

SCOE BIZ

Business Services Bulletin No. 23-21



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May 25, 2023

To: District and Charter Business Services
From: Sarah Lampenfeld, Director, External Fiscal Services
Subject: May 2023 Edition

2023-24 May Revision

SCOE Biz Bulletin 23-19 was prepared and emailed to LEAs on May 17, 2023. The purpose of the bulletin was to provide Sonoma County LEAs guidance regarding the 2023-24 May Revision. Once available, the BASC Common Message will add one more layer of information or clarification when it is published. As always, we are here to support you and to try to answer your questions and concerns.

For K-12 Education, the May Revision includes:

- ✚ Projects to fund 2023-24's cost-of-living adjustment of 8.22%
- ✚ Maintain the \$300 million for the Equity Multiplier
- ✚ Continues to fund expanded eligibility for Transitional Kindergarten and Universal School Meals program
- ✚ An increase to county offices of education serving students in juvenile court and other alternative school settings.
- ✚ *Further reduction to the 2022-23 Arts, Music, and Instructional Materials Discretionary Block Grant is increased, resulting in a ~50% cut (up from 33% in January).
- ✚ *New proposal to reduce the 2022-23 Learning Recovery Emergency Block Grant by ~32% (changing funding from ~\$7.9 billion to ~\$5.4 billion).
- ✚ Proposes to extend the spending timeline of Expanded Learning Opportunities Program (ELOP) dollars for fiscal year 2021-22 and 2022-23 from June 30, 2023 to June 30, 2024.

*SCOE recommends reducing allocations to the May Revision's proposal. If cuts are approved with the State's Budget, in late June, SCOE's closing packets will include instructions for the payable(s).

Education Protection Act (EPA)

With the release of the May Revision, the Department of Finance (DOF) is expecting a \$550 million increase to local assistance (School District LCFF revenues) to reflect decreased offsetting EPA revenues. What does this mean? Similar to 2019-20's fourth payment, many LEAs will not receive a fourth-quarter payment in June 2023. Additionally, many LEAs across the state have been overpaid through the third quarter. The CDE is currently working on the situation and will provide guidance to COEs in June, which will be shared with LEAs thereafter.

Wildfire Reimbursement Basic Aid Districts

Per AB 181 (2022), Section 104, Charter 52, the following districts will receive a reimbursement of lost property taxes due to the Glass and LNU wildfires. The following school districts will receive their payment shortly to the resource 0000 object 8590.

County	County Office of Education / School District	Payment Amount
Sonoma County	Forestville Union School District	\$4,644.67
Sonoma County	Fort Ross Elementary School District	\$762.87
Sonoma County	Horicon Elementary School District	\$1,851.46
Sonoma County	Kenwood School District	\$4,172.83
Sonoma County	Monte Rio Union School District	\$2,305.75
Sonoma County	Montgomery Elementary School District	\$998.32
Sonoma County	Healdsburg Unified School District	\$24,088.40
Sonoma County	Geyserville Unified School District	\$4,678.87
Sonoma County	Sonoma Valley Unified School District	\$43,821.62

Also, great news arose earlier this month for Alexander Valley, Geyserville, and Healdsburg. The State approved property tax backfill for the 2019 Kincade Fire. Payment will come in the future.

UPK Planning and Implementation Grant Expenditure Report due May 31st

The **required** Universal PreKindergarten (UPK) Planning and Implementation (P&I) Grant Expenditure Report #2 Survey **is open now and due May 31st**. This survey includes expenditure reports for the reporting period of November 1, 2022 to April 30, 2023 for resources 6053 and 6057.

