

## COUNTYWIDE DISTRICT BUSINESS MEETING

July 12<sup>th</sup>, 2010 - 9:00 a.m.

**ATTENDEES:** Charlotte Lander, Srini Vasan, Maureen Hester, Jim Monreal, Linda Rangel, Marlene Houston, C. Lynette Walker, Cecilia Belmontes, Kate Knutson, Sheila Randel, Leticia Gallegos, Diane Schoonhoven, Marisol Taylor, Julie DeWall, Geri K. Cox, Rosa Casillas, Sandy Paxton, Trudy Burke, Sonia Ramos, Linda Haze, Maryann Henry, and Eva De La Cerda

AGENDA ITEMS PROCEEDED IN  
THE FOLLOWING ORDER

### 1. MINUTES FROM PREVIOUS MEETING

Minutes from June 4<sup>th</sup> 2010, were distributed. The districts were asked to contact Kim Linderholm if there are any corrections that need to be made.

### 2. INFORMATION SYSTEMS UPDATES - Jeffrey Bottorff

Jeffrey Bottorff - E-rate program is conducting PIA reviews currently. Reminder - if you are asked to provide information, you will have a specific time limit that you must meet. If you miss a timeline you can lose your school's funding.

Microsoft Settlement - The parties in the law suit are meeting with the judge on August 19<sup>th</sup>. The following topics will be discussed:

- The proposal to move 25% of the software funding into the general purpose. This allows schools to have more flexibility in what they can purchase with the funds. The release of the second round of funding based on the \$50.00 per ADA. Jeffrey made known that we would have only two years to spend the additional funding once it was released.

Jeffrey discussed proposed changes to E-rate and noted that the SLC and their current administration are moving to act on this quickly.

- The removal of regular phone line services as being eligible for discount has been proposed. This would mean that regular telephone lines would no longer be eligible for E-rate discounts, although voice-over-IP phone services would be. We did a proposal based on this request.
- The development of a new matrix for calculating the E-rate discount percentage, with a top discount of 80%. This would modify the matrix to have larger bands, provide opportunities for schools with a lower free and reduced lunch count to have slightly larger discount

- Hardware replacement - The proposal includes moving through the bands of discount rates and allowing all schools the opportunity to purchase equipment.

These are proposed future changes and may possibly make it to the top of the list of suggestions for changing the E-Rate process. If any changes are implemented it will be in two fiscal years from now.

### **3. PAYROLL UPDATES -**

No one from Payroll attended.

### **4. SPECIAL EDUCATION UPDATE - Marisol Taylor**

Marisol asked the districts to set-up A/R's for the AB602 "Preschool Shift" dollars, since these are 09/10 funds. She will email them a copy of the allocation so that each district knows how much they will be receiving.

### **5. SELPA UPDATE- Leticia Gallegos**

Leticia handed out the 2009-10 P2 Apportionment Allocation Certified 06/22/10. (This allocation does not include the shift of preschool funds described above.) Leticia explained there will be a correction made to the Out-of Home Care Funding for 2008-09. CDE will be correcting the number of bed counts for Group Homes. Per CDE the correction will be made at the Annual Certification in February 2011. This adjustment will reduce the negative prior year adjustment for 2008-09.

Leticia handed out the American Recovery & Reinvestment Act of 2009 (ARRA) IDEA Part B Supplement Funds 4<sup>th</sup> Quarter Report.

### **6. BUDGET UPDATES - Geri K. Cox**

Geri distributed an application for exemption from the required percentages for expenditures for classroom teacher's salaries as per the CEA form. Geri attended a state meeting last Friday, July 9<sup>th</sup> 2010. Geri advised of updates: Indirect costs calculation methodology changing a little bit; CDE is going to have the SACS software looking at a smoothing of the indirect rates it calculates. It will still have a two year carry forward - to correct for what you are charging being more or less than your actual indirect for that year with a subsequent adjustment being made. What the software will be programmed to assume is that the highest allowable indirect percentage is charged across all funding sources. If you negotiate with some of your programs and you do not charge your full indirect, it could end up impacting negatively as far as what the average is going to calculate. It will assume that you are actually charging your state approved or the highest rate close to your state approve rate. It exempts programs that are capped by legislation, with some of the federal funds (such as Title I) having a 4% cap. State funded after school programs have 5% cap. Unless it is statutorily capped you should charge your full

indirect amount to your programs. The state accounting manual changed some years ago. It states that if you are going to charge indirect, you should charge the state approved amount and you should charge fully across the board in your programs and make contributions from unrestricted funds, if necessary. This is the year where this year's expenses (the 09/10 expenses) will be driving in this new format for the rate to be used in the next year. More detail on this topic can be found in the SACS forum minutes that are distributed on the website and that were emailed out. Geri wanted district's to be aware so that the change doesn't inadvertently harm them for indirect that one is going to use.

