November 5, 2014

TO: Santa Clara County Board of Education

FROM: Micaela Ochoa
       Chief Business Officer

VIA: Jon R. Gundry
      County Superintendent of Schools

SUBJECT: Informational Presentation on Business Services Branch

Associated Goals

Goal 1: Improve student equity and reduce access discrepancies to high quality education
Goal 2: Provide support to districts, communities, schools and students

Background

The Business Services Branch provides business support services to SCCOE-wide programs and departments as well as fiscal oversight, support and guidance to County-wide districts and county sponsored charters. The Business Services Branch also provides payroll services to two community colleges.

Staff will present an overview of the BSB, and highlight a few key accomplishments.
General Overview

The Business Services Branch has approximately 140 employees that support the SCCOE's business operations and are fiscal stewards for the SCCOE's assets; provide AB1200 fiscal oversight of and support and advocacy for the 31 districts as well as payroll services for the districts; provide payroll services for community colleges; and conduct fiscal reviews and provide fiscal oversight of SCCOE charters.
District Business and Advisory Services

The District Business and Advisory Services (DBAS) Department provides business support services for all 31 Santa Clara County Districts, Community College Districts, and District Sponsored Charter Schools in Santa Clara County. DBAS's main functions include:

- Fiscal Oversight and Advisory Services
- Business and Payroll Services
- Federal and State Payments and Reporting

District Business Advisory Services
Areas of Responsibility

- Fiscal Oversight and Advisory Services
  - Review and approve 31 district budgets
  - Review and report on unaudited actuals
  - Review districts' collective bargaining agreements
  - Monitor the fiscal solvency of the districts in Santa Clara County
  - Provide technical, advisory, and management support services to districts, charter schools, and community colleges
  - Review district school attendance reports for reasonableness and compliance
  - Audit districts' vendor payments
  - Review and approve financial information in Local Control Accountability Plan (LCAP)
  - Serve on Redevelopment Agency (RDA) Oversight Boards

- Business and Payroll Services
  - Process wage garnishments for districts
  - Post Tax Appropriations
  - Reconciling funds with the County Treasurer
  - Apportioning revenues
  - Warrant management
  - Process W-2 forms
  - Run payroll for districts and SCCOE
  - Direct deposit processing
  - Abatements for Workers Compensation
  - Distribution of payroll and accounts payable warrants to districts and SCCOE
  - Provides training on topics relating to business and payroll

- Federal and State Payments and Reporting
  - Federal and State taxes payment and reporting
  - State Unemployment Insurance (SUI) payment and reporting
  - Retirement processing and reporting to CalPERS and CalSTRS for districts, charters, and SCCOE
District Business Advisory Services

Highlights

- Provide fiscal oversight for 31 districts and 5 JPAs
- Support districts with business, payroll and retirement functions
  - Process over 650,000 warrants annually
  - Process approximately 30,000 W-2s annually
- Provide Local Control Funding Formula (LCFF) Guidance
  - Proactively assist LEAs with LCFF
- Provide Local Control Accountability Plan (LCAP) Training
  - In collaboration with Education Services Department, assist LEAs with the development of LCAPs

District Business Advisory Services

Advocacy and Support

We serve on Redevelopment Agency (RDA) Oversight Boards with city, county, community college and special district public officials. The following individuals represent the SCCOE and affected districts on the RDA Oversight Boards:

<table>
<thead>
<tr>
<th>City</th>
<th>SCCOE Primary</th>
<th>SCCOE Alternate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campbell</td>
<td>Jenina Salcedo, Member</td>
<td>Kolvira Chheng</td>
</tr>
<tr>
<td>Milpitas</td>
<td>Maribel S. Medina, Chair</td>
<td>Micaela Ochoa</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>Kolvira Chheng, Member</td>
<td>Ann Redd</td>
</tr>
<tr>
<td>San Jose</td>
<td>Micaela Ochoa, Member</td>
<td>Maribel S. Medina</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>Micaela Ochoa, Member</td>
<td>Kolvira Chheng</td>
</tr>
<tr>
<td>Sunnyvale</td>
<td>Maribel S. Medina, Member</td>
<td>Kolvira Chheng</td>
</tr>
</tbody>
</table>
## District Business Advisory Services

