CHIEF FISCAL OFFICERS MEETING
AGENDA
Friday, October 17, 2025
12:15 p.m. – 2:00 p.m.

12:15 p.m. – 2:00 p.m. CFO Meeting

1) **Introductions and What's New**
   a) **Additions to the agenda**
   b) **District Sharing**

2) **Reminders**
   a) **Interest due quarterly on federal funds if over $500. See CDE website for list of Federal Resources that may be EXCLUDED from the calculation. https://www.cde.ca.gov/fg/ac/co/reimbursableprograms.asp**
   b) **AB1200 Public Disclosure-include copy of Tentative Agreement (TA) and Multi-Year Projection (MYP) when submitting**
      - **Form should be signed by BOTH Superintendent and CBO before submitting**
      - **Disclosure of a settlement is required even if no salary/benefit change**
   c) **AB2197 disclosure required for non-voter approved debt**
   d) **Document wages charged to federal/state programs (CSAM Procedure 905: Personnel Activity Reports (PARs))**
      - **Please follow your LEA's policy**
   e) **Complete Admin-to-Teacher ratio form. (Retain for your audit records)**
   f) **Reconcile payroll liability accounts**
   g) **Abatements: Please notify your Business Advisor if you are abating revenues or expenditures. This will ensure that budgets and Cash Flow projections are accurate.**
      - **Reach out to your advisor if you are thinking about abating any revenue.**

3) **Date Reminders**
   a) **October 31st – First Interim Cutoff**
   b) **October 31st – 2nd Federal Cash Management Reporting Deadline**
   c) **Auditor Friday Closed Dates:**
      - **October 17th**
      - **October 31st**

4) **Technology**
   a) **IT Department Update**
   b) **Escape Update**

5) **Payroll**
   a) **AB 1997: STRS Creditable Compensation (Pgs. 3-25)**

6) **Accounts Payable**
   a) **2025 Holiday Accounts Payable Calendar (Pg. 27)**

7) **ESSCO**
   a) **One-time State Programs: Availability of Funds and Reporting Deadlines (Pgs. 29-30)**
   b) **SACS Redesign (Pgs. 31-36)**
   c) **Student Support Profession Development (SSPD) Block Grant Apportionment and Resource**

8) **Roundtable**
   a) **Holder in Due Course**
   b) **Annual Organizational Board Meetings (Ed. Code 35143)**

9) **Articles (Pgs. 37-48)**
   a) **SSC Fiscal Report… Navigating Fiscal Stability Amid Enrollment Decline**
   b) **SSC Fiscal Report… Childcare, Facilities, and Credentialing Bills Signed**
   c) **SSC Fiscal Report… Federal Government Enters Partial Shutdown**
   d) **SSC Fiscal Report… Position Control: The Fundamentals**
   e) **SSC Fiscal Report… Critical Deadlines and Funding Opportunities—October 10, 2025**

10) **Workshops/Webinars (Pgs. 49-52)**
   a) **SSC Webinars & Workshops**
   b) **CASBO Webinars & Workshops**
   c) **One-Time State Programs Webinar for SSPD – Monday, October 20th, at 2:00 PM**

11) **Next Meeting**
   a) **Wednesday, November 19th – Board Room/Zoom**

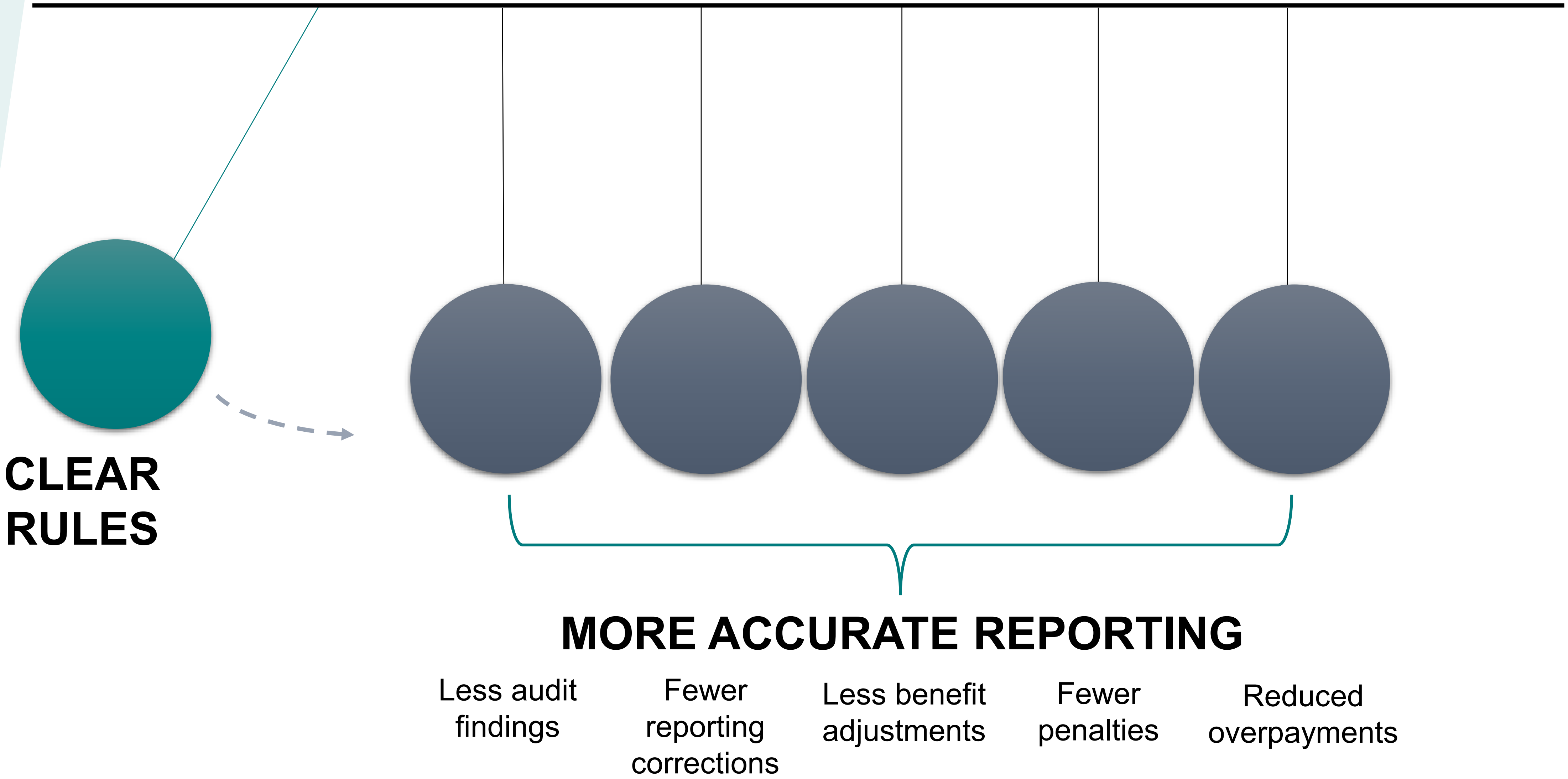
CALSTRS

AB 1997: What's changing?

