

## Budget FAQ's

### **How is the Santa Clara County Office of Education (SCCOE) Funded?**

#### **State Funding**

The Local Control Funding Formula (LCFF) was enacted in 2013-2014 and replaced the former revenue limit funding system. During the LCFF implementation, two LCFF funding calculations were certified by the California Department of Education (CDE) for county offices of education: 1) County LCFF Target Entitlement which receives an annual cost-of-living adjustment (COLA) and 2) County LCFF Transition Calculation which does not receive a COLA. The SCCOE was funded on the County LCFF Transition Calculation which is the higher amount of the two funding calculations.

The SCCOE has received the same level of funding for core mandated operations and programs since 2013-2014 with minor fluctuations in revenue generated from Average Daily Attendance (ADA) from Alternative Education and Opportunity Youth Academy (OYA).

#### **Average Daily Attendance (ADA)**

How does student attendance play an important role in the budget? Declining enrollment and chronic absenteeism negatively impact the SCCOE's budget on local, state and federal levels.

Alternative Education Community Schools and OYA rely on ADA to financially support their operational costs. The inability to generate the revenue needed to support operating costs requires the limited amount of general fund dollars available to fund the funding shortfall.

#### **Basic aid county office of education:**

The SCCOE is a basic aid county office of education that is required to return all local property tax revenues received in excess of the County LCFF Transition Calculation annual allocation.

#### **How does a COE differ from a school district?**

COE's are mandated to provide AB1200 Fiscal Oversight for school districts and county office board of education authorized charters and provide an Alternative Education Court School program. The LCFF funding model developed for COE's solely provides funding for AB1200 Fiscal Oversight for school districts and county office of education board of education authorized charters, which is approximately 30% of the County School Service Fund Budget.

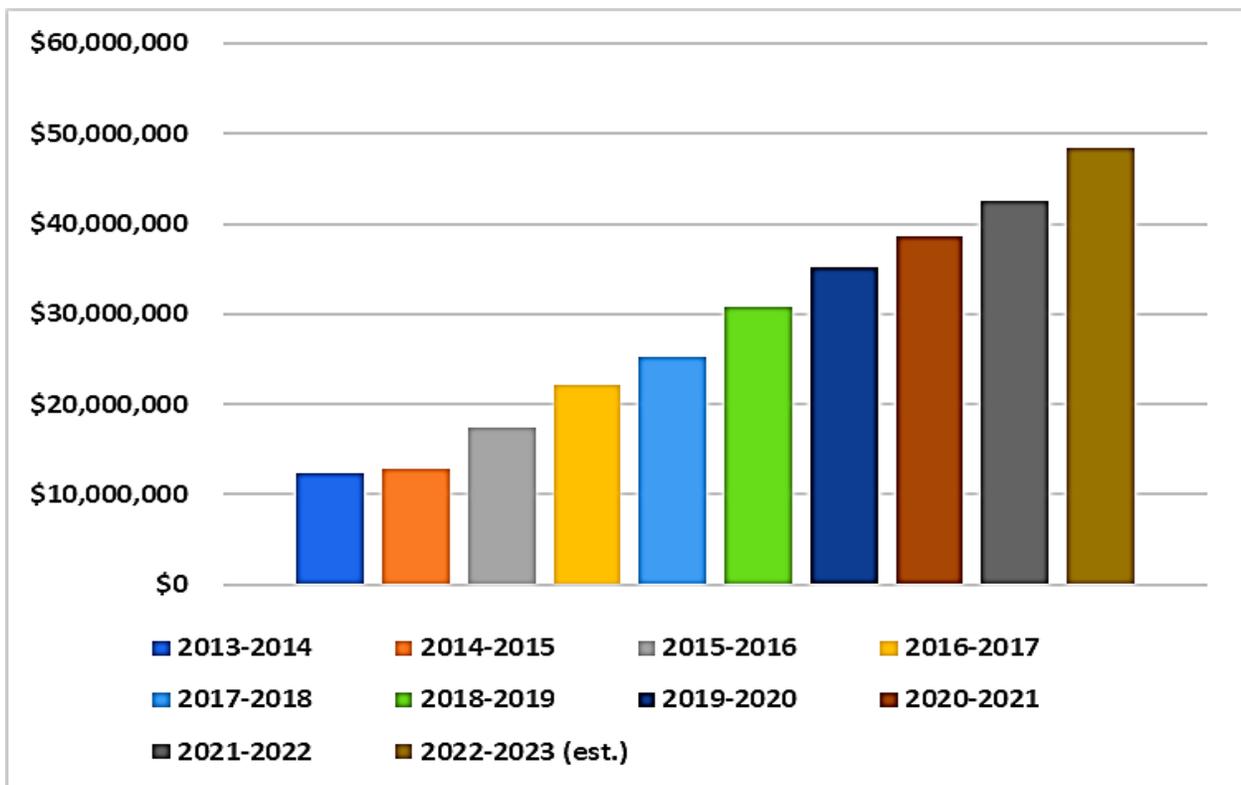
Unlike a school district, COE's are unable to generate revenue through a parcel tax or a bond, which limits their ability to generate revenue for mandated county operation expenditures.