Geri's counterpart in Imperial County Damon Smith does a lot of work on Special Education finance. He has done a lot of work gathering data on what local contributions are. He has updated a data project that he's doing on local funding to support Special Education. This started back in the 04/05 yr or 05/06 year to gather data on how much local funds are going to Special Education students. Not everyone accounts for all their Special Education costs in Special Education resources and goals especially the support of administrative costs. What he's done is gathered information from the State SACS report so at least it's what gets reported.

Damon has also done work on Special Education maintenance of effort calculations. Most people look at the test of state and local combined funding to see if they meet the maintenance of effort requirements with combined state and local dollars. You can also look at year to year what your local contributions costs are. Where you have been able to save money for whatever reason to your program delivery, you may feel that you can't reduce your expenses there because of maintenance of effort requirements. He encourages us to look at the local to local test, which may provide more flexibility in implementing cost savings and still meeting the MOE requirements. If you have been using the combined state and local test and you would like to see what the local to local test generates, you don't use the prior year's combination of state and local and compare to your prior year local amount. You have compared the current year to the previous time that you ever used local only test. If you never used "local only" test you go back to the base year. It could be an advantage for you as costs having risen the way they are. It is possible that you could maybe not meet the test combining state and local funds but comparing local to local funds especially if you have not used it before. This is something to look at for the close out and districts may want to run the maintenance of effort calculation before they finalize their Unaudited Actual submission. A draft document on this topic should be available to distribute in the next week or so.

We have been reminded that when it comes to the budget approval process that CDE's view is that you approve a budget based on the budget year and two

subsequent years. Geri noted that all the districts have worked hard to get their budget to meet the budget standards for that. In some cases you may identify an amount that needs to be cut and haven't said how it will be achieved. Reminder that if that's a part of your budget submission, when looking at 1<sup>st</sup> Interims, we'd expect to see that some action has been taken to make those changes. If you get past the 1<sup>st</sup> Interim filing period and they haven't been put in place it will be hard to achieve with staffing for the most part. Geri explained that here in the County Office we will probably be working on budget this whole year. Geri mentioned that people from SIA and School Services brought up that this has been the most relaxed summer without a budget. The governor proposed a reduction in funding child care contract. CDE has advised to not disenroll students/clients, don't be alarming parents, and don't be raising anxiety but on the other hand the contract language that is coming from CDE has the budget contingency language that if funding is not appropriated in the State Budget it will not be forwarded to child care providers. It could be as late as October for a budget.

#### **7. Cecilia Belmontes**

Cecilia thanked everyone for getting the P2 and Annual Attendance Reports sent to her. Cecilia is working on this year's budget reviews and expects that by mid next month she'll have some feedback on them. She attached the fiscal dates to remember. June and July dates have been taken out. The June Apportionment and Lottery took awhile to post due to a lot of changes going on. The way it was funded this time, it was based on an 18.365% of the June Apportionment. They gave 18.395% of what was to be distributed and the balance got deferred to after July 1<sup>st</sup>. If anyone would like the amount that is still owed for State Aid, Cecilia advised to let her know. Reminder if you need any assistance in payroll and SMARTe issues to send an email to HP Help. It would be helpful and easier for everyone to receive them. Geri, Trudy, Valencia, and Cecilia receive them.

#### **8. Julie DeWall**

The Auditor's office is closed for any June entries that we do. We can't send over cash transfers anymore for the year ending June 30, 2010. Julie noted that we had only two days notice of their change in practice. All interfund entries should be by JE, using "due to" and "due from" offsets with no change in cash. The County Auditors are starting a whole new system of closing the books and accruing liability and receivable amounts for the first time.

**THE NEXT MEETING IS SCHEDULED FOR:  
Friday, August 20, 2010, 9:00 AM - at Madera County Office of Education**