

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

NOTES

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

**September 11, 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

Lynette Kerr	I	Humboldt	Gabriel Halls	VII	Fresno
Debbie Towne	II	Tehama	John Wilborn	VII	Tulare
Roslynne Manansala-Smith	III	El Dorado	Paula Driscoll	VIII	Ventura
Kathy Garrison	III	Placer	Norma Fajardo	IX	Imperial
Teresa Stelzer	III	Placer	Chris Lombardo	IX	Orange
Debbie Wilkins	III	Sacramento	Brent Watson	IX	San Diego
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
Kate Lane	IV	Marin	Caryn Moore		CDE
Priscilla Aquino-Dichoso	IV	San Mateo	Christine Davis		CDE
Sherry Beatty	IV	Solano	Elizabeth Dearstyne		CDE
Karen Deller	V	Monterey	Hoa Tran		CDE
Jeri Blote	VI	San Joaquin	Wendi McCaskill		CDE
Kathryn Rusk	VI	San Joaquin	Thi Huynh		CDE
Peter Foggiato	VI	San Joaquin	Ian Cambridge		CDE
Julie Betschart	VI	Stanislaus	Masha Lutsuk		CDE
Darlene Hodge	VI	Tuolumne	Leslie Sharp		CDE

1. Announcements

- i. Introductions
- ii. Announcements
 - a. November 6, 2017 ESSCO Meeting Location Change – moving to the CDE Executive Conference Room (5th Floor at CDE)
 - b. Caryn Moore has been named as Peter Foggiato’s replacement as the Director of the School Fiscal Services Division

2. ESSCO 2018 Meeting Dates

The draft meeting dates for 2018 reviewed at the August ESSCO meeting were approved by BASC at their September 8, 2017 meeting.

3. BASC Report

At the September BASC meeting, the Department of Finance gave a quick update on Early Learning and Child Care as a result of the 2017-18 Enacted State Budget. The State Board of Education mentioned that there would be a State Board meeting the week of September 11-15 and that three agenda items would be related to accountability. In the spring, there will be an addendum for the LCAP related to ESSA. CDE shared that the state is implementing a new financial system called FISCAL. The department is converting by July 1, 2018. The CCEE is working on updating their content library. CCEE would like to add more content dealing with the fiscal side of LCFF.

4. Federal Cash Management for 2015-16 funds

Fiscal year 2015-16 funds will be expiring for ESEA Title programs on September 30, 2017. The last opportunity to report cash balances for these funds will be during the next Federal Cash Management Data Collection (CMD) reporting window, October 10-31.

Notice with listing of all LEAs with expiring grants was sent to County CBO contacts. A spreadsheet listing was distributed to the ESSCO listserv on September 14, 2017.

5. Request for Stakeholder Input on Updated Form J13A – Allowance of Attendance due to Emergency Conditions

The School Fiscal Services Division is in the process of updating Form J13A, the waiver request used when, due to an emergency a local educational agency is unable to offer instruction, must close school(s), experiences a material loss of attendance, and/or experiences a loss of attendance records. An approved J13A waiver mitigates the fiscal impact to the district related to not meeting instructional time requirements and/or a loss of ADA. In the interest of providing increased clarity to the field the current form and instructions have been updated and are in draft form. SFSD is requesting stakeholder feedback on the draft version of the form. SFSD anticipates releasing accompanying frequently asked questions at a later date as well.

The J-13A is being revised for several reasons including: the inclusion of detailed instructions, a restructure of the actual form as a PDF document with calculated fields, and the expansion of some existing fields to reduce confusion. For more information, refer to the attached J-13A discussion handout. A draft J-13A form was provided as a handout. ESSCO was asked to review the draft form and provide feedback to Hoa Tran at htran@cde.ca.gov by September 20, 2017.

6. Request for Stakeholder Input on Proposed Changes to the Necessary Small Schools Data Collection

The School Fiscal Services Division is proposing to consolidate data reporting screens related to Necessary Small School funding to simplify data reporting and processing. SFSD is seeking feedback on the proposed changes planned for 2017-18 software release.

CDE is proposing to simplify necessary small schools (NSS) data collection which currently requires three separate screens and accompanying certifications to a single data collection. This change will require districts with a newly eligible NSS to request CDE approval in advance of the P-1/P-2 filing deadline to ensure the screens are available in the software. A handout explaining the change was provided. Please provide feedback to the Principal Apportionment office at pase@cde.ca.gov.

