

SCOE BIZ

Business Services Bulletin No. 25-05



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September 26, 2024

To: District and Charter Business Services
From: Sarah Lampenfeld, Director, External Fiscal Services
Subject: September 2024 Edition

State of the State

Preliminary General Fund agency cash receipts were \$710 million, or 5.5%, above the forecast or August, per California's Department of Finance's September Finance Bulletin. The strength in the cash receipts was largely due to sales tax and personal income tax which exceeded the forecasts.

- ✚ **Personal income tax (PIT) receipts** for August were \$332 million above the forecast of \$8.057 million. The strength in Personal income tax was primarily due to withholding exceeding the forecast by \$225 million and refunds being \$140 million less than expected.
- ✚ **Corporation tax receipts** for August were \$1 million, or -0.4%, below the forecast of \$277 million. Corporation tax receipts remain \$1.9 billion above forecast cumulatively since April, due to other payments exceeding the forecast by \$884 million and higher estimated payments of \$669 million.
- ✚ **Sales and use tax receipts** for August were \$435 million, or 12.1%, above the forecast. The gain is related to the timing of collections as higher-than-expected cash receipts shifted from July to August (same thing happened last year).

Economic Update: U.S. GDP grew at a 3% seasonally adjusted annualized rate (SAAR) in the second quarter of 2024. The upward revision was driven mainly by a 0.4%-point increase in personal consumption, which contributed 2% of the overall GDP growth. U.S. headline inflation slowed to 2.5% year-over-year in August 2024, down 0.4% point from July 2024 and its lowest level since February 2021. Since August, on September 18th the Federal Reserve reduced the federal funds rate by a half-point to 4.75%-5%. Core inflation is moving towards 2%.

Fall 2024 Stimulus Funding Reporting Window Opened September 23rd

The Fall 2024 stimulus funding reporting window **opened September 23rd and remains open through October 11th** for LEAs to report their July 1, 2024, through September 30, 2024 expenditures on the following funds:

CRRSA Act:

- ✚ ESSER II, Resource 3212 (liquidation reporting only)

ARP Act:

- ✚ ESSER III, Resource 3213 and 3214
- ✚ Homeless Children and Youth (HCY) Fund II, Resource 5634

ELO-G funds (State Reserve funds)

- ✚ ESSER III, Resource 3218
- ✚ ESSER III, Resource 3219

LCAP Submission Window

Senate Bill 609 requires that all LEAs upload their most recent Local Control and Accountability Plan (LCAP) to the California School Dashboard (Dashboard), beginning with the 2024 Dashboard. Specifically,

- ✚ School Districts must upload a portable document file (PDF) of the 2024–25 LCAP that has been **approved** by the county superintendent of schools.
- ✚ Charter schools must upload a PDF of the charter school’s LCAP that was adopted by the governing body of the charter school and submitted to its chartering authority and the COE, or only to the COE if the COE is the chartering authority.

The submission window for Dashboard Coordinators to upload a PDF of the LEA 2024–25 LCAP to the [myCDEconnect](#) unified system **opens October 14th and closes November 1, 2024**. Additional information and instructions for uploading the 2024–25 LCAP to the 2024 Dashboard will be provided to approved Dashboard Coordinators and Main/Alternate Authorizers of the LEA.

Webinar: Title I, Part A LEA Carryover

CDE is hosting a webinar regarding Title I, Part A Local Educational Agency (LEA) Carryover today, September 26, 2024, from 1:30 p.m. to 3:00 p.m.

- ✚ The first part of the webinar session will include a presentation regarding statutory requirements under the Elementary and Secondary Education Act as reauthorized by the Every Student Succeeds Act.
- ✚ During the second part of the webinar session, participants will have an opportunity to ask questions.

The content of the presentation will focus on the following related to Title I, Part A funds:

- ✚ period of availability,
- ✚ carryover limitation (15 percent),
- ✚ waiver of the carryover limitation, eligibility, and timeline,
- ✚ calculating carryover,
- ✚ allocating carryover,
- ✚ allowable versus excess carryover, and,
- ✚ applying for a carryover waiver.

Advance registration is required; space is limited to 300 participants. Note: If the "Registration is Closed" message appears when you attempt to register, this means the session has reached full capacity. Please register at the link:

https://uso2web.zoom.us/webinar/register/WN_Agon3Eu1S3ubHHLKGxvdoHw

The 2024-25 Charter School 20-Day Report is Now Available

The California Department of Education (CDE) 2024–25 Charter School 20-Day Attendance Report (Charter 20 Day) is available on the CDE's [website](#). While charter schools are on the same funding cycle as other local educational agencies, per Education Code Section 47652, newly operational and expanding charter schools are eligible to receive funding through the Charter School Special Advance apportionment. Newly operational charter schools are defined as those in their first year of operation that commenced instruction by September 30, 2024, and expanding charter schools are those that are expanding to add one or more grade levels in 2024–25.

