

SCOE BIZ

Business Services

Bulletin No. 25-16



5340 Skylane Boulevard
Santa Rosa, CA 95403-8246
(707) 524-2600 ■ www.scoe.org

April 24, 2025

To: District and Charter Business Services
From: Sarah Lampenfeld, Assistant Superintendent, Business Services
Subject: April 2025 Edition

State of the State

Preliminary General Fund cash receipts were \$144 million, or 0.9% below the Governor's Budget forecast in March, and \$4.4 billion, or 3.3%, above the fiscal year-to-date average as a result of higher receipts from person income tax, other revenues partially offset by lower-than-expected corporation tax and sales tax receipts.

- ✚ Personal income tax cash receipts were \$389 million, 5.6% above forecast in March and \$3.5 billion or 4.3% above the fiscal year-to-date forecast. The fiscal year-to-date overage was due almost entirely to withholding being \$3.4 billion above forecast.
- ✚ Corporation tax cash receipts were \$348 million, or 7.9% below forecast in March, and \$235 million, or 1.1%, below the fiscal year-to-date forecast. The shortfall in March was due to lower estimated payments of \$292 million and lower other payments of \$229 million, partially offset by lower refunds of \$132 million and higher PTET payments of \$41 million.
- ✚ Salaries and Use tax receipts were \$68 million, or 2.6%, below forecast in March and \$326 million, or 1.3%, below the fiscal year-to-date forecast.
- ✚ Other revenues were \$55 million above forecast in March and \$1.6 billion, or 214.3%, above the fiscal year-to-date forecast, due primarily to higher federal cost recovery collections for disasters in prior years.

NEW FCMAT TOOL: Internal Control Checklist

FCMAT released a new Internal Control Checklist designed to help LEAs evaluate the effectiveness of their internal control systems. It serves as a tool for guidance rather than a strict standard and includes common best practices used by auditors. This checklist will help LEAs identify areas for additional procedures or improvements. To access the checklist and learn more, please visit <https://www.fcmat.org/internal-control-checklist>.

Prop 28: Arts and Music in Schools Funding

LEAs that receive AMS funds are required to prepare four documents, 1) School Site Expenditure Plan (annual), 2) Annual Report (available annually from 5/1 to 9/30), 3) Annual

Certification (**available NOW through 6/30/2025**), and 4) Expenditures Report (due after the 3-year expenditure spending period).

Documents are submitted through the Arts and Music in Schools [Portal](#).

CalPERS Rate for Fiscal Year 2025-26

Last week, the CalPERS Board approved the employer contribution rate for fiscal year **2025-26, which is 26.81%** lower than the current year's rate of 27.05%.

Fiscal Year	2026-27	2027-28	2028-29	2029-30	2030-31
Projected Rates	26.90%	27.80%	27.40%	27.00%	26.20%

Sports Equity

Education Code section 221.9 requires each public elementary and secondary school, including each charter school, that offers competitive athletics to publish on its website separately *for each individual school*:

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

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

Upcoming Release of the 2025–26 Charter School Certification of Information

In the coming weeks, charter schools will certify their information on file with the CDE for the 2025–26 fiscal year through the Charter School Certification of Information. This web-based data collection will be made available to all charter school administrators. The information reported and certified by charter schools will inform state policy, create reports for the U.S. Department of Education, support charter school authorization and oversight, and promote transparency of the state’s public school system.







Charter schools will have a two-week window in May to report, review, and certify their information via the Charter School Certification of Information. The details will follow shortly.

SCLS Annual Notice to Parents

School and College Legal Services has issued Legal Update Memo No. 05-2025 regarding the 2025-26 Annual Notice to Parents. If you are a client of SCLS and would like to obtain a copy of the Annual Notice to Parents, please contact please contact Kelly Maul at kmaul@sclscal.org.

Federal Cash Management Data Collection (CMDC)

The data collection window for the Federal Cash Management Data Collection (CMDC) System opened on April 10th and will close on April 30th. You may report your data at any time during this period. **LEAs must submit cash balance data by April 30th**, for the following programs to receive funds in the next apportionment for those programs (if you are a Title III Consortium LEA, your cash apportionments flow based on the total combined reporting for all Consortium LEAs):

-  Title I, Part A
-  Title I, Part D
-  Title II, Part A
-  Title III, Immigrant
-  Title III, LEP
-  Title IV

Note: The cash balance will be reported regardless of the fiscal year from which the funds originated. CMDC information, including instructions, future reporting dates, FAQs, and Login, can be found at the CDE website: <http://www.cde.ca.gov/fg/aa/cm/>.

