fair Value Adjustment to Cash in County Treasury	9111	\$1,000	
	Net Increase (Decrease) in the Fair Value of Investments	8662		\$1,000
	To report the ending cash balance at fair value and the current year increase in the fair value of investments.			

To achieve an understanding of the cumulative effect of the preceding entries and those following, it is helpful to consider the entries from the perspective of the account for Object 9111, a permanent account.

Following is a recap of the changes in Object 9111:

Account 9111 – Fair Value Adjustment to Cash in County Treasury

Activity Type and Date	Amount	Adjustment
Ending balance 6-30-13:	\$5,000	(\$105,000 Fair Value versus \$100,000 “Cash” in County Treasury)
2013–14 Change in fair value:	\$(2,000)	
Ending Balance 6-30-14:	\$3,000	(\$78,000 Fair Value versus \$75,000 “Cash” in County Treasury)
2014–15 Change in fair value:	\$1,000	
Ending balance 6-30-15:	\$4,000	(\$94,000 Fair Value versus \$90,000 “Cash” in County Treasury)

Alternative Method for Adjusting Fair Value

As an alternative, LEAs may choose to reverse their prior-year fair value adjustments for cash in the county treasury at the beginning of each fiscal year. If the LEA chooses to reverse the prior-year adjustments, the entries for 2014–15 would be as follows:

Date	Object Title	Object Code	Debit	Credit
7-1-14	Net Increase (Decrease) in the Fair Value of Investments	8662	\$3,000	
	Fair Value Adjustment to Cash in County Treasury	9111		\$3,000
	To reverse the 6-30-14 fair value adjustment to cash in county treasury.			

Date	Object Title	Object Code	Debit	Credit
6-30-15	Fair Value Adjustment to Cash in County Treasury	9111	\$4,000	
	Net Increase (Decrease) in the Fair Value of Investments	8662		\$4,000
	To report the ending cash balance at fair value and the current year increase in the fair value of investments.			

The effect on the account balances is the same by either method.

Fund Balance Classification for Unrealized Gains

The fair value of unrealized gains of investments is reported in the same fund balance classification as the underlying investment.

Materiality of Adjustments to Fair Value

Generally accepted accounting principles (GAAP) require that LEAs report their cash in the county treasury at fair value. However, like all other GASB statements, GASB Statement 31 states that it does not apply to nonmaterial items. For many LEAs, the difference between the fair value and the book value of their cash in the county treasury may not be material.

If an LEA chooses not to record the adjustment necessary to report its cash with the county treasurer at fair value, the LEA’s independent auditor must determine whether the omission is material enough to the financial statements to require an adjustment and whether the LEA’s departure from GAAP is significant enough to impact the auditor’s opinion on the financial statements.

Current Expense Formula and Reporting – SACS Form CEA

Procedure 29

Revised 2/2018

I. OVERVIEW

- A. Education Code Section 41372 requires that elementary, unified and high school districts expend at least 60%, 55%, and 50% of their current cost of education, respectively, for classroom teacher and aide salaries, plus associated benefits. Each school district is required to complete the Standardized Account Code Structure (SACS) Form CEA, “Current Expense Formula/Minimum Classroom Compensation – Actuals,” and submit it with their unaudited actuals report to allow their county office of education to determine whether the district complies with Education Code Section 41372.

SACS also includes an optional Form CEB, “Current Expense Formula/Minimum Classroom Compensation – Budget,” supplemental report with budget adoption software. Both Form CEA and Form CEB are populated by the SACS software and allow the user to adjust (or override) the reduction amounts if necessary. Although it is optional, districts should be encouraged to complete the Form CEB report to help avoid problems meeting the required percentage levels at year end.

- B. Form CEA (or CEB) calculates the total classroom compensation percentage (objects 1000-3999 and functions 1000-1999) of the total actual expenditures in the general fund 01. The SACS software excludes certain resources, objects, goals and functions, from both classroom compensation and total expenditures. These exclusions eliminate expenditures of any program that does not allow classroom compensation costs or any restricted resource for which the specified funding use precludes compliance with Education Code Section 41372 requirements. A current list of SACS software expense reductions can be found in the *SACS Software User Guide* within the SACS software.
- C. Districts with less than 101 units of ADA in the previous year are excluded from the CEA requirement. In addition, Education Code Section 41374 states that Education Code Section 41372 shall not apply to districts that maintain all “individual class sessions” with equal to or less than the following number of pupils in attendance:
1. An elementary school district – 28 pupils
 2. A high school district – 25 pupils
 3. A unified school district:
 - a. Grades K-8 – 28 pupils
 - b. Grades 9-12 – 25 pupils
 - c. Grades 7-9 of a junior high school shall be deemed to be high school grades for the purposes of this section.

