

# Business Advisory Group Meeting

## Meeting Notes

January 24, 2019

### PRESENT

#### **BCOE:**

Travis Haskill  
Lisa Anderson  
Jan Sorenson

Christy Patterson  
Aaron Benton

#### **DISTRICTS:**

Ruthie Anaya, Palermo  
Susan Watts, Oroville High  
Heather Naylor, Gridley  
David McCready, Paradise

Andrew James, Oroville Elementary  
Ron Sherrod, Durham  
Marie Hartman, Chico  
Pam Ragan, Biggs

## Business Advisory Group

### 1. Additions to the Agenda

- a. Regarding the status of 1099s and W2s, the 1099s are done. Many districts have already reported weather everything looks good or not. Most W2s were printed 1/23, our stuffer is broken. We have PDF versions of all W2s and 1099s if you want them to print yourself or keep them on file.
- b. If you have corrections, let Jan know, he can reprint the improper 1099 and fix it.
- c. We have a few issues with Paradise, Thermalito and Biggs. The goal is to get Thermalito w2s printed. They will have to go back and fix the quarterlies after we print W2s. Paradise has open payrolls, we can't have open payrolls when we print the w2s

### 2. ACA Setup in Escape – Jan Sorenson/Karen Finely

- a. This is still in process

### 3. Escape Purchase Orders – Jan Sorenson

- a. There has been an issue of whether or not those people doing purchasing should be putting the account number on the PO. If the account number is put on the PO, people do not have to reprint the PO to see the account number.
- b. When will BCOE be opening next year? A: we decided to roll everything forward, we could do that for you, you have the opportunity to look at them and expire them. Email Jan with questions.

### 4. Special Education Update – Aaron Benton

- a. Last fall, Aaron proposed a study to look at the SELPA allocation formula. He engaged assistance from the Charter Schools Association and Jack Lucas (Special Education expert). The study is on hold for now, due to the Camp Fire and student movement.
- b. The Regional Services Review Committee is in the process of the annual review of regional units. The SELPA will be reducing the overall number of units, as several units will be recaptured. Last year the SELPA opened several units with the idea that the students in the Sierra non-public school would move to these new regional classrooms. Aaron will communicate his findings about this situation to the governing board.
- c. The Mental Health (or ERMHS) budget is being monitored closely, as the amount of carryover will be reduced going into the 2019-20 fiscal year.
- d. Regarding the AB 602 legislative request, we aren't sure if the third year of holding ADA harmless has been granted yet. Lisa is working on 19/20 AB 602 calculations.
- e. Three charters gave notice last year of leaving the Butte County SELPA. Wild Flower Charter is staying in. Aaron will check on the other two charters.

## 5. **Governor's Proposed Budget – Travis Haskill**

- a. Governor Gavin Newsom released his proposed budget. Key highlights include 2019/20 which is shaping up to be a COLA only year, currently no one time unrestricted funds as in past years. Good news; higher than what SSC projected. COLA for 19/20 is 3.46%.
- b. The Governor's budget proposes 3 billion dollars into one time 98 money to reduce employers STRS contribution rates, 17.1 in 19/20 18.1 in 2021 and continue to go down. They will still increase but it will be at a reduced rate of increase.
- c. Combo of both decreases COLA and STRS should improve the out years on most district MYPS.
- d. Special ed - Current budget currently contains \$ for LEAs based on the number of students w/disabilities but this funding will be outside the AB602 formula. There was nothing in the governor's budget regarding the equalization of AB602 rates.
- e. Gavin Newsom is a big proponent of early education. His budget does include \$750 million in facilities funding to address barriers to full day kindergarten.
- f. (Ruthie: there is a flaw in Gavin's plan, they want to reduce full day slots and also to eliminate the need factor.)
- g. SSC and Cap Advisors, they would expect that COLA only will be the trend for the next several years.
- h. Don't anticipate any one time unrestricted funds. Gavin has directed those to specific things rather than unrestricted.

## 6. **Classified Employee Summer Assistance Program – Travis Haskill**

- a. There is more participation than originally anticipated. The next step is for employees that want to participate to notify the district in writing, (there is a specific form prescribed by CDE, its on CDE's website.) by March 1st 2019.
- b. The district has until April 1st to notify CDE of the amount of employee participation and amount to be withheld.
- c. It was previously thought that districts could run into a situation where an employee defers an amount and the state doesn't have enough funds to match, but it sounds like that won't happen based on the lack of participation in the program.

## 7. **Escape Tips – Roundtable Discussion**

- a. Travis noticed when a resource code is set up, it auto defaults to unrestricted. When you run your budgets through SACS, watch out for restricted/unrestricted. If you have amounts in your revised budget which are not included in your budget model, when you post the model, Escape will not auto override that. You can ID those accounts by going in and running a list in your model to show accounts with values in the revised budget but no values in the model. You can then go in and open each account and put zeros or you can create a model that is a zero balance model and perform a change and an option to set a fixed value of zero default. Then, when you post your actual model, then the only thing that is posted is your accounts that have values.
- b. The Fiscal 24 report gives you the cash daily balances. It is also used for reporting your federal interest earned. You can include all resources, it will combine them so you have a daily cash value. It will show each itemized in each column and it will also total them.