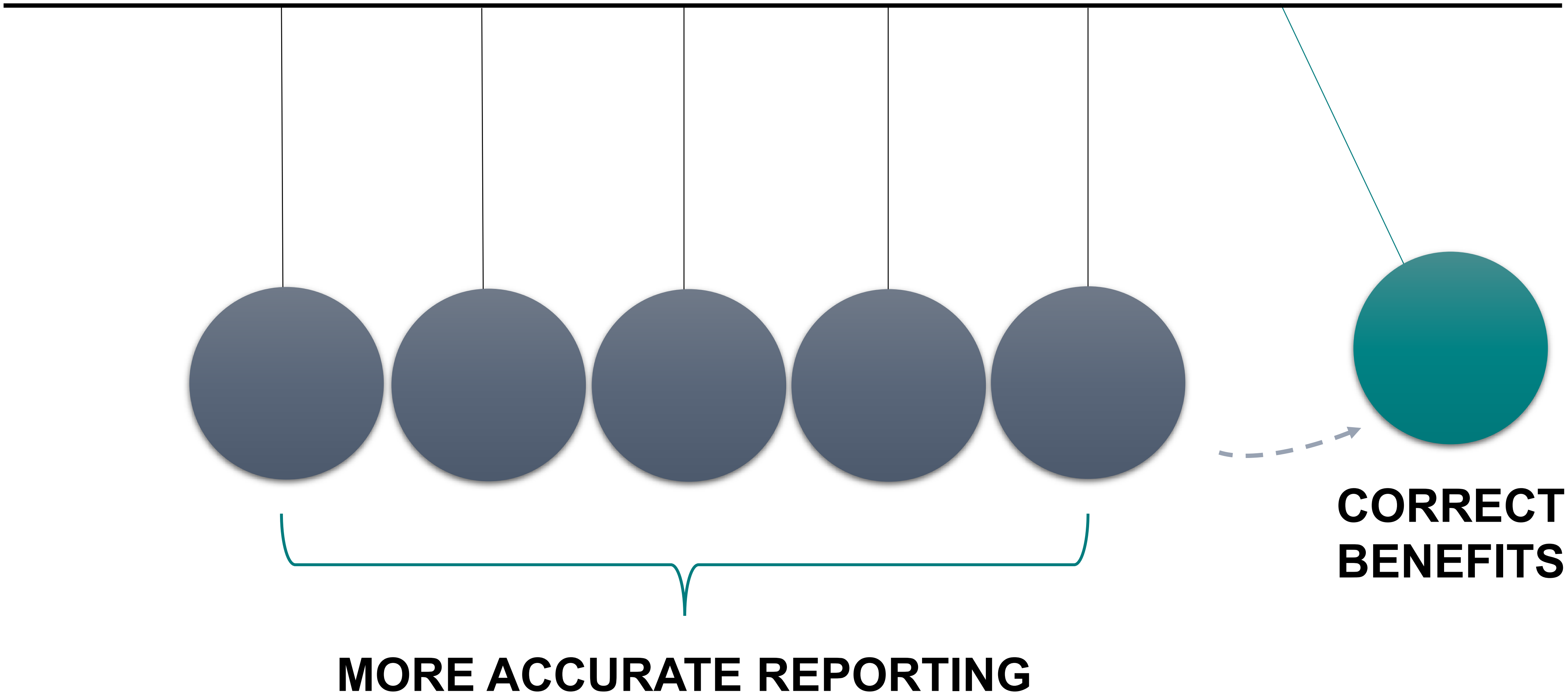
Meredith Bartles, Plan Design Specialist
John Maradik-Symkowick, Governmental Relations Manager

NOTE: This document is intended to be used solely to facilitate understanding of AB 1997. Under no circumstances should this document be used to report compensation to CalSTRS or for purposes of determining whether compensation has been reported accurately.

Simple and accurate reporting is the goal!



Simple and accurate reporting is the goal!



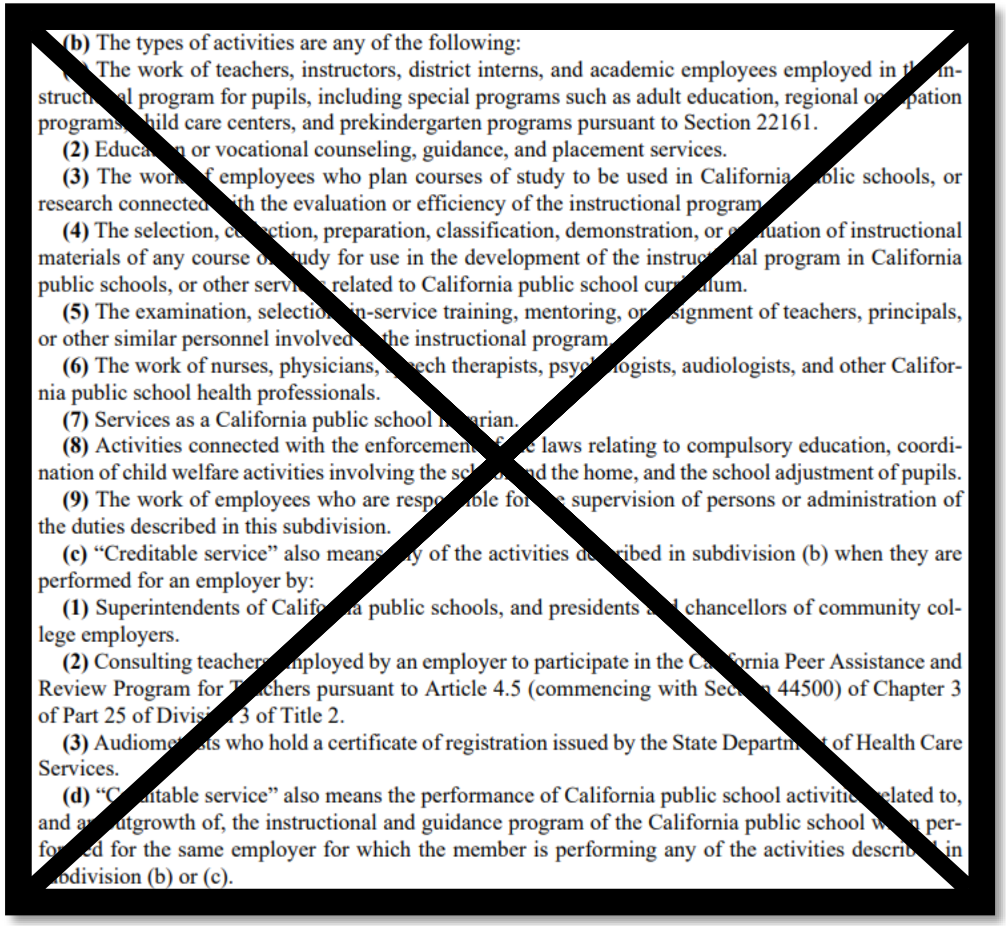
What changes does AB 1997 make?