“Individual class session” shall not include classes in grades K-8 in the following subjects: visual and performing arts, industrial arts, and physical education. In grades 9-12, classes in commercial arts, visual and performing arts, industrial arts, vocational arts, and physical education shall not be included. In addition, grades 9-12 shall not include any two or more classes that come together for joint lectures or demonstrations.

Current Expense Formula and Reporting — SACS Form CEA

Procedure 29

Revised 2/2018

II. COUNTY OFFICE RESPONSIBILITIES

- A. County offices of education (COEs) must review the Form CEA supplemental report to ensure that school districts comply with Education Code Section 41372. Form CEA is a required component of a district's unaudited actuals report. The SACS software also includes an optional Form CEB supplemental report. COEs may request that the district also complete CEB forms at budget adoption.
- B. If, upon review of the district's Form CEA report, it is determined that the district does not meet the required level of expenditure in classroom compensation, the board may apply in writing to the county superintendent of schools for a waiver no later than September 15 of the second fiscal year after the fiscal year for which the district received the audit finding. The waiver can be granted for the following reasons:
 - 1. The application of Education Code Section 41372 would result in a serious hardship to the district.
 - 2. The application of Education Code Section 41372 would result in the district paying its classroom teachers salaries that exceed those of other districts of comparable type and functioning under comparable conditions.
- C. The county superintendent of schools, upon receipt of the district's application:
 - 1. Shall grant the waiver if the deficiency amount is less than \$1,000.
 - 2. May grant an exemption based on the merits of the application if the deficiency is more than \$1,000.
- D. If the waiver is granted or the district makes the expenditure in the current fiscal year (the fiscal year after the fiscal year for which the district received the audit finding), the district's deficiency is considered remedied and no further action is required.
- E. If a waiver application is not received, is approved for less than 100% of the deficiency, or is denied, the county office of education is required to designate an amount from apportionments made to the school district after April 15 in the current fiscal year equal to the apparent deficiency in district expenditures. The amount shall be deposited in the county treasury to the credit of the school district, but shall remain unavailable for expenditure by the district. The county superintendent shall order the designated amount (or amount not exempted) to be added to the amounts to be expended for classroom teachers' salaries during the next fiscal year.
- F. Sample Timeline (dates are given as examples only to clarify the timeline progression):

Current Expense Formula and Reporting – SACS Form CEA

Procedure 29

Revised 2/2018

Fiscal Year 1	2015-16	9/15/2016	FY1 Unaudited Actuals Form CEA shows district has a deficiency and is not exempt.
Fiscal Year 2	2016-17	12/15/2016	FY1 Audit Report is completed and contains a finding that the district has a CEA deficiency. Districts that qualify may apply for a waiver beginning with the issuance of the audit report as part of their corrective action plan.
		4/15/2017	If a waiver has not been received, or a waiver has been approved for less than 100% of the deficiency, or a waiver has been denied, the county superintendent sets aside the FY1 deficiency amount out of apportionments received after April 15.
Fiscal Year 3	2017-18	9/15/2017	This is the latest date an LEA can apply for an exemption.
			The county superintendent reviews exemption applications and either grants the exemption or orders the district to make the expenditure.
Fiscal Year 4	2018-19	7/1/2018	If ordered to do so by the county superintendent, the district must add non-exempted amounts to teacher salaries.

- G. The county superintendent of schools shall enforce the requirements prescribed by Education Code Section 41372 and may adopt necessary rules and regulations to that end.

III. COMPLETION OF FORM CEA AND POTENTIAL ISSUES

- A. Form CEA (or CEB) is completed automatically from data imported into SACS software.
- B. The only modification allowed to the amounts imported and calculated by SACS software is an optional adjustment in the “Reductions (Overrides)” column. This may be needed if expenditures that should be excluded are not already excluded by SACS software. For example, expenditures in the following resources, Other Federal – 5810, Other State – 7810, or Other Local – 9010, are not already excluded by an ineligible object, goal or function. An evaluation of the expenditures that roll up to these resources may be needed to determine if additional reductions are warranted based on the funding source or program they support (Ref. D7 below).

Districts should provide documentation or explain reduction override amounts, and these amounts should be verified by the county office of education.

- C. The district can enter an “X” on line 16 to indicate that it is exempt based on Education Code Section 41374. The district should provide documentation regarding class size to support the determination.
- D. If the district does not meet the required percentage, thus generating a deficiency in Part III, the district and/or county office of education should look for potential coding errors and other issues

Current Expense Formula and Reporting — SACS Form CEA

Procedure 29

Revised 2/2018

that would affect the CEA formula. The goal is to accurately show classroom compensation included in the formula (Part II – Minimum Classroom Compensation) and appropriately reduce or eliminate other costs from the total expenditures section (Part I – Current Expense Formula). Below are some examples of things to look for.

