Yolo County Office of Education

The Yolo Common Message

First Interim 2015-16

October 26, 2015

Introduction

This edition of the Common Message is intended to provide information and guidance to assist LEAs in developing their 2015-16 first interim report. It contains information related to the 2015-16 state adopted budget and any updates since then.

First Interim Key Guidance

LEAs face increasing pressure to improve outcomes for students, which necessitates a reallocation of resources if existing programs are not producing the desired results. Each LEA faces its own particular set of educational challenges, and there is no "one size fits all" plan. Similarly, each LEA faces its own particular set of financial risk factors based on current reserve levels, enrollment trends, bargaining agreements, degree of revenue volatility and various other local and statewide factors.

In such a dynamic and uncertain operating environment there are a few key aspects to maintaining fiscal solvency and protecting the integrity of educational programs that apply to all districts:

1. Maintaining adequate reserves to allow for unanticipated circumstances (with the *adequate* level based on each LEA's unique situational assessment).

2. Maintaining fiscal flexibility by limiting commitments to future increased expenditures based on projections of future revenue growth, and/or establishing contingencies that allow expenditure plans to be changed if needed.

LEAs are advised to use the FCMAT LCFF Calculator and the list in the Planning Factors section of this document in building multiyear projections (MYPs). If alternate assumptions are used, the source of those assumptions and the reasons for adopting them should be clearly documented. Transparency is essential for maintaining an LEA's credibility. Clearly communicating and explaining budget assumptions to stakeholders is critical.

LEAs should also consider building in contingencies for emerging and fixed expenditure obligations such as increasing employer contributions to employee retirement systems, impacts of the Affordable Care Act, the rising costs of health insurance, AB 1522 sick leave accrual for part-time employees, possible pressure to prefund other post-employment benefits (OPEB) programs, or future facility needs, to name a few examples.

Best practices for assessing district risk factors begin with using FCMAT's Fiscal Health Risk Analysis: Key Fiscal Indicators: http://fcmat.org/wp-content/uploads/sites/4/2015/05/Fiscal-Health-Risk-Analysis-K-12-5-2015-final.pdf

Significant Changes Since Budget Adoption

Changes affecting the state budget and corresponding trailer bills by Governor Brown on June 24, 2015 include the following:

- On September 22, 2015 Governor Brown signed SB 103. This bill specifies that the Educator Effectiveness grants provided through the 2015-16 budget are apportioned to school districts, county offices of education, charter schools, and state special schools in an equal amount per full-time equivalent certificated staff. The Superintendent of Public Instruction shall determine this calculation using data submitted through the California Longitudinal Pupil Achievement Data System. (See Educator Effectiveness section.)

- The Foster Youth Services program includes an additional $10 million for coordination of services in each county while requiring districts and COEs to continue providing the same level of direct services as in 2014-15. (See Foster Youth section.)

Planning Factors for First Interim and MYPs

Key planning factors for LEAs to incorporate into the first interim and multiyear projections are listed below and are based on the latest information available.

	Fiscal Year		
Planning Factor	2015-16	2016-17	2017-18
COLA (Department of Finance - DOF)	1.02%	1.60%	2.48%
LCFF Gap Funding Percentage (DOF)	51.52%	35.55%	35.11%
STRS Employer Rates	10.73%	12.58%	14.43%
PERS Employer Rates (PERS Board / Actuary)	11.847%	13.05%	16.6%*
Lottery – unrestricted per ADA**	$140	$140	$140
Lottery – Prop. 20 per ADA**	$41	$41	$41
One-Time Discretionary Funding	$529	$0	$0
Educator Effectiveness Funding per Certificated FTE	$1,466 (See Pg. 17)	$0	$0

Mandate Block Grant for Districts – K-8 per ADA	$28.42	$28.42	$28.42
Mandate Block Grant for Districts – 9-12 per ADA	$56	$56	$56
Mandate Block Grant for Charters – K-8 per ADA	$14.21	$14.21	$14.21
Mandate Block Grant for Charters – 9-12 per ADA	$42	$42	$42
State Preschool Part-Day Daily Reimbursement Rate	$23.87	$23.87	$23.87
State Preschool Full-Day Daily Reimbursement Rate	$38.53	$38.53	$38.53
General Child Care Daily Reimbursement Rate	$38.29	$38.29	$38.29
Routine Restricted Maintenance Account	***Phase in to 3% See Pg. 9	***Phase in to 3%	***Phase in to 3%

*PERS rate shown for 2017-18 is based on projections made in 2014 and may be revised downward.

