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Commission on
State Mandates

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January 3, 2013

Ms. Heather Halsey
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, California 95814

Dear Ms. Halsey:

The Department of Finance has reviewed the expedited draft parameters and guidelines developed by the Commission on State Mandates staff for the consolidated test claim 05-TC-04, 07-TC-06, and 08-TC-01, *Williams Case Implementation I, II, and III*, submitted by the San Diego County Office of Education and the Sweetwater Union High School District.

Finance believes that the following amendments to the draft parameters and guidelines are necessary to ensure that the parameters and guidelines conform to the Commission's December 7, 2012, decision:

"Summary of the Mandate"

- In the first paragraph of the "Summary of the Mandate" section, the phrase "capable teachers" should be replaced with "qualified teachers." This amendment would more accurately reflect the complaint and the resulting settlement. This phrase is used accurately elsewhere in the draft parameters and guidelines.

"Reimbursable Activities"

- **Section 1.a.:** The parameters and guidelines should make clear that reimbursement is required only for the incremental costs of the three activities related to specific reporting requirements on the School Accountability Report Card. Reimbursement is not required for the costs of other statutory requirements related to the School Accountability Report Card, including the costs of producing the report card.

Finance requests that the following be added to the end of the draft section (a), consistent with the statement of decision adopted by the Commission and with Education Code section 33126:

"Reimbursement for this activity is required only to the extent that school districts can document that claimed costs would not have been incurred in the absence of these reporting requirements. Reimbursement for this activity is required only if the information provided in the school accountability report card is accurate, as determined by the annual audit performed pursuant to Education Code section 41020. If the information is determined to be inaccurate, reimbursement is required if the information is corrected by May 15 following the audit."

- **Section 1.c.:** The parameters and guidelines should make clear the reimbursement is required only for the incremental costs of including verification of the three specific requirements in the compliance audit, consistent with the statement of decision adopted by the Commission.

Finance requests that the draft subsection be amended to read:

- “c. Including verification of the following in compliance audits, pursuant to Education Code sections 14051 and 41020:
- i. Reporting requirements for sufficiency of textbooks and instructional materials.
 - ii. Teacher misassignments.
 - iii. The accuracy of the information reported on the School Accountability Report Card.

The eligible reimbursement period for these activities begins September 29, 2004.

Reimbursement for this activity is required only to the extent that school districts can document that claimed costs would not have been incurred in the absence of a requirement to include verification of compliance with these requirements.”

- **Section 1.d.:** The parameters and guidelines should be amended to more accurately reflect the activities determined to be reimbursable in the statement of decision adopted by the Commission.

Finance requests that the draft subsection be amended to read:

- “d. Providing the county superintendent of schools, pursuant to Education Code sections 14051 and 41020:
- i. A copy of a study, report, evaluation, or audit that was commissioned by the Superintendent of Public Instruction or a state control agency and contains evidence that the school district is showing fiscal distress under the standards and criteria adopted in Education Code section 33127.
 - ii. A copy of a report on the school district by the County Office Fiscal Crisis and Management Assistance Team or any regional team created pursuant to subdivision (i) of Education Code section 42127.8.

Reimbursement for this activity is not required to the extent the study, report, evaluation, or audit was commissioned at the discretion of the district or of the county office of education.

The eligible reimbursement period for these activities begins September 29, 2004.”

- **Section 2.a.:** The parameters and guidelines should make clear the reimbursement is required only for the incremental costs of reviewing audit exceptions related to sufficiency of textbooks and instructional materials; teacher misassignments; and the accuracy of information reported on the School Accountability Report Card, consistent with the statement of decision adopted by the Commission.

Finance requests that the draft subsection be amended to read:

- “a. Reviewing audit exceptions related to the following, pursuant to Education Code sections 14501 and 41020:
- i. Sufficiency of textbooks and instructional materials.
 - ii. Teacher misassignments.
 - iii. Accuracy of information reported on the School Accountability Report Card.

Reimbursement for this activity is required only to the extent that county offices of education can document that claimed costs would not have been incurred in the absence of a requirement to review audit exceptions related to these requirements.”

Offsetting Revenues and Reimbursements

Finance requests that this section be made more specific so that school districts accurately reduce costs claimed for reporting on the School Accountability Report Card the availability of textbooks and instructional materials (activity 1.a.ii.) by the amount of funding available to the district that is required to be used to report to the public about the sufficiency of instructional materials.

Subparagraph (B) of subdivision (5) of subsection (a) of Education Code section 33126, included in the test claim, specifies that school districts must report on the School Accountability Report Card:

“The availability of sufficient, textbooks and other instructional materials, as determined pursuant to Section 60119, for each pupil, including English learners, in each of the areas enumerated in clauses (i) to (iv), inclusive. If the governing board determines, pursuant to Section 60119 that there are insufficient textbooks or instructional materials, or both, it shall include information for each school in which an insufficiency exists, identifying the percentage of pupils who lack sufficient standards-aligned textbooks or instructional materials in each subject area...”

Education Code section 60119 requires a school district governing board to provide information to the public if the board determines there are insufficient textbooks or instructional materials. The information must include the percentage of pupils who lack sufficient standards-aligned textbooks or instructional materials in each subject area and the reasons that each pupil does not have sufficient textbooks or instructional materials, or both. This is the same information that is required to be reported on the School Accountability Report Card.

The section also authorizes the governing board to use for this purpose:

- Any funds available for textbooks or instructional materials, or both, from categorical programs, including any funds allocated to school districts that have been appropriated in the annual Budget Act.
- Any funds of the school district that are in excess of the amount available for each pupil during the prior fiscal year to purchase textbooks or instructional materials, or both.
- Any other funds available to the school district for textbooks or instructional materials, or both.

Furthermore, subsection (b) of Education Code section 60422 requires that a school district governing board must certify that it has complied with the instructional materials sufficiency requirements enumerated in section 60119 before it may use funding received through the Instructional Materials Funding Realignment Program for certain purposes.

Finance recommends that the following be added at the end of the draft "Offsetting Revenues and Reimbursements" section:

"If a school district submits a valid reimbursement claim for the costs of reporting, on the School Accountability Report Card, the availability of textbooks and instructional materials, the reimbursement shall be reduced by the amount of funding available to the district to report to the public about the sufficiency of instructional materials, including funding apportioned to school districts through the Instructional Materials Funding Realignment Program pursuant to Chapter 3.25 of Part 33 of Division 4 of Title 2 of the Education Code (beginning with section 60420)."

Pursuant to section 1181.2, subdivision (c)(1)(E) of the California Code of Regulations, this document is being e-filed with the Commission on State Mandates and will not be otherwise served on persons that have provided an e-mail address for the mailing list.

If you have any questions regarding this letter, please contact Elisa Wynne, Principal Program Budget Analyst, at (916) 445-0328.

Sincerely,



NICK SCHWEIZER
Program Budget Manager