

CHIEF FISCAL OFFICERS MEETING
AGENDA
Wednesday, February 24, 2021
1:00 p.m. – 3:30 p.m.

- 1) **Introductions and What's New**
 - a) **Additions to the agenda**
 - b) **District Sharing**
- 2) **Reminders**
 - a) **Interest due quarterly on federal funds if over \$500. See CDE website for list of Federal Resources that may be EXCLUDED from the calculation.**
<https://www.cde.ca.gov/fq/ac/co/reimbursableprograms.asp>
 - b) **AB1200 Public Disclosure-include copy of TA and 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))**
 - 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.**
- 3) **Date Reminders**
 - a) **February 10th – Rural Education Achievement Program (REAP), Small, Rural School Achievement (SRSA) invitation link sent to all eligible LEAs for FY 2021. SRSA Application Deadline is typically end of April (pgs. 3-4)**
 - b) **February 28th – Consolidated Application (ConApp) Winter Release Due**
 - c) **March 1st – ESSA Per-Pupil Expenditure Reporting due to CDE**
 - d) **March 12th – ESSER II Legal Assurances Due**
 - e) **March 17th – Second Interims Due**
 - **County office of education (COE) Second Interim due to the State Superintendent of Public Instruction (SSPI) (Education Code Section [EC §] 1240[1][1][A] and [B])**
 - **District Second Interim due to COE (also to SSPI and State Controller's Office [SCO] if qualified or negative) (EC § 42131[a][1] and [2])**
 - f) **March 31st – Audits Due**
 - **COE prior-year audit due to SSPI and SCO (EC § 41020[h])**
 - **District prior-year audit due to COE, SSPI, and SCO (EC § 41020.9[b])**
 - **Charter school prior-year audit due to chartering authority, COE, SSPI, and SCO (EC § 47605[m], 41020[h], and 41020.9[b])**
 - g) **April 1st – FY 2020-21 Auditor service contracts due to SCSOS (EC § 41020[b][3])**
- 4) **One Stop**
 - a) **Construction Apprenticeship Training Flyer (pg. 5)**
- 5) **Payroll**
 - a) **2020-21 Payroll Calendar: January 2021 – June 2021 (pg. 7)**
- 6) ***Draft* 2021-22 CFO Calendar (pg. 9)**
- 7) **Escape: Portal**

- 8) **Every Student Succeeds Act Per-Pupil Expenditure (ESSA PPE) Reporting (pgs. 11-28)**
- 9) **CARES Act Funds Update**
 - a) **ESSER II (pgs. 29-34)**
 - b) **CRF Expenditure Deadline Reminder**
- 10) **2020-21 Second Interim BASC Common Message (pgs. 35-57)**
- 11) **CA County Superintendents Educational Services Association (CCSESA) CBO Conference**
 - a) **School Services of California (SSC) (pgs. 59-72)**
 - b) **CDE Hot Topics (pgs. 73-111)**
 - c) **Audit Guide Updates (pgs. 113-126)**
 - d) **GASB 84 (pgs. 127-150)**
- 12) **ESSCO: External Services Subcommittee**
- 13) **Articles (pgs. 151-161)**
 - a) ***SSC Fiscal Report: Two Bills Offer Alternative Proposals to School Reopening and Expanded Learning Grants***
 - b) ***SSC Fiscal Report: Late School Start Time Law to Take Effect July 2022***
 - c) ***SSC Fiscal Report: Don't Forget There's a New LCAP***
 - d) ***SSC Fiscal Report: Changes to Unspent Supplemental and Concentration Grants on the Horizon***
 - e) ***SSC Fiscal Report: Critical Deadlines and Funding Opportunities***
- 14) **Workshops/Webinars (pgs. 163-166)**
 - a) **SSC Webinars & Workshops**
 - b) **CASBO Webinars & Workshops**
- 15) **Next Meeting**
 - a) **March 17th – Board Room/Zoom**

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

From: U.S. Department of Education <ed.gov@public.govdelivery.com>

Date: Thu, Jan 21, 2021 at 10:25 AM

Subject: FY 2021 REAP Master Eligibility Spreadsheet and SRSA Application

To:

Fiscal Year 2021 Rural Education Achievement Program (REAP) Master Eligibility Spreadsheet and the Small, Rural School Achievement (SRSA) Application

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) 2021 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: <https://oese.ed.gov/offices/office-of-formula-grants/rural-insular-native-achievement-programs/rural-education-achievement-program/rural-and-low-income-school-program/eligibility/>. If you find any inaccurate information in your review of the spreadsheet, please 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. If your LEA is in Pennsylvania, please note that the Pennsylvania Department of Education has not yet submitted the required data. We will update the Master Eligibility Spreadsheet once the SEA submits data for LEAs in Pennsylvania.

FY 2021 SRSA Application Process

Every LEA eligible to receive a positive SRSA allocation for FY 2021, according to the Master Eligibility Spreadsheet, will apply for an SRSA grant using a unique invitation link in MAX Survey that will be sent to eligible LEAs on **February 10, 2021**.

The simplified SRSA application in MAX Survey is the result of extensive feedback received from LEA officials and rural stakeholders nationwide. It should take applicants no more than 30 minutes to complete. In addition, the approximately 1,650 LEAs that are eligible for both SRSA and RLIS for FY 2021 will receive enhanced guidance on how to choose between SRSA and RLIS. Each applicant will also receive a confirmation email that includes a summary of responses for their LEA to keep for their records, and directions for next steps.

SRSA Application Webinars

The Department will conduct a series of webinars to demonstrate the SRSA application process in MAX Survey and answer questions from participants, the first of which will be held on **February 11, 2021**. Registration information for these webinars will be forthcoming and will be available on the REAP website

at <https://oese.ed.gov/offices/office-of-formula-grants/rural-insular-native-achievement-programs/rural-education-achievement-program/rural-and-low-income-school-program/eligibility/>.

For Further Information

If you have any questions or need additional information about the FY 2021 SRSA application process, please contact the REAP Team at REAP@ed.gov.

Sincerely,

The REAP Team

Update your subscriptions, modify your password or email address, or stop subscriptions at any time on your [Subscriber Preferences Page](#). You will need to use your email address to log in. If you have questions or problems with the subscription service, please contact subscriberhelp.govdelivery.com.

This service is provided to you at no charge by [U.S. Department of Education](#).

This email was sent to mbfoster@eastnicolaus.k12.ca.us by U.S. Department of Education · 400 Maryland Ave · Washington DC 20202 · 800-USA-LEARN



IS A CAREER IN THE CONSTRUCTION TRADES FOR YOU? COME EXPLORE.



Exploration.
Work Readiness Skills.
Incentive Payments.

This is a special opportunity to introduce you to various fields in construction. After completion, you may choose to apply to an **Apprentice Program** which trains workers to become skilled in a particular trade.

Apprenticeship Programs combine hands-on work with classroom learning while you earn a paycheck.

*North State Builds and the
 America's Job Center of California present*

140-Hour Pre-Apprenticeship Training April 5 - May 7, 2021

- Must be at least 18 years old
- Must have a valid driver's license
- Must have a high school diploma or GED
- Must have reliable transportation
- Must have working cell phone

To learn more and apply, contact your local AJCC:



Sutter County Residents
 530-822-5120, ext 3068



Yuba County Residents
 530-749-4850





970 Klamath Lane
 Yuba City, CA 95993
 (530) 822-2900
 (530) 671-3422

SUBMIT PAYROLL DEADLINE: SUPPLEMENTAL & END OF MONTH NOON

WARRANT BAG PICK-UP: SUPPLEMENTAL & END OF MONTH 8:00 AM
 *WHEN PICK UP DATE FALLS ON A FRIDAY 1:00 PM
 (pay date is Monday)

JANUARY			
TYPE	SUBMIT	PICK UP	PAY DAY
SUP	1/4/21	1/7/21	1/8/21
EOM	1/21/21	1/28/21	1/29/21

FEBRUARY			
TYPE	SUBMIT	PICK UP	PAY DAY
SUP	2/1/21	2/9/21	2/10/21
EOM	2/18/21	2/25/21	2/26/21

MARCH			
TYPE	SUBMIT	PICK UP	PAY DAY
SUP	3/2/21	3/9/21	3/10/21
EOM	3/22/21	3/30/21	3/31/21

APRIL			
TYPE	SUBMIT	PICK UP	PAY DAY
SUP	4/1/21	4/8/21	4/9/21
EOM	4/22/21	4/29/21	4/30/21

MAY			
TYPE	SUBMIT	PICK UP	PAY DAY
SUP	4/30/21	5/7/21	5/10/21
EOM	5/20/21	5/27/21	5/28/21

JUNE			
TYPE	SUBMIT	PICK UP	PAY DAY
SUP	6/1/21	6/9/21	6/10/21
EOM&Time sheets	6/22/21	6/29/21	6/30/21

JULY 2021			
TYPE	SUBMIT	PICK UP	PAY DAY
Liability	7/1/21	7/8/21	7/9/21
SUMMER ARREAR - 11EM ONLY	7/12/21	7/15/21	7/16/21

****DRAFT****

CFO Meeting Schedule

2021-2022

12:00PM* – 3:00PM

DATE	LOCATION*
July - No Meeting	N/A
August 18, 2021	N/S Board Room
September 15, 2021	N/S Board Room
October 20, 2021	N/S Board Room
November 17, 2021	N/S Board Room
December 15, 2021	N/S Board Room
January 19, 2022	N/S Board Room
February 16, 2022	N/S Board Room
March 16, 2022	N/S Board Room
April 20, 2022	N/S Board Room
May 18, 2022	N/S Board Room
June 15, 2022	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.



Every Student Succeed Act Per-Pupil Expenditures Reporting Application

February 10, 2021

CALIFORNIA DEPARTMENT OF EDUCATION
Tony Thurmond, State Superintendent of Public Instruction

Webinar Reminders

- Please mute your microphone
- Please send questions to essappe@cde.ca.gov
- Additional webinars are offered on February 24, 2021

Every Student Succeeds Act (ESSA) Per Pupil Expenditures (PPE) Reporting Update (1)

The law specific to per-pupil expenditures for State report cards:

Section 1111(h)(1)(C)(x)

(1) ANNUAL STATE REPORT CARD

(C) MINIMUM REQUIREMENTS...

(x) The per-pupil expenditures of Federal, State, and local funds, including actual personnel expenditures and actual nonpersonnel expenditures of Federal, State, and local funds, disaggregated by source of funds, for each local educational agency and each school in the State for the preceding fiscal year.

Every Student Succeeds Act (ESSA) Per Pupil Expenditures (PPE) Reporting Update (2)

The law specific to per-pupil expenditures for LEAs:

Section 1111(h)(2)(C)

(2) ANNUAL LOCAL EDUCATIONAL AGENCY REPORT CARD

(C) MINIMUM REQUIREMENTS.—The State educational agency shall ensure that each local educational agency collects appropriate data and includes in the local educational agency’s annual report the information described in paragraph (1)(C), disaggregated in the same manner as required under such paragraph, except for clause (xii) of such paragraph, as applied to the local educational agency and each school served by the local educational agency...

Every Student Succeeds Act (ESSA) Per Pupil Expenditures (PPE) Reporting Update (3)

Final non-regulatory guidance was recently provided by the ED.

- <https://www2.ed.gov/policy/elsec/leg/essa/report-card-guidance-final.pdf>

The non-regulatory guidance clarified the PPE reporting requirements under ESSA:

- There is no required methodology for calculating PPE, i.e., LEAs have flexibility in determining the methodology.
- There is no requirement to alter local financial systems or for states to collect a greater detailed level of data (e.g., school-level).

ESSA PPE - CDE Guidance

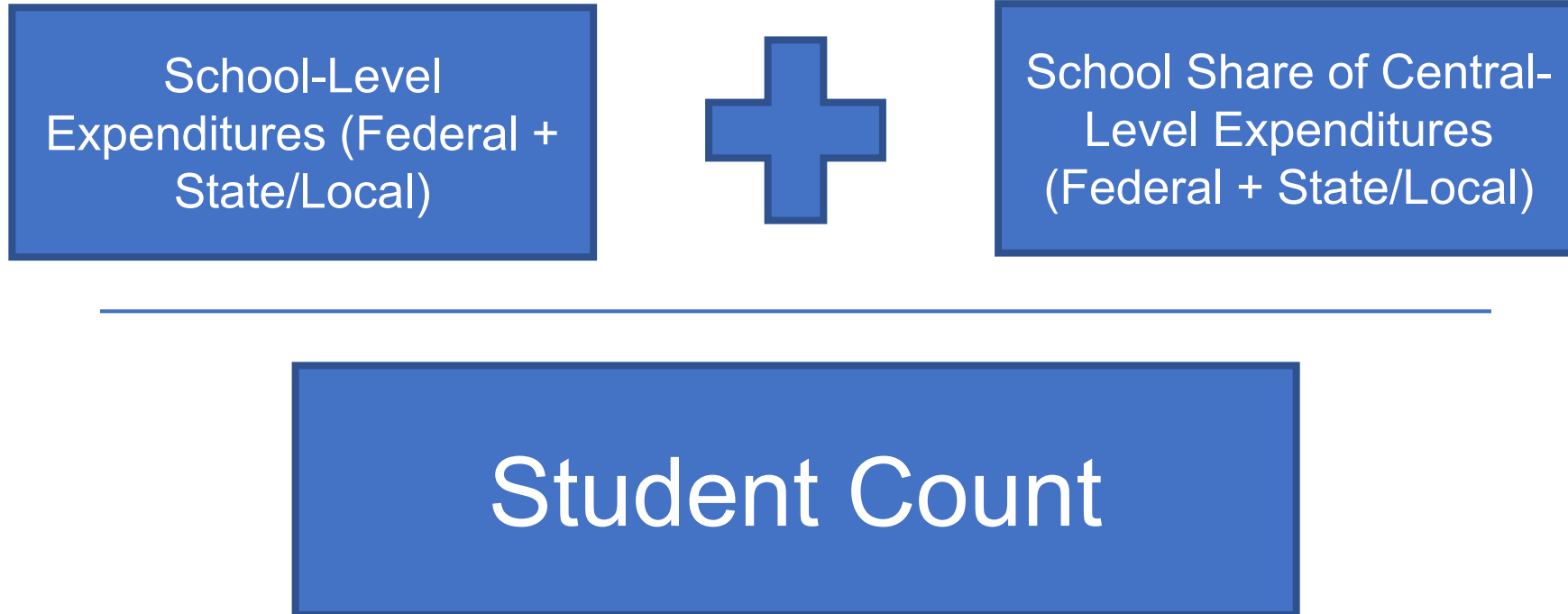
CDE issued a letter on August 1, 2018.

- <https://www.cde.ca.gov/fg/ac/co/essappeltr.asp>

Intended to provide information and guidance to assist LEAs with meeting the PPE reporting requirement.

- Calculation guidelines: included and excluded expenditures, expenditures tracked at the school-level versus LEA-level, student counts
- Reporting and presenting the data
- Preparation considerations

ESSA PPE Calculation (1)



ESSA PPE Calculation (2)

Included Expenditures

- The ESEA requires that per-pupil expenditure calculations include actual personnel and nonpersonnel expenditures of all federal, state, and local funds disaggregated by source of funds.
- The following activities could be included as current expenditures:
 - Instruction
 - Instructional and Student Support Services
 - School and General Administration
 - Plant Operations and Maintenance
 - Student Transportation
 - Food Services
 - Enterprise Operations

ESSA PPE Calculation (3)

Excluded Expenditures

- The following expenditures do not meet the definition of K-12 current expenditures:
 - Debt Service (Function 9100, Object 74XX)
 - Capital Outlays (Function 8500; Object 6XXX)
 - Community Services (Goal 8100, Function 5000)
 - Adult Education (Fund 11; Goal 4XXX)
 - Payments to private schools
 - Payments to other LEAs
 - Payments to charter schools outside the LEA
 - County Services to Districts (Goal 8600)

School-level vs. Central Expenditures

School-Level Reporting

- Contain actual personnel and non-personnel expenditures that are identified to a specific school site (e.g., teacher salaries and benefits, site discretionary – non personnel expenditures).

Central-Level Reporting

- Actual personnel and non-personnel expenditures that could not be identified to a particular school-site.
- Examples of these activities could include:
 - Pupil Transportation
 - Food Services
 - Plant Operations and Maintenance
 - Instructional and Student Support Services
 - General Administration (e.g., Superintendent's Office, Board Services, Fiscal Services)

Allocation of Central-Level Expenditures

Central-level expenditures may be allocated to each school based on metrics deemed appropriate for each type of expenditure. Examples include:

- Number of students served in the school (e.g., for the superintendents salary)
- The percentage of time allocated by LEA personnel to each school (e.g., for staff who serve multiple schools)
- Square footage (e.g., for utility costs)

Student Count

- The CDE recommends using enrollment as the student count.
- LEAs have the discretion to determine a student count procedure.
- The CDE will display the CALPADS Fall 1 Submission enrollment figure for each school.
- LEAs need to be consistent with which student count procedure will be utilized each year.

What type of elements will be reported?

School Level Expenditures	School A	School B
A. Federal	\$456	\$209
B. State and Local	\$6,111	\$4,756
C. School-level Total	\$6,567	\$4,965

School Share of Central Expenditures	School A	School B
D. Federal	\$161	\$161
E. State and Local	\$5,378	\$5,378
F. School Share of Central Total	\$5,539	\$5,539
G. Total School Expenditures (C + F)	\$12,106	\$10,504
H. Student Count	250	450

Where will the PPE data be reported?

The data will be reported as part of the Local Educational Agency Accountability Report Card (LARC).

- <https://www.cde.ca.gov/ta/ac/le/>

How will the PPE data be collected?

- Data will be collected through a web application.
- The CDE provided access codes to the Superintendent and Chief Business Official for each LEA and to the Administrator for each direct-funded charter school listed within the California School Directory.
- Amounts can be hand-keyed or prepared in Excel and imported in a CSV (comma delimited) format.

2018-19 Reporting Common Issues

- School-level and central-level per-pupil amounts
 - Amount entered as a total amount, rather than a per-pupil amount.
- LEA Federal and State/Local per-pupil amounts
 - Amount entered as a total amount, rather than a per-pupil amount.
- LEA Total Excluded Expenditures
 - No amount entered
 - Amount entered as a per-pupil amount, rather than a total amount.

Frequently Asked Questions

1. Do we include preschool expenditures, including amounts reported in the Child Development Fund (12)?

At this time, the CDE does not collect enrollment for preschool and child development activities. Therefore, an LEA would have the flexibility to include or exclude preschool and child development expenditures from their calculation.

2. How do we determine cafeteria expenditures that are federal versus state and local? Since reimbursement funding for both all comes in under one resource code.

In this situation, the CDE recommends to account for these types of expenditures as local expenditures.

3. Do we include special education expenditures? If so, would we include all funding sources?

Yes, special education expenditures from all funding sources would be included in the per-pupil expenditure calculation.

Please email ESSA per-pupil expenditure
requirement questions to:
essappe@cde.ca.gov



Whitney Hardison

From: Whitney Hardison
Sent: Monday, February 22, 2021 9:42 AM
To: Anne Sykes; Bal Dhillon; Becky Whitaker; Christopher Peters; Dave Tarr; Dawn Carl; Dawn Heraty; External Business; James Ferreira; Jane Draper; Jennifer Kendrix; Jimmie Eggers; Karen Villalobos; Kathy Smith; Laura Estey; Lisa Shelton; Lori Tapia; Margaret Cottman; Maria Foster; Marty Ofenham; Mat Gulbrandsen; Mark Beebe; Michael Sproul; Mike Scully; Pamela Lujan; Robert Shemwell; Ryan Robison; Shelly Payne; Stacey Bailey; Stacey A. Schwall; Staci Kaelin; Stephanie Kuykendall; Thomas Petueli; Tracy Holsey; Trisha Collier
Cc: External Business
Subject: *NEW* FUNDING INFO: ESSER II
Attachments: ESSER II Preliminary Allocations 2-17-21.xlsx

Good morning,

Good news... CDE has released the guidance and preliminary allocations of the new ESSER II funds.

You can access the LEA Schedule of ESSER II Allocations on CDE's website here:

<https://www.cde.ca.gov/fg/fo/r14/essertifii20result.asp>. I have also attached the Excel spreadsheet directly from CDE's website to this email.

Additionally, if you would like to review a listing of allowable uses for the ESSER II funds, you can view those on CDE's CRRSA Act Funding webpage here: <https://www.cde.ca.gov/fg/cr/crrsa.asp#esseralloc>. Scroll to the ESSER II section and you can review all of the available information regarding the new ESSER II funds.

Please note that while your LEA does not need to "apply" for the funds, you will need to login to your CARES Act reporting account and **submit the ESSER II Legal Assurances by March 12th**.