- Redefines “creditable service” to mean service performed in a position subject to CalSTRS membership.
- Consolidates creditable compensation into three pay types.
- Clarifies that supplemental pay does not count towards final compensation, but it may create service credit or contributions to the Defined Benefit Supplement Program.
- Creates one definition of “creditable compensation” for both CalSTRS 2% at 60 and 2% at 62 members.
- Requires annualized pay rates and salary to be listed on a publicly available pay schedule and special pay to be listed on a publicly available agreement.
- Removes the requirement to return excess member contributions from the Defined Benefit Supplement Program.

Changes to “creditable service”

Simplifies “creditable service” definition

- List of creditable service activities is removed
- “Creditable service” is redefined to mean service in a position subject to membership


(b) The types of activities are any of the following:
[illegible] The work of teachers, instructors, district interns, and academic employees employed in t[illegible]in-structi[illegible]al program for pupils, including special programs such as adult education, regional o[illegible]pation programs[illegible]hild care centers, and prekindergarten programs pursuant to Section 22161.
(2) Educa[illegible]n or vocational counseling, guidance, and placement services.
(3) The wor[illegible]f employees who plan courses of study to be used in California [illegible]blic schools, or research connected [illegible]ith the evaluation or efficiency of the instructional program[illegible]
(4) The selection, c[illegible]ction, preparation, classification, demonstration, or e[illegible]luation of instructional materials of any course o[illegible]tudy for use in the development of the instruc[illegible]nal program in California public schools, or other servi[illegible] related to California public school cur[illegible]ulum.
(5) The examination, selectio[illegible]in-service training, mentoring, or [illegible]signment of teachers, principals, or other similar personnel involved [illegible] the instructional program.
(6) The work of nurses, physicians, [illegible]ech therapists, psy[illegible]logists, audiologists, and other California public school health professionals.
(7) Services as a California public school [illegible]arian.
(8) Activities connected with the enforcemen[illegible]e laws relating to compulsory education, coordination of child welfare activities involving the sc[illegible]d the home, and the school adjustment of pupils.
(9) The work of employees who are resp[illegible]ble fo[illegible] supervision of persons or administration of the duties described in this subdivision.
(c) “Creditable service” also means[illegible]y of the activities d[illegible]ribed in subdivision (b) when they are performed for an employer by:
(1) Superintendents of Calif[illegible]a public schools, and presidents [illegible] chancellors of community college employers.
(2) Consulting teacher[illegible]mployed by an employer to participate in the Ca[illegible]ornia Peer Assistance and Review Program for T[illegible]chers pursuant to Article 4.5 (commencing with Sec[illegible] 44500) of Chapter 3 of Part 25 of Divis[illegible] 3 of Title 2.
(3) Audiome[illegible]s who hold a certificate of registration issued by the State Departm[illegible] of Health Care Services.
(d) “C[illegible]itable service” also means the performance of California public school activitie[illegible]elated to, and a[illegible]utgrowth of, the instructional and guidance program of the California public school w[illegible]n performed for the same employer for which the member is performing any of the activities describ[illegible] in [illegible]bdivision (b) or (c).

Defines “position subject to membership”

Positions are identified as subject to CalSTRS membership based on requirements that depend on the employer type and the position.

TK-12 Districts & COEs

- In a certificated bargaining unit
- Certificated per governing body resolution

Charter Schools

- In a certificated bargaining unit
- Position requires CTC credential under Charter School Act

Community Colleges

- Based on minimum standards (like current statute)

Superintendents of CA public schools and positions held by members who elected coverage by the Defined Benefit Program are also positions subject to membership.

Positions that are not subject to membership

- Positions subject to membership <u>do</u> <u>not</u> include:
  - × Positions held by a person who has elected coverage in CalPERS
  - × Positions not employed by a CalSTRS employer
  - × Positions included in a noncertificated bargaining unit
- Employed in a position performing creditable service before July 1, 2027?
  - Members are still considered to hold a position subject to membership if they remain continuously employed in the same position.

Changes to “creditable compensation”

Consolidates “creditable compensation”

Pay types:

Salary → Annualized pay rate on a publicly available pay schedule

(as proposed)

Consolidates “creditable compensation”

Pay types:

Salary

Special pay

Paid exclusively for:

- Education

  (ex. Master’s stipend)

- Experience

  (ex. Stipend for 15+ years with district)

- Classification

  (ex. Additional % paid to all librarians)

(as proposed)

Consolidates “creditable compensation”

Pay types:

- Salary
- Special pay

<u>Base pay</u>

- Used to determine compensation earnable and final compensation
- Salary will create service credit up to one year

Consolidates “creditable compensation”

Pay types:

ation earnable
may create

Base pay requirements

- ✓ Paid for a position subject to membership up to the full-time equivalent
- ✓ Documented on a publicly available pay schedule or publicly available agreement
- ✓ Paid to everyone in a class of employees
- ✓ Not paid a limited number of times

Consolidates “creditable compensation” - continued

Pay types:

Salary

Special pay

<u>Base pay</u>

- Used to determine compensation earnable and final compensation
- Salary will create service credit up to one year

Supplemental pay

Not used to determine compensation earnable or final compensation

Will create service credit up to one year

Supplemental pay

Any compensation that is not included in base pay and is not expressly excluded under the law. Examples include:

- Hiring bonus
- Pay for teaching an extra period
- Yearbook Advisor stipend
- Lottery pay

Benefits of compensation changes

Changes	Benefits
All creditable compensation fits into one of three categories	Reduces the amount of analysis and number of decision points
Rules are generally the same for both CalSTRS 2% at 60 and 2% at 62 members	Easier for everyone to understand how pay will be treated for retirement purposes
Eliminates “paid each pay period” requirement for 2% at 62 members	Increases consistency and equity for all members

Example – compensation for part-time employment

- Jill is a CalSTRS member working as a part-time art teacher.
- Her union and employer recently reached a new contractual agreement that includes an off-salary schedule payment of $2,000.
- She also receives a quarterly stipend for an extra assignment as the yearbook advisor.

Example – current law

2% at 62 Members

Compensation	Pay Type	Earnings	Pay Rate	Service Credit (Earnings/Pay Rate)
Teaching	Salary	$39,000	$65,000	0.600
Off-Schedule Payment	Not Creditable	$2,000	N/A	N/A
Yearbook Stipend	Not Creditable	$2,400	N/A	N/A
Total				**0.600**

2% at 60 Members

Compensation	Pay Type	Earnings	Pay Rate	Service Credit (Earnings/Pay Rate)
Teaching	Salary	$39,000	$65,000	0.600
Off-Schedule Payment	Limited-Term Payment	$2,000	N/A	N/A – Pay creates contributions to DBS Program account
Yearbook Stipend	Salary – Outgrowth	$2,400	$65,000	0.037
Total				**0.637**

Example – AB 1997

All Members

Compensation	Pay Type	Earnings	Pay Rate	Service Credit
Teaching	Salary	$39,000	$65,000	0.600 (Earnings/Pay Rate)
Off-Salary Schedule Payment	Supplemental Pay	$2,000	N/A	0.031* (Earnings / Compensation Earnable)
Yearbook Stipend	Supplemental Pay	$2,400	N/A	0.037* (Earnings / Compensation Earnable)
Total				**0.668**

If Jill were employed on a full-time basis, her supplemental pay would create contributions to her DBS Program account instead.