**Lottery funding no longer includes the 2007-08 ROP and Adult Education ADA in 2015-16 and beyond.

Reserves

County offices continue to reinforce the need for reserves over the minimum reserve requirements.

The experience of the most recent recession has clearly demonstrated the minimum levels are not sufficient to protect educational programs from severe disruption in an economic downturn. The typical 3% reserve minimum represents less than two weeks of payroll for many districts. Many LEAs have established reserve policies higher than minimum reserves, recognizing their duty to maintain fiscal solvency. The adequacy of a given reserve level should be assessed based on the LEA's own specific circumstances, and numerous reasonable models are available for consideration. Examples include:

- The Government Finance Officers Association recommends reserves equal to two months of average general fund operating expenditures, or about 17%.

- Rating agencies like Fitch or Moody's typically assess the adequacy of a district's reserves by comparing them to statewide averages, which have hovered around 15% for California unified school districts in recent years.

- The Fiscal Crisis and Management Assistance Team emphasizes the need to assess not only fund balance but also actual cash on hand.

Based on the enacted budget for 2015-16, all of the conditions that would trigger reductions to school district ending fund balances under SB 858 (statutes of 2014) will not be met.

As an emerging practice, many districts have designated components of their fund balance to compensate for the programmed escalation of STRS/PERS costs in the multi-year projections and beyond. While this practice may provide some argument to justify maintaining reserve levels at amounts well above the minimum, districts should be cautious in relying on fund balance to cover what are considered operational and ongoing costs such as the STRS/PERS employer contributions.

Negotiations

Under the LCFF, the process and substance of bargaining with employee groups has changed drastically. ADA is just one of the many complexities of budgeting revenue. Districts must now also consider student demographics and grade level when anticipating revenue fluctuations. School districts considering multiyear contracts should maintain flexibility through contingency language or other means that protects them from cost increases beyond their control (e.g., pension reform, health care). <u>The large increase in gap funding in 2015-16 will lead to smaller year over year increases in future years</u>. One-time funding can obscure the collective bargaining environment**.** Many districts and their bargaining units may be tempted to address ongoing expenditure needs and priorities with one-time funds simply because more dollars appear to be available for bargaining. As a result of the potential reserve cap provisions contained in SB 858, school districts are encountering additional pressures to spend down reserves in bargaining table discussions. The existence of a potential reserve cap does not change the fact that spending one-time resources (e.g., reserves) on ongoing expenditures (e.g., salaries) is a certain recipe for fiscal trouble in out years. For this reason, districts are encouraged to exercise extreme caution when bargaining ongoing commitments for salaries or health care benefits.

It is important to remember that <u>along with higher gap funding percentages comes an accelerated requirement to meet class size reduction in grades K-3</u>. Although some districts may not experience the same large increases in funding as their neighboring districts, they are still required to meet the class size reduction targets. The trend of increased funding and negotiated salary/benefit increases has placed additional pressures on districts to maintain competitive salaries. With the disparity in LCFF increases from one district to the next, many districts may be in a better position to negotiate increases than others. This will continue to place pressure on districts, as a comparability argument is sure to be broached at the bargaining table.

One-Time Mandate Discretionary Funding

The 2015-16 budget included $3.2 billion in one-time discretionary funding that is expected to provide LEAs with additional resources to invest in professional development, teacher induction for beginning teachers, and instructional materials and technology. While these funds are unrestricted for use at the LEA's discretion, districts should carefully consider their use, as they are only one-time funds.

The CDE has advised that these funds will be distributed to LEAs at $529 per 2014-15 P-2 ADA. Districts should anticipate receiving 40% in December 2015, 40% in January 2016, and the remaining 20% in April 2016.

Routine Restricted Maintenance Account (RRMA)

AB 104 allows gradual increase to the required 3% contribution to routine restricted maintenance. The full 3% requirement must be in place by full implementation of LCFF.

