

**ITEM 4**  
**PROPOSED DECISION AND AMENDMENT TO**  
**PARAMETERS AND GUIDELINES**

Education Code Section 52056(c)

Statutes 1999, 1st Extraordinary Session, Chapter 3 (SBX1-1)

Statutes 2000, Chapter 695 (SB 1552)

*Academic Performance Index (01-TC-22)*

As Modified by:

Statutes 2013, Chapter 47 (AB 97)

18-MR-01

Department of Finance, Requester

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**EXECUTIVE SUMMARY**

**I. Summary of the Mandate**

This Proposed Decision and Amendment to Parameters and Guidelines is consistent with the Commission on State Mandates' (Commission's) new Test Claim Decision, adopted November 22, 2019, finding that the state's liability pursuant to article XIII B, section 6 and Government Code Section 17514 has been modified based on the subsequent change in law.<sup>1</sup>

On November 22, 2019, the Commission approved the Request for Mandate Redetermination and adopted the new Test Claim Decision pursuant to Government Code section 17570, concluding that Statutes 2013, chapter 47, constitute a subsequent change in law that modifies the state's liability for this program. Specifically, the Commission found that Statutes 2013, chapter 47, effective July 1, 2013, expressly repealed the Education Code section 52056(c), the test claim statute that imposed the mandate. The approved activities in *Academic Performance Index*, 01-TC-22 were imposed entirely and only by this statute.

Government Code section 17570(f) expressly states that "[a] request for adoption of a new test claim decision shall be filed on or before June 30 following a fiscal year in order to establish eligibility for reimbursement or loss of reimbursement for that fiscal year."<sup>2</sup> The Request for Mandate Redetermination was filed March 8, 2019 (fiscal year 2018-2019), establishing a loss of reimbursement beginning July 1, 2017.

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<sup>1</sup> If the Commission adopts a new test claim decision that supersedes the previously adopted test claim decision, the Commission shall adopt new parameters and guidelines or amend existing parameters and guidelines or reasonable reimbursement methodology pursuant to Government Code Sections 17557, 17557.1, and 17557.2. See Government Code section 17570(i).

<sup>2</sup> See also, California Code of Regulations, title 2, section 1190.1(f).

Accordingly, the Commission concluded that the *Academic Performance Index*, 01-TC-22 program no longer constitutes a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514, and the following activities are no longer eligible for reimbursement, pursuant to Government Code section 17570(f), beginning July 1, 2017:

For a school district governing board to discuss the results of its annual Academic Performance Index (API) ranking at the next regularly scheduled meeting following the annual publication of the API and SPI school rankings. Reimbursement is allowed for obtaining the annual API data from the State's website and preparing a staff report, including a PowerPoint presentation, for the governing board's discussion. (Ed. Code §, 52056, subd. (c), Stats. 1999-2000 1st Ex. Sess., ch. 3, eff. Jun. 25, 1999, Stats. 2000, ch. 695.)<sup>3</sup>

## **I. Procedural History**

On September 27, 2019, the Commission adopted the first hearing Decision<sup>4</sup> on this Mandate Redetermination, finding that an adequate showing that the state's liability for this program may be modified based on a subsequent change in law had been made, and directed staff to proceed to the second hearing. On September 27, 2019, Commission staff issued the Draft Proposed Decision for the second hearing and the Draft Expedited Proposed Decision and Amendment to Parameters and Guidelines.<sup>5</sup> On October 18, 2019, the Controller filed comments on the Draft Expedited Proposed Decision and Amendment to Parameters and Guidelines, recommending no changes.<sup>6</sup> On November 22, 2019, the Commission adopted the Proposed Decision for the second hearing as its new Test Claim Decision.

## **II. Discussion**

The Proposed Decision and Amendment to Parameters and Guidelines ends reimbursement beginning July 1, 2017, for all reimbursable activities approved for the *Academic Performance Index*, 01-TC-22 program.

## **III. Staff Recommendation**

Staff recommends that the Commission adopt this Proposed Decision and Amendment to Parameters and Guidelines, ending reimbursement for the activities approved for *Academic Performance Index*, 01-TC-22 program beginning July 1, 2017, in accordance to article XIII B, section 6(a) of California Constitution and Government Code section 17514.