Stimulus Funding Updates:

Davis-Bacon Act (DBRA) requires payment of prevailing wages on federally funded or assisted construction projects. The [Davis-Bacon Act](#) applies to each federal government or District of Columbia contract in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of [public buildings or public works](#). Department of Education (ED) has provided a Davis-Bacon Overview one-pager as a resource for implementation of Davis-Bacon related acts: <https://oese.ed.gov/files/2023/04/Davis-Bacon-Overview-4.26.23.pdf>

CRRSA Act: On Friday, May 5, 2023, the U.S. Department of Education (ED) released guidance that would allow states to submit applications on behalf of local educational agencies (LEAs) that are recipients of CRRSA Act funds to request an extension to the liquidation period for these funds. If approved, individual obligations could be liquidated for up to 18 months following the obligation deadline of September 30, 2023, for these funds. Please see the [attached email](#) that went out May 15th. Please note, this guidance **does not change the obligation deadline** for CRRSA Act funds. **All expenditures must still be properly obligated by September 30, 2023, to be considered an allowable use of funds.**

Additionally, please be aware that each request for an extension to the liquidation period will be reviewed individually, on a project-by-project basis. ED does not allow any blanket extensions at the LEA or state level.

ESSER III: Friendly reminder regarding ESSER III Plans from CDE:

- ✚ Safe Return to In-Person Instruction and Continuity of Services Plan must be reviewed, **at minimum, every 6 months and revised as appropriate**, as required by ED, **until 9/30/2023**
- ✚ ESSER III Expenditure Plan is considered a living document and is recommended to be reviewed and revised as LEA spending needs change in response to changing pandemic conditions
- ✚ ED-OIG has indicated these plans may be reviewed during federal monitoring for whether the plans meet public input requirements, and the extent to which ESSER III Expenditure Plans align with actual ESSER III expenditures
- ✚ ESSER III Plans resources: <https://www.cde.ca.gov/fg/cr/arpact.asp#esseriiplan>
- ✚ ESSER III Expenditure Plan FAQs: <https://www.cde.ca.gov/fg/cr/esseriiepfqs.asp>

Cash Borrowing Options

Please re-read SCOE Biz Bulletin No. 23-17 dated April 27, 2023 for details about cash borrowing options. You can find it posted in the SCOE website, under DBUG resources at [23-17 SCOE Biz Cash Borrowing for Next Fiscal Year.pdf](#)

Three options are presented in the bulletin for District consideration:

1. County Treasurer (Line of Credit) – available to Districts only
2. TRAN (tax and revenue anticipation notes) – available to Districts only
Although SCOE cannot make vendor recommendations, we can share a list of vendors used across the state for TRAN issuance. Please contact Sarah Lampenfeld directly at slampenfeld@scoe.org if you need vendor names.
3. Interfund Borrowing

P-Annual Attendance and Prior Year Correction Due Dates

Mark your calendar now! P-Annual Principal Apportionment Data Collection is due to SCOE June 23rd. SCOE's memo for P-Annual will be available in early June once the data collection windows in the PADDC web-based system are open. Additionally, the prior year correction windows for 2021-22 R1 is expected to open early June, which are also due to SCOE on or before June 23rd.

STRS On-Behalf

STRS on-behalf calculations for posting to LEA financial statements prior to the close of the 2022-23 books are complete, and will be included in the upcoming Year End Close Workshop/Manual on June 1, 2023.

Non-Voter Approved Debt notification to SCOE

Public Disclosure of Non-Voter Approved debt is required pursuant to Education Code sections 17150(a) and 17150.1(a), and Government Code section 53635.7. Notification must be provided to SCOE and the County Auditor at least 30 days prior to the district's governing board approval of an issuance of non-voter approved debt. SCOE has updated the debt notification form for school district's use. You can find it attached to this memo and posted on SCOE's website at <https://www.scoe.org/pub/htdocs/fiscal-forms.html>.

FCMAT has also published a Fiscal Alert, dated January 2020. You can find it at <https://www.fcmat.org/PublicationsReports/FCMAT-Alert-NVA-Debt-1-2020.pdf>.