For the 2015-16 and 2016-17 fiscal years, the required minimum amount to be deposited into the account shall be the *lesser* of the following amounts:

- Three percent of the total general fund expenditures for that fiscal year or the amount that the school district deposited into the account in the 2014-15 fiscal year.

For the 2017-18 to 2019-20 fiscal years, the required minimum amount to be deposited into the account shall be the *greater* of the following amounts:

- The lesser of 3% of the total general fund expenditures for that fiscal year or the amount that the school district deposited into the account in the 2014-15 fiscal year.

- Two percent of the total general fund expenditures of the applicant school district for that fiscal year.

For the 2020-21 fiscal year and beyond the required minimum is 3% of the total general fund expenditures.

Full language can be found in the budget trailer bill, AB 104:
http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB104

Local Control Funding Formula Implementation

Full implementation of LCFF is still projected by the Department of Finance to occur in 2020-21. It is recommended that LEAs use the LCFF Calculator located on the FCMAT website at http://fcmat.org/local-control-funding-formula-resources/. Additional information about LCFF can be found at http://www.cde.ca.gov/fg/aa/lc/.

The following amounts should be used for target LCFF base grants and grade span adjustments, which include the estimated COLA:

Grade Level	2015-16 Target Base Grant	2015-16 Target GSA	2016-17 Target Base Grant	2016-17 Target GSA	2017-18 Target Base Grant	2017-18 Target GSA
Grades TK-3	$7,083	$737	$7,196	$748	$7,374	$767
Grades 4-6	$7,189		$7,304		$7,485	
Grades 7-8	$7,403		$7,521		$7,708	
Grades 9-12	$8,578	$223	$8,715	$227	$8,931	$232

Below are the Department of Finance estimated gap factors and COLA percentages:

	Actual 2014-15	Estimate 2015-16	Estimate 2016-17	Estimate 2017-18
LCFF Gap Funding Percentage	30.16%	51.52%	35.55%	35.11%
Annual COLA	0.85%	1.02%	1.60%	2.48%

Grade Span Adjustment (GSA)

The LCFF provides a 10.4% increase in funding for grades K-3 (including TK) base grant. For 2015-16 this equates to $380/student. To receive these funds districts must maintain enrollment at all school sites at an average of no more than 24 students per class at full implementation of LCFF.

School districts have the authority to collectively bargain an alternative, locally defined class size ratio.

School districts that do not have an alternative agreement must annually make progress to a school site average enrollment of 24 students per class. Progress is measured by the percentage used for gap funding. A school district can accelerate the progress but at minimum must meet the annually calculated progress.

The calculation is as follows:

Prior Year Average Class Enrollment at School	33.00
Minus Target Class Enrollment	24.00
Student reduction by full implementation	9.00
Gap Percentage (May Use DOF Estimate)	28.06%
Minimum Required Reduction Over Prior-Year Average	- 2.53

Maximum Class Enrollment	30.50
Actual Enrollment	25.00

(Example from 2015 School Services Budget workshop)

When calculating the next fiscal year progress the prior year maximum class enrollment, not the actual enrollment, is the starting point of calculation.

The penalty for noncompliance is the loss of all K-3 GSA funding districtwide.

Minimum State Aid

As part of the enacted 2015-16 state budget, Education Code 42238.03(e) was amended to clarify that the minimum state aid (MSA) guarantee is intended to remain in effect indefinitely. MSA is the level of funding to ensure LEAs receive at least the same amount in state aid as received in 2012-13, adjusted for changes in ADA and property taxes. MSA applies primarily in two instances: basic aid districts because categorical funding was not previously offset by local property taxes, and necessary small school districts because of loss of eligibility under new rules.

Home to School Transportation

The maintenance of effort for all districts receiving transportation funds does not expire. For home to school Special Education transportation and bus replacement the transportation funds are received as an add-on to LCFF. The level of expenditures must be at least equal to the lesser of the amount spent in 2012-13 or the amount of the transportation revenue (home to school, special education and bus replacement) received in 2012-13.

