

Santa Barbara County Education Office

August 6, 2026



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Santa Barbara County Education Office

Form CEA

August 6, 2026

Presented By:

Matt Phillips, CPA
Associate Vice President

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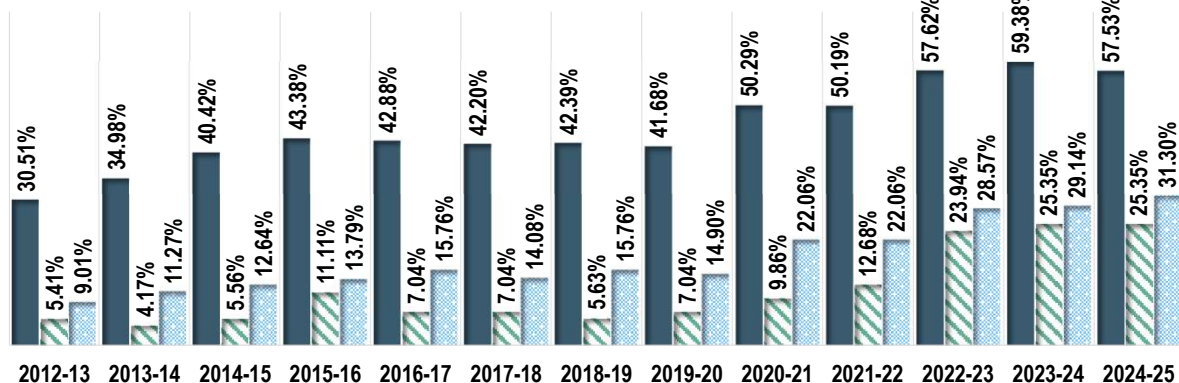
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Are Districts Able to Meet the CEA Requirement?

Elementary districts are those with the highest threshold and are also the largest percentage of districts that have failed to meet the requirement

Districts Not Meeting CEA Requirement

■ Elementary ■ High ■ Unified



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2 Form CEA Percentage Requirement

- Form CEA will list the Percent of Current Cost of Education Expended for Classroom Compensation
- CEA Percentage Requirement:
 - Elementary Districts: 60%
 - Unified Districts: 55%
 - High School Districts: 50%
- In this example, the district did not meet the requirement as it was at 39.67%, below the requirement of 55%

Sample Unified School District		Unaudited Actuals
Sample County		FINANCIAL REPORTS
		Unaudited Actuals
		Summary of Unaudited Actual Data Submission
		Form CA
Following is a summary of the critical data elements contained in your unaudited actual data.		
Since these data may have fiscal implications for your agency, please verify their accuracy before filing your unaudited actual financial reports.		
Form	Description	Value
CEA	Percent of Current Cost of Education Expended for Classroom Compensation	39.67%
	Must equal or exceed 60% for elementary, 55% for unified, and 50% for high school districts or future apportionments may be affected. (EC 41372)	
	CEA Deficiency Amount	\$23,567,876.99

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3 Form CEA—Numerator

- Numerator includes all personnel costs in the General Fund coded to Function Code 1000-1999
- Function 1000-1999 includes direct services provided to students for instruction
 - Included, but not limited to, classroom teachers and instructional aides for general and special education

PART II: MINIMUM CLASSROOM COMPENSATION (Instruction, Functions 1000-1999)		Object	EDP No.
1. Teacher Salaries as Per EC 41011.....	1100	0.00	375
2. Salaries of Instructional Aides Per EC 41011.....	2100	0.00	380
3. STRS.....	3101 & 3102	0.00	382
4. PERS.....	3201 & 3202	0.00	383
5. OASDI - Regular, Medicare and Alternative.....	3301 & 3302	0.00	384
6. Health & Welfare Benefits (EC 41372) (Include Health, Dental, Vision, Pharmaceutical, and Annuity Plans).....	3401 & 3402	0.00	385
7. Unemployment Insurance.....	3501 & 3502	0.00	390
8. Workers' Compensation Insurance.....	3601 & 3602	0.00	392
9. OPEB, Active Employees (EC 41372).....	3751 & 3752	0.00	393
10. Other Benefits (EC 22310).....	3901 & 3902	0.00	396
11. SUBTOTAL Salaries and Benefits (Sum Lines 1 - 10).....		0.00	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.....		0.00	397