Consolidated Application and Reporting System (CARS)

After a long delay, the 2022-23 Consolidated Application and Reporting System (CARS) Winter Reporting opened May 19th. **The submission deadline is 11:59 pm on Friday, June 9, 2023, and the forms will close at 11:59 pm on Friday, June 30, 2023.** Forms will not be reopened after their close date.

The opening of 2023-24 Consolidation Application and Reporting System (CARS) Spring release was delayed. The planned opening date was moved to July 2023 (potentially), with a deadline date of approximately six weeks after the open date. Stay tuned...

Property and Liability 2023-24 Preliminary Program Rate

Preliminary rates for property and liability insurance were released by RESIG on May 22nd. Per Cindy Wilkerson's email "There are still many moving parts to consider as we approach our July 1 renewal date, and we are working hard with our brokers and consultants to reduce costs before finalizing. Please note these are very rough estimates that can change up or down."

Special Education Fee for Service Cost for 2023-24

SCOE's Special Education Fee for Service rates will be **\$84,000** for 2023-24.

REMINDERS:

Notice of Public Hearing for 2023-24 Budget ~ Please fill out the publication notification ([SCOE Biz Bulletin No. 23-15 dated March 23, 2023](#)) so that SCOE can place the ad in the newspaper for you. This requirement applies to Districts and is optional for Charters.

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

Dates to Remember:

- 05/29/2023 SCOE Closed for Memorial Day
- 05/31/2023 SCOE's Pride Flag Raising Ceremony
- 06/01/2023 Year-End Close Workshop
(hybrid: in-person – TLC room 3 & 4 and online – [zoom link](#))
- 06/11/2023 Schedule Escape Maintenance (Sunday: 7:30 am to 12 pm)
- 06/14/2023 ESCAPE AP Year End Workshop 8:30 am to 10:30 am [click to register](#)
- 06/14/2023 ESCAPE AR Year End Workshop 11 am to 12:30 pm [click to register](#)
- 06/16/2023 2023-24 Fiscal Year Start-Up Form due to SCOE IT

06/16/2023 IT Open Lab 1:00 – 3:00 pm [RSVP here](#)
06/16/2023 Vendor Warrant Cancellations due to SCOE, final for 2022-23
06/16/2023 SCOE's Juneteenth Flag Ceremony
06/19/2023 SCOE Closed for Juneteenth
06/20/2023 2022-23 Last Cash Deposits due by 4:30 pm
06/22/2023 Final 2022-23 AP due at Noon
06/22/2023 DBUG
06/23/2023 P-Annual Attendance and Prior Year Corrections due to SCOE
06/23/2023 2022-23 Last Cash Transfers due by 4:30 pm

NOTE:

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



CRRSA Act Late Liquidation Update

EDReliefFunds <EDReliefFunds@cde.ca.gov>
To: Sarah Lampenfeld <slampenfeld@scoe.org>

Mon, May 15, 2023 at 11:28 AM

You are receiving this message because you are subscribed to the CDE ED Relief Funds listserv.

May 15, 2023

The California Department of Education (CDE) Federal Stimulus Team is providing an update regarding liquidation extension requests for the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funds, including the Elementary and Secondary School Emergency Relief (ESSER) II and Governor's Emergency Education Relief (GEER) II funds.

On Friday, May 5, 2023, the U.S. Department of Education (ED) released guidance that would allow states to submit applications on behalf of local educational agencies (LEAs) that are recipients of CRRSA Act funds to request an extension to the liquidation period for these funds. If approved, individual obligations could be liquidated for up to 18 months following the obligation deadline of September 30, 2023, for these funds.

The CDE is reviewing this guidance and developing a process to collect applications and any additional required documentation for these requests from LEAs as soon as possible. We will provide further information through our listserv as soon as this process is finalized.

As a note, this guidance **does not change the obligation deadline** for CRRSA Act funds. **All expenditures must still be properly obligated by September 30, 2023, to be considered an allowable use of funds.**

Additionally, please be aware that each request for an extension to the liquidation period will be reviewed individually, on a project-by-project basis. ED does not allow any blanket extensions at the LEA or state level.