Staff also recommends that the Commission authorize staff to make any non-substantive, technical changes to the Proposed Decision and Amendment to Parameters and Guidelines following the hearing.

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<sup>3</sup> Exhibit B, Draft Proposed Decision, Second Hearing.

<sup>4</sup> Exhibit A, Decision, First Hearing.

<sup>5</sup> Exhibit B, Draft Proposed Decision, Second Hearing; Exhibit C, Draft Expedited Proposed Decision and Amendment to Parameters and Guidelines.

<sup>6</sup> Exhibit D, Controller's Comments on the Draft Expedited Proposed Decision and Amendment to Parameters and Guidelines.

BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

IN RE PARAMETERS AND GUIDELINES  
AMENDMENT FOR:

Education Code Section 52056(c)

Statutes 1999, 1st Extraordinary Session,  
Chapter 3 (SBX1-1) and Statutes 2000,  
Chapter 695 (SB 1552)

As Modified by: Statutes 2013, Chapter 47  
(AB 97)

Filed on March 8, 2019

By the Department of Finance, Requester

Case No.: 01-TC-22 (18-MR-01)

*Academic Performance Index*

DECISION PURSUANT TO  
GOVERNMENT CODE SECTION  
17500, ET SEQ.; CALIFORNIA CODE  
OF REGULATIONS, TITLE 2,  
DIVISION 2, CHAPTER 2.5,  
ARTICLE 7.

*(Adopted November 22, 2019)*

**DECISION**

The Commission on State Mandates (Commission) heard and decided this Proposed Decision and Amendment to Parameters and Guidelines during a regularly scheduled hearing on November 22, 2019. [Witness list will be included in the adopted Decision.]

The law applicable to the Commission's determination of a reimbursable state-mandated program is article XIII B, section 6 of the California Constitution, Government Code section 17500 et seq., title 2, California Code of Regulations 1190.1 et seq., and related case law.

The Commission [adopted/modified] the Proposed Decision and Amendment to Parameters and Guidelines by a vote of [vote will be included in the adopted Decision], as follows:

Member	Vote
Lee Adams, County Supervisor	
Mark Hariri, Representative of the State Treasurer	
Jeannie Lee, Representative of the Director of the Office of Planning and Research	
Gayle Miller, Representative of the Director of the Department of Finance, Chairperson	
Sarah Olsen, Public Member	
Carmen Ramirez, City Council Member	
Jaqueline Wong-Hernandez, Representative of the State Controller, Vice Chairperson	

**I. Summary of the Mandate**

This Proposed Decision and Amendment to Parameters and Guidelines is consistent with the Commission's new Test Claim Decision, adopted November 22, 2019, finding that the state's liability pursuant to article XIII B, section 6 of the California Constitution and Government Code

Section 17514 for the *Academic Performance Index*, 01-TC-22 program was modified based upon a subsequent change in law.<sup>7</sup> Specifically, Statutes 2013, chapter 47, effective July 1, 2013, expressly repealed the Education Code section 52056(c), the test claim statute that imposed the mandate.

Therefore, the following activities do not impose costs mandated by the state within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514, and are no longer eligible for reimbursement, pursuant to Government Code section 17570(f), beginning July 1, 2017:

For a school district governing board to discuss the results of its annual Academic Performance Index (API) ranking at the next regularly scheduled meeting following the annual publication of the API and SPI school rankings. Reimbursement is allowed for obtaining the annual API data from the State's website and preparing a staff report, including a PowerPoint presentation, for the governing board's discussion. (Ed. Code §, 52056, subd. (c), Stats. 1999-2000 1st Ex. Sess., ch. 3, eff. Jun. 25, 1999, Stats. 2000, ch. 695.)<sup>8</sup>

## **II. Procedural History**

On September 27, 2019, the Commission adopted the first hearing Decision<sup>9</sup> on this Mandate Redetermination, finding that an adequate showing that the state's liability for this program may be modified based on a subsequent change in law had been made, and directed staff to proceed to the second hearing. On September 27, 2019, Commission staff issued the Draft Proposed Decision for the second hearing and the Draft Expedited Proposed Decision and Amendment to Parameters and Guidelines.<sup>10</sup> On October 18, 2019, the Controller filed comments on the Draft Expedited Proposed Decision and Amendment to Parameters and Guidelines, recommending no changes.<sup>11</sup> On November 22, 2019, the Commission adopted the Proposed Decision for the second hearing as its new Test Claim Decision.

