

ITEM 13
FINAL STAFF ANALYSIS
STAFF'S PROPOSED AMENDMENTS TO
CONSOLIDATED PARAMETERS AND GUIDELINES

Education Code Sections 35291, 48900.1, 48980,
49063, Subdivision (k), and 58501

Annual Parent Notification

(Pupil Attendance Alternatives, School Site Discipline Rules, Alternative Schools, Pupil Suspensions: Parent Classroom Visits, Interdistrict Transfers: Parent's Employment, Staff Development, 1998-2000 Statutes)

05-PGA-12

(CSM-4445, 4453, 4461, 4462, 4474, 4448, 97-TC-24, 99-TC-09, 00-TC-12)

State Controller's Office, Requestor

Executive Summary

On March 16, 2006, Commission staff issued the Draft Staff Analysis and Proposed Parameters and Guidelines Amendments for comment. No comments were filed. Therefore, no changes were made to the Draft Staff Analysis and the Proposed Parameters and Guidelines Amendments, as originally issued.

Background

Education Code section 48980 and various other statutes established the content requirements for annual notifications sent to parents and guardians by school districts. The Commission on State Mandates (Commission) addressed the parent notification and content requirements in seven test claim decisions¹ that were consolidated as one set of parameters and guidelines known as *Annual Parent Notification*. This consolidation has enabled the Commission to establish a uniform cost allowance for school district reimbursements.

After three statutes repealed or modified the *Annual Parent Notification* requirements, the State Controller's Office (SCO) requested the following amendments to conform the consolidated parameters and guidelines to current law.²

Deletion of the *Pupil Suspension Parent Classroom Visits* component from the parameters and guidelines because Education Code section 48900.1, was amended and made optional by Assembly Bill No. 2855, Statutes 2004, chapter 895.

Deletion of *Interdistrict Transfer Requests: Parent's Employment* component from the parameters and guidelines because Education Code section 48980, subdivision (g) (former subdivision (e), as added by Stats. 1990, ch. 10) was repealed by Statutes 2003, chapter 650.³

¹ The consolidated parameters and guidelines include the reimbursable activities for the following test claims: CSM 4445, 4453, 4461, 4462, 4474, 4488, 97-TC-24, 99-TC-09, 00-TC-12.

² See Exhibit A.

Deletion of *Internet Policy* from *Annual Parent Notification: Staff Development* (97-TC-24) component from the parameters and guidelines because Education Code section 48980, subdivision (h) was repealed by Statutes 2005, chapter 677, effective October 7, 2005.⁴

Discussion

Staff agrees with the State Controller's Office request and submits separate proposed parameters and guidelines amendments for three fiscal years: 2004-2005, 2005-2006, and 2006-2007.

Staff reviewed the original test claim decisions, the *Annual Parent Notification* program consolidated parameters and guidelines, the 2003, 2004, and 2005 amendments to the test claim statutes and the SCO's requests. Non-substantive, technical changes were made for purposes of clarification, and to include language adopted by the Legislature and the Commission since these parameters and guidelines were last amended in May 2002.

Staff proposes substantive modifications to the parameters and guidelines, as discussed below.

Title Page

For fiscal year 2004-2005, *Interdistrict Transfer Requests: Parents Employment*, the relevant citations and test claim numbers are deleted.

For fiscal year 2005-2006, *Pupil Suspensions: Parent Classroom Visits*, relevant citations and test claim numbers are deleted.

For fiscal year 2006-2007, no changes are made.

Section I. Summary of the Mandate

This section is updated to identify and briefly describe the approved test claims that are addressed by these consolidated parameters and guidelines. For fiscal year 2004-2005, references to *Parents Employment* are deleted from *Notification to Parents: Pupil Attendance Alternatives* (CSM-4453) and *Interdistrict Transfer Requests: Parents Employment* (CSM-4445) is deleted. For fiscal year 2005-2006, *Pupil Suspensions: Parent Classroom Visits* (CSM-4474), is deleted; and for fiscal year 2006-2007, the notice requirement for *internet policies* is deleted from *Annual Parent Notification: Staff Development* (CSM-97-TC-24).

Section III. Period of Reimbursement

Government Code section 17557 provides that a request for amendment of parameters and guidelines filed more than 90 days after the claiming deadline for initial reimbursement claims and on or before January 15, following a fiscal year, shall establish reimbursement eligibility for that fiscal year.

³ Repealed "(g) Until July 1, 1998, the notification shall also advise the parent or guardian of the availability of the employment-based school attendance options, pursuant to subdivision (f) of Section 48204." This program was determined in the *Notification to Parents: Pupil Attendance Alternatives* (CSM 4453). Therefore, all references to it are proposed for deletion.

⁴ Repealed "(h) The notification shall include a copy of the written policy of the school district adopted pursuant to Section 51870.5 regarding access by pupils to Internet and on-line sites."

On November 1, 2005, the SCO requested that these parameters and guidelines be amended to delete the *Pupil Suspension Parent Classroom Visits* program, made optional by AB 2855. Although this proposed amendment could be effective July 1, 2004, based on the State Controller's filing date, the statute is not effective until January 1, 2005. Therefore, the reimbursement period for this program will end on December 31, 2004. Beginning in fiscal year 2005-2006, this program will be deleted from the parameters and guidelines.

On January 26, 2006, the SCO requested that the parameters and guidelines be amended to delete *Interdistrict Transfer Requests: Parent's Employment* (CSM-4453 and CSM-4445) and "Internet Policy" from *Annual Parent Notification: Staff Development* (97-TC-24).

For *Interdistrict Transfer Requests: Parent's Employment*, the express language of the test claim statute required notifications until July 1, 1998, and the parameters and guidelines provided a unit cost allowance for reimbursement through the 1997-98 fiscal year. The repeal was effective on January 1, 2004. However, based on the filing date of the SCO amendment, this program is deleted from the consolidated parameters and guidelines, beginning on July 1, 2004.

The requirement to include the *Internet Policy* in the annual parent notification was repealed, effective October 7, 2005. Therefore, the reimbursement period for this component of the notification ended on October 6, 2005. Beginning in fiscal year 2006-2007, this program will be deleted from the consolidated parameters and guidelines.

Section IV. Reimbursable Activities

Substantive language on filing actual cost reimbursement claims is deleted because it is not relevant to reimbursement based on a reasonable reimbursement methodology. A reasonable reimbursement methodology is based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state rather than detailed documentation of actual local costs. No changes are made to the description of reimbursable activities.

However, staff's proposed amendments include moving the original matrix format developed in the initial parameters and guidelines to Section V. The new matrix includes the test claim number, the notice topic, number of claimable pages, reimbursement period and current references.

Section V. Claim Preparation: Reasonable Reimbursement Methodology

Substantive language on filing actual cost reimbursement claims is deleted because reimbursement for this consolidated program is based on a reasonable reimbursement methodology in lieu of payments of total actual costs incurred.

This section is revised to add new language for adoption of a reasonable reimbursement methodology and clarification of the unit cost allowances and numbers of claimable pages per notice topic, as displayed in the matrix. Most of this language is excerpted from the statutory definition.

As noted above, the original matrix format developed in the initial parameters and guidelines has been moved to this section. No changes are made to the number of claimable pages per program, nor to the fixed cost per page or notice.

For fiscal year 2004-2005, *Interdistrict Transfer Requests: Parents Employment* is deleted from the matrix; for fiscal year 2005-2006, *Pupil Suspensions: Parent Classroom Visits*, is deleted

from the matrix; and for fiscal year 2006-2007, *Internet Policies* is deleted from the matrix. These modifications update the parameters and guidelines to current law.

Sections VI - X

The remaining sections are updated to make the language consistent with adopting a reasonable reimbursement methodology and language in recently adopted parameters and guidelines.

Staff Recommendation

Staff recommends the Commission adopt staff's attached proposed parameters and guidelines amendments for the consolidated parameters and guidelines for:

Fiscal Year 2004-2005 (Beginning on page 5)

Fiscal Year 2005-2006 (Beginning on page 17)

Fiscal Year 2006-2007 (and following years) (Beginning on page 27)

Staff also recommends that the Commission authorize staff to make any non-substantive technical corrections to the parameters and guidelines following the hearing.

Adopted: 11/30/95
Amended: 04/24/97
Amended: 01/27/00
Amended: 05/23/02
Proposed for Amendment:04/26/06

STAFF'S PROPOSED AMENDMENTS TO CONSOLIDATED PARAMETERS AND GUIDELINES

Annual Parent Notification

(CSM- 4445, 4453, 4461, 4462, 4474, 4488, 97-TC-24, 99-TC-09, 00-TC-12)

Education Code Section 48980

As Amended By

Statutes 1977, Chapter 36; Statutes 1979, Chapter 236;
Statutes 1980, Chapter 975; Statutes 1985, Chapter 459;
Statutes 1986, Chapter 97; Statutes 1987, Chapter 1452;
Statutes 1988, Chapter 65; Statutes 1990, Chapters 10 & 403;
Statutes 1992, Chapter 906; Statutes 1993, Chapter 1296;
Statutes 1997, Chapter 929; Statutes 1998, Chapters 846 and 1031;
Statutes 1999-2000, Chapter 1X; Statutes 2000, Chapter 73
[As Amended By Statutes 2003, Chapter 650 and Statutes 2005, Chapter 677]

Education Code Section 49063, Subdivision (k)

Statutes 1998, Chapter 1031

Schoolsite Discipline Rules

Education Code Section 35291

Statutes 1977, Chapter 965

Statutes 1986, Chapter 87

Alternative Schools

Education Code Section 58501

Statutes 1975, Chapter 448; Statutes 1981, Chapter 469

Pupil Suspensions: Parent Classroom Visits

Education Code Section 48900.1

Statutes 1988, Chapter 1284

Statutes 1989, Chapter 213

[As Amended by Statutes 2004, Chapter 895]

Fiscal Year 2004-2005

I. SUMMARY OF THE MANDATES

The Commission determined that Education Code sections 35291, 48980, 48900.1, 49063, subdivision (k), and 58501 impose a new program or higher level of service, and costs mandated by the state, for school districts and county offices of education.⁵ The following statements of decision address these mandate determinations and are consolidated under these parameters and guidelines:

1. *Notification to Parents: Pupil Attendance Alternatives (CSM 4453)*⁶

(References to subdivisions ~~(e)~~ and ~~(g)~~, refers to current subdivisions ~~(g)~~ and ~~(j)(h)~~, respectively.)

The Commission determined that Education Code section 48980, subdivisions ~~(e)~~⁷ and ~~(g)~~⁸ results in costs mandated by the state by requiring school districts to:

a. ~~Pursuant to subdivision (e), develop and include as part of the notification to parents or guardians an advisement of the availability of employment-based school attendance options.~~⁹

b. ~~Pursuant to subdivision (g),~~ Provide or disseminate the notification to parents or guardians including information provided by the California Department of Education explaining the current statutory attendance options, and developing and including all current statutory and local attendance options which are unique to each district, and a procedure for alternative attendance areas or programs all as part of the annual notification, and to develop and distribute school district application forms for requesting a change of attendance, and a description of the appeals process for those applicants who are denied.

~~The Commission concluded that Education Code section 48980, subdivision (g),¹⁰ does not impose a new program or higher level of service in an existing program by requiring school districts to conduct an annual review of the enrollment options available to the pupils within their districts and that the school districts strive to make available enrollment options that meet the diverse needs, potential, and interests of California's pupils.~~

⁵ Article XIII B, section 6, of the California Constitution, and Government Code section 17514.

⁶ Statutes of 1993, chapter 1296; filed February 16, 1994; Statement of Decision adopted August 15, 1994, and amended February 23, 1995.

⁷ Added by Statutes of 1990, chapters 10 and 403. Renumbered as subdivision (f) by Statutes of 1997, chapter 929; renumbered as subdivision (g) by Statutes of 1999, chapter 1X.

⁸ Added by Statutes of 1993, chapter 1296. Renumbered as subdivision (i) by Statutes of 1997, chapter 929; renumbered as subdivision (j) by Statutes of 1999, chapter 1X.

⁹ Education Code section 48980, subdivision (e), Statutes of 1994, chapter 1262.

¹⁰ Statutes of 1993, chapter 1296.

2. ~~Interdistrict Transfers: Parent's Employment (CSM 4445)¹¹~~

~~(References to subdivision (e), refer to current subdivision (g).)~~

~~The Commission observed that this test claim alleged a state-mandated program in Education Code section 48980, subdivision (e).¹² However, the Commission noted that this subdivision was previously addressed in the test claim entitled *Notification to Parents: Pupil Attendance Alternatives* and determined in the statement of decision for this claim that a reimbursable state-mandated program was contained in subdivision (e). The Commission made its final determination on Education Code section 48980, subdivision (e), in the amended statement of decision for *Notification to Parents: Pupil Attendance Alternatives*.~~

[Note: Statutes 2003, chapter 650 (SB 71) deleted subdivision (g). Thus, effective January 1, 2004, there are no reimbursable costs for this program and references to this program will be deleted from the parameters and guidelines beginning in fiscal year 2004-2005.]

23. *Annual Parent Notification (CSM 4461)¹³*

The Commission determined that Education Code section 48980, subdivision (a) required school districts to annually notify the parent or guardian of all pupils of specified Education Code provisions and that the additional printing and distribution of these notifications (in a cost effective manner) result in a reimbursable-state mandated program. The Commission also determined that a negligible reimbursable state-mandated program exists for annually reviewing and modifying the content of the parent notification to incorporate changes within the new sections referenced in these subdivisions.

34. *Schoolsite Discipline Rules (CSM 4462)¹⁴*

The Commission determined that the requirement in Education Code section 35291¹⁵ for school districts to annually notify the parent or guardian of all pupils of the availability of district rules on student discipline combined with the annual parent notification requirement is a reimbursable state-mandated program.

¹¹ Statutes of 1992, chapter 507; filed December 17, 1993; Statement of Decision adopted January 19, 1995.

¹² Renumbered as subdivision (f) by Statutes of 1997, chapter 929; renumbered as subdivision (g) by Statutes of 1999, chapter 1X.

¹³ Statutes of 1992, chapter 906; filed September 2, 1994; adopted August 24, 1995.

¹⁴ Statutes of 1986, chapter 87; filed September 16, 1994; adopted August 24, 1995.

¹⁵ Amended by Statutes of 1977, chapter 965, and Statutes of 1986, chapter 87.

45. *Pupil Suspensions: Parent Classroom Visits* (CSM 4474)¹⁶

The Commission determined that the requirement in Education Code section 48900.1, for school districts to prepare and distribute to all parents and guardians as part of the annual parent notification, written notice of the board's policy authorizing teachers to provide that the parent or guardian of a pupil who has been suspended by a teacher, as specified, to attend a portion of a school day in his or her child's or ward's classroom, is a reimbursable state-mandated program.

Statutes 2004, chapter 895 (AB 2855) made Education Code section 48900.1 discretionary. Thus, effective January 1, 2005, there are no reimbursable costs. This program will be deleted beginning in the fiscal year 2005-20 06 parameters and guidelines.

56. *Alternative Schools Annual Notification* (CSM 4488)¹⁷

The Commission determined that Education Code section 58501¹⁸ resulted in costs mandated by the state by requiring school districts and county offices of education to:

- a. Provide parents and guardians with a prescribed annual written notice on the alternative schools program.
- b. Make available the alternative schools law at the offices of the principal, county superintendent of schools and district administrative office for anyone who requests this information.
- c. Annually post the alternative schools notice in at least two places at each school site for the entire month of March.

67. *Annual Parent Notification – Staff Development* (CSM 97-TC-24)¹⁹

The Commission determined that Education Code section 48980, subdivisions (c) and (h),²⁰ resulted in costs mandated by the state by requiring school districts to:

¹⁶ This claim was originally filed as CSM 4458 and was then split into two claims. *Pupil Classroom Suspensions* remains the subject of CSM 4458 and *Pupil Suspensions: Parent Classroom Visits* was renumbered CSM 4474. CSM 4474, Statutes of 1988, chapter 1284, retains the original filing date, March 9, 1994. The Statement of Decision for CSM 4474 was adopted February 29, 1996.

¹⁷ Statutes of 1975, chapter 448, and Statutes of 1981, chapter 469; filed September 29, 1995; Statement of Decision adopted November 15, 1996.

¹⁸ As added by Statutes of 1975, chapter 448, and amended by Statutes of 1981, chapter 469.

¹⁹ Statutes of 1997, chapter 929; filed May 12, 1998; Statement of Decision adopted August 26, 1999.

²⁰ Renumbered as subdivision (i) by Statutes of 1999, chapter 1X.

- a. Provide parents and guardians with annual written notice of the schedule of minimum days and pupil-free staff development days. (Ed. Code, § 48980, subd. (c).)
- b. Include a copy of the school district's written policy regarding pupil access to the Internet and on-line sites as part of the annual written notifications to parents and guardians. (Former Ed. Code, § 48980, subd. (h), renumbered subd. (i) by Stats. 2003, ch. 650, then deleted by Stats. 2005, chapter 677, effective October 7, 2005. Thus, effective October 7, 2005, there are no reimbursable costs for this activity.)

78. *Annual Parent Notification: 1998-2000 Statutes (CSM 99-TC-09, 00-TC-12)*²¹

The Commission determined that Education Code section 48980, subdivisions (e), (l), and (m), and Education Code section 49063, subdivision (k), resulted in costs mandated by the state by requiring school districts to provide to parents and guardians, the following information:

- a. Notice that pupils will be required to pass a high school exit examination as a condition of graduation. (Ed. Code, § 48980, subd. (e).)
- b. Notice that no pupil may have his or her grade reduced or lose academic credit for any excused absences if the pupil makes up any missed assignments or tests.
(Former Ed. Code, § 48980, subd. (l); renumbered subd. (k) by Stats. 2003, ch. 650, renumbered subd. (j) by Stats. 2005, ch. 677.)
- c. A copy of the complete text of Education Code section 48205. (Former Ed. Code, § 48980, subd. (l); renumbered subd. subd. (j) by Stats. 2005, ch. 677.)
- d. Notice of the availability of state funds to cover the costs of advanced placement examination fees. (Former Ed. Code, § 48980, subd. (m); renumbered subd. (l) by Stats. 2003, ch. 650, renumbered subdivision (k) by Stats. 2005, ch. 677.)
- e. Notice that a prospectus of school curriculum is available for review at the pupil's school, upon request. (Ed. Code, § 49063, subd. (k).)

II. ELIGIBLE CLAIMANTS

Any "school district," as defined in Government Code section 17519, except for community colleges, that incurs increased costs as a result of this mandate is eligible to claim reimbursement.

III. PERIOD OF REIMBURSEMENT

²¹ CSM 99-TC-09; Statutes of 1998, chapters 846 and 1031, and Statutes of 1999, chapter 1X; filed May 17, 2000. CSM 00-TC-12; Statutes of 2000, chapter 73; filed May 11, 2001. Statement of Decision adopted December 12, 2001.

This amended consolidated set of parameters and guidelines is operative for reimbursement claims filed for fiscal year 2004-2005.

Pursuant to Government Code section 17560, reimbursement for state-mandated costs may be claimed as follows:

A local agency or school district may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b).

A local agency or school district may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.

In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between October 15 and January 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

Reimbursable actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561 (d)(1), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the State Controller's claiming instructions. 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.

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 [MODIFIED]

[*SIGNIFICANT DELETIONS FROM BOILERPLATE***]**

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 a mandate.

For each eligible claimant, the following activities are reimbursable:

A. Review and Update

Annual review of Education Code section 48980, subdivisions (a), (c), (e), ~~(g)~~, (h), (j), (k), (l), ~~(m)~~ and 49063, subdivision (k), and the sections referenced therein, for any change to scope and content; prepare or modify the annual parent notification and attendance application, as necessary; and have those changes approved by the governing board. (Ed. Code, § 48980, subd. (a).)

B. Printing

Annually print or otherwise reproduce the parent notification and district alternative attendance application and any state provided notification/application, and the notice of alternative schools. (Ed. Code, §§ 35291, 48980, subds. (a) & (h).)

C. Distribution

Annually distribute in a cost-effective manner a copy of the district parent notification and district alternative attendance application, and any state-provided alternative attendance notification/application, and the notice of alternative schools, to the parent or guardian of continuing and new students. (Ed. Code, §§ 35291, 48980, subs. (a) & (h).)

D. Alternative School Laws

Make available the text of the alternative schools law at the principal's office, county superintendent of school's office, and district administrative office for anyone who requests this information. (Ed. Code, § 58501.)

E. Posting Notice of Alternative Schools

Post the alternative schools notice in at least two places at each school site for the entire month of March. (Ed. Code, § 58501.)

F. Providing Notice of Minimum Days or Pupil-Free Staff Development Days Scheduled After the First Day of School

If the schedule of minimum days or pupil-free staff development days are scheduled after the first day of school, prepare and distribute notice of these days to parents or guardians. (Ed. Code, § 48980, subd. (c).)

V. **CLAIM PREPARATION: REASONABLE REIMBURSEMENT METHODOLOGY**

[***NEW TEXT AND SIGNIFICANT DELETIONS***]

The Commission is adopting a *reasonable reimbursement methodology* to reimburse school districts for all direct and indirect costs, as authorized by Government Code section 17557, subdivision (b), *in lieu of payment of total actual costs incurred*. The definition of reasonable reimbursement methodology is in Government Code section 17518.5, as follows:

Government Code Section 17518.5

- (a) *Reasonable reimbursement methodology* means a formula for reimbursing local agency and school district costs mandated by the state that meets the following conditions:
 - (1) the total amount to be reimbursed statewide is equivalent to total estimated local agency and school district costs to implement the mandate in a cost-efficient manner.
 - (2) for 50 percent or more of eligible local agency and school district claimants, the amount reimbursed is estimated to fully offset their projected costs to implement the mandate in a cost-efficient manner.
- (b) Whenever possible, a *reasonable reimbursement methodology* shall be based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state rather than detailed documentation of actual local costs. In cases when local agencies and school districts are projected to incur costs to implement a mandate over a period of more than one fiscal year, the

determination of a reasonable reimbursement methodology may consider local costs and state reimbursements over a period of greater than one fiscal year, but not exceeding 10 years.

(c) A reasonable reimbursement methodology may be developed by any of the following:

- (1) The Department of Finance.
- (2) The Controller.
- (3) An affected state agency.
- (4) A claimant.
- (5) An interested party,

A. Uniform Cost Allowances and Formula for Reimbursable Activities A-E

The *reasonable reimbursement methodology* shall consist of uniform cost allowances to cover all direct and indirect costs of performing activities A-E, as described under Section IV. Reimbursable Activities, and applied to a formula for calculating claimable costs.

The uniform cost allowances for reimbursement of activities, A-E are *as follows*::

1. The fixed cost per page is \$.0697 for fiscal year 2004-2005 costs. In each subsequent year, the Controller shall adjust the fixed cost per page by the Implicit Price Deflator as defined in Government Code section 17523.
2. The maximum number of claimable 8 ½" X 11" pages in the printed notification/application is determined for each program and is included in the matrix that follows.:
3. The number of notifications (includes applications), distributed to parents and guardians may be based on one of the following numbers:
 - b.a. the actual number distributed.
 - e.b. actual district enrollment at the time of distribution.
 - c. district's annual average daily attendance (ADA).

The formula for calculating claimable costs for Reimbursable Activities A-E for each program is as follows:

Claimable Costs = (fixed cost/page) X (# of claimable pages) X (# of notifications)

B. Uniform Cost Allowance and Formula for Reimbursable Activity F.

The *reasonable reimbursement methodology* shall consist of uniform cost allowances to cover all direct and indirect costs of performing activity F, as described under Section IV. Reimbursable Activities, and applied to a formula for calculating claimable costs.

The uniform cost allowance for preparing and distributing notice to parents and guardians of minimum days or pupil-free staff development days scheduled after the first day of school is \$.2772 per notice for fiscal year 2004-2005. The Controller shall adjust this cost each subsequent year by the Implicit Price Deflator.

The number of notices prepared and distributed to parents and guardians may be based on one of the following numbers:

- a. actual number of notices distributed.
- b. actual grade level or district enrollment at the time of distribution.
- c. district's annual average daily attendance (ADA).

The formula for calculating claimable costs for reimbursable activity F is as follows:

Claimable Costs = (fixed cost/notice) X (number of notices distributed)

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FOR FISCAL YEAR 2004-2005

The test claim decisions and content of parent notices, maximum number of “claimable pages”, reimbursement period, and statutory reference, for each program are as follows:

Test Claim Decisions and Content of Parent Notice	Claimable Pages	Status of Reimbursement Period	Current Reference
CSM-4445 <i>Interdistrict Transfer Requests: Parents Employment</i>	0.25 page	Ended on December 31, 2003	Former Ed. Code, § 48980, subd. (g) repealed by Statutes 2003, Chapter 650 (SB 71)
CSM-4453 <i>Pupil Attendance Alternatives</i>	Based on District Population: 0-500 -- 1 page 501-2500 – 3 pages 2501-25,000- 6 pages 25,001+ - 9 pages	Ongoing	Ed. Code, § 48980, subd. (h)
CSM-4461 <i>Annual Parent Notification</i> CSM-4462 <i>School Site Discipline Procedures</i>	2.75 pages	Ongoing	Ed. Code, § 48980, subd. (a) Ed. Code, § 35291
CSM-4474 <i>Pupil Suspension: Parent Classroom Visits</i>	0.25 page	Ended on December 31, 2004.	Ed. Code, § 48900.1, made optional by Stats. 2004, ch. 895 (AB 2855).
CSM-4448 <i>Alternative Schools</i>	0.25 page	Ongoing	Ed. Code, §, 58501
97-TC-24 <i>Staff Development Days</i>	1.5 pages	Ongoing	Ed. Code § 48980, subd. (c)
97-TC-24 <i>Internet Policy</i>	2.0 pages	Ends on October 6, 2005.	Former Ed. Code, § 48980, subd. (h), repealed by Stats 2005, ch. 677 (SB 512), eff. Oct. 7, 2005)
99-TC-09, 00-TC-12 High School Exit Exam Grade Reduction & Text of Ed. Code § 48205 Advanced Placement Fees Prospectus of Curriculum	.5 page 1.5 pages .5 pages .5 pages	Ongoing	Ed. Code, § 48980 Subd. (e) Subd. (j) Subd. (k) Ed. Code, § 49063, subd. (k)

VI. RECORD RETENTION [MODIFIED]

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim ~~for actual costs~~ based on this reasonable reimbursement methodology filed by a local agency or school district pursuant to this chapter²² 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. ~~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.

School districts must retain documentation which indicates the total number of notifications/applications distributed and a sample copy of the notification distributed during the period subject to audit.

VIII. OFFSETTING SAVINGS AND REIMBURSEMENTS

Any offsetting savings 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 received 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 revised claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the revised adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The revised claiming instructions shall be derived from the test claim decisions 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 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

²² This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

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 Statements of Decisions listed in Section I. Summary of the Mandate below are legally binding on all parties with respect to statutes claimed and determined by the Commission on State Mandates and provides the legal and factual basis for these consolidated parameters and guidelines. However, these Statements of Decision do not address subsequent amendments to the test claim statutes. The support for the legal and factual findings is found in the administrative record for the test claims. The administrative records, including the Statements of Decision, are on file with the Commission.

Adopted: 11/30/95
Amended: 04/24/97
Amended: 01/27/00
Amended: 05/23/02
Proposed for Amendment:04/26/06

STAFF'S PROPOSED AMENDMENTS TO CONSOLIDATED PARAMETERS AND GUIDELINES

Annual Parent Notification

(~~CSM- 4453, 4461, 4462, 4474, 4488, 97-TC-24, 99-TC-09, 00-TC-12~~)

Education Code Section 48980

As Amended By

Statutes 1977, Chapter 36; Statutes 1979, Chapter 236;

Statutes 1980, Chapter 975; Statutes 1985, Chapter 459;

Statutes 1986, Chapter 97; Statutes 1987, Chapter 1452;

Statutes 1988, Chapter 65; Statutes 1990, Chapters 10 & 403;

Statutes 1992, Chapter 906; Statutes 1993, Chapter 1296;

Statutes 1997, Chapter 929; Statutes 1998, Chapters 846 and 1031;

Statutes 1999-2000, Chapter 1X; Statutes 2000, Chapter 73

[As Amended By Statutes 2003, Chapter 650 and Statutes 2005, Chapter 677]

Education Code Section 49063, Subdivision (k)

Statutes 1998, Chapter 1031

Schoolsite Discipline Rules

Education Code Section 35291

Statutes 1977, Chapter 965

Statutes 1986, Chapter 87

Alternative Schools

Education Code Section 58501

Statutes 1975, Chapter 448; Statutes 1981, Chapter 469

~~Pupil Suspensions: Parent Classroom Visits~~

~~Education Code Section 48900.1~~

~~Statutes 1988, Chapter 1284~~

~~Statutes 1989, Chapter 213~~

~~[As Amended by Statutes 2004, Chapter 895]~~

~~**Fiscal Year 2004-2005**~~

Fiscal Year 2005-2006

III. SUMMARY OF THE MANDATES

The Commission determined that Education Code sections 35291, 48980, 48900.1, 49063, subdivision (k), and 58501 impose a new program or higher level of service, and costs mandated by the state, for school districts and county offices of education.²³ The following statements of decision address these mandate determinations and are consolidated under these parameters and guidelines:

1. *Notification to Parents: Pupil Attendance Alternatives (CSM 4453)*²⁴

(References to subdivision(g), refer to current subdivision (h).)

The Commission determined that Education Code section 48980, subdivision (g)²⁵ results in costs mandated by the state by requiring school districts to:

Provide or disseminate the notification to parents or guardians including information provided by the California Department of Education explaining the current statutory attendance options, and developing and including all current statutory and local attendance options which are unique to each district, and a procedure for alternative attendance areas or programs all as part of the annual notification, and to develop and distribute school district application forms for requesting a change of attendance, and a description of the appeals process for those applicants who are denied.

2. *Annual Parent Notification (CSM 4461)*²⁶

The Commission determined that Education Code section 48980, subdivision (a) required school districts to annually notify the parent or guardian of all pupils of specified Education Code provisions and that the additional printing and distribution of these notifications (in a cost effective manner) result in a reimbursable-state mandated program. The Commission also determined that a negligible reimbursable state-mandated program exists for annually reviewing and modifying the content of the parent notification to incorporate changes within the new sections referenced in these subdivisions.

3. *Schoolsite Discipline Rules (CSM 4462)*²⁷

The Commission determined that the requirement in Education Code section 35291²⁸ for school districts to annually notify the parent or guardian of all pupils

²³ Article XIII B, section 6, of the California Constitution, and Government Code section 17514.

²⁴ Statutes of 1993, chapter 1296; filed February 16, 1994; Statement of Decision adopted August 15, 1994, and amended February 23, 1995.

²⁵ Added by Statutes of 1993, chapter 1296. Renumbered as subdivision (i) by Statutes of 1997, chapter 929; renumbered as subdivision (j) by Statutes of 1999, chapter 1X.

²⁶ Statutes of 1992, chapter 906; filed September 2, 1994; adopted August 24, 1995.

²⁷ Statutes of 1986, chapter 87; filed September 16, 1994; adopted August 24, 1995.

²⁸ Amended by Statutes of 1977, chapter 965, and Statutes of 1986, chapter 87.

of the availability of district rules on student discipline combined with the annual parent notification requirement is a reimbursable state-mandated program.

*4. Pupil Suspensions: Parent Classroom Visits (CSM 4474)*²⁹

~~The Commission determined that the requirement in Education Code section 48900.1, for school districts to prepare and distribute to all parents and guardians as part of the annual parent notification, written notice of the board's policy authorizing teachers to provide that the parent or guardian of a pupil who has been suspended by a teacher, as specified, to attend a portion of a school day in his or her child's or ward's classroom, is a reimbursable state-mandated program.~~

~~Statutes 2004, chapter 895 (AB 2855) made Education Code section 48900.1 discretionary. Thus, effective January 1, 2005, there are no reimbursable costs. This program will be deleted beginning in the fiscal year 2005-2006 parameters and guidelines.~~

45. *Alternative Schools Annual Notification (CSM 4488)*³⁰

The Commission determined that Education Code section 58501³¹ resulted in costs mandated by the state by requiring school districts and county offices of education to:

- a. Provide parents and guardians with a prescribed annual written notice on the alternative schools program.
- b. Make available the alternative schools law at the offices of the principal, county superintendent of schools and district administrative office for anyone who requests this information.
- c. Annually post the alternative schools notice in at least two places at each school site for the entire month of March.

56. *Annual Parent Notification – Staff Development (CSM 97-TC-24)*³²

The Commission determined that Education Code section 48980, subdivisions (c) and (h),³³ resulted in costs mandated by the state by requiring school districts to:

²⁹ This claim was originally filed as CSM 4458 and was then split into two claims. *Pupil Classroom Suspensions* remains the subject of CSM 4458 and *Pupil Suspensions: Parent Classroom Visits* was renumbered CSM 4474. CSM 4474, Statutes of 1988, chapter 1284, retains the original filing date, March 9, 1994. The Statement of Decision for CSM 4474 was adopted February 29, 1996.

³⁰ Statutes of 1975, chapter 448, and Statutes of 1981, chapter 469; filed September 29, 1995; Statement of Decision adopted November 15, 1996.

³¹ As added by Statutes of 1975, chapter 448, and amended by Statutes of 1981, chapter 469.

³² Statutes of 1997, chapter 929; filed May 12, 1998; Statement of Decision adopted August 26, 1999.

³³ Renumbered as subdivision (i) by Statutes of 1999, chapter 1X.

- a. Provide parents and guardians with annual written notice of the schedule of minimum days and pupil-free staff development days. (Ed. Code, § 48980, subd. (c).)
- b. Include a copy of the school district's written policy regarding pupil access to the Internet and on-line sites as part of the annual written notifications to parents and guardians. (Former Ed. Code, § 48980, subd. (h), renumbered subd. (i) by Stats. 2003, ch. 650, then deleted by Stats. 2005, chapter 677, effective October 7, 2005. Thus, effective October 7, 2005, there are no reimbursable costs for this activity.)

67. *Annual Parent Notification: 1998-2000 Statutes (CSM 99-TC-09, 00-TC-12)*³⁴

The Commission determined that Education Code section 48980, subdivisions (e), (l), and (m), and Education Code section 49063, subdivision (k), resulted in costs mandated by the state by requiring school districts to provide to parents and guardians, the following information:

- a.f. Notice that pupils will be required to pass a high school exit examination as a condition of graduation. (Ed. Code, § 48980, subd. (e).)
- b.g. Notice that no pupil may have his or her grade reduced or lose academic credit for any excused absences if the pupil makes up any missed assignments or tests. (Former Ed. Code, § 48980, subd. (l); renumbered subd. (k) by Stats. 2003, ch. 650, renumbered subd. (j) by Stats. 2005, ch. 677.)
- e.h. A copy of the complete text of Education Code section 48205. (Former Ed. Code, § 48980, subd. (l); renumbered subd. subd. (j) by Stats. 2005, ch. 677.)
- d.i. Notice of the availability of state funds to cover the costs of advanced placement examination fees. (Former Ed. Code, § 48980, subd. (m); renumbered subd. (l) by Stats. 2003, ch. 650, renumbered subdivision (k) by Stats. 2005, ch. 677.)
- e.j. Notice that a prospectus of school curriculum is available for review at the pupil's school, upon request. (Ed. Code, § 49063, subd. (k).)

II. ELIGIBLE CLAIMANTS

Any "school district," as defined in Government Code section 17519, except for community colleges, that incurs increased costs as a result of this mandate is eligible to claim reimbursement.

³⁴ CSM 99-TC-09; Statutes of 1998, chapters 846 and 1031, and Statutes of 1999, chapter 1X; filed May 17, 2000. CSM 00-TC-12; Statutes of 2000, chapter 73; filed May 11, 2001. Statement of Decision adopted December 12, 2001.

III.V. PERIOD OF REIMBURSEMENT

This amended consolidated set of parameters and guidelines is operative for reimbursement claims filed for fiscal year ~~2004-2005-2006~~.

Pursuant to Government Code section 17560, reimbursement for state-mandated costs may be claimed as follows:

A local agency or school district may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b).

A local agency or school district may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.

In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between October 15 and January 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

Reimbursable actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561 (d)(1), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the State Controller's claiming instructions. 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.

There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

IV.VI. REIMBURSABLE ACTIVITIES

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 a mandate.

For each eligible claimant, the following activities are reimbursable:

A.G. Review and Update

Annual review of Education Code section 48980, subdivisions (a), (c), (e), (h), (j), (k), (l), and 49063, subdivision (k), and the sections referenced therein, for any change to scope and content; prepare or modify the annual parent notification and attendance application, as necessary; and have those changes approved by the governing board. (Ed. Code, § 48980, subd. (a).)

B.H. Printing

Annually print or otherwise reproduce the parent notification and district alternative attendance application and any state provided notification/application, and the notice of alternative schools. (Ed. Code, §§ 35291, 48980, subds. (a) & (h).)

C.I. Distribution

Annually distribute in a cost-effective manner a copy of the district parent notification and district alternative attendance application, and any state-provided alternative attendance notification/application, and the notice of alternative schools, to the parent or guardian of continuing and new students. (Ed. Code, §§ 35291, 48980, subds. (a) & (h).)

D.J. Alternative School Laws

Make available the text of the alternative schools law at the principal's office, county superintendent of school's office, and district administrative office for anyone who requests this information. (Ed. Code, § 58501.)

E.K. Posting Notice of Alternative Schools

Post the alternative schools notice in at least two places at each school site for the entire month of March. (Ed. Code, § 58501.)

F.L. Providing Notice of Minimum Days or Pupil-Free Staff Development Days Scheduled After the First Day of School

If the schedule of minimum days or pupil-free staff development days are scheduled after the first day of school, prepare and distribute notice of these days to parents or guardians. (Ed. Code, § 48980, subd. (c).)

V. CLAIM PREPARATION; REASONABLE REIMBURSEMENT METHODOLOGY

The Commission is adopting a *reasonable reimbursement methodology* to reimburse school districts for all direct and indirect costs, as authorized by Government Code section 17557, subdivision (b), *in lieu of payment of total actual costs incurred*. The definition of reasonable reimbursement methodology is in Government Code section 17518.5, as follows:

Government Code Section 17518.5

- (a) *Reasonable reimbursement methodology* means a formula for reimbursing local agency and school district costs mandated by the state that meets the following conditions:
 - (1) the total amount to be reimbursed statewide is equivalent to total estimated local agency and school district costs to implement the mandate in a cost-efficient manner.
 - (2) for 50 percent or more of eligible local agency and school district claimants, the amount reimbursed is estimated to fully offset their projected costs to implement the mandate in a cost-efficient manner.
- (b) Whenever possible, a *reasonable reimbursement methodology* shall be based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state rather than detailed documentation of actual

local costs. In cases when local agencies and school districts are projected to incur costs to implement a mandate over a period of more than one fiscal year, the determination of a reasonable reimbursement methodology may consider local costs and state reimbursements over a period of greater than one fiscal year, but not exceeding 10 years.

- (c) A reasonable reimbursement methodology may be developed by any of the following:
- (1) The Department of Finance.
 - (2) The Controller.
 - (3) An affected state agency.
 - (4) A claimant.
 - (5) An interested party,

A. Uniform Cost Allowances and Formula for Reimbursable Activities A-E

The *reasonable reimbursement methodology* shall consist of uniform cost allowances to cover all direct and indirect costs of performing activities A-E, as described under Section IV. Reimbursable Activities, and applied to a formula for calculating claimable costs.

The uniform cost allowances for reimbursement of activities, A-E are *as follows*::

- ~~1.4.~~ The fixed cost per page is \$.0697 for fiscal year 2004-2005 costs. In each subsequent year, the Controller shall adjust the fixed cost per page by the Implicit Price Deflator as defined in Government Code section 17523.
- ~~2.5.~~ The maximum number of claimable 8 ½” X 11” pages in the printed notification/application is determined for each program and is included in the matrix that follows.
- ~~3.6.~~ The number of notifications (includes applications), distributed to parents and guardians may be based on one of the following numbers:
- a. The actual number distributed.
 - b. Actual district enrollment at the time of distribution.
 - c. District’s annual average daily attendance (ADA).

The formula for calculating claimable costs for Reimbursable Activities A-E for each program is as follows:

$$\text{Claimable Costs} = (\text{fixed cost/page}) \times (\# \text{ of claimable pages}) \times (\# \text{ of notifications})$$

B. Uniform Cost Allowance and Formula for Reimbursable Activity F.

The *reasonable reimbursement methodology* shall consist of uniform cost allowances to cover all direct and indirect costs of performing activity F, as described under Section IV. Reimbursable Activities, and applied to a formula for calculating claimable costs.

The uniform cost allowance for preparing and distributing notice to parents and guardians of minimum days or pupil-free staff development days scheduled after the first day of school is

\$0.2772 per notice for fiscal year 2004-2005. The Controller shall adjust this cost each subsequent year by the Implicit Price Deflator.

The number of notices prepared and distributed to parents and guardians may be based on one of the following numbers:

a.d. Actual number of notices distributed.

b.e. Actual grade level or district enrollment at the time of distribution.

e.f. District's annual average daily attendance (ADA).

The formula for calculating claimable costs for reimbursable activity F is as follows:

Claimable Costs = (fixed cost/notice) X (number of notices distributed)

FOR FISCAL YEAR 2005-2006

The test claim decisions and content of parent notices, maximum number of "claimable pages", reimbursement period, and statutory reference, for each program are as follows:

Test Claim Decisions and Content of Parent Notice	Claimable Pages	Status of Reimbursement Period	Current Reference
CSM-4453 <i>Pupil Attendance Alternatives</i>	Based on District Population: 0-500 -- 1 page 501-2500 – 3 pages 2501-25,000- 6 pages 25,001+ - 9 pages	Ongoing	Ed. Code, § 48980, subd. (h)
CSM-4461 <i>Annual Parent Notification</i> CSM-4462 <i>School Site Discipline Procedures</i>	2.75 pages	Ongoing	Ed. Code, § 48980, subd. (a) Ed. Code, § 35291
CSM 4474 <i>Pupil Suspension: Parent Classroom Visits</i>	0.25 page	Ended on December 31, 2004.	Ed. Code, § 48900.1, made optional by Stats. 2004, ch. 895 (AB 2855).
CSM-4448 <i>Alternative Schools</i>	0.25 page	Ongoing	Ed. Code, §, 58501
97-TC-24 <i>Staff Development Days</i>	1.5 pages	Ongoing	Ed. Code § 48980, subd. (c)
97-TC-24 Internet Policy	2.0 pages	Ends on October 6, 2005.	Former Ed. Code, § 48980, subd. (h), repealed by Stats 2005, ch. 677 (SB 512), eff. Oct. 7, 2005)
99-TC-09, 00-TC-12 High School Exit Exam	 .5 page	Ongoing	Ed. Code, § 48980 Subd. (e)

Grade Reduction & Text of Ed. Code § 48205	1.5 1.6 pages		Subd. (j)
Advanced Placement Fees	.5 pages		Subd. (k)
Prospectus of Curriculum	.5 page		Ed. Code, § 49063, subd. (k)

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs based on this reasonable reimbursement methodology filed by a local agency or school district pursuant to this chapter³⁵ 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. 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.

School districts must retain documentation which indicates the total number of notifications/applications distributed and a sample copy of the notification distributed during the period subject to audit.

VII. OFFSETTING SAVINGS AND REIMBURSEMENTS

Any offsetting savings 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 received 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 revised claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the revised adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The revised claiming instructions shall be derived from the test claim decisions 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.

³⁵ 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 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 Statements of Decisions listed in Section I. Summary of the Mandate are legally binding on all parties with respect to statutes claimed and determined by the Commission on State Mandates and provides the legal and factual basis for these consolidated parameters and guidelines. However, these Statements of Decision do not address subsequent amendments to the test claim statutes. The support for the legal and factual findings is found in the administrative record for the test claims. The administrative records, including the Statements of Decision, are on file with the Commission.

Adopted: 11/30/95
Amended: 04/24/97
Amended: 01/27/00
Amended: 05/23/02
Proposed for Amendment: 04/26/06

STAFF'S PROPOSED AMENDMENTS TO CONSOLIDATED PARAMETERS AND GUIDELINES

Annual Parent Notification

(CSM- 4453, 4461, 4462, 4488, 97-TC-24, 99-TC-09, 00-TC-12)

Education Code Section 48980

As Amended By

Statutes 1977, Chapter 36; Statutes 1979, Chapter 236;

Statutes 1980, Chapter 975; Statutes 1985, Chapter 459;

Statutes 1986, Chapter 97; Statutes 1987, Chapter 1452;

Statutes 1988, Chapter 65; Statutes 1990, Chapters 10 & 403;

Statutes 1992, Chapter 906; Statutes 1993, Chapter 1296;

Statutes 1997, Chapter 929; Statutes 1998, Chapters 846 and 1031;

Statutes 1999-2000, Chapter 1X; Statutes 2000, Chapter 73

[As Amended By Statutes 2003, Chapter 650 and Statutes 2005, Chapter 677]

Education Code Section 49063, Subdivision (k)

Statutes 1998, Chapter 1031

Schoolsite Discipline Rules

Education Code Section 35291

Statutes 1977, Chapter 965

Statutes 1986, Chapter 87

Alternative Schools

Education Code Section 58501

Statutes 1975, Chapter 448; Statutes 1981, Chapter 469

~~Fiscal Year 2005-2006~~

Fiscal Year 2006-2007

III. SUMMARY OF THE MANDATES

The Commission determined that Education Code sections 35291, 48980, 48900.1, 49063, subdivision (k), and 58501 impose a new program or higher level of service, and costs mandated by the state, for school districts and county offices of education.³⁶