Budget Development Workshop

Internal Business Services

February 6-8, 2024
Agenda

- 2024-25 SCCOE Budget Overview
- Governor's Proposal for 2024-25 K-12 Education
- 2024-25 SCCOE Budget Assumptions
- Budget Development Schedules
- Budget Development & Funding Sources
- Budget Development Process
  - Budgeting Revenues
  - Budgeting Personnel Exp
  - Budgeting Non-Personnel Exp
- Budgeting Guidelines
2024-25
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 .76% for fiscal year 2024-25

b) County LCFF Transition Calculation

SCCOE has transitioned to the County LCFF Target Entitlement Calculation
SCCOE’s Funding Sources

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

TOTAL SCCOE REVENUE - $417.41 Millions
(FY2023-24 Second Interim County School Service Fund)

44%
Funded by School 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

24%
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

3%
ADA Funded
- OYA Charter, Alt Ed
### Salary Costs by Program

**TOTAL SCCOE SALARIES - $155.07 Millions**  
(FY2023-24 Second Interim County School Service Fund)

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Amount ($M)</th>
<th>Funding Source</th>
<th>Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>51%</td>
<td>$78.27M</td>
<td>Funded by School Districts</td>
<td>Special Education, Technology (External), Walden West, Teacher Credentialing, Other Services</td>
</tr>
<tr>
<td>19%</td>
<td>$29.71M</td>
<td>State/Federal Grant Funded</td>
<td>Head Start, Early Start, Safe &amp; Drug Free Schools, Migrant Ed, ESSA/Title I</td>
</tr>
<tr>
<td>5%</td>
<td>$7.7M</td>
<td>ADA Funded</td>
<td>OYA, Charter, Alt Ed</td>
</tr>
<tr>
<td>25%</td>
<td>$39.39M</td>
<td>Flat Funded</td>
<td>District Business Advisory Services (DBAS), Internal Business Services (IBS), Maintenance &amp; Operations, Technology (Internal), Human Resources, Charter School Department</td>
</tr>
</tbody>
</table>
# FTEs by Program

**TOTAL SCCOE FTEs – 1,523.41**  
(FY2023-24 Second Interim County School Service Fund)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th>FTEs</th>
<th>Funded By</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>56% (859.41 FTEs)</strong> FUNDING</td>
<td>56%</td>
<td>859.41 FTEs</td>
<td>SCHOOL DISTRICTS</td>
</tr>
<tr>
<td>Special Education</td>
<td></td>
<td></td>
<td>Special Education</td>
</tr>
<tr>
<td>Technology (External)</td>
<td></td>
<td></td>
<td>Technology (External)</td>
</tr>
<tr>
<td>Walden West</td>
<td></td>
<td></td>
<td>Walden West</td>
</tr>
<tr>
<td>Teacher Credentialing</td>
<td></td>
<td></td>
<td>Teacher Credentialing</td>
</tr>
<tr>
<td>Other Services</td>
<td></td>
<td></td>
<td>Other Services</td>
</tr>
<tr>
<td><strong>20% (299.80 FTEs)</strong> STATE/FEDERAL GRANT FUNDED</td>
<td>20%</td>
<td>299.80 FTEs</td>
<td>Head Start, Early Start, Safe &amp; Drug Free Schools, Migrant Ed, ESSA/Title I</td>
</tr>
<tr>
<td><strong>4% (54.95 FTEs)</strong> ADA FUNDED</td>
<td>4%</td>
<td>54.95 FTEs</td>
<td>ADA</td>
</tr>
<tr>
<td><strong>20% (309.25 FTEs)</strong> COUNTY OPERATIONS MANDATED SERVICES FLAT FUNDED</td>
<td>20%</td>
<td>309.25 FTEs</td>
<td>District Business Advisory Services (DBAS), Internal Business Services (IBS), Maintenance &amp; Operations, Technology (Internal), Human Resources, Charter School Department</td>
</tr>
</tbody>
</table>
2023-24 Estimated Return of Local Property Taxes

- Estimated Return of local property taxes to be returned to the state for 2023-24 is $47.37 M. (The estimated amount to return in 2024-25 is $48.74M and 2025-26 is $47.90M). 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 $237,100,947 for fiscal years 2013-2014 through 2021-2022.

