

# Current Expense of Education



August 29, 2024

# California Education Code 41372

District type	% of current expense of education
Elementary Districts	60%
Unified Districts	55%
High School Districts	50%

- Stipulates that school districts expend minimum percentages during the fiscal year on salaries of classroom teachers and classroom classified staff as defined in [EC 41011](#)
- Percentage is calculated as total classroom compensation divided by total expenditures in general fund 01

# SACS Form CEA

- Submitted with unaudited actuals
- Form calculates percentage and deficiency amount (if applicable)
- Form automatically excludes specific goals, objects and functions

Excluded from calculation			
Goals: 7100-7199 & 8100	Functions: 3700, 8500, 3600, 1180	Objects: 3701-3702	Resource 1100 and other state/federal categoricals that do not include classroom salaries

- Form allows for manual exclusions
  - It is recommended that districts consult their auditor before entering manual reductions

# Form CEA

PART I - CURRENT EXPENSE FORMULA	Total Expense for Year (1)	EDP No.	Reductions (See Note 1) (2)	EDP No.	Current Expense of Education (Col 1 - Col 2) (3)	EDP No.	Reductions (Extracted) (See Note 2) (4a)	Reductions (Overrides)* (See Note 2) (4b)	EDP No.	Current Expense- Part II (Col 3 - Col 4) (5)	EDP No.
1000 - Certificated Salaries	1,031,049.37	301	0.00	303	1,031,049.37	305	0.00		307	1,031,049.37	309
2000 - Classified Salaries	329,426.18	311	0.00	313	329,426.18	315	0.00		317	329,426.18	319
3000 - Employee Benefits	654,189.32	321	0.00	323	654,189.32	325	0.00		327	654,189.32	329
4000 - Books, Supplies, Equip Replace. (6500)	71,598.24	331	0.00	333	71,598.24	335	0.00		337	71,598.24	339
5000 - Services . . . & 7300 - Indirect Costs	607,709.29	341	0.00	343	607,709.29	345	0.00		347	607,709.29	349
<b>TOTAL</b>					<b>2,693,972.40</b>	<b>365</b>			<b>TOTAL</b>	<b>2,693,972.40</b>	<b>369</b>

Note 1 - In Column 2, report expenditures for the following programs: Nonagency (Goals 7100-7199), Community Services (Goal 8100), Food Services (Function 3700), Fringe Benefits for Retired Persons (Objects 3701-3702), and Facilities Acquisition & Construction (Function 8500).

Note 2 - In Column 4, report expenditures for: Transportation (Function 3600), Lottery Expenditures (Resource 1100), Special Education Students in Nonpublic Schools (Function 1190), and other federal or state categorical aid in which funds were granted for expenditures in a program not incurring any teacher salary expenditures or requiring disbursement of the funds without regard to the requirements of EC Section 41372.

\* If an amount (even zero) is entered in any row of Column 4b or in Line 13b, the form uses only the values in Column 4b and Line 13b rather than the values in Column 4a and Line 13a.

PART II: MINIMUM CLASSROOM COMPENSATION (Instruction, Functions 1000-1999)	Object	No.
1. Teacher Salaries as Per EC 41011	1100	375
2. Salaries of Instructional Aides Per EC 41011	2100	380
3. STRS	3101 & 3102	382
4. PERS.	3201 & 3202	383
5. OASDI - Regular, Medicare and Alternative	3301 & 3302	384
6. Health & Welfare Benefits (EC 41372) (Include Health, Dental, Vision, Pharmaceutical, and Annuity Plans)	3401 & 3402	385
7. Unemployment Insurance	3501 & 3502	390
8. Workers' Compensation Insurance	3601 & 3602	392
9. OPEB, Active Employees (EC 41372)	3751 & 3752	0.00
10. Other Benefits (EC 22310)	3901 & 3902	0.00