Federal Quarterly Interest Reporting

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

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

If no\$ to Remit: Email
cashmanagement@cde.ca.gov

The CDE requests LEAs submit documentation regarding the calculations and the interest rate used. Documentation (once available) for the **current quarter's rate of 3.821% can be found** at <https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/auditor-controller-treasurer-tax-collector/divisions/treasury/publications/interest-apportionment>.

A complete list of federally reimbursable programs that should be EXCLUDED from your interest calculations can be found at <https://www.cde.ca.gov/fg/ac/co/reimbursableprograms.asp>. The Fiscal24 Resource Cash Daily Balances is a good report for documenting your calculations. You will need to enter the reporting period (quarter dates), interest rate for the quarter, and specific federal resources you would like to include in the calculation. **Title I, II, III, IV, ELOG (resources 3218 and 3219 only), and ESSER III would need to be included, but you may have other non-reimbursable programs.**

2025 SUN Bucks Webinar

The 2025 SUN Bucks—What LEAs Need to Know webinar, which was canceled due to a Zoom outage on April 16th, has been rescheduled for **Tuesday, April 29, 2025, from 2 p.m. to 3 p.m.**

This webinar, presented by the Nutrition Services Division of the CDE, will focus on various aspects of the 2025 SUN Bucks program, including implementation, eligibility, applications, and data sharing.





The CDE encourages LEAs to review the SUN Bucks web page, resources, and FAQs in preparation for this webinar: <https://www.cde.ca.gov/ls/nu/sunbucks.asp>. All attendees must register for the webinar, including those who registered for the original date and time.

Webinar Registration


This webinar is free to attend. Register in advance for this webinar here: https://uso2web.zoom.us/webinar/register/WN_P_M2PgSsSIW6N3-hCN9B4Q.

Fiscal Report by School Service of California

School Services provides excellent explanations of current topics. If you are a School Services of California member, you can also see their reports by logging in to view their web page or subscribing to their email service. Attached for your convenience are the following fiscal reports:

-  SSC Enrollment and Staffing Data Tool Updated
-  Legislature Takes Early Budget Action
-  Governor Releases the Master Plan for Career Education
-  The Economy State, Revenues and Proposition 98

Reminders:

-  Please submit SCOE Biz 25-15: Public Hearing Notice as soon as possible (no later than 17 days prior to the public hearing).

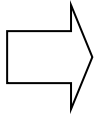
Reserve TRANSPARENCY disclosure at the Public Hearing (all Districts and general fund charters)
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EC 42127 (a)(2)(B) requires a district's public hearing for the Adopted Budget must provide all the following for public review and discussion:

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

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

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



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

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

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

Local Indicators Report Reminder!

Please remember LEAs must present their DTS template or self-reflection tools Word document (AKA) Local Indicators Report to the local governing board as an informational item at the same meeting where the local governing board adopts the budget and 2025-26 LCAP.

Dates to Remember:

- | | |
|------------|--|
| 04/29/2025 | LCAP Training (fiscal focus) 9:00 a.m. – 12:00 p.m. |
| 05/01/2025 | CBO Round Table 7:30 a.m. – 9:00 a.m. |
| 05/07/2025 | CALPADS EOY Beginners Training 9:00 a.m. – 11:00 p.m. (ZOOM link) |
| 05/11/2025 | Frontline/SCOE IT Maintenance Day 7:00 a.m. – 12:00 p.m. |
| 05/14/2025 | Next Fiscal Year Workshop (hybrid: in-person – Redwood C and online- Zoom) |
| 05/16/2024 | May DBUG (hybrid: in-person - Redwood C and online – Zoom) |
| 05/21/2025 | CALPADS User Group Meeting 9:00 a.m. – 10:00 a.m. |
| 05/21/2025 | CALPADS End of Year Basics 10:00 a.m. – 12:00 p.m. |
| 05/21/2025 | School Services of California May Revise webinar (must register with SSC) |
| 05/22/2025 | May DBUG (hybrid: in-person - TLC and online – Zoom) |
| 05/26/2025 | SCOE Closed for Memorial Day |
| 05/27/2025 | Capitol Advisors May Revise 9:00 a.m. -11:00 a.m. (must register w/Capitol Advisors) |
| 06/04/2025 | Year-End Close Workshop (hybrid: in-person – Redwood C and online – Zoom) |

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: 5/22/2025, and 6/26/2025

Workshops

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 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.



FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

SSC Enrollment and Staffing Data Tool Updated

✉ **BY DANYEL CONOLLEY**

✉ **BY DAVE HECKLER**

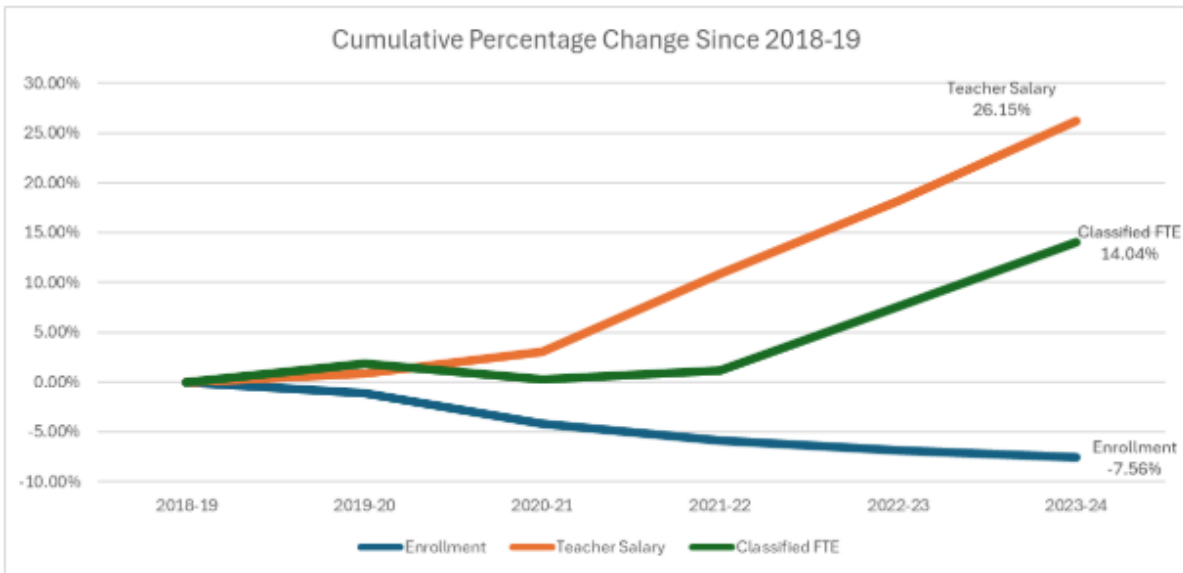
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posted April 1, 2025

The School Services of California Inc. (SSC) [Enrollment and Staffing Data Lookup Tool](#) has been updated with 2023-24 state-certified data and now provides six-year data trends for a district's enrollment, classified full-time equivalents (FTEs), and teacher salary expenditures in one place. Additionally, the percentage of personnel expenditures (salary and benefits) funded by one-time funding resources is also available through the SSC Enrollment and Staffing Data Lookup Tool.

The statewide data reflected in Figure 1 aligns with the local experiences of many districts, with statewide enrollment declining by 7.56% from 2018-19 to 2023-24, classified FTE increasing by 14.04%, and salary expenditures increasing by 26.15%. This information is critically important in the local decision-making process about staffing resources, programs, and operational support. To review your district data, we encourage you to utilize this resource to analyze local impacts and communicate fiscal factors to your school community.

Figure 1: Statewide Enrollment, Teacher Personnel Expenditures, and Classified FTE (2018-19 through 2023-24)



Source: California Department of Education



FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Legislature Takes Early Budget Action

 BY MEGAN BAIER

 BY ANJANETTE PELLETIER

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posted April 10, 2025

The Senate and Assembly took early budget action today, April 10, 2025, passing [Assembly Bill \(AB\) 100 \(Gabriel, D-Encino\)](#), which is expected to be signed in the coming days by Governor Gavin Newsom.

The bill contains a number of provisions to appropriate funds and make policy changes to the 2023-24 and 2024-25 Enacted Budgets, prior to the state's June 2025-26 budget enactment. Of significant note, the state's Medi-Cal program, which provides health care to low-income Californians, is facing significantly higher current-year costs than last year's Enacted Budget anticipated. There have been a number of policy changes to Medi-Cal in recent years that have increased program enrollment, particularly among seniors. Those policy changes include eliminating asset ceilings, eliminating cost share requirements for low-income seniors, allowing individuals to access the program without regard to immigration status, and a series of changes related to continuous coverage. Further, Medi-Cal's prescription drug costs have soared, outpacing estimates.