- 2022-23* will be remitted in April of 2024.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Return of Local Property Taxes*</th>
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</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>$12,295,907</td>
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<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>
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<tr>
<td>2018-19</td>
<td>$30,723,648</td>
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<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>$42,600,287</td>
</tr>
<tr>
<td>2022-23 estimate</td>
<td>$48,397,315</td>
</tr>
<tr>
<td>2023-24 estimate</td>
<td>$47,370,712</td>
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</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 2024-25 K-12 Education
Governor’s January Budget Proposal
K-12 Major Themes

Predictable support for schools for the continued implementation of the California for All Kids plan – a whole child framework designed to close the opportunity gaps and accelerate learning

Maintaining critical investments to improve instruction and support for students:
• Community Schools
• Universal Meals Program
• Expanded learning opportunities
• Education Workforce
• Universal Transitional Kindergarten
Proposition 98

- Proposition 98 guarantees minimum funding levels for K-12 schools and community colleges (K-14 schools)
- Local Control Funding Formula (LCFF) primary mechanism to distribute Prop 98 funding to K-12 public schools in California
- Revised Proposition 98 levels represent a decrease of approximately $11.3 billion over the three-year period relative to the 2023 Budget Act
- The Budget proposes statutory changes to address roughly $8 billion of this decrease to avoid impacting existing LEA and community college district budgets
Revised Proposition 98 levels represent a decrease of approximately $11.3 billion over the 2022-23, 2023-24 and 2024-25 budget years compared to the estimated amounts presented in the 2023 Budget Act.

https://ebudget.ca.gov/2024-25/pdf/BudgetSummary/K-12Education.pdf
Proposition 98 Rainy Day Fund

2023 Budget Act projected a total balance of $10.8 billion in the Public School System Stabilization Account (PSSSA)

**Revised Rainy Day Fund Deposits and Withdrawals**

- The Governor’s January Budget proposal reflects revised 2022-23 and 2023-24 payments, and a 2024-25 payment, of roughly $339 million, $288 million, and $752 million, respectively and;

- Withdrawals of roughly $3 billion in 2023-24 and $2.7 billion in 2024-25, for a total revised account balance of more than $3.8 billion at the end of 2024-25

- Budget projects increased reduction of $7 billion to PSSSA to provide resources to support fiscal stability and support baseline fiscal adjustments to maintain a level of predictability for local educational agencies (LEAs)
Local Control Funding Formula

- Cost of Living Adjustment (COLA) of 0.76% - $1.4 billion decrease in discretionary funds for Local Educational Agencies (LEAs)
  - Applicable to all Local Educational Agencies (LEAs) including county offices of education
  - Categorical programs: Special Education, Child Nutrition
  - LCFF Equity Multiplier
- $2.8 billion withdraw from the PSSSA to support ongoing LCFF costs in 2023-2024
- $2.2 billion withdraw from the PSSSA and available reappropriation and reversion funding totaling $38.6 million to support ongoing LCFF costs in 2024-2025
Janury Budget Proposal Highlights

Universal Meals Program:
• Increase of $122.2 million ongoing proposition 98 General Fund to fully fund in 2024-2025

Instructional Continuity
• To provide students with needed instructional continuity and address barriers that impact attendance. The Budget proposes statutory changes to allow LEAs to provide attendance recovery opportunities to students to make up lost instructional time, mitigate learning loss, chronic absenteeism and related fiscal impacts