1. Column 4b: Manual exclusions column

2. Current expense of education total (denominator)

3. Reminder: any amount entered (even zero) in 4b or 13b will cause the form to ignore the values in 4a & 13a

# Form CEA

11. SUBTOTAL Salaries and Benefits (Sum Lines 1 - 10) . . . . .	1,480,571.06	395
12. Less: Teacher and Instructional Aide Salaries and Benefits deducted in Column 2 . . . . .	0.00	
13a. Less: Teacher and Instructional Aide Salaries and Benefits (other than Lottery) deducted in Column 4a (Extracted) . . . . .	0.00	396
b. Less: Teacher and Instructional Aide Salaries and Benefits (other than Lottery) deducted in Column 4b (Overrides)* . . . . .		396
14. TOTAL SALARIES AND BENEFITS . . . . .	1,480,571.06	
15. Percent of Current Cost of Education Expended for Classroom Compensation (EDP 397 divided by EDP 369) Line 15 must equal or exceed 60% for elementary, 55% for unified and 50% for high school districts to avoid penalty under provisions of EC 41372 . . . . .	54.96%	
16. District is exempt from EC 41372 because it meets the provisions of EC 41374. (If exempt, enter 'X') . . . . .		
<b>PART III: DEFICIENCY AMOUNT</b>		
A deficiency amount (Line 5) is only applicable to districts not meeting the minimum classroom compensation percentage required under EC 41372 and not exempt under the provisions of EC 41374.		
1. Minimum percentage required (60% elementary, 55% unified, 50% high) . . . . .	60.00%	
2. Percentage spent by this district (Part II, Line 15) . . . . .	54.96%	
3. Percentage below the minimum (Part III, Line 1 minus Line 2) . . . . .	5.04%	
4. District's Current Expense of Education after reductions in columns 4a or 4b (Part I, EDP 369) . . . . .	2,693,972.40	
5. Deficiency Amount (Part III, Line 3 times Line 4) . . . . .	135,776.21	
<b>PART IV: Explanation for adjustments entered in Part I, Column 4b (required)</b>		

1. Total classroom compensation (numerator)
2. Percent of Current Cost of Education
3. Exemption per [EC 41374](#)
4. Calculated percentage paid by district/deficiency %/Deficiency \$ amount

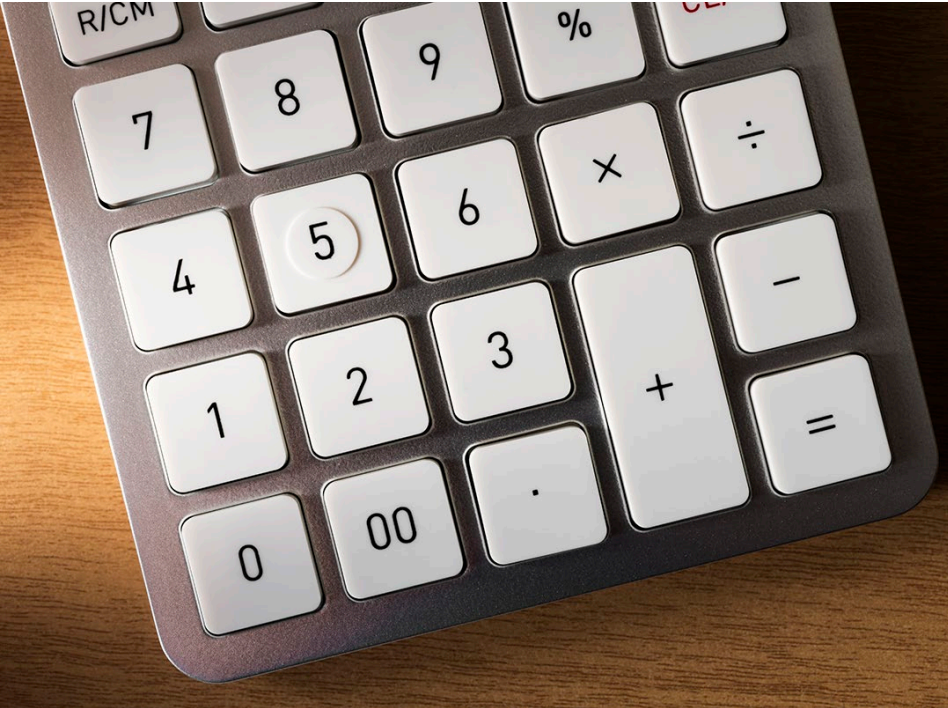
# CEA Deficiency-Exempt

EC 41374 exempts districts from requirements of EC 41372 if individual class sessions are equal to or less than the following number of pupils in attendance:

