

Comparison of increases in COE Object 8710 (Tuition) to increases in districts' Object 7142 (Other Tuition, Excess Costs, and/or Deficit Payments to County Offices), county-wide (relates to calculation of NCLB MOE for 2013-14)

Possible reasons for significant differences in some counties between COE increases and district increases (note that we didn't expect an exact 1:1 match):

- 1) Not all districts within a county implemented CDE's June 26, 2014 guidance in 2013-14?
- 2) Some districts' students may be served by a COE in a different county, so some districts' Object 7142 increases correlate to a neighboring COE's Object 8710 increase?
- 3) LEAs made corrections to accounting that wasn't right before?
- 4) Other?

ccode	County	COE Object 8710 Tuition 2013-14	COE Object 8710 2012-13	COE Obj 8710 Increase (Decrease) from 2012-13 to 2013-14	Districts In County Object 7142 2013-14	Districts In County Object 7142 2012-13	District Increase (Decrease) from 2012-13 to 2013-14	COE Obj 8710 Increase (Decrease) from 2012-13 to 2013-14	District Obj 7142 Increase (Decrease) from 2012-13 to 2013-14
01	Alameda County Office of Education	-	-	-	791,831	820,610	(28,779)	-	(28,779)
02	Alpine County Office of Education	-	-	-	-	-	-	-	-
03	Amador County Office of Education	1,834,824	2,085,809	(250,986)	2,271,876	2,085,809	186,066	(250,986)	186,066
04	Butte County Office of Education	3,500,114	3,213,737	286,377	3,626,829	3,530,546	96,282	286,377	96,282
05	Calaveras County Office of Education	228,862	-	228,862	-	-	-	228,862	-
06	Colusa County Office of Education	1,682,726	1,932,601	(249,875)	1,792,879	2,046,885	(254,005)	(249,875)	(254,005)
07	Contra Costa County Office of Education	2,513,113	219,388	2,293,725	2,561,148	2,398,388	162,760	2,293,725	162,760
08	Del Norte County Office of Education	8,000	14,250	(6,250)	-	-	-	(6,250)	-
09	El Dorado County Office of Education	979,548	-	979,548	1,906,059	875,246	1,030,812	979,548	1,030,812
10	Fresno County Office of Education	5,488,732	1,674,857	3,813,874	4,333,213	1,480,978	2,852,235	3,813,874	2,852,235
11	Glenn County Office of Education	1,836,425	1,867,173	(30,748)	1,806,567	1,415,160	391,407	(30,748)	391,407
12	Humboldt County Office of Education	4,276,870	3,488,234	788,635	4,368,278	3,567,994	800,284	788,635	800,284
13	Imperial County Office of Education	3,050,040	-	3,050,040	2,066,554	-	2,066,554	3,050,040	2,066,554
14	Inyo County Office of Education	-	-	-	-	-	-	-	-
15	Kern County Office of Education	39,718,313	33,801,492	5,916,820	34,418,173	32,602,930	1,815,244	5,916,820	1,815,244
16	Kings County Office of Education	1,742,714	236,737	1,505,977	1,694,834	124,487	1,570,347	1,505,977	1,570,347
17	Lake County Office of Education	-	-	-	-	-	-	-	-
18	Lassen County Office of Education	-	-	-	-	43,808	(43,808)	-	(43,808)
19	Los Angeles County Office of Education	32,083,165	20,998,858	11,084,307	61,907,780	59,689,151	2,218,629	11,084,307	2,218,629
20	Madera County Office of Education	3,168,773	1,330,119	1,838,653	2,951,636	1,121,830	1,829,806	1,838,653	1,829,806
21	Marin County Office of Education	-	-	-	4,240,368	3,998,288	242,081	-	242,081
22	Mariposa County Office of Education	296,151	-	296,151	296,151	-	296,151	296,151	296,151
23	Mendocino County Office of Education	245,943	-	245,943	245,943	-	245,943	245,943	245,943
24	Merced County Office of Education	7,344,848	2,635,730	4,709,118	6,339,190	2,237,584	4,101,606	4,709,118	4,101,606
25	Modoc County Office of Education	151,854	-	151,854	203,854	52,000	151,854	151,854	151,854
26	Mono County Office of Education	-	-	-	430,538	305,745	124,793	-	124,793
27	Monterey County Office of Education	21,852,001	20,811,993	1,040,007	23,906,866	25,314,893	(1,408,026)	1,040,007	(1,408,026)
28	Napa County Office of Education	413,636	485,260	(71,624)	130,523	63,135	67,388	(71,624)	67,388