ED has indicated that it intends this process to be for exceptional circumstances only, not as a general policy. As such, please be aware that not all applications will be approved, and LEAs should plan accordingly. Any obligations denied a liquidation extension would likely need to be transferred to an alternate, allowable funding source if the expenditure cannot be liquidated within the standard liquidation period. The CDE will provide additional guidance for completing and submitting applications as soon as possible. For more information regarding CRRSA Act funds, please see the CDE CRRSA Act Funding web page: <https://www.cde.ca.gov/fg/cr/crrsa.asp>.

Thank you,

CDE Federal Stimulus Team

To receive updates on Federal Stimulus Funds, including reporting updates, please join our listserv by sending a blank email message to join-edrelieffunds@mlist.cde.ca.gov.

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MEMORANDUM

TO: Superintendents and CBO's of RESIG members

FROM: Cynthia Wilkerson, Executive Director

SUBJECT: 2023/2024 Property & Liability Renewal Update:
Preliminary cost projections

RESIG staff, brokers, and consultants have been navigating another extremely hard market for the 2023-2024 Property & Liability Program renewal. We still do not have firm indications. We will have more clarity to provide at the June 15, 2023 Joint Powers Board meeting.

Understanding your need for budgeting projections, staff has prepared preliminary cost estimates based upon the status of current negotiations with carriers, updated appraised property values, and 2023-24 experience modification calculations. Following are the variables that may impact cost swings from the current year:

1. Market conditions

These draft projections of RESIG's 2023/24 renewal costs may change. The Property & Liability excess marketplace is reacting to increases in claims, fluctuations in investments, and carrier consolidations. These preliminary projections are based upon current negotiations which reflect a conservative 20% increase in excess layers of coverage. While we expect final numbers to come in less, there is still a chance the numbers could be greater. Presently, this is the best guess from our brokers and consultants.

2. Experience Modification

Another key factor influencing insurance costs is the frequency and severity of claims incurred by each member. Contributions are modified by an experience factor (experience modification or xmod) for both the property and liability components of the Property & Liability Program. If you had higher than average

claims over a rolling 3-year period than the average of all RESIG members, your xmod will be higher; conversely, if you had lower than average claims, your xmod will be lower. Xmods can fluctuate +/- 0.50 depending on the extent of the variation of claims in the formula. Your new xmod has been factored into these preliminary DRAFT projections.

3. Property appraisals

RESIG obtained property appraisals for all members in late 2022, finalizing them recently. Each member has acknowledged the inventory of buildings appraised. The updated values are reflected in the preliminary appraisal summary attached for your reference. The appraisals have yet to be approved by the Joint Powers Board are also considered DRAFT values right now.

4. ADA fluctuations

ADA is used to calculate the General Liability contribution. As ADA fluctuates, so will the GL contribution.

Additional information will be provided at the June 15, 2023 Joint Powers Board meeting. We will need an in-person quorum to comply with Brown Act requirements. Please plan for either your district's representative or alternate to be in person to support RESIG in taking action on necessary items.

Until the June 15 meeting at which time we expect to have more firm indications, we hope this information will enable you to budget appropriately for the 2023/24 fiscal year. Please review and contact either [Ronda Bergeson](#) or [me](#) with any questions.

Thank you for your continued partnership and collaboration as we all work to keep costs as low as possible so RESIG can support you in keeping needed \$ in classrooms.