## **III. Discussion**

The Proposed Decision and Amendment to Parameters and Guidelines ends reimbursement beginning July 1, 2017, for all reimbursable activities approved for the *Academic Performance Index*, 01-TC-22 program.

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<sup>7</sup> Pursuant to Government Code section 17570(i), "[i]f the Commission adopts a new test claim decision that supersedes the previously adopted test claim decision, the Commission shall adopt new parameters and guidelines or amend existing parameters and guidelines or reasonable reimbursement methodology pursuant to Government Code Sections 17557, 17557.1, and 17557.2."

<sup>8</sup> Exhibit B, Draft Proposed Decision, Second Hearing.

<sup>9</sup> Exhibit A, Decision, First Hearing.

<sup>10</sup> Exhibit B, Draft Proposed Decision, Second Hearing; Exhibit C, Draft Expedited Proposed Decision and Amendment to Parameters and Guidelines.

<sup>11</sup> Exhibit D, Controller's Comments on the Draft Expedited Proposed Decision and Amendment to Parameters and Guidelines.

The Commission further finds the Proposed Decision and Amendment to Parameters and Guidelines is supported by the findings adopted by the Commission in its new Test Claim Decision for the *Academic Performance Index*, 01-TC-22 program on November 22, 2019.

#### **IV. Conclusion**

Based on the foregoing, the Commission hereby adopts this Proposed Decision and Amendment to Parameters and Guidelines.

Amended: November 22, 2019

Adopted: 5/27/10

### **AMENDMENT TO PARAMETERS AND GUIDELINES**

Education Code Section 52056, ~~Subdivision~~ (c)  
Statutes 1999, 1<sup>st</sup> Extraordinary Session, Chapter 3  
Statutes 2000, Chapter 695

*Academic Performance Index*

01-TC-22

As Modified by:

Statutes 2013, Chapter 47 (AB 97)

18-MR-01

Reimbursement for this Program Ends July 1, 2017

#### **I. SUMMARY OF THE MANDATE**

Education Code section 52056, subdivision (c), as added and amended by the test claim statutes requires a school district governing board to discuss the results of its annual Academic Performance Index (API) ranking at the next regularly scheduled meeting following the annual publication of the API and Superintendent of Public Instruction (SPI) school rankings.

On July 31, 2009, the Commission on State Mandates (Commission) adopted a Statement of Decision finding that the test claim statutes impose a partially reimbursable state-mandated program upon school districts within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514. The Commission approved this test claim for the following reimbursable activity:

- For a school district governing board to discuss the results of its annual ranking at the next regularly scheduled meeting following the annual publication of the API and SPI school rankings (Ed. Code § 52056, subd. (c), Stats. 1999-2000 1st Ex. Sess., ch. 3, eff. Jun. 25, 1999, Stats. 2000, ch. 695).

However, districts discussing the results of the annual API and SPI rankings (in § 52056, subd. (c)) is not a reimbursable mandate for schools with fewer than 100 valid test scores, or schools in the alternative accountability system that are under the jurisdiction of a county board of education or a county superintendent of schools, community day schools, alternative schools, including continuation high schools and opportunity schools and independent study schools. (Ed. Code, § 52052, subd. (f)(1), Stats. 2001, ch. 887 & Cal. Code Regs., tit. 5, § 1032, subd. (b).)

Participation in the Intermediate Intervention/Underperforming Schools Program (II/USP) pursuant to section 52053, subdivisions (d) and (j), and all other test claim statutes and regulations pled in the test claim do not constitute a reimbursable state mandate.

