



Santa Clara County Office of Education

Charles Weis, Ph.D.
County Superintendent of Schools

Informational Bulletin

For Santa Clara County Districts

District Business & Advisory Services

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Cathy McKim, Manager-DBAS: 408-453-6588

Bulletin: 12-044

Date: September 12, 2011

To: District Fiscal Directors

From: Jason Vann, District Business Advisor

Re: 2010-11 Annual Revenue Limit Data Collection is due October 1, 2011

Attached are the 2010-11 Annual Revenue Limit Data Collection and Certification forms for you to complete and sign. This data will be submitted to and used by the CDE to calculate your annual revenue limit for 2010-11. The form has changed slightly from prior periods so please read them carefully before completing. Please return this schedule and signed certification form to your District Business Advisor **on or before October 1, 2011**. Upon receipt of your completed data collection worksheet, District Business and Advisory Services (DBAS) will send will prepare your 2010-11 annual revenue limit calculation. These calculations will be sent to you as soon as possible.

Change in Unemployment Insurance (UI) Expenditures in Revenue Limit Calculation:

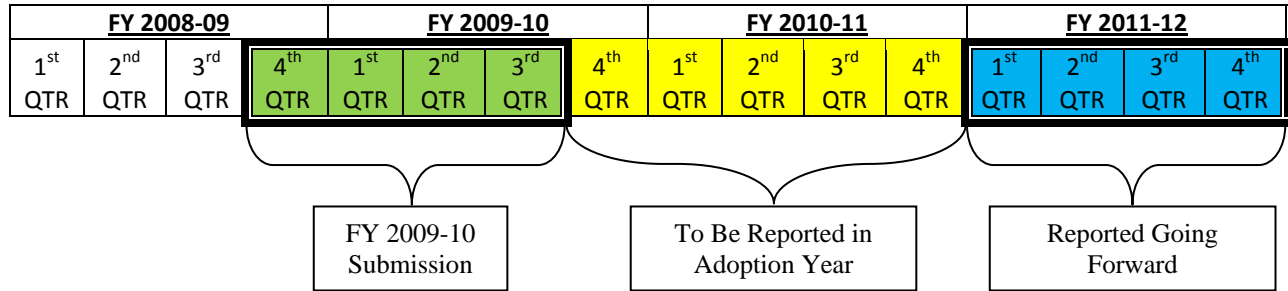
We are continually re-examining and refining our suggested method of calculating revenue limit. This year we took a closer look at the amount reported for unemployment insurance (UI) expenditures. In the past many districts reported UI on a cash basis amount to the CDE (i.e., the amount paid in the current fiscal year). Since UI cash payments are on a quarter lag, the cash basis amount would cover 12 months of activity from 4/1 of the prior fiscal year to 3/31 of the current fiscal year. We then compared this method to the process noted in the Ed Code. Under Ed Code 42241.7(a), it states...

*For the 1978-79 fiscal year, and each fiscal year thereafter, the revenue limit of any elementary, high, or unified school district authorized pursuant to Sections 42237 and 42238 may be increased by an amount sufficient to provide additional revenue equal to the expenditures estimated to be **incurred by the district in the budget year** in complying with the following provisions of the Unemployment Insurance Code.... **less the actual expenditures incurred by the district in the 1975-76 fiscal year** in complying with the following provisions of the Unemployment Insurance Code....*

We interpret the above section of the Ed Code to mean that current fiscal year UI expenditures (accrual basis amount) should be included in the revenue limit calculation (less the actual expenditures incurred by the district in 1975-76 fiscal year). Furthermore, we confirmed our interpretation of the Ed Code with the California Department of Education (CDE) and School Services of California (SSC). Both, the CDE and SSC, agreed that the current fiscal year UI expenditures should be included in our revenue limit calculation but cautioned us to avoid any double counting if we change our method of reporting UI.

Change in Unemployment Insurance (UI) Expenditures in Revenue Limit Calculation (continued):

We recommend the methodology should be changed from “cash basis” to “accrual basis” to be in agreement with our interpretation of the Ed Code. That means amounts reported to the CDE should equal the amounts recorded in object codes 35XX for all funds. However, we noted in the year of adopting this new method, the quarter from 4/1 to 6/30 of prior year will need to be included. Failure to include this period would result in districts losing the benefit of paying UI expenditure for that period of time. As a result, in the adoption year we recommend including the UI expenditures from 4/1 to 6/30 as well as the current fiscal year UI expenditures. Below is a graphical representation of adopting this new methodology.



Should you have any questions concerning these forms, please contact your District Business Advisor:

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SANTA CLARA COUNTY OFFICE OF EDUCATION

2010-11 P-ANNUAL REVENUE LIMIT CERTIFICATION

I hereby certify that, to the best of my knowledge and belief, my district in Santa Clara County has met the conditions set forth in accordance with the following provisions of the Education Code:

- Has received Incentive Funding for Longer Instructional Day and Year and has met the conditions set forth in Education Code Section *46200(b) and 46201*.
- Has met the conditions set forth in Education Code Section *46202*.

Education Code Section *46202* requires that districts offer at least the same amount of Instructional Time in 2010-11 as they offered in 1982-83.

- Has received Incentive Funding for 1999-2000 Jack O'Connell Beginning Teacher Salary and/or the 2000-01 Beginning Teacher Salary Program and has met the conditions set forth in Education Code Sections *45023.1 and/or 45023.4*.

District Name

Signature of District Superintendent

Date

Contact Person

Telephone Number