We will review all of this info again at the CFO meeting this Wednesday.

Please reach out if you have any questions.

Thank you,

Whitney Hardison

External Business Coordinator
Sutter County Superintendent of Schools
970 Klamath Lane
Yuba City, CA 95993
Office: (530) 822-2958



Due to the Public Health COVID-19 restrictions, the County Office is currently closed. Please email external@sutter.k12.ca.us if you need immediate assistance. Thank you!

Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act)

Elementary and Secondary School Relief (ESSER II) Fund

Preliminary ESSER II eligibility amounts will be adjusted for LEAs that failed to meet the federal maintenance of effort requirement.

LEAs with zero preliminary ESSER II eligibility amounts are ineligible for Title I in FY 2020-21.

County Name	Full CDS Code	County Code	District Code	School Code	Direct Funded Charter School Number	Service Location Field	Local Educational Agency	2020-21 Title I Eligibility	Percentage Share of Title I	ESSER II Preliminary Eligibility
Sutter	51105120000000	51	10512	0000000	N/A	10512	Sutter County Office of Education	\$102,339	0.00570%	\$343,991
Sutter	51713570000000	51	71357	0000000	N/A	71357	Brittan Elementary	\$59,239	0.00330%	\$199,120
Sutter	51713650000000	51	71365	0000000	N/A	71365	Browns Elementary	\$16,478	0.00092%	\$55,387
Sutter	51713730000000	51	71373	0000000	N/A	71373	East Nicolaus Joint Union High	\$12,766	0.00071%	\$42,910
Sutter	51713810000000	51	71381	0000000	N/A	71381	Franklin Elementary	\$43,347	0.00241%	\$145,702
Sutter	51713990000000	51	71399	0000000	N/A	71399	Live Oak Unified	\$645,044	0.03590%	\$2,168,182
Sutter	51714070000000	51	71407	0000000	N/A	71407	Marcum-Illinois Union Elementary	\$1,871	0.00010%	\$6,289
Sutter	51714150000000	51	71415	0000000	N/A	71415	Meridian Elementary	\$1,182	0.00007%	\$3,973
Sutter	51714230000000	51	71423	0000000	N/A	71423	Nuestro Elementary	\$20,636	0.00115%	\$69,364
Sutter	51714310000000	51	71431	0000000	N/A	71431	Pleasant Grove Joint Union	\$19,075	0.00106%	\$64,117
Sutter	51714490000000	51	71449	0000000	N/A	71449	Sutter Union High	\$38,913	0.00217%	\$130,798
Sutter	51714560000000	51	71456	0000000	N/A	71456	Winship-Robbins	\$18,020	0.00100%	\$60,570
Sutter	51714640000000	51	71464	0000000	N/A	71464	Yuba City Unified	\$3,731,581	0.20771%	\$12,542,937
Sutter	51714645130125	51	71464	5130125	0289	C0289	Yuba City Charter	\$104,346	0.00581%	\$350,737
Sutter	51714640107318	51	71464	0107318	0639	C0639	Twin Rivers Charter	\$61,872	0.00344%	\$207,970
Sutter	51714070109793	51	71407	0109793	0724	C0724	South Sutter Charter	\$242,704	0.01351%	\$815,799
Sutter	51714150129007	51	71415	0129007	1606	C1606	California Virtual Academy at Sutter	\$239,680	0.01334%	\$805,635
Sutter	51714230132977	51	71423	0132977	1764	C1764	Sutter Peak Charter Academy	\$68,927	0.00384%	\$231,684
Sutter	51714560133934	51	71456	0133934	1801	C1801	Inspire Charter School - North	\$129,369	0.00720%	\$434,847
Sutter	51714566053334	51	71456	6053334	1826	C1826	Winship Community	\$14,846	0.00083%	\$49,902
Sutter	51105120138040	51	10512	0138040	2000	C2000	AeroSTEM Academy	\$25,628	0.00143%	\$86,143
Statewide Total								\$5,597,863	0.31159%	\$18,816,057

California Department of Education
 School Fiscal Services Division
 February 2021



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CRRSA Act Funding

Information on the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, including the Elementary and Secondary School Relief II (ESSER II) fund and the Governor's Emergency Education Relief II (GEER II) fund.

[Federal Stimulus Funding home page](#)

In response to the 2019 Novel Coronavirus (COVID-19) the U.S. Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act), which was enacted on December 27, 2020. This federal stimulus funding is the second act of federal relief in response to COVID-19, following the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law on March 27, 2020. For more information on CARES Act, please visit the California Department of Education (CDE) [CARES Act Funding web page](#).

The two main funding sources are the Elementary and Secondary School Emergency Relief Fund (ESSER II Fund) and the Governor's Emergency Education Relief Fund (GEER II Fund). The ESSER II Fund accounts for approximately \$54.3 billion of funding for all states and California's allocation is \$6,709,633,866. The GEER II Fund accounts for approximately \$4.05 billion of funding for all states, and California's allocation is \$341,442,086. Within the GEER II there is the special carve-out for non-public schools, the Emergency Assistance to Non-Public Schools (EANS), which accounts for \$2.75 billion. This funding will provide LEAs with emergency relief funds to address the impact COVID-19 has had, and continues to have, on elementary and secondary schools across the nation.

New information and guidance will be added as it becomes available. If you would like to be notified when new information is available, please join the CDE's Federal Relief Funds listserv by sending a blank email message to join-edrelieffunds@mlist.cde.ca.gov.

[ESSER II Funds](#) | [GEER II Funds](#) | [Reporting Requirements](#) | [FAQs](#) | [Other Information](#)

ESSER II Funds

Section 313(b) of the CRRSA Act requires the Department to allocate the ESSER II Fund based on the proportion that each State received under Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA) in the most recent fiscal year. California's allocation for ESSER II is \$6,709,633,866. Funds may be used for pre-award costs dating back to March 13, 2020, when the national emergency was declared. These funds are available for obligation by the state and subrecipients through September 30, 2023.

Each state must use no less than 90 percent of its allocation (\$6,038,670,479) to make subgrants to LEAs, based on each LEA's share of funds received under Title I, Part A in fiscal year 2019–20.

LEAs are not required to provide equitable services for ESSER II as they were for ESSER under the CARES Act. The CRRSA Act contains a special EANS carve-out.

In order to receive an allocation, LEAs must submit the ESSER II Legal Assurances, which will be available by the end of February 2021. In order to be included in the first apportionment, assurances must be completed by March 12, 2021. Please see the [ESSER II Formula Allocations](#) section for the allocations.

ESSER II Allowable Uses

The ESSER II Funds can be used in much the same way as the ESSER Funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The difference is that with ESSER II there are more defined allowable uses:

1. Any activity authorized by the ESEA, the Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act (AEFLA), the Carl D. Perkins Career and Technical Education Act (Perkins), or the McKinney Vento Homeless Education Assistance Act.
2. Coordination of LEA preparedness and response efforts to improve coordinated responses with other agencies to prevent, prepare for, and respond to coronavirus.
3. Providing principals and other school leaders with the resources necessary to address school needs.
4. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth.
5. Developing and implementing procedures and systems to improve LEA preparedness and response efforts.
6. Training and professional development for LEA staff on sanitation and minimizing the spread of infectious diseases.
7. Purchasing supplies to sanitize and clean LEA facilities.
8. Planning for and coordinating during long-term closures, including how to provide meals, technology for online learning, guidance on IDEA requirements, and ensuring other educational services can continue to be provided consistent with all applicable requirements.
9. Purchasing educational technology (including hardware, software, and connectivity) for students served by the LEA that aids in regular and substantive educational interactions between students and their classroom teachers, including assistance technology or adaptive equipment.
10. Providing mental health services and supports.
11. Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.

12. Addressing learning loss among students, including low-income students, students with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children in foster care, of the local educational agency, including by–
 - Administering and using high-quality assessments to accurately assess students’ academic progress and assist educators in meeting students’ academic needs, including through differentiating instruction.
 - Implementing evidence-based activities to meet the comprehensive needs of students.
 - Providing information and assistance to parents and families on how they can effectively support students, including in a distance learning environment.
 - Tracking student attendance and improving student engagement in distance education.
13. School facility repairs and improvements to reduce risk of virus transmission and to support student health needs.
14. Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification, and other air cleaning, fans, control systems, and window and door repair and replacement.
15. Other activities that are necessary to maintain operations and continuity of services and continuing to employ existing staff.

ESSER II Formula Allocations

The Schedule of Allocations can be found on the [ESSER II Funding Results](#) page.

In order to receive an allocation, LEAs must submit the ESSER II Legal Assurances, which will be available by the end of February 2021. In order to be included in the first apportionment, assurances must be completed by March 12, 2021.

ESSER II fund allocations are based on an LEA’s share of funding received under Title I, Part A in fiscal year (FY) 2020–21. To have received 2020–21 Title I, Part A, an LEA must have:

- Been deemed an eligible LEA as reflected by a minimum U.S. Census Bureau estimated poverty count of 10 and poverty rate greater than 2%; and,
- Applied for funds on CARS no later than March 31, 2021; and,
- Submitted the LCAP Federal Addendum no later than March 31, 2021

ESSER II SEA Reserve Funds

The ESSER II state educational agency (SEA) Reserve funds account for \$670,963,387. The allocation methodology and allowable uses for this discretionary funding will be determined through the state budget process. **Please check back for future updates.**

GEER II Funds

The CRRSA Act also provides an additional \$4,053,060,000 for the GEER II Fund. California’s allocation for GEER II is \$341,442,086. Funds may be used for pre-award costs dating back to March 13, 2020, when the national emergency was declared. Funds are available for obligation by Governors and subrecipients through September 30, 2023.

A portion of the GEER II funds, \$153,966,243 can be used in the same manner as the GEER Fund under the CARES Act. The allocation methodology and allowable uses for this discretionary funding will be determined through the state budget process. **Please check back for future updates.**

The remaining \$187,475,843 must be used for EANS. By creating a separate reservation of funds for this purpose, Congress reiterated the need for non-public schools to participate in emergency education relief programs by establishing a separate program under GEER II, rather than relying on the equitable services requirements that typically apply to elementary and secondary formula grant programs. Consequently, LEAs are not required to provide equitable services for funds received under the CRRSA Act, though equitable services requirements continue to apply to CARES Act programs.

The CDE will provide updates as soon as possible regarding the application process and requirements for these funds. **Please check back for future updates.**

Reporting Requirements

LEAs will be required to report on any CRRSA Act funds that they received. These funds must be tracked and reported on separately from CARES Act funds. The CDE will update LEAs soon on the new reporting requirements. **In the meantime, LEAs must still report on CARES Act funds.** Please visit the [CDE Federal Stimulus Funding web page](#) for reporting requirements.

FAQs

Currently the CDE is working on new frequently asked questions (FAQs) for the ESSER II and GEER II funds. Please check back for future updates. Below are links to current guidance on these funds from the U.S. Department of Education.


[ESSER II Fact Sheet](#)  (PDF)


[GEER II Fact Sheet](#)  (PDF)


[EANS FAQs](#)  (PDF)

Other Information

[CRRSA Act Text](#)  (PDF)

[ESSER II State Allocations and Methodology](#)  (PDF)

[GEER II State Allocations and Methodology](#)  (PDF)

[EANS Certification and Agreement](#)  (PDF)

Questions: CDE Federal Stimulus Team | EDReliefFunds@cde.ca.gov

Last Reviewed: Friday, February 12, 2021

The Common Message

2020-21 Second Interim



BASC
Business and Administration
Steering Committee

Writers and Contributors

Topic		
Background	Committee	
Introduction	Committee	
Key Guidance	Shannon Hansen, San Benito	Dean West, Orange
Governor's 2021-22 Budget	Shannon Hansen, San Benito Derick Lennox, CCSESA	Dean West, Orange
Reopening Framework	Michael Simonson, San Diego	Eric Dill, Santa Clara
Expanded Learning Time and Academic Intervention Grants	Bill Ridgeway, Santa Barbara	Priscilla Quinn, Kern
Planning Factors/MYP	Shannon Hansen, San Benito	Dean West, Orange
LCFF	Kate Lane, Marin	Tina Daigneault, Riverside
LCAP	Josh Schultz, Napa	Michael Simonson, San Diego
Early Childhood Education	Fernie Marroquin, Tulare	Dean West, Orange
Special Education	Scott Anderson, San Joaquin	Priscilla Quinn, Kern
Federal Stimulus	Priscilla Quinn, Kern	Bill Ridgeway, Santa Barbara
Cash Flow / Deferrals	Misty Key, Ventura	Denise Porterfield, San Mateo
Reserves / Reserve Cap	Colleen Stanley, Monterey	Liann Reyes, Santa Cruz
Negotiations/Collective Bargaining	Janet Riley, Merced	Mary Downey, Sonoma
Summary	Shannon Hansen, San Benito	Dean West, Orange

Sources

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California Public Employees' Retirement System
California State Teachers' Retirement System
California State Board of Education
California School Boards Association
California School Information Services
Capitol Advisors
Fiscal Crisis and Management Assistance Team
K-12 High Speed Network
Michael Hulsizer, Chief Deputy Governmental Affairs, Kern County Superintendent of Schools
National Forest Counties and Schools Coalition
School Services of California
Schools for Sound Finance (SF2)
Small School Districts' Association
Statewide LEC Co-chairs
WestEd

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Second Interim Report Key Guidance

The January release of the Governor's 2021-22 state budget proposal provides funding for a cost-of-living adjustment (COLA) to address expenditure growth. It also addresses the immediate need to reopen schools safely. Components of the proposal include:

- Compounded Local Control Funding Formula COLA of 3.84% to be applied in 2021-22 (2.31% for 2020-21 and 1.5% for 2021-22)
- Statutory COLA of 1.5% (for select programs outside of LCFF)
- Partial paydown of cash deferrals
- Mitigating COVID-19 pandemic effects on students
- \$300 million in funding for Special Education Early Intervention Preschool Grant
- \$1.5 billion in Prop. 51 bond funds to support school construction projects
- \$2.3 billion one-time supplemental payment, outside of Prop 98, and the elimination of supplemental payments in subsequent years

The state budget proposal and federal relief from Washington, D.C. provide several one-time allocations in 2020-21 and 2021-22:

- \$2 billion in one-time Prop. 98 funds for in-person instruction beginning in February 2021
- \$4.6 billion in Prop. 98 funds for expanded learning time and academic intervention grants
- More Elementary and Secondary School Emergency Relief (ESSER) funds for in-person instruction to reopen schools
- \$330.7 million for Investing in Educators

Other proposals included in the Governor's 2021-22 State Budget release are funded from non-Prop. 98 funds and will affect students and their families. The best information available at this time regarding these programs will be provided later in this document.

Significant Changes Since First Interim Reporting

The proposed State Budget affects the multiyear projection factors. Projected COLAs for 2021-22 and 2022-23 have increased to 3.84% and 2.98%, respectively. The cost to fund the Local Control Funding Formula (LCFF) COLA is \$2 billion.

Additionally, \$6.7 billion has been received in federal COVID-19 ESSER II funds to support the reopening of schools.

The Legislature has approved \$6.0 billion for allocation to schools to mitigate COVID-19's impact on students, while providing schools with guidance and resources to maximize safe in-person services to students. Use for the remaining \$700 million has yet to be proposed and approved by the Legislature.

Reopening Framework and Consolidated Guidance

On January 7, the Governor released his proposal to provide \$2 billion in one-time Prop. 98 funds for in-person instruction grants. The grants would be available to all LEAs except for non-classroom based charter schools. This proposal requires action by the Legislature, so LEAs are advised to not include in-person instruction grant revenue in their budgets until guidance regarding the requirements and grant amounts for this program is certain. However, the budget proposal should be understood separately from recent health requirements.

- On January 14, 2021, the California Department of Public Health (“CDPH”) issued the [COVID-19 and Reopening In-Person Instruction Framework & Public Health Guidance for K-12 Schools in California, 2020-2021 School Year](#) (“Consolidated Guidance”). The Consolidated Guidance is intended to consolidate and update prior state public health guidance/orders related to schools and supersedes some prior guidance related to school and school-based programs. The Consolidated Guidance applies to all public, charter, and private schools in California.

COVID-19 Safety Plan Posting Requirement

There is some confusion related to the governor’s funding proposal and the requirement in the current guidance for K-12 schools related to a February 1 deadline for posting of COVID-19 Safety Plans (CSPs). Given that the funding proposal is still under deliberation, LEAs are currently only required to meet the Feb. 1 deadline as referenced in the schools guidance, which is as follows:

- **For schools that are currently “open” as defined in the California Department of Public Health (CDPH) guidance:** Local educational agencies ONLY need to post their CSP by Feb. 1. They do not need to submit that plan to the local health department (LHD) or to the Safe Schools Team.
- **For schools that are not “open” as defined in CDPH guidance but are seeking to reopen elementary grades while in the Purple Tier and are under the 25/100,000 case rate:** Local educational agencies need to post their CSP and concurrently submit it to their LHD and Safe Schools for All Team for review.
- **For schools that are not “open” as defined in CDPH guidance and have no current plans to reopen elementary grades while in the Purple Tier:** Local educational agencies do not need to post the CSP at this time.

Approved K-6 grade applications are not permitted to resume in-person instruction until the adjusted CR has been less than 25 per 100,000 population per day for at least 5 consecutive days. Schools that have not already reopened may not apply to reopen grades 7-12 while in the purple tier, but must wait until the county is in the red tier.

Additional Requirements for Data Reopening

Beginning February 1, 2021, every LEA shall notify CDPH, on the prescribed forms, of the following information on or before the second and fourth Monday of each month:

- Number of students enrolled by school site and school district
- For non-classroom based charter schools, total number of students enrolled and number of students attending each resource center
- Number of students participating in full-time in-person learning, by school site and school district
- Number of students participating in hybrid learning by school site and school district
- Number of students participating in distance learning by school site and school district
- Number of school employees who work onsite at a school by school site and school district
- Number of students being served in cohorts while the school is closed for in person instruction and the support and services they are receiving

Additional information on reopening of schools is found in Appendix B.

Expanded Learning Time and Academic Intervention Grants

As proposed for 2020-21, eligible LEAs (school districts, county offices of education, and charter schools) would be apportioned approximately \$4.6 billion in one-time Prop. 98 funds in the following manner:

1. LEAs would receive \$1,000 per homeless pupil enrolled in 2020-21.
2. State special schools would receive \$725 for each unit of average daily attendance as of the 2020-21 first principal apportionment certification.
3. Remaining funds would be allocated to LEAs proportionally on the basis of their LCFE entitlement, determined as of the 2020-21 first principal apportionment certification.
4. Preliminary grant allocations would be available by March 2, 2021. Funds would be allocated to LEAs in equal portions in March 2021 and July 2021 and would be available for expenditure through June 30, 2022.

In all circumstances, LEAs receiving these funds must deliver services in accordance with applicable individualized education programs. Funds must be used for activities that support academic achievement by expanding instructional time and providing targeted academic interventions, with priority for low-income students, English language learners, youth in foster care, homeless youth, students with disabilities, and pupils identified for tiered reengagement strategies. Specifically, funds must be expended for any of the following purposes:

1. Extending instructional learning time beyond what is required, by increasing the number of instructional days or minutes during the school year, providing summer school or intersessional instructional programs, or taking any other action that increases the amount of instructional time or services provided to pupils based on their learning needs.
2. Accelerating progress to close learning gaps through the implementation, expansion, or enhancement of learning supports including, but not limited to:
 - a. Tutoring or other one-on-one or small group instruction provided by certificated or classified staff.
 - b. Learning recovery programs and materials designed to accelerate pupil academic proficiency.
 - c. Educator training in accelerated learning strategies and effectively addressing learning gaps.
3. Integrated pupil supports to address other barriers to learning, such as the provision of health, counseling, or mental health services, access to school meal programs, before and after school programs, referrals for support for family or pupil needs, or programs to address pupil trauma and social-emotional learning.
4. Community learning hubs that provide students with access to technology, high-speed internet access, and other academic supports.
5. Supports for credit deficient pupils to complete graduation or grade promotion requirements.
6. Additional academic services for pupils, such as diagnostic assessments of pupil learning needs.
7. Training for school staff on strategies, including trauma informed practices, to engage students and families in addressing students' social emotional health and academic needs.

As a condition of receiving these funds, by June 1, 2021, the governing board or body of an LEA must adopt at a public meeting an addendum as a part of its 2021-22 LCAP, describing how the funds will be used in accordance with the statutory requirements.

By March 1, 2021, the superintendent, with the concurrence of the executive director of the SBE, must develop and post publicly on the department's website, a template for the addendum to the LCAP. The addendum template must include the following:

1. A short description of the LEA's plan for assessing the needs of all of its pupils for expanded learning time and academic intervention opportunities and informing the parents/guardians of all of its pupils requiring learning recovery supports of the availability of these opportunities.