**How does a basic aid school district differ from a basic aid County Office of Education (COE)?**

Basic aid school district LCFF funding is funded entirely from local property taxes and are allowed to retain any amount of property taxes received above their LCFF annual allocation. However, basic aid COE’s are required to return all property tax revenues that are in excess of their LCFF annual allocation or “flat funded” amount that has been received since the Local Control Funding Formula (LCFF) was fully implemented for COE’s in fiscal year 2013-2014. This is pursuant to Education Code section 2575(e) and 2578, and shall be exclusively used to offset state costs of providing trial court services and costs, until the funds are exhausted.

The following chart reflects the amount of local property tax revenues the SCCOE was required to return to the state for fiscal year 2013-2014 through 2021-2022, which totals \$237,100,947. The estimated amount of local property tax revenues that are projected to be returned to the state for fiscal year 2022-2023 is \$48,397,315.

**Summary of Return of Local Property Tax Revenues Remitted to the State of California for Trial Court Services and Costs  
Fiscal Years 2013-2014 through 2022-2023 (est.)**



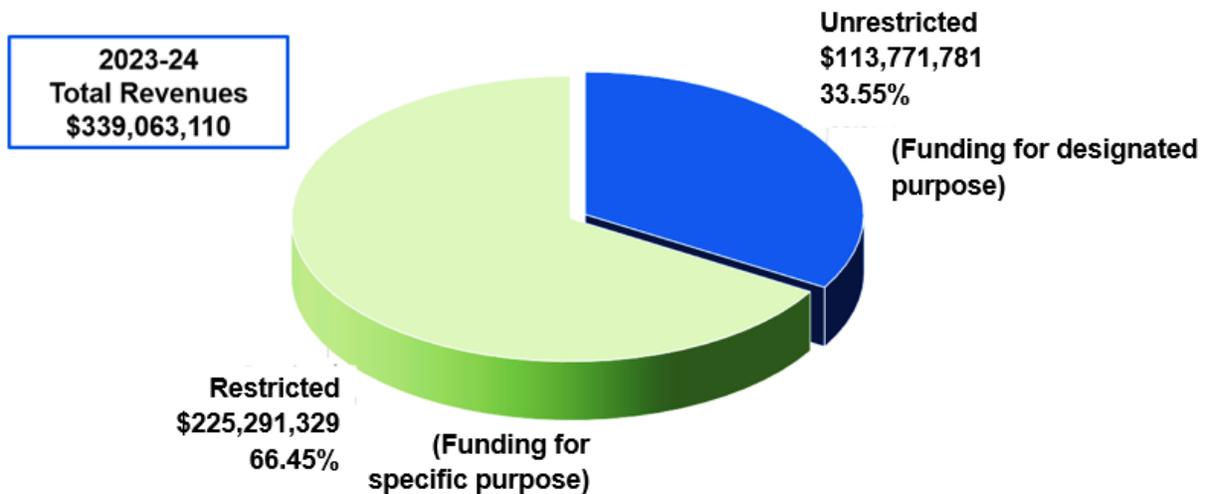
**What is SCCOE’s Reserve for Economic Uncertainty and what is the required level of Reserve?**

The State requires that the SCCOE maintain a 2.0% reserve and Board Policy (BP) 3100 requires an additional 2.0% reserve, totaling 4% annually. For Fiscal Year 2023-2024 the Reserve for Economic Uncertainty is \$14.3 million. The SCCOE is also required to meet this reserve requirement in the two subsequent fiscal years and has budgeted \$13.4 for Fiscal Year 2024-2025 and \$13.1 million for Fiscal Year 2025-2026.

**2023-2024 County School Service Fund Budget**

The County School Service Fund Budget is comprised of Restricted and Unrestricted funding sources. Restricted funding accounts for 66.45% and Unrestricted funding accounts for 33.55%.

**2023-24 County School Service Fund  
Sources of Revenues**



**Restricted Funding**

Restricted funding is funding for a specified purpose and is subject to restrictions imposed by the grantor. Grants awarded are highly restrictive and require specific actions or deliverables to be met in order to earn the grant award received, which may limit the ability to spend this funding source if the grant award is unearned.

**Unrestricted Funding**

Unrestricted funding is funding for a designated purpose and used to support County Operations for Mandated Services which includes AB1200 Fiscal Oversight for school districts and Santa Clara County Board of Education (SCCBOE) authorized charter schools and Alternative Education Court School, which is the only mandated student program the SCCOE is required to provide.