## 8. **Principal Apportionment Software Update – Lisa Anderson**

- a. Changes are coming to the Principal Apportionment Data Collection software for 19-20. In the revenue limit days, ADA attributable to the county office would be transferred automatically from the district to county office. That stopped with the implementation of LCFF. Now, LCFF transfers will be facilitated through the principal apportionment process.
- b. The transfer will include the base, supplemental and concentration amounts and other LCFF factors relevant to each LEA for special education, county community school, etc., You will not have to opt in, as the transfer will happen automatically.

**9. New LCAP Template – Travis Haskill**

- a. CDE has released new changes to the LCAP template. Template isn't changing a lot. It will have additional info for schools that are identified for CSI.
- b. The biggest change is a separate report required to be attached to your LCAP, called the LCFF budget overview for parents. They wanted something to make the budgets more transparent.
- c. You will have to include additional information which you can get from your LCFF calculator/Form 01.
- d. You will have to ID your base grants from your supplemental. That will come from the LCFF calculator. Nothing will auto-populate because it is a separate template than the LCAP, so there will be some manual entry needed.
- e. SSC said the new template will be required to your LCAP by 7/1/19, Travis will verify the date and email everyone.

**10. LCFF Funding for Butte County Community School – Lisa Anderson**

- a. BCOE has a new county community school, Step Up Academy. The school was part of LCCS, but has been converted to a county community school.
- b. Students enrolled with a CalPads code of six (other than expelled and disciplinary reasons) results in the money going to the district. Lisa will be using a manual transfer process (similar to how LCFF transfers are currently done for special education) to move those funds to BCOE.
- c. Applies to TK-6 grades, but only for this year. Next year, the funding will automatically transfer- (see agenda item #8 above).
- d. Travis: right now you are bring charged in lieu taxes for those students, that will no longer be the case. At the February recertification, you will be refunded, since those students are no longer in a charter school.

**11. Escape Cash Flow –Travis Haskill**

- a. There is a tool in Escape that will classify your actual months based on the cash booked in your GL. It has been BCOE's policy that cash flow months are supposed to tie out to the treasury report. BCOE is willing to relax that rule to save people time (Report fiscal 12)
- b. There are stipulations if districts want to use that report: 1. You must be current on your cash postings 2. Put a note on your cash flow projection stating actual months are based on GL balances.3. Include a row to show the actual treasury balance for each month, a row below it to compute the percentage difference between the treasury and the GL balance. If your GL and treasury cash balance is more than 10% difference, we ask that you explain what makes up the difference.
- c. There may be difficulty in the last months of the actuals before a budget cycle as the treasury reports are usually released very late so you may need to make other arrangements if you do not have your cash posted by then.

**12. Escape and Aeries – Lisa Anderson**

- a. Discussed whether Aeries was included with the Escape conversion (it was not).

**13. Public Disclosure Process – Travis Haskill**

- a. In addition to the public disclosure template, BCOE requires districts submit the following documents with a disclosure form: signed tentative agreement and a multi-year projection including the effect of the settlement.
- b. Please send the original copies of signed certification once approved.
- c. As long as your district is positive, you're not required to submit public disclosure prior to approval. If you're qualified or negative, you're required to submit to the county office 10 days prior to public meeting to allow county to comment on it. If you voluntarily submit for review, please provide back up for calculation.
- d. Paradise received a letter from CTA regarding years being shown on public disclosure when it relates to prior year settlements. The letter stated the first year should be the year being settled which BCOE disagrees with. BCOE's policy is the first year of the three year projection should always be the current year regardless of whether you're settling for a prior year. A year that is closed should **not** be reflected on the three year projection.

**14. BCOE Staffing Update – Lisa Anderson**

- a. Two staff are out on long term medical leave and we have one vacancy. This impacts processing deposits, S transfers, etc. so turnaround time is slower. We are reducing deposits from twice a week to once a week for now.

**15. Criteria for Second Interim Budget – Travis Haskill**

- a. No changes in 18/19. Changes in 19/20 reflect increase COLA in 19/20 and 20/21, no change to PERS rates, STRS has gone down. 19/20, 20/21 no one time funds.

**16. Phishing Emails –Travis Haskill**

- a. Phishing emails have been going around appearing to be from staff requesting to change their direct deposit. Be aware, some emails are personalized so they may look real. Check the email address and where it is coming from, that is a good indicator. Also, any links to voicemails could be phishing emails as well so do not click on them.

**HANDOUTS/UPDATES**

1. Agenda
2. Second Interim Budget Criteria
3. LCFF Budget Overview for Parents
4. Example of phishing email received by BCOE.

***Next Meeting Scheduled for Thursday February 28, 2019 8:30 A.M. (BCOE Board Room – 8:30-12:00)***