Budget Development Workshop

Internal Business Services

February 7-9, 2023
Agenda

2023-24 SCCOE Budget Overview

Governor’s Proposal for 2023-24 K-12 Education

2023-24 SCCOE Budget Assumptions

Budget Development Schedules

Budget Development & Funding Sources

Budget Development Process
  - Budgeting Revenues
  - Budgeting Personnel Exp
  - Budgeting Non-Personnel Exp

Budgeting Guidelines
2023-24
SCCOE
Budget
There are two LCFF funding calculations certified by the California Department of Education (CDE):

a) County LCFF Target Entitlement, includes cost-of-living adjustment (COLA) estimated at 8.13% for fiscal year 2023-24

b) County LCFF Transition Calculation

SCCOE is funded on the higher amount of the two funding calculations – the County LCFF Transition Calculation.
SCCOE’s Funding Sources

Local Control Funding Formula

SCCOE is considered flat funded as our entitlement revenue is only adjusted by minimal Average Daily Attendance (ADA) changes for our Alternative Education Program (AED).

SCCOE is a basic aid county office that is required to return local property taxes in excess of the funding received under the Local Control Funding Formula to the State (Education Code section 2575 (e) and 2578...
Funding Sources by Program

SCCOE REVENUE FUNDING SOURCES (based on 2022-23 First Interim)

- **42%**
  - FUNDED BY FEES PAID BY DISTRICTS
  - Special Education
  - Technology (External)
  - Walden West
  - Teacher Credentialing

- **29%**
  - STATE/ FEDERAL/ GRANT FUNDED
  - Head Start, Early Start, Safe & Drug Free Schools, Migrant Ed, ESSA/Title I

- **25%**
  - COUNTY OPERATIONS FOR MANDATED SERVICES
  - FLAT FUNDED
  - District Business Advisory Services (DBAS), Internal Business Services (IBS), Maintenance & Operations, Technology (Internal), Human Resources, Charter School Department
2022-23 Estimated Return of Local Property Taxes

- Estimated Return of local property taxes to be returned to the state for 2022-23 is $42.6 M. (The estimated amount to return in 2023-24 and 2024-25 is $40.5M and $39.2M). This amount is required pursuant to Education Code section 2575(e) and 2578. The following chart shows the local property taxes SCCOE was required to return in prior years.

- Total Return of Local Property Taxes remitted to the State Controller to date $194,500,660 for fiscal years 2013-2014 through 2020-2021.

- 2021-22* will be remitted in April of 2023.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Return of Local Property Taxes*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>$12,295,907</td>
</tr>
<tr>
<td>2014-15</td>
<td>$12,873,350</td>
</tr>
<tr>
<td>2015-16</td>
<td>$17,459,375</td>
</tr>
<tr>
<td>2016-17</td>
<td>$22,140,554</td>
</tr>
<tr>
<td>2017-18</td>
<td>$25,225,094</td>
</tr>
<tr>
<td>2018-19</td>
<td>$30,723,648</td>
</tr>
<tr>
<td>2019-20</td>
<td>$35,113,807</td>
</tr>
<tr>
<td>2020-21</td>
<td>$38,668,925</td>
</tr>
<tr>
<td>2021-22</td>
<td>$42,599,979</td>
</tr>
<tr>
<td>2022-23 (est.)</td>
<td>$42,574,203</td>
</tr>
</tbody>
</table>

*In compliance with CDE guidelines, the amounts represent the accrued amount from the prior fiscal year that will be remitted to the State Controller in the following fiscal year.
Governor’s Proposals for 2023-24 K-12 Education
Budget Proposal Highlights

2023-2024 General Fund Expenditures $223,614
(Dollars in Millions)

- K-12 Education: $81,176 (36.3%)
- Higher Education: $22,518 (10.1%)
- Other: $23,975 (10.7%)
- Natural Resources: $9,723 (4.3%)
- Health: $52,328 (23.4%)
- Human Services: $19,119 (8.6%)
- Corrections and Rehabilitation: $14,775 (6.6%)
Budget Proposal Highlights

Local Control Funding Formula

➢ Cost of Living Adjustment (COLA) of 8.13% - $4.2 billion ongoing proposition 98 funding

➢ Applicable to all Local Educational Agencies (LEAs) including county offices of education

➢ Categorical programs: Special Education, Child Nutrition, State Preschool

➢ $2 billion one-time and ongoing proposition 98 funding, funding to address average daily attendance declines to maintain current funding levels
Equity Multiplier - $300 million ongoing Proposition 98:

- An add-on to the LCFF to provide additional resources to the highest-needs schools in the state
- 90% or more free meal eligibility for elementary and middle schools
- 85% or more free meal eligibility for high schools
- Requires planning and parent engagement
Budget Proposal Highlights

Strengthen the connection between the Local Control and Accountability Plan (LCAP, the California Dashboard and the Statewide System of Support

➢ To ensure resources are allocated based upon student needs and related actions and services are effective to close any gaps

Transitional Kindergarten and State Preschools

➢ $690 million Proposition 98 to implement second year of the transitional kindergarten expansion

➢ $165 million Proposition 98 to increase staff for increased eligibility

➢ $64.5 million Proposition 98 General Fund and $51.8 million General Fund to increase the percentage of students with disabilities served in State Preschool programs
Budget Proposal Highlights

Investment Modifications

➢ $1.2 billion reduction in the “Arts, Music, and Instructional Materials Discretionary Block Grant”

➢ Delay in the implementation of the Full-Day Kindergarten Facilities Grant Program until 2024. This grant program supports the construction of new or retrofitting existing school facilities to provide transitional kindergarten, full-day kindergarten, or preschool

➢ Behavioral health investments and implementation of the Children and Youth Behavioral Health Initiative (CYBHI) are delayed:
  • one-year delay of certain behavioral health workforce grants in the CYBHI
  • delayed allocation of the final round of Behavioral Health Continuum Infrastructure Grants from 2022-23 to 2024-25.
2023-24
SCCOE
Budget
Assumptions
## Benefit Rates

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Object Codes</th>
<th>Benefit Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Teachers’ Retirement System (STRS)</td>
<td>3101/02</td>
<td>19.10%</td>
</tr>
<tr>
<td>Public Employees’ Retirement System (PERS)</td>
<td>3201/02</td>
<td>27.00%</td>
</tr>
<tr>
<td>Old-Age, Survivors &amp; Disability Insurance-Social Security (OASDI)</td>
<td>3311/12</td>
<td>Maximum $160,200 6.20%</td>
</tr>
<tr>
<td>Medicare</td>
<td>3321/22</td>
<td>1.45%</td>
</tr>
<tr>
<td>Health &amp; Welfare</td>
<td>3401/02</td>
<td>Per Open Position $14,000</td>
</tr>
<tr>
<td>Unemployment Insurance (U.I.)</td>
<td>3501/02</td>
<td>0.20%</td>
</tr>
<tr>
<td>Workers’ Compensation (W/C) - Lower Rate</td>
<td>3601/02</td>
<td>All SCCOE Programs Except Programs Subject to Higher Rate 1.03%</td>
</tr>
<tr>
<td>Workers’ Compensation (W/C) - Higher Rate</td>
<td>3601/02</td>
<td>Head Start, Child Development &amp; Special Education 3.00%</td>
</tr>
<tr>
<td>Other Post Employment Benefit (OPEB)</td>
<td>3701/02</td>
<td>Per Full Time Equivalent (FTE) $0</td>
</tr>
</tbody>
</table>
## Workers’ Compensation Rates

<table>
<thead>
<tr>
<th>Program</th>
<th>Workers’ Comp Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All SCCOE Programs except Programs listed below</td>
<td>1.03</td>
</tr>
<tr>
<td>Child Development (Fund 120)</td>
<td>3.00</td>
</tr>
<tr>
<td>Head Start (Fund 860)</td>
<td>3.00</td>
</tr>
<tr>
<td>Special Education (Funds 820 and 950)</td>
<td>3.00</td>
</tr>
</tbody>
</table>
# Indirect Rates

<table>
<thead>
<tr>
<th>Program</th>
<th>Indirect Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Programs except programs listed below</td>
<td>10.00</td>
</tr>
<tr>
<td>Child Development (Fund 120)</td>
<td>7.50</td>
</tr>
<tr>
<td>Child Nutrition (estimate using 22-23 rate)</td>
<td>5.35</td>
</tr>
<tr>
<td>Head Start</td>
<td>9.72</td>
</tr>
<tr>
<td>SELPA (Fund 810)</td>
<td>8.50</td>
</tr>
<tr>
<td>Special Education (Fund 820, 950)</td>
<td>8.50</td>
</tr>
</tbody>
</table>
Budget Development Schedules
Schedule for Programs in Funds 800, 88x, 922, 93x

March 10, 2023: Program Managers submit budgets to Accountant

April 10, 2023: Budget Office returns budgets to Program Managers for final review