1. Classroom teachers and other classroom staff should be coded to function 1###, e.g., classroom aides, tutors, or other staff providing direct educational services.
2. Whenever possible, classroom teachers and direct instructional support staff costs should not be coded to any resource excluded from the CEA calculation. Direct instructional support staff costs in Lottery RS 1100 are included in Part II.
3. Expenditures coded to Lottery — RS 1100 and 6300 — are excluded in Part I. Review the possibility of reclassifying additional expenditures to these resources as appropriate. An increase in lottery expenditures will lower the total expenses in Part I.
4. Review expenditures coded to functions 2100, 2130, 2140 to make sure that staff salaries or staff development costs, including substitutes, are not recorded here; these expenditures should be recorded as function 1000.

The California School Accounting Manual (CSAM) states the following under function 2140:

A fee paid for an employee to attend a conference, or a salary stipend for attending a staff development conference, should follow the function of the employee. For example, the cost of a classroom teacher improving his or her ability to teach is an instructional cost, an “activity dealing directly with the interaction between teachers and students,” and should be charged to Function 1000.

5. Look for costs that should be coded to the goals and functions deducted in Part I (e.g., non-agency, community services, food services) but that currently are not. For example, for expenditures for shared staff and services among agencies, the contracted portion could be coded as non-agency. Also, if the district operates a childcare program, that could be a community services goal. Coding to excluded goals or function codes reduces the total expenses in Part 1.
6. Review cost sharing between the district’s general fund and other funds or dependent charters. Are they using object 5750 to transfer program support costs or recording a fund transfer as payment for support costs? Using object 5750 will decrease costs in the general fund, thereby reducing total expenditures in Part 1.
7. Review expenditures coded to restricted “other” resources that are not included in the SACS software’s exemption list. Should they be in the formula? Are they restricted for a purpose that excludes their use for salaries and benefits of classroom staff (e.g., equipment, facilities, supplies only, staff development)? If so, manually removing them in column 4b would reduce overall expenses in Part 1.

Current Expense Formula and Reporting — SACS Form CEA

Procedure 29

Revised 2/2018

8. Review expenditures in functions 8000-8999 for plant services in the general fund that may qualify as expenditures for deferred maintenance or capital projects funds. Moving these costs to other funds will decrease costs in the general fund, thereby reducing total expenditures in Part 1.

IV. RESOURCES

Following are links to two spreadsheets designed to help identify and document reductions/overrides in addition to those that are automatically extracted in the calculation of CEA, and a link to an application for exemption from the CEA deficiency penalty:

1. [Multiyear CEA template long form with data retrieval instructions](#)
2. [Single-year CEA template short-form](#)
3. [Application for Exemption from the Required Expenditures for Classroom Teachers' Salaries](#)

Application for Exemption from the Required Expenditures for Classroom Teachers' Salaries

Pursuant to Education Code Section 41372

To: County Superintendent of Schools

For _____ fiscal year, the _____ School District did not spend the minimum percentage of its budget on classroom teacher salaries as required by *EC* Section 41372. We are requesting an exemption from this requirement as provided by law.

Reason for request (Check one):

- _____ Serious hardship to the school district
(Please attach a written explanation, the district's latest interim report, and a multiyear projection for the current and two subsequent fiscal years that reflects the financial impact of meeting the requirement of *EC* 41372.)
- _____ Payment of classroom teacher salaries that are in excess of those paid by other comparable school districts
(Please attach a classroom teacher salary & benefits comparison for at least three other comparable school districts. The comparison should include annual classroom teacher salaries paid at the beginning, average, and maximum salary levels plus the average annual employer contributions for health & welfare benefits.)
- _____ Deficiency is less than \$1,000.00 (exemption is automatically approved)

A. Deficiency Amount

(Source: Form CEA)

1. Enter the minimum percentage for your district type. _____ %
(60% Elementary/ 50% High School/ 55% Unified)
2. Enter the percentage spent by your district. _____ %
3. Percentage below the minimum. _____ %
(Line 1 minus line 2)
4. Enter the district's current expense of education (Form CEA) \$ _____
5. Deficiency Amount. \$ _____
(Line 3 times line 4)

B. Certification of the School District Governing Board

It is hereby certified that the information contained in this application is true and correct.

Signature of Authorized Official

Board President
Title

Print Name of Authorized Official

Date

C. Decision of the County Superintendent of Schools
(Completed by the County Superintendent of Schools or Designee)

Based on my review of the information contained with this application, I have taken the following action with respect to the school district named on this application (Check one):

_____ I am granting the request for exemption from the requirements of *Education Code* Section 41372.

_____ I am granting a partial exemption from the requirements of *Education Code* Section 41372. The amount not exempted is \$ _____ (A written explanation of the reason(s) for approving a partial exemption is attached.)

_____ I am denying the request for exemption from the requirements of *Education Code* Section 41372. (A written explanation of the reason(s) for denying the exemption is attached.)