**What is the difference between the part of the SCCOE that provides student services in the Educational Services Division as compared to the other administrative services that the SCCOE provides?**

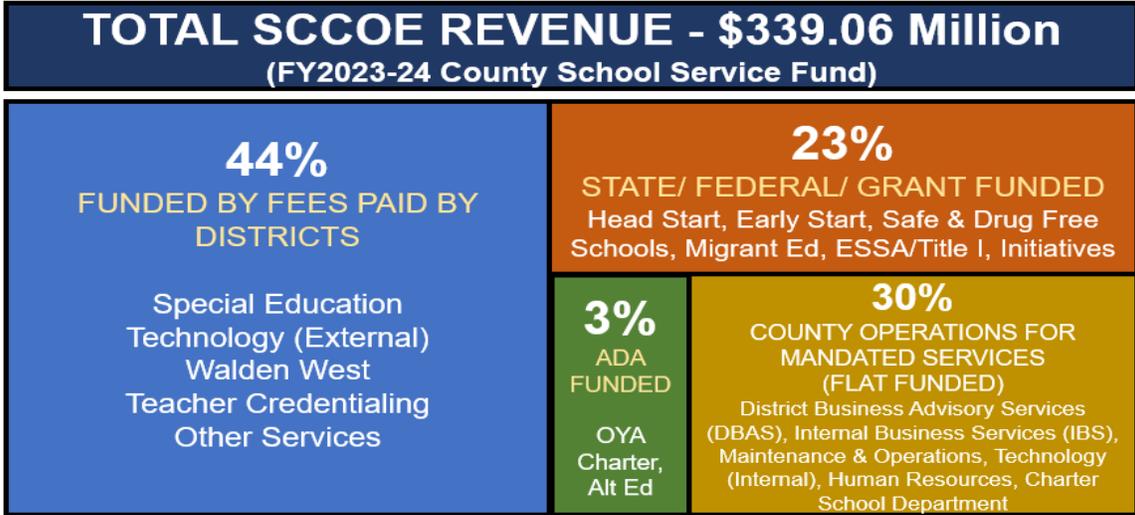
SCCOE’s Educational Services Division provides Special Education Services, Alternative Education Court and Community Schools, Early Learning Services, Migrant Education and Walden West. Alternative Education Court School is the only mandated student program that SCCOE is required to provide. Non-mandated student programs such as Special Education and Walden West are fee for service student programs and costs are charged to each participating school district that has elected to enroll their students. 44% of the SCCOE’s overall budget consists of fees paid by school districts for services.

The largest body of SCCOE’s work is administrative services which include professional development, curriculum, Technology Services, fingerprinting and teacher credentialing services which are fee for service. County Operations for Mandated Services which includes AB1200 fiscal oversight for school districts and Santa Clara County Board of Education (SCCBOE) authorized charter schools are funded by LCFF funding that is designated for this purpose.

**2023-2024 County School Service Fund Budget**

SCCOE's County School Service Fund Budget is projected at \$339 million for fiscal year 2023-2024 and below is a breakdown of the Funding Sources by Program.