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4 Form CEA—Denominator

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	0.00	301	0.00	303	0.00	305	0.00		307	0.00	309
2000 - Classified Salaries	0.00	311	0.00	313	0.00	315	0.00		317	0.00	319
3000 - Employee Benefits	0.00	321	0.00	323	0.00	325	0.00		327	0.00	329
4000 - Books, Supplies Equip Replace. (6500)	0.00	331	0.00	333	0.00	335	0.00		337	0.00	339
5000 - Services. . . & 7300 - Indirect Costs	0.00	341	0.00	343	0.00	345	0.00		347	0.00	349
TOTAL	0.00				0.00	365			TOTAL	0.00	369

- Denominator includes all General Fund expenditures in object 1000-5999 as well as indirect costs (object 73xx)
 - These costs are extracted directly from your unaudited actuals .dat file into Column 1 and can not be manually adjusted
 - Successive columns—2, 4a, and 4b—lower the total expenditures used in the denominator

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5 Form CEA—Denominator

- Column 2 automatically removes expenditures coded to the following components:
 - Goal Code 7100-7199—Nonagency
 - Services provided on behalf of another local educational agency (LEA)
 - Goal Code 81xx—Community Services
 - Services authorized by Civic Center Act
 - Function Code 37xx—Food Services
 - Services for providing food to students
 - Object Code 3701-3702—Retiree Benefits
 - Cost of retiree benefits for retirees

PART I - CURRENT EXPENSE FORMULA	Reductions (See Note 1) (2)
1000 - Certificated Salaries	0.00
2000 - Classified Salaries	0.00
3000 - Employee Benefits	0.00
4000 - Books, Supplies Equip Replace. (6500)	0.00
5000 - Services. . . & 7300 - Indirect Costs	0.00

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6 Form CEA—Denominator

- Column 4a automatically removes expenditures coded for 40 resource codes
 - Rationale is that these resource codes do not allow teacher salaries
 - Resource codes 1100, 3316, 3326, 3327, 3372, 3386, 3515, 3724, 4123, 4124, 5035, 5314, 5316, 5370, 5460, 5465, 5652, 6010, 6030, 6126, 6140, 6230, 6300, 6355, 6385, 6386, 6392, 6512, 7010, 7027, 7028, 7085, 7121, 7124, 7126, 7236, 7388, 7410, and 8210
- Also excluded are the following function codes:
 - Function Code 1180—Non-Public Agency/School (NPA/S)
 - Function Code 3600—Transportation

PART I - CURRENT EXPENSE FORMULA	Reductions (Extracted) (See Note 2) (4a)
1000 - Certificated Salaries	0.00
2000 - Classified Salaries	0.00
3000 - Employee Benefits	0.00
4000 - Books, Supplies Equip Replace. (6500)	0.00
5000 - Services. . . & 7300 - Indirect Costs	0.00

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7 Form CEA Operational Advice

Education Code Section (EC §) 41372 allows for the exclusion of the amount expended from federal or state categorical resources if the entire resource is spent on something other than teacher salaries and benefits

EC § 41011 defines “teacher” as an employee of the district in a position requiring certification and whose duties require them to teach pupils for at least one instructional period each day or an instructional aide whose duties must be performed under the supervision of a classroom teacher

Column 4b is used to “override” reductions that have been extracted

Resources to consider excluding in Column 4b—1400, 2600, 6019, 6546, 6762, and 7435

Column 4b overrides 4a, so ensure any numbers entered in 4b are inclusive of 4a and don’t include items already backed out in Column 2

PART I - CURRENT EXPENSE FORMULA	Reductions (Overrides)* (See Note 2) (4b)
1000 - Certificated Salaries	
2000 - Classified Salaries	
3000 - Employee Benefits	
4000 - Books, Supplies Equip Replace. (6500)	
5000 - Services. . . & 7300 - Indirect Costs	

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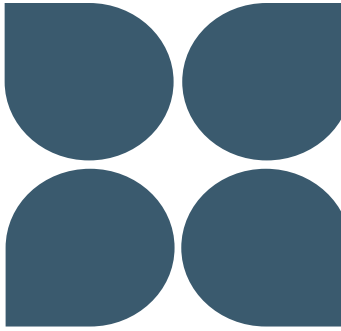
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8 Form CEA Operational Advice

- In addition to reviewing the list of resource codes on the previous slide for inclusion in Column 4b, we believe the items below should also be considered when closing the books

Verify classroom instructional aides are coded to function code in the range of 1000-1999—they are providing direct support to instruction

Verify NPA/S contracts are coded to function code 1180—these are very expensive, and if you code them to a different function code in the 11xx series, it will inflate your denominator



Verify home-to-school transportation (HTST) expenses are coded to function code 3600—they become excludable on the Form CEA and are reimbursable with the new HTST reimbursement!

