JOHN CHIANG

California State Controller

Division of Accounting and Reporting

January 5, 2012

Ms. Nancy Patton
Acting Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Re: Draft Staff Analysis, Proposed Amendment to Parameters and Guidelines,
        and Hearing Date
        Request to Amend Parameters and Guidelines
        Pupil Promotion and Retention, 10-PGA-03 (98-TC-19)
        Education Code Section 37252 et al.
        State Controller, Requestor

Dear Ms. Patton:

We have reviewed the draft analysis and proposed amendment to parameters and guidelines submitted by Commission staff. Below are our comments and recommendations. Proposed additions are underlined and deletions are indicated with strikethrough as follows:

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Teacher time is reimbursable for the provision of summer school and other supplemental instruction pursuant to Education Code sections 37252 and 37252.5 (now Ed. Code, § 37252.2).

COMMENT: The word "Ed. Code" is added to provide specific reference.

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On January 27, 2012, the Commission amended the parameters and guidelines to reflect amendments made by Statutes 2010, chapter 724 (AB1610), an education budget trailer bill, to Education Code section ~~37352.2~~ 37252.2.   AB 1610 added subdivision (i) to Education Code section ~~37352.2~~ 37252.2 as follows: ...

III. PERIOD OF REIMBURSEMENT

However, the legislation makes Education Code section 37252.2 activities ineligible for reimbursement (Stats. 2010, ch.724, AB 1610) from October 19, 2010 through June 30, 2013. Thus any annual claims filed for the activities required by Education Code section ~~37352.2~~ 37252.2 for the 2010-2011 fiscal year may only be claimed for the period July 1, 2010 through October 18, 2010

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COMMENT: The correct Education Code section is 37252.2.

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Reimbursement for state-mandated costs may be claimed as follows:

2. Pursuant to Government Code section 17561, <u>subdivision</u> (d)(1)(A), all claims....

3. Pursuant to Government Code section 17560, <u>subdivision</u> (a), a ~~local agency~~ <u>school district</u> may, by February 15 following the fiscal year ....

4. In the event revised claiming instructions are issued by the Controller pursuant to Government Code section 17558, <u>subdivision</u> (c), between November 15 and February 15, a ~~local agency~~ <u>school district</u> filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions ... (Gov. Code §17560, <u>subd.</u> (b).)

5. If the total costs for .... Government Code section 17564, <u>subdivision</u> (a).

COMMENT: The words "subdivision" and "subd." are added to provide specific references. Eligible claimants are "school districts" not "local agencies".

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B. Indirect Cost Rates

~~Beginning July 1, 2011,~~ <u>S</u>school district and county offices of education must use indirect cost rates ....

COMMENT: The Restricted Indirect Cost Rates for K-12 Local Educational Agencies (LEAs) were already used by school district and county offices of education before July 1, 2011.

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VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than ~~60~~ <u>90</u> days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed....

COMMENT: Pursuant to Senate Bill No. 112, the controller's time limit to issue claiming instruction has been extended from 60 days to 90 days after receiving notice from the Commission on State Mandates or Department of Finance.

Should you have any questions regarding the above, please contact Tiffany Hoang at (916) 323-1127, or e-mail to thoang@sco.ca.gov.

Sincerely,

JAY LAL, Manager
Local Reimbursement Sections