# Funding Sources by Program

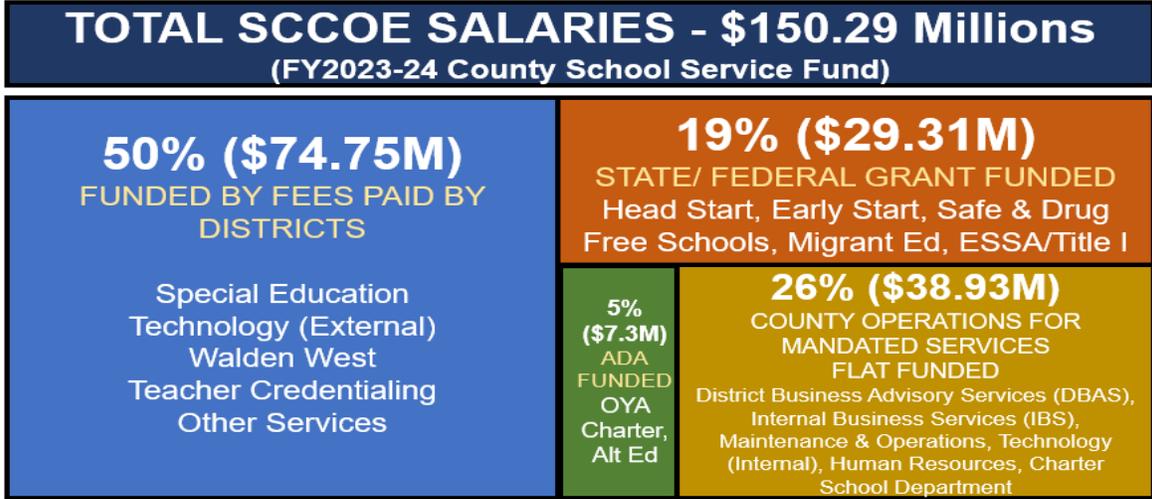


**2023-2024 County School Service Fund Expenditure Budget**

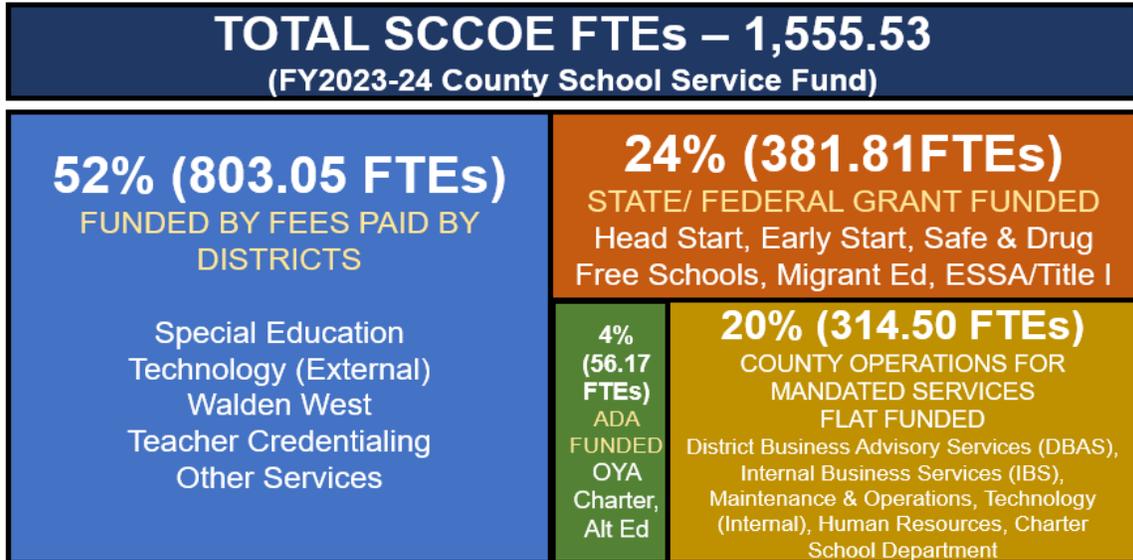
The County School Service Fund Expenditure budget is projected at \$359.5 million.

Below is a breakdown of projected salary costs and full-time employees (FTEs) by program for fiscal year 2023-2024.

## Salary Costs by Program



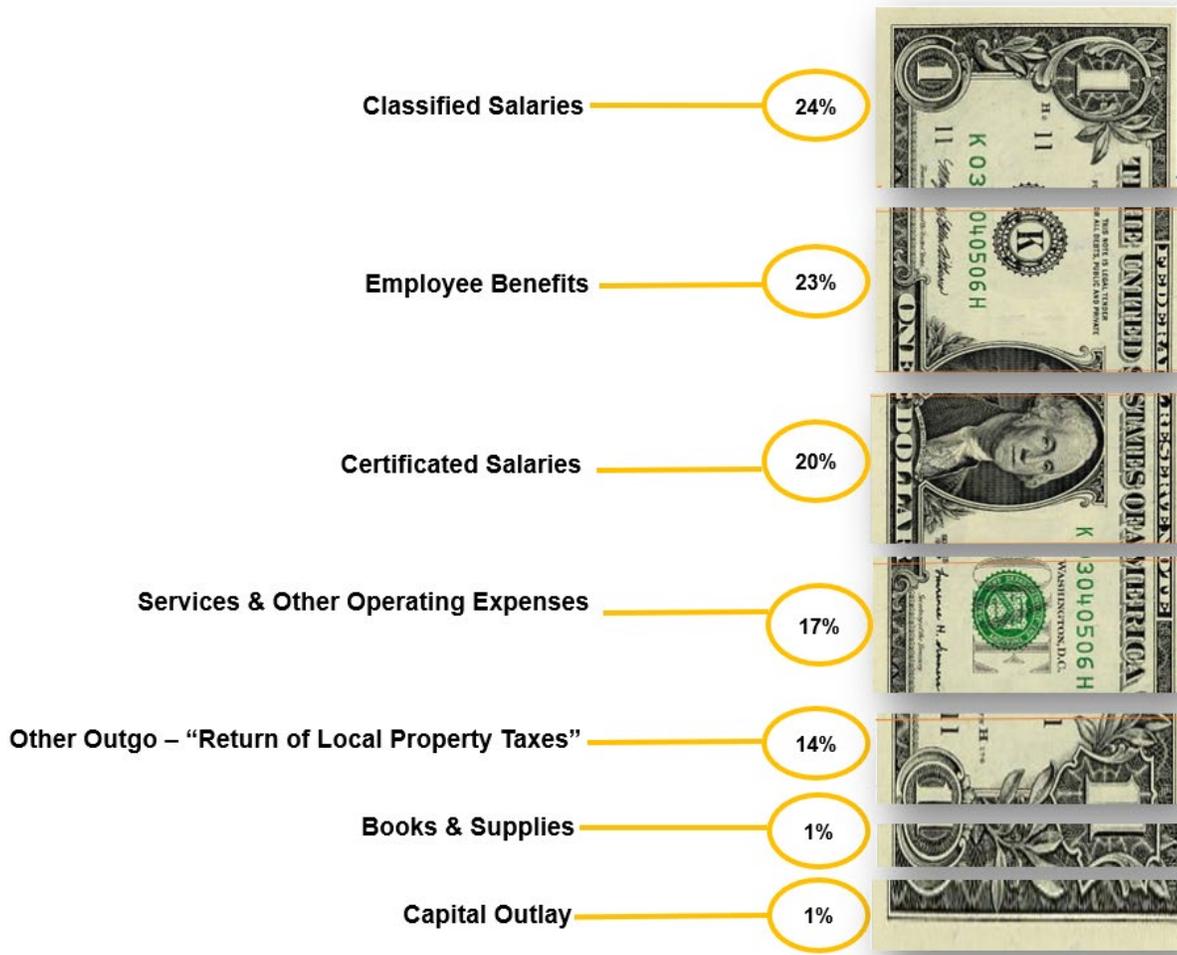
## FTEs by Program



Total Salaries Budgeted for fiscal year 2023-2024 is approximately \$150.29 Million.