April 14 – 19, 2023: Program Managers submit final budgets to Division Head for review

April 25, 2023: Division Head submits final budgets to Budget Office
Schedule for Programs in Funds 100, 12x, 67x, 801, 810, 820, 850, 860, 870, 890, 920, 921, 940, 950, 990

March 21, 2023: Program Managers submit budgets to Accountant

April 19, 2023: Budget Office returns budgets to Program Managers for final review

April 21 – 26, 2023: Program Managers submit final budgets to Division Head for review

April 28, 2023: Division Head submits final budgets to Budget Office
WARNING
DUE DATES ARE CLOSER THAN THEY APPEAR
Budget Development & Funding Sources
As we develop the budget it is important to understand the source of funding for the program/s.

The Resource Code in SCCOE’s 35-digit financial account string helps determine the type of funding source and the appropriate steps to take for developing the budget.

The two broad categories of funding sources are:

- Unrestricted Funding – Resource Code 0000 – 1999
- Restricted Funding – Resource Code 2000 - 9999
SCCOE’s 35 Digit Account String

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Object</th>
<th>Sub-Object</th>
<th>Goal</th>
<th>Function</th>
<th>Cost Center</th>
<th>Site</th>
<th>Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>xxx</td>
<td>xxxx</td>
<td>x</td>
<td>xxxx</td>
<td>xx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxxxxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
</tbody>
</table>
Unrestricted Funding Sources

General
- Resource **0000**
  
  **Example:** *General Fund* – Fund 800 Programs

Other
- Resource Range **0001 – 1999:**
  
  Unrestricted but for a specific purpose
  
  **Example:** *0990* – Transportation
Restricted Funding Sources

- **Federal**
  - Resource Range: **3000 – 5999**
  - Example: Head Start Grant RE 5210

- **State**
  - Resource Range: **6000 – 7999**
  - Example: Special Education RE 6500

- **Local**
  - Resource Range: **8000 – 9999**
  - Example: Local Grants/ Contracts/ Workshops/Donations
General Rule on Funding Sources

Unrestricted: Fund 800 Programs – RE 0000

- Funding sources not subject to external or legal constraints and **may** be used for any purpose not prohibited by law or board policy

Restricted: All Other Programs

- Funding sources subject to constraints imposed by external resource providers or by law through constitutional provisions or legislation
Development Process
Reports Provided by Accounting

Comparative Budget Report

- Comparison of current year working budget and prior year actuals, working budget and adopted budget
- Preliminary budget column for FY2023-24 is the FY2022-23 working budget as of January 28, 2023

Benefit Projection Report

- Benefit projection for FY2023-24 includes step & column, and salary and benefit rate increases for FY2023-24
- All positions and account strings reflected in Benefit Projection Report are based on current (FY2022-23) employee records
Budget Development Process

Step 1: Budgeting Revenues

Step 2: Budgeting Personnel Expenditures

Step 3: Budgeting Non-Personnel Expenditures
Budget Development Process for Fund 800, Resource Code 0000

- **Step 1**: Budgeting Personnel Expenditures
- **Step 2**: Budgeting Non-Personnel Expenditures
## Final Budget Sample

<table>
<thead>
<tr>
<th>Object</th>
<th>Object Description</th>
<th>Proposed Budget FY2023-2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>8000</td>
<td>Revenue</td>
<td>$500,000</td>
</tr>
<tr>
<td>1000</td>
<td>Certificated Salaries</td>
<td>150,000</td>
</tr>
<tr>
<td>2000</td>
<td>Classified Salaries</td>
<td>150,000</td>
</tr>
<tr>
<td>3000</td>
<td>Benefits</td>
<td>94,993</td>
</tr>
<tr>
<td>4000</td>
<td>Materials &amp; Supplies</td>
<td>10,412</td>
</tr>
<tr>
<td>5000</td>
<td>Professional/Consulting Services</td>
<td>49,140</td>
</tr>
<tr>
<td></td>
<td><strong>Total Direct Cost</strong></td>
<td><strong>$454,545</strong></td>
</tr>
<tr>
<td>7310</td>
<td>Indirect Cost (10.00%)</td>
<td>45,455</td>
</tr>
<tr>
<td></td>
<td><strong>Total Expenditures</strong></td>
<td><strong>$500,000</strong></td>
</tr>
</tbody>
</table>
Budget Packet Submission

➢ Program Director:
  o provides a signed copy of all budget changes and necessary backup documentation (referred to as a ‘budget packet’) to the Program Accountant by the due date
  o the budget packet is submitted electronically to the Program Accountant

➢ Program Accountant:
  o enters the budget changes into the financial system and generates an updated comparative budget report reflecting the proposed budget for the upcoming year
  o attaches all documents from the Program Director and submits the budget packet to Budget Office for review and approval
Budgeting Guidelines
Budgeting Revenues
General Guidelines

**Grant/Contracts**
Budget revenue per grant/contract award. Include the grant/contract award notification with the budget packet to your accountant.