• The Budget also includes $6 million one-time Proposition 98 General Fund to:
  (1) research existing, and develop new, models of hybrid and remote learning to support students’ attendance
  (2) Investigate local student information systems to identify opportunities and make recommendations to allow LEAs to report individual student absence data to the state in
California State Preschool Program (CSPP):
• Provides access to subsidized preschool for the state’s income-eligible three- and four-year-olds
• To support reimbursement rate increases previously supported by available one-time federal stimulus funding, the Budget includes $53.7 million General Fund
• An additional $140.6 million General Fund and $206.3 million Proposition 98 General Fund was identified in the 2023 Budget Act to support the recently ratified collective bargaining agreement with childcare providers
• No Cost of Living Adjustment (COLA)
Investment Modifications

California Preschool Transitional Kindergarten and Full-Day Kindergarten (FDK) Facilities Grant Program

• Supports the construction of new or retrofitting existing school facilities to provide transitional kindergarten, full-day kindergarten, or preschool classrooms

• The 2022 Budget Act included $100 million one-time General Fund for the FDK Program, and the 2023 Budget Act reflected an additional $550 million in 2024-25 to support the FDK Program.

• To address the projected budget shortfall, the Budget delays the 2024-25 planned $550 million FDK Program investment to 2025-26.
### School Employer Pension Costs

#### CalSTRS

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Contribution Rate**</th>
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</thead>
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<tr>
<td>2021-22</td>
<td>16.92%*** (-2.18)</td>
</tr>
<tr>
<td>2022-23</td>
<td>19.1%</td>
</tr>
<tr>
<td>2023-24</td>
<td>19.1%*</td>
</tr>
<tr>
<td>2024-25</td>
<td>19.1%*</td>
</tr>
<tr>
<td>2025-26</td>
<td>19.1%*</td>
</tr>
</tbody>
</table>

#### CalPERS

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Contribution Rate**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021-22</td>
<td>22.91%*** (-2.16)</td>
</tr>
<tr>
<td>2022-23</td>
<td>25.37%</td>
</tr>
<tr>
<td>2023-24</td>
<td>26.68%</td>
</tr>
<tr>
<td>2024-25</td>
<td>27.8%*</td>
</tr>
<tr>
<td>2025-26</td>
<td>28.5%*</td>
</tr>
<tr>
<td>2026-27</td>
<td>28.9%*</td>
</tr>
</tbody>
</table>

* Latest projected rates based on most recent projections
** CalSTRS Board now allowed to adjust employer contribution rate up or down by up to 1% each year, but no higher than 20.25% and no lower than 8.25%
***Reflects rate relief provided by state through 2020 Budget Act
2023-24 Budget and Multiyear Projections

Estimated STRS and PERS costs for 2023-24 through 2025-26
2024-2025 Unaddressed Issues

• No proposed budgetary relief for increasing STRS and PERS pension costs
2024-25 SCCOE Budget Assumptions
## Benefit Rates

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Object Codes</th>
<th>Benefit Rate</th>
</tr>
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<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>27.80%</td>
</tr>
<tr>
<td>Old-Age, Survivors &amp; Disability Insurance-Social Security (OASDI)</td>
<td>3311/12</td>
<td>Maximum $168,600</td>
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<tr>
<td></td>
<td></td>
<td>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 $20,700</td>
</tr>
<tr>
<td>Unemployment Insurance (U.I.)</td>
<td>3501/02</td>
<td>0.05%</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 3751/52</td>
<td>Per Full Time Equivalent (FTE) $0</td>
</tr>
</tbody>
</table>

**Note:**
- Benefit rates are subject to change and dependent on program and position-specific factors.
## 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 Cost Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) All formula and non-competitive funding except b - g</td>
<td>10</td>
</tr>
<tr>
<td>b) Child Development (Fund 120)</td>
<td>7.5</td>
</tr>
<tr>
<td>c) Child Nutrition</td>
<td>5.06</td>
</tr>
<tr>
<td>d) Head Start (Fund 860)</td>
<td>10.61</td>
</tr>
<tr>
<td>e) SELPA (Fund 810)</td>
<td>8</td>
</tr>
<tr>
<td>f) Special Education (Fund 820, 950)</td>
<td>8</td>
</tr>
<tr>
<td>g) Migrant Education (Fund 870)</td>
<td>8</td>
</tr>
<tr>
<td>All other funding categories apart from a - g</td>
<td>10.97</td>
</tr>
</tbody>
</table>
Budget Development Schedules
Schedule for Programs in Funds 800