2. The LEA's expenditure plan for funds received. This must include an indication of how much of the awarded funds each LEA will allocate and expend for each allowable purpose and will reflect both estimated and actual expenditures. Actual expenditures must be reported when they are available.

An LEA may receive or expend funds before the adoption of its 2021-22 LCAP addendum.

Planning Factors for 2020-21 and MYPs

Key planning factors for LEAs to incorporate into their 2020-21 second interim reporting and multiyear projections are listed below and are based on the latest information available.

Planning Factor	2020-21	2021-22	2022-23
Statutory COLA	2.31%	1.50%	2.98%
COLA Suspension	-2.31%	0.00%	0.00%
Funded LCFF COLA	0%	3.84%	2.98%
STRS Employer Rates (Approximate)	16.15%	15.92%	18.00%
PERS Employer Rates (Approximate)	20.70%	23.00%	26.30%
Lottery – Unrestricted per ADA	\$150	\$150	\$150
Lottery – Prop. 20 per ADA	\$49	\$49	\$49
Mandated Block Grant for Districts			
K-8 per ADA	\$32.18	\$32.66	\$33.63
9-12 per ADA	\$61.94	\$62.87	\$64.74
Mandated Block Grant for Charters			
K-8 per ADA	\$16.86	\$17.11	\$17.62
9-12 per ADA	\$46.87	\$47.57	\$48.99
State Preschool (CSPP) Part-Day Daily Reimbursement Rate	\$30.87	\$31.34	\$32.26
State Preschool (CSPP) Full-Day Daily Reimbursement Rate	\$49.85	\$50.60	\$52.11
General Child Care (CCTR) Daily Reimbursement Rate	\$49.54	\$50.29	\$51.78
Routine Restricted Maintenance Account <i>(Flexibility for calculation to exclude STRS and PERS on behalf payments, ESSER and LLMF Funds from calculation)</i>	3%	3%	3%

Local Control Funding Formula

The majority of Prop. 98 for 2021-22 is proposed for LCFF, with total LCFF funding increasing to \$64.5 billion when adjusted for declining ADA and a compound COLA of 3.84%, derived from the unfunded 2020-21 statutory COLA of 2.31% and an estimated 1.5% statutory COLA for 2021-22.

Under the Governor's budget proposal and current law, traditional attendance accounting returns in 2021-22 with the assumption that all students will attend school in person. Assuming traditional attendance accounting returns, LEAs will be able to take advantage of the prior year ADA guarantee in the case of declining enrollment. For most school districts, 2020-21 ADA that becomes the prior year, is, in fact, 2019-20 ADA. Districts should nonetheless monitor enrollment carefully because the additional cushion in 2021-22 is offset by the recognition in 2022-23 of two years of ADA decline. Charter schools are not afforded the prior year guarantee and will be funded on current year ADA again beginning in 2021-22.

Given the continued economic uncertainties associated with the pandemic, all LEAs are encouraged to continue to develop multiple scenarios using the LCFF COLA planning factors as best case. LEAs that are prepared for both best and worst case budgets are better able to weather economic uncertainty.

Local Control Accountability Plan

The LCAP adoption cycle and related requirements are expected to return to a more normal cycle this spring. By June 30, 2021, LEAs will need to adopt an LCAP using the LCAP template and expenditures tables that were approved in January 2020 but later suspended for the 2020-21 year. The template and expenditure tables can be found here: <https://www.cde.ca.gov/re/lc/>.

In addition LEAs must adopt a one-time transitional Annual Update using the [template posted January 25](#), which will require reporting on both the actual expenditures and outcomes related to the 2019-20 LCAP, and the implementation status and estimated actual expenditure for the 2020-21 Learning Continuity and Attendance Plans. LEAs will need to be thoughtful and clear about how they communicate about these matters to their stakeholders, as there may be a disconnect between planned expenditures and what actually happened due to pandemic disruptions.

The components of the LCAP for the 2021-22 LCAP year must be posted as one document assembled in the following order:

- LCFF Budget Overview for Parents (still awaiting updated template)
- Annual Update with instructions
- LCAP Template (including)
 - Plan Summary
 - Stakeholder Engagement
 - Goals and Actions

- Increased or Improved Services for Foster Youth, English Learners, and Low-Income Students
- Expenditure Tables
- LCAP Instructions

Further changes to LCAP requirements may be forthcoming. The Governor’s expanded learning time and academic intervention grants proposal, if approved as presented, would require the adoption of an addendum as part of the 2021-22 LCAP describing how grant funds would be used.

In addition, the 2020-21 budget bill SB 98 requires changes to the LCAP template to be adopted by January 31, 2022 to require new elements for LEAs identified for differentiated assistance same pupil subgroup or subgroups for three or more consecutive years, and for LEAs with schools that persistently underperform relative to the state and other schools within the LEA (see E.C. 52064(e)).

Finally, the Governor has proposed additional changes “to address concerns that some [LEAs] allocate funds for increased and improved services and then leave them unspent, reallocating them for other purposes in future years.” The proposed trailer bill language would require LEAs to include in their LCAPs a calculation of any estimated shortfall in meeting their increased or improved services requirement for the “annual update” year. This shortfall could include a quantitative shortfall – e.g. estimated actual expenditures are less than budgeted expenditures – and/or a qualitative shortfall – estimated improvement in a service was less than the planned improvement. The calculated amount of this shortfall would then become an added increased and improved services requirement in the LCAP year. These changes, if adopted, would be effective for LCAPs adopted in June of 2022.

Early Care and Education (ECE)

The Governor’s proposed budget focuses on avoiding further loss in the child care system, due to COVID-19 pandemic disruption and builds on the recommendations made in the [Master Plan for Early Learning and Care](#). The Master Plan for Early Learning was released December 1, 2020 and recommends a multi-year plan for transforming the state’s child care and early education systems. The 2020 Budget Act shifted early learning, child care, and nutrition programs from the Department of Education to the Department of Social Services. This transition, which becomes effective July 1, 2021, will align all child care programs within a single department in state government. In addition, early learning and child care programs received a 1.5% COLA.

The budget proposals begin the implementation of the Master Plan under K-12 Education by providing:

Transitional Kindergarten (TK)

- \$250 million one-time Prop 98 funds over multiple years, providing grants to LEAs that offer “early access to TK”, assisting in up-front costs to expand TK.

- \$50 million one-time Prop 98 funds to support professional development of TK teachers and supports for TK and K teachers in training, while providing instruction in inclusive classrooms, ELL, social-emotional learning, trauma-informed practices, restorative practice and mitigating implicit bias.
- \$200 million one-time General Fund dollars to support facility expansion for TK and full-day K programs.

Cradle to Career Data System

- \$15 million General Fund, including \$3 million one-time, to establish an office within the Government Operations agency to provide support and resources for a comprehensive K-12 data system, which coordinates with CalPADS.
- \$3.8 million ongoing Prop 98 funds to support the California Career Guidance Initiative, which provides an “interface for student data between high schools, students and families that will be integrated into the Cradle to Career Data System.”

Special Education

The Governor’s budget proposals for special education once again start by highlighting the significant shortfall in federal funding provided for special education services. The federal government funds only about 10% of special education costs in California, woefully short of the stated 40% goal, and only a small fraction of preschool special education costs. The 2021-22 budget proposals for special education build upon state (Prop. 98) funding augmentations implemented the past two years and include:

- The base special education funding formula to receive the estimated statutory COLA of 1.5%, bringing the new base funding rate to \$634.38/ADA.
- \$300 million ongoing for the Special Education Early Intervention Grant to supplement existing special education resources to increase the availability of evidence-based services and support school readiness for infants, toddlers, and preschoolers, with a focus on inclusive settings. Restricted funds to be allocated to the LEA of residence based on the number of preschool children with exceptional needs.
- \$5 million one-time funding to establish professional learning networks for increasing LEA capacity to access federal Medi-Cal funds.
- \$250,000 for a lead county office of education to provide guidance for Medi-Cal billing within the statewide system of support.

Additionally, the Governor’s budget proposes to use \$500,000 one-time federal Individuals with Disabilities Education Act funds for a study to examine certification and oversight of nonpublic school special education placements.

Federal Stimulus Funds

Coronavirus Relief Funds

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), passed in December 2020, extended the federal deadline for obligating CARES Act Coronavirus Relief Funds from December 30, 2020 to December 31, 2021. However, current trailer bill language, if approved, will require LEAs to spend these funds in full compliance with federal law by May 31, 2021. By March 1, 2021, LEAs with unspent funds must complete a certification with respect to the May 31 deadline. Funds not expended by May 31, 2021, will be swept by the state.

Elementary and Secondary School Emergency Relief (ESSER II) Fund

Under the CRRSA, California K-12 received \$6.7 billion of federal Elementary and Secondary School Emergency Relief (ESSER II) funds. Like the first round of ESSER, the state will be required to distribute 90% of the total allocation to LEAs (\$6.039 billion). The distribution will be based on the LEA's share of fiscal year 2020-21 Title I, Part A funds. A preliminary allocation schedule can be found at [CRSSA, ESSER II Preliminary Allocations](#). LEAs must obligate the funds by September 30, 2023. Since there is no supplanting prohibition, these funds may take the place of state or local funds for any allowable expenditures incurred through September 30, 2023.

ESSER II under CRSSA specifically calls out the additional allowable uses listed below in law, but the U.S. Department of Education has noted that the "additional allowable" uses under ESSER II are also permitted under ESSER I authorized by the CARES Act. For additional information refer to the Fact Sheet available on the U.S. Department of Education's website at https://oese.ed.gov/files/2021/01/Final_ESSERII_Factsheet_1.5.21.pdf.

- Addressing learning loss for students by:
 - Administering and using high quality assessments to assess students' academic progress and assist educators in meeting students' academic needs (including differentiated instruction).
 - Implementing evidence-based activities to meet the needs of students.
 - Providing information and help to parents and families on how to support students during distance learning.
 - Tracking student attendance and improving student engagement during distance learning.
- School facility repairs/improvements that help reduce risk of virus transmission and exposure to other environmental health hazards.
- Inspection, testing, maintenance, repair, and replacement projects to improve the indoor air quality of school facilities.
- ESSER II funds must be tracked and reported separately from ESSER I funds

Governor’s Emergency Education Relief (GEER II) Fund

Allocated \$4 billion to the GEER fund nationwide. For additional information refer to the Fact Sheet available on the U.S. Department of Education’s website

https://oese.ed.gov/files/2021/01/FINAL_GEERII_EANS-Methodology_Table_1.8.21.pdf.

- California expects to receive \$341.4 million of these funds.
- A total of \$154 million to be appropriated by the Governor (through the budget process) for any education purpose (for early education through higher education) related to COVID relief.
- The remaining \$187.4 is to provide assistance to nonprofit nonpublic schools, and is known as Emergency Assistance for Non-Public Schools (EANS). The Governor applies for these funds separately from the rest of GEER II.
 - EANS replaces the equitable services requirement found in ESSER I and GEER I, and as such there is no equitable services requirement for ESSER II or GEER II.

Additional information on federal stimulus dollars is found in Appendix C.

Cash Flow / Deferrals

The cash deferrals for fiscal year 2020-21 remain as approved in the 2020-21 budget. \$11 billion of principal apportionment cash deferrals continue as scheduled for fiscal year 2020-21 to fiscal year 2021-22:

- From February 2021 to November 2021 \$1.54 billion
- From March 2021 to October 2021 \$2.38 billion
- From April 2021 to September 2021 \$2.38 billion
- From May 2021 to August 2021 \$2.38 billion
- From June 2021 to July 2021 \$2.38 billion

It is important for districts to continue to prepare second interim cash flow projections and to meet all cash obligations timely.

The planned partial principal apportionments to be received in February through May 2021 are also still projected. The estimated percentages by month to be received are:

- From February 2021 to November 2021 47%
- From March 2021 to October 2021 18%
- From April 2021 to September 2021 18%
- From May 2021 to August 2021 18%
- From June 2021 to July 2021 0%

The June principal apportionment will be 100% deferred to July 2021.

The Governor's January budget proposal includes details to lessen the total cash deferrals in fiscal year 2021-22 and is proposed to defer only the June 2022 to July 2022 apportionment. It is important that every LEA continues to scrutinize every cash outflow and inflow for accurate cash flow projections leading into fiscal year 2021-22.

Reserves / Reserve Cap

County offices of education continue to reinforce the need for adequate reserve levels. The Government Finance Officers Association, a national organization representing federal, state, and local finance officials, recommends school districts and other local governments maintain reserves of at least two months of operating expenditures (approximately a 17% reserve) to mitigate revenue shortfalls and unanticipated expenditures. The association further recommends all governments develop a formal policy regarding their minimum reserves and consider maintaining reserves larger than 17% if revenues or expenditures are especially volatile.

Given the current health and economic volatility, it is critical that decisions about reserve levels are made thoughtfully and deliberatively. Inadequate reserves force districts to react quickly, which can cause significant disruptions to student programs and employees.

Although general fund reserves are an indicator of cash balance, they are not the same as cash – cash is but a portion of reserves. Districts' attention should be on maximizing the use of the one-time federal CARES Act funds due to the restrictive nature of those funds for the 2020-21 fiscal year, thereby reserving local and unrestricted funds to address the potential impact of possible deteriorating revenues in 2021-22 and 2022-23. This deterioration could come from economic impacts as well as the anticipated ADA cliff when the protections of the hold harmless provisions end.

The Governor's January budget proposal projects that deposits to the Public School System Stabilization Account (PSSSA) will be required in 2020-21 and 2021-22, bringing the projected balance to \$3 billion. Under current law, in fiscal years immediately succeeding those in which the PSSSA balance is equal to or greater than 3% of the total K-12 share of the Prop. 98 guarantee, a 10% cap on school district reserves would be triggered. The projected PSSSA balance of \$3 billion in 2021-22 triggers school district reserve caps beginning in 2022-23.

SB 751 provided additional provisions to the reserve cap requirements:

- Basic aid districts and districts with ADA less than 2,501 are exempt from the reserve cap requirements.
- A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements of subdivision (a) for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances including, but not limited to, multiyear infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the cap limits.

As a reminder, in the event that the reserve cap is triggered, the portions of fund balance that are subject to the cap are the assigned and unassigned reserves in the general fund (01) and the special reserve fund for other than capital outlay (17). Any funds that are in the committed portion of the fund balance, meaning that the governing board took action to set aside the funds, are not included in the reserve cap calculation. GASB 54 defines the unrestricted components of fund balance as follows:

- Committed Fund Balance (Objects 9750 – 9769) – Amounts subject to internal constraints self-imposed by formal action of the governing board, which may be redirected in the same manner in which the original constraints were imposed
- Assigned Fund Balance (Objects 9770 – 9788) – Amounts intended to be used for specific purposes but for which the constraints do not meet the criteria to be reported as restricted or committed
- Unassigned Fund Balance (Objects 9789 – 9790) – Amounts not classified as restricted, committed, or assigned, which includes the reserve for economic uncertainties and any unappropriated amounts

Negotiations

An average of 85% of districts' ongoing costs are related to personnel. Therefore, decisions related to compensation have the biggest impact on district stability. In the continually evolving response to COVID-19 and the economic uncertainty surrounding mitigation of the virus, maintaining flexibility in labor agreements is crucial. It is prudent to weigh the needs of today against the risk of future fiscal unknowns.

Flexibility in agreements can be accomplished through several forms of negotiations, such as reopeners, single year contracts or use of contingency language.

Flexible collective bargaining agreements and a carefully crafted strategic plan with contingency language that allows for quick redirection will help provide district stability.

Risks can be diminished when LEAs follow fundamental best practices including a structurally balanced budget, sufficient reserves, and fund balance (cash on hand).

Risk factors include:

- Declining enrollment
- Loss of pandemic related ADA hold harmless protection
- Costs related to changing criteria for in-person instruction
- Staff shortages
- Increased PERS and STRS rates
- Reliance on one time funding
- Unknown costs due to changes in accountability
- Litigation costs: due process, COVID-19 exposure
- Requirements to provide more services to students in need

Summary

The Common Message is devised to assist LEAs in developing budgets and interim reports. How this information affects each LEA is unique. With this in mind, LEAs should evaluate their individual educational and financial risks. Special attention must be paid to out-year projections and the contributing factors both within and outside the control of district decision makers. Most importantly, LEAs should focus on the potential funding cliff due to declining enrollment and the effects on the 2022-23 fiscal year.

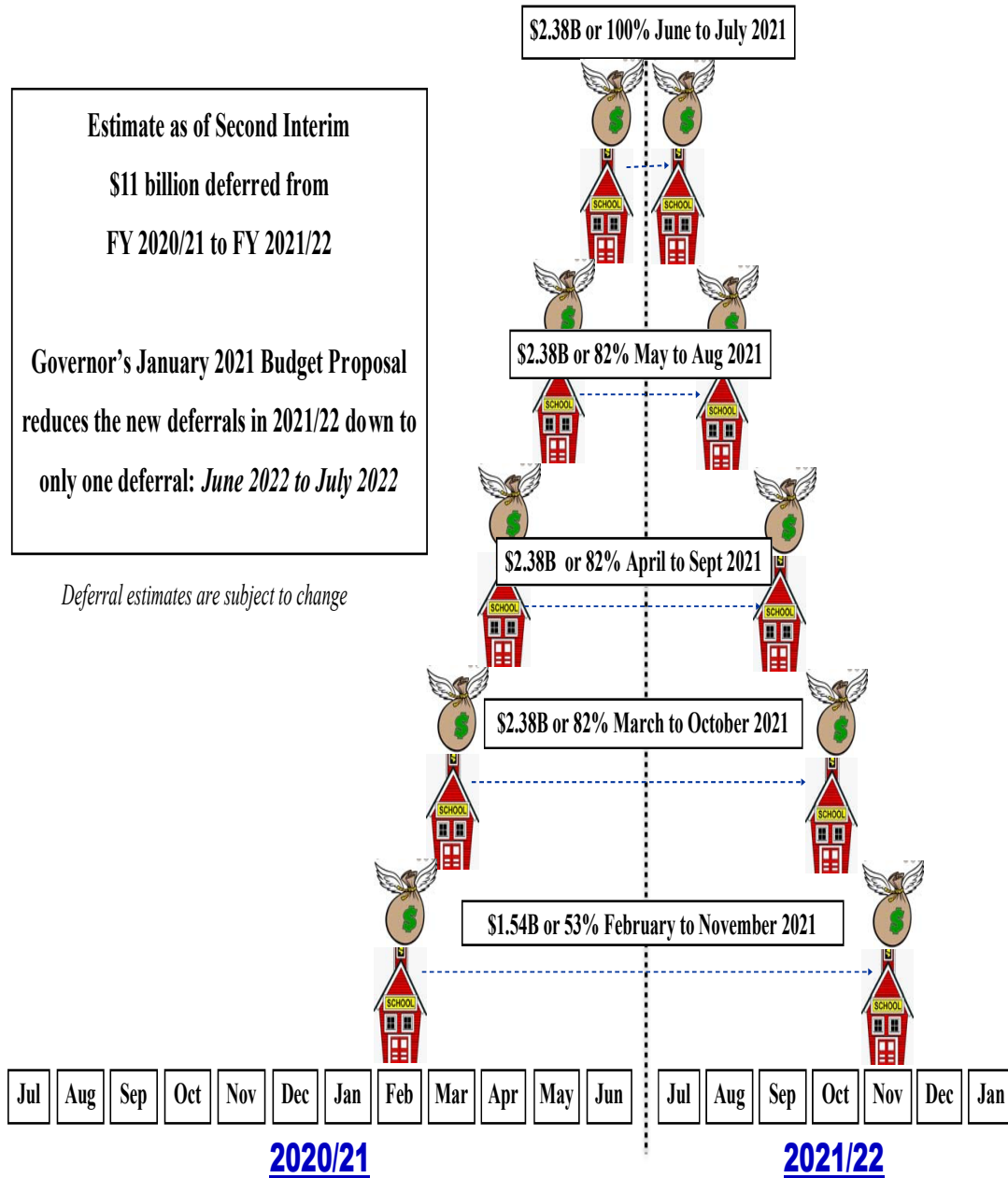
Appendix A - Apportionment Deferrals

Apportionment Deferrals

Estimate as of Second Interim
 \$11 billion deferred from
 FY 2020/21 to FY 2021/22

Governor's January 2021 Budget Proposal
 reduces the new deferrals in 2021/22 down to
 only one deferral: *June 2022 to July 2022*

Deferral estimates are subject to change



Appendix B – Additional Information for Reopening of Schools

IN-PERSON INSTRUCTION GRANTS

In-Person Instruction Grant requirements for eligible LEAs are reported below as described in the administration’s proposal. This information is expected to change and we expect early action funding available in the near future.