CALPADS

Fall 1 Submission

The Fall 1 submission period opened October 7 with a certification deadline of December 18, 2015, with an amendment window from December 19, 2015 to February 19, 2016. A certification and amendment calendar is posted on the CDE web page: http://www.cde.ca.gov/ds/dc/es/subcal.asp

Major changes effective with the fall submission are highlighted as follows:

- The snapshot process has been changed to update the Fall 1 report the same day in near-real time, depending on system load, when any relevant data has been posted in CALPADS. LEAs will no longer have to wait for overnight processing. The snapshot report now includes a “Not Certified” watermark until data certification has occurred.

- CALPADS report, Certification Report 1.17 FRPM/English Learner/Foster Youth – Count now has one “Foster” column that includes both Foster Placement and Foster Family Maintenance.

- Beginning this fiscal year, LEAs can enroll Transitional Kindergarten (TK) students at the beginning of the school year in which they will turn five years old. Like all TK students, these students should be reported in CALPADS at the kindergarten grade level but will not generate ADA until their fifth birthday and cannot be included in the unduplicated pupil count until census day in the following school year. The California Department of Education is working on a mechanism outside of CALPADS to adjust the LCFF calculation for students who do not generate LCFF funding.

More information about a variety of CALPADS issues can be found at http://www.cde.ca.gov/ds/sp/cl/calpadsupdflash108.asp

Special Circumstances

Foster Youth

The state Foster Youth Services (FYS) program provides support services for foster children who suffer the effects of displacement from family and school and who often experience multiple placements in foster care. County superintendents retain the responsibility to coordinate services for foster youth among child welfare agencies, schools, juvenile court and probation. This also includes the efficient transfer of health and education records among those agencies.

The 2015-16 budget included an additional $10 million plus a COLA of $155,000 for coordination of foster youth services in each county. Significantly, the allocation of these new funds, along with $15.3 million in base ongoing funding for foster youth services was contingent on the enactment of AB 854 (Weber), signed by the Governor on October 11, 2015.

Under the provisions of AB 854, the primary function of the $25 million FYS program will shift from direct services to coordination, and allow program funds to be used to support all students in foster care, irrespective of placement. By October 31, 2015, the SPI is required to develop an allocation formula for county offices of education or consortium of county offices. No later than December 31, 2015, the Department of Finance is to approve the allocation formula developed by the SPI. Key provisions of the new program include:

1. Beginning in the 2015-16 fiscal year, county offices of education or consortia of county offices of education are required to coordinate with school districts within their jurisdiction and ensure that districts are providing services to foster youth as specified in the county's foster youth services coordinating plan.

2. Requiring a county office of education, or a consortium of county offices of education receiving FYS funds and the school districts within the county to coordinate services to ensure that for the 2015-16 and 2016-17 fiscal years, the level of direct services is not less than what was provided in the 2014-15 fiscal year through the prior FYS program.

3. Requiring each county office of education with a FYS program to develop and enter into an agreement with the county child welfare agency to leverage federal Title IV-E funds and any other funds that may be used to specifically address the educational needs of students in foster care, or explain annually in writing why an agreement is not practical or feasible.

Students identified as foster youth are included in the unduplicated counts used in calculating supplemental and concentration grants. Foster youth is also now included as a subgroup in the Academic Performance Index that is subject to growth targets as set by the State Board of Education.

To better meet the educational needs of foster youth, the LCFF reforms included provisions requiring the California Department of Social Services to share data weekly with the CDE for the purpose of identifying for LEAs the students enrolled in their schools who are foster youth so that services can be better coordinated and provided to these youth (Education Code Section 49085). CALPADS is used as the catalyst to gather and disseminate this information to LEAs and is updated weekly.

LEAs can now identify additional students through the Foster Youth user interface in CALPADS to make a local match for students that were not identified in the statewide match. More information on how to access data in the user interface can be found in the CALPADS Update FLASH #99 (http://www.cde.ca.gov/ds/sp/cl/calpadsupdflash99.asp).

The United States Department of Agriculture, which administers the National School Lunch Program (NSLP), has clarified that all foster youth as defined by the Local Control Funding Formula (LCFF) are eligible to receive free meals under the NSLP. Since all foster youth are counted under the LCFF, this does not impact the data that LEAs certify on Report 1.17 – FRPM/English Learner/Foster Youth – Count. However, LEAs may provide free meals to *all* students identified by the statewide match as foster youth.