29	Nevada County Office of Education	1,547,201	1,041,258	505,943	1,384,274	899,082	485,191	505,943	485,191
30	Orange County Department of Education	26,271,728	2,018,845	24,252,883	44,105,448	25,018,598	19,086,850	24,252,883	19,086,850
31	Placer County Office of Education	10,012,329	8,960,721	1,051,609	10,045,260	8,803,551	1,241,709	1,051,609	1,241,709
32	Plumas County Office of Education	35,354	-	35,354	-	-	-	35,354	-
33	Riverside County Office of Education	10,834,402	-	10,834,402	10,350,083	219,306	10,130,777	10,834,402	10,130,777
34	Sacramento County Office of Education	5,187,104	3,128,480	2,058,624	4,403,117	3,530,982	872,135	2,058,624	872,135
35	San Benito County Office of Education	1,602,592	1,863,820	(261,228)	480,359	444,800	35,559	(261,228)	35,559
36	San Bernardino County Office of Education	17,346,656	4,727,200	12,619,456	19,442,885	5,232,703	14,210,183	12,619,456	14,210,183
37	San Diego County Office of Education	7,488,655	8,231,488	(742,833)	9,836,321	7,041,390	2,794,931	(742,833)	2,794,931
38	San Francisco County Office of Education	-	-	-	-	-	-	-	-
39	San Joaquin County Office of Education	9,036,193	4,451,246	4,584,947	8,842,509	4,211,201	4,631,308	4,584,947	4,631,308
40	San Luis Obispo County Office of Education	6,354,458	5,069,968	1,284,490	6,362,718	5,087,758	1,274,960	1,284,490	1,274,960
41	San Mateo County Office of Education	22,441,080	20,403,357	2,037,723	21,140,678	18,985,892	2,154,786	2,037,723	2,154,786
42	Santa Barbara County Office of Education	311,284	-	311,284	1,819,125	1,426,255	392,870	311,284	392,870
43	Santa Clara County Office of Education	3,475,616	1,060,267	2,415,349	21,009,442	16,890,467	4,118,975	2,415,349	4,118,975
44	Santa Cruz County Office of Education	-	-	-	15,494	42,491	(26,997)	-	(26,997)
45	Shasta County Office of Education	388,362	-	388,362	963,084	691,307	271,777	388,362	271,777
46	Sierra County Office of Education	-	28,762	(28,762)	-	28,762	(28,762)	(28,762)	(28,762)
47	Siskiyou County Office of Education	971,806	269,473	702,333	1,338,043	714,393	623,650	702,333	623,650
48	Solano County Office of Education	3,092,869	1,516,869	1,576,000	5,866,872	5,874,140	(7,268)	1,576,000	(7,268)
49	Sonoma County Office of Education	1,016,596	-	1,016,596	1,554,592	506,419	1,048,173	1,016,596	1,048,173
50	Stanislaus County Office of Education	24,942,305	14,012,134	10,930,170	25,792,497	15,896,291	9,896,206	10,930,170	9,896,206
51	Sutter County Office of Education	16,109	-	16,109	1,791,829	711,898	1,079,931	16,109	1,079,931
52	Tehama County Office of Education	1,235,968	588,255	647,713	1,195,894	733,911	461,983	647,713	461,983
53	Trinity County Office of Education	574,902	536,977	37,925	537,881	520,045	17,836	37,925	17,836
54	Tulare County Office of Education	6,593,578	-	6,593,578	4,588,481	-	4,588,481	6,593,578	4,588,481
55	Tuolumne County Superintendent of Schools	568,388	-	568,388	632,083	33,764	598,319	568,388	598,319
56	Ventura County Office of Education	19,463,532	15,362,575	4,100,957	14,953,951	10,669,239	4,284,712	4,100,957	4,284,712
57	Yolo County Office of Education	1,127,837	366,480	761,357	1,093,124	327,731	765,393	761,357	765,393
58	Yuba County Office of Education	2,323,142	2,003,018	320,124	2,505,230	1,735,111	770,119	320,124	770,119

From: SACSINFO
Sent: Thursday, June 26, 2014 9:14 AM
To: SACSINFO
Cc: SACSINFO
Subject: Accounting for the transfer of funding credited to school districts for students served in COE programs

Dear SACS Forum participants,

Following is guidance regarding accounting for payments made by school districts to county offices of education (COEs) for students served in COE programs. In our effort to reach all intended recipients, you may receive this e-mail more than once. If so, please accept our apology since the e-mail lists we use to send this notice may have some duplication.