The Legislature will need to take further actions to increase funding or lower program costs to keep Medi-Cal solvent in the coming months, as costs continue to rise and are anticipated to present more budgetary challenges heading into the 2025-26 fiscal year.

Further complicating the budgetary picture, at the federal level, there are components of the House budget proposal that may result in reductions to healthcare funding to the states. California gets roughly 75% of its Medi-Cal funding from the federal government. State leaders have acknowledged California would not have the ability to backfill significant federal reductions.

Medi-Cal's stability is important for key education programs and initiatives including the Children and Youth Behavioral Health Initiative (CYBHI), School-Based Medi-Cal Administrative Activities (SMAA) program, the Local Educational Agency Medi-Cal Billing Option Program (LEA BOP), and the direct certification process to limit the paperwork families need to fill out to qualify for free or reduced-price meals.

Currently, no specific budgetary reductions related to current mental and behavioral health education programs have occurred, but there are administration actions that could influence future funding possibilities. As part of reductions in force and efficiency initiatives, a large percentage of the statistical and data analysis staff at multiple agencies have been released from employment. Without the data collection, analysis, and statistical reporting of impact and outcomes, some of the grant funding in the mental and behavior health space could be at risk in the near future.

Other provisions of AB 100 include appropriating \$181 million in Proposition 4 bond funds and authorizing \$1 million to support the Fiscal Crisis and Management Assistance Team for technical assistance to school districts impacted by the fires in the Los Angeles area, among other provisions that modify the 2024-25 Enacted Budget.

We will continue to monitor the state's budget condition and any federal action's impacts on California, including the newly adopted House budget proposal and efforts to reach a fiscal 2025 federal budget agreement.



FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Governor Releases the Master Plan for Career Education



BY KYLE HYLAND

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posted April 11, 2025

Last Wednesday, April 2, 2025, Governor Gavin Newsom released the full Master Plan for Career Education (Master Plan), which can be found [here](#).

The Master Plan's central goal is to ensure every Californian can pursue a meaningful career path through accessible, high-quality career education. It supports lifelong learning that adapts to the evolving workforce needs, with a focus on equity and economic mobility.

The Master Plan specifically calls for six primary plans of action:

- **Create a State Planning and Coordinating Body.** The state should create a new statewide planning and coordinating body that brings together the state's education segments, workforce training providers, and employers. The coordinating body should evaluate changing economic needs and demand for skills, develop sector-based and cross-sector strategies, create statewide goals, align federal and state plans, coordinate efforts to maximize funding, coordinate implementation of specific federal and state programs, codesign programs to address workforce opportunities, and connect with regions.
- **Strengthen Regional Coordination.** The Governor's Office should evaluate how successful regional coordination models can be expanded to create sustainable forums in which educators, workforce training providers, and employers work together with a clear division of responsibilities across partners.
- **Support Skills-Based Hiring Through a Career Passport.** State agencies and institutions of higher education should make it easier for employers to make hiring decisions based on individuals' skills in addition to their academic credentials.
- **Develop Career Pathways for High School and College Students.** Pushing for universal availability and implementation of pathways programs would provide students from all backgrounds with clear roadmaps to gainful employment and career advancement. These pathways can be designed to provide experiential learning opportunities, shorten the time to a career, alleviate financial pressures, and empower individuals to actualize their dreams, all while contributing to social and economic mobility within communities.

- **Strengthen Workforce Training for Young People and Adults.** For adults who need additional training and for opportunity youth, education and workforce development agencies should ensure access to education, workforce training, and jobs that allow them to advance in stable, well-paying career pathways.
- **Increase Access to and Affordability of Education and Workforce Training.** State agencies and institutions of higher education should ensure that eligible learners from all backgrounds and parts of the state can easily access education, workforce training, and public benefits that open doors to more rewarding, well-paying jobs.

The Master Plan also sets out specific success indicators, including the following:

- Increased rates of college and career readiness
- Greater credential attainment and job placement
- Reduced equity gaps across income, race/ethnicity, and geography
- Strengthened data systems to track outcomes and inform decision-making

The Master Plan emphasizes the need for alignment with employers in the labor market implementation of career education programs. This includes employer engagement in designing and delivering programs; an expansion of apprenticeships, internships, and industry certifications; and an aim to future-proof the workforce by aligning training with in-demand sectors such as healthcare, green jobs, and technology.