Charter Schools

The LCFF allocates funds to charters in the same manner as for school districts, except in certain circumstances charter funding will be constrained by factors related to the district in which the charter is physically located. Charter schools are not subject to the 24:1 K-3 class size requirement as a condition of apportionment; however, independent study programs are required to use 25:1 student-to-teacher ratios school-wide.

Concentration grants for charter schools will be limited to no more than the concentration grant increase provided to the school district where the charter school is physically located. If a charter school is physically located in more than one district, then it will utilize the percentage of unduplicated pupils of the school district with the highest percentage of unduplicated pupils.

A newly operational charter school's prior year per ADA funding amount is equal to the lesser of the prior year funding amount per unit of ADA for the school district in which the charter school is physically located, or the charter school's LCFF rate. If a charter school is physically located in more than one school district, then it utilizes the funding entitlement per unit of ADA of the school district with the highest prior-year funding.

The allocation rate per ADA for the mandated programs is reduced slightly for charter schools. School districts receive $28 for K-8 and $56 for 9-12, whereas charter schools receive $14 for K-8 and $42 for 9-12.

Payments to Charter Schools in Lieu of Property Taxes

A sponsoring LEA is required to transfer funding "in lieu of property taxes" monthly to the associated charter school(s). The amount of these payments is dependent on the charter school's average daily attendance, which may be comprised of students from numerous districts. A school district that initially denies a charter school petition, which is later approved by the county board of education, is still obligated to make these payments. The state will "backfill" the school district for the funding, but the payment may still impact the district's cash flow. Basic aid districts will not receive complete reimbursement from the state.

Necessary Small Schools

Current law that establishes eligibility for Necessary Small School (NSS) funding for a high school that is less than 287 students, is the only comprehensive high school in a unified district and with 50 or fewer pupils per square mile of school district territory sunsets July 1, 2017. As currently written, EC Section 42280 allows funding based on prior year eligibility, so schools that are impacted by this can plan on receiving NSS funding in 2017-18 if they met the requirements for NSS funding in 2016-17.

In addition, EC Section 42238.03(e) was amended by AB104 to authorize minimum state aid after full transition to LCFF. The minimum state aid guarantee calculation will continue to include the reduced 2012-13 NSS allowances, regardless of the current year NSS status, which may provide additional state aid to some districts until their LCFF net state aid amount surpasses the minimum state aid guarantee calculation.

Cash Management

LEAs should monitor cash flow to ensure there is sufficient cash to meet all obligations.

For the 2015-16 fiscal year, the State Controller's Office has posted estimated payment dates for K-12 principal apportionments, lottery apportionments, and Education Protection Account Proposition 30 apportionments through December 2015. The CDE has posted estimated payment schedules for 2015-16 one-time funding for outstanding mandate claims and Educator Effectiveness. The one-time funds for outstanding mandate claims will be apportioned 40% in November 2015, 40% in December 2015, and 20% in April 2016. Educator Effectiveness one-time funds will be apportioned 80% in December 2015 and 20% in March 2016. The table below illustrates state apportionments for the period of July 2015 through December 2015.

Apportionments	July 2015	Aug. 2015	Sept. 2015	Oct. 2015	Nov. 2015	Dec. 2015
K-12 Principal Apportionment	7/29/15	8/27/15	9/28/15	10/28/15	11/24/15	12/29/15
K-12 Proposition 30 EPA			9/24/15			12/23/15
K-12 Lottery			9/30/15			12/30/15
Funds for Outstanding Mandate Claims (One-time)					40%	40%
Educator Effectiveness (One-time)						80%

Education Protection Account

Distribution of the temporary taxes in the Proposition 30 Education Protection Account (EPA) began in 2012-13 and is slated to continue through the 2018-19 fiscal year. The Department of Finance estimates 2015-16 EPA revenues to be $7.3 billion. The California Department of Education posts information, frequently asked questions and entitlement details on its website (http://www.cde.ca.gov/fg/aa/pa/epa.asp).

Funding Outside of LCFF – Regulated Programs

Adult Education

The 2015-16 budget provided $500 million for the Adult Education Block Grant, and $25 million in one-time funding for the development and collection of adult education outcome data.