The implementation of the Local Control Funding Formula (LCFF) has necessitated several accounting changes. One such change is the accounting for funding for district students served in COE programs, which was formerly transferred to COEs automatically through the revenue limit apportionment system and is now apportioned to the school district of residence. School districts and COEs must now make local arrangements for funding COE services to these students, and districts must make any agreed-upon payments to the COEs.

CDE's February 20, 2014 letter (<http://www.cde.ca.gov/fg/aa/pa/coesdfundingltr1314.asp>) described this topic in depth. The letter indicated that the CDE would continue to explore the substance of the agreements between districts and COEs in order to provide accounting guidance for the payments. The CDE's objectives in assessing a solution for accounting for the payments from districts to COEs for district students served in county operated programs are as follows:

- Conformity with generally accepted accounting principles (GAAP)
- Conformity with compliance calculations, e.g., maintenance of effort and minimum classroom compensation
- Providing accurate program cost accounting
- Providing an accurate calculation of per-pupil expenditures for education
- Maximizing consistency and reliability in the financial data that the CDE collects

The CDE has concluded that districts should record payments to COEs for district students in programs operated by the COE using Goal 0000 and Object 7142, Other Tuition, Excess Costs and/or Deficit Payments to County Offices. COEs should record the payment received from districts using Object 8710, Tuition. COEs should record the expenditures associated with providing services to these students using the associated instructional goal.

This accounting treatment resembles what many districts have used historically to report excess cost payments to COEs for costs over and above the funding transferred automatically to the COE.

The CDE acknowledges that this accounting treatment does not satisfy all of the objectives described above, particularly with regard to per-pupil expenditures. However, the CDE believes that it is the least imperfect of the several options considered. Other options considered included subagreements for services, interagency transfers, and reducing district revenue by reporting the payments as an

offsetting revenue transfer within the LCFF revenue object code range. The CDE determined that the latter would not be in conformity with GAAP because districts act in more than just a cash conduit capacity in the distribution of these funds, i.e., they have administrative and/or fiscal involvement, thus GAAP requires the transaction to be reported as revenue and expenditures. The other options had shortcomings as well.

The CDE also recognizes that other accounting treatments may be appropriate for other types of interagency services. The CDE urges LEAs to consult the *California School Accounting Manual (CSAM)* Procedure 750, Pass-Through Grants and Cooperative Projects, to determine the appropriate model for each type of service and to ensure that the model used is correct. In particular, CDE notes that the transfer of apportionment model and associated object codes used currently by some LEAs applies to transfers of restricted state Special Education funding, Resource 6500, only and should not be used for most other transactions.

Given time constraints as year-end closing deadlines draw near, the CDE provides this guidance with the understanding that further evaluation is necessary in the coming months and that additional guidance and clarification may be necessary for application in future years.

Please direct questions regarding this guidance to sacsinfo@cde.ca.gov.

California Department of Education
School Fiscal Services Division
Financial Accountability and Information Services
sacsinfo@cde.ca.gov
916-322-1770