By February 1, 2021:

- Submit COVID-19 School Safety Plan (CSP) to local health jurisdiction, State Safe Schools for All Hub (e-mail: k12csp@cdph.ca.gov) and the county office of education (or to CDE for single district counties)
 - Must provide for in-person instruction as required by the dates specified below
 - Must describe how the LEA will conduct ongoing asymptomatic testing of staff and pupils consistent with the cadences set forth by the California Department of Public Health (CDPH)
 - Must include the written COVID-19 prevention program required by the COVID-19 Emergency Standards adopted by the California Occupational Safety and Health Standards Board (Cal-OSHA)
 - Must include the supplemental COVID-19 School Guidance Checklist approved by CDPH
 - Must post the CSP on website homepage
- Submit ratified collective bargaining agreements or memoranda of understanding that support implementation of the CSP to county office of education (or to CDE for single district counties)
 - Applies to all LEAs whose employees collectively bargain
- LEA must certify to county office of education (or to CDE for single district counties) it has verified that each of its pupils participating in distance learning has access to a computing device, software, and high-speed internet necessary to participate in online instruction
- COEs shall submit all information received from LEAs to CDE by February 5, 2021
- CDE shall notify each LEA applicant of its grant amount within 15 business days after submission deadlines

By February 16, 2021:

- Provide optional in-person instruction consistent with the CSP to at least all pupils in the following groups:

- Students with disabilities
- Foster youth
- Homeless youth
- Students without access to a device, software, or high-speed internet
- All students in grades TK-2

By March 15, 2021:

- In addition to the student groups listed above, provide optional in-person instruction consistent with the CSP to all pupils enrolled in elementary schools, up to grade 6
- Continue providing continuous in-person instruction through the end of the scheduled 2020-21 school year (adopted school calendar in effect on February 16, 2021), unless otherwise ordered by a state or local health official

LEAs in the Purple Tier

Must meet the requirements as defined above by either the February 1 deadline for full apportionment eligibility, or by March 1 for reduced apportionment eligibility, and the following shall apply:

- Local health jurisdictions shall notify the LEA and their COE within seven business days of submittal if the LEA's CSP is not approved. COEs must then notify CDE within five business days that the LEA is no longer eligible to receive the grant funding
 - LEAs may reapply by March 1 to be eligible for reduced apportionment by revising the CSP to satisfy the requirements of the local health jurisdiction
- In-person instruction may commence on the sixth business day after the CSP is submitted to the local health jurisdiction unless the CSP is found to be unsafe by the state or local health officer before the end of the fifth business day after submission
- These requirements do not apply to schools already open for in-person instruction by February 1, 2021, if their reopening was permitted by public health directives in effect at the time of reopening
 - LEAs already open for in-person instruction must submit the CSP by February 1, 2021 and post it on their website homepage
- LEAs are not required to offer in-person instruction if the seven-day adjusted average case rate in their local health jurisdiction or county is above 28 cases per 100,000 people per day or subsequently rises above this threshold
- LEAs must meet in-person instruction requirements for the pupil groups identified above when case rates fall below 28 per 100,000 for seven consecutive days

Grant Amounts

- Base grant per ADA, as certified in the 2020-21 first principal apportionment, excluding ADA generated by students in full time or course based independent study reported in 2019-20 P-2:
 - \$450.00, if open by February 16
 - \$337.50, if open by March 15
- Plus grade span adjustment
- Plus 2020-21 LCFE supplemental and concentration grant percentages
- Alternate amounts for necessary small schools, if open by February 16:
 - \$26,462.50 for $0 < 25$ ADA
 - \$52,925.00 for $25 < 49$ ADA
 - \$79,387.50 for $49 < 73$ ADA
 - \$105,850.00 for $73 < 97$ ADA
- Alternate amounts for necessary small schools, if open by March 15:
 - \$19,846.88 for $0 < 25$ ADA
 - \$39,693.75 for $25 < 49$ ADA
 - \$59,540.63 for $49 < 73$ ADA
 - \$79,387.50 for $73 < 97$ ADA

Allowable Uses of Funds

Funds may be used for any purpose consistent with providing in-person instruction for any pupil participating in in-person instruction, including:

- COVID-19 testing
- Personal protective equipment
- Ventilation and other site upgrades necessary for health and safety
- Salaries for certificated or classified employees providing in-person instruction or services
- Social and mental health support services provided in conjunction with in-person instruction

Funds are available for use until December 31, 2021, and final expenditure reports will be due by January 31, 2022. CDE will collect any unexpended funds.

Appendix C – Additional Information for Federal Stimulus Funds

Federal Funds not Part of Second Interim Budget Planning

The following federal funds are now available that may be beneficial to individual LEAs. These funds are not part of the Second Interim budget planning, but LEAs should know of the availability of the federal funds if they could address an LEAs unique needs.

Broadband Funding

- \$3.2 billion to provide \$50 per month broadband subsidies for low-income households as part of a new FCC Emergency Broadband Benefit program. At least one individual in a household must meet these qualifications:
 - Qualified to participate in the federal Lifeline program.
 - Qualified to participate in the free and reduced-price lunch program (school verification required).
 - Has experienced a substantial loss of income since February 29, 2020 that is documented by layoff or furlough notice, application for unemployment insurance benefits, or similar document.
 - Has received a federal Pell Grant in the current award year.
 - Meets the eligibility criteria for a participating provider’s existing low-income or COVID-19 program.
- \$2 billion to telecommunication providers to replace China’s Huawei/TZE equipment deemed a security risk by the FCC.
- \$1 billion for a dedicated tribal broadband connectivity grant program.
- \$300 million to fund a rural broadband grant program to facilitate broadband deployment in unserved areas.
- \$285 million to support broadband pilot program for communities at historically black colleges and universities, tribal colleges and universities and minority-serving education institutions.
- \$65 million to fund the FCC’s development of more accurate broadband availability maps.

Childcare and Head Start

- Allocated \$10 billion nationwide for Childcare and Development Block Grants to provide immediate assistance to childcare providers and families to support the stability of the childcare sector.
- Allocated \$250 million nationwide for Head Start providers to prevent, prepare for, or respond to coronavirus so families can be safely served.

2021 CCSESA Chief Business Officials Conference



Presented By:

Leilani Aguinaldo, Director, Governmental Relations

John Gray, President and CEO

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GANN LIMIT

1979

This will surely kick in someday.



Paul Gann

Jerry Brown

Linda Ronstadt

2021

That's twice in 42 years- Told ya, so!



Paul Gann

THE SACRAMENTO BEE
Gann Limit EXCEEDED!



Jerry Brown

Rick P. Rubin

SSC Financial Projection Dashboard



LCFF¹ PLANNING FACTORS

Factor	2020–21	2021–22	2022–23	2023–24	2024-25
DOF ² Estimated Statutory COLA ³	2.31%	1.50%	2.98%	3.05%	N/A
DOF Estimated Funded COLA	0.00%	3.84%*	2.98%	3.05%	N/A
SSC ⁴ Estimated Statutory COLA	0.00%	3.84%*	1.28%	1.61%	1.90%

*Calculated by compounding the unfunded COLA of 2.31% from 2020–21 and the estimated statutory COLA of 1.50% in 2021–22

¹Local Control Funding Formula (LCFF)

²Department of Finance (DOF)

³Cost-of-living adjustment (COLA)

⁴School Services of California Inc. (SSC)

What Should Districts Do?



Given the continued economic uncertainties associated with the pandemic, all local educational agencies (LEAs) are encouraged to continue to develop multiple scenarios using the LCFF COLA planning factors as best case. LEAs that are prepared for both, best and worst case, budgets are better able to weather economic uncertainty.

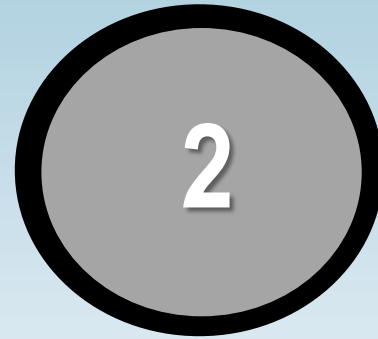
Proposition 98 Reserve Deposit



Maintenance Factor

Met

Proposition 98 Maintenance Factor prior to 2014–15 is fully paid



Test 1

Met

Minimum Guarantee is determined by Test 1



ADA and COLA

Met

Proposition 98 Minimum Guarantee is sufficient to fund average daily attendance (ADA) and the higher of the LCFF COLA or the Minimum Guarantee COLA



Capital Gains

Met

Capital gains exceed 8% of General Fund revenues

Current Federal and State Pandemic Funding



- ◆ 2019–20 and 2020–21 resulted in historic levels of funding to combat the COVID-19 pandemic
 - Nearly \$13 billion in federal and state resources allocated to LEAs

	Senate Bill (SB) 117	Proposition 98	ESSER ¹ I	GEER ²	CR ³	ESSER II
Resource	7388	7420	3210	3215	3220	3212
Funding	\$100 million	\$540 million	\$1.48 billion	\$355 million	\$4.44 billion	\$6.0 billion

¹ Elementary and Secondary School Emergency Relief (ESSER)

² Governor’s Emergency Education Relief (GEER)

³ Coronavirus Relief

- ◆ For contextual purposes, annual funding for special education and Title I, Part A, are approximately \$3.7 billion and \$1.8 billion, respectively

Current Federal and State Pandemic Funding



- ◆ The additional funds, while welcomed, created a heightened level of urgency to ensure compliance with spending regulations and spending deadlines



*Extended to December 31, 2021, by Coronavirus Response and Relief Supplemental Appropriations (CRRSA)

ESSER I



LEA share \$1.48 billion

- **Least restrictive of the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding sources**
- **Distributed in proportion to an LEA's share of 2019–20 Title I, Part A funds**
- **Funds must be obligated by September 30, 2022**
- **Funds may be used for any allowable expenditure incurred on or after March 13, 2020**
- **Equitable services requirement applies**

State share \$165 million

- **\$112.2 million to provide up to \$0.75 per meal for the School Nutrition Programs and Summer Meal Programs between March 2020 and August 2020**
- **\$45 million for California Community Schools Partnership Program grants**
- **Equitable services requirement applies**

Learning Loss Mitigation Fund



LLM Funds				
Students with Disabilities Fund		S/C* Grant Funds	LCFF Funds	
GEER	CR	CR	Proposition 98	CR
\$355 million	\$1.145 billion	\$2.855 billion	\$540 million	\$440 million

Because the allocation methods mixed the funding sources, a crosswalk is needed for accounting purposes

	GEER	CR	Proposition 98
Resource Code	3215	3220	7420

Learning Loss Mitigation Fund



GEER Funds

- Funds may be used for any allowable expenditure incurred on or after March 13, 2020
- Funds must be obligated by September 30, 2022
- Equitable services requirement applies

CR and Proposition 98 Funds

- Funds may be used for any allowable expenditure incurred on or after March 1, 2020
- CR Funds—must be incurred by May 31, 2021*
- Proposition 98 Funds—must be obligated by June 30, 2021
- No equitable services requirement

Coronavirus Relief Fund—Deadline Update



CARES Act

CARES Act required CR Funds to be incurred by December 30, 2020

CRRSA Act

CRRSA Act extended the deadline for incurring expenses to December 31, 2021

State Restrictions

Proposed trailer bill language, if approved, will require LEAs with unspent CR Funds to spend in full compliance with federal law by May 31, 2021

By March 1, 2021, LEAs with unspent CR Funds must complete re-certification with respect to May 31 deadline

CR Funds not expended by May 31, 2021, will be swept

CRRSA Act



Funding Source	Total Amount	California's Estimated Share
ESSER II Fund	\$54.3 billion	\$6.7 billion
Higher Education Emergency Relief II Fund	\$22.7 billion	\$2.9 billion
GEER II Fund	\$4.05 billion (\$2.75 billion for private schools)	\$341.4 million (\$187.5 million for private schools)

- ◆ No equitable services requirements
- ◆ Reporting required, separate from CARES Act
- ◆ Still waiting for cash flow distribution schedule for ESSER II
- ◆ State must determine how GEER II and ESSER II state set aside will be used

Biden American Rescue Plan



- ◆ Proposed Package includes \$1.9 trillion total for COVID-19 relief

Funding Source	Total Proposed Amount	California's Estimated Share
ESSER III	\$128.5 billion	\$15.875 billion
Higher Education Emergency Relief Fund	\$35 billion	
Hardest Hit Education Fund	\$5 billion	

- ◆ National vaccination program—\$20 billion
- ◆ Expand testing capacity, including specific support for schools to ensure safe reopening of schools—\$50 billion

Thank you



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California Department of Education Hot Topics

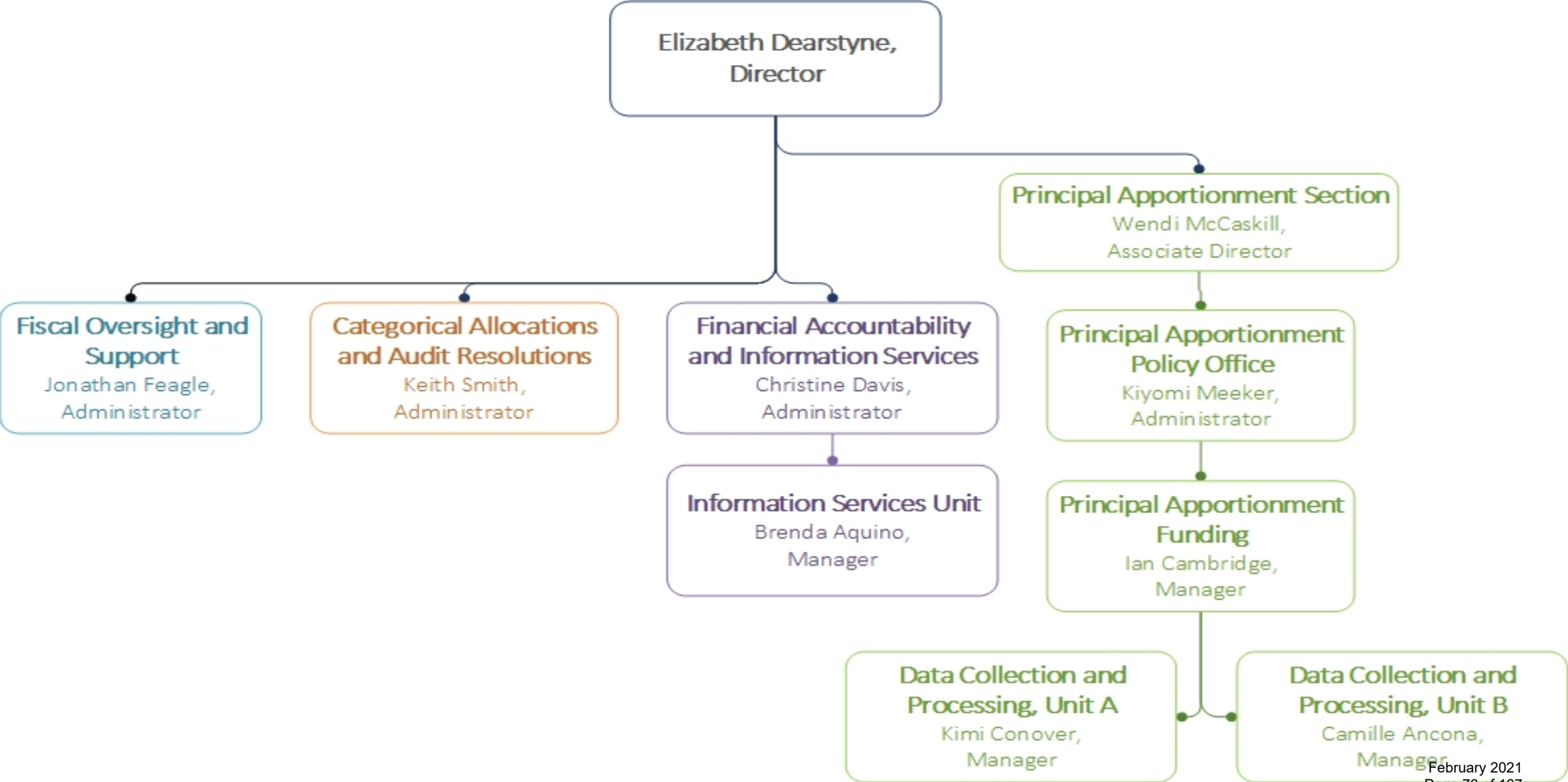
2021 CCSESA Chief Business Officials Conference
February 18, 2021

CALIFORNIA DEPARTMENT OF EDUCATION
Tony Thurmond, State Superintendent of Public Instruction

Agenda

- Federal Funding
- State General Purpose & Categorical Funding
- Accounting & Financial Reporting
- Distance Learning & Audits

School Fiscal Services Division



Federal Funding Updates

Federal Relief for COVID-19

(<https://www.cde.ca.gov/fg/cr/>)

Coronavirus Aid, Relief, and Economic Security (CARES) Act

- Enacted March 2020
- Funding Sources Include:
 - Elementary and Secondary School Emergency Relief Fund (ESSER)
 - Governor's Emergency Education Relief Fund (GEER)*
 - Coronavirus Relief Fund (CRF)*

**GEER and CRF along with state General Fund dollars comprise the Learning Loss Mitigation Funding*

Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act

- Enacted December 2020
- Funding Sources Include:
 - ESSER II
 - GEER II

Stay up to date on Federal Stimulus Funding join the listserv by sending a blank email to: join-edrelieffunds@mlist.cde.ca.gov

Questions: EdReliefFunds@cde.ca.gov

CARES Act

- CRF allocations are fully disbursed; expenditure deadline extended.
 - Trailer bill language proposes to amend the Learning Loss Mitigation statutes to extend the deadline of the CRF to May 31, 2021 but requires LEAs to recertify that CRF funds will be used by the deadline.
- ESSER I allocations will be finalized after Title I FY 2020–21 allocations are finalized in the spring.
- District ESSER I allocations are based on FY 2019–20 Title I allocation amounts.
- Payment amounts for ESSER and GEER are based on expenditure reports and limited by federal cash management rules.

Comparison of ESSER I and ESSER II

	ESSER I	ESSER II
Amount Available for LEAs	\$1,482,575,514	\$6,038,670,479
SACS Resource & Revenue Code	3210 / 8290	3212 / 8290
Basis of LEA Allocation	Proportion to LEA's 2019--20 Title I, Part A Allocation*	Proportion to LEA's 2020--21 Title I, Part A Allocation
Allowable Uses of Funds	See https://www.cde.ca.gov/fg/cr/esser.a sp#use	See https://www.cde.ca.gov/fg/cr/crrsa.a sp
Expenditure Timeframe	3/13/2020 – 9/30/2022	3/13/2020 – 9/30/2023
Subject to Federal Cash Management	Yes	Yes
Federal Reporting Requirements	Yes	Yes
Equitable Services Requirement	Yes	No

* ESSER fund allocations for new or significantly expanding charter schools in FY 2020–21 are based on their share of funding received under Title I, Part A in FY 2020–21.

CRRSA, ESSER II

- Preliminary allocations are available at <https://www.cde.ca.gov/fg/fo/r14/esserfii20result.asp>.
- LEAs will need to submit legal assurances.
 - March 12, 2021 is the assurance submittal deadline to be included in 1st ESSER II apportionment.
- District ESSER II allocations are based on FY 2020–21 final Title I allocations.
- Additional \$671 million thru ESSER II State Educational Agency (SEA) Reserve.
 - The allocation methodology and allowable uses for this discretionary funding will be determined through the state budget process

CRRSA Act, GEER II

\$341 million

- Emergency Assistance to Public Schools

- \$154 million
- The Governor has discretion over these funds
- Allocation methodology and use of funds will be determined through the budget process this Spring.

- Emergency Assistance to Non-Public Schools (EANS)

- \$187 million
- The purpose of the EANS program is to provide services or assistance to eligible non-public schools to address educational disruptions caused by COVID-19
- Non-public schools will have access to this funding, therefore, equitable services are not required under ESSER II and GEER II

Title I Allocation Increase for FY 2020–21

- Expect an increase to LEA Title I allocations in excess of 5% due to correction of state budget authority.
 - SFSD will be publishing adjusted allocation amounts for LEAs.
- The higher allocation amount will be the basis for calculation of excess carryover requirement.
- For information about Title I carryover, see <https://www.cde.ca.gov/sp/sw/t1/carryover.asp>.
- Final allocation amounts for Title I - IV will be available late spring.