Block grant funds for adult education may be used in seven priority areas: (1) elementary and secondary basic skills, (2) citizenship and English as a second language, (3) workforce programs for older adults, (4) programs to help older adults assist children in school, (5) programs for adults with disabilities, (6) career technical education, and (7) pre-apprenticeship programs.

The final budget contains these provisions:

- Requires the SPI and California Community Colleges Chancellor to certify by July 31, 2015 the 2013-14 and 2014-15 adult education maintenance of effort requirement (MOE) for each school district and county office.

- The funding breakdown is:

    - $337 million in funding allocated to LEAs (based on MOE) by August 30, 2015

    - $158 million in funding allocated to AB86 consortia or consortia members by October 31, 2015

- Each district and COE will be apportioned the amount certified by the SPI and Chancellor as long as the LEA is a member of an adult education consortium.

- Specifies that joint powers agencies may participate as adult education consortia members.

- Allows older adults to access programs that relate to employment or helping children succeed in elementary and secondary education.

- Provides for the development and collection of outcome data relating to the effectiveness of each adult education consortia in meeting the educational and workforce training needs of adults.

- Authorizes the Chancellor and SPI to collaborate on the development of common outcome data collection, and requires them to report to the Legislature by November 1, 2015 on progress.

- Changes references to apprenticeship programs in adult education statutes to pre-apprenticeship training activities conducted in coordination with apprenticeship programs approved by the Division of Apprenticeship Standards. Pre-apprenticeship programs will provide job preparation training courses that will lead into apprenticeship programs.

The funding information can be accessed at:
http://www.cde.ca.gov/fg/aa/ca/adultedbg.asp

Career Technical Education

The California Career Technical Incentive Grant Program is a competitive grant program administered by the CDE. Its purpose is to encourage and maintain the delivery of career technical programs during implementation of the LCFF. Program funding is $400 million in 2015-16, $300 million in 2016-17, and $200 million in 2017-18 and will be appropriated based on the prior fiscal year's P-2 ADA for grades 7-12 as follows:

- 4% for ADA <= 140
- 8% for ADA > 140 and <= 550
- 88% for ADA >550

A proportional dollar-for-dollar match is required for the program and increases each year as follows:

- 2015-16, one dollar ($1) match for every dollar received
- 2016-17, one dollar and fifty cents ($1.50) match for every dollar received
- 2017-18, two dollar ($2) match for every dollar received

The matching dollars may come from LCFF, the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006 (Perkins), the California Partnership Academies (CPA), the Agricultural Career Technical Education Incentive Grant (Ag Grant), or any other source ***except*** for funding received from the California Career Pathways Trust.

Funding of the program requires at least a three-year plan for continued support after grant funding expires. The plan must include how the district has budgeted the costs to continue to support career technical education (CTE) programs within the current or projected budget and contain a written commitment to do so.

Positive consideration in the awarding of grants will be based on the following:

- Did not operate a career technical education program during the 2014-15 fiscal year
- Serves unduplicated pupils (low-income, English learner, foster and homeless youth)
- Serves pupil subgroups that have higher than state average dropout rates
- Located in an area with a high unemployment rate

- Successfully leverages Perkins, CPA, Ag Grant, and contributions from industry, labor, and philanthropic sources

- Engages in regional collaboration with postsecondary education or other local education agencies

- Significant investment in CTE infrastructure and equipment

- Operates within a rural school district

Grant awards for 2015-16 have yet to be released by the CDE.

Educator Effectiveness

On September 22, 2015, Governor Brown signed Senate Bill 103, the Education Budget Trailer Bill, into law, which contained revised appropriation language for $490 million to be disbursed to local educational agencies (LEAs) to enhance the effectiveness of teachers and administrators. The appropriation language changes the calculation of these funds from a per certificated staff head count to one based on 2014-15 fiscal year full-time equivalent (FTE) certificated staff reported by LEAs in the California Longitudinal Pupil Achievement Data System (CALPADS). The certificated FTE numbers used in the calculation of funds are posted on the CDE's Educator Effectiveness Web page.

The $490 million is targeted to promote:

- Beginning teacher and administrator support and mentoring

- Professional development, coaching, and support services for teachers who have been identified as needing improvement or additional support

- Professional development for teachers and administrators that is aligned to the state academic content standards

- Educator quality and effectiveness

The funding will be available to spend over the next three fiscal years (2015-16, 2016-17, and 2017-18). As a condition of receiving the funds the LEA is required to develop a plan for how the funds will be spent. The plan shall be explained in a public hearing of the governing board before it is adopted in a subsequent public meeting. On or before July 1, 2018, the LEA will submit a detailed report, still to be developed, to the State Board of Education.