It is hereby certified that the information contained in this application has been reviewed and is true and correct.

Signature of County Superintendent

County Office/Date

Signature of Authorized Designee

Title of Authorized Designee/Date



FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Proposition 28 Audit Procedures Published

BY MATT PHILLIPS, CPA

BY WENDI MCCASKILL

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posted March 5, 2024

The Education Audit Appeals Panel (EAAP) posted the 2023-24 supplemental audit guide which includes additions and amendments to the original 2023-24 audit guide that was released in July 2023. The audit guide details audit procedures to standardize the testing performed by independent auditors as part of compliance with [Education Code Section \(EC § 41020\)](#), which requires local educational agencies (LEAs) to engage in an annual audit of their financial statements.

One of the most intriguing additions this year is related to the funding generated from Proposition 28, Arts and Music in Schools. Recall that voters passed Proposition 28, which provides an additional 1% of funding, relative to the Proposition 98 guarantee, and the funding is intended to supplement services for art education. A number of questions were outstanding when the Education Code was established, and the audit procedures will provide some clarity on what the auditors will review beginning with the 2023-24 fiscal year audit. The audit procedures include the following steps:

- **Certification**—LEAs are required to certify each year that the funding will be used to supplement, not supplant, arts education funding. Auditors will review the certification to verify that it was completed in accordance with law. Note that the California Department of Education (CDE) made certification available through an optional data entry screen in the Principal Apportionment Data Collection for the purpose of meeting the certification requirements.
- **Annual reporting**—LEAs must annually approve a report, post the report on the LEA’s website, and submit the report to the CDE for posting on the CDE’s website. The format of the report will be developed and provided by the CDE. Note that LEAs must develop an expenditures plan for each school site, but the school site plans are not subject to the annual audit procedures.
- **Expenditures**—LEAs must expend funds for arts education programs. Auditors will sample expenditures and verify that the expenditures were in accordance with [EC § 8821\(a\)](#).
- **Supplement, not supplant**—LEAs must use the funds to supplement existing funds used for arts education programs. Auditors will review documentation of revenue and arts education programs expenditures provided by the LEA to show that the Proposition 28 funds supplemented existing funds using the following format:

A.	Total expenditures for arts education program in the prior fiscal year
B.	Less: Expenditures from (A.) that were from Resource 6770
C.	Less: Expenditures from (A.) that were from funding sources, excluding Resource 6770, not available in the audit year
D.	Plus: Revenue from resources newly available in the audit year for arts education programs, excluding Resource 6770

E.	Determine the amount of audit year expenditures on arts education programs, excluding expenditures from Resource 6770
F.	Verify (E.) is equal or greater to the sum of (A. – D.)

- **80/20 rule**—LEAs must spend at least of 80% of the funds on certificated or classified salaries and benefits that align with arts education programs. Auditors will review annual expenditures to verify that no less than 80% was for allowable salaries and benefits. The exception to this rule is if an LEA has obtained a waiver, or if the LEA has enrollment of less than 500 students.
- **Administrative costs**—LEAs can charge up to 1% of administrative costs, including indirect costs. Auditors will verify that no more than 1% of administrative costs were charged.

The audit procedures provide a framework so that LEAs will know how auditors are required to verify compliance with the law which is codified in [EC § 8820-8822](#). The full text of the revised audit guide can be found [here](#). For more information on this topic, and other items in the audit guide, please join for us for our upcoming webinar, “[The Audit Challenge—Updated and New Considerations](#).”



FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Ask SSC . . . TK Ratio and Classroom Requirements

 **BY DANYEL CONOLLEY**

 **BY PATTI F. HERRERA, EDD**

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posted March 7, 2024

Ask SSC . . . My district is in the midst of planning for staffing of our TK classrooms next year. Can you remind us what the ratio and class size limits are for TK classrooms?

As local educational agencies (LEAs) plan for staffing the 2024-25 school year, it is a good time to revisit the transitional kindergarten (TK) staffing options. TK staffing requirements are especially important for LEAs that are planning to adjust staffing levels, and/or dealing with uncertainty in enrollment. We understand that the 2023 Budget Act's changes to classroom ratios and class sizes limits for TK classrooms that enroll children with summer birthdays created a lot of confusion for LEAs. In addition, the "rolling" timelines for ratios and TK certification requirements require frequent review to ensure compliance with the law, so we created the following table to help provide clarity.