- (a) An elementary school district--twenty-eight (28) pupils.
- (b) A high school district--twenty-five (25) pupils.
- (c) A unified school district--twenty-eight (28) pupils in respect to grades kindergarten through 8, inclusive; and twenty-five (25) pupils in respect to grades 9 through 12, inclusive



# Role of the COE



- County office of education is required to review for compliance with [EC 41372](#)
- If deficiency is identified, district must submit waiver application to county superintendent of schools. (No later than September 15th of the following fiscal year.)
- It is the COE's responsibility to evaluate request for waiver
- If no waiver application is received or the waiver approval is for less than 100% of the deficiency the COE is required to set aside amount of deficiency to be expended on classroom salaries in the next fiscal year

**Application for Exemption from the Required Expenditures for Classroom Teachers' Salaries**  
Pursuant to Education Code Section 41372

To: County Superintendent of Schools

For \_\_\_\_\_ fiscal year, the \_\_\_\_\_ School District did not spend the minimum percentage of its budget on classroom teacher salaries as required by *Education Code (EC)* Section 41372. We are requesting an exemption from this requirement as provided by law.

Reason for request (Check one):

- Serious hardship to the school district (Please attach a written explanation, the district's latest interim report, and a multiyear projection for the current and two subsequent fiscal years that reflects the financial impact of meeting the requirement of *EC* 41372.)
- Payment of classroom teacher salaries that are in excess of those paid by other comparable school districts (Please attach a classroom teacher salary & benefits comparison for at least three other comparable school districts. The comparison should include annual classroom teacher salaries paid at the beginning, average, and maximum salary levels plus the average annual employer contributions for health & welfare benefits.)
- Deficiency is less than \$1,000.00 (exemption is automatically approved)

**A. Deficiency Amount**

(Source: Form CEA)

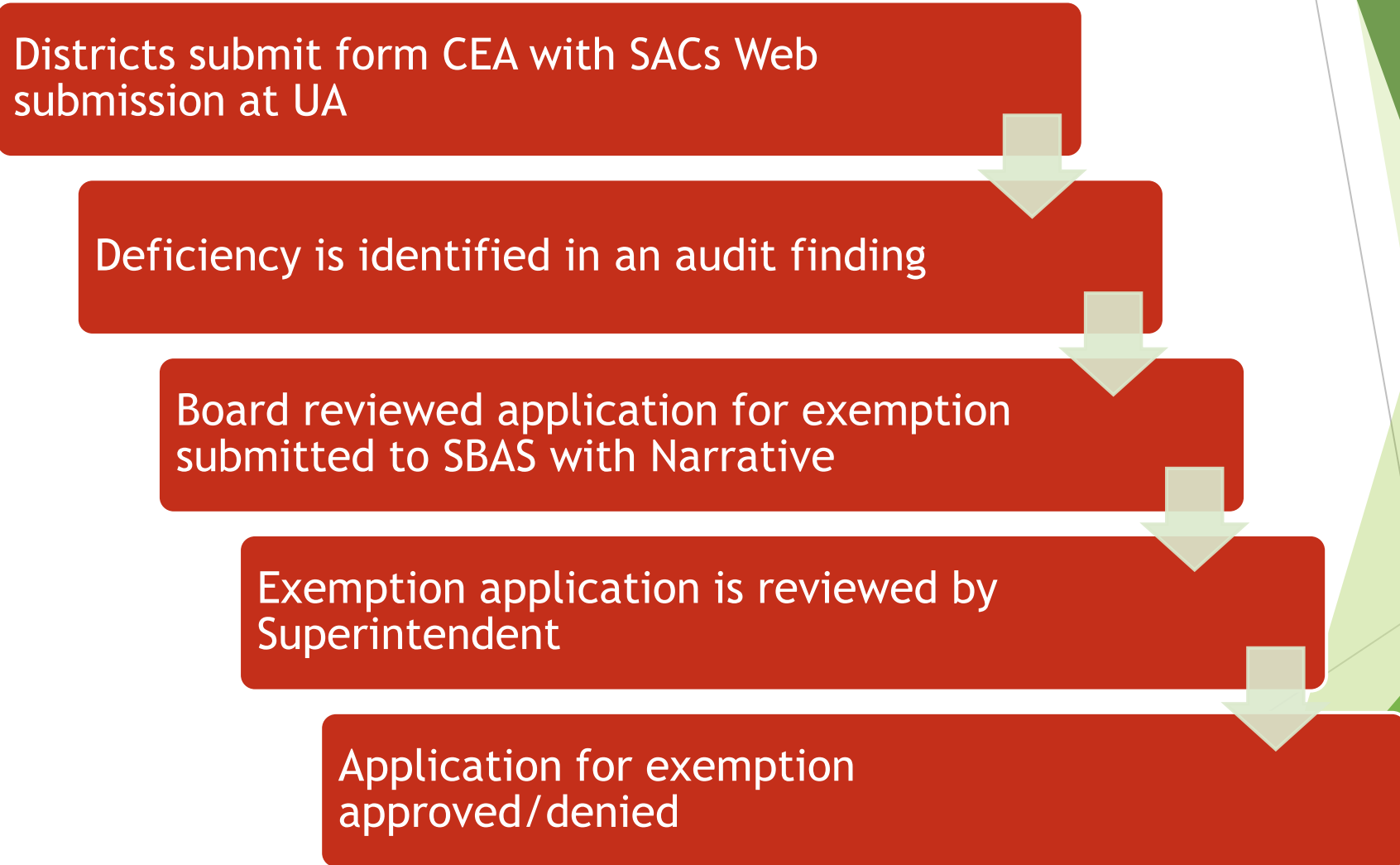
1. Enter the minimum percentage for your district type.  
(60% Elementary/ 50% High School/ 55% Unified) \_\_\_\_\_%
2. Enter the percentage spent by your district. \_\_\_\_\_%
3. Percentage below the minimum.  
(Line 1 minus line 2) \_\_\_\_\_%
4. Enter the district's current expense of education (Form CEA) \$ \_\_\_\_\_
5. Deficiency Amount.  
(Line 3 times line 4) \$ \_\_\_\_\_