**March 1, 2024:** Program Managers submit budgets to Accountant

**March 22, 2024:** Budget Office returns budgets to Program Managers for final review

**March 25-29, 2024:** Program Managers submit final budgets to Division Head for review

**April 4, 2024:** Division Head submits final budgets to Budget Office
Schedule for Programs in Funds 88x, 922, 93x

March 7, 2024: Program Managers submit budgets to Accountant

April 1, 2024: Budget Office returns budgets to Program Managers for final review

April 2-9, 2024: Program Managers submit final budgets to Division Head for review

April 11, 2024: 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 14, 2024:** Program Managers submit budgets to Accountant
- **April 5, 2024:** Budget Office returns budgets to Program Managers for final review
- **April 8-12, 2024:** Program Managers submit final budgets to Division Head for review
- **April 17, 2024:** Division Head submits final budgets to Budget Office
WARNING
DUE DATES ARE CLOSER THAN THEY APPEAR!

ACT NOW

URGENT

BUDGET 2024-25
Budget Development & Funding Sources
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>xxx</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 FY2024-25 is the FY2023-24 working budget as of January 29, 2024

**Benefit Projection Report**

- Benefit projection for FY2024-25 includes step & column, and salary (2% for Leadership team and 2% for Psychologists & Social Workers Agreement) and benefit rate increases for FY2024-25.
- All positions and account strings reflected in Benefit Projection Report are based on employee records as of January 25, 2024.
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 FY2024-2025</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>
</tbody>
</table>

**Total Direct Cost**

$454,545

7310 Indirect Cost (10.00%) 45,455

**Total Expenditures**

$500,000
Budget Packet Submission

➢ **Program Director:**
  
  - 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
  - the budget packet is submitted electronically to the Program Accountant

➢ **Program Accountant:**
  
  - enters the budget changes into the financial system and generates an updated comparative budget report reflecting the proposed budget for the upcoming year
  - 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 $</th>
<th>2024-25 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>
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* If applicable

**Narrative**

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**Authorizations**

- Program Manager: ____________________________ Date ________________
- Division Head: ____________________________ Date ________________
Budgeting Personnel Expenditures
## Comparative Budget Report

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</thead>
<tbody>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td>119,616</td>
<td>119,612</td>
<td>120,078</td>
<td>120,078</td>
<td>70,029</td>
<td>145,079</td>
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### Classified Salaries 2xxx

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<thead>
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</tr>
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<tbody>
<tr>
<td>2463</td>
<td>119,616</td>
<td>119,612</td>
<td>120,078</td>
<td>70,029</td>
<td>145,079</td>
<td></td>
</tr>
</tbody>
</table>

### Benefits 3xxx

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3202</td>
<td>27,404</td>
<td>27,403</td>
<td>31,341</td>
<td>30,464</td>
<td>17,766</td>
<td>39,172</td>
</tr>
</tbody>
</table>

### Other Classifications

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3212</td>
<td>7,416</td>
<td>7,393</td>
<td>7,445</td>
<td>4,270</td>
<td>8,995</td>
<td></td>
</tr>
</tbody>
</table>

### Summary

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>52,748</td>
<td>54,216</td>
<td>56,587</td>
<td>58,920</td>
<td>34,253</td>
<td>73,684</td>
</tr>
<tr>
<td>Position Control # (PC#)</td>
<td>Account String</td>
<td>Employee Name</td>
<td>Total Salaries in Object 2xxx for Cost Center</td>
<td>Total FTEs for this Cost Center</td>
<td>Total Benefits by Cost Center</td>
<td>Gross Salary for PC#001109</td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------------</td>
<td>---------------</td>
<td>---------------------------------------------</td>
<td>-------------------------------</td>
<td>-------------------------------</td>
<td>-----------------------------</td>
</tr>
</tbody>
</table>
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
Complete a Salary Account Change Form (SACF)