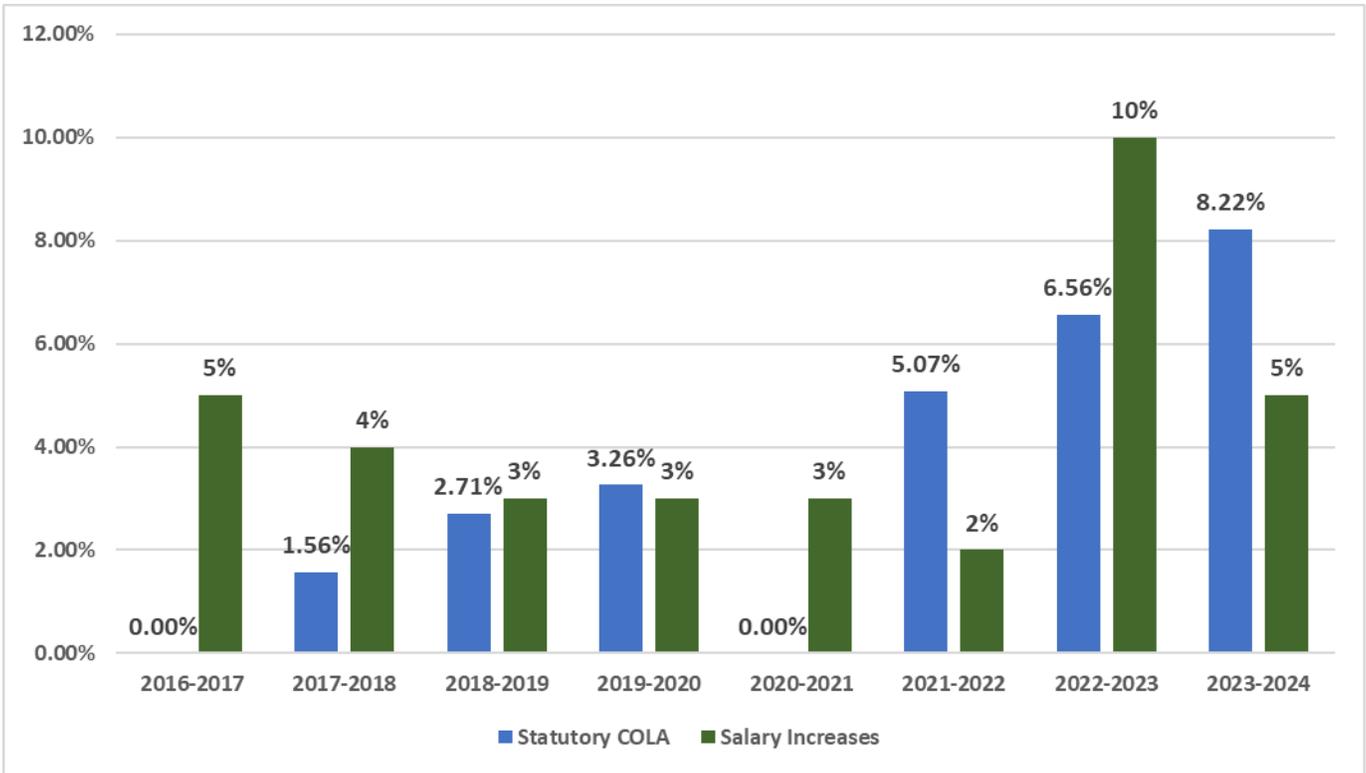
- \$74.75 Million or 50% of SCCOE Salaries Budgeted or 52% of SCCOE Employees or 803.05 FTEs are funded by Fees Paid by Districts for Services, which is restricted funding.
  - The largest portion of SCCOE Employees are funded by Fees Paid by school districts for non-mandated Special Education Services, which pays for teachers and paraeducators that support this program. School districts elect to enroll their students in SCCOE's Special Education Program and the number of students enrolled annually fluctuates and has seen a decline in recent years.
- \$29.31 Million or 19% of SCCOE Salaries Budgeted or 24% of SCCOE Employees or 381.81 FTE's are funded by State/Federal Grant funding and subject to grantor restrictions. Grants awarded are highly restrictive and require specific actions or deliverables to be met in order to earn the grant award received, which may limit the ability to spend this funding source if the grant award is unearned.
  - The Head Start/Early Head Start Grant accounts for 46.5% or \$37.2 million of the total Federal restricted grant funding awarded and is a prime example of grant funding that has to be earned in order to be able to use the funding.
- \$38.93 Million or 26% of SCCOE Salaries Budgeted or 20% of SCCOE Employees or 314.50 FTEs are funded by the County Operations Grant which is funding designated to provide mandated services such as AB1200 fiscal oversight to school districts and county board of education authorized charters and Alternative Education Court School, etc.
  - This County Operations Grant funding has been "flat funded" since the implementation of the Local Control Funding Formula (LCFF) when it was fully implemented for county offices of education in fiscal year 2013-2014.
- \$7.3 Million or 5% of SCCOE Salaries Budgeted or 4% of SCCOE Employees or 56.17 FTEs are funded by Average Daily Attendance (ADA) for Alternative Education Court and Community and Opportunity Youth Academy, which is designated to support these student programs.
  - Alternative Education - Court Schools is the only mandated student program that the SCCOE is legally required to provide.