# CEA Deficiency Waiver

- Three exemptions reasons:
  - Serious Hardship
  - Payment of classroom teachers in excess of comparable districts
  - Deficiency is less than \$1,000
- Completed application shall be signed by board member or superintendent



# Review Process



# Complete Submission Checklist

- ▶ Submitted SACS form CEA
- ▶ Audit report showing finding of CEA deficiency
- ▶ Application for Exemption from the Required Expenditures for Classroom Teachers' Salaries
- ▶ Narrative explaining factors contributing to deficiency and details on any expenditures on classroom salaries made in the current fiscal year
- ▶ Classroom teacher salary & benefits comparison (Salary Comparison) **OR** written explanation of serious hardship

# Narrative



- Opportunity for district to speak to contributing factors that resulted in deficiency
- Opportunity for the district to explain any efforts that would serve to reduce or eliminate the deficiency

# Salary Comparison

- Salary comparison to include:
- Annual classroom teacher salaries paid at the beginning, average, and maximum salary levels plus the average annual employer contributions for health & welfare benefits.
- Local districts
  - Santa Barbara/ Tri-Counties
- Provide criterion for selected districts



# Waiver Submission Timeline

## FY 2023-24 CEA Deficiency Timeline

9/15/2024	Unaudited Actuals show deficiency for non-exempt district
12/15/2024	Audit report contains finding of CEA deficiency. District can submit application for exemption (waiver)
4/15/2025	COE shall set aside amount equal to deficiency from apportionment in absence of submitted waiver
9/15/2025	Final day for districts to submit application for exemption

The background features abstract, overlapping green geometric shapes in various shades, including light lime green, medium green, and dark forest green. These shapes are primarily located on the right side of the frame, with some extending towards the left. The overall aesthetic is clean and modern.

# Thank you

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# Resources

- ▶ [SACS User guide](#)
- ▶ [FCMAT COE procedure's manual Procedure 29 – CEA](#)
- ▶ [Multiyear CEA Template](#)
- ▶ [Single-Year CEA Template](#)
- ▶ [Application for Exemption from the Required Expenditures for Classroom Teachers' Salaries](#)
- ▶ [CDE CEA Historical Data](#)
- ▶ [J-90 Certificated Salaries & Benefits](#)