RESIG PROPERTY & LIABILITY PREMIUMS --DRAFT

2022/23 INCREASE (DECREASE) OVER 2023/24

DISTRICT	2022/23	2022/23 XMOD	2023/24	2023/24 XMOD	INCREASE (DECREASE)	PERCENTAGE INCREASE
Alex. Valley	22,888	1.50	29,746	1.60	6,858	29.96%
Bellevue	271,850	0.75	294,353	0.75	22,503	8.28%
Bennett Valley	150,094	0.75	168,266	0.75	18,172	12.11%
Cinnabar	35,961	0.75	40,526	0.75	4,565	12.69%
Cloverdale	204,256	0.75	278,144	1.00	73,888	36.17%
Cotati-RP	1,292,135	1.50	1,181,293	1.00	(110,842)	-8.58%
Dunham	28,543	1.60	29,335	1.60	792	2.77%
Forestville	71,790	1.60	72,888	1.10	1,098	1.53%
Fort Ross	6,911	1.25	8,598	1.60	1,687	24.41%
Geyserville	53,971	0.75	62,638	0.75	8,667	16.06%
Gravenstein	108,862	0.75	136,074	1.25	27,212	25.00%
Guerneville	51,651	0.75	61,702	0.75	10,051	19.46%
Harmony	46,583	1.00	52,939	1.00	6,356	13.64%
Healdsburg Unified	389,679	1.60	423,752	1.60	34,073	8.74%
Horicon	23,543	1.25	31,098	1.60	7,555	32.09%
Kashia	2,875	0.75	3,794	0.75	919	31.97%
Kenwood	24,558	0.75	29,484	0.75	4,926	20.06%
Liberty	47,501	0.75	56,689	0.75	9,188	19.34%
Live Oak Charter	27,538	0.75	43,259	0.75	15,721	57.09%
Mark West	213,539	0.75	233,523	0.90	19,984	9.36%
Monte Rio	19,394	0.75	23,386	0.75	3,992	20.58%
Montgomery	9,332	1.30	11,159	1.00	1,827	19.58%
Oak Grove	204,928	1.60	165,852	1.60	(39,076)	-19.07%
Old Adobe	292,049	0.75	271,248	0.75	(20,801)	-7.12%
Petaluma	1,137,578	0.75	1,539,553	1.25	401,975	35.34%
Piner-Olivet	208,290	0.90	220,084	0.75	11,794	5.66%
Rincon Valley	629,537	1.50	580,908	1.00	(48,629)	-7.72%
Roseland	244,694	0.75	316,103	0.75	71,409	29.18%
Roseland Charter	249,228	0.75	178,246	0.75	(70,982)	-28.48%
SCOE	147,162	1.10	151,149	0.75	3,987	2.71%
Sebastopol	111,071	0.75	128,811	0.75	17,740	15.97%
Sebastopol Charter	31,011	0.75	41,266	0.75	10,255	33.07%
Shoreline	140,250	1.60	174,487	1.10	34,237	24.41%
Sonoma Charter	27,624	0.75	44,654	1.25	17,030	61.65%
Sonoma Valley	723,685	1.00	833,522	1.00	109,837	15.18%
SRCS	2,624,858	0.90	3,140,268	1.20	515,410	19.64%
Twin Hills	148,952	0.75	164,589	0.75	15,637	10.50%
Two Rock	32,788	1.60	31,914	1.10	(874)	-2.67%
Waugh	118,122	0.75	128,066	0.75	9,944	8.42%
West Side	25,132	0.75	28,022	0.75	2,890	11.50%
Wilmar	34,658	0.75	38,240	0.75	3,582	10.34%
Windsor	1,023,614	1.60	1,008,239	1.10	(15,375)	-1.50%
Woodland Star Charter	27,645	0.75	29,755	0.75	2,110	7.63%
Wright	304,338	1.60	283,390	1.60	(20,948)	-6.88%
WSCUHSD	383,529	0.75	415,553	0.75	32,024	8.35%
RESIG	19,019	1.60	24,084	1.60	5,065	26.63%
West Cty Trans	515,806	1.00	592,126	1.00	76,320	14.80%
TOTAL	\$12,509,021		\$13,802,776		\$ 1,293,753	10.34%