The Master Plan's Proposed State Budget Investments

In his 2025-26 State Budget proposal, Governor Newsom has proposed several investments to help with the implementation of the Master Plan. Those investments are as follows:

- \$3 million (ongoing) to support the California College Guidance Initiative and the Cradle-to-Career Data System
- \$50 million (one-time) to establish the California Career Passport for the purpose of providing individuals a secure digital tool that displays individuals' preparation for employment, their academic records, and credit for prior learning, including military service
- \$40 million (\$33 million one-time and \$7 million ongoing) to establish the Credit for Prior Learning Initiative, which would award college credit for validated college-level skills, knowledge, and competencies gained through experiences inside or outside of traditional academic settings

- \$5 million (ongoing, non-Proposition 98) to establish the California Education Interagency Council, composed of state officers for purposes of evaluating workforce and economic changes in the state, integrating and aligning education and employment systems, maximizing funding impact, supporting adult skill development, coordinating regional education and workforce needs, and serving as a forum for discussions of intersegmental and cross-sector policy issues
- \$4 million (one-time, non-Proposition 98) for the Labor and Workforce Development Agency to evaluate how regional coordination models can be expanded

Next Steps

Now that the Master Plan has been released, lawmakers can use the document as a blueprint to guide them on career education investments. Additionally, the Legislature is currently vetting the Governor's Master Plan funding proposals, and we will see if those proposals make it into the final version of the 2025-26 State Budget.



FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

The Economy, State Revenues, and Proposition 98



BY **PATTI F. HERRERA, EDD**

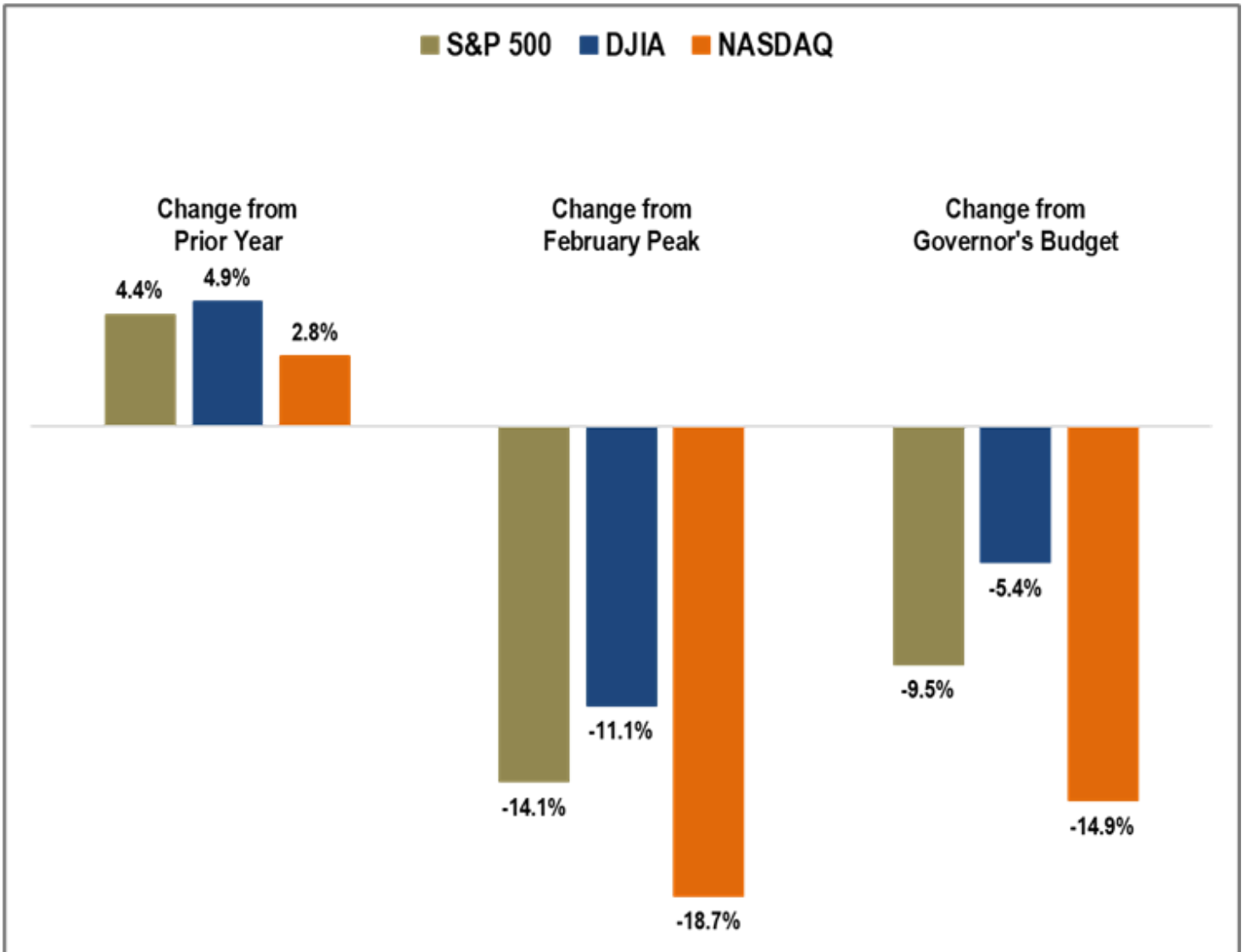
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posted April 21, 2025

