

**California Department of Education / County Office of Education  
External Services Subcommittee (ESSCO)**

**NOTES**

**California Department of Education  
1430 N Street, Room 1101**

**August 7, 2017  
10:00 a.m.**

**Co-Chair: Chris Lombardo, Region IX – Orange CDE**

**Co-Chair: Christine Davis, California Department of Education**

**Vice-Chair: Kate Lane, Region IV – Marin COE**

Angela West	I	Humboldt		Darlene Hodge	VI	Tuolumne
Sarah	I	Humboldt		Gabriel Halls	VII	Fresno
Judy Thomson	I	Sonoma		Sarah Smigiera	VII	Kings
Travis Haskill	II	Butte		Cecilia Belmontes	VII	Merced
Jessica Tegerstrand	II	Shasta		John Wilborn	VII	Tulare
Debbie Towne	II	Tehama		Priscilla Quinn	VIII	Kern
Roslynn Manansala-Smith	III	El Dorado		Denice Cora	VIII	Santa Barbara
Kathy Garrison	III	Placer		Chris Lombardo	IX	Orange
Debbie Wilkins	III	Sacramento		James Whittington	X	Riverside
Von Canale	III	Sacramento		Thomas Cassida	X	San Bernardino
Catherine Hawes	III	Sutter		Keith Crafton	XI	Los Angeles
Parmjeet Kaur	III	Sutter		Tracy Minor	XI	Los Angeles
Sandra Fowles	III	Yolo		Peter Foggiato		CDE
Christine Rea	IV	Contra Costa		Christine Davis		CDE
Jenny Goodspeed	IV	Contra Costa		Elizabeth Dearstyne		CDE
Kate Lane	IV	Marin		Christina Kersey		CDE
Sarah Blackstone	IV	Napa		Dee Salerno		CDE
Sherry Beatty	IV	Solano		Shawna Shepley		CDE
Karen Deller	V	Monterey		Wendi McCaskill		CDE
Judy Kershaw	V	Santa Clara		Hoa Tran		CDE
Julie Betschart	VI	Stanislaus				

**1. Announcements**

- i. Introductions
- ii. Staff changes at many COEs and at CDE

**2. ESSCO 2018 Meeting Dates**

Draft ESSCO meeting dates for calendar year 2018 distributed, meeting dates are subject to BASC approval.

**3. BASC Report**

June meeting:

FCMAT - Joel Montero retired June 30. Michael Fine replacement. Projection Pro new multi-year software should be available for 2018-19.

Department of Finance (DOF) – Biggest change is one-time mandate reimbursement funding is to be distributed in 2017-18 on apportionment schedule of 33% increments in December, April, and May. DOF anticipates a slowing of revenue growth as we are in midst of a record economic expansion which will inevitably be followed by a contraction. Low COLAs allow us to get closer to full funding of the LCFF which will require another 5.5 billion. Property taxes estimate are

approximately equal to the Legislative Analyst Office's projection with the only material difference related to Redevelopment Agency distributions. Test 3b suspension doesn't impact 17-18 or 18-19 but without it would have had to cut \$0.8 billion from Prop 98. There remains a great deal of uncertainty relative to federal funding. State budget assumptions do not include any cuts to federal funding.

July meeting:

Budget report:

- District of Choice program has been extended for 6 years with some notable changes: The 70% of per ADA LCFF funding apportioned to Basic Aid Districts of Choice is reduced to 25%; Resident districts no longer have to provide transportation; and both resident and choice districts have to report on the program.
- Special Education meetings provided good feedback. We may see a proposal in the 2018-19 budget.
- LCFF is not well understood by the legislature and we therefore don't know what will happen when Governor Brown leaves office. Strong recommendation to advertise positive stories related to the LCFF. LCFF funding was reduced from the Governor's proposal in 2017-18 budget to create some new categoricals.

CDE Report – Reminder relative to J-13A waivers that the waiver is relative to instructional days and instructional time as well as Average Daily Attendance (ADA). As a result, if the school closure occurred after P-2 ADA reporting, the J-13A should still be submitted.

CDE is monitoring AB 1321 which would require expenditures to be tracked at the school level.