To be eligible for funding, new charter schools must have submitted a Pupil Estimates for New and Significantly Expanding Charter Schools (PENSEC) report, as well as the Charter 20 Day. Expanding charter schools can submit a Charter 20 Day even if they did not submit a PENSEC report.

2025-26 LCAP Webinars Hosted by CDE

The CDE's Tuesdays@2 and Thursdays@3 start again in November. This series covers all the sections required for the 2025-26 LCAP development including an overview for completing the actions and descriptions for the Learning Recovery Emergency Block Grant.

Registration is required and links are posted on the Tuesdays @ 2 webpage at <https://www.cde.ca.gov/fg/aa/lc/tuesdaysat2.asp>.

2023-24 Books are Closed, What's Next?

Each LEA's Unaudited Actuals should have been board-approved on or before September 15th and submitted to SCOE. It's now time to begin reviewing your budget and assumptions for 2024-25. It's never too early to start reviewing, updating, and compiling changes for First Interim.

- ✚ Revenue updates – one-time revenue review and adjustments
 - Title preliminary estimates are now available [here](#)
- ✚ LCFF calculations – with updated enrollment from the start of school, unduplicated student count updates, and average daily attendance calculations
 - Census Day for Calpads is October 2, 2024
 - The certification period for the Fall 1 collection closes on December 13, 2024
 - Amendment Window for Fall 1 is December 14, 2024, to January 24, 2025
- ✚ Basic aid calculations – recalculating projected property taxes using prior-year actuals as a starting point (P-1 2024-25 property tax estimates will be sent out in early November)
- ✚ Personnel costs - now that school has started, and first payrolls have run and positions are now filled, estimated costs will be more concrete, and step and column can be re-calculated

- ✚ Negotiations – The cost of 1% can be calculated with more accuracy
- ✚ Health and welfare costs – project base in Unaudited Actuals as a starting point with actual premium increase/change and open enrollment information
- ✚ Review your Fiscal Advisor’s technical comments on your Adopted Budget

Fiscal Reports by School Services of California

School Services does an excellent job of providing explanations to current topics. If you are a member of School Services of California you can also see these reports by logging in to view their web page or subscribe to their email services. Attached for your convenience are:

- ✚ New Employer Regulations: Indoor Heat Requirements
- ✚ Fed Reduces Interest Rates
- ✚ Governor Acts on Critical Employee Bills

Reminders

2nd Reminder: Instructional Materials Public Hearing Requirements for Fiscal Year 2024-25

Education Code Section 60119 requires that local governing boards hold an annual public hearing **on or before the end of the eighth week from the first day pupils attend classes** and adopt a resolution stating whether each pupil in the LEA has sufficient textbooks or instructional materials. This public hearing and resolution are required annually. LEAs should keep the resolution on file for the LEA’s annual audit.

For more detailed information, go to <http://www.cde.ca.gov/ci/cr/cf/> and click on “Instructional Materials Frequently Asked Questions” for direct responses to realistic/practical questions. **The resolution sample can be found on the CDE web page by clicking on the link embedded in FAQ #43.**

Educator Effectiveness Funds (EEF) Block Grant Updates and Reporting: Third Reporting

LEAs are required to report annual data and an expenditure report each year on or before September 30th. A final data and expenditure report will be due on or before September 30, 2026. **All local educational agencies (LEAs) will need to submit a report on or before September 30, 2024.** If the reports are not submitted on or before September 30, 2024, then all of the allocated funds will need to be returned. If your LEA needs a PIN to access the database, please email EEF2021@cde.ca.gov. To report: [Click here](#).

UPK Program Reporting

The required 2023–24 Universal PreKindergarten (UPK) Planning and Implementation Program Reports for LEAs and COEs are available for completion. The purpose of these reports is to collect the responses to the required questions from the updated 2023–24 UPK Planning and Implementation Grant Planning Templates. The information collected from these **required** reports will inform the CDE on UPK implementation and will help identify what additional support may be needed for LEAs and COEs to support UPK implementation. The survey must be completed by September 30, 2024.

2023–24 UPK Program Report for LEAs: <https://surveys3.cde.ca.gov/s.asp?k=172375482716>

Expiration of ESSA Funds and CSI

FY 2022-23 ESSA and CSI balances are set to expire on September 30th. **These funds expire September 30, 2024, and must be spent or obligated by September 30, 2024.** Any LEAs with obligated funds and unpaid balances need to report to CMDC and/or GMART in October or they won't be paid. Please plan accordingly.