The 2025-26 May Revision is set to be released on the heels of California's [lawsuit](#) challenging the invocation of the International Economic Emergency Powers Act of 1977 by President Trump to impose across-the-board 10% tariffs on all U.S. trading partners. Governor Gavin Newsom cited the disproportionate impact they have on California's economy, arguing that the state has already experienced hundreds of billions of dollars in losses. As the fifth largest economy in the world and the U.S.'s largest trading partner, California is highly susceptible to the economic impact of international trade relations.

While there is no consensus about the long-term impact of tariffs, the imposition of new tariffs coupled with continued threats to expand sectoral tariffs undoubtedly has already spawned growing uncertainty about the direction of the overall economy. Perhaps the clearest evidence of this can be seen in Wall Street's recent volatility. While the three major U.S. indexes have increased from a year ago, all three have experienced significant decreases since Governor Newsom released his 2025-26 State Budget proposal on January 10, 2025, and from the market's peak in mid-February.

Figure 1. Wall Street Performance



Source: Federal Reserve Economic Data

The declines and volatility are attributable to how investors and businesses are reacting to changes in U.S. trade relations—both the U.S.-imposed duties as well as how countries, like China, are responding in kind. Since President Trump announced the implementation of 10% tariffs on April 2, 2025, the S&P 500, the Dow Jones Industrial Average (DJIA), and the NASDAQ are down by 6.3%, 5.5%, and 6.5%, respectively.

The condition of the state General Fund relies heavily on the health of California's economy. Even more, California's progressive tax system ties state General Fund revenues directly to the stock market as the state taxes capital gains realizations as part of personal income. In his January State Budget proposal, Governor Newsom assumed that capital gains taxes would comprise 8.5% and 9.1% of total state General Fund revenues in 2024-25 and 2025-26, respectively. If the stock market does not improve markedly, it is likely that we will see downward adjustments to state revenue estimates when the Governor issues his May Revision in just under a month.

How macroeconomic trends may impact state General Fund revenue is but one issue with which the Governor and the Legislature must contend. The others are changes in federal policy that can create pressures on the California Budget through potential reductions in federal revenues that fund programs such as Medi-Cal or, for education, school meals. The uncertainty of federal policy and the fiscal implications for California pose significant challenges for lawmakers as they try to design and pass a balanced Budget while wearing a blindfold.

These conditions make for cautious budgeting.

While we are certain to see a May Revision that projects an increase in the 2024-25 Proposition 98 minimum guarantee as year-to-date revenues outpace January estimates, we may simultaneously see more cautious revenue estimates for the 2025-26 minimum guarantee, which in January was already slightly below the revised current-year level.

Finally, as the budget-year outlook becomes murkier for all the reasons we've highlighted, what inspired Governor Newsom to propose temporarily withholding \$1.6 billion he estimated the state would be obligated to spend on TK-12 and community college districts in fiscal year 2024-25 is sure to be even more important. That is, Governor Newsom—and perhaps his legislative colleagues—will want to avoid inadvertently “over-appropriating” Proposition 98 when the state may very well need every cent to manage the rest of the Budget.

We will provide an in-depth analysis of the national and state economy and the impacts on Proposition 98 at the 2025-26 May Revision Workshop. For more information about and to register for the workshop, click [here](#).