Statutes 2013, chapter 47, section 102 (AB 97) repealed Article 4 of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code, commencing with section 52056, which includes section 52056(c) that imposed the mandate.

On March 8, 2019, the Department of Finance (Finance) filed the Request for Redetermination of the *Academic Performance Index*, 01-TC-22 Test Claim. On November 22, 2019, the Commission approved Finance's request and adopted a New Test Claim Decision, finding that Statutes 2013, chapter 47, constitutes a subsequent change in law that eliminates the state's liability for reimbursement for this program, beginning July 1, 2017.

## **II. ELIGIBLE CLAIMANTS**

Any "school district" as defined in Government Code section 17519, except for community colleges, which incurs increased costs as a result of this mandate is eligible to claim reimbursement. Charter schools are not eligible claimants.

## **III. PERIOD OF REIMBURSEMENT**

Government Code section 17570(f) provides that "[a] request for adoption of a new test claim decision shall be filed on or before June 30 following a fiscal year in order to establish eligibility for reimbursement or loss of reimbursement for that fiscal year." The Request for Mandate Redetermination was filed on March 8, 2019, establishing a loss of reimbursement beginning July 1, 2017. ~~Government code section 17557, subdivision (e), states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The San Juan Unified School District filed the test claim on June 28, 2002, establishing eligibility for reimbursement for the 200-2001 fiscal year. Therefore, costs incurred are reimbursable on or after July 1, 2000.~~

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

1. Actual costs for one fiscal year shall be included in each claim.
2. Pursuant to Government Code section 17561, subdivision (d)(1)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions.
3. Pursuant to Government Code section 17560, a school district may, by February 15 following the fiscal year in which costs were incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
4. In the event that revised claiming instructions are issued by the Controller pursuant to Government Code section 17558, subdivision (c) between November 15 and February 15, a school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.
5. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564.
6. There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

#### IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activity is reimbursable:

- For a school district governing board to discuss the results of its annual Academic Performance Index (API) ranking at the next regularly scheduled meeting following the annual publication of the API and SPI school rankings. Reimbursement is allowed for obtaining the annual API data from the State's website and preparing a staff report, including a PowerPoint presentation, for the governing board's discussion. (Ed. Code §, 52056, subd. (c), Stats. 1999-2000 1st Ex. Sess., ch. 3, eff. Jun. 25, 1999, Stats. 2000, ch. 695.)

This activity is **not** reimbursable for schools with fewer than 100 valid test scores, or schools in the alternative accountability system that are under the jurisdiction of a county board of education or a county superintendent of schools, community day schools, alternative schools, including continuation high schools and opportunity schools and independent study schools. (Ed. Code, § 52052, subd. (f)(1), Stats. 2001, ch. 887 & Cal. Code Regs., tit. 5, § 1032, subd. (b).)

In addition, reimbursement is **not** required to analyze the API data, including STAR test scores, for changes in longitudinal performance of schools, to identify schools that change ranks, to measure achievement gaps between student groups, and to compare district performance with other urban districts pursuant to Education Code section 52056, subdivisions (c) and (d), as amended by Statutes 2003, chapter 45.

#### V. CLAIM PREPARATION AND SUBMISSION

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must

be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

#### A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

##### 1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

##### 2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

##### 3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

##### 4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

##### 5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1., Salaries and Benefits, for each applicable reimbursable activity.

#### B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to



be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

School districts must use the J-380 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

County offices of education must use the J-580 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

## **VI. RECORD RETENTION**

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter<sup>12</sup> is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

## **VII. OFFSETTING REVENUES AND REIMBURSEMENTS**

Any offsets the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

## **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 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(1), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

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<sup>12</sup> This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

## **IX. REMEDIES BEFORE THE COMMISSION**

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

## **X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES**

The ~~Statement of Decisions on the Test Claim, Mandate Redetermination, Parameters and Guidelines and Amendments thereto~~ are legally binding on all parties and provides the legal and factual basis for these parameters and guidelines. The support for the legal and factual findings is found in the administrative record ~~for the test claim~~. The administrative record, ~~including the Statement of Decision~~, is on file with the Commission.