Expanded Learning Opportunities Program Reporting – Due October 31st

Fiscal years 2021-22 and 2022-23 Expanded Learning Opportunities Program (ELOP) is due October 31st. The reporting portal and pin will be sent out to Superintendents. A sample of the report is attached. Please plan accordingly to ensure the deadline is met.

First Amendment Audit Memo from SCLS and RESIG -

Please see attached [Memo No. 07-2023](#) from School and College Legal Services, in partnership with RESIG, regarding Responding to a "First Amendment Audit"

Dates to Remember:

09/29/2024	SCOE IT Maintenance 7:00 a.m. – 12:00 p.m.
10/02/2024	2024-25 Census Day (used for CALPADS Fall 1)
10/11/2024	Escape – AP/AR User Group 9:00 – 11:00 a.m. RSVP Here
10/17/2024	DBUG
10/18/2024	SCLS/CALPADS Reporting Use of Restraints & Seclusion 9:30 a.m. – 12:30 p.m.
10/24/2024	2024-25 Interim Reporting Workshop - No RSVP necessary

2024-25 District Business User Group (DBUG) meeting dates:

All meetings are on the 4th Thursday at **9:00 a.m.** (New time this year)

Dates: 10/17/2024, 11/21/2024, 1/23/2025, 2/27/2025, 3/27/2025, 4/24/2025, 5/22/2025, and 6/26/2025

Mini-Training Sessions/Working Sessions

- **Local Control Funding Formula/Principal Apportionment:** November 7, 2024, 9:00 - 10:30 a.m.
- **Cash Flow:** November 20, 2024, 9:00 to 10:30 a.m.
- **All CBO Roundtable:** **Date TBD**, 7:30 to 9:00 a.m.
- **General Ledger Clean-up Open Lab:** January 22, 2025, 9:00 to 11:00 a.m.

Workshops

Interim Workshop: October 24, 2024, 9:00 a.m. to 12:00 p.m.

Next Fiscal Year Workshop: May 14, 2025, 9:00 a.m. to 12:00 p.m.

Year-End Close Workshop: June 4, 2025, 9:00 a.m. to 12:00 p.m.

NOTE:

- Want to add something to a DBUG Agenda? Want a topic added to SCOE Biz? Contact DBUG Chair, Christina Menicucci
- Documents presented at [DBUG](#) are posted at <http://www.scoe.org/pub/htdocs/fiscal-dbug.html>
- [Workshop manuals](#) and [Fiscal Services/IT forms](#) may be found at <http://www.scoe.org/escape> under the heading of Resources on the left side of the page.

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

New Employer Regulations: Indoor Heat Requirements

 [BY DANYEL CONOLLEY](#)

 [BY TEDDI WENTWORTH](#)

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posted August 29, 2024

On June 20, 2024, the Occupational Safety and Health Standards Board approved changes to rules for heat illness prevention that went into effect on July 23, 2024. Specifically, the changes require California employers to establish required safety measures for indoor workplaces to prevent worker exposure to risk of heat illness. The modifications add [California Code of Regulations, Title 8, Section 3396 \(TT8CCR 3396\)](#), "Heat Illness Prevention in Indoor Places of Employment," which applies to indoor work areas where the temperature equals or exceeds 82 degrees Fahrenheit when employees are present.

Note that certain employers are exempt from the indoor workplace safety measures pursuant to TT8CCR 3396:

- Prisons, as defined by Section 6082 of the Penal Code, operated by the California Department of Corrections and Rehabilitation
- "Local detention facilities," as defined by Section 6031.4 of the Penal Code, that are operated by a local government
- "Juvenile facilities," as defined by Section 850 of the Welfare and Institutions Code and subdivision (g) of Section 875 of the Welfare and Institutions Code, that are operated by a local government

It is further noted that the new regulations are not related to the existing regulations in TT8CCR 3395, which apply to outdoor heat illness prevention for employers in specific industries. The existing outdoor heat illness prevention standards in TT8CCR 3395(e) do not apply to local educational agencies.

The California Occupational Safety and Health Administration provides guidance and resources for heat illness prevention for employers, which can be found [here](#). It is advised that employers review their respective written Injury and Illness Prevention Program Plans to ensure compliance with the new requirements.



FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Fed Reduces Interest Rates



BY WENDI MCCASKILL

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posted September 19, 2024

Yesterday, September 18, 2024, the Federal Reserve (Fed) reduced the federal funds rate by a half-point to 4.75%-5.00%. While a rate cut was anticipated, many were expecting a quarter percent point reduction, making a half-point especially notable. This represents the first rate reduction in four years and follows two years of elevated interest rates intended to curb inflation. Over the past year, Fed Chair Jerome Powell regularly reiterated the need to gain confidence that inflation was moving towards 2% in order to reduce the federal funds rate.

The annual Consumer Price Index (CPI)—a U.S. measure of inflation—increased to 2.5% in August, slightly below estimates, and marked the lowest year-over-year increase since February 2021. August core inflation, which excludes costs for food and energy, came in at 3.2% as expected. While the CPI is an often watched inflationary measure and tracked by the Fed, the gauge it prefers is the Personal Consumption Expenditures (PCE) Price Index. The July PCE reported by the U.S. Bureau of Economic Analysis matches the August CPI at 2.5%.

While inflation is moving in a better direction, unemployment rates have crept up to 4.2% and are expected to be weaker than previously forecast. The Federal Open Market Committee (FOMC) statement indicated that the FOMC has increased confidence that inflation is moving towards 2% and cited a need to maintain balanced employment and inflation goals. Although based on baseline projections, there is hope for additional interest rate reductions this year, as well as further reductions next year, Fed chair, Jerome H. Powell was careful to point out that the Fed will make its decisions meeting by meeting.

As of this writing, Wall Street has had a mixed response to today's action. The S&P 500 is down by 0.031%. The Nasdaq is up 0.44%, and the Dow Jones Industrial Average is up 0.12%.

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Governor Acts on Critical Employee Bills

 BY LEILANI AGUINALDO

 BY DANYEL CONOLLEY

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posted September 23, 2024

On September 22, 2024, Governor Gavin Newsom acted on two critical bills related to school employees. He signed [Assembly Bill \(AB\) 938 \(Muratsuchi, D-Torrance\)](#) regarding the Salary and Benefit Schedule for the Bargaining Units (Form J-90) for classified and certificated staff, and he vetoed AB 2088 (McCarty, D-Sacramento) regarding classified staff vacancies.

AB 2088 would have required that local educational agencies (LEAs) notify their classified employees of vacancies for ten business days before the position may be offered to an external candidate. If an internal employee met the minimum qualifications for the vacant position, then the employee would have had a right of first refusal for the position. In his [veto message](#), Governor Newsom stated that AB 2088 “may have unintended consequences that are not in the best interest of students.” He also noted that these provisions may already be bargained, and “[p]lacing specific requirements in statute—as this bill does—may make it more difficult for local processes to develop an alternative that best meets the needs of the district, employees, and students.” The Governor vetoed a substantially similar bill, AB 1699 (McCarty), last year. Both AB 2088 and AB 1699 were sponsored by the California School Employees Association, Service Employees International Union, and California Federation of Teachers. The bills were opposed by a lengthy list of LEAs and the Association of California School Administrators, the California School Boards Association, the California Association of School Business Officials, and the California County Superintendents, among others. This news brings relief to many LEAs that expressed concern about AB 2088 because of the impacts to recruitment capabilities and the extension of hiring timelines in the midst of the pervasive staffing shortage.

By signing AB 938, LEAs will be required to complete the Form J-90 for classified and certificated staff assigned to schools. Currently, the Form J-90 is optional, only applies to certificated staff, and does not delineate which staff are assigned to school sites. Under the new law, the California Department of Education (CDE) will update the Form J-90 by July 1, 2025, to include salary data collection for the following classifications:

- Secretaries or administrative assistants
- Custodians
- Bus drivers
- School food service workers
- Instructional aides

LEAs must complete the updated Form J-90 for certificated and classified staff on or before January 31, 2026, and annually thereafter. In addition, a school district is responsible for completing this information for locally funded charter schools if it is the chartering authority or designated oversight agency.

The CDE will use this data to report on the progress of LEAs “in increasing salaries” for staff. Specifically, the CDE report will include the following:

- The change in salary rates for certificated and classified staff as compared to the ten prior fiscal years or whichever year the Form J-90 was filed for first
- The salary rate changes year over year
- The rate of salary change compared to the rate of yearly inflation
- The rate of total compensation changes year over year

AB 938 brings lingering questions regarding how classified job classifications will be benchmarked for salary comparisons and which positions meet the definition of “assigned to a school site.” Additionally, LEAs experience significant variance in classified job classifications and salary schedule structures, which will be challenging for comparative purposes under the broad categories described. Finally, while the local operational impacts are unknown at this time, the reporting responsibilities due to the expansion of the J-90 data submission requirements will have workload impacts to staff responsible for data reporting.