Santa Clara County Office of Education
Dr. David M. Toston, Sr.
County Superintendent of Schools

Bulletin

For Santa Clara School Districts

District Business and Advisory Services

Bulletin: 26-004

Date: August 4, 2025

To: District Fiscal Directors
District Human Resource and Payroll Managers
District Human Resource and Payroll Personnel

From: Susan Ady, Director - District Business Services
Nghia Do, Advisor - District Business Services

Re: Classified School Employee Summer Assistance Program (CSESAP): Payroll Procedure for School Year 2025-26

The purpose of this bulletin is to provide CSESAP-participated districts with step-by-step instructions (see attached) on how to process the monthly payroll for employees who participate in the CSESAP.

Actions Required:

1. **Fiscal Year 2025-26**

   - Districts will withhold the specific amount from a participating employee's monthly paychecks (up to 10% gross earnings) that the employee indicated on the election form. Pursuant to ED Section 45500(i), matching funds are allowed to be paid to an employee who separated from employment during the 2025-26 school year provided that the employee does not request to immediately receive the funds withheld from their monthly paychecks during the school year.

2. **Fiscal year 2026-27**

   - Districts submit a web-based form to request the matching funds from the California Department of Education (CDE) on or before July 31, 2026, for the withholding from participating employees' pay.

During the summer recess in 2026, districts are required to pay participating employees the amounts withheld, plus the state matching funds.

Please distribute this memo within your District as deemed appropriate

1290 Ridder Park Drive, San José, CA 95131-2304 (408) 453-6500 www.sccoe.org

CLASSIFIED SCHOOL EMPLOYEE SUMMER ASSISTANCE PROGRAM

The Classified School Employee Summer Assistance Program (CSESAP) allows a classified employee of a participating local educational agency (LEA) who meets specified requirements to withhold an amount up to 10% from his or her monthly paycheck during the 2025-2026 school year to be paid out during the summer recess period. Assembly Bill (AB) 1808 provides state matching funds to participating employees and requires the California Department of Education (CDE) to apportion funds to participating LEAs to provide the estimated matching funds—up to $.56 for each $1 that the participating classified employee has elected to have withheld from his or her monthly paycheck.

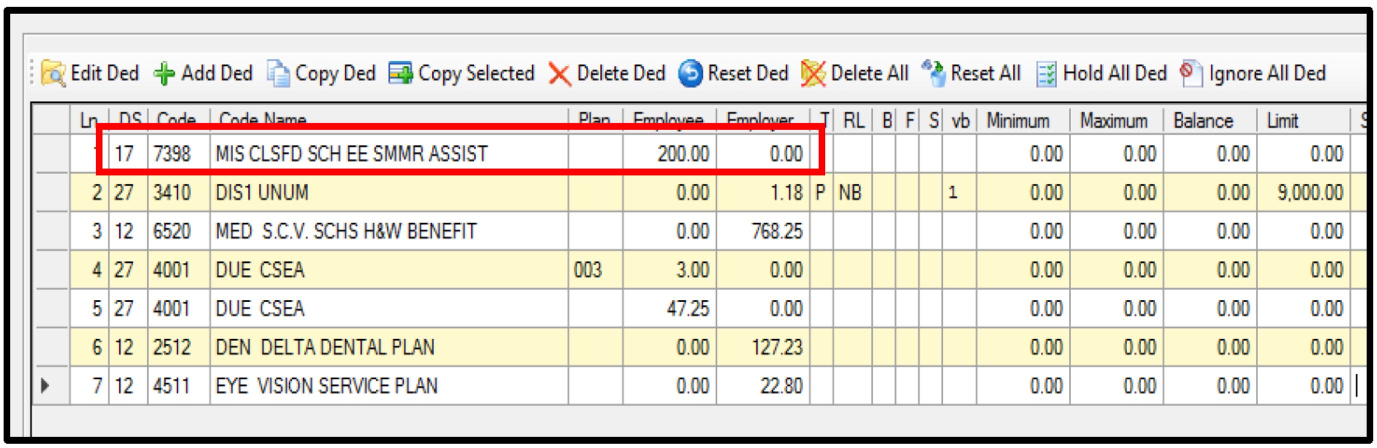
Please use the following procedure to process the monthly withholding of pay elected by eligible employees, make refunds, as well as pay matching funds to employees during July and August 2026.

Fiscal Year 2025-26 (July 1, 2025 – June 30, 2026)

Employees' Withholdings

1. Use Voluntary Deductions (VD/C) **7398** in the Deductions (PD) screen to withhold the monthly amount that is indicated in the employee election form (up to 10% of normal salary) for each CSESAP-participating employee.

> **NOTE**:
> The deduction schedule (DS) should be in accordance with the employee's pay schedule in the NML pay line.



Ln	DS	Code	Code Name	Plan	Employee	Employer	T	RL	B	F	S	vb	Minimum	Maximum	Balance	Limit
1	17	7398	MIS CLSFD SCH EE SMMR ASSIST		200.00	0.00							0.00	0.00	0.00	0.00
2	27	3410	DIS1 UNUM		0.00	1.18	P	NB				1	0.00	0.00	0.00	9,000.00
3	12	6520	MED S.C.V. SCHS H&W BENEFIT		0.00	768.25							0.00	0.00	0.00	0.00
4	27	4001	DUE CSEA	003	3.00	0.00							0.00	0.00	0.00	0.00
5	27	4001	DUE CSEA		47.25	0.00							0.00	0.00	0.00	0.00
6	12	2512	DEN DELTA DENTAL PLAN		0.00	127.23							0.00	0.00	0.00	0.00
7	12	4511	EYE VISION SERVICE PLAN		0.00	22.80							0.00	0.00	0.00	0.00

2. Credit the deduction to the liability account 010-7415-0-9550-00-0000-0000-000000-000-0000 for all districts and 800-7415-0-9550-00-0000-0000-000000-000-0000 for the Santa Clara County Office of Education (district 90 only).