Question posed at ESSCO: Will basic aid charter supplemental also be reduced to 25%? The basic aid charter supplemental program is not authorized under the District of Choice program and is therefore not affected by this change.

August meeting:

Items discussed included the Weber maternity leave bill and the State Board of Education (SBE) Every Student Succeeds Act (ESSA) Plan and the group were provided a presentation on Differentiated Assistance.

CDE reported that the advance apportionment gap percentage is lower than Department of Finance (DOF) published rate which is explained in the advance apportionment letter. There are some significant changes to Title II grants. The 2018-19 Annual Audit Guide will include new procedures for the School Facility Program. A new state administrator has been appointed for Inglewood. The Department met with CSIS regarding development of the new SACS software. The process began with writing a plan (all those items that would normally be found in a Request for Proposals). Gary Jones is serving as lead on the project for CSIS. Discussed Mandate suspensions posted on CDE Web page at <http://www.cde.ca.gov/fg/aa/ca/mandatebg.asp>. Peter Foggiato is leaving CDE to join San Joaquin County Office of Education.

FCMAT report – Marissa Ploog is developing some AB1200 oversight trainings. Also new Charter accounting manual is in final review – sometimes referred to as 'authorizer manual' – but it is for charter operators.

#### **4. Every Student Succeeds Act (ESSA) per-pupil expenditure reporting update**

ESSA includes a requirement that states and local educational agencies (LEA) produce a report card that includes LEA and school-level per pupil expenditures broken out by personnel/non-personnel costs and by federal versus state and local funding sources. The U.S. Department of Education (ED) issued regulations that required state educational agencies (SEA) to provide guidance to LEAs on the per-pupil expenditure calculations needed for the report card. The new Administration has repealed the regulations. ED issued a [Dear Colleague Letter](#) on June 28, 2017, providing SEAs and LEAs an extension for reporting per-pupil expenditures in their report cards until the 2018-19 school year.

With the repeal of the regulations it appears States may have some more flexibility with calculating per-pupil expenditures. The ED should be issuing guidance to SEAs this fall. CDE will convene a small working group to discuss implementation. However, there will be no data collection through the SACS.

Assembly Bill (AB) 1321 would require CDE to ensure the state report includes per-pupil expenditures as required by ESSA and to establish guidelines that minimize the administrative recordkeeping burden on LEAs for reporting per-pupil expenditures. The bill had initially proposed breaking out LCFF base from supplemental and concentration grant expenditures; however, this provision has been removed. The bill also proposes that its provisions be considered in the development of Criteria and Standards. AB 1321 appears to go beyond ESSA requirements.

#### **5. ESSA maintenance of effort and charter schools**

CDE has finalized the first maintenance of effort (MOE) calculation under the Elementary and Secondary Education Act (ESEA) as amended by the Every Student Succeeds Act (ESSA) requirements.

Under ESSA, the calculation methodology is the same as it was under the No Child Left Behind Act (NCLB), but in addition to failing the current year calculation, an LEA must also have failed in one of the immediately preceding five fiscal years in order to be subject to a federal funding reduction. Two school districts are subject to 2017-18 federal allocation reductions to MOE covered programs and have already been notified. LEAs will still have the option to request a one year waiver.

Also, CDE must now track charter school MOE failures beginning with this year's calculation (comparing 2015-16 to 2014-15). Previously, charter schools were not officially included in the maintenance of effort process due to multiple issues related to how California charter schools are funded, how they report their financial data, and the flexibility provided to them for changing funding status and financial reporting method, all of which makes it difficult to monitor failures. This year's calculation will be set as the first year for all charter schools. Any unofficially calculated previous failures will not count towards the ESSA two-failure requirement.

CDE also plans to notify charter schools, as well as other LEAs, if they failed maintenance of effort, but will not experience a reduction because this is the first failure year.

Reminder: if not already doing so, charter schools and their authorizers should be paying attention to the MOE information provided on the Charter School Alternative Form. CDE will copy the COE and the district for charter schools that failed.