**Revenue Generating Programs**
Budget revenue per projected revenue for the upcoming year. Revenue will be based on the amount stated on the Revenue estimate Form. Include Revenue Estimate Form with the budget packet to your accountant.

**Fund 800/Resource Code 0000 Programs**
These programs do not have to budget revenues.
Budgeting
Revenues for
New Grants or
Contracts

Ensure you have received the Grant Award Notification (GAN) or the fully executed contract prior to budgeting.

In case fully executed funding letters are not available at budget development, consult IBS Director for acceptable documentation.

Budget grant award/ contract amount as the revenue.

Prepare expenditure budget per budget submitted with grant application/ contract.
Budgeting for Revenue & ADA Generating Programs

- Prepare a revenue estimate, using current year estimate as basis

- Examples include, but are not limited to workshops, curriculum development, ADA (Average Daily Attendance) driven programs etc.

- Complete a Revenue Estimate Form and obtain all approvals before preparing the budget

- Budget the revenue estimate amount as revenues and include the approved form with the budget packet to your accountant
Revenue Estimate Form

<table>
<thead>
<tr>
<th>Revenue Source Description</th>
<th>Resource* (4 digits)</th>
<th>Quantity</th>
<th>At the rate of $1,000.00</th>
<th>2023-24 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example: Workshop training fees</td>
<td>9134</td>
<td>2</td>
<td>$1,000.00</td>
<td>$2,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Estimated Revenue</td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
</tr>
</tbody>
</table>

* If applicable

Narrative

Authorizations

Program Manager

Division Head

Date
Budgeting Personnel Expenditures
## Comparative Budget Report

### Classified Salaries

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>005-0000-00</td>
<td>Classified Salaries</td>
<td>2xxx</td>
<td>2xxx</td>
<td>2xxx</td>
<td>2xxx</td>
<td>2xxx</td>
<td>2xxx</td>
<td>2xxx</td>
<td>2xxx</td>
<td>2xxx</td>
<td>2xxx</td>
<td>2xxx</td>
</tr>
</tbody>
</table>

**Budget changes are entered in this column.**
### Benefit Projection Report

<table>
<thead>
<tr>
<th>Position Control #</th>
<th>Employee Name</th>
<th>Total FTEs for this Cost Center</th>
<th>Total Salaries in Object 2xxx for Cost Center</th>
<th>Total Benefits by Cost Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC#001109</td>
<td>DOE JANE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Gross Salary for PC#001109**

**Total Benefits:** STRS, PERS, OASDI, H&W, SUI, W/Comp and Medicare

**Account String**

**FTE**

**Total Benefits in Object 2xxx for Cost Center**

**Total FTEs for this Cost Center**
Budgeting Personnel Expenditures

Review the Benefit Projection Report

Validate:

- your program’s Full Time Equivalents (FTEs)
- employee name, allocation and account string
- all open positions; determine if position needs to be budgeted or eliminated, make a notation on the report and include with the budget packet to your accountant
Change in Allocation and/or Account String for Staff

Complete a Salary Account Change Form (SACF)

Include completed SACF with the budget packet to your accountant
# Salary Account Change Form (SACF)

**Purpose of Form:**
1. To request salary account code changes for currently active employees.
2. This form is used for maintaining the Pension Control Database which will be used to drive payroll and to project salaries and benefits for Budget Development.

**Form Instructions:**
1. Submit one form per employee's position for account code changes. Use additional forms if employee has more than one FSO.
2. Enter the 35-digit Account String with dashes (example: 009-3025-0-2424-00-1090-1110-76250-000-200).
3. Enter the 35-digit account string, account number (example: 009-3025-0-2424-00-1090-1110-76250-000-200).
4. Enter in the "From Account" and "Percent Allocation" box or boxes, the current account status for the employee.
5. Enter in the "To Account" and "Percent Allocation" box or boxes, the new account status you would like implemented.
6. Explanation and signature for changes are required to process your request.
7. Submit the Accountant assigned to your Fund/Program.
8. Submit a Budget Revision form to the Budget Office to align your account code changes. Accountant to enter F# in the Budget Transfer Box.
9. Budget Office will submit the approved forms to Human Resources.