3. To support the request for matching funds from the California Department of Education (CDE) in fiscal year 2026-27, districts should use excel spreadsheet to summarize the amount deducted from each participating employee's monthly earnings and reconcile it with the QSS PYS630ST report (Employee Voluntary Deduction History Report.

State Matching Fund

Based on the estimated data reported, a participating classified employee can expect to receive estimated state match funding equal to eighty cents ($.56) for each one dollar ($1) that the classified employee elects to have withheld from his/her monthly paycheck for the 2025-26 school year. The state matching funds are considered compensation for purposes of payroll and other applicable taxes; therefore, the CDE recommends districts to accrue the monthly state match funding amount plus other applicable payroll taxes (not funded by state matching) in fiscal year 2025-26.

It is each district's choice to accrue the state matching funds and other applicable taxes either monthly or at the end of fiscal year 2025-26.

1. Monthly accruals: Accrue the employer matching amount each month at the same amount as the employee withholding in the PD screen.
2. End of the Fiscal Year: Compute the employer taxes based on the total employee match contributions at the end of the year.

<u>Fiscal Year 2026-27 (July 1, 2026 – June 30, 2027)</u>

Districts are required to pay classified employees the amount withheld plus the state matching funds during the summer recess period following the 2025-26 school year. The summer recess payments are to be made in either one (1) or two (2) payments, as specified by the classified employee at the time of enrollment.

<u>Refund the employees' withholdings</u>

The withholding amount can be refunded through the PD screen as a negative amount:

- Deduction Schedule (DS): 1 or 2
- Vol Ded Code: 7398
- Employee: negative amount (-)

Edit Ded | Add Ded | Copy Ded | Copy Selected | Delete Ded | Reset Ded | Delete All | Reset All | Hold All Ded | Ignore All Ded

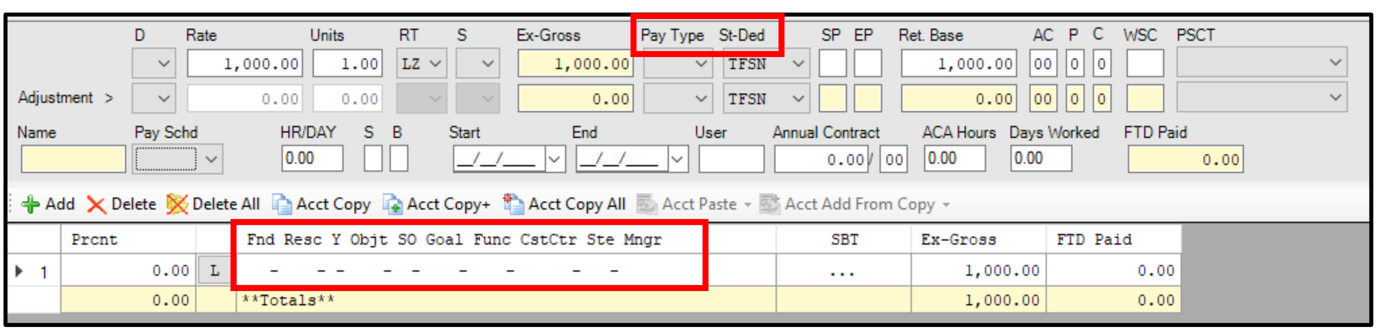
Ln	DS	Code	Code Name	Plan	Employee	Employer	T	RL	B	F	S	vb	Minimum	Maximum	Balance	Limit
1	12	2512	DEN DELTA DENTAL PLAN	S12	0.00	136.75							0.00	0.00	0.00	0.00
2	12	3025	DIS STANDARD INSURANCE CO.	005	0.00	0.24	P	AG					0.00	0.00	0.00	8,333.00
3	12	4515	EYE MEDICAL EYE SVCS OF CALIF	S12	0.00	11.62							0.00	0.00	0.00	0.00
4	12	4515	EYE MEDICAL EYE SVCS OF CALIF	014	0.00	1.35							0.00	0.00	0.00	0.00
5	12	6061	LIF MUTUAL OF OMAHA	005	0.00	0.52							0.00	0.00	0.00	0.00
6	1[illegible]	6[illegible]4	LIF STANDARD INSURANCE CO	S12	0.00	2.30							0.00	0.00	0.00	0.00
7	02	7398			-1,000.00	0.00										

Example: Requested 2 payments on a collection of 10 x 200=$2,000

<u>Pay Out the State Matching Fund</u>

The state matching funds are considered taxable compensation for the purpose of payroll; therefore, the funds will be paid through a pay line (PR) screen at the same time with the employee's withholdings are refunded.

- Account Code: **010-7415-0-2900-00-0000-0000-000000-000-0000 for all districts except district 90**
  800-7415-0-2900-00-0000-0000-000000-000-0000 for district 90 only
- St-Ded: **TFSN** for districts paying to SDI; **TFNN** for Non-SDI districts
- Pay Type: CSAP



Example refunding the Employer portion through Pay Line: Requested 2 payments on a collection of 10 x 200=$2,000