### Advocacy and Support

In 2013-14, RDA Oversight Board actions resulted in the following additional revenue for the following seven districts:

<table>
<thead>
<tr>
<th>Basic Aid Districts</th>
<th>RDA Residual (ongoing)</th>
<th>RDA Asset Liquidation (one-time)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campbell High</td>
<td>252,289</td>
<td>-</td>
<td>$252,289</td>
</tr>
<tr>
<td>Fremont</td>
<td>1,359,030</td>
<td>-</td>
<td>$1,359,030</td>
</tr>
<tr>
<td>Los Gatos</td>
<td>336,413</td>
<td>56,727</td>
<td>$393,140</td>
</tr>
<tr>
<td>Los Gatos-Saratoga</td>
<td>138,366</td>
<td>42,517</td>
<td>$180,883</td>
</tr>
<tr>
<td>Mountain View Los Altos</td>
<td>645,054</td>
<td>42,517</td>
<td>$645,054</td>
</tr>
<tr>
<td>Santa Clara Unified</td>
<td>7,423,259</td>
<td>17,824,034</td>
<td>$25,247,293</td>
</tr>
<tr>
<td>Sunnyvale</td>
<td>1,471,168</td>
<td>-</td>
<td>$1,471,168</td>
</tr>
<tr>
<td><strong>Subtotal Basic Aid Districts</strong></td>
<td>$11,625,579.0</td>
<td>$17,923,278.0</td>
<td>$29,548,857</td>
</tr>
</tbody>
</table>

## District Business Advisory Services

### Advocacy and Support

In 2013-14, RDA Oversight Board actions resulted in the following revenue to offset state aid for the following districts, except for Milpitas:

<table>
<thead>
<tr>
<th>Non Basic Aid Districts</th>
<th>RDA Residual (ongoing)</th>
<th>RDA Asset Liquidation (one-time)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambrian</td>
<td>81,240</td>
<td>-</td>
<td>$81,240</td>
</tr>
<tr>
<td>Campbell Elem</td>
<td>430,452</td>
<td>-</td>
<td>$430,452</td>
</tr>
<tr>
<td>Cupertino</td>
<td>132,140</td>
<td>-</td>
<td>$132,140</td>
</tr>
<tr>
<td>Milpitas*</td>
<td>8,522,985</td>
<td>15,756,187</td>
<td>$24,279,172</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>3,624,644</td>
<td>-</td>
<td>$3,624,644</td>
</tr>
<tr>
<td>Mountain View Whisman</td>
<td>796,970</td>
<td>-</td>
<td>$796,970</td>
</tr>
<tr>
<td>SCCOE**</td>
<td>2,290,062</td>
<td>3,095,086</td>
<td>$5,385,148</td>
</tr>
<tr>
<td><strong>Subtotal Non Basic Districts</strong></td>
<td>$15,878,493</td>
<td>$18,851,273</td>
<td>$34,729,766</td>
</tr>
</tbody>
</table>

*Due to hold harmless, Milpitas benefited by approx. $12 M

**SCCOE is basic aid, but excess tax will be swept back to the County
General Services

The General Services Department manages the daily Operations of all aspects of General Services, which includes:

- Maintenance Services
- Purchasing Services
- Transportation Services
- Conference Center Services
- Operational Services
- Warehouse and Mail Services
- Food Production Services
- Print Services