* Supplemental pay service credit formula is earnings divided by compensation earnable.

Documentation is important!

- AB 1997 requires that:
  - Salary and annualized pay rates must be documented on a publicly available pay schedule
  - Special pay must be documented on a publicly available agreement
- Both terms will be defined in regulations, and CalSTRS will provide detailed training
- The way a members' compensation is documented tells CalSTRS how pay counts for pension purposes

Next steps – regulations and legislation

- ✓ Developing regulations to further clarify and define new terms

New Terms
Publicly available pay schedule
Publicly available agreement

Amended Existing Terms
Salary
Special pay (Remuneration in addition to salary)
Class of employees
Compensation paid a limited number of times

- ✓ Conforming legislation to align terms throughout TRL

Ex. Updating Cash Balance Benefit Program sections to align with AB 1997

Next steps – training and outreach

- ✓ Training for employers and other contract negotiators
  - ✓ Documentation training for contract negotiators – Early 2026
  - ✓ Training on reporting requirements – Late 2026
- ✓ Ongoing stakeholder education and outreach

Effective date for these changes – July 1, 2027

Additional resources

- AB 1997 statutory language:
  - Bill Text - AB-1997 Teachers’ Retirement Law
- Current proposed regulations language (subject to change):
  - Creditable Compensation Simplification Regulations
- CalSTRS Governmental Relations mailbox:
  - governmentalrelations@calstrs.com

ACCOUNTS PAYABLE 2025-2026
CHECK RUN HOLIDAY CALENDAR

(grey)	HOLIDAY/No check run
(green)	**Only** AP Check Pick Up
(yellow)	**Only** batches due to External by 10:00 AM
(blue)	**Both** AP Check Pick Up and Batch Release Day

Batches are due Tuesday & Friday
Check pick-up is Tuesday & Thursday

NOVEMBER						
S	M	T	W	Th	Fr	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Tuesday November 11 is a holiday, there will be no check run. Check pick up will be Wednesday November 12
The last run before Thanksgiving break will be November 25 for Decemeber 2 check pick-up.

DECEMBER						
S	M	T	W	Th	Fr	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

The last run before winter break will be December 16 for December 18 check pick-up.

JANUARY						
S	M	T	W	Th	Fr	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

The first run back after winter break will be January 6 for January 8 check pick-up.

FEBRUARY						
S	M	T	W	Th	Fr	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

There is no check run on February 20 due to a holiday.

One-time State Programs: Availability of Funds and Reporting Deadlines

Program	Statute	Availability	Reporting Deadlines
A–G Completion Improvement Block Grant	EC Section 41590	Expended by 6/30/2026	Final report is due on or before 9/30/2026.
Arts, Music, and Instructional Materials Discretionary Block Grant	Section 100 of SB 153 (Ch. 38, 2024)	Expended by 6/30/2026	Final report is due on or before 9/30/2026. Charter schools that close before 6/30/2026: Final report due within 60 days of ceasing operations.
Educator Effectiveness Block Grant	EC Section 41480	Expended by 6/30/2026	Annual reports are due September 30 each year. Final report is due on 9/30/2026.
Learning Recovery Emergency Block Grant	EC Section 32526; EC Section 52064.4	Expended by 6/30/2028	Charter schools closing before 12/15/2029: Final report is due within 60 days of ceasing operations. Funds must be included in the LCAP, or annual update to the plan, for the period of July 1, 2025, to June 30, 2028.
Literacy Coaches and Reading Specialists, 2022–23	Section 137 of AB 181 (Ch. 52, 2022)	Encumbered by 6/30/2027	Annual reports are due September 30 each year. Final report is due on 6/30/2027.

Literacy Coaches and Reading Specialists, 2023–24	Section 104 of SB 114 (Ch. 48, 2023)	Encumbered by 6/30/2028	Annual reports are due September 30 each year. Final report is due on 6/30/2028.
Literacy Coaches and Reading Specialists, 2025–26	EC Section 53009(b)	Encumbered by 6/30/2029	Annual reports are due September 30 each year. Interim report is due on 6/30/2027. Final report is due on 6/30/2029.
Literacy Instruction Professional Development	EC Section 33319.6; Sections 15 and 83 of AB 121 (Ch. 8, 2025)	Expended by 6/30/2030	Final report is due on 9/1/2029.
Literacy Screenings Professional Development, 2024–25	Section 117 of SB 153 (Ch. 38, 2024)	N/A	No reporting requirements in statute.
Literacy Screenings Professional Development, 2025–26	Section 88 of AB 121 (Ch. 8, 2025)	N/A	No reporting requirements in statute.
Student Support and Professional Development Discretionary Block Grant	Section 81 of AB 121 (Ch. 8, 2025)	Expended by 9/30/2029	Final report is due by 9/30/2029. Charter schools that close before 6/30/2029: Final report due within 60 days of ceasing operations.

SACS Forms Redesign

Project Description

School Fiscal Services Division (SFSD) and the California School Information Services (CSIS) of Fiscal Crisis Management & Assistance Team (FCMAT) are undertaking a redesign of the forms and reports generated by the Standardized Account Code Structure (SACS) Web financial reporting system to ensure compliance with standards for accessibility by people with disabilities. The redesign work relies on the following resources:

- Federal guidelines published in Section508.gov
- Web Content Accessibility Guidelines (WCAG)
- California Department of Education (CDE) Accessibility Guidelines

Scope

There are approximately 70 fund forms and 60 supplemental forms and reports, when counting all reporting period variations and adjustments based on the type of the local educational agency.

Each form is available in the following formats:

1. User Interface (SACS Web users)
2. Export to Excel (SACS Web users, plus any custom use by the LEA)
3. Export to PDF (SACS Web and SACS Data Viewer users)

The redesign impacts all formats. Accessibility requirements differ by type; generally, there are more options for accessible design in the user interface than the PDF format.

SFSD believes that there are some forms that are not being used in the Excel version and will send out a survey to confirm.

Timeline

It is anticipated that the design work will be completed between July 2025 and June 2027.

Key Changes

There are multiple requirements and best practices associated with accessibility. The main ones that affect the look and useability of SACS forms are as follows:

1. The required increase in font size results in longer documents; the desired content can only fit on legal size paper. PDF settings do allow individual users to print the content to fit the page, including standard, letter-size paper. The September 29,

2025 prototype for Form SIAA below is designed in 10-point font on a legal-size sheet.

2. The accessibility standards encourage simple tables with one header row which works for Form SIAA but does not work for most fund forms and some supplemental forms that display sub-categories of items.
3. CDE standards as well accessibility requirements require spelling out of acronyms on first use.
4. Space considerations also mandate reduction of content on page headers and footers. To accommodate this (and item 3 above) but still provide necessary context, the design team proposes to use a cover page for each form.
5. Accessibility standards require that users are provided multiple ways of navigation; therefore, some forms (not SIAA) will include table of contents.