TK Classroom Requirements for the 2024-25 School Year

TK Class Composition* (student birthdays)	Classroom Ratio	Class Size Maximum
September 2-June 2 Child turns five during this time in their TK enrollment year	12:1 average per school site	24 average per school site
June 3-September 1 Child turns four years old during this time in the school year preceding their TK enrollment year	10:1 per classroom	20 per classroom

*Classroom enrolls at least one child that meets the date range

It is important to understand that for classrooms that enroll at least one "early enrollment" TK student, the ratio and class size limits are per classroom and are not averaged across all TK classrooms at a school site. This is different from how compliance with regular TK classrooms with no "early enrollment" TK students is measured, which is based on school site averages. Remember, TK combination classes are an option and LEA program design may include classrooms with TK and kindergarten, TK and preschool, and/or comingled classrooms across the range from age-eligible, funded to early enrollment TK students. Combination classroom ratios should be staffed at the most restrictive ratio requirements.

Finally, while we have focused on ratio and class size requirements for TK classrooms for the 2024-25 school year, there are two more important considerations for out-year planning:

TK Teacher Qualifications: By August 1, 2025 (or by the 2025-26 school year), TK classrooms must have at least one credentialed teacher who was either first assigned to a TK classroom on or before July 1, 2015, or one assigned after that date who has one of the following:

- At least 24 units in early child education or child development, or both;
- A child development teacher permit or an early childhood education specialist credential issued by the Commission on Teacher Credentialing; or
- Been determined by their LEA employer to have the professional experience in a classroom with preschool-age children comparable to 24 units of education

TK Classroom Ratios: Current law will require all TK classrooms to maintain classroom ratios of ten students to every one adult, which is not based on school site averages, beginning in the 2025-26 school year.

Given the condition of the State Budget and its impact on education funding, there are efforts to have the Legislature reconsider some of these policies, including the requirement for all TK classrooms to be staffed at 10:1. However, unless and until the Legislature and Governor Gavin Newsom change the law, LEAs should plan to meet the conditions of current law.

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Inflation Shows Persistence

 **BY PATTI F. HERRERA, EDD**

 **BY WENDI MCCASKILL**

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posted March 13, 2024

The U.S. Bureau of Labor Statistics reported yesterday, March 12, 2024, that the Consumer Price Index (CPI)—the U.S. measure of inflation—increased to 3.2% in February, up slightly from January's 3.1% year-over-year figure, and is higher than economists predicted. The increase is attributable primarily to the continued rise in the shelter and energy indexes.

February core inflation, which excludes the costs for food and energy, came in at 3.8% year over year. This represents a slight decrease from the 3.9% core inflation reported for January. Shelter saw a 5.7% year-over-year increase and accounts for approximately two-thirds of the core inflation rise. Also notable, motor vehicle insurance showed a 20.6% year-over-year climb.

The Atlanta Federal Reserve's sticky-price index or sticky-price CPI was also updated yesterday. The sticky-price CPI is calculated based on a subset of goods and services included in the CPI that are less volatile to price fluctuations. Due to the infrequency with which these goods and services change in price, they are thought to better incorporate inflation expectations. Examples of sticky-price items include motor vehicle maintenance and repair, personal care products and services, and household furnishings. On an annualized basis, the overall sticky-price CPI increased by 4% and the core sticky-price CPI (exclusive of food and energy) increased 4.3% in February. The 12-month increase for both was 4.4%.

The concern on the part of economists is that the "stickiness" of inflation will make it more difficult for inflation to reach the 2% goal set by the Federal Reserve Board and delay the anticipated reduction to the federal funds rate.

At the start of the day, all three stock market indexes were showing losses in response to the slightly higher-than-forecasted inflation figures. At the day's close, however, Wall Street showed gains across all three indexes with the Dow Jones Industrial Average up by 0.61%, S&P 500 up about 1.2% to a new record high, and Nasdaq increasing by 1.5% after two days of losses.



FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Top Legislative Issues—March 15, 2024

 **BY SSC GOVERNMENTAL RELATIONS TEAM**

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Both the Assembly Education Committee, chaired by Assemblymember Al Muratsuchi (D-Torrance), and the Senate Education Committee, chaired by Senator Josh Newman (D-Fullerton), will hold their first hearings to consider 2024 bills next Wednesday, March 20, 2024.

The Assembly Education Committee has 31 bills slated to be heard, while the Senate Education Committee is scheduled to consider 16 measures.

The March 20 hearings will be the only education policy committee hearings scheduled prior to the Legislature leaving for spring recess, which begins upon adjournment on March 21. This means that the next time the two education committees meet will be on Wednesday, April 3, the week the Legislature returns.

Once they do return from spring recess, the Legislature will only have four weeks to ensure that bills marked as fiscal clear first-house policy committees. Nonfiscal bills have an additional week to meet this deadline.

To jump to certain topics, click on any of the appropriate links below:

- [Employees](#)
- [Instruction](#)
- [Miscellaneous](#)
- [School Safety and Student Discipline](#)
- [Special Education](#)
- [Student Health](#)
- [Legislative Calendar](#)

Employees

Assembly Bill (AB) 1913 (Addis, D-Morro Bay)—**Pupil Safety: Child Abuse Prevention: Training.** This bill would require local educational agencies (LEAs) to provide annual training to employees on prevention of abuse, including sexual abuse, of children on school grounds, by school personnel, or in school-sponsored programs. The training may be incorporated into mandated reporter training and is not intended to add to the duration of existing training requirements, but instead alter the content of those training requirements.

