

ITEM 13

PROPOSED AMENDMENT OF PARAMETERS AND GUIDELINES

CONSOLIDATION OF *Employee Benefits Disclosure*

04-PGA-27 (CSM-4502)

Education Code Sections 42140 and 42142

Statutes 1994, Chapter 650 (AB 3141)

Statutes 1995, Chapter 525 (AB 438)

Statutes 1996, Chapter 1158 (AB 2964)

AND

School District Fiscal Accountability Reporting

97-TC-13

Education Code Sections 42100, 42127, 42127.5, 42127.6, 42128, 42131,
Government Code Section 3540.2

Statutes 1981, Chapter 100

Statutes 1985, Chapter 185

Statutes 1986, Chapter 1150

Statutes 1987, Chapters 917 and 1452

Statutes 1988, Chapters 1461 and 1462

Statutes 1990, Chapter 525

Statutes 1991, Chapter 1213

Statutes 1992, Chapter 323

Statutes 1993, Chapters 923 and 924

Statutes 1994, Chapters 650 and 1002

Statutes 1995, Chapter 525

EXECUTIVE SUMMARY

Background

In 2001, the Commission on State Mandates determined that the *Employee Benefits Disclosure* program (Ed. Code, §§ 42140 and 42142) imposed a reimbursable state mandate on school districts. Education Code section 42140 required school districts¹ that provided retirement health and welfare benefits for employees, continuing after employees reach 65 years of age, to produce

¹Pursuant to a collective bargaining agreement existing prior to January 1, 1995.

an actuarial report every three years on the estimated accrued but unfunded cost of health and welfare benefits for retired employees. Also, Education Code section 42142 required school districts, within 45 days of adopting a collective bargaining agreement, to forward to the county superintendent of schools any revisions to the school district's current year budget that are necessary to fulfill the terms of that agreement, with any additional costs reflected in interim fiscal reports or multiyear fiscal projections. The Commission adopted parameters and guidelines in 1999.

One of the test claim statutes, Education Code section 42140, was repealed by Statutes 2004, chapter 890 (Assem. Bill No. 2855).

On April 15, 2005, the Clovis Unified School District requested that the remaining reimbursable activity from the *Employee Benefits Disclosure* program be severed from the existing parameters and guidelines and consolidated with the parameters and guidelines for the *School District Fiscal Accountability Reporting* program (97-TC-19).² Clovis requests that the amendment be effective July 1, 2005.

Discussion

A local agency, school district, or the state may file a written request with the Commission to amend, modify, or supplement the parameters and guidelines. The commission may, after public notice and hearing, amend, modify, or supplement the parameters and guidelines.³

Staff proposes the following technical amendments to the parameters and guidelines for the *School District Fiscal Accountability Reporting* program:

I. Summary of the Mandate

This section has been amended to add text describing the *Employee Benefits* program mandate based on Education Code section 42142.

III. Period of Reimbursement

A parameters and guidelines amendment filed on or before January 15 following a fiscal year, shall establish reimbursement eligibility for that fiscal year.⁴ The claimant's proposed amendment was filed on April 18, 2005. Although reimbursement eligibility is established for fiscal year 2004-2005, claimant specifically requested that the amendment be effective beginning July 1, 2005.

This section has been amended to specify that this amendment is effective on July 1, 2005. Staff also revised the language to conform to other parameters and guidelines recently adopted by the Commission.

IV. Reimbursable Activities

This section was revised to include language regarding supporting documentation requirements adopted by the Commission.

² See Exhibit A

³ Government Code section 17557, subdivision (a).

⁴ Government Code section 17557, subdivision (d).

The “Collective Bargaining Budget Revisions” from the *Employee Benefits Disclosure* parameters and guidelines have been added to this section. No other changes have been proposed or made to the original text of the reimbursable activity severed from *Employee Benefits* program parameters and guidelines that are consolidated here.

Other Sections

The language in sections V, VI, VII, VIII, IX, and X was amended to conform to other parameters and guidelines recently adopted by the Commission.

Staff Recommendation

Staff recommends the Commission adopt the proposed amendments to consolidate and update the parameters and guidelines for the *Employee Benefits Disclosure* program and *School District Fiscal Reporting* program, effective July 1, 2005, beginning on page 5.