April FCMAT/ESSCO Discussion: New Graphs and alternate MPP Calculations

LOCAL CONTROL FUNDING FORMULA		2013-14	2014-15	2015-16	2016-17
CALCULATE LCFF TARGET		1.570%	0.850%	1.580%	2.170%
Unduplicated as % of Enrollment		2013-14	2014-15	2015-16	2016-17
	ADA TARGET	ADA TARGET	ADA TARGET	ADA TARGET	ADA TARGET
Grades TK-3	4,359.39 41,736,994	4,382.65 42,309,532	4,357.02 42,310,857	4,331.11 42,973,926	
Grades 4-6	3,309.98 29,130,264	3,175.73 28,186,424	3,094.97 27,627,945	3,040.60 27,732,165	
Grades 7-8	2,312.91 20,961,126	2,232.99 20,409,516	2,146.08 19,729,963	2,113.06 19,849,160	
Grades 9-12	4,660.15 50,208,075	4,582.11 49,790,198	4,506.41 49,249,167	4,350.70 48,579,115	
Subtract NSS	- -	- -	- -	- -	
NSS Allowance	- -	- -	- -	- -	
TOTAL BASE	14,642.43 142,036,459	14,373.48 140,695,672	14,104.48 138,917,932	13,835.47 139,134,364	
Targeted Instructional Improvement Blo	944,870	944,870	944,870	944,870	
Home-to-School Transportation	1,310,084	1,310,084	1,310,084	1,310,084	
Small School District Bus Replacement P	-	-	-	-	
LOCAL CONTROL FUNDING FORMULA (LC	144,291,413	142,950,626	141,172,886	141,389,318	
ECONOMIC RECOVERY TARGET PAYMEN	-	-	-	-	
CALCULATE LCFF FLOOR					
Current year Funded ADA times Base per	76,358,223	74,955,686	73,552,889	72,150,039	
Current year Funded ADA times Other RI	706,204	693,233	680,259	667,285	
Necessary Small School Allowance at 12-	-	-	-	-	
2012-13 Categoricals	20,149,452	20,149,452	20,149,452	20,149,452	
2012-13 Charter Categorical & Supplem	-	-	-	-	
Less Fair Share Reduction	-	-	-	-	
New charter: District PY rate * CY ADA	-	-	-	-	
Beginning in 2014-15, prior year LCFF ga	-	5,546,295	17,343,715	26,311,052	
LOCAL CONTROL FUNDING FORMULA (LC	97,213,879	101,344,666	111,726,315	119,277,828	
CALCULATE LCFF PHASE-IN ENTITLEMENT					
	2013/14	2014/15	2015/16	2016-17	
LOCAL CONTROL FUNDING FORMULA TA	144,291,413	142,950,626	141,172,886	141,389,318	
LOCAL CONTROL FUNDING FORMULA FL	97,213,879	101,344,666	111,726,315	119,277,828	
Applied Funding Formula: Floor or Targe	FLOOR	FLOOR	FLOOR	FLOOR	
LCFF Need (LCFF Target less LCFF Floor, if positive,	47,077,534	41,605,960	29,446,571	22,111,490	
Current Year Gap Funding	5,650,102	12,128,137	9,478,851	5,242,634	
ECONOMIC RECOVERY PAYMENT	-	-	-	-	
LCFF Entitlement before Minimum Stati	102,863,981	113,472,803	121,205,166	124,520,462	
CALCULATE STATE AID					
Gross State Aid	88,121,980	98,739,301	106,480,475	109,804,917	
Minimum State Aid Guarantee	82,471,878	81,064,869	79,657,909	78,251,231	
Additional State Aid (Additional SA)	-	-	-	-	
LCFF Phase-In Entitlement (before COE ti	102,863,981	113,472,803	121,205,166	124,520,462	
CHANGE OVER PRIOR YEAR					
LCFF Entitlement PER ADA	7,025	7,895	8,593	9,000	
PER ADA CHANGE OVER PRIOR YEAR					
LCFF SOURCES INCLUDING EXCESS TAXES					
	2013-14	2014-15	2015-16	2016-17	
State Aid	88,121,980	98,739,301	106,480,475	109,804,917	
Property Taxes net of in-lieu	14,742,001	14,733,502	14,724,691	14,715,545	
Charter in-Lieu Taxes	-	-	-	-	
LCFF pre COE, Choice, Supp	102,863,981	113,472,803	121,205,166	124,520,462	
Total Funding Change		10,608,822	7,732,363	3,315,296	

Meeting the MPP requirement quantitatively with dollars – Minimum amounts

1.	LCFF Target Supplemental & Concentration Grant Funding <i>from Calculator tab</i> <i>Maximum MPP with Target Supplemental and Concentration Grant spending levels (informational only)</i>		27,892,773	26,435,599	26,476,784
			33.47%	28.57%	27.64%
2.	Prior Year (estimated) Expenditures for Unduplicated Pupils above what was spent on services for all pupils	1. Maximum MPP in current year	2,051,227	9,584,038	15,008,555
	Prior Year EIA expenditures 2014-15 py exp (2013-14 exp) must >= 2012-13 EIA exp	2,051,227 TRUE			
3.	Difference [1] less [2]		25,841,546	16,851,561	11,468,229
4.	Estimated Additional Supplemental & Concentration Grant Funding <i>[3] * GAP funding rate</i>		7,532,811	5,424,517	2,719,117
	GAP funding rate		29.15%	32.19%	23.71%
5.	Estimated Supplemental and Concentration Grant Funding [2] plus [4] (unless [3]<0 then [1]) <i>LCAP Section 3, Part A</i>		9,584,038	15,008,555	17,727,672
6.	Base Funding <i>LCFF Phase-In Entitlement less [5], excludes Targeted Instructional Improvement & Transportation</i>		101,633,811	103,941,657	104,537,836
	LCFF Phase-In Entitlement		113,472,803	121,205,166	124,520,462
7/8.	Minimum Proportionality Percentage* <i>[5] / [6]</i> <i>LCAP Section 3, Part B</i>	2. LCAP MPP - SBE defined	9.43%	14.44%	16.96%