AB 2328 (Fong, D-Alhambra)—**Classified Employees: School and Community College Districts: Merit System: Disciplinary Action.** In a non-merit system district, existing law prohibits disciplinary action against a classified employee for any cause that arose before the employee became permanent, or for any cause that arose more than two years preceding the date of the filing of the notice of cause, unless the cause was concealed or not disclosed by the employee when it could be reasonably assumed that the employee should have disclosed the facts to the employing district. This bill would apply the same prohibition on disciplinary actions against classified employees in merit system districts.

AB 2901 (Aguiar-Curry, D-Winters)—**School and Community College Employees: Paid Disability and Parental Leave.** The bill would require a public school employer and community college district to provide up to 14 weeks of a leave of absence with full pay for an employee who is required to be absent from duty because of pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions. The bill would authorize the paid leave to begin before and continue after childbirth if the employee is actually disabled by pregnancy, childbirth, termination of pregnancy, or a related condition. The bill would prohibit a leave of absence taken pursuant to these provisions from being deducted from other leaves of absence.

Instruction

AB 2429 (Alvarez, D-San Diego)—**Health Education Courses: Fentanyl.** This bill, which will be heard in the Assembly Education Committee next week, would require a school district or charter school that requires a course in health education to graduate from high school to include, beginning with the 2026-27 school year, instruction in the dangers associated with fentanyl use. The instruction would be required based on information from the National Institutes of Health and the United States Department of Health and Human Services.

Miscellaneous

AB 2724 (Reyes, D-Colton)—**High School Pupils: Voter Registration.** This bill, which will be heard in the Assembly Education Committee next week, would require, instead of authorize, the administrator of a high school to appoint one or more students to be voter outreach coordinators. Additionally, the bill would require, beginning with the 2026-27 school year, school districts and charter schools to ensure that each of their students receive information on how to properly preregister to vote at least once before the student completes grade 11.

AB 2771 (Maienschein, D-Winters)—Pupil Attendance: Schoolsite Absence Intervention Teams. Current law establishes multiple state funding formulas that are calculated primarily based on student attendance. Attendance-based funding provides the majority of funding to California LEAs. In addition to attendance for funding purposes, LEAs report and track student attendance for the purpose of meeting chronic absentee reporting requirements. The California Department of Education (CDE) coordinates and administers a State School Attendance Review Board and, under current statute, county and local school attendance review boards are permitted to be established.

Student attendance rates have been slow to recover to pre-pandemic levels statewide and many LEAs have implemented additional chronic absentee interventions to mitigate against low rates of student attendance. This bill would require the CDE, by the 2026-27 school year, to provide information through its website regarding specified methods of reducing chronic absenteeism, some examples of which include home visits, counseling, and wellness check-ins, and the formation of schoolsite absence intervention teams.

School Safety and Student Discipline

AB 2351 (Lowenthal, D-Long Beach)—Suspensions and Expulsions: Acts Occurring Outside of School Hours. Current law establishes conditions under which pupils are suspended or recommended for expulsion from school and specifies that the acts that cause suspension or recommended expulsion must be related to a school activity or school attendance occurring at any time including while going to and coming from school. Statute also provides that sexual harassment, hate violence, intentionally engaging in harassment, threats, or intimidation, directed against school district personnel or pupils, that is sufficiently severe or pervasive to have the actual and reasonably expected effect of materially disrupting classwork, creating substantial disorder, and invading the rights of either school personnel or pupils by creating an intimidating or hostile educational environment; or a pupil, of any grade, terroristic threats against school officials or school property, or both are all actions that would be cause for suspension or recommended expulsion.

The provisions of this bill would permit suspension or recommendation for expulsion if the above-described acts occur during or outside of school hours in the event that the conduct that is speech or other communication, when engaged in outside of the campus, is sufficiently severe or pervasive to have the actual and reasonably expected effect of materially disrupting classwork, creating substantial disorder, or invading the rights of either school personnel or pupils by creating an intimidating or hostile educational environment. This measure specifies that speech or other communication that is constitutionally protected would not be cause for suspension or recommended expulsion.

Special Education

AB 438 (Rubio, D-Baldwin Park)—Individualized Education Programs: Postsecondary Goals and Transition Services. This bill would, beginning July 1, 2025, change the minimum age that an Individualized Education Program (IEP) needs to include appropriate measurable postsecondary goals and transition services needed to attain those goals from age 16 to when the student starts their high school experience and not later than when the student is 16 years of age, effective July 1, 2025. If the IEP team determines that the pupil would benefit

from the postponement of the inclusion of appropriate measurable postsecondary goals and transition services until 16 years of age, rather than when the pupil begins their high school experience, the IEP team is encouraged to appropriately justify the basis for that postponement.