## Employee Information
- **Employee Name:**
- **Position Control Number:**
- **Position Name:**
- **Program/Fund:**
- **Effective Date:**
- **Authorized Requester/Phone Extension:**

## Current Allocation

<table>
<thead>
<tr>
<th>35 Digit Account String</th>
<th>Percent Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Requested Allocation

<table>
<thead>
<tr>
<th>To Account</th>
<th>35 Digit Account String</th>
<th>Percent Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
- FTE
- Ph Ext

**Date Submitted:**
- For Budget Office Use Only

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**Santa Clara County Office of Education**

**Equity • Diversity • Inclusion • Partnership**
Establishment of a New Position

Request for New or Increase of Position Form
- Complete HR’s form mentioned above, ensure this form is fully approved
- Include approved form with the budget packet to your accountant

Employee Fringe Benefit Cost Form
- Use 2023-24 Employee Fringe Benefit Cost Form to compute benefits for the new position
- These benefits should be included in the budget projection for the new position
# Employee Fringe Benefit Cost Form

## 2023-24 Employee Fringe Benefit Cost Form

### For Certified Employees

<table>
<thead>
<tr>
<th>ACCOUNT</th>
<th>OBJECT CODE</th>
<th>BENEFITS RATE</th>
<th>CERTIFIED EMPLOYEES (A,B,C,D)</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRS</td>
<td>3101</td>
<td>NO MAX</td>
<td>0.1910</td>
</tr>
<tr>
<td>PERS</td>
<td>3201</td>
<td>NO MAX</td>
<td>0.2700</td>
</tr>
<tr>
<td>OASDI</td>
<td>3211</td>
<td>MAX, $150000</td>
<td>0.0520</td>
</tr>
<tr>
<td>MEDICARE</td>
<td>3321</td>
<td>NO MAX</td>
<td>0.0145</td>
</tr>
<tr>
<td>HEALTH &amp; WELFARE</td>
<td>3401</td>
<td>PRB EMPLOYEE</td>
<td>0.0400</td>
</tr>
<tr>
<td>U.I.</td>
<td>3901</td>
<td>NO MAX</td>
<td>0.0200</td>
</tr>
<tr>
<td>W.C. 1.05%</td>
<td>3601</td>
<td>NO MAX</td>
<td>0.0100</td>
</tr>
<tr>
<td>W.C. 1.97%</td>
<td>3681-01</td>
<td>NO MAX</td>
<td>0.0197</td>
</tr>
<tr>
<td>RETIREE (OPEN-ALLOC)</td>
<td>3701</td>
<td>PER FTE</td>
<td>0.0200</td>
</tr>
<tr>
<td>RETIREE (OPEN-ACTIVE)</td>
<td>3751</td>
<td>PER FTE</td>
<td>0.0200</td>
</tr>
</tbody>
</table>

**Total Benefits:** $35,780

**Total Salary & Benefits:** $135,780

**Total Benefits %:** 35.78%

### For Classified Employees

<table>
<thead>
<tr>
<th>ACCOUNT</th>
<th>OBJECT CODE</th>
<th>BENEFITS RATE</th>
<th>CLASSIFIED EMPLOYEE (E &amp; F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERS</td>
<td>3021</td>
<td>NO MAX</td>
<td>0.2700</td>
</tr>
<tr>
<td>OASDI</td>
<td>3121</td>
<td>MAX, $150000</td>
<td>0.0520</td>
</tr>
<tr>
<td>MEDICARE</td>
<td>3322</td>
<td>NO MAX</td>
<td>0.0145</td>
</tr>
<tr>
<td>HEALTH &amp; WELFARE</td>
<td>3402</td>
<td>PRB EMPLOYEE</td>
<td>0.0400</td>
</tr>
<tr>
<td>U.I.</td>
<td>3902</td>
<td>NO MAX</td>
<td>0.0200</td>
</tr>
<tr>
<td>W.C. 1.05%</td>
<td>3602</td>
<td>NO MAX</td>
<td>0.0100</td>
</tr>
<tr>
<td>W.C. 1.97%</td>
<td>3682-01</td>
<td>NO MAX</td>
<td>0.0197</td>
</tr>
<tr>
<td>RETIREE (OPEN-ALLOC)</td>
<td>3702</td>
<td>PER FTE</td>
<td>0.0200</td>
</tr>
<tr>
<td>RETIREE (OPEN-ACTIVE)</td>
<td>3752</td>
<td>PER FTE</td>
<td>0.0200</td>
</tr>
</tbody>
</table>

**Total Benefits:** $49,680

**Total Salary & Benefits:** $149,880

**Total Benefits %:** 45.68%

### Notes/Explanation:

- Extra Time Pay (Sub Object 81)
  - Please do not enter FTE if calculating for Extra Time Pay.
  - Fund 120 for Fund 820.
  - Fund 860 for Fund 950.