The funding results can be found on CDE's website:
http://www.cde.ca.gov/fg/aa/ca/educatoreffectiveness.asp.

Funds will be released in two installments: 80% in December and 20% in March. **The final apportionment will provide LEAs with approximately $1,466 per certificated**

full-time equivalent as reported in the California Longitudinal Pupil Achievement Data System (CALPADS) for the 2014-15 fiscal year. The resource code assigned is 6264 and the funding profile can be found at: http://www.cde.ca.gov/fg/fo/profile.asp?id=3789

The frequently asked questions can be found at: http://www.cde.ca.gov/fg/aa/ca/educatoreffectfaq.asp

Technology Infrastructure/High Speed Network

2015-16 Broadband Infrastructure Grants (BIIG 2.0)

In an effort to further support educational technology in California, the state Legislature has allocated an additional $50 million (AB 93) in funding to help schools with inadequate bandwidth upgrade their external connection to the Internet. All public schools, school districts, county offices of education and charter schools are eligible if they meet specific connection criteria. The 2015-16 Broadband Infrastructure Improvement Grant (BIIG 2.0) application window closed on September 30, 2015. During October and November K12HSN (K-12 High Speed Network), CENIC (Corporation for Education Network Initiatives in California), and other strategic partners will explore possible technical solutions and obtain cost estimates through a statewide RFP. In December eligible sites for which bids were received will be scored and ranked. In January funding recommendations will be made final upon approval from the CDE and SBE. Sites will receive services, not funds.

Additional information can be obtained at http://www.k12hsn.org/grants/biig2/

2015-16 Network Management Professional Development and Technical Assistance

While school districts will receive funding ($490 million) for teacher quality improvement on a formula basis, $10 million (AB 104) has been set aside to support local districts in their quest to successfully implement network infrastructure within schools. These funds will be utilized by the K12 HSN to build capacity at partner organizations to deliver technical advice, expertise in various required domains, on-demand online resources for skill development, and dissemination of best practices. The detailed plan for service delivery will be vetted among the K-12 community and then implemented over the next three years.

Retirement

Governmental Accounting Standards Board (GASB) 68

District will need to comply with GASB Statement No. 68 reporting requirements in the 2014-15 financial reports. A note included in the annual audit will report the district's proportionate share of the net pension liability (NPL) for both CalSTRS and CalPERS retirees. The district determines this number based on information provided by the retirement systems.

Both CalSTRS and CalPERS have published the proportionate share of NPL for public school agencies for 2013-14. Districts are advised to consult with their external auditor to discuss how the information will be included in the annual audit for 2014-15. The proportionate share reports can be found at the following pages:

- For CalSTRS: http://www.calstrs.com/sites/main/files/file-attachments/6-30-14_financial_statement_final.pdf. Agency listings start on page 71.
- For CalPERS: https://www.calpers.ca.gov/docs/forms-publications/gasb-68-schools-schedules.pdf

Information on the reporting requirement can be found in a letter to the field from the California Department of Education dated July 2, 2015. That letter can be found using this link: http://www.cde.ca.gov/fg/ac/co/gasb68.asp

Rates

At the April 15, 2015 meeting, the CalPERS Board approved an employer contribution rate of 11.847% for 2015-16. The agency estimates the employer rate for 2016-17 will be approximately 13.05%. These rates are lower than previous estimates. No other future years' rates have been projected by the agency as this is written. Employee rates will continue at 7% for classic members (those who were members on December 31, 2012) and at 6% for new members.

CalSTRS rates are set in Education Codes 22901.7 and 22950.5. Districts should project employer contribution rates at 10.73% for 2015-16, 12.58% for 2016-17 and 14.43% for 2017-18.

Summary

Under LCFF and LCAP regulations, each district receives differing amounts of revenue and has its own particular set of financial and educational risk factors. All LEAs should continue to assess their individual situations, work closely with their county offices of education, and plan accordingly to maintain fiscal solvency.