Student Health

Senate Bill 997 (Portantino, D-Burbank)—Student Health: Naloxone Hydrochloride Nasal Spray and Fentanyl Test Strips. This bill, which will be heard in the Senate Education Committee next week, would permit LEAs to adopt a policy that allows middle school and high school students to carry a federally approved naloxone hydrochloride nasal spray for the emergency treatment of persons suffering from an opioid overdose. The bill would require middle schools and high schools to stock fentanyl test strips in a secured location and distribute the test strips, with written instructions, as needed. Middle schools and high schools would also be required to notify students of the presence and location of the test strips.

2024 Legislative Calendar—Upcoming Holidays and Deadlines

March 21—Spring recess begins upon adjournment

March 29—Cesar Chavez Day observed

April 1—Legislature reconvenes from spring recess



FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Critical Deadlines and Funding Opportunities—March 4, 2024

✓ BY WENDI MCCASKILL

✓ BY TEDDI WENTWORTH

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posted March 4, 2024

(New items, if any, are listed in bold so you can see at a glance what has been added.)

Critical Deadlines—Reporting or Action Dates	
Issue	Deadline
<ul style="list-style-type: none"> Second Interim (Actuals through January 31) <ul style="list-style-type: none"> Charter school Second Interim due to chartering authority and county office of education (COE) (Education Code Section [EC §] 47604.33[a][4]) 	3/15/24
<ul style="list-style-type: none"> Second Interim (Actuals through January 31) <ul style="list-style-type: none"> District Second Interim due to COE (also to State Superintendent of Public Instruction [SSPI] and State Controller's Office [SCO] if qualified or negative) (EC § 42131[a][1] and [2]) COE Second Interim due to SSPI (EC § 12401[1][A] and [B]) 	3/18/24 ¹
<ul style="list-style-type: none"> Second Interim Status Report <ul style="list-style-type: none"> COE must notify SSPI and SCO of district Second Interim certifications (EC § 42131[c]) 	4/16/24 ¹
<ul style="list-style-type: none"> District Qualified/Negative Interims <ul style="list-style-type: none"> COE must report to SSPI and SCO on district qualified or negative Second Interim reports (EC § 42131[a][2]) 	4/16/24 ¹
<ul style="list-style-type: none"> Federal Cash Management Data Collection <ul style="list-style-type: none"> Cash balance to be reported regardless of the fiscal year from which the funds originated Reporting Period 4 Start Date: April 10 	4/30/24
<ul style="list-style-type: none"> Audit Status Report <ul style="list-style-type: none"> COE must certify to SSPI and SCO that local educational agency (LEA) prior-year audits were reviewed and must identify attendance-related exceptions involving state funds (EC § 41020[k]) 	5/15/24

¹Date calculated as prescribed in law

Plan Deadlines		
Plan	Link to Plan Template/More Information	Deadline
Expanded Learning Opportunities Program Plan	https://www.cde.ca.gov/ls/ex/documents/eloppprogplanguide.pdf	N/A per current law
ESSER ¹ I, II, and III Quarterly and Annual	https://www.cde.ca.gov/fg/cr/anreporhelp.asp	Various— https://www.cde.ca.gov/fg/cr/reporting.asp
GEER ² I Annual	https://www.cde.ca.gov/fg/cr/anreporhelp.asp	Various— https://www.cde.ca.gov/fg/cr/reporting.asp
Homeless Children and Youth II Fund	https://www.cde.ca.gov/fg/cr/reporting.asp	Various— https://www.cde.ca.gov/fg/cr/reporting.asp

Arts, Music, and Instructional Materials Discretionary Block Grant	<u>Assembly Bill 181 Section 134.</u>	Discuss and approve a plan for expenditure; no specified deadline
Home-to-School Transportation	<u>EC § 39800.1</u>	Develop and adopt a plan on or before April 1, 2023, and update annually thereafter
Literacy Coaches and Reading Specialist Grant	<u>Senate Bill 114 Section 104.</u>	On or before June 30, 2024—Report interim use of funds to the CDE ³ ; By June 30, 2027—Report final expenditures to the CDE
Learning Recovery Emergency Block Grant	<u>EC § 32526(d)(1).</u>	By December 15, 2024, and annually thereafter—Report interim expenditures to the CDE; No later than December 15, 2029—Report final expenditures to the CDE