<p><b>6. Special Education Update</b>          2016-17 SB107 – reduced special education state aid appropriation by \$2.6 million and as a result there could be a deficit (currently estimated at 0.08%) applied at Annual certification. The final apportionment is dependent on the amount of property taxes allocated to SELPAs state-wide. The reduction in the appropriation happened as a result of a higher property tax estimate for special education than was originally reflected in the 2016-17 Budget Act. CDE was not given advance notice of the change.</p>	
<p><b>7. Electronic signatures</b>          Using E-Signature electronic signatures on documents now. Is that acceptable? The group discussed how their LEAs use electronic signatures. The Secretary of State has adopted <a href="#">regulations</a> regarding the use of digital signatures.</p>	
<p><b>8. AB 1200 Fall Conference</b></p> <ul style="list-style-type: none"> <li>a. Conference dates: 10/20/17 @ Ventura COE and 10/23/17 @ Yolo COE</li> <li>b. Topics             <ul style="list-style-type: none"> <li>i. Disapproving a Budget or Changing an Interim Report Certification</li> <li>ii. Analyzing Collective Bargaining Agreements and Disclosures</li> <li>iii. Local Control Accountability Plans (LCAP) Best Practices</li> </ul> </li> </ul> <p>Need to send powerpoints to PDC committee fairly soon. ESSCO groups havemet and begun to develop the content and materials          Chris will be contacting presenters by e-mail very shortly.</p>	
<p><b>Standing Subcommittee Reports:</b> <a href="#">ESSCO needs subcommittee chairs for some groups. Recommending a monthly meeting for each subcommittee – need ways to integrate new ESSCO members – and could use subcommittee work as foundation for conference presentations or other professional development.</a></p>	
<p><b>1. AB 1200</b>          Nothing to report</p>	<p>Sherry Beatty</p>
<p><b>2. Accounting &amp; Apportionments</b></p> <ul style="list-style-type: none"> <li>a. STRS on-behalf accounting              Subcommittee has prepared calculation of rate for 2015-16, 2016-17 and 2018-19. Apply rate to second prior year creditable compensation for current year on behalf amount. CDE has a spreadsheet allocation tool that can be used – shouldn't need to be updated. STRS have acknowledged that their guidance may need to be updated for GASB-85</li> <li>b. Lottery apportionments – reports don't match what you received in cash. John Wilborn sent out a memo from SCO reflecting the reports are inaccurate.</li> </ul>	<p>Tom Cassida</p>
<p><b>3. Attendance/Enrollment/CALPADS</b>  <i>Students do not need to be in attendance for at least the minimum day in order to generate attendance for apportionment purposes. In order to generate classroom attendance, students must be offered at least the minimum number of annual minutes, scheduled for at least the minimum day and in attendance for at least some part of that day under the</i></p>	

<p><i>immediate supervision and control of a certificated employee of the district while engaged in educational activities required of them to generate attendance for the purpose of apportionment.</i></p> <p><b>Students must be scheduled to be their for the minimum day and be in attendance at least part of that day. If student has been suspended they are not scheduled to attend</b></p>	
<p><b>4. Professional Development</b> No discussion outside of Fall Conference COFS is responsible for the February conference</p>	Chris Lombardo
<p><b>5. Property Taxes</b> Redevelopment revenue question. I thought all redevelopment revenue flows through the county auditor. Are any COEs still receiving checks from cities/successor agencies? If yes, how are you recording the revenue?</p> <p>Most members reported funds flowing through the County Auditor's Office.</p>	
<p><b>6. ESSCO Organization</b></p>	Chris Lombardo
<p><b>7. FCMAT Procedure Manual</b> Almost all procedures are ready to go to the FCMAT writer.</p>	Kate Lane
<p><b>8. LCAP Reviews</b> Questions regarding reserves requirement</p> <p>What do do about LCAP budget summary data if incorrect? technical revision</p>	
<p><b>Roundtable Discussion:</b></p> <p><b>1. Does well drilling have to go through DSA?</b> Discussion was tabled for next month.</p> <p><b>2. Open Roundtable</b></p>	

**Our next meeting is September 11, 2017**

2017 ESSCO agendas, handouts, and meeting notes will be posted at

<http://www.ocde.us/Business/Pages/ESSCO.aspx>.