Below is a breakdown of each County School Service Fund expenditure category:

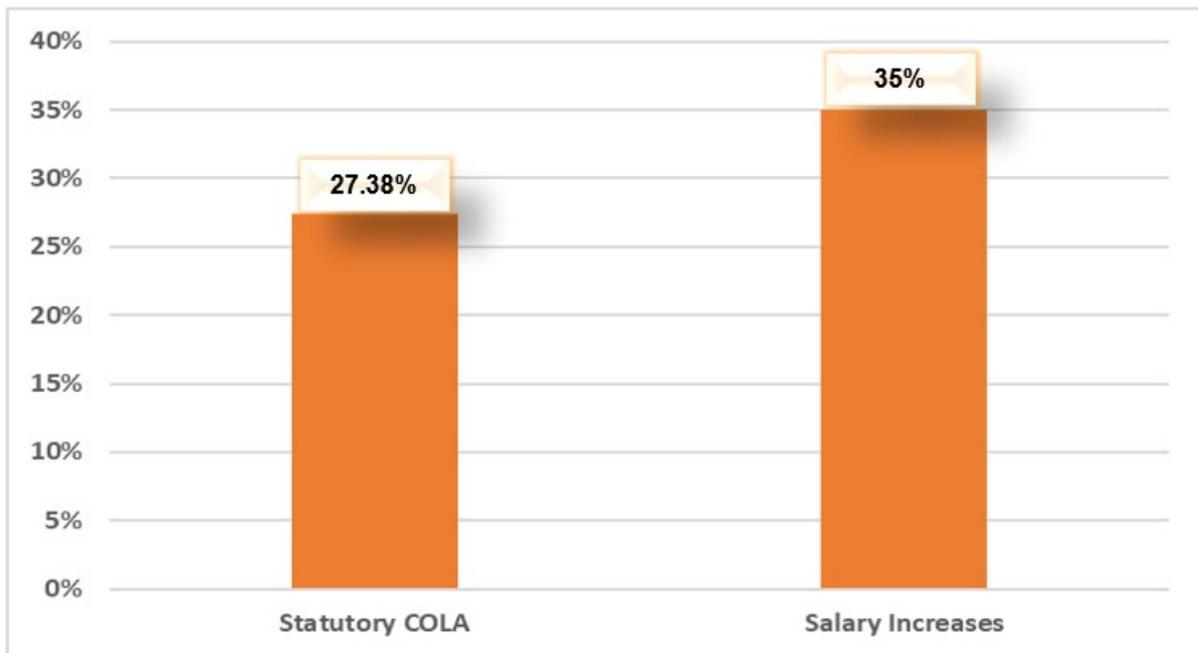


76.20% of total expenditures (excluding 13.13% of Return of Local Property Taxes) comprises of salary and benefits. Other Outgo of 14% includes 13.13% of Return of Local Property Tax Revenues for Fiscal Year 2022-2023.