¹Elementary and Secondary School Emergency Relief

²Governor’s Emergency Education Relief

³California Department of Education

Funding Opportunities (For program website, click program name.)		
Description	Amount	Deadline
<u>ESSA¹ Comprehensive Support and Improvement LEA, Fiscal Year 2023-24.</u>	Various	3/4/24
<u>ESSA Comprehensive Support and Improvement COE</u>	Various	3/4/24
<u>Education for Homeless Children and Youth (LEAs).</u>	Various	3/7/24
<u>Education for Homeless Children and Youth Program (COEs).</u>	Various	3/7/24
<u>California Serves Grant Program</u>	Various	3/11/24
<u>Inclusive Early Education Expansion Program 2023-27.</u>	Various	3/15/24
<u>Golden State Pathways Program Consortium Grant</u>	Various	3/19/24
<u>Golden State Pathways Program Planning and Implementation Grant</u>	Various	3/19/24
<u>Family Empowerment Centers on Disability Grant</u>	Various	3/22/24
<u>College and Career Access Pathways Grant</u>	Various	3/29/24
<u>Middle College and Early College Grant</u>	Various	3/29/24
<u>Consolidated Application (ConApp)</u>	Various	3/31/24
<u>2023-24, Classified School Employee Summer Assistance Program</u>	Various	4/1/24
<u>Achieving Success in Positive Interactions, Relationships, and Environments</u>	Various	4/4/24
<u>Migrant Education Program</u>	Various	4/5/24
<u>After School Education and Safety</u>	Various	4/16/24
<u>Learning Communities for School Success Program: Cohort 8</u>	Various	5/1/24
<u>Middle School Foundation Academies Planning and Implementation Grant</u>	Various	5/1/24
<u>Specialized Secondary Programs Grant 2024-25</u>	Various	5/29/24

¹Every Student Succeeds Act

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Workshop Spotlight - March 15, 2024

UPCOMING WORKSHOPS

Workshop	Date(s)	Locations
<u>The Audit Challenge—Updates and New Considerations</u>	Mar. 19, 2024	Webinar
<u>Making Financial Decisions for Maximum Impact</u>	Mar. 23, 2024	Various
<u>Recruitment Solutions Reimagined</u>	Mar. 26, 2024	Webinar
<u>Independent Study—Compliance and Best Practices</u>	Apr. 2, 2024	Webinar
<u>SACS 101—Budget Development</u>	Apr. 16, 2024	Webinar
<u>Maintenance of Effort Monitoring—Beyond the Basics</u>	Apr. 23, 2024	Webinar
<u>Employee Complaints and Investigations</u>	Apr. 30, 2024	Webinar
<u>Construction Basics and Accounting</u>	May 7, 2024	Webinar
<u>May Revision Workshop</u>	May 21, 2024	Webinar
<u>Special Education—Both Sides of the Equation</u>	Jun. 25, 2024	Webinar

If you are interested in a topic, but are unable to attend the live webinar, all of our webinars are recorded and available for on-demand viewing for 90 days. SSC can also bring the workshop to your district or county office of education. Go to the [Workshop](#) page on our website and "Request A Workshop."

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CASBO



Leaves of Absences
- 3/21/2024 - Virtual
21 March 2024



Public Works Simplified
- 3/26/2024 - Virtual
26 March 2024



Innovating School Business with AI
Wed., March 27, 2024
27 March 2024



Payroll Concepts
- 3/28/24-3/29/24 - Virtual
28 - 29 March 2024



CASBO CON 24
Golf Tournament
7 April 2024



CASBO 2024 Annual Conference & California School Business Expo
7 - 10 April 2024



Year-End Closing
- 4/16/2024 - Virtual
16 April 2024



Standardized Account Code Structure: Basic Concepts
- 4/17/2024 - Virtual
17 April 2024



Standardized Account Code Structure: Advanced Concepts
- 4/18/2024 - Virtual
18 April 2024



CalSTRS/CalPERS: Retirement Concepts
- 4/23/2024 - Virtual
23 April 2024



Understanding RFP & Bidding Processes
- 4/25/2024 - Virtual
25 April 2024



Payroll Concepts
- 4/30/2024 - Virtual
30 April 2024



Year-End Closing
- 5/2/2024 - Virtual
2 May 2024



Contracting with Confidence
- 5/7/2024 - Virtual
7 May 2024



Standardized Account Code Structure: Basic Concepts
- 5/15/2024 - Virtual
15 May 2024



Year-End Closing
- 5/23/2024 - Virtual
23 May 2024



Standardized Account Code Structure: Advanced Concepts
- 5/24/2024 - Virtual
24 May 2024



Payroll Concepts
- 5/30/24-5/31/24 - Virtual
30 - 31 May 2024



Year-End Closing
- 6/4/2024 - Virtual
4 June 2024



Advanced Principles of School Law for the CBO
- 6/5/2024 - Virtual
5 June 2024



Purchasing 101 & 201
- 6/11/2024 - Virtual
11 June 2024



CalSTRS/CalPERS: Retirement Concepts
- 6/13/2024 - Virtual
13 June 2024