State General Purpose & Categorical Funding Updates

2020–21 First Principal Apportionment Sneak Peak

- 2020–21 First Principal Apportionment (P-1) Apportionment total is approximately \$36.9 billion.
 - Continuing LEAs funded on 2019–20 ADA, except those who qualify for growth (SB 820)
 - Suspended COLA
- Education Protection Account:
 - \$8.8 billion revenue estimate for Quarters 1 – 3.
 - Proportionate Share: 37.69258175%
 - Quarter 3 Payment Percentage: 74.98665756%
- Special Education AB 602:
 - Base Entitlement Fully Funded
 - SELPA Minimum Base Rate: \$625 per ADA

2020-21 Deferral Exemptions

- School districts and charter schools that will be unable to meet their financial obligations in the month(s) of February 2021 through June 2021 may apply for an deferral exemption (*Education Code 14041.8*).
- February through May 2021 deferral exemptions:
 - 44 LEAs approved (11 districts, 33 charters)
 - P-1 payment: LEA will receive the lesser of amount requested or the P-1 calculated monthly payment.
 - Notification of deferral exemption approvals available at <https://www.cde.ca.gov/fg/fi/ad/documents/approvedforexemption.xlsx>.
- June 2021 deferral exemption application deadline: April 1, 2021.
 - Application for June deferral exemption will be posted by March 1, 2021 at <https://www.cde.ca.gov/fg/fi/ad/>.

2020–21 Principal Apportionment Deferrals

Month	Deferral Amount	Repayment Month	Principal Apportionment Deferral Percentage
February 2021	\$1,540,303,000	November 2021	48.27% of February P-1
March 2021	\$2,375,308,000	October 2021	74.67% of March P-1
April 2021	\$2,375,308,000	September 2021	75.61% of April P-1
May 2021	\$2,375,308,000	August 2021	75.93% of May P-1
June 2021	\$2,375,308,000	July 2021	100%

SB 820 Growth Funding Application

- LEAs may apply for funding based on projected enrollment or ADA growth for the 2020–21 fiscal year if documented in the LEA's 2019-20 Second Interim or 2020–21 adopted budget (*Education Code 43505(b)(1)(A)*).
- The following LEAs were eligible to apply:
 - School Districts
 - County Office of Education
 - Continuing Classroom-Based Charters
- Applications: 347 applications submitted
 - 3 COEs, 64 districts, 280 charters
 - 337 Approved

Determination of 2020–21 ADA

Continuing LEAs Not Eligible for SB 820 Growth

- 2019–20 P-2/Annual ADA (most recent certification)

LEAs Eligible for SB 820 Growth*

- **Lesser of:**
 - 2020–21 CALPADS ADA Proxy (Fall 1 Enrollment reduced by 2019–20 statewide absence rate)
 - 2020–21 Projected ADA (proxy ADA based on budget documentation, enrollment numbers reduced by statewide absence rate)

Newly Operational Charter Schools

- 2020–21 CALPADS ADA Proxy (Fall 1 Enrollment reduced by 2019–20 statewide absence rate)

*An LEA's apportionment using SB 820 growth ADA may not be less than an LEA's 2019–20 apportionment.

2020–21 CALPADS Unduplicated Pupil Count

- Due to COVID-19, extended the dates for LEAs to identify students enrolled on Census Day (October 7, 2020):
 - English Learners by December 31, 2020.
 - Eligible for free or reduced-price meals (FRPM) because they submitted an FRPM application or Alternative Household Income form by December 31, 2020.
 - CALPADS direct certification match through January 2021, or local direct certification match through December 31, 2020.
- 2020–21 LCFF Unduplicated Pupil Count (UPC) file for P-1 did not capture all the date extensions resulting in the UPC being understated for P-1. Corrections will be made for P-2.
- Fall 1 Amendment window closed February 4, 2021.

SELPA Funding

- Implemented new changes to the AB 602 funding formula.
- Entitlement for each SELPA is calculated based on the following:
 - Greater of the base rate \$625.00 or the SELPA funding rate for the 2019-20 fiscal year
 - Funded ADA (greater of current year, prior year or second prior year ADA)

Principal Apportionment Data Collection Web Application Update

- Planned Release 2021–22 P1 Data Collection (Fall/Winter 2021)
- Online access to report and certify data based on individual user roles and permissions
- COE Roles and Responsibilities
 - Designate COE Administrator and file user agreement with CDE
 - Assign Users for COE and LEAs under jurisdiction
- CDE is developing trainings and user guides

Classified School Employee Summer Assistance Program

- Funding for the 2021–22 School Year is \$60 million
- Important dates for 2021–22 School Year
 - **By March 1** - Classified employees must notify LEAs of their election to participate
 - **By April 1** - LEAs report to the CDE:
 - The number of participating employees
 - Estimated withholdings

Categorical Program Close Out

Low Performing Student Block Grant

- FY 2018–19, \$300 million one-time appropriation
- Funds available for expenditure through June 30, 2021
- On or before November 1, 2021, LEAs are required to report to the CDE regarding implementation of the plan, the strategies used, and whether those strategies increased the academic performance of the pupils identified.
- Web page: <https://www.cde.ca.gov/fg/aa/ca/lpsbg.asp>

Categorical Programs Close Out

Prop 39 California Clean Energy Jobs Act

- All approved energy projects must be completed by June 30, 2021
- All Final Project Completion Reports are due 15 months after project completion
- LEAs may be billed for unused funds or failure to file the required reports
- CDE fiscal web page:
<https://www.cde.ca.gov/fg/aa/ca/prop39ccej.a.asp>
- Energy Commission web page:
<https://www.energy.ca.gov/programs-and-topics/programs/california-clean-energy-jobs-act-proposition-39-k-12-program>

Accounting & Financial Reporting Updates

Governmental Accounting Standards Board Accounting Updates and Reminders

- Statement 84, Fiduciary Activities, effective 2020–21
- Statement 87, Leases, effective 2021–22
- Information and guidance available in SACS Forum meeting minutes available on the CDE Recap of SACS Forum Meetings web page:
<https://www.cde.ca.gov/fg/ac/ac/sacsforumrecap.asp>

Every Student Succeeds Act Per-pupil Expenditure Reporting

- 2019–20 collection in progress - **due date March 1, 2021**
- Guidance letter, FAQs, Webinars, and other resources regarding the new reporting requirement established under ESSA are available at <https://www.cde.ca.gov/fg/ac/es/>.
- Access codes have been emailed to school district and county office superintendents and chief business officials, and charter school administrators.
- Contact essappe@cde.ca.gov for access codes and other questions.

Indirect Cost Rate Plan and Delegation Agreement

- Documents the understanding between the U.S. Department of Education and the CDE regarding:
 - Methodology of indirect cost rate calculations.
 - Effective period of agreement.
- Indirect Cost Rate (ICR) Plan is updated approximately every 5 years.
 - California's will be submitted for renewal this spring.
 - Will cover indirect cost rates effective 2022–23.
- Renewed ICR Plan not expected to include material changes that affect LEAs indirect cost rates.

Other Updates

- 2019–20 unaudited actuals financial data expected to be published by the end of February.
- SACs2021 budget software expected to be released by late April – early May:
 - Few changes – minor Criteria and Standards updates and updates for new codes established as a result of Governmental Accounting Standards Board Statement 87, Leases.
 - Detailed information in October 2019 SACs Forum minutes.

SACS System Replacement Project

- Project extended one year – new go-live date anticipated early April 2022.
- Web-based system replacing legacy 20+ year old system.
- New functionality: user roles and security; draft versus submission datasets.
- Not changing: SACS code structure, SACS data file format, form content and overall functionality.

Accounting and Financial Reporting Resources

- SACS-related information (SACS Query, SACS Forum, SACS validation table updates)
<https://www.cde.ca.gov/fg/ac/ac/>
- *California School Accounting Manual (CSAM)*
<https://www.cde.ca.gov/fg/ac/sa/>
- Accounting and Fiscal Correspondence
<https://www.cde.ca.gov/fg/ac/co/>
- SACS Financial Reporting Software
<https://www.cde.ca.gov/fg/sf/fr/>

Distance Learning & Auditing Updates

2020–21 Instructional Time, Distance Learning Recordkeeping, and Audit Guide Changes

- Annual minute requirement suspended.
- Annual instructional day requirement is still in place.
- Assignments made by and certified to by a certificated employee through distance learning can be used to meet instructional time requirements.
- Although not collected or reported for the purpose of apportionment, attendance must be documented for compulsory education requirements and to avoid audit penalties.
- Distance learning requires additional recordkeeping elements.
- The Audit Guide procedures have been updated to reflect distance learning requirements.

Changes to the Audit Guide

- 2020–21 Supplemental Audit Guide
 - Amended Programs/Procedures
 - Suspended Programs
- 2021–22 Audit Guide
- Amended Programs/Procedures

2020–21 Supplemental Audit Guide Changes

Procedures Amended	Procedures Suspended
<ul style="list-style-type: none">• A. Attendance and Distance Learning• B. Teacher Certification• C. Kindergarten Continuance• F. Instructional Time, Schedule of Instructional Time• G. Instructional Materials• L. School Accountability Report Card• O. K-3 Grade Span Adjustment• W. Unduplicated LCFF Pupil Counts• Y. Independent Study• AA. Attendance• BB. Mode of Instruction• CC. Non-Classroom Based Instruction• DD. Determination of funding for Non-Classroom-Based Instruction	<ul style="list-style-type: none">• D. Independent Study• E. Continuation Education• M. Juvenile Court Schools• N. Middle or Early College High Schools• P. Transportation Maintenance of Effort• U. After/Before School Education and Safety Program• X. LCAP• Z. Immunizations• EE. Annual Instructional Minutes

2021–22 Audit Guide Changes

- R. Comprehensive School Safety Plan (Amendment)
- X. Local Control and Accountability Plan (LCAP) (Amendment)
- Z. Immunizations (Amendment)

Determination of 2021–22 ADA

School District

- Greater of current year or prior year ADA
 - Prior year ADA (actual 2019–20 ADA or SB 820 Growth ADA)
 - Current year ADA (actual 2021–22 ADA)

Charter School

- Current year ADA (actual 2021–22 ADA)

County Office of Education

- Current year ADA (actual 2021–22 ADA)

Proposed K-12 Omnibus Trailer Bill

Language for 2021–22

- **2021–22 Net Charter ADA Shift** (*Education Code 42238.051*)
 - Proposes suspension of the requirement to the adjustments that are made to a school district's prior year ADA for purposes of declining enrollment protection in current year funding calculations as a result of students moving from a school of the district to district-sponsored charter schools, and vice versa.
- **Alignment of Distance Learning Attendance and Recordkeeping Audit Penalties** (*Education Code 43504*)
 - Proposes changes to the attendance and distance learning record keeping penalty to similarly mirror the dollar value for days out of compliance, as in a normal pre-COVID year for school districts, charter schools, and county offices of education with an ADA audit finding.

Proposed K-12 Omnibus Trailer Bill Language for 2021–22

- **Instructional Day Penalty Waiver** (*Education Code 43504.5*)
 - Proposed language would allow for a State Board of Education (SBE) waiver of the fiscal penalty for an instructional day penalty audit finding in 2020–21 in similar fashion to previous years. This language would condition a SBE waiver on the applicant district or charter school offering the number of days that they were short of the instructional day requirement in each of two subsequent school years in addition to the number of days required to be offered pursuant to statute.

Resources

Subject Area	CDE Email Contact	CDE Web Page
Principal Apportionment Funding	PASE@cde.ca.gov	https://www.cde.ca.gov/fg/aa/pa/
Categorical Program Funding	CAAR@cde.ca.gov	https://www.cde.ca.gov/fg/aa/ca/
Audits & Audit Resolution	LEAAUDITS@cde.ca.gov	https://www.cde.ca.gov/fg/au/ag/
SACS Software, Accounting Guidance, Budget and Interim, Indirect Cost Rates, etc.	sacsinfo@cde.ca.gov	https://www.cde.ca.gov/fg/ac/
Attendance Accounting & Instructional Time	Attendanceaccounting@cde.ca.gov	https://www.cde.ca.gov/fg/aa/pa/instructionaltime.asp
Federal Stimulus Funding	EdReliefFunds@cde.ca.gov	https://www.cde.ca.gov/fg/cr/

Thank you!





CPAs & BUSINESS ADVISORS

**UPDATES TO THE 2020-2021 AUDIT GUIDE —
DISTANCE LEARNING AND BEYOND**

February 2021

PRESENTERS



Royce Townsend, CPA
Partner
rtownsend@eidebailly.com
909-755-2830



Shilo Gorospe, CPA
Partner
sgorospe@eidebailly.com
909-755-2832

TOPICS FOR DISCUSSION

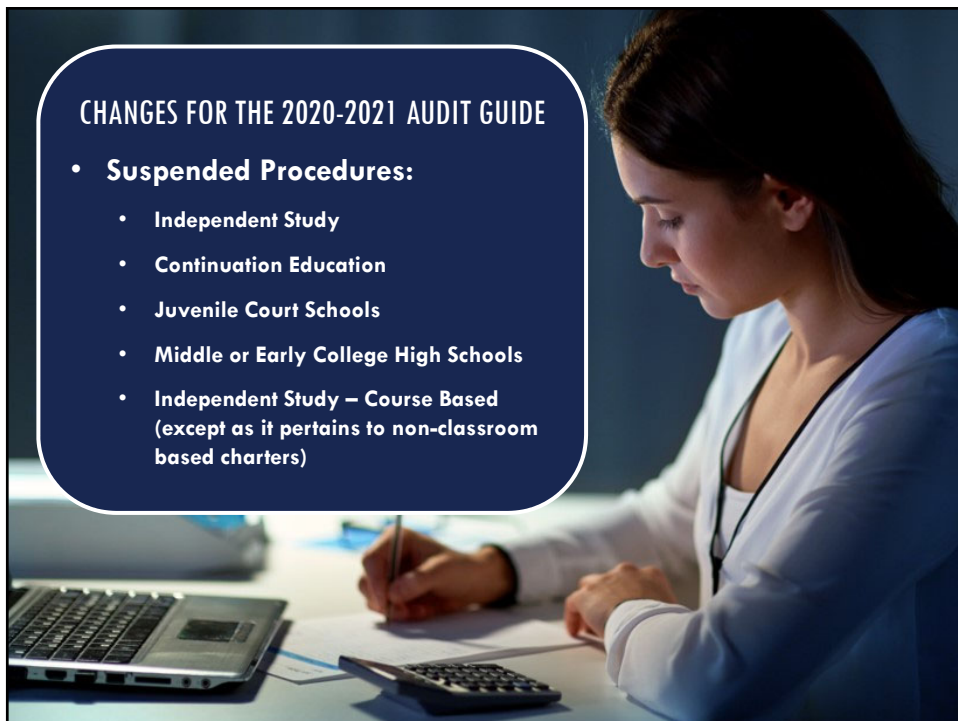
Audit Guide: Changes for 2020-2021.

What areas the auditor might emphasize and how you can prepare for the audit.

Audit Guide: Looking ahead into 2021-2022 changes.

CHANGES FOR THE 2020-2021 AUDIT GUIDE

- **Suspended Procedures:**
 - Independent Study
 - Continuation Education
 - Juvenile Court Schools
 - Middle or Early College High Schools
 - Independent Study – Course Based (except as it pertains to non-classroom based charters)





CHANGES FOR THE 2020-2021 AUDIT GUIDE

- **Suspended Procedures (cont.):**
 - Transportation Maintenance of Effort
 - After/Before School Education and Safety Program
 - Local Control and Accountability Plan
 - Immunizations
 - Charter Schools – Annual Instructional Minutes

Changes for the 20-21 Audit Guide - Amendments

Report Components – Removed references to ADA in the report

Schedule of ADA

Schedule of Findings and Questioned Costs

Remove reference to ADA throughout audit procedures:

Kindergarten Continuance

State in a finding the ~~resulting units of ADA~~ noncompliance

K-3 Grade Span Adjustment

....received funding for K-3 Grade Span Adjustment

~~reported ADA~~.....

Changes for the 20-21 Audit Guide - Amendments

Auditing Standards: Sampling

The auditor should select samples ~~Sampling should be~~ based on the guidance.....

Materiality Levels: Table below (based on 2018-2019 ADA) only applies to Independent Study – Course Based Program.

All suspended ADA related programs, such as independent study should be audited as part of Attendance and Distance Learning (Section A)

<u>LEA's Total Reported ADA</u>	<u>Materiality Level/Program</u>
1 - 1,000	10 or more ADA
1,001 - 2,500	20 or more ADA
2,501 - 10,000	50 or more ADA
More than 10,000	100 or more ADA

Changes for the 20-21 Audit Guide - Amendments

Teacher Certification and Misassignments: Select a representative sample of teachers for the school sites selected...~~For each teacher selected...~~

Instructional Materials (technical change): Delete references to Education Code (EC) Sections 60605 and 60605.8 (Procedure 5), and a word change from 'foreign' to 'world' (Procedure 6)

School Accountability Report Card (technical change): Change from 'misassignment' to 'misassignments' to align with EC Section 33126(b)(5)

Changes for the 20-21 Audit Guide - Amendments

Unduplicated LCFF Pupil Counts: Amend Procedures to include Adult English Learner (ADEL) eligible (new English Learner Acquisition Status designation)

Independent Study – Course Based: Procedure 1 is changed to apply to charter schools classified as non-classroom based as of 2019-2020 instead of 'LEA' as distance learning requirements apply to school districts, county offices of education, classroom-based charter schools, and newly operating charter schools. References to ADA and its fiscal impact, in addition to the independent study ratio, have been deleted as no ADA is being reported

Changes for the 20-21 Audit Guide - Amendments

Charter School - Attendance: Eliminate all references to ADA. Deleted procedures for pupils over the age of 19 years that generated ADA apportionment. Moved verification of annual days to nonclassroom-based instruction section

Charter School – Mode of Instruction: If the charter school is a nonclassroom-based charter school, proceed to the nonclassroom based instruction and determination of funding for nonclassroom based instruction sections. Otherwise, proceed to the Attendance and Distant Learning section

Changes for the 20-21 Audit Guide - Amendments

Charter School – Nonclassroom-Based

Instruction/Independent Study: References to ADA and its fiscal impact, in addition to the independent study ratio, have been deleted as no ADA is being reported

Review the school attendance calendar and determine the number of days offered by grade level (minimum of 175 days to be offered)

Changes for the 20-21 Audit Guide - Amendments

Charter School – Determination of Funding for Nonclassroom-

Based Instruction: If a charter school was classified as a nonclassroom-based charter school as of the 2019-2020 fiscal year ~~more than 20 percent of the charter school's total ADA was generated through nonclassroom-based instruction (independent study)...~~

For funding determination audit findings for 2020-2021 fiscal year only, report the number of units of 2019-2020 second period ADA by grade span and an estimate of their dollar value.

Changes for the 20-21 Audit Guide - Amendments

Instructional Time: Key Elements

In order for a day to count as a day of instruction towards meeting the annual day requirement (180 days for school districts, 175 days for charter schools), students must be scheduled to attend a school day equivalent to the minimum day of instruction

For the 2020–21 school year, the minimum schoolday for a local educational agency is as follows:

- (a) 180 instructional minutes in kindergarten.
- (b) 230 instructional minutes in grades 1 to 3, inclusive.
- (c) 240 instructional minutes in grades 4 to 12, inclusive.