*percentage by which services for unduplicated students must be increased or improved over services provided for all students in the LCAP year.
If Step 3a <=0, then calculate the minimum proportionality percentage at Estimated Supplemental & Concentration Grant Funding, step 5.

**Regulations only require an LEA to demonstrate how it is meeting the proportionality percentage in the LCAP year, not across all three years.

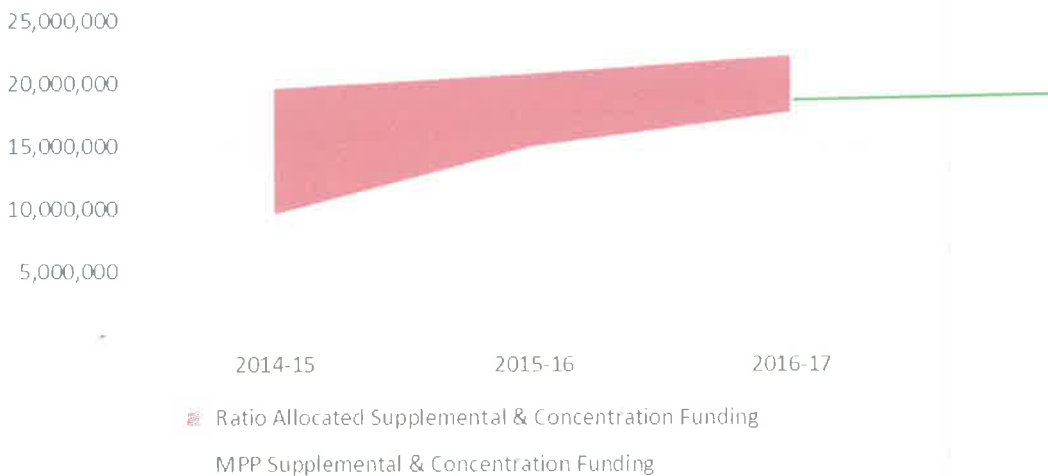
SUMMARY SUPPLEMENTAL & CONCENTRATION GRANT & MPP						
		2014-15	2015-16	2016-17		
Current year estimated supplemental and concentration grant funding in the LCAP year		9,584,038	\$ 15,008,555	\$ 17,727,672		
Current year Minimum Proportionality Percentage (MPP)	2	9.43%	14.44%	16.96%		

Component Allocation During Phase-In

	2013-14	2014-15	2015-16	2016-17
Phase-in Funding	\$ 97,213,879	\$ 101,344,666	\$ 111,726,315	\$ 119,277,828
Ratio* Allocated Components:	66.86%	70.43%	78.80%	84.11%
Adjusted Base Grant	\$ 76,133,415	\$ 79,445,278	\$ 88,639,342	\$ 94,753,829
Supplemental Funding	11,360,628	11,854,824	12,916,525	13,807,528
Concentration Funding	7,464,882	7,789,610	7,915,494	8,461,517
Add-ons (TIIG, Transp.)	2,254,954	2,254,954	2,254,954	2,254,954
<i>Ratio Allocated Supplemental & Concentration Funding</i>	<i>18,825,510</i>	<i>19,644,434</i>	<i>20,832,019</i>	<i>22,269,045</i>
<i>Ratio Allocated Supplemental & Concentration Funding Change</i>		<i>818,924</i>	<i>1,187,585</i>	<i>1,437,026</i>
Minimum Proportionality Percentage (MPP) Allocated Components:				
Adjusted Base Grant		\$ 91,760,628	\$ 96,717,760	\$ 101,550,156
MPP Supplemental & Concentration Funding		9,584,038	15,008,555	17,727,672
Add-ons (TIIG, Transp.)		2,254,954	2,254,954	2,254,954
<i>MPP Supplemental & Concentration Funding Change</i>		<i>9,584,038</i>	<i>5,424,517</i>	<i>2,719,117</i>

*Ratio allocation represents one computational methodology to disaggregate phase-in funding into comparable target funding categories. The state has not adopted a standard methodology, and demonstrated methodology is not intended to be used as an official basis.