Spend unrestricted Lottery dollars and don't let them accumulate, because these are backed out from the denominator

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9 CEA Exemption

- School districts are exempt from EC § 41372 if no individual class¹ exceeds the following limits:

Elementary School District
28 pupils

High School District
25 pupils

Unified School District
K-8: 28 pupils
9-12: 25 pupils

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.		0.00%
16. District is exempt from EC 41372 because it meets the provisions of EC 41374. (If exempt, enter 'X')		

- If exempt, you must manually input an X here

¹Individual class excludes courses in visual and performing arts, industrial arts, and physical education

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What Happens When You Fail the CEA?

File an exemption with your county office of education (COE)

Demonstrate either serious financial hardship or that teacher salaries and benefits are in excess of those paid by other comparable school districts

Funds withheld by your COE

Until the approval of the application

Exemption APPROVED by your COE

Funds are released

Exemption DENIED by your COE

Spend the amount of the withheld funds on teacher salaries in the following 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)

Application available on the California Department of Education website—
<https://www.cde.ca.gov/fi/ft/documents/teachersalaryapp.pdf>

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CEA Waiver

- It is incumbent upon the district to provide evidence to support why the application is being filed
 - Serious hardship is not defined in the Education Code, but may include an interim certification of qualified or negative status and/or risk of cash insolvency
 - Comparability with three school districts is part art and part science but here are some considerations
 - Elementary districts should not be comparing with high school districts because the funding is significantly higher and teacher credentials are not interchangeable
 - State-funded should not be comparing with community-funded
 - Comparative grouping does not have to be in close geographic proximity
 - Consider expanding your search to include districts with similar enrollment and demographics



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12 CEA Waiver—Comparability

- A quick query for Lompoc Unified suggests that six comparable districts are more than 140 miles away!
- The comparative group used for the CEA exemption does not need to be the same comparative group that you use in collective bargaining
- Salary and benefit data can be collected locally or through the Salary and Benefits Report (SABRE) report

Client: LOMPOC UNIFIED (4269229) Clear
Start by typing a few letters of the district's name.

ADA: Minimum: 7500 Maximum: 9500

Unduplicated Percentage: Minimum: 60 Maximum: 80

Region: Distance

County(ies): Statewide, Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte

Region: Statewide, North CA, Bay Area, Central Valley, Los Angeles, Inland Empire, Sacramento

District Type: Basic Aid, NSS

Type: ALL, ELEMENTARY, HIGH, UNIFIED

To select more than one county, press Ctrl while selecting a county.

To select more than one district type, press Ctrl while selecting a district type.

View Comps

Number of Districts Found	CDS	COUNTY	LEA	TYPE	BA	ADA	UPP	NSS	DIST	CHARTERS (L/D)
1	3968569	San Joaquin	LINCOLN UNIFIED	UNIF	N	7,945.01	71.63	N	234.32	1/0
2	4269229	Santa Barbara	LOMPOC UNIFIED	UNIF	N	8,426.69	69.81	N	0.09	0/1
3	4058759	San Luis Obispo	LUCIA MAR UNIFIED	UNIF	N	9,119.15	60.75	N	24.90	0/0
4	2766092	Monterey	MONTEREY PENINSULA UNIFIED	UNIF	N	8,908.59	71.09	N	154.81	0/2
5	0161291	Alameda	SAN LEANDRO UNIFIED	UNIF	N	8,305.09	78.41	N	230.04	0/0
6	3675069	San Bernardino	UPLAND UNIFIED	UNIF	N	9,484.11	69.04	N	162.28	0/0
7	1965094	Los Angeles	WEST COVINA UNIFIED	UNIF	N	7,574.27	75.95	N	147.93	0/2
8	5772710	Yolo	WOODLAND JOINT UNIFIED	UNIF	N	8,542.81	74.37	N	284.03	1/0

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Questions?



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