

Adopted: 5/27/10

PARAMETERS AND GUIDELINES

Education Code Section 52056, Subdivision (c)

Statutes 1999, 1st Extraordinary Session, Chapter 3

Statutes 2000, Chapter 695

Academic Performance Index

01-TC-22

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 imposes 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.

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 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 2000-2001 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 chapter¹ 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.

¹ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

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.

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 Decision is legally binding on all parties and provides the legal and factual basis for the 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.

Hearing: May 26, 2011
j:mandates/2001/01-tc-22/sce/dsa

ITEM ____
DRAFT STAFF ANALYSIS
PROPOSED STATEWIDE COST ESTIMATE
\$906,456

Education Code Section 52056, Subdivision (c)
Statutes 1999, 1st Extraordinary Session, Chapter 3
Statutes 2000, Chapter 695

Academic Performance Index
01-TC-22

San Juan Unified School District, Claimant

STAFF ANALYSIS

Background and Summary of the Mandate

This program 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.

The Commission on State Mandates (Commission) adopted a statement of decision concluding that Education Code section 52056, subdivision (c), as added and amended by the test claim statutes, imposes 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 claimant filed the test claim on June 28, 2002. The Commission adopted the statement of decision on July 31, 2009, and the parameters and guidelines on May 27, 2010.¹ Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by November 30, 2010, and late claims by November 30, 2011.

Eligible Claimants and Period of Reimbursement

School districts are eligible claimants. The reimbursement period for this new mandate began on July 1, 2000.

Reimbursable Activities

The Commission approved the following activities for reimbursement:

- 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).

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

¹ Exhibit A.

discussion. (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.

Statewide Cost Estimate

Staff reviewed the claims data submitted by 81 school districts and compiled by the SCO. The actual claims data showed that 445 claims were filed for 10 fiscal years for a total of \$906,456.² Based on this data, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program.

Assumptions

1. *The actual amount claimed for reimbursement may increase if late or amended claims are filed.*

There are currently 1,047 school districts in California. Of those, only 81 filed reimbursement claims for this program between 2000 and 2010. If other eligible claimants file late or amended claims, the amount of reimbursement claims may exceed the statewide cost estimate. Late claims for this program may be filed until November 30, 2011.

2. *There may be several reasons that non-claiming school districts did not file for reimbursement, including but not limited to:*

- The Commission approved only a small portion of this program as a mandate. Therefore, most school districts cannot reach the \$1,000 threshold for filing reimbursement claims.
- They did not have supporting documentation to file a reimbursement claim.

3. *There is a wide variation in costs claimed for this program based on: (a) the hourly rate of the employee performing the reimbursable activities; and (b) the total number of hours worked to perform the reimbursable activities that appear to be eligible for reimbursement.*

Staff reviewed the claims data and found a wide variation in costs among claimants. The program generally allows for preparing and presenting the staff report on the API ranking to the governing board. The variation in costs is evident in the hourly rate of the employee performing the reimbursable activities.

For example, for fiscal year 2009-2010, Kelseyville Unified School District claimed the hourly rate of \$23.33 for the Director of Student Services. In comparison, Buena Park Elementary claimed the hourly rate of \$50.49 for the Secretary; Deserts Sands Unified

² Claims data reported as of March 18, 2011.

claimed \$74.78 for the Assessment Administrator and; Glendale Unified claimed \$86.25 for the Administrator.

The variation in costs is also evident in the total number of hours worked to perform the reimbursable activities. For example, for fiscal year 2009-2010, Savanna School District claimed 67.5 total hours to prepare and present the staff report. In comparison, Desert Sands Unified claimed 17 total hours; Buena Park Elementary claimed 18 total hours; Colton Joint Unified claimed 20 total hours; and Glendale Unified claimed 52 total hours.

However, the parameters and guidelines do not require a specific classification of employee to perform the reimbursable activities, nor do they specify a maximum allowable number of hours to perform the reimbursable activities. Therefore, the costs appear to be eligible for reimbursement.

4. *The total amount of reimbursement for this program may be lower than the statewide cost estimate because the SCO may reduce any reimbursement claim for this program.*

The SCO is authorized to reduce any claims it deems excessive or unreasonable. While the costs claimed appear to be eligible for reimbursement, based on the wide variation, the SCO may decide to conduct an audit of the claims.

Methodology

Fiscal Years 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, and 2009-2010.

The proposed statewide cost estimate for the above-named fiscal years was developed by totaling the 445 reimbursement claims filed with the SCO for these years.

The proposed statewide cost estimate includes 10 fiscal years for a total of \$906,456 for the *Academic Performance Index* program. This averages to \$90,645 annually in costs for the state for this 10-year period.

Following is a breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of School District Claims Filed with SCO	Estimated Cost
2000-2001	28	\$49,030
2001-2002	29	\$55,132
2002-2003	31	\$58,673
2003-2004	36	\$71,784
2004-2005	43	\$80,946
2005-2006	43	\$88,536
2006-2007	54	\$107,498
2007-2008	54	\$114,802
2008-2009	58	\$122,147
2009-2010	69	\$157,908
TOTAL	445	\$906,456

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of **\$906,456** for costs incurred in complying with the *Academic Performance Index* program.