Supplemental & Concentration Phase-In

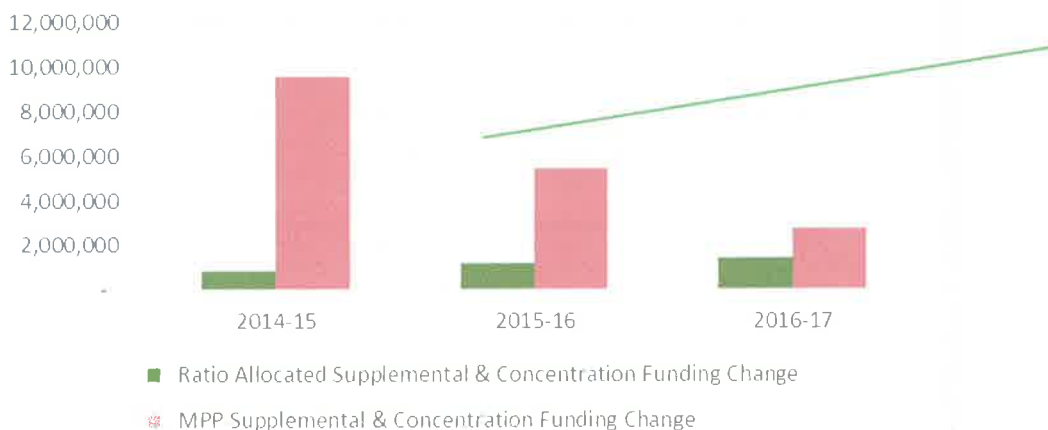


Large shaded area

Larger portion of new funding is allocated to S&C, less to base funding

District should verify all appropriate services have been identified. "Give yourself credit."

Change in Allocated Supplemental & Concentration Funding



No recognition or under-recognition of existing services results in greater allocation than proportional funding changes.

Districts like this may experience challenges in funding other unrestricted costs of doing business, like PERS/STRS rate increases.