- Health & Welfare Note:
  - $14,000 applies only to I open FTE. If you know the actual H & W employee cost, you can manually change it.

- Worker's Comp Higher Rate 3.00% (0.3) for Funds:
  - Fund 120: $2,060
  - Fund 820: $2,060
  - Fund 860: $2,060
  - Fund 950: $2,060
Open positions that will not be budgeted and will be eliminated

Complete HR’s ‘Request to Decrease or Eliminate Position’ form. Ensure this form is approved

Include approved form with the budget packet to your accountant
Request for Additional Funding from the General Fund to Create New Positions

Complete a Program Addition Request Form (PARF)

Include approved Program Addition Request Form with the budget packet to your accountant
Program Addition Request Form
Budgeting Non-Personnel Expenditures
General Guidelines

Review
prior year actuals on the Comparative Budget Report to help project for upcoming year, especially for supplies, utilities, contracts, etc.

Increase/ Decrease
expenditure budget categories based on projects/ plans for upcoming year

Back out
any one-time funds that had been budgeted during FY2022-23
# Budgeting for Inter-Office Service Agreements (IOSAs)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Departments providing non-global (or specialized) service to other department/s within SCCOE are required to have an IOSA for services exceeding $1,000</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>These inter-office services are coded using Direct Cost Transfer Object 5710 in combination with unique sub-object, for example, 5710-12, sub-object 12 for services provided by Office of the Superintendent</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>Both parties to the agreement must budget the same amount for the IOSA on their respective budgets</td>
</tr>
</tbody>
</table>
Budgeting for Inter-Office Service Agreements (IOSAs)

4. a) Provider of service will budget a negative amount in 5710-xx
   b) Recipient of service will budget a positive amount in 5710-xx

5. Include the fully executed IOSA with the budget packet to your accountant

6. Please refer to IOSA procedures (included in the Budget Guide) for details
# Budgeting for Phone & Internet Services

## Budget
- Budget based on prior year’s actual expenditures in object code for phone & internet service
  - Object 59xx for Phone/Internet

## Changes in Service
- Factor into your budget any addition or cancellation of phone line; opening or closing of a site location

## Contact
- Steven Mitome (extension 6897) in Technology and Data Service Division for the following:
  - addition or cancellation of phone line
  - addition or closure of a site location
Budgeting for Phone & Internet Services

**Purchase Orders**

- Programs must ensure Purchase Orders (POs) for phone/internet are established in advance to maintain continuity of service

**Best Practice**

- POs should be entered in May for the upcoming fiscal year, for critical services that need to commence July 1 of the new fiscal year
Budgeting for Utility Services

**Budget**
- Budget based on prior year’s actual expenditures in object code for respective service
  - Object 55xx for Operations & Housekeeping

**Changes in Service**
- Factor into your budget any additions or closures of site locations

**Purchase Orders**
- Programs must ensure Purchase Orders (POs) for utilities are established in advance to maintain continuity of service
- Best practice is to enter POs in May for the upcoming fiscal year for critical services that need to commence July 1
Budgeting for Utilities/ Custodial Services/ Other Related Costs for South County Annex & Snell Sites

**To Budget**
- If you have a site located at South County Annex and/or Snell, obtain estimates from Lauren Nguyen in Budget Office to budget for utilities, custodial services and other related site costs for FY2023-24

**Purchase Orders**
- Best practice is to enter POs in May for the upcoming fiscal year for critical services that need to commence July 1 of the new fiscal year
Budgeting for Technology Services

- Typical equipment and software costs for new staff (per employee)

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dell 5400 Laptop</td>
<td>$1,325.00</td>
</tr>
<tr>
<td>Dell P2400 Monitor (2)</td>
<td>$345.00</td>
</tr>
<tr>
<td>Dell WD22TB4 Dock</td>
<td>$300.00</td>
</tr>
<tr>
<td>Headset</td>
<td>$30.00</td>
</tr>
<tr>
<td>Web Camera</td>
<td>$35.00</td>
</tr>
<tr>
<td>Keyboard and Mouse</td>
<td>$30.00</td>
</tr>
<tr>
<td>Adobe CC License</td>
<td>$6.00</td>
</tr>
<tr>
<td>Phone</td>
<td>$200.00</td>
</tr>
<tr>
<td>Office License</td>
<td>$77.00</td>
</tr>
<tr>
<td>DUO</td>
<td>$15.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,363.00</strong></td>
</tr>
</tbody>
</table>