Blank District Form
(may contain zeros) County

Budget, July 1
2022-23 Estimated Actuals
SUMMARY OF INTERFUND ACTIVITIES
FOR ALL FUNDS

Form SIAA
0000000000(2023-24)

Description	Direct Costs - Interfund Transfers In 5750	Direct Costs - Interfund Transfers Out 5750	Indirect Costs - Interfund Transfers In 7350	Indirect Costs - Interfund Transfers Out 7350	Interfund Transfers In 8900-8929	Interfund Transfers Out 7600-7629	Due From Other Funds 9310	Due To Other Funds 9610
01 GENERAL FUND								
Expenditure Detail	0.00	0.00	0.00	0.00				
Other Sources/Uses Detail					0.00	0.00		
Fund Reconciliation							0.00	0.00
08 STUDENT ACTIVITY SPECIAL REVENUE FUND								
Expenditure Detail	0.00	0.00	0.00	0.00				
Other Sources/Uses Detail					0.00	0.00		
Fund Reconciliation							0.00	0.00
09 CHARTER SCHOOLS SPECIAL REVENUE FUND								
Expenditure Detail	0.00	0.00	0.00	0.00				
Other Sources/Uses Detail					0.00	0.00		
Fund Reconciliation							0.00	0.00
10 SPECIAL EDUCATION PASS-THROUGH FUND								
Expenditure Detail								
Other Sources/Uses Detail								
Fund Reconciliation							0.00	0.00
11 ADULT EDUCATION FUND								
Expenditure Detail	0.00	0.00	0.00	0.00				
Other Sources/Uses Detail					0.00	0.00		
Fund Reconciliation							0.00	0.00
12 CHILD DEVELOPMENT FUND								
Expenditure Detail	0.00	0.00	0.00	0.00				
Other Sources/Uses Detail					0.00	0.00		
Fund Reconciliation							0.00	0.00
13 CAFETERIA SPECIAL REVENUE FUND								
Expenditure Detail	0.00	0.00	0.00	0.00				
Other Sources/Uses Detail					0.00	0.00		
Fund Reconciliation							0.00	0.00
14 DEFERRED MAINTENANCE FUND								
Expenditure Detail	0.00	0.00						
Other Sources/Uses Detail					0.00	0.00		
Fund Reconciliation							0.00	0.00
15 PUPIL TRANSPORTATION EQUIPMENT FUND								
Expenditure Detail	0.00	0.00						
Other Sources/Uses Detail					0.00	0.00		
Fund Reconciliation							0.00	0.00
17 SPECIAL RESERVE FUND FOR OTHER THAN CAPITAL OUTLAY								
Expenditure Detail								
Other Sources/Uses Detail					0.00	0.00		
Fund Reconciliation							0.00	0.00
18 SCHOOL BUS EMISSIONS REDUCTION FUND								
Expenditure Detail	0.00	0.00						
Other Sources/Uses Detail					0.00	0.00		

Form SIAA - Summary of Interfund Activities - Actuals

2024-25 Estimated Actuals for All Funds

Local Educational Agency (LEA): **Los Angeles County Office of Education**
County Name: **Los Angeles**
Fiscal Year and Reporting Period: **2025–26 Budget, July 1**

County District School (CDS) Number: **19 10199 0000000**
Dataset Submission Number: **G8BWTBK35P (2025-26)**

California Department of Education (CDE)
Standardized Account Code Structure (SACS) Web financial reporting system, Version (V) 13
Form: **SIAA, Version 8**

Note: This document has been formatted for legal size paper, which measures **8.5 inches by 14 inches.**
Please adjust the printer's settings to the "Legal" paper size before printing.

Printed: **7/18/2025 2:57 PM**

Description	Direct Costs - Interfund Transfers In 5750 Expenditure	Direct Costs - Interfund Transfers Out 5750 Expenditure	Indirect Costs - Interfund Transfers In 7350 Expenditure	Indirect Costs - Interfund Transfers Out 7350 Expenditure	Interfund Transfers In 8900-8929 Other Sources/Uses	Interfund Transfers Out 7600-7629 Other Sources/Uses	Due From Other Funds 9310 Fund Reconciliation	Due To Other Funds 9610 Fund Reconciliation
01 General Fund	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
08 Student Activity Special Revenue Fund	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
10 Special Education Pass-Through Fund							(44,444,444,444.44)	(44,444,444,444.44)
11 Adult Education Fund	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
12 Child Development Fund	(44,444,444,444.44)	(44,444,444,444.44)			(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
13 Cafeteria Special Revenue Fund	(44,444,444,444.44)	(44,444,444,444.44)			(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
14 Deferred Maintenance Fund	(44,444,444,444.44)	(44,444,444,444.44)			(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
15 Pupil Transportation Equipment Fund	(44,444,444,444.44)	(44,444,444,444.44)			(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
17 Special Reserve Fund For Other Than Capital Outlay	(44,444,444,444.44)	(44,444,444,444.44)			(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
18 School Bus Emissions Reduction Fund	(44,444,444,444.44)	(44,444,444,444.44)			(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
20 Special Reserve Fund For Postemployment Benefits	(44,444,444,444.44)	(44,444,444,444.44)			(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)

Description	Direct Costs - Interfund Transfers In 5750 Expenditure	Direct Costs - Interfund Transfers Out 5750 Expenditure	Indirect Costs - Interfund Transfers In 7350 Expenditure	Indirect Costs - Interfund Transfers Out 7350 Expenditure	Interfund Transfers In 8900-8929 Other Sources/Uses	Interfund Transfers Out 7600-7629 Other Sources/Uses	Due From Other Funds 9310 Fund Reconciliation	Due To Other Funds 9610 Fund Reconciliation
21 Building Fund	(44,444,444,444.44)	(44,444,444,444.44)			(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
35 County School Facilities Fund	(44,444,444,444.44)	(44,444,444,444.44)			(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
40 Special Reserve Fund For Capital Outlay Projects	(44,444,444,444.44)	(44,444,444,444.44)			(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
61 Cafeteria Enterprise Fund	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)
67 Self-Insurance Fund	(44,444,444,444.44)	(44,444,444,444.44)			(44,444,444,444.44)		(44,444,444,444.44)	(44,444,444,444.44)
71 Retiree Benefit Fund							(44,444,444,444.44)	(44,444,444,444.44)
76 Warrant/Pass-Through Fund							(44,444,444,444.44)	(44,444,444,444.44)
95 Student Body Fund							(44,444,444,444.44)	(44,444,444,444.44)
Total	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)	(44,444,444,444.44)

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Navigating Fiscal Stability Amid Enrollment Decline

BY BRIANNA GARCÍA

BY LINETTE HODSON

posted October 15, 2025

California's public TK-12 schools continue to face structural deficits for a variety of reasons—from declining enrollment to lower state funding. While transitional kindergarten enrollment grew by 17%, reaching nearly 178,000 students, this increase has not offset losses in later grades. Behind enrollment figures lies a more complex fiscal story. Many local educational agencies (LEAs) are experiencing structural deficits, where ongoing expenditures exceed revenues. Although some LEAs have designated a portion of their fund balances as a "stabilization set-aside," few have formalized plans that outline how those funds will be used or how they will address deficit spending. This reality underscores the importance of developing and adopting fiscal stabilization plans to ensure long-term financial health and accountability.

