



January 4, 2006

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*An Employee-Owned
Company*

To: RevLim 8.1 Users

From: Paul Goldfinger

Re: Release 8.2 Upgrade

I am pleased to report that a complimentary upgrade to your RevLim software for 2006-07 is now available.

Many of these adjustments don't change the calculations themselves, but do make the software easier to use and the data easier to enter accurately. For example, we changed the buttons for the various worksheets to make them more descriptive (and also changed the sequence of the buttons), matched the Data Identification (DID) numbers that were changed in the California Department of Education's (CDE's) recently released 2006-07 revenue limit software and provided better line references to the CDE worksheets as well. [It should be noted that there were a few items in CDE's software for 2006-07 that had not yet been fully updated for 2006-07—see the attached *Fiscal Report* article—and the RevLim software for 2006-07 is making accurate calculations in these two areas.]

But there are also a few more important changes, namely:

- Changing the Public Employees' Retirement System (PERS) buyout factor to represent the percentage of the PERS Reduction that still applies (i.e., 0.8400 or 84%), rather than the former factor that represented the percentage of the PERS Reduction that was bought out (i.e., 0.1600 or 16%). With this change, the RevLim software matches the CDE calculation in 2006-07. The associated Global Variable has been revised accordingly.
- Adding a new data input element for the Beginning Teacher Salary (BTS) Input Screen for the applicable ADA for 2006-07 (see Input Item #4a for the BTS Input Screen). Per state law, only Second Principal Apportionment ADA is used for this calculation. The prior version of the software picked up the reported current-year ADA, but that included the annual count of certain categories of ADA, and this led to a slight discrepancy with the CDE's annual apportionment calculation.

- Adding a new global variable for the Adult Education Revenue Limit calculation to parallel the CDE calculation that allows for the possibility of there being surplus funds that could be used to fund adult ADA in excess of the adult ADA cap (see the Global Variables Input Screen, Input Item #9d). This rate has been initially set to \$0.00, but can be changed to match an amount certified by the CDE.

To access this new Release 8.2 software, simply click the Help button on your current software and follow the instructions. All of your data sets will be preserved, but the Global Variables will be updated for the new factors.

As indicated by the items that we're changing (including one not mentioned above to eliminate a \$0.01 rounding error in the rate for community day school 5th and 6th hour ADA), we are committed to providing revenue limit software that is both accurate and user friendly. Several of the changes were in response to user suggestions.

Please e-mail me at paulg@sscal.com if there are other changes that would make that software more useful. We are currently working on our RevLim software for use in 2007-08, and we expect to have the initial release available shortly after Governor Schwarzenegger releases his next Budget Proposal on January 10, 2007 (see enclosed order form). Your comments and suggestions would be helpful.

Enclosures

The FISCAL REPORT an informational update

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No. 1

Ask SSC . . .

Why Does CDE's Revenue Limit Software Differ from SSC's?

- Q.* I'm working with the California Department of Education's (CDE's) revenue limit software for 2006-07 and there are two differences that I've noticed from SSC's software. First, the charter school ADA for district residents in a unified district is being added to the district's revenue limit ADA (unlike in the SSC software). And, second, the Public Employees' Retirement System (PERS) Reduction Buyout Factor is 0.78 in the CDE software, a sharp contrast to the 0.16 factor in the SSC software. Which set of calculations is correct?
- A.* With regard to the charter school ADA, CDE reports that it was unable to update its 2006-07 revenue limit software for the changes that take effect this year pursuant to SB 319 (Chapter 355/2005) in its initial release to the field, but this update will be done in time for the First Principal Apportionment in February 2007.

You may recall that SB 319 phased out what some people called the "penalty" when unified districts sponsored charter schools. The ADA of all district residents in a unified district attending a district-sponsored charter school was still added to the revenue limit ADA in 2005-06, but that is no longer the case in 2006-07 (ref. Education Code Section 47660). Instead, pursuant to SB 319, the only charter school ADA added to a unified district's revenue limit ADA in 2006-07 and subsequent years is (1) the ADA of district residents attending a charter school that is a new conversion school—that is, a school that converted to charter status on or after July 1, 2006, and (2) all of the charter school ADA of district residents for a unified district that was basic aid in the prior year.