7. Principal Apportionment Updates

CDE shared that the Education Protection Account (EPA) will be paid on September 22, 2017 and is estimated to be 23.93%. Pupils Enrolled in New or Significantly Expanding Charters (PENSEC) payments are to be distributed at the end of September 2017. CALPADS distributed its annual back-to-school letter on September 8, 2017. The fall 1 deadline is December 15, 2017. The fall 1 amendment window is between December 16, 2017 and January 26, 2018.

8. US Department of Education (ED) Study of Weighted Student Funding and School-Based Budgeting Systems

The ED has selected 55 California school districts and 82 schools to participate in a study of weighted student funding (WSF) and school-based budgeting (SBB) systems. The study is part of an effort to better understand how school districts allocate funds and resources to their schools. The intent is to enable states and school districts interested in adopting SBB and WSF systems to

learn from the experiences of others. The letter to Superintendent Tom Torlakson and accompanying listing of California school districts was provided as a handout. The study is between the ED and the school districts. Surveys will be sent directly to the Chief Business Official, Superintendent, or school site principal.

The associated regulations, supporting documents, and mechanism for commenting on the proposed study are available on the study's Regulations.gov Web page:

<https://www.regulations.gov/document?D=ED-2017-ICCD-0063-0005>.

Comments are due October 6, 2017.

9. Restricted Maintenance Account

Per the Criteria and Standards #7 RMA Contribution. Do your districts that are "Exempt (Due to district's small size[EC Section 17070.75 (b)(2)E]) still contribute and track expenditures in resources 8100 or 8150?

- (i) High school districts with an average daily attendance greater than 300 pupils.*
- (ii) Elementary school districts with an average daily attendance greater than 900 pupils.*
- (iii) Unified school districts with an average daily attendance greater than 1,200 pupils.*

Responses to this question were varied with some counties reporting districts use the resources regardless of size and others reporting the opposite.

10. GASB 74/75

Discussion related to changes in actuarial valuation services due to GASB 74/75 and a discussion about the changes in how to spread OPEB expense under the new calculations.

- *Will there be no annual required contribution (ARC)?*
- *When does this change occur as far as coding in our financials?*
- *Will CDE be coming out with some clarification and/or direction, if they haven't already?*
- *Where are others in this process?*

The ARC is replaced by an actuarially determined contribution (ADC). The major difference in the new standard is the recognition of a net or total OPEB liability, as opposed to the current net OPEB obligation, and an expansion of note disclosures. Members were unaware of any change to the accounting on a modified accrual basis in the fund financial statements. There was also discussion about the cost of actuarial studies throughout the state.

Standing Subcommittee Reports:

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.

<p>1. AB 1200 No report.</p>	<p>Sherry Beatty</p>
<p>2. Accounting & Apportionments No report.</p>	<p>Tom Cassida</p>
<p>3. Attendance/Enrollment/CALPADS No report.</p>	
<p>4. Professional Development ESSCO is working to finalize October AB 1200 Fiscal Oversight presentations.</p>	<p>Chris Lombardo</p>

COFS is responsible for the February conference – Save the Date: 2017: Holiday Inn downtown Sacramento February 14-16, 2018 2018: Holiday Inn downtown Sacramento February 13-15, 2019	
5. Property Taxes No report. Peter Foggiato agreed to chair this committee.	Peter Foggiato
6. ESSCO Organization This subcommittee is chaired by the ESSCO vice-chair. ESSCO will be nominating a Vice Chair for 2018 soon.	Kate Lane
7. FCMAT Procedure Manual All procedures have been sent to the FCMAT writer save one undergoing final review. Please send your sample Collective Bargaining disclosure review letters to Kate Lane.	Kate Lane
8. LCAP Reviews No update.	
Roundtable Discussion:	
<ol style="list-style-type: none"> 1. Discussion about COE Internal Controls – tabled for October 2, 2017 2. Does well drilling have to go through DSA? – tabled for October 2, 2017 3. CalPERS Mandate for Electronic EFT/ACH Payments for Health Contributions – Most counties are able to submit retirement contributions electronically and are now working with districts to facilitate electronic submission of CalPERS health payments beginning in January 2018. 4. Foreign Vendors - tabled for October 2, 2017 5. Is there a requirement for COE Oversight for ESSA per-pupil expenditure reporting? No. 6. Charter Schools – Questions about closures and procedures for making retirement contributions. Some ESSCO participants said that they will share MOUs related to retirement contributions. 	

Our next meeting is October 2, 2017

2017 ESSCO agendas, handouts, and meeting notes will be posted at
<http://www.ocde.us/Business/Pages/ESSCO.aspx>.