A fiscal stabilization plan serves as both a roadmap and accountability framework for fiscal recovery. LEAs should begin the process by engaging leadership teams, boards, and labor and community partners to establish priorities and accurately assess the scale of their structural deficits. From there, multiyear projections and a multiyear plan to solvency are developed, incorporating strategies such as staffing realignment, program redesign, and tighter fund contribution controls. Each plan should align with the LEA's priorities while maintaining transparency and fiscal discipline.

To formalize this commitment, adopting a board resolution is essential. A strong resolution defines the purpose and amount of stabilization assignments, sets conditions for their use, and establishes a schedule for regular implementation reporting. Such transparency not only fosters community trust but also strengthens a county office of education's confidence in an LEA's fiscal management and certification, as applicable. LEAs are encouraged to adopt fiscal stabilization plans as soon as reasonable to maintain momentum and fiscal stability heading into the interim budget cycle.

To support this effort, our upcoming Declining Enrollment—Operational Strategies webinar, presented in partnership with the Fiscal Crisis and Management Assistance Team (FCMAT), will offer guidance on addressing the fiscal and operational challenges of declining enrollment. The webinar will provide practical strategies, sample templates, and examples from peer districts, along with insights into facilities management, staffing implications, and communication planning. By combining thoughtful fiscal strategy with informed operational practices, LEAs can not only weather current enrollment declines and reduced funding but also lay a strong foundation for long-term fiscal resilience. You can register here.

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Childcare, Facilities, and Credentialing Bills Signed

BY KYLE HYLAND

posted October 8, 2025

With his October 13, 2025, deadline quickly approaching, Governor Gavin Newsom has been busy over the last couple of weeks signing and vetoing legislation. Newsom has acted on a number of significant TK-12 legislation, including measures on childcare, facilities, and credentialing. Below, we summarize the bills that have been signed into law and those that have been vetoed.

TK-12 Bills Signed Into Law

Assembly Bill (AB) 361 **(Schultz, Statutes of 2025)—Best Value Procurement: School Districts.** This bill permanently authorizes the Los Angeles Unified School District to use the best value procurement method and establishes a pilot program authorizing all other districts and county offices of education (COEs) to use best value procurement for construction projects over $1 million until December 31, 2030.

AB 503 **(González, Statutes of 2025)—School Facilities: Civic Center Act: Direct Costs.** This bill is an urgency measure that permanently restores provisions of the Civic Center Act, allowing school districts to continue recovering direct costs for the use of nonclassroom school facilities and grounds by eligible organizations.

AB 677 **(Bryan, Statutes of 2025)—Pupil Records and Health: Pupils Experiencing Homelessness: Directory Information and Reporting.** This bill authorizes directory information of a student identified as a homeless child or youth to be disclosed to facilitate an eye examination by a nonprofit eye examination provider or a free oral health assessment hosted by schools, unless the parent or student accorded parental rights has provided written notice to the school that they do not consent to the physical examination.

AB 752 **(Ávila Farías, Statutes of 2025)—Child Daycare Facilities.** This bill provides that a daycare center that is co-located with multifamily housing shall be considered a residential use of property and a use by right.

AB 753 **(Garcia, Statutes of 2025)—Childcare: Facility Licensure: Teacher Requirements.** This bill is an urgency measure that authorizes the Commission on Teacher Credentialing (CTC) to issue an assistant teacher permit that authorizes the permit holder to assist in the care, development, and instruction of children, subject to specified supervision requirements and qualifications.

AB 959 **(Hadwick, Statutes of 2025)—Teacher Credentialing: Administrative Services Credential: Internship Program.** This bill authorizes a COE, a school district, or a regionally accredited institution of higher education to offer a one-year internship program for candidates for a preliminary administrative credential, and requires the CTC to examine its preservice, professional development, and supervision requirements for these internship programs when it next considers administrative services credential pathways.

AB 1123 **(Muratsuchi, Statutes of 2025)—Commission Teacher Credentialing: Membership.** This bill modifies the composition of the CTC to allow for early childhood education representation without expanding the total number of commissioners.

AB 1255 **(Committee on Education, Statutes of 2025)—Pupil Instruction: Newcomer Pupils: Migrant Education: Migrant Regions.** This bill is an urgency measure that modifies the definition of a "migrant region" related to services for migrant children to be comprised of COEs rather than geographical counties and permits consideration of the inclusion of materials to meet the needs of newcomer students in the next adoption of instructional materials in English language arts and English language development.

Senate Bill 792 **(Arreguín, Statutes of 2025)—Childcare.** This bill amends the definition of attendance at a childcare and development facility for purposes of reimbursement, aligns the income cap for disenrollment from subsidized childcare programs with the income eligibility cap, and extends the family fee exemption for children who are recipients of child protective services or at risk of neglect or abuse to align with 24-month eligibility.

All the above bills will take effect on January 1, 2026, except AB 503, AB 753, and AB 1255, which, as urgency measures, took effect immediately upon the Governor's signature.

TK-12 Bills Vetoed

AB 86 **(Boerner, D-Encinitas)—Instructional Materials: Health Education.** This bill would have required the State Board of Education to adopt instructional materials for health education for kindergarten and grades 1 to 8, inclusive, on or before July 1, 2028.

> The Governor's veto message in part states: "The Budget Act of 2025 authorized a Curriculum Guidance Study to evaluate and improve the current state-level curriculum guidance adoption process to improve efficiency and consistency across all content areas. Proposals like AB 86 should only be considered after this study is complete and changes to the process are adopted . . ."

AB 699 **(Stefani, D-San Francisco)—Elections: Local Tax Measures.** This bill would have allowed a local election official to include on the ballot label, for certain tax or bond measures, a statement directing voters to the county voter information guide for required tax rate information in lieu of providing the information directly on the ballot label.

The Governor's veto message in part states: "While I appreciate the author's intent to provide local agencies with the flexibility to select an alternative tax rate disclosure option, I am concerned that this bill, as drafted, will reduce transparency for local tax and bond measures."

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Federal Government Enters Partial Shutdown

BY KYLE HYLAND

posted October 1, 2025

The new federal fiscal year began today, October 1, 2025, but with Congress unable to approve the 12 budget spending bills or a continuing resolution (CR), a partial government shutdown has been triggered. On September 19, 2025, the House approved H.R. 5371 to extend funding through November 21 while delaying cuts to Medicaid and hospital reimbursements, but the measure failed in the Senate by a 44-48 vote. Democrats oppose the "clean CR" because it does not extend enhanced Affordable Care Act premium subsidies, and it does not undo recent Medicaid cuts that were enacted in the reconciliation bill approved on July 4, 2025. A small number of Republicans in the Senate also withheld support, leaving the bill far short of the 60 votes required for cloture. With no alternative in place, federal agencies have entered a lapse in appropriations.