**Comparison of Statutory COLA vs. SCCOE Salary Increases  
Fiscal Year 2016-2017 - 2023-2024**

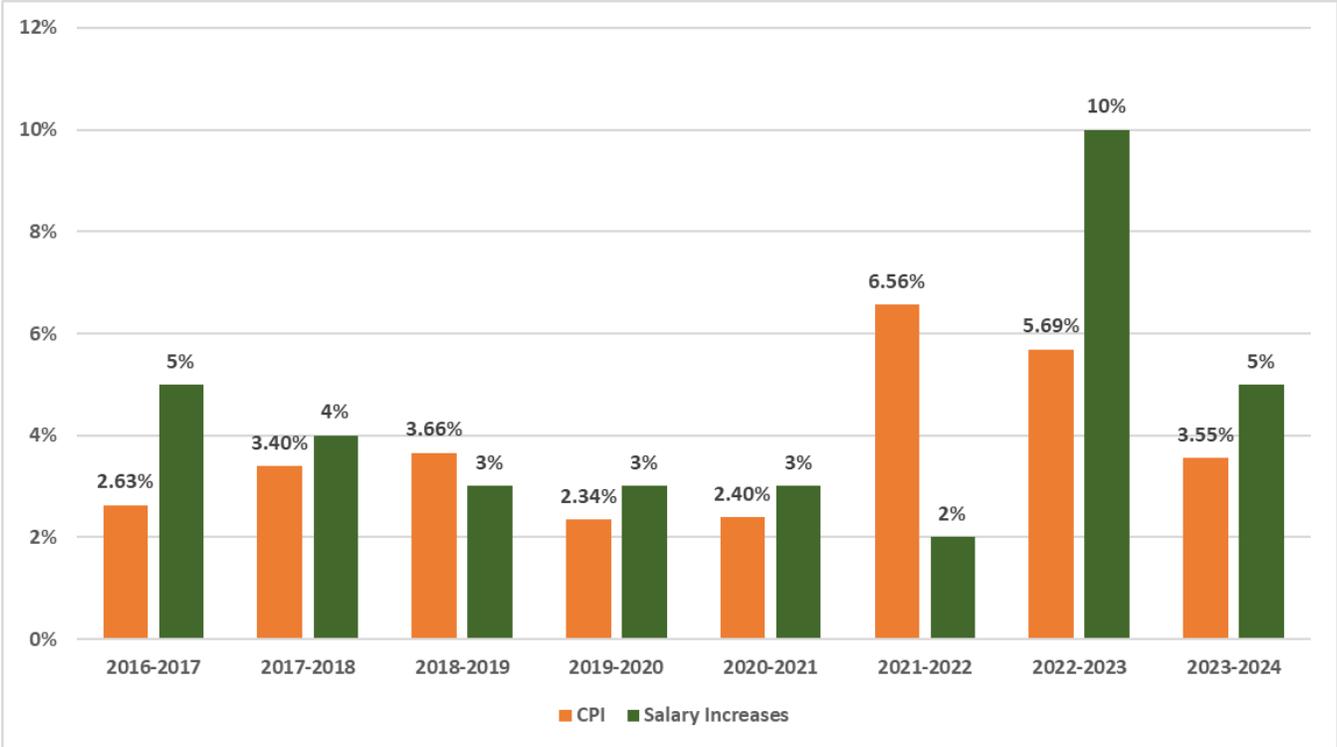


**Comparison of Cumulative Statutory COLA vs. SCCOE Salary Increases  
Fiscal Year 2016-2017 - 2023-2024**



- The Cumulative Statutory COLAs for fiscal year 2016-2017 through 2023-2034 totals 27.38%.
- The Cumulative SCCOE Salary Increases for fiscal year 2016-2017 through 2023-2024 totals 35%.
- SCCOE has provided 8% more in salary increases than the cumulative statutory COLAs over an 8-year period.

**Comparison of California Consumer Price Index (CPI) vs. Salary Increases  
Fiscal Year 2016-2017- 2023-2024**



**Comparison of Cumulative California Consumer Price Index (CPI) vs. SCCOE Salary Increases  
Fiscal Year 2016-2017 - 2023-2024**



- The Cumulative California Consumer Price Index (CPI) for fiscal year 2016-2017 through 2023-2034 totals 30.23%.
- The Cumulative SCCOE Salary Increases for fiscal year 2016-2017 through 2023-2024 totals 35%.
- SCCOE has provided 4.77% more in salary increases than the cumulative California Consumer Price Index (CPI) over an 8-year period.

**Summary of COVID Stipends Allocated to All Employees  
Fiscal Year 2020-2021 - 2021-2022**

<b>Stipend Allocation Date</b>	<b>One-Time Stipend Amount</b>
October 2020	\$500.00
January 2021	\$400.00
June 2021	\$550.00
October 2021	\$750.00
April 2022	\$500.00
<b>Total Stipends Allocated</b>	<b>\$2,700.00</b>

**Summary of Salary Increases for Paraeducators  
Fiscal Year 2022-2023 - 2023-2024**

Paraeducators received a salary increase of 10% and an additional 2.5% for fiscal year 2022-2023 for a total salary increase of 12.5% for fiscal year 2022-2023.

Paraeducators also received a salary increase of 5% and an additional 2.5% for fiscal year 2023-2024 for a total salary increase of 7.5% for fiscal year 2023-2024.

With both fiscal years combined, 2022-2023 and 2023-2024, paraeducators received a total salary increase of 20%.

<b>Fiscal Year</b>	<b>Salary Increases</b>		<b>Total Salary Increases by Fiscal Year</b>
2022-2023	10%	2.5%	12.5%
2023-2024	5%	2.5%	7.5%
<b>Total Salary Increases for Fiscal Year 2022-2023 and 2023-2024</b>			<b>20%</b>

**Summary of Salary Increases on Annual Salaries over a 6-year period  
Fiscal Years 2018-2019 - 2023-2024**

The average annual salary for an Opportunity Youth Academy (OYA) teacher has increased from \$132,372 in fiscal year 2018-2019 to \$180,864 in fiscal year 2023-2024, which is an increase of \$48,492 over a 6-year period. Salary increases total 26% over the past 6 fiscal years.