Questions on Equipment & Software
- Please contact: Lee Andersen or Steve Pinkoski
Budgeting for Technology Services

• Programs will be responsible for Zoom and DocuSign license costs for FY2023-24

For questions and/or additional information
• Please contact: Jim Carrillo or Cyndi Tran
Budgeting Indirect Costs

**Compute indirect cost (refer to slide Indirect Cost Calculation)**

- Object Codes 5100, 6xxx, and 7xxx are not subject to indirect
- Funds 800 Programs, Resource code 0000, are not subject to Indirect

**Reduced Indirect Rate Request**

- Reduced indirect rate request must be made only if grantor/contractor stipulates a lower indirect cost rate than SCCOE’s approved indirect rate for FY23-24
- Complete the ‘Reduced Indirect Cost Rate Request’ form and obtain all approvals prior to budgeting
- When routing Reduced Indirect Cost Rate Request form, be sure to attach supporting documentation, that is, grant award that stipulates a lower indirect cost rate
- Included the approved form with the budget packet to your accountant
Reduced Indirect Rate Request Form

Program **must** include supporting documentation with the Reduced Indirect Rate Request Form.
Indirect Cost Calculation

Indirect cost calculation based on revenues

1. Calculate Total Direct Cost:
   Direct Cost = Total Revenue ÷ (1 + Applicable Indirect Rate)

2. Calculate Indirect Cost:
   Indirect Cost = Total Revenue – Direct Cost
   Or utilize the Indirect Cost Calculation Worksheet on the intranet to compute the indirect cost

Indirect cost calculation based on direct expenditures

Indirect Cost = Total Direct Expenditures x Applicable Indirect Rate

Note: Object code 5100 (sub-agreements), 6000 – 6999 (capitalized expenditures) and 7000 – 7999 (transfers out) are not subject to indirect and must be excluded from the indirect calculation
Indirect Costs Calculation for Grants and Contracts with Fixed Revenues

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Pseudo Code</th>
<th>Program Description</th>
<th>Program Manager</th>
<th>Total Grant &amp; Contract Amount</th>
<th>Approved Indirect Rate</th>
<th>Indirect Amount (731000)</th>
<th>Amount Available for Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>544240859000</td>
<td>BUDGET DEVELOPMENT FUND</td>
<td>EDDIE MONEY</td>
<td>$813,304</td>
<td>10.00%</td>
<td>$73,937</td>
<td>$739,367</td>
<td>$739,367</td>
</tr>
</tbody>
</table>
Request for Additional Funding from the General Fund for Non-Personnel Expenditures

Complete a Program Addition Request Form

Include approved Program Addition Request Form with the budget packet to your accountant
A Balanced Budget
Budgeting Non-Personnel Expenditures for Fund 800 Programs

Expenditure budget amounts for Fund 800 programs, object codes 4000 to 6999, do not typically change. However, can be re-allocated within the range of 4000-6999 based on projection for the upcoming year.

Any request for additional funding from the General Fund must be made through submission of Program Addition Request Form.

Ensure that the approved Program Addition Request Form is included with the budget packet to your accountant.
Carryover Funds

Carryover funds are unspent grant/contract funds that a funding agency allows to be carried over from one fiscal year to the next.

Carryover funds are typically not budgeted during budget development; they are budgeted after fiscal year-end close.

To urgently budget carryover for specific grants/contracts, inform your accountant. Your accountant will prioritize closing of the resource and releasing carryover.

Carryover is only allowed to be budgeted during budget development as deemed appropriate, when budgeting for position/s (FTEs) and continuity of services or program activities that need to commence on July 1 of the new fiscal year.