For TK-12 education, the immediate exposure is limited, as major formula programs such as Title I and Individuals with Disabilities Education Act (IDEA) are forward-funded. These programs issue allotments beginning July 1 for the upcoming school year, and an additional disbursement is made October 1, meaning most local educational agencies (LEAs) already have their baseline allocations for the 2025-26 school year and can maintain staffing and programmatic obligations in the near term. Likewise, the U.S. Department of Agriculture holds sufficient reserves to maintain school meal reimbursements through a short-term shutdown.

Still, some federal funding streams and operations are vulnerable. Impact Aid is not forward-funded, and first-quarter payments are typically issued at the start of the fiscal year. Any delay in those disbursements may introduce cash-flow stress for districts that depend heavily on Impact Aid—particularly in military-connected or tribal communities.

The U.S. Department of Education's (ED) contingency plan outlines how federal operations and grant activities will be constrained during the lapse. According to the plan, approximately 95% of non-Federal Student Aid Department personnel would be furloughed in the first week, leaving only a small team working under "excepted" or "exempt" authority. The ED will continue to disburse Pell Grants and direct student loans, since those programs draw on mandatory or multiyear appropriations and carryover funds. Similarly, already-awarded Title I and IDEA funds remain accessible, and grantees may continue to draw down from existing grants.

However, new grantmaking is suspended during the lapse. The ED will pause application reviews, award decisions, technical assistance, regulatory work, and Office for Civil Rights investigations unless they qualify as "excepted" or otherwise-funded activity. As a result, LEAs planning to launch new discretionary or competitive grant-funded projects this fall may face delays until appropriations are restored.

The contingency plan also allows for limited continuation of certain programs funded through advance or multiyear appropriations. The plan notes that 17 non-mandatory programs hold carryover funds or advance appropriations from fiscal year 2025 and may be able to maintain obligations and payments during a short shutdown, to the extent that failure to do so would "significantly damage" the execution of educational operations.

In the area of early childhood education, the same constraints apply: Head Start providers with existing awards may continue operations under currently obligated funds, but new awards or renewals with project periods that begin October 1 cannot be obligated during the lapse. Those programs face the risk of temporary service interruption until appropriations resume.

The severity of operational disruptions will depend on the duration of the shutdown. A short-term lapse would lead primarily to delays in new grants, Impact Aid payments, and limited disruption in new program initiatives. A prolonged shutdown, however, would increase fiscal strain on LEAs with heavy reliance on non-forward-funded programs, threaten timely implementation of new initiatives, and heighten uncertainty for LEA budgeting and planning.

We will continue to follow negotiations between Congress and the President as the shutdown moves forward. History offers a clear precedent: the longest government shutdown in U.S. history, which lasted 35 days during President Trump's first term, furloughed roughly 800,000 federal employees or required them to work without pay. That standoff ended only after lawmakers approved a short-term CR to reopen federal agencies while broader budget talks continued. A similar stopgap agreement remains the most likely outcome for the current impasse, though the timeline and negotiations are still uncertain. Stay tuned.

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Position Control: The Fundamentals

BY DANYEL CONOLLEY

BY MATT PHILLIPS, CPA posted September 25, 2025

Maintaining an effective position control system is imperative because it is the mechanism that ensures internal control and fiscal responsibility within a local educational agency (LEA). Statewide data reflects that personnel expenditures are approximately 80% of an LEA's General Fund budget, and arguably, position control is the most important responsibility within the human resources (HR) and business services departments. It is also common for position control to be a point of challenge between HR and business services, as the departments may struggle to achieve the goal of an effective position control system that produces accurate budget, staffing, and payroll data.

When problems are complicated, it helps to start with the fundamental concepts and, in this case, we begin with defining position control. Position control, when fully functioning, is a system that drives payroll, ensures accurate budgetary estimates, and produces staffing records that align with actual personnel employed by the LEA. Assessing practices to determine how position control is functioning can be addressed by considering certain core areas: HR and business services roles and responsibilities; database management; and personnel requisitions.

In addition to fiscal control and responsibility, there are other reasons why we need position control, and some of those data points are illustrated below:

Staffing Control	• Management of staffing levels • Class size management and master scheduling • Determination of positions funded with special funding • Local Control and Accountability Plan monitoring—staffing expenditures
Collective Bargaining	• Cost of 1% • Step and column movement
Reductions in Force	• Seniority list development (employee data) • Estimates of full-time equivalents • Development of bumping and displacement charts

With the complicated fiscal circumstances on the horizon, LEAs will be faced with producing many of the data points in the figure above. Absent a well-functioning position control system, the compilation of the data points will be more labor intensive.

The upcoming webinar, Position Control—The Fundamentals, is presented from the HR and business services perspective and focuses on establishing a common understanding of position control concepts, identifying roles and responsibilities in LEAs of all sizes, and database management practices to develop and strengthen internal control. Finally, we close with a discussion about creating a culture of accountability between HR and business services. This webinar is most effective when both HR and business staff attend together.

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Critical Deadlines and Funding Opportunities—October 10, 2025

BY WENDI MCCASKILL
BY TEDDI WENTWORTH

posted October 10, 2025

(New items, if any, are listed in bold so you can see at a glance what has been added.)

Critical Deadlines—Reporting or Action Dates	
Issue	**Deadline**
• County Office of Education (COE) Adopts Gann Resolution (Education Code Section [EC §] 1629)	10/15/25

• Unaudited Actual Data, Including Gann, Due to SSPI
  ◦ COE Unaudited Actual data, including Gann,[1] due to SSPI (EC § 1628 and Government Code Section [GC §] 7907[h])
  ◦ After reviewing for accuracy, COE transmits district and charter school Unaudited Actual data, including Gann,[2] to SSPI (EC § 42100[a] and GC § 7906[f])
	10/15/25

• Tentative Disapproved District Budgets ◦ COE must notify SSPI of district budgets which may be disapproved (EC § 42127[e])	10/22/25

• Federal Cash Management Data Collection
  ◦ Cash balance to be reported regardless of the fiscal year (FY) from which the funds originated
  ◦ Reporting Period 2 Start Date: October 10
	10/31/25

• Disapproved Budgets ◦ COE notifies SSPI of disapproved district budgets or budget review committees waived (EC § 42127[g])	11/8/25
• **Fall 1 Certification Deadline** ◦ **All records submitted as part of the Fall 1 reporting period in the California Longitudinal Pupil Achievement Data System must be certified**	**12/12/25**

[1]Gann filing date administratively determined by the California Department of Education (CDE)