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

**SALARY ACCOUNT CHANGE FORM**

**Purpose of Form:**
1. To request salary account code changes for currently active employees.
2. This form is vital for maintaining the Position 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 position.
2. Enter the 35 digit Account String with dashes (example: 880-3202-0-2424-00-3909-0115-7515xx-000-22009)
3. The 35 digit account string consists of Fund-Resource-Project-Object-SubObject-Goal-Function-CodeCenter-Site-Manager
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 is required to process your request.
7. Submit to the Accountant assigned for your Fund/Program.
8. Submit a Budget Revision form to the Budget Office to align your account code changes. Accountant to enter BTM in the Budget Transfer Box.
9. Budget Office will submit the approved forms to Human Resources.

**Employee Name**

**Position Control Number**

**Position Name**

**Program/Site/Fund**

**Effective Date**

**Authorized Requestor/Phone Extension**

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

From Account Total: 0.00%

<table>
<thead>
<tr>
<th>Requested Allocation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>To Account:</td>
<td></td>
</tr>
<tr>
<td>To Account:</td>
<td></td>
</tr>
</tbody>
</table>
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 2024-25 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

### 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>0.5000</td>
</tr>
<tr>
<td>PERS</td>
<td>3201</td>
<td>NO MAX</td>
<td>0.2780</td>
</tr>
<tr>
<td>OASDI</td>
<td>3311</td>
<td>MAX $165,600</td>
<td>0.0620</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>PER EMPLOYEE</td>
<td>$20,700</td>
</tr>
<tr>
<td>U.L.</td>
<td>3501</td>
<td>NO MAX</td>
<td>0.0005</td>
</tr>
<tr>
<td>WC, 1.03%</td>
<td>3601</td>
<td>NO MAX</td>
<td>0.0103</td>
</tr>
<tr>
<td>WC, 1.97%</td>
<td>3601-01</td>
<td>NO MAX</td>
<td>0.0197</td>
</tr>
<tr>
<td>RETIREE (OPP-ALLOC)</td>
<td>3701</td>
<td>PER FTE</td>
<td>$0</td>
</tr>
<tr>
<td>RETIREE (OPP-ACTIVE)</td>
<td>3701</td>
<td>PER FTE</td>
<td>$0</td>
</tr>
</tbody>
</table>

**TOTAL BENEFITS**

**TOTAL SALARY & BENEFITS**

**TOTAL BENEFITS %**

### For Classified Employees

<table>
<thead>
<tr>
<th>Account</th>
<th>Object Code</th>
<th>Benefits Rate</th>
<th>Classified Regular Employee (C &amp; F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERS</td>
<td>3202</td>
<td>NO MAX</td>
<td>0.2780</td>
</tr>
<tr>
<td>STRS</td>
<td>3102</td>
<td>NO MAX</td>
<td>0.1910</td>
</tr>
<tr>
<td>OASDI</td>
<td>3312</td>
<td>MAX $165,600</td>
<td>0.0620</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>PER EMPLOYEE</td>
<td>$20,700</td>
</tr>
<tr>
<td>U.L.</td>
<td>3502</td>
<td>NO MAX</td>
<td>0.0005</td>
</tr>
<tr>
<td>WC, 1.03%</td>
<td>3602</td>
<td>NO MAX</td>
<td>0.0103</td>
</tr>
<tr>
<td>WC, 1.97%</td>
<td>3602-01</td>
<td>NO MAX</td>
<td>0.0197</td>
</tr>
<tr>
<td>RETIREE (OPP-ALLOC)</td>
<td>3702</td>
<td>PER FTE</td>
<td>$0</td>
</tr>
<tr>
<td>RETIREE (OPP-ACTIVE)</td>
<td>3702</td>
<td>PER FTE</td>
<td>$0</td>
</tr>
</tbody>
</table>

**TOTAL BENEFITS**

**TOTAL SALARY & BENEFITS**

**TOTAL BENEFITS %**

### Extra Time Pay (Sub Object 81)

Please do not enter FTE if calculating for Extra Time Pay.