Meeting the MPP requirement quantitatively with dollars – Minimum amounts

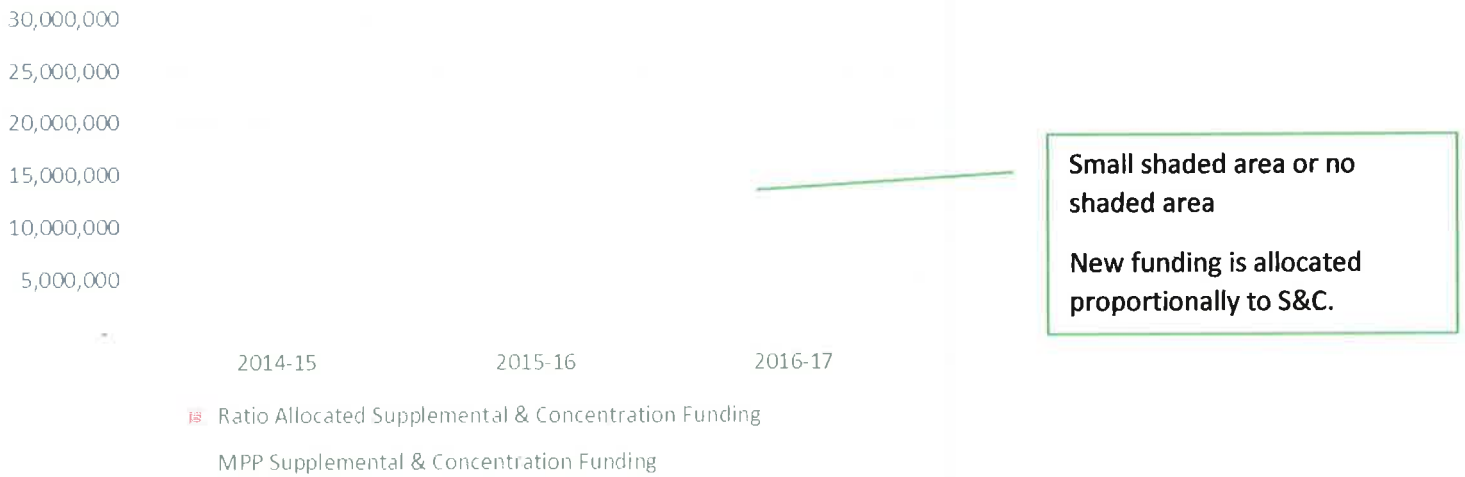
Minimum Proportionality Percentage (MPP): Summary Supplemental & Concentration Grant					
		2013-14	2014-15	2015-16	2016-17**
1.	LCFF Target Supplemental & Concentration Grant Funding <i>from Calculator tab</i> <i>Maximum MPP with Target Supplemental and Concentration Grant spending levels (informational only)</i>		27,892,773	26,435,599	26,476,784
			33.47%	28.57%	27.64%
2.	Prior Year (estimated) Expenditures for Unduplicated Pupils above what was spent on services for all pupils		18,435,762	20,895,345	24,687,632
	Prior Year EIA expenditures 2014-15 py exp (2013-14 exp) must >= 2012-13 EIA exp	2,051,227	TRUE		
3.	Difference [1] less [2]		9,457,011	5,540,254	1,789,152
4.	Estimated Additional Supplemental & Concentration Grant Funding <i>[3] * GAP funding rate</i> <i>GAP funding rate</i>		2,756,719	1,783,408	424,208
			29.15%	32.19%	23.71%
5.	Estimated Supplemental and Concentration Grant Funding [2] plus [4] (unless [3]<0 then [1]) <i>LCAP Section 3, Part A</i>		21,192,481	22,678,753	25,111,840
6.	Base Funding <i>LCFF Phase-In Entitlement less [5],</i> <i>excludes Targeted Instructional Improvement & Transportation</i> <i>LCFF Phase-In Entitlement</i>		90,025,368	96,271,459	97,153,668
			113,472,803	121,205,166	124,520,462
7/8.	Minimum Proportionality Percentage* <i>[5] / [6]</i> <i>LCAP Section 3, Part B</i>		23.54%	23.56%	25.85%
<p><i>*percentage by which services for unduplicated students must be increased or improved over services provided for all students in the LCAP year.</i> <i>If Step 3a <=0, then calculate the minimum proportionality percentage at Estimated Supplemental & Concentration Grant Funding, step 5.</i> <i>**Regulations only require an LEA to demonstrate how it is meeting the proportionality percentage in the LCAP year, not across all three years.</i></p>					
SUMMARY SUPPLEMENTAL & CONCENTRATION GRANT & MPP					
			2014-15	2015-16	2016-17
Current year estimated supplemental and concentration grant funding in the LCAP year			\$ 21,192,481	\$ 22,678,753	\$ 25,111,840
Current year Minimum Proportionality Percentage (MPP)			23.54%	23.56%	25.85%

Component Allocation During Phase-In

	2013-14	2014-15	2015-16	2016-17
Phase-in Funding	\$ 97,213,879	\$ 101,344,666	\$ 111,726,315	\$ 119,277,828
Ratio* Allocated Components:	66.86%	70.43%	78.80%	84.11%
Adjusted Base Grant	\$ 76,133,415	\$ 79,445,278	\$ 88,639,342	\$ 94,753,829
Supplemental Funding	11,360,628	11,854,824	12,916,525	13,807,528
Concentration Funding	7,464,882	7,789,610	7,915,494	8,461,517
Add-ons (TIIG, Transp.)	2,254,954	2,254,954	2,254,954	2,254,954
<i>Ratio Allocated Supplemental & Concentration Funding</i>	18,825,510	19,644,434	20,832,019	22,269,045
<i>Ratio Allocated Supplemental & Concentration Funding Change</i>		818,924	1,187,585	1,437,026
Minimum Proportionality Percentage (MPP) Allocated Components:				
Adjusted Base Grant		\$ 80,152,185	\$ 89,047,562	\$ 94,165,988
MPP Supplemental & Concentration Funding		21,192,481	22,678,753	25,111,840
Add-ons (TIIG, Transp.)		2,254,954	2,254,954	2,254,954
<i>MPP Supplemental & Concentration Funding Change</i>		21,192,481	1,486,272	2,433,087

**Ratio allocation represents one computational methodology to disaggregate phase-in funding into comparable target funding categories. The state has not adopted a standard methodology, and demonstrated methodology is not intended to be used as an official basis.*

Supplemental & Concentration Phase-In



Change in Allocated Supplemental & Concentration Funding