Plan/Report—Deadlines		
Plan	**Link to Plan Template/More Information**	**Deadline**
Expanded Learning Opportunities Program Plan	https://www.cde.ca.gov/ls/ex/elopinfo.asp#programplan	Program Plan: N/A Expenditure Report Fiscal Year (FY) 2024-25 Funding: By 9/30/26—Report final expenditures to CDE Fiscal Year (FY) 2025-26 Funding: By 9/30/27—Report final expenditures to CDE
ESSER[1] III Quarterly and Annual	https://www.cde.ca.gov/fg/cr/anreporthelp.asp	Various—https://www.cde.ca.gov/fg/cr/reporting.asp
Homeless Children and Youth II Fund	https://www.cde.ca.gov/fg/cr/reporting.asp	Various—https://www.cde.ca.gov/fg/cr/reporting.asp

Arts, Music, and Instructional Materials Discretionary Block Grant	Assembly Bill 181 Section 134	Discuss and approve a plan for expenditure; no specified deadline
Home-to-School Transportation	EC § 39800.1	Develop and adopt a plan on or before 4/1/23, and update annually thereafter
Literacy Coaches and Reading Specialist Grant Program	Senate Bill 114 Section 104 Section 115 EC § 53009	Fiscal Year (FY) 2022-23 Funding: CDE-required annual report due by 9/30 each year through 9/30/26 By 6/30/27—Report final expenditures to CDE FY 2023-24 Funding: CDE-required annual report due by 9/30 each year, beginning with 9/30/24, through 9/30/27 By 6/30/28—Report final expenditures to CDE FY 2025-26 Funding: By 6/30/27—Report interim expenditures to CDE By 6/30/29—Report final expenditures to CDE

Proposition 28: Arts and Music in Schools Funding Guarantee and Accountability Act	https://www.cde.ca.gov/eo/in/prop28artsandmusicedfunding.asp https://www.cde.ca.gov/eo/in/documents/prop28ayearataglance.pdf	FY 2024-25 Annual reporting for 2024-25 closes on the Arts and Music in Schools Portal on 9/30/26
Kitchen Infrastructure and Training	Assembly Bill 121 Section 64	By 6/30/26—Report use of funds to CDE
Student Support and Professional Development Discretionary Block Grant	Assembly Bill 121 Section 81	By 9/30/29—Report final expenditures to CDE

[1]Elementary and Secondary School Emergency Relief

Funding Opportunities (For program website, click program name)		
Description	**Amount**	**Deadline**
21st Century Community Learning Centers Supplemental Funding	**\$50,000, \$100,000, or \$150,000**	**10/31/25**
Unemployment Insurance Management System	**Various**	**11/1/25**
CalWORKs: California Work Opportunity and Responsibility to Kids 2025-26	**Various**	**11/14/25**
California Serves Grant Program	**\$500,000**	**12/1/25**
Tobacco-Use Prevention Education Program Proposition 56 Expenditure Report	**Various**	**12/31/25**

School Services of California Inc.™
An Employee-Owned Company

Workshop Spotlight - October 10, 2025

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UPCOMING WORKSHOPS

Workshop	Date(s) and Locations	
Position Control—The Fundamentals	Oct. 21, 2025	Webinar
Declining Enrollment—Operational Strategies	Nov. 4, 2025	Webinar
Planning for Reductions in Force	Dec. 2, 2025	Webinar
LCAP—From Accountability to Compliance	Dec. 9, 2025	Webinar
Governor's Budget Workshop	Jan. 20, 2026	SAFE Credit Union Convention Center, Sacramento
	Jan. 22, 2026	Hyatt Regency Orange County

If you are interested in a topic, but are unable to attend the live webinar, all of our webinars are recorded and available for on-demand viewing for 90 days. SSC can also bring the workshop to your district or county office of education. Go to the Workshop page on our website and “Request A Workshop.”

Forward to a Colleague

- **CBO Professional Roundtable | 10-17-2025**
  17 October 2025
- **San Diego/Imperial Section 2025 Fall Education Event**
  17 October 2025
- **Shasta Cascade Section 2025 Fall Education Event**
  17 October 2025
- **CalSTRS/CalPERS: Retirement Concepts -10/21/2025 - Virtual**
  21 October 2025
- **Tri-Counties Section 2025 Fall Education Event**
  21 October 2025
- **Human Resources Professional Roundtable | 10-22-2025**
  22 October 2025
- **Purchasing & Procurement Basics Micro-Certificate | 10-23-2025 (Sacramento)**
  23 October 2025
- **AI in School Business Professional Roundtable | 10-24-2025**
  24 October 2025
- **North Bay Section 2025 Fall Education Event**
  24 October 2025
- **Accounts Payable Essentials - 10/28/2025 - Virtual**
  28 October 2025
- **Accounts Payable Professional Roundtable | 10-28-2025**
  28 October 2025
- **Payroll Compliance & Calendar Year-End Reporting - 10/30/2025 - Virtual**
  30 October 2025
- **Vendor Reporting Concepts - 10/31/2025 - Virtual**
  31 October 2025
- **Advanced Budgeting - 11/04/2025 - Virtual**
  4 November 2025
- **Small Districts Professional Roundtable | 11-04-2025**
  4 November 2025
- **Special Education Professional Roundtable | 11-05-2025**
  5 November 2025
- **Vendor Reporting Concepts - 11/06/2025 - Virtual**
  6 November 2025
- **CBO Professional Roundtable | 11-07-2025**
  7 November 2025
- **Payroll Compliance & Calendar Year-End Reporting - 11/07/2025 - Virtual**
  7 November 2025
- **Purchasing & Procurement Basics Micro-Certificate | 11-7-2025 (Ontario)**
  7 November 2025
- **San Diego/Imperial Section 2025 Networking Event**
  7 November 2025
- **2025-26 Payroll Essentials - 11/12-11/14 - Twin Rivers USD**
  12 - 14 November 2025
- **Finance Professional Roundtable | 11-13-2025**
  13 November 2025
- **Women in Leadership Professional Roundtable | 11-14-2025**
  14 November 2025

Payroll Concepts - 11/18/2025 - Virtual

18 November 2025

CASBO CBO Symposium 2025

19 - 21 November 2025

Facilities Professional Roundtable | 11-19-2025

19 November 2025

Vendor Reporting Concepts - 11/19/2025 - Virtual

19 November 2025

Payroll Compliance & Calendar Year-End Reporting - 12/02/2025 - Virtual

2 December 2025

Small Districts Professional Roundtable | 12-02-2025

2 December 2025

Contracting with Confidence - 12/3/2025 - Virtual

3 December 2025

Special Education Professional Roundtable | 12-03-2025

3 December 2025

CBO Professional Roundtable | 12-05-2025

5 December 2025

Standardized Account Code Structure: Basic Concepts - 12/05/2025 - Virtual

5 December 2025

Executive Assistant Professional Roundtable | 12-09-2025

9 December 2025

Vendor Reporting Concepts - 12/09/2025 - Virtual

9 December 2025

Standardized Account Code Structure: Advanced Concepts - 12/10/2025 - Virtual

10 December 2025

Transportation Professional Roundtable | 12-10-2025

10 December 2025

Women in Leadership Professional Roundtable | 12-12-2025

12 December 2025

Budget Basics & Beyond - 12/19/2025 - Virtual

19 December 2025