Changes for the 20-21 Audit Guide - Amendments

Instructional Time: Key elements to understand to ensure compliance:

A school day can be met through in-person instruction, distance learning, or a combination of both

Instructional time for distance learning is calculated based on the time value of synchronous and/or asynchronous instruction and assignments as determined and certified by a certificated employee

Instructional time for in-person instruction is calculated based on time scheduled under the immediate physical supervision and control of a certificated employee

Changes for the 20-21 Audit Guide - Amendments

Instructional Time: New Procedures

Review school attendance calendars, bell or class schedules, or other documentation, to determine if any individual days are shorter than the normal length

- For distance learning, documentation includes the certificated employee certification of time value
- The certification to time value may be a stand-alone document, or in the weekly engagement record

For distance learning, select a sample of classes **and** pupils and review a sample of days to verify the pupils were offered at least the minimum school length

Changes for the 20-21 Audit Guide - Amendments

Instructional Time: Concerns and Challenges

Significant differences from prior year

District-wide schedules vs. time value at site/class level

Key component – certification of time value by a certificated employee – Will this create inconsistencies between what the district/site report vs. what the teacher “certifies”

Varying ways to document compliance

Changes for the 20-21 Audit Guide - Amendments

Instructional Time: New Procedures (continued)

Verify if the schools deviated from calendar(s), schedules, or other supporting documentation

Consideration: Inconsistencies could result if planned offerings are developed at the district/site level, but time value certified is at the teacher level and does not agree with planned offerings

Consideration: Certify time value at the site level rather than by individual teacher to prevent errors or noncompliance

Changes for the 20-21 Audit Guide - Amendments

Instructional Time: New Procedures (continued)

Determine by grade level, the total number of school days in each sampled school's attendance calendar(s) that were of at least the minimum length required for a school day and compare to the required number of days for compliance

Noncompliance results in a penalty that is required to be reported in the audit report with an accompanying schedule

Changes for the 20-21 Audit Guide - Amendments

Attendance and Distance Learning: Key Elements

Each LEA shall document daily participation for each pupil on each schoolday

A pupil who does not participate in distance learning on a schoolday shall be documented as absent

Daily participation may include, but is not limited to, evidence of participation in online activities, completion of regular assignments, completion of assessments, and contact between employees and pupils/guardians

Ensure weekly engagement record is completed for each pupil documenting synchronous and asynchronous instruction, verifying daily participation and tracking assignments

Changes for the 20-21 Audit Guide - Amendments

Attendance and Distance Learning: New Procedures

Applies to School Districts, COE's, Classroom-based Charters, and Newly Operational Charters beginning 2020-2021

Select a sample of schools (minimum 10% or 1 school site for each grade span)

Select a representative sample of absences for each of the sites selected and verify that absences were reported correctly for site-based or distance learning instruction

Documentation of absences will most likely vary
No evidence of daily participation is one example of an absence

Changes for the 20-21 Audit Guide - Amendments

Attendance and Distance Learning: New Procedures (continued)

Verify the LEA has written procedures relating to tiered reengagement strategies for all pupils who are absent from distance learning for more than three school days or 60% of the instructional days in the week

From the sample of schools selected, select a sample of pupils enrolled:

- If written procedures relating to tiered reengagement did not exist and the student sampled was absent for more than 3 days/60%, report noncompliance in a finding and estimate penalty
- Verify a certificated employee delivered instruction through distance learning and/or in person instruction
- Select one week after September 1, 2020 and verify attendance to weekly engagement records and daily participation

Changes for the 20-21 Audit Guide - Amendments

Attendance and Distance Learning: New Procedures (continued)

Weekly engagement records and daily participation:

Verify each pupil had a completed weekly engagement record that documents synchronous or asynchronous instruction for each whole or partial day by verifying daily participation and tracking of assignments

- Weekly engagement records can be met in a stand-alone record or through a combination of records
- For students tested at the secondary level (period-to-period), all period records will be required to be tested

Verify for each pupil that daily participation was documented on each school day for which distance learning was provided

- This requirement can be met through separate daily participation records, within the student information system, or another method, as long as it meets the requirement.
- For student who did not participate in distance learning, verify they were marked absent for the day

TIPS FOR SUCCESS

1

- Discuss your procedures with your auditors in advance so there is a clear understanding and approach to the audit

2

- If your procedures include a combination of documents for compliance, ensure you provide all related documents to your auditors to avoid confusion and excessive “back and forth” or misunderstandings

3

- Consider developing a checklist to ensure all required components of the weekly engagement record are present

BEWARE!!!

**Please
note:**

- The volume of audit requests will likely increase this year!

**Be
Patient:**

- This is new for all of us and is subject to interpretation.



WHAT IS BEING PROPOSED FOR THE 2021-2022 AUDIT GUIDE

- **Bring back programs that were suspended in 2020-2021**
- **Materiality levels:** Added clarity on which programs the materiality levels apply to for testing
- **Comprehensive School Safety Plans:** Changed terminology from “approved” to “adopted”
- **Local Control and Accountability Plan:** Changed sample selection of “actions and services” to just “actions”
- **Immunizations:** Confirm vaccinations of K, 1st, 7th, and 8th grade students related to chickenpox, measles, and Tdap

QUESTIONS?

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THANK YOU

Royce Townsend, CPA
Partner
rtownsend@eidebailly.com
909-755-2830

Shilo Gorospe, CPA
Partner
sgorospe@eidebailly.com
909-755-2832





CPAs & BUSINESS ADVISORS

**GASB 84 REFRESHER AND APPLICABILITY
& FEDERAL STIMULUS FUNDS**

February 2021

PRESENTERS



Andrew Park, CPA
Partner
apark@eidebailly.com
909-755-2813

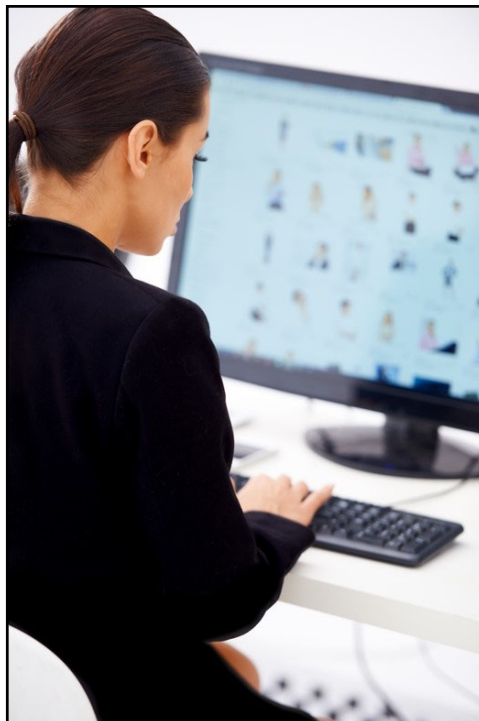


Bobby Patel, CPA, CFE
Partner
bpatel@eidebailly.com
909-755-2710

TOPICS FOR DISCUSSION

GASB 84: Is there more to GASB 84 than we initially thought? How do the changes to fiduciary activities effect us?

Federal Stimulus Funds: What are the compliance and audit requirements for ESSER and GEER?



GASB 84 - FIDUCIARY ACTIVITIES

Scope: Establishes criteria for identifying fiduciary activities and guidance on reporting those activities.

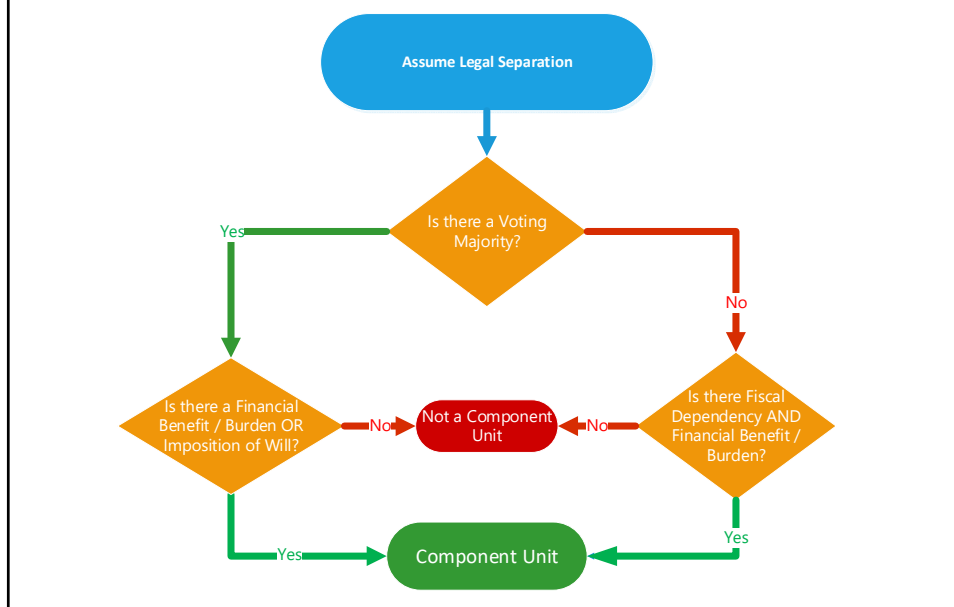
What was (and is): Prior to GASB 84, fiduciary activities were split into four categories:

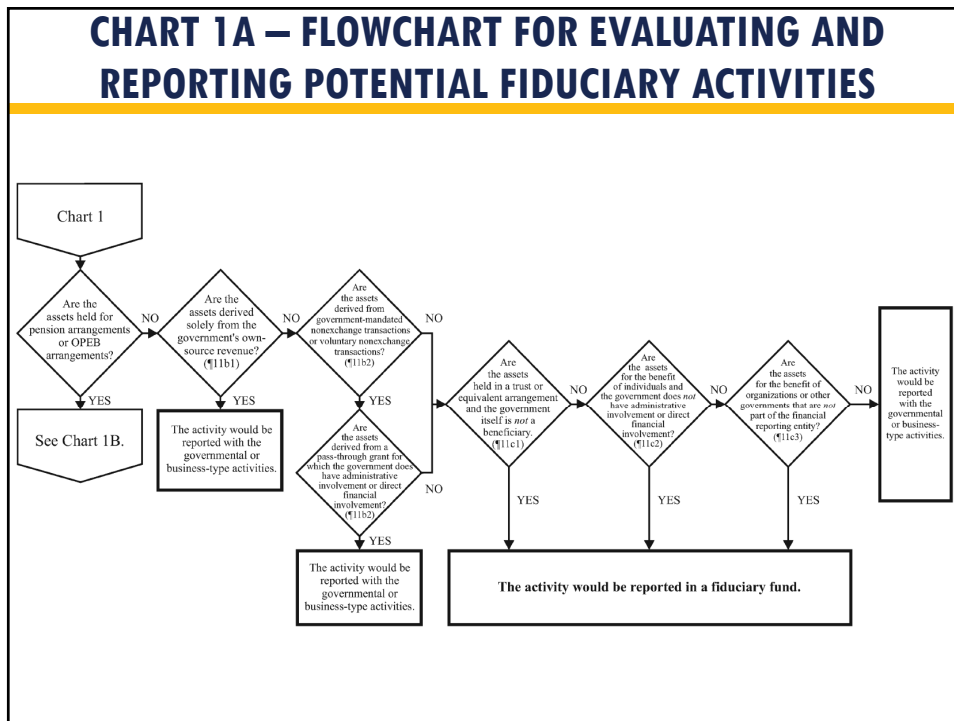
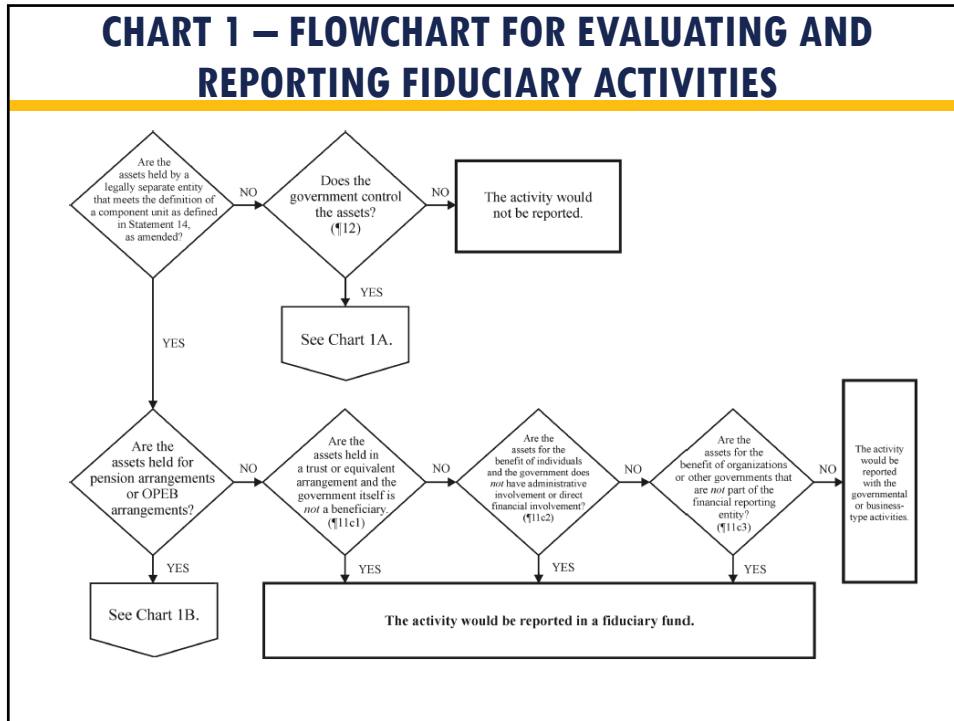
- Pension trust funds
- Investment trust funds
- Private-purpose funds
- Agency funds (*Custodial funds*)

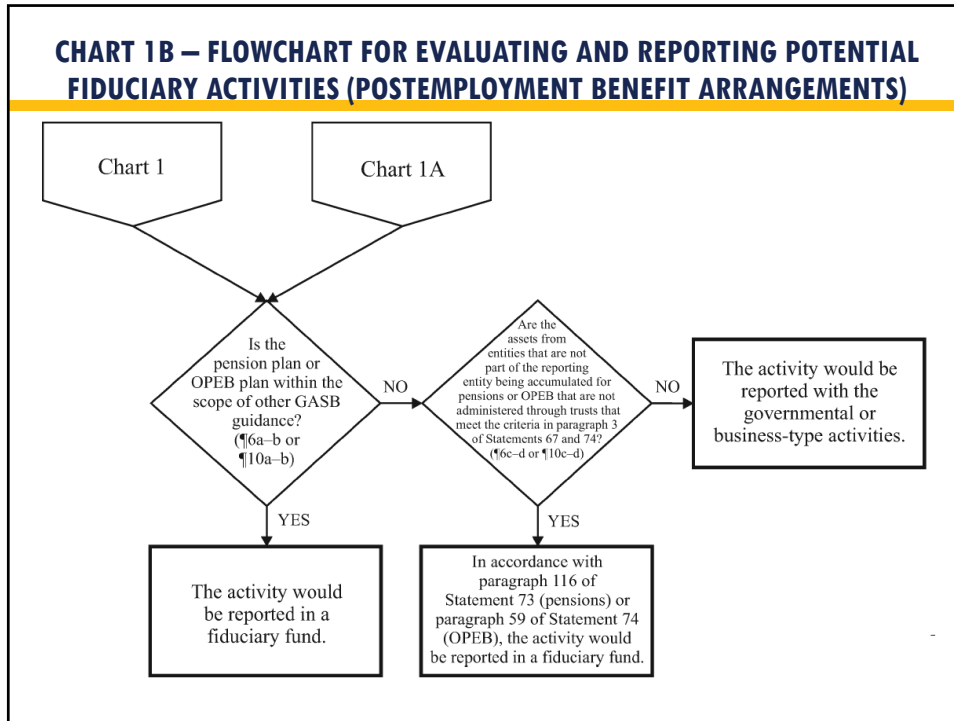
FOUR POTENTIAL PATHS TO REPORTS ASSETS IN A FIDUCIARY FUND

- 1 Is there a component unit present for a postemployment benefit arrangement? (Pensions / OPEB)?
- 2 Is there a component unit present that may be fiduciary activity, but is not a postemployment benefit arrangement?
- 3 Are there postemployment benefit arrangements that are not component units (currently agency funds)?
- 4 Are there other potential fiduciary activities? (Investment trust funds, private purpose trusts, custodial funds)?

WHEN DOES A COMPONENT UNIT RELATIONSHIP EXIST UNDER CURRENT GAAP? TWO POTENTIAL PATHS







CRITERIA FOR IDENTIFYING FIDUCIARY ACTIVITIES

The focus of the criteria centers on:

- Whether the government is controlling the assets.
- The beneficiaries with whom a fiduciary relationship exists.

WHAT IS CONTROL?

**GASB 84
defines
Controls as:**

- Government holds the assets;
- Government has the ability to direct the use, exchange, or employment of the assets in a manner that provides benefits to the specified or intended recipients;
- Restrictions from legal or other external restraints that stipulate the assets can be used only for a specific purpose do not negate a government's control of the asset

ALL OTHER ACTIVITIES

Fiduciary if all three of the following are met:

- The government controls the assets.
- Those assets are not derived either:
 - Solely from the government's own-source revenues.
 - From government-mandated nonexchange transactions or voluntary nonexchange transactions with the exception of pass-through grants and for which the government does not have administrative or direct financial involvement.
- The assets associated with the activity have one or more of the following characteristics (on the next slide).

ALL OTHER ACTIVITIES (CONT.)

1

- Administered through a trust or equivalent, government not beneficiary.
- Dedicated to provide benefits to recipients per the benefit terms.
- Legally protected from the government's creditors.

2

- Benefit of individuals and government does not have administrative or direct financial involvement with the assets.
- Not derived from provision of goods and services to those individuals.

3

- Benefit of organizations or other governments not part of reporting entity.
- Not derived from provision of goods and services to those organizations or other governments.



WHAT IS ADMINISTRATIVE INVOLVEMENT VS. DIRECT FINANCIAL INVOLVEMENT?

Administrative Involvement Could Be:

- Monitoring compliance.
- Determining eligible expenditures.
- Having the ability to exercise discretion in how assets are allocated.

Direct Financial Involvement Could Be:

- Providing matching resources for the activities. (ex. grant match)
- When liable for disallowed costs.

COMMON LOCAL EDUCATIONAL AGENCY (LEA) FIDUCIARY ACTIVITIES

LEAs commonly use a clearing account to accumulate resources from employee payroll withholding and accrued employer payroll taxes that will be submitted to the appropriate agencies when due.

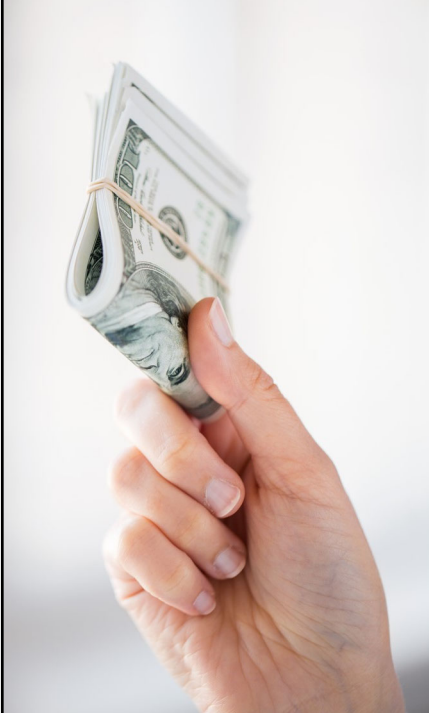
Pursuant to GASB 84, LEAs should not report the clearing account in a fiduciary fund because the government is holding the amounts for its own benefit, i.e., its own employees.

Therefore, the unremitted amount in the clearing account is a liability of the LEA, and is not being held in a fiduciary capacity.

IG-Q 4.15 – PAYROLL WITHHOLDING

Question - A government uses a clearing account to accumulate resources from withholding of employee payroll deductions and accrued employer payroll taxes that will be submitted to the appropriate taxing bodies when due. Should the government report the clearing account in the fiduciary fund financial statements?





IG-Q 4.15 – PAYROLL WITHHOLDING

Answer - No. Although the government has control of the assets because it has custody of the cash withheld, the unremitted amounts in the clearing account are a liability of the government. When the deductions are withheld from an employee's pay, the amounts withheld and accrued by the employer become a liability of the government. As a result, the government is holding the amounts for its own benefit and the criteria in paragraph 11c of Statement 84 are not met.

KEY ELEMENTS OF GASB 84 TO ADDRESS STUDENT BODY ACTIVITY

Focus is on par. 11(c)(2) of GASB-84 for Student Body Activities:

For activities not addressed in paragraphs 6-10 (pensions, OPEB, fiduciary component units etc.,) the activity is a fiduciary activity if all the following criteria are met:

- a. Assets controlled by the government.
- b. The assets associated with the activity are not derived either:
 - 1) Solely from the government's own source revenues; or
 - 2) From government-mandated nonexchange transactions or voluntary nonexchange transactions, (except for pass-through grants where there is no administrative or direct financial involvement).
- c. The assets associated with the activity have one or more of the following:
 - 1) Assets are held in trust where government is not a beneficiary etc. and assets are legally protected from creditors;
 - 2) Assets are for the benefit of individuals AND the government does not have administrative involvement with the assets and are not derived from provision of goods / services to the individuals.