<table>
<thead>
<tr>
<th>Fund 120</th>
<th>Fund 820</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund 860</td>
<td>Fund 950</td>
</tr>
</tbody>
</table>

### Health & Welfare Note:

$30,700 applies only to 1 open FTE. If you know the actual H & W employee cost, you can manually change it.

### Notes/Explanation:

---

**Employee Fringe Benefit Cost Form**

Santa Clara County Office of Education

Equity • Diversity • Inclusion • Partnership
Open positions that will not be budgeted and will be eliminated.
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 FY2023-24
Budgeting for Inter-Office Service Agreements (IOSAs)

1. Departments providing non-global (or specialized) service to other department/s within SCCOE are required to have an IOSA for services exceeding $1,000.

2. 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.

3. Both parties to the agreement must budget the same amount for the IOSA on their respective budgets.
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 Samim Vohra in Internal Business Services to budget for utilities, custodial services and other related site costs for FY2024-25

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>$2,363.00</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 FY2024-25

For questions and/or additional information
• Please contact: Jim Carrillo or Samantha Pereira
Budgeting for Grants, Partnerships, & Operations (GPO) Service Fees

GPO Department Purpose Statement

The Santa Clara County Office of Education’s Grants, Partnerships, & Operations Department improves access to inclusive, equitable, high-quality education by building capacity to secure funding, expand collaborative partnerships, and implement innovative projects that promote sustainable and positive impact on youth.
Budgeting for Grants, Partnerships, & Operations (GPO) Service Fees

Overview

• What:
  - Implementing a fee for service model for select services provided by the GPO Department

• Who:
  - Mandatory
  - For all internal SCCOE teams utilizing the following pre-award and post-award services
    - Pre-Award: When the GPO role is to lead
    - Post-Award: When the GPO role is to provide Tier 3 support

• When:
  - Fiscal Year 2024-2025
Budgeting for Grants, Partnerships, & Operations (GPO) Service Fees

Rationale and Implementation

• Why:
  ▪ To address budgetary concerns due to flat state funding
  ▪ To ensure sustainability for ongoing services provided by the GPO Department

• How:
  ▪ Through IOSAs
  ▪ Additional training to follow

NEW!!!
## Budgeting for Grants, Partnerships, & Operations (GPO) Service Fees

Not to Exceed Amount Per Project Per Fiscal Year

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Pre-Award (Lead)</th>
<th>Post-Award (Tier 3 Support)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation</td>
<td>$1,200</td>
<td>$2,700</td>
</tr>
<tr>
<td>Local Government</td>
<td>$3,000</td>
<td>$5,400</td>
</tr>
<tr>
<td>State Government</td>
<td>$6,000</td>
<td>$5,400</td>
</tr>
<tr>
<td>Federal Government</td>
<td>$12,000</td>
<td>$8,100</td>
</tr>
</tbody>
</table>
Cost Recovery for Sponsored Projects

- Mandatory as of September 12, 2023, per the Memo: Cost Recovery for Competitive & Non-Competitive Sponsored Projects

- Significant opportunities exist to recover additional costs to support programmatic efforts, to reduce administrative burden, and to expand the visibility of and access to SCCOE sponsored projects for competitive and non-competitive grants.

- Program leads are required to have consultations with departments in advance of application and/or budget submission for sponsored projects when:
  - Budgeted activities exceed $20,000, and
  - Will have an internal resource impact.
Sponsored Project Mandatory Guidance

Sponsored Projects are restricted funding sources that are for a “specified purpose” and are subject to the sponsor’s restrictions which includes allowability of costs.