General Services Arenas of Responsibility

<table>
<thead>
<tr>
<th>Maintenance Services</th>
<th>Purchasing Services</th>
<th>Transportation Services</th>
<th>Conference Center Services</th>
<th>Operational Services</th>
<th>Warehouse and Mail Services</th>
<th>Food Production Services</th>
<th>Print Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive Maintenance</td>
<td>Bills and Quotes</td>
<td>Provides specialized transportation services for special needs students</td>
<td>* Oversees the coordination and scheduling of Conference Rooms at SCCOE</td>
<td>* Oversees the Custodial Services for SCCOE facility and school sites</td>
<td>* Receives and delivers mail to a variety of programs in Santa Clara County and Santa Clara County</td>
<td>* Provides print services to SCCOE departments and school sites</td>
<td></td>
</tr>
<tr>
<td>Heating and Air Conditioning</td>
<td>Request for Proposals (RFPs)</td>
<td>Responsible for maintaining Real of the campus and ambulatory buses to meet the needs of the children</td>
<td></td>
<td>* Cust Access Control &amp; Keys</td>
<td>* Weekly Pony mail deliveries to SCCOE Department and Sites</td>
<td>* Black and white or color copies</td>
<td></td>
</tr>
<tr>
<td>Electrical</td>
<td>Process and Approve Purchase Orders</td>
<td>* Purchases Card Oversight</td>
<td></td>
<td>* Recycling</td>
<td></td>
<td>* Banners and posters</td>
<td></td>
</tr>
<tr>
<td>Plumbing</td>
<td></td>
<td></td>
<td></td>
<td>* Vehicle Services</td>
<td></td>
<td>* Special bound reports</td>
<td></td>
</tr>
<tr>
<td>Emergency Power Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Santa Clara County Office of Education
General Services Highlights

2013-14 Highlights:
- Served $845K meals in Child Nutrition.
- Processed
  - 3,300 purchase orders in Purchasing Services.
  - 2,059 print jobs in the Print Services.
  - 559 work orders in Warehouse Services.
  - 3,468 work orders in Maintenance Services.
  - 93,500 pieces of mail in Mail Services.
- Completed ten facilities projects totaling approximately $450K
- Implemented new “card swipe” procedure for copier printing

* Approximate Numbers

Internal Business Services

The Internal Business Services Department is responsible for the financial operation of the Santa Clara County Office of Education and operates similar to a school district. It is comprise of three areas:

- Budget Office
- Accounting Services
- Payroll Services
Internal Business Services

Areas of Responsibility

Budget Office
- Budget Development
- Budget Transfers/Revisions
- Interim Reports
- Budget Updates
- Student Attendance Accounting and State Reporting
- SCCOE site and charter school attendance reviews
- Local Control Funding Formula revenue entitlement calculations
- Assisting Accounting Services with year-end close

Accounting Services
- Unaudited Actuals Report
- Annual Audit Report
- Bank/Cash/Checks Receipts and Deposits
- Payment to Vendors
- Reimbursement to individuals
- 1099s at year-end
- Cash Projections
- Various Reconciliations
- Financial Reporting
- Fiscal Oversight
- Audit Compliance
- Internal Controls
- Assists SCCOE program managers in developing and implementing program budgets

Payroll Services
- Processes SCCOE monthly payroll
- Process monthly timesheets
- Maintain and monitor leave balances
- Reports information on PERS and STRS retirement
- Calculates and coordinates employee benefits with State Disability Insurance
- Employment verification forms

Internal Business Services

2013-14 Highlights

- Fiscal Oversight of $267M SCCOE program expenditures:
  - Processed
    - 1,300 Budget Transfers/Revisions
    - 11,000 Accounts Payable Warrants
    - 27,500 Paycheck Warrants
    - 4,000 Journal Entries
  - Moved approximately $9M of various program budgets from restricted to the unrestricted due to finance reform and the Local Control Funding Formula
  - Re-classed over 15 Tier III programs revenue from State Revenue to LCFF/Revenue Limit due to LCFF
- Approximate Numbers
Risk Management

- The Risk Management Department identifies, addresses and mitigates risks at the Santa Clara County Office of Education
- The department manages factors that can affect teachers, staff, students and the general public including:
  - Insurance
  - Liability claims
  - Health and safety programs
  - Emergency preparation
  - Workers’ Compensation
Charter Schools Fiscal Support

➤ Support the Office of Innovative Schools
  • Provide Fiscal Review & Analysis for County Authorized Charter Schools
    • Petitions
    • Budgets
    • Interim Reports
    • Unaudited Actuals
    • Audits
    • Other Required Financial Reports
  • State Reporting of Charter Schools Attendance
  • Verify Charter Schools Maintain Sufficient Insurance
  • Bill and Collect Oversight Fees

Looking Ahead

• Business Services Branch will continue to
  • Seek ways to improve services for programs and districts
  • Move toward automating process in each department to improve efficiencies
  • Advocate for districts and public education