STUDENT BODY ACTIVITIES (ASB)

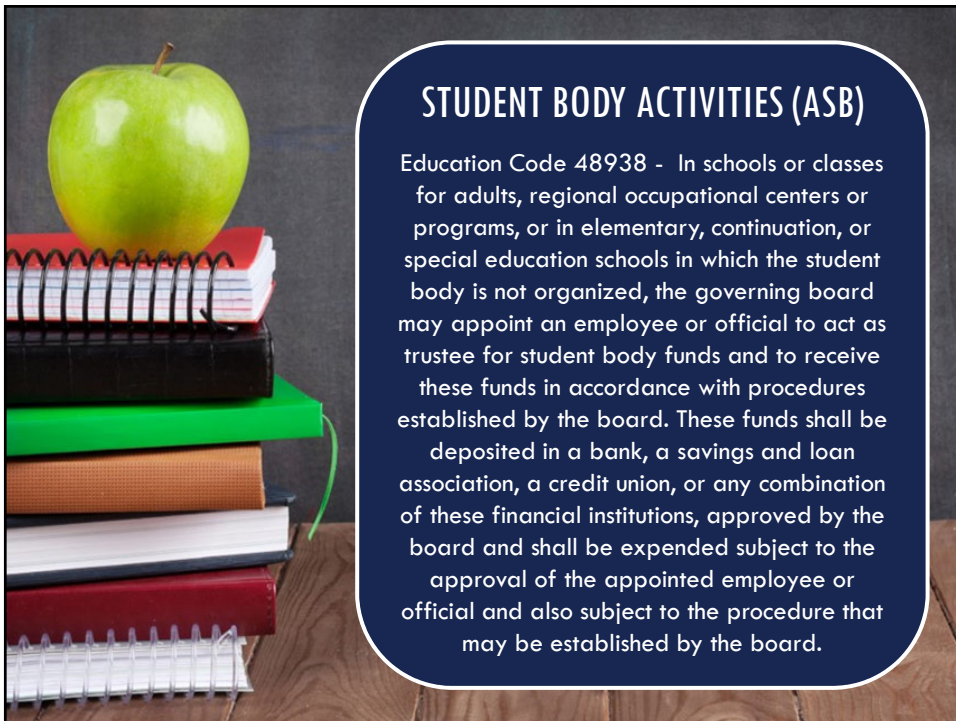
State statute plays a significant role in determining administrative involvement:

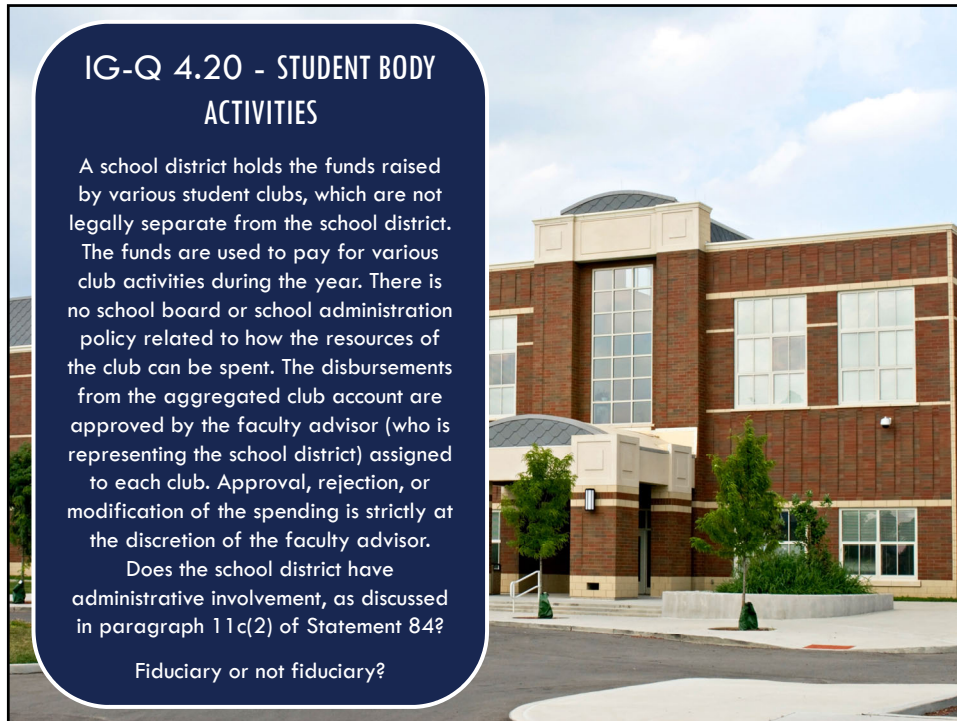
- Education Code 48930 - Any group of students may organize a student body association within the public schools with the approval and subject to the control and regulation of the governing board of the school district.
- Education Code 48933(b) - The funds shall be expended subject to such procedure as may be established by the student body organization subject to the approval of each of the following three persons, which shall be obtained each time before any of the funds may be expended: an employee or official of the school district designated by the governing board, the certificated employee who is the designated adviser of the particular student body organization, and a representative of the particular student body organization.



STUDENT BODY ACTIVITIES (ASB)

Education Code 48938 - In schools or classes for adults, regional occupational centers or programs, or in elementary, continuation, or special education schools in which the student body is not organized, the governing board may appoint an employee or official to act as trustee for student body funds and to receive these funds in accordance with procedures established by the board. These funds shall be deposited in a bank, a savings and loan association, a credit union, or any combination of these financial institutions, approved by the board and shall be expended subject to the approval of the appointed employee or official and also subject to the procedure that may be established by the board.






IG-Q 4.20 - STUDENT BODY ACTIVITIES

A school district holds the funds raised by various student clubs, which are not legally separate from the school district. The funds are used to pay for various club activities during the year. There is no school board or school administration policy related to how the resources of the club can be spent. The disbursements from the aggregated club account are approved by the faculty advisor (who is representing the school district) assigned to each club. Approval, rejection, or modification of the spending is strictly at the discretion of the faculty advisor.

Does the school district have administrative involvement, as discussed in paragraph 11c(2) of Statement 84?

Fiduciary or not fiduciary?

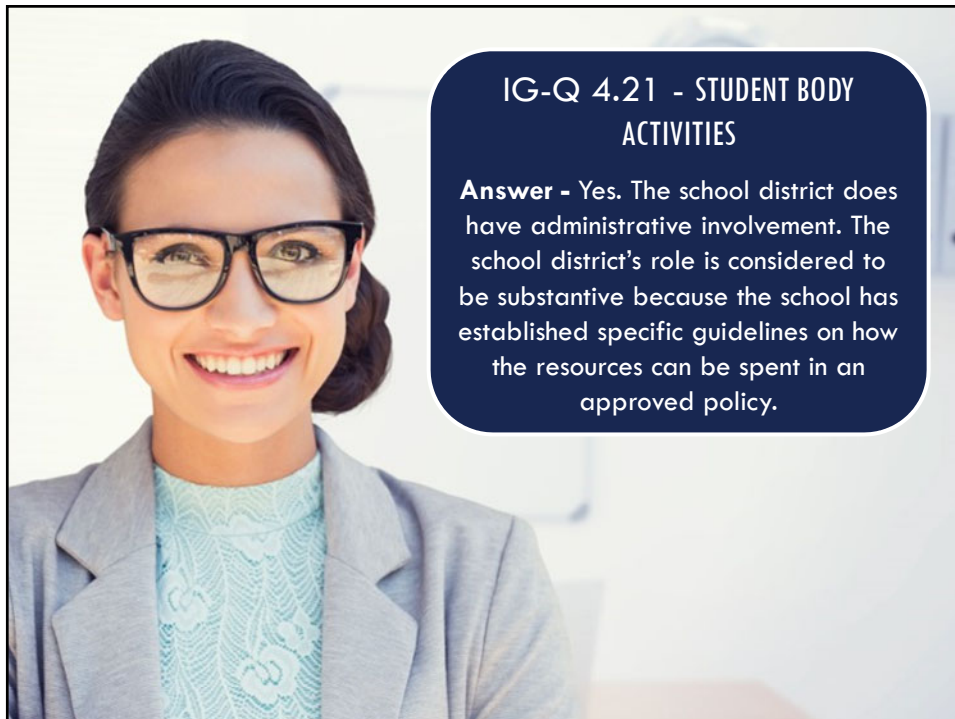


IG-Q 4.20 - STUDENT BODY ACTIVITIES

Yes. The school district does have administrative involvement. The school district's role is considered to be substantive because in the absence of an approved policy, the faculty advisor (who is acting in the capacity of a school representative) has the ability to reject, modify, or approve how the resources are spent. The faculty advisor's approval is more than just a formality and is analogous to the example provided in footnote 1 of Statement 84 regarding the determination of eligible expenditures that are established by the government.

IG-Q 4.21 - STUDENT BODY ACTIVITIES

Question - A school board establishes and approves a policy related to the receipt, disbursement, and holding of funds for various student clubs and organizations that are not legally separate from the school district. The policy includes specific guidelines related to how the funds raised by the clubs and organizations can be spent. Does the school district have administrative involvement, as discussed in paragraph 11c(2) of Statement 84?

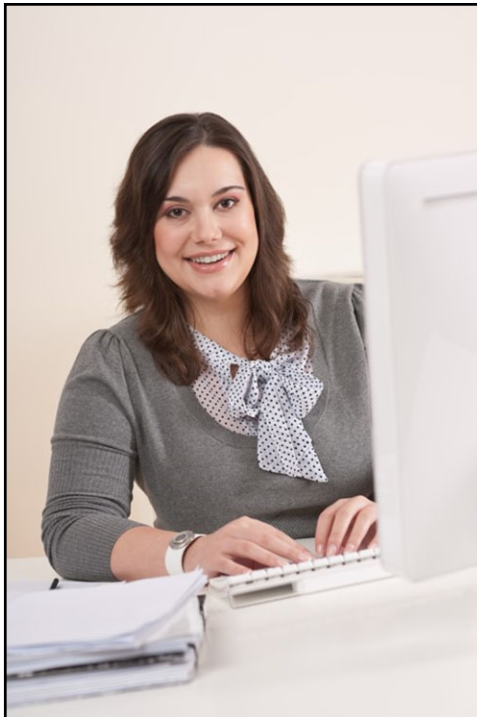


IG-Q 4.21 - STUDENT BODY ACTIVITIES

Answer - Yes. The school district does have administrative involvement. The school district's role is considered to be substantive because the school has established specific guidelines on how the resources can be spent in an approved policy.

IG-Q 4.23 - STUDENT BODY ACTIVITIES

Question - Assume the same facts as in Question 4.21, except that the state establishes specific guidelines on how the resources can be spent through administrative policy. Does the school district have administrative involvement, as discussed in paragraph 11c(2) of Statement 84?



IG-Q 4.23 - STUDENT BODY ACTIVITIES

Answer - Yes. The school district does have administrative involvement. The school district's role is considered to be substantive because the school district is required to follow the specific guidelines established by the state, through legislation or policy, regarding how the resources can be spent.




STUDENT BODY ACTIVITIES

- Administrative involvement.
- Often evidence by adoption of governance and policy resources.
- Adoption of more restricted local policy (prohibited expenditures).
- “Substance versus form” consideration is appropriate.

IG-Q 4.18 - STUDENT BODY ACTIVITIES

Question - A student club is established in accordance with the school district’s operating policies. The club is not legally separate from the school district. The students of the club conduct fundraising events, the proceeds of which are deposited into a savings account held by the school district. The student club president, with the members of the club, establishes how the resources can be spent and approves disbursements from the account. Does the school district have administrative involvement, as discussed in paragraph 11c(2) of Statement 84?





IG-Q 4.18 - STUDENT BODY ACTIVITIES

Answer (part of the answer) - For example, the government's role would have substance if the school board, school administrator, or faculty advisor (who is representing the school district) establishes how the resources can be spent through approved policies.

STUDENT BODY ACTIVITIES – WHAT NEXT?

If this activity is not determined to be fiduciary, then it will need to be reported in a governmental fund type.

- General fund
- Special revenue fund (Fund 8, Student Activity Fund)

Important to remember:

- Special revenue fund types only report restricted and/or committed fund balance
- Resource 8210 (local restricted)
- May require establishment of the fund on a local level
- Restatement in the audit report

STUDENT BODY ACTIVITIES – WHAT NEXT?

Important to remember:

- Financial statements report expenditures on a functional basis
- Object 7500 (funds distributed to others)
- Object 8800 (funds collected for others)
- If this activity is accounted for in the general fund, additional expenditures may impact calculations
- If this activity is accounted for in a special revenue fund, and the fund is deemed 'major', budget totals will need to be presented
- Requires an accumulation of all student body activity to summarize activity
- Responsibility may shift to the business office for the above task, or...

FIDUCIARY FUND REPORTING – ONLY ONE MAJOR CHANGE

Pension and other
Employee Benefit Trust
Funds – **no change**

Private-Purpose Trust
Funds – **no change**

Investment Trust Funds
– **no change**

Custodial Funds –
NEW

- Statement of Change in Net Position – Custodial Funds

HOW TO IMPLEMENT??

Someone has to be in charge to gather information – completeness is key

- Will take some time – so start now
- Involve your auditor
- May involve software changes

Compare each activity against

- GASB-84
- Governmental Fund Provisions in Other Standards
- Enterprise / Proprietary Fund Provisions in Other Standards
- Component Unit Standards

Information could be in

- Laws / regulations (especially student activity funds)
- Trust agreements / similar
- Gather information on revenue sources / uses

DOCUMENT DECISIONS / CHANGES – consistent forms a good idea



FEDERAL STIMULUS FUNDS – ROUND 2



CPAs & BUSINESS ADVISORS

ESSER AND GEER II – BASIC INFORMATION

Authorization

- Authorized by Section 313 of the Coronavirus Response and Relief Supplemental Appropriations (CCRSA) Act, 2021

Period of Availability

- Can be used for pre-award costs dating back to March 13, 2020
- Available for obligation through September 30, 2023
 - 1 year more than original ESSER and GEER funds

Equitable Services

- Different than original the ESSER and GEER
 - Separate program available for Non-Public Schools to apply via CDE
 - LEAs can retain their share of ESSER and GEER II Funds.
 - No Requirement to share the funds

Must be tracked outside of original ESSER and GEER Funds (Difference Resource Code or other)

USES OF FUNDS - ESSER II

Uses of Funds (ESSER)

- Same as previously authorized
- What are the uses authorized ESSER (refresher):
 1. Any education related activities under the scope of K-12 operation (ESEA, IDEA, Adult Education, Technical Education, etc.)
 2. Coordination of preparedness and response efforts to the coronavirus
 3. Provide resources to principals and other leaders with necessary resources to address needs of their individual schools
 4. Address needs of low-income students, students with disability, homeless students, and foster care youth
 5. Develop and improve system of preparedness and response efforts of LEAs
 6. Professional develop for staff on sanitation and minimizing spread of infectious diseases
 7. Purchases of cleaning and sanitation supplies to clean facilities of LEAs
 8. Planning and coordinating long-term closures
 9. Purchasing of educational technology (hardware and software)
 10. Providing Mental health services and support
 11. Planning and implementing summer learning and supplemental educational services
 12. Other necessary activities

USES OF FUNDS - GEER II

Uses of Funds (GEER)

- Same as previously authorized
- What are the uses authorized GEER (refresher):
 1. Addressing learning loss
 2. Extending the instructional year
 3. Provide additional academic support for pupil
 4. Providing integrated pupil support to address various barriers
 5. Addressing health and safety concerns

COMPLIANCE REQUIREMENTS SUBJECT TO AUDIT – ESSER/ESSER II

- 1) Activities Allowed/Unallowed & Allowable Costs/Cost Principles
- 2) Cash Management (excess interest calculation only @ the LEA level)
- 3) Equipment/Real Property Management
- 4) Earmarking (only applicable to the State)
- 5) Reporting (only applicable to the State)
- 6) Sub-Recipient Monitoring (generally not applicable @ the LEA level)

COMPLIANCE REQUIREMENTS SUBJECT TO AUDIT – ESSER/ESSER II (CONTINUED)

What will be Audited for Activities Allowed/Unallowed & Allowable Costs/Cost Principles?

- Application and implementation of Cost Principles under Uniform Guidance (2 CFR 200 Subpart E) for costs incurred
- Adequate internal controls in place to ensure compliance with the requirements
 - Are there review and approval processes?
 - Adequate knowledge of the program requirements demonstrated by the program’s administrator?
- Are capital outlays pre-approved by the pass-through entity (CDE)?
 - <https://www.cde.ca.gov/fg/cr/documents/caresactcapitalexp.pdf>
 - See next page
- Allocations/disbursements for non-public schools under equitable services requirement follow the same program disbursement procedures?

COMPLIANCE REQUIREMENTS SUBJECT TO AUDIT – ESSER/ESSER II (CONTINUED)

<p style="text-align: center; font-size: small;">California Department of Education</p> <p style="text-align: center;">Coronavirus Aid, Relief, and Economic Security (CARES) Act Equipment and Capital Expenditures Approval Application</p> <p style="font-size: x-small;">The federal requirements found in the CARES Act require that the Elementary and Secondary School Emergency Relief (ESSER) Fund and the Governor’s Emergency Education Relief (GEER) Fund be subject to the Uniform Grants Guidance. Those regulations contain a requirement that capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval as found in 2 CFR 200.439 (https://www.law.cornell.edu/cfr/text/200.439).</p> <p style="font-size: x-small;">The submission of this request provides assurance that the authorized use of funds criteria, for ESSER Funds (https://www.cde.ca.gov/fg/cr/caresact.asp) and/or GEER Funds (https://www.cde.ca.gov/fg/cr/learnings.asp) have been met.</p> <p style="font-size: x-small;">By submitting this form, you are agreeing to review and will follow all local, state, and federal level policies when making a purchase using federal funds. You may be required to obtain additional information if the purchase exceeds certain dollar amount thresholds, in accordance with Title 2, Code of Federal Regulations (2 CFR), sections 200.317-326 and California Public Contracts Code sections 20110 – 20118.4.</p> <p style="font-size: x-small;">Please include a quote of the item to be purchased and e-mail this document to the CARES Team at CARESAct@cde.ca.gov. Please include in the e-mail subject ‘Equipment and Capital Expenditures Approval – (name of your local educational agency)’.</p> <p>Date of Request: _____</p> <p>Name of Primary Contact: _____</p> <p>Title: _____</p> <p>Email Address: _____</p> <p>Phone Number: _____</p> <p>District Name: _____</p> <p>School Name: _____</p> <p>County/District Code: _____</p> <p style="text-align: center; font-size: x-small;">Page 1 of 2</p>	<p>Short Title of Project Name: _____</p> <p>Funding Source(s) Used: _____</p> <p>Estimated Total Cost of the Project: _____</p> <p>Amount of Funds to be Used: _____</p> <p>Please describe the items that will be purchased with the funds:</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div> <p>Please describe how these purchases fit-in with the allowable uses of funds for either ESSER, GEER, or both:</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div> <p>Please describe how this purchase is reasonable, necessary, and allowable in accordance with Cost Principles found in 2 CFR 200.420-475:</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div> <p>Signature of Superintendent or Charter School Representative _____ Date _____</p> <p style="text-align: center; font-size: x-small;">Page 2 of 2</p>
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COMPLIANCE REQUIREMENTS SUBJECT TO AUDIT – ESSER/ESSER II (CONTINUED)

What will be Audited for Equipment and Real Property Management?

- Equipment tagging process
 - Equipment acquired using ESSER/ESSER II Funds properly tagged to be differentiated?
- Physical confirmation/verification of equipment acquired
 - Sampling will be used to test physical existence of equipment acquired
- Verification of CDE's pre-approval form for equipment greater than \$5,000 per unit (or at the LEAs capitalization level)
- Construction contracts and subcontracts greater than \$2,000 will be audited for compliance with Davis Bacon Act (prevailing wages)

COMPLIANCE REQUIREMENTS SUBJECT TO AUDIT – GEER/GEER II

- 1) Activities Allowed/Unallowed & Allowable Costs/Cost Principles
- 2) Cash Management
- 3) Equipment/Real Property Management
- 4) Earmarking (only applicable to the State)
- 5) Reporting (Only applicable to the State)
- 6) Sub-Recipient Monitoring (generally not applicable @ the LEA level)

COMPLIANCE REQUIREMENTS SUBJECT TO AUDIT – GEER/GEER II (CONTINUED)

What will be Audited for Activities Allowed/Unallowed & Allowable Costs/Cost Principles?

- 2 CFR 200 Subpart E does not apply to GEER
 -but should be aligned with Cost Principles found in 2 CFR 200 Subpart E
- Adequate internal controls in place to ensure compliance with the requirements
 - Are there review and approval processes?
 - Adequate knowledge of the program requirements demonstrated by the program's administrator?
- Are capital outlays pre-approved by the pass-through entity (CDE)?
 - <https://www.cde.ca.gov/fg/cr/documents/caresactcapitalexp.pdf>
 - See next page
- Allocations/disbursements for non-public schools under equitable services requirement follow the same program disbursement procedures?

COMPLIANCE REQUIREMENTS SUBJECT TO AUDIT – GEER/GEER II (CONTINUED)

What will be Audited for Equipment and Real Property Management?

- Equipment tagging process
 - Equipment acquired using GEER/GEER II Funds properly tagged to be differentiated?
- Physical confirmation/verification of equipment acquired
 - Sampling will be used to test physical existence of equipment acquired
- Verification of CDE's pre-approval form for equipment greater than \$5,000 per unit (or at the LEAs capitalization level)
- Construction contracts and subcontracts greater than \$2,000 will be audited for compliance with Davis Bacon Act (prevailing wages)

VERY FREQUENTLY ASKED QUESTIONS FOR ESSER/GEER

- 1) Are LEAs required to complete time distribution reports?
 - No, unless an individual employee splits time between activities that may be funded by ESSER/GEER, but not allowable under ESSER/GEER

- 2) Are payments under non-public schools following the equitable services requirement subject to sub-recipient monitoring?
 - Generally, no unless a specific agreement has been entered into and the LEAs is actually passing-through revenues

- 3) Can we pay for remodeling or renovation projects using ESSER/GEER Funds?
 - No, CDE specifically stated that it will not approve remodeling/renovation costs

QUESTIONS?