When received sponsored projects, the following costs shall be taken into consideration for all budgets, inclusive of competitive and non-competitive sources:

- Indirect Costs
- Salaries and Benefits (Program & Other Org. Staff)
- Advertising and Public Relations
- Communication Expenses (Cell Phone Stipends, Internet)
- Travel
- Capitalized Equipment
- Materials & Supplies
- Computing Devices
- Copier Charges & Copy Cards
- Publication & Printing Costs
- Licensing
- Translation & Interpretation
- Procurement
- Data Governance
**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 FY24-25
- 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:
   \[
   \text{Direct Cost} = \frac{\text{Total Revenue}}{1 + \text{Applicable Indirect Rate}}
   \]

2. Calculate Indirect Cost:
   \[
   \text{Indirect Cost} = \text{Total Revenue} - \text{Direct Cost}
   \]

   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 \times \text{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 (7% of)</th>
<th>AMOUNT AVAILABLE FOR EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>542408509000</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>
</tr>
</tbody>
</table>
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.
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

### Internal Business Services Carryover Request Form

<table>
<thead>
<tr>
<th>Date of Request</th>
<th>Division</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>First and Last Name of Requestor</th>
<th>Telephone Number of Requestor</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Name of Program for Which Request Is Made</th>
</tr>
</thead>
</table>

### Program Summary:


### Reason for Recommendation by Division:


### Required Documentation:

1. Excel spreadsheet illustrating the following:
   - Estimated carryover amount
   - Budget proposal of how carryover will be spent
2. Financial summary report of current year
3. Financial summary report of prior two years (expenditures and carryover)
4. Salary projection reports if applicable
5. Any other supporting documentation

### Are there any other funding sources available to fund these expenditures? If yes, please list account(s).

- [ ] Yes
- [ ] No

**Account:**

---

Must be signed by Department Director and Division Chief / Assistant Superintendent prior to submission to Internal Business Service, Accounting Services.

<table>
<thead>
<tr>
<th>Signature of Department Director</th>
<th>Date Signed</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Signature of Division Chief / Assistant Superintendent</th>
<th>Date Signed</th>
</tr>
</thead>
</table>

---

**Reviewed by Accounting Services**

<table>
<thead>
<tr>
<th>Recommended</th>
<th>Not Recommended</th>
<th>Return to Division</th>
</tr>
</thead>
</table>

**Reviewed by Controller, Internal Business Services**

<table>
<thead>
<tr>
<th>Recommended</th>
<th>Not Recommended</th>
<th>Rejected with Modifications</th>
</tr>
</thead>
</table>

**Reviewed by Director, Internal Business Services**

<table>
<thead>
<tr>
<th>Recommended</th>
<th>Not Recommended</th>
<th>Rejected with Modifications</th>
</tr>
</thead>
</table>

**Reviewed by Controller, Internal Business Services**

<table>
<thead>
<tr>
<th>Recommended</th>
<th>Not Recommended</th>
<th>Rejected with Modifications</th>
</tr>
</thead>
</table>

**Approved**

<table>
<thead>
<tr>
<th>Assistant Superintendent, Business Services</th>
<th>Date Signed</th>
</tr>
</thead>
</table>
When in Doubt

Please consult Internal Business Service’s Leadership Team or your Program Accountant
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 ad submit to the **Budget Office Accountants**

via IBS Shared Drive

**Budget Office Accountants** to submit to **Budget Analyst**

via IBS Shared Drive

For FINAL review and approval

**Division Head**

via DocuSign

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

via DocuSign from Budget Office

**Program Manager**

via IBS Shared Drive

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

via IBS Shared Drive

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

via IBS Shared Drive

Submit to **Budget Office**

via DocuSign

For FINAL review and approval

**Division Head**

via DocuSign

**Program Manager**

via IBS Shared Drive

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

via IBS Shared Drive

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

via Email
Budget Development Resources

Reference materials are available on SCCOE website

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:

5. https://www.robinlandy.com/blog/applying-one-multiple-to-varied-revenue-streams