As for the PERS Buyout Factor, the biggest difference is what the factor represents. In 2005-06, the CDE software used a factor that was the fraction of the PERS Reduction that was bought out, and this factor was .1583 as of the 2005-06 Second Principal Apportionment. The SSC software for 2006-07 also uses a factor of the fraction of the PERS Reduction that was bought out, and we had estimated that to be .16, meaning that an estimated 16% of the PERS Reduction will be bought out in 2006-07. However, the CDE software for 2006-07 changed so that the factor is now the fraction of the PERS Reduction that still applies. That is, the 0.78 factor means that an estimated 78% of the PERS Reduction will still apply and 22% will be bought out. We were surprised by this high factor, and we understand that the 22% factor included in the CDE software was inadvertently picked up from a prior year. This factor will be corrected in the near future [but, of course, this factor will be recomputed at each certification of the 2006-07

apportionment]. For now, we continue to recommend using the estimated .16 or 16% buyout factor [Note that we are updating our 2006-07 RevLim software and this update will switch the PERS buyout factor to be the fraction of the PERS Reduction that remains, to match the CDE format. However, we will recommend using a .84 factor, equal to 84% of the dollar amount of the PERS Reduction remaining, or 16% being bought out, until the CDE certifies a new factor at the 2006-07 First Principal Apportionment in February 2007.]

[Posted to the Internet 12/21/06]

—*Paul Goldfinger and Michele Huntoon*

**Available
mid-January**

2007-08 Revenue Limit Software

SSC's RevLim Release 9.0 software for calculating revenue limits in 2007-08 under the Governor's Budget Proposal will be available shortly after the Governor releases his proposal on January 10, 2007. This software will be preset to match the Governor's proposals for COLA and other changes, but will allow the user to model alternative scenarios.

For one price, the software package includes:

1. The January version to calculate 2007-08 revenue limits based on the Governor's January Budget Proposal.
2. An update issued in July (hopefully!) based on the final 2007-08 State Budget.
3. Another update issued in October, if necessary, to reflect any changes made by the Legislature during the balance of the 2007 legislative session.

As with our earlier RevLim versions, the 2007-08 RevLim Software, Release 9.0:

- Calculates Form K-12 and associated schedules
- Features simple data input screens
- Allows the saving of multiple data sets for "what if" analysis
- Prints all pages or only those you want
- Runs under Windows 2000 or newer version



The "Governor's Budget" version of the software offers great flexibility by allowing the user to vary the COLA percentage, deficits for various programs (such as the hourly funding) and other variables.

For more information, please contact Janelle Doolittle at (916) 446-7517, ext. 127.

**2007-08 RevLim Software Order Form
Release 9.0 for Windows**

_____ Name	_____ School Agency/Company
_____ Street Address (no PO Box, please) (_____)_____	_____ City/State/Zip
_____ Phone	_____ E-Mail

Note: The following prices are for school districts only. Any county offices of education interested in buying the software to calculate K-12 revenue limits for their school districts should call Janelle Doolittle at (916) 446-7517, ext. 127.

Please circle: \$195 SSC client (Release 8 user)	Enter appropriate price: \$_____
\$225 SSC client (First-time user)	Applicable sales tax: _____
\$245 nonclient (Release 8 user)	Overnight delivery
\$275 nonclient (First-time user)	(optional for \$15) _____
	Total Amount: \$_____
Check enclosed: #_____	Purchase order attached: #_____

Credit card authorization—MasterCard and Visa only

Cardholder name: _____

Credit card number: _____ VCode _____ Exp. date: ____/____/____

Authorized signature: _____

Software orders will only be processed with a check, credit card authorization, or purchase order attached for payment. Make check payable to *School Services of California, Inc.*

Ordering Information

Online: Visit www.sscal.com, click on “Books and Software”

Fax: Fax completed form to 916.446.2011

Mail: Send completed form to:

Janelle Doolittle, Accounting Department
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