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.

THANK YOU

Andrew Park, CPA
Partner
apark@eidebailly.com
909-755-2813

Bobby Patel, CPA, CFE
Partner
bpatel@eidebailly.com
909-755-2710



[Click Here for COVID-19 Related Resources](#)

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Two Bills Offer Alternative Proposals to School Reopening and Expanded Learning Grants



BY KYLE HYLAND

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posted February 2, 2021

It has been over three weeks since Governor Gavin Newsom submitted his 2021–22 State Budget proposal to the Legislature and the two education proposals that continue to receive the most attention are the \$2 billion school reopening incentive grant (see “[Newsom’s Reopening Schools Proposal—More Details Emerge](#)” in the January 2021 *Fiscal Report*) and the \$4.6 billion expanded learning time grant (see “[Expanded Learning Time Grant Proposal Details Released](#)” in the January 2021 *Fiscal Report*).

While the Legislature has just begun to vet these two budget proposals, the Assembly has introduced two bills on these issues that have naturally become a part of the negotiations with the Newsom Administration.

Assembly Bill 10—School Reopening

While Governor Newsom’s \$2 billion proposal would provide financial incentives for local educational agencies (LEAs) to reopen for in-person instruction, Assembly Bill (AB) 10 would require LEAs to adopt plans that offer in-person instruction (and outline plans to meet local and state public health school campus safety standards) within two weeks of local or state public health orders allowing school campuses to reopen, which, under the state’s reopening framework, is when an LEA’s county resides in any tier except the purple tier. The California Department of Public Health In-Person Instruction Framework also allows for elementary schools to reopen if they are in a county in the purple tier with case rates less than 25 per 100,000 if they submit their COVID-19 Safety Plans to their local health officer.

In addition to its focus on school reopening, AB 10 also includes a requirement to address the learning loss of vulnerable students. By March 1, 2021, LEAs would be required to implement a plan for tiered reengagement of all English learners, foster youth, and low-income students that are performing below grade level. The reengagement plan must include offering in-person instruction to the identified students and outreach to the student to identify student needs, such as health and social services.

AB 10 does not currently include an appropriation nor does it require LEAs to negotiate a ratified collective bargaining agreement (or memorandum of understanding) or adopt testing cadences for students and staff like the Governor’s Budget proposal—two issues that continue to be raised by lawmakers and stakeholders at

legislative budget hearings.

Since the bill includes a number of influential coauthors who are vital to the State Budget process, including Assembly Budget Chair Phil Ting (D-San Francisco) and Assembly Budget Subcommittee on Education Finance Chair Kevin McCarty (D-Sacramento), it is a part of the current school reopening negotiations.

Assembly Bill 104—Expanded Learning

While Governor Newsom’s \$4.6 billion expanded learning proposal is relatively straightforward in that it would provide direct funding to LEAs to support an expansion of instructional time and targeted academic intervention, AB 104 (Gonzalez, D-San Diego) is a much more robust expanded learning bill.

AB 104 would require LEAs to implement an interim retention policy, which would allow a parent to request their child repeat their 2020–21 grade level during the 2021–22 school year. Additionally, the bill would require high schools to allow students enrolled in their 3rd or 4th year of high school during the 2020–21 school year to enroll in a 5th year if that would enable them to graduate with a diploma. The bill would also allow students who complete a course required for high school graduation during the 2020–21 school year to change that letter grade to a “pass” or “no pass” grade without affecting their grade point average.

Finally, the bill would establish the COVID-19 Student Learning Recovery Act Program, which would provide funding to LEAs to provide supplemental instruction and support to eligible students (English learners, low-income students, foster youth, homeless youth, disengaged students, and migrants students) impacted by the COVID 19 pandemic, beginning in the summer of 2021 and continuing in to the 2021–22 school year.

Unlike the Governor’s Budget proposal, which would provide LEAs funding in proportion to their Local Control Funding Formula (LCFF) entitlement based on 2020–21 First Principal Apportionment data, AB 104 proposes to allocate funding for the COVID-19 Student Learning Recovery Act Program to LEAs in proportion to their LCFF supplemental and concentration grant dollars using 2019–20 Second Principal Apportionment data.

Next Steps

While the Governor’s reopening grant and expanded learning grant proposals continue to be debated in legislative budget committees, AB 10 and AB 104 have yet to receive a policy committee hearing. They were originally slated to be heard by the Assembly Education Committee on Wednesday, January 27, but were pulled from the agenda, which signals that their provisions are being considered in the Legislature’s negotiations with the Newsom Administration.

It is important to note that there is currently nothing for LEAs to apply for in terms of reopening grants or expanded learning dollars at this time, despite certain deadlines stipulated in Governor Newsom’s \$2 billion school reopening proposal. We will continue to monitor the ongoing negotiations between the Administration

and the Legislature and will provide our analysis and advice for any proposals that these negotiations generate, including the timeline that LEAs have to apply for any included funding. Stay tuned.

[Click Here for COVID-19 Related Resources](#)

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Late School Start Time Law to Take Effect July 2022



[BY KYLE HYLAND](#)

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posted February 2, 2021

In October 2019, Governor Gavin Newsom signed Senate Bill (SB) 328 (Chapter 868/2019) into law. This is the bill that requires the school day for middle schools and high schools (including charter schools) to begin no earlier than 8:00 a.m. and 8:30 a.m., respectively.

We have fielded a number of questions inquiring whether the bill's provisions are still going into effect July 2022, and barring legislative action that delays implementation or suspends the law, the late school start time provisions will go into effect for your local educational agency either July 1, 2022, or upon the expiration of your collective bargaining agreement that was operative on January 1, 2020, whichever is later.

It is important to note that there has not been anything introduced by the Legislature that would make changes to the implementation date, and lawmakers may want to define rural school districts in the law. The law exempts rural school districts from the late start time provisions, but currently does not define which districts qualify as rural.

To prepare for the implementation of SB 328, we recommend reviewing our previous Fiscal Report articles on the bill (see "[Late School Start Time Bill \(SB 328\) FAQs](#)" and "[Guest Article: Considerations for LEAs with Later Start Times](#)" in the November 2019 *Fiscal Report*). We will continue to monitor introduced legislation that could affect this law and keep you updated through our "Top Legislative Issues" series and subsequent Fiscal Report articles.

[Click Here for COVID-19 Related Resources](#)

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Don't Forget There's a New LCAP

 [BY LEILANI AGUINALDO](#)

 [BY BRIANNA GARCÍA](#)

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posted February 10, 2021

Many local educational agencies (LEAs) around the state are focused on mitigating urgent challenges brought on by the COVID-19 pandemic, such as planning for in-person instruction and meeting the needs of students that are learning remotely. In the middle of this, however, we urge LEAs not to forget that planning for the [2021–22 Local Control and Accountability Plan \(LCAP\)](#) should also be underway, as California's accountability system picks up where it left off after it was essentially paused in the spring of 2020. Accountability was not abandoned since temporary measures such as the Learning Continuity and Attendance Plan were implemented. But as LEAs develop their budgets for 2021–22, they must also re-familiarize themselves with the new LCAP template.

The template adopted by the State Board of Education in January 2020 (see "[SBE Officially Adopts New LCAP Template](#)") in the January 2020 Fiscal Report) will be used for the first time to complete the 2021–22 LCAP—the first of a new three-year cycle that ends in 2023–24. Changes to the template were spurred by legislation that had two goals. First, the content and format of the LCAP was streamlined in an attempt to make the information more accessible for parents and other stakeholders. Second, information about actions that contribute to increased or improved services for unduplicated pupils was to be presented in a manner that would more clearly show whether the actions are being targeted to specific school sites or provided on a district-wide, county-wide, or charter-wide basis.

The LCAP template is comprised of four sections: Plan Summary; Stakeholder Engagement; Goals and Actions; and Increased or Improved Services for Foster Youth, English Learners, and Low-Income Students. The template also includes detailed and technical instructions and guidance for LEAs in completing the template, which are particularly important since considerable information that will be useful for LEAs now resides in the instructions so as to make the LCAP itself easier to read. For example, in identifying goals for inclusion in the LCAP, LEAs now have the option of establishing either a focus goal, broad goal, or maintenance of progress goal. Descriptions and explanations of these three types of goals are included in the template instructions but are not referenced in the template itself.

Also new for the development of the 2021–22 LCAP are the Expenditure Tables that consolidate expenditures associated with actions detailed in the LCAP. Removing this data from the LCAP template should help to make LCAPs shorter as well as easier to review. Readers now will be able to see the expenditures summarized in one place along with the corresponding actions rather than having to flip between the goals and actions described in the LCAP to identify all the expenditures.

The final new component for the 2021–22 LCAP is the Annual Update template that was released recently by the California Department of Education (See “[By the Way...Final LCAP Annual Update Template Now Available](#)” in the January 2021 Fiscal Report). Because of the abrupt halt to LCAP planning caused by the pandemic, the new Annual Update template requires LEAs to look back to their 2019–20 LCAP as well as their 2020–21 Learning Continuity and Attendance Plan. Understanding that the goals and actions included in the 2019–20 LCAP may feel obsolete now, the prompts in the Annual Update allow for an LEA to explain why they pivoted from the strategies that were detailed in the 2019–20 LCAP in order to respond to urgent needs that arose as a result of the pandemic.

LEAs that feel rusty in developing their LCAPs can join our webinar “[2021–22 LCAP: A Focused Look at the New Templates](#)” on Monday, March 8, 2021. We will provide a comprehensive and focused look at the new parts of the LCAP as well as a reminder about the components that remain unchanged, such as the Budget Overview for Parents.

[Click Here for COVID-19 Related Resources](#)

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Changes to Unspent Supplemental and Concentration Grants on the Horizon

 [BY LEILANI AGUINALDO](#)

 [BY BRIANNA GARCÍA](#)

 [BY ROBERT MCENTIRE, EDD](#)

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posted February 17, 2021

The Department of Finance recently released trailer bill language following the 2021–22 Governor’s Budget proposal that attempts to address concerns surrounding unspent Local Control Funding Formula (LCFF) supplemental and concentration grant funds and ensure agencies meet their minimum proportionality percentage (MPP) requirement by serving the students who generated them. In his [veto message](#) of Assembly Bill (AB) 1835 (Weber, D–San Diego), Governor Gavin Newsom explicitly agreed with the bill’s concepts and signaled that he would offer a simpler solution that addresses its objectives sooner than the bill proposed and with more transparency.

Since the LCFF was first proposed and throughout budget debates, some advocates have pursued restrictions on the use of supplemental and concentration grants, such as trying to include “supplement, not supplant” language in the law, and requiring separate tracking for supplemental and concentration grant funds. However, then–Governor Jerry Brown, an ardent proponent of local control, resisted such efforts. Ultimately, the LCFF statute and implementing regulations were enacted and require local educational agencies (LEAs) to principally direct the funds to increase or improve services for English learners, foster youth, and low-income students.

Since then, LEAs have worked to deploy supplemental and concentration grants in accordance with the law by enumerating actions to increase or improve services in their Local Control and Accountability Plans (LCAPs), with the ultimate goal of closing the student achievement gap. Importantly, law explicitly allows LEAs to satisfy this requirement quantitatively by demonstrating that they spent the funds on the students who generated them or qualitatively by showing an improvement in services provided in proportion to the increase in funding derived from supplemental and concentration grant funds. Despite local efforts, some LEAs have not been able to fully implement the actions identified in their LCAPs for a variety of reasons, such as challenges with hiring staff or acquiring necessary resources to support actions in their LCAP. Because supplemental and concentration grants are unrestricted funds, current law does not require explicit tracking of unspent funds and permits LEAs to use any unspent portion for any purpose in subsequent years. Despite the legality of this practice, it is common among LEAs—as was highlighted in a 2019 State Auditor [report](#).

The recent trailer bill language, while not likely in its final form, provides clear intent of what Governor Newsom envisions to strengthen LEAs' MPP requirements. The language offers a framework for LEAs to identify and calculate unmet LCAP obligations—either as a result of unspent supplemental and concentration grant funds or unimplemented, or partially implemented, improvements in services. The trailer bill language requires LEAs to complete a series of calculations to determine the amount of supplemental and concentration grant funds that are attributable to an unimplemented or partially implemented action that must be carried over to subsequent fiscal years. We anticipate that the calculation for measuring service improvements as a share of an LEA's annual MPP may pose challenges for some.

In response to the new trailer bill language, Assemblymember Sharon Quirk-Silva (D-Orange County) introduced AB 531 that calculates the carry over using quantitative measures only, as well as AB 533 that requires the State Board of Education to develop a tracking mechanism for unspent supplemental and concentration grant funds by January 1, 2022, to be in effect by July 1, 2022.

As additional information becomes available, such as changes to the proposed trailer bill language, we will provide updates so LEAs can best prepare for pending changes.

[Click Here for COVID-19 Related Resources](#)

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Critical Deadlines and Funding Opportunities—February 17, 2021

 [BY MATT PHILLIPS, CPA](#)

 [BY CHARLENE QUILAO](#)

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posted February 17, 2021

(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	
Deadline	Issue
3/17/21 ¹	<ul style="list-style-type: none"> • Second Interim (January 31) <ul style="list-style-type: none"> ◦ County office of education (COE) Second Interim due to the State Superintendent of Public Instruction (SSPI) (Education Code Section [EC §] 1240[1][1][A] and [B]) ◦ District Second Interim due to COE (also to SSPI and State Controller's Office [SCO] if qualified or negative) (EC § 42131[a][1] and [2])
3/31/21 ¹	<ul style="list-style-type: none"> • Audit <ul style="list-style-type: none"> ◦ COE prior-year audit due to SSPI and SCO (EC § 41020[h]) ◦ District prior-year audit due to COE, SSPI, and SCO (EC § 41020.9[b]2) ◦ Charter school prior-year audit due to chartering authority, COE, SSPI, and SCO (EC § 47605[m], 41020[h], and 41020.9[b]2)
4/16/21 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])

4/16/21 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])
<p>¹Date calculated as prescribed in law.</p> <p>²Notwithstanding EC § 41020(b), EC § 41020(h), EC § 41020(k) and EC § 47605(m), for the 2019–20 fiscal year, the audit report and audit certification status due dates for local educational agencies (LEAs) are governed by EC § 41020.9 pursuant to Senate Bill 98 (Chapter 24/2020), Section 18.</p>	

Funding Opportunities (For program website, click program name.)		
Description	Amount	Deadline
<u>After School Education and Safety (ASES)</u>	Up to \$177,559 per eligible school	2/18/21
<u>ASES Frontier Transportation</u>	Up to \$15,000 per eligible school	2/18/21
<u>Public School Charter Schools Grant Program</u>	Various	2/23/21
<u>California Environmental Literacy Project</u>	\$120,000	2/26/21
<u>School Breakfast and Summer Meal Programs Start-Up and Expansion</u>	\$15,000 per site	3/2/21
<u>National School Lunch Program Equipment As- sistance Grant</u>	\$100,000 per LEA	3/2/21
<u>Fresh Fruit and Vegetable Program</u>	\$50–\$75 per student	3/5/21
<u>Learning Communities for School Success</u>	Various	3/26/21
<u>Consolidated Application (ConApp)</u>	Various	3/31/21

<u>Classified School Employee Summer Assistance Program Fiscal Year 2020–21</u>	Various	4/1/21
<u>Summer Food Service Program and Seamless Summer Option</u>	Various	5/15/21
<u>Strengthening Career & Technical Education the 21st Century Act (Perkins V)</u>	Various	5/15/21



Workshop Spotlight - February 19, 2021

UPCOMING WORKSHOPS

Workshop	Date(s)	Locations
<u>Federal Compliance: How to Stay out of Trouble—An Interactive Two-Part Webinar Series</u>	Mar. 2, 2021	Webinar
<u>2021–22 LCAP: A Focused Look at the New Templates—A Two-Hour Webinar</u>	Mar. 8, 2021	Webinar
<u>Charter Schools—An Interactive Two-Part Webinar Series</u>	Mar. 16, 2021	Webinar

<u>Special Education: Both Sides of the Equation—An Interactive Two-Part Webinar Series</u>	Mar. 23, 2021	Webinar
<u>The Audit Challenge—An Interactive Two-Part Webinar Series</u>	Apr. 20, 2021	Webinar
<u>Employee Complaints and Investigations—An Interactive Two-Part Webinar Series</u>	Apr. 27, 2021	Webinar
<u>Construction Basics and Accounting—An Interactive Two-Part Webinar Series</u>	May. 4, 2021	Webinar
<u>May Revision Workshop</u>	May. 20, 2021	Webinar
<u>Employee Attendance and Leave Management—An Interactive Two-Part Webinar Series</u>	May. 25, 2021	Webinar

If you are interested in a topic, but are unable to attend the workshop, you can click on the workshop name and purchase the materials. 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.”

<u>Technology Summit - 02/26/2021 - VIRTUAL EVENT</u>	VIRTUAL EVENT	Friday - February 26, 2021
<u>Emotional Intelligence: The Art of Personnel Management - 2/26/2021 - ONLINE</u>	ONLINE	Friday - February 26, 2021
<u>Using Data Analytics to Maintain Fiscal Solvency - 3/3/2021 - Virtual – Presenter-Led</u>	ONLINE	Wednesday - March 03, 2021
<u>Payroll Concepts - 3/5/2021 - Virtual – Presenter-Led</u>	ONLINE	Friday - March 05, 2021
<u>Understanding RFP & Bidding Process - 3/8/2021 - Virtual – Presenter-Led</u>	ONLINE	Monday - March 08, 2021
<u>Pupil Attendance Accounting for Business Office Personnel - 3/8/2021 - Virtual – Presenter-Led</u>	ONLINE	Monday - March 08, 2021
<u>Leaves of Absence - 3/10/2021 - Virtual – Presenter-Led</u>	ONLINE	Wednesday - March 10, 2021
<u>Collective Bargaining Basics - Virtual – Presenter-Led</u>	ONLINE	Friday - March 12, 2021
<u>Pupil Attendance Accounting for Business Office Personnel - 3/18/2021 - Virtual – Presenter-Led</u>	ONLINE	Thursday - March 18, 2021
<u>HR Summit Part II - 03/19/2021 - VIRTUAL EVENT</u>	VIRTUAL EVENT	Friday - March 19, 2021
<u>Standardized Account Code Structure: Basic Concepts - 3/31/2021 - Virtual – Presenter-Led</u>	ONLINE	Wednesday - March 31, 2021
<u>Standardized Account Code Structure: Advanced Concepts - 4/1/2021 - Virtual – Presenter-Led</u>	ONLINE	Thursday - April 01, 2021
<u>2021 CASBO Annual Conference - VIRTUAL EVENT</u>	Virtual Event	Wednesday - April 07, 2021

<u>Pupil Attendance Accounting for Charter School Staff - 4/15/2021 - Virtual – Presenter-Led</u>	ONLINE	Thursday - April 15, 2021
<u>Payroll Concepts - 4/23/2021 - Virtual – Presenter-Led</u>	ONLINE	Friday - April 23, 2021
<u>Human Resources Management 5/1/2021 - Virtual – Presenter-Led</u>	ONLINE	Saturday - May 01, 2021
<u>Advanced Budgeting - 5/7/2021 - Virtual – Presenter-Led</u>	ONLINE	Friday - May 07, 2021
<u>School Facilities & the CBO: Comprehensive Master Planning of a School Facility Program - 5/7/2021 - Virtual – Presenter-Led</u>	ONLINE	Friday - May 07, 2021
<u>Legal Aspects & Hands-On Accounting for Student Body Organizations (ASB)- 5/11/2021- Virtual – Presenter-Led</u>	ONLINE	Tuesday - May 11, 2021
<u>Contracting With Confidence - 5/14/2021- Virtual – Presenter-Led</u>	ONLINE	Friday - May 14, 2021
<u>Standardized Account Code Structure: Basic Concepts - 5/19/2021 - Virtual – Presenter-Led</u>	ONLINE	Wednesday - May 19, 2021
<u>Standardized Account Code Structure: Advanced Concepts - 5/21/2021 - Virtual – Presenter-Led</u>	ONLINE	Friday - May 21, 2021
<u>Business Executives Leadership Program - Virtual – Presenter-Led</u>	ONLINE	Friday - May 21, 2021
<u>Introduction to School Business - 5/22/2021 - Virtual – Presenter-Led</u>	ONLINE	Saturday - May 22, 2021
<u>Chief Business Official Exam</u>	ONLINE	Wednesday - June 30, 2021