	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Total</b>
<b>Salary Increases*</b>	3%	3%	3%	2%	10%	5%	<b>26%</b>
<b>Average Annual Salary</b>	\$132,372	\$138,593	\$145,942	\$151,429	\$167,935	\$180,864	<b>N/A</b>
<b>Average Annual Salary Increase</b>	N/A	\$6,221	\$7,349	\$5,486	\$16,506	\$12,929	<b>\$48,492</b>

\*includes annual step and column

The average annual salary for an accountant has increased from \$87,601 in fiscal year 2018-2019 to \$109,287 in fiscal year 2023-2024, which is an increase of \$21,686 over a 6-year period. Salary increases total 26% over the past 6 fiscal years.

	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Total</b>
<b>Salary Increases*</b>	3%	3%	3%	2%	10%	5%	<b>26%</b>
<b>Average Annual Salary</b>	\$87,601	\$89,466	\$91,671	\$95,201	\$106,312	\$109,287	<b>N/A</b>
<b>Average Annual Salary Increase</b>	N/A	\$1,865	\$2,205	\$3,530	\$11,112	\$2,975	<b>\$21,686</b>

\*includes annual step and column

The average annual salary for a custodian has increased from \$49,438 in fiscal year 2018-2019 to \$66,006 in fiscal year 2023-2024, which is an increase of \$16,568 over a 6-year period. Salary increases total 26% over the past 6 fiscal years.

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total
<b>Salary Increases*</b>	3%	3%	3%	2%	10%	5%	<b>26%</b>
<b>Average Annual Salary</b>	\$49,438	\$50,906	\$53,350	\$55,210	\$63,625	\$66,006	<b>N/A</b>
<b>Annual Salary Increase</b>	N/A	\$1,468	\$2,444	\$1,860	\$8,415	\$2,381	<b>\$16,568</b>

\*includes annual step and column

### Summary of SCCOE Employer Paid Medical Plan Contribution Increases for Employee Medical Benefits - Fiscal Years 2018-2019 - 2023-2024

SCCOE's Employer Paid Medical Plan Contribution per employee for medical benefits has increased by \$7,578 or 49.25% over the past 6 years and is projected to increase by an additional \$384 or 2% in fiscal year 2024-25, which would total \$7,962 or 51.25% over 7 years.

Fiscal Year	SCCOE Employer Contribution Monthly	SCCOE Employer Contribution Annually	Increase in SCCOE Employer Contribution Monthly	Increase in SCCOE Employer Contribution Annually	Percentage Increase in SCCOE Employer Contribution
<b>2018-19</b>	\$1,071	\$12,852	N/A	N/A	N/A
<b>2019-20</b>	\$1,146	\$13,752	\$75	\$900	7%
<b>2020-21</b>	\$1,214	\$14,577	\$68	\$825	6%
<b>2021-22</b>	\$1,275	\$15,306	\$61	\$729	5%
<b>2022-23</b>	\$1,588	\$19,056	\$313	\$3,756	24.55%
<b>2023-24</b>	\$1,702	\$20,424	\$114	\$1,368	7.20%
<b>2024-25</b>	\$1,652	\$19,824	\$32	\$384	2%
<b>Total</b>	-	-	<b>\$663</b>	<b>\$7,962</b>	<b>51.25%</b>

SCCOE's Employer Paid Medical Plan Contributions made on behalf of employees allows them to access the following 4 medical plans at no cost to the employee:

- Anthem PPO HDHP
- Kaiser HMO
- Kaiser HMO Deductible
- Kaiser HMO HDHP

Additional SCCOE Employer paid benefits allow employees to access dental, vision and life insurance benefits at no cost to employees.

<b>Employer Paid Benefits</b>	<b>SCCOE Employer Contribution Monthly</b>	<b>SCCOE Employer Contribution Annually</b>
Delta Dental Buy Up	\$222.70	\$2,672.40
MES Vision	\$28.03	\$336.36
Life Insurance	\$2.50	\$30

The projected cost of employer paid health and welfare benefits is approximately \$23,462 annually per full-time employee.

The following enhancements have been made to improve the quality of dental and vision coverage provided to employees at no cost:

**Dental Benefit Enhancements:**

- Night guard coverage increased to \$500
- Calendar Year maximum increased to \$4000
- Orthodonture coverage at 100% up to \$5,000 lifetime
- Dental implants now covered

**Vision Benefit Enhancements:**

- Frame and contact lens allowance increased to \$300
- Progressive lenses covered in full
- LightCare (UV and Blue Light) now included in coverage

Additional benefits offered to employees at no cost include the following:

**New Fertility Benefits:**

- New fertility/family forming benefit with \$15,000 lifetime benefit per employee.

**Staff Wellness Benefits:**

- Employee Assistance Program (EAP) - Free counseling, legal services, Identity Monitoring and Recovery, Tobacco cessation, Work Life Services Consultations, resources & referrals (e.g. Parenting and child care, Adult care and aging concerns, Consumer education, Education and school selection, Health and wellness, Pet care and resources and Convenience Services.)

**New - Modern Health - Mental Health Resources**

- Access to online mental health resources coaching and counseling services.