An approved Carryover Request Form must be included with budget packet to your accountant.
Carryover Request Form
When in Doubt

Please consult Internal Business Service’s Leadership Team or your Program Accountant
COVID-19 Tips for FY2023-24

- Continue to code COVID-19 Expenditures to COVID-19 object codes
  - List of COVID-19 object codes is provided on the next slide
  - COVID-19 Resources are also available under IBS webpage
## COVID-19 Expenditure Object Codes

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4388-00</td>
<td>Materials and Supplies; Equipment Costing Under $500</td>
</tr>
<tr>
<td>4488-00</td>
<td>Non-Capitalized Equipment (over $500 and under $5,000)</td>
</tr>
<tr>
<td>5288-00</td>
<td>Travel-Covid 19</td>
</tr>
<tr>
<td>5588-00</td>
<td>Operations &amp; Housekeeping</td>
</tr>
<tr>
<td>5888-00</td>
<td>Rental, Leases, and Repairs</td>
</tr>
<tr>
<td>5888-00</td>
<td>Prof/Consulting Operating Expense</td>
</tr>
<tr>
<td>5988-00</td>
<td>Communication/Internet/Hotspot</td>
</tr>
<tr>
<td>6488-00</td>
<td>Capitalized Equipment over $5,000</td>
</tr>
<tr>
<td>6588-00</td>
<td>Capitalization of computer software &gt; $5,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal Cost Center</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5888-01</td>
<td>Legal Service for FCMAT Audit</td>
</tr>
<tr>
<td>5888-02</td>
<td>Special Ed Legal Settlement</td>
</tr>
<tr>
<td>5888-03</td>
<td>Legal Settlement Reimbursement</td>
</tr>
<tr>
<td>5888-10</td>
<td>Legal-Office of Superintendent</td>
</tr>
<tr>
<td>5888-11</td>
<td>Legal-Board</td>
</tr>
<tr>
<td>5888-18</td>
<td>Legal District Reimbursement</td>
</tr>
<tr>
<td>5888-20</td>
<td>Legal Business Services</td>
</tr>
<tr>
<td>5888-30</td>
<td>Legal PLSID</td>
</tr>
<tr>
<td>5888-40</td>
<td>Legal Human Resources</td>
</tr>
<tr>
<td>5888-50</td>
<td>Legal Student Services</td>
</tr>
<tr>
<td>5888-60</td>
<td>Legal Technology</td>
</tr>
<tr>
<td>5888-70</td>
<td>Legal EEPD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>8639-19</td>
<td>COVID19 - REVENUE LOSS</td>
</tr>
<tr>
<td>8673-9</td>
<td>COVID19 - REVENUE LOSS</td>
</tr>
<tr>
<td>8677-19</td>
<td>COVID 19 - REVENUE LOSS</td>
</tr>
<tr>
<td>8689-19</td>
<td>COVID-19 REVENUE LOSS</td>
</tr>
<tr>
<td>8699-19</td>
<td>COVID 19 - REVENUE LOSS</td>
</tr>
<tr>
<td>8580-19</td>
<td>Contribution - Covid 19</td>
</tr>
</tbody>
</table>
Budget Development Packet Submission to Internal Business Services

**Program Accountant** to send Comparative Budget Report and Benefit Projection Report to the **Program**

via email

**Program** to review, make changes, approve the reports and return to their **Program Accountant**

via email or docusign (to Program Accountant only)

**Program Accountant** to review, update the budget and submit to the **Budget Office Accountants**

via IBS shared drive

**Budget Office Accountants** to review and submit to **Budget Analyst**

via IBS shared drive

**Budget Analyst** to review and submit to **IBS Director**

via IBS shared drive

**IBS Director** to review and forward approval to **Budget Office Accountants**

via IBS shared drive

**Budget Office Accountants** to route via docusign to Program Manager and Division Head for final review and approval

via docusign from Budget Office

For **FINAL** review and approval **Program Manager**

via docusign

For **FINAL** review and approval **Assistant Superintendent**

via docusign

Submit to **Budget Office**
Reference materials are available on SCCOE website

Budget Development Resources

Internal Business Services

Accounting

Budget Office

Payroll Services

Budget Office

The Budget Office's primary services include oversight and guidance for budget development, interim reports and student attendance accounting for all programs operated by the Santa Clara County Office of Education (SCCOE). The Budget Office's responsibilities include coordinating with Accounting Services in the development of SCCOE's annual budget, two interim reports, and budget updates. Other services provided by the Budget Office include the review and approval of all budget transfers/revisions, SCCOE site and charter student attendance reviews, state attendance reporting, Local Control Funding Formula (LCFF) revenue entitlement calculations and assistance with closing the books at fiscal year-end.

Budget Workshop Resources
Thank you for attending!
Image credits:

3. https://www.bcsdny.org/Page/225
4. https://res.cloudinary.com/people-matters/image/upload/w_624,h_251,c_scale,g_auto,f_auto/v1486825121/1486825129.jpg
5. https://www.mymoneycoach.ca/budgeting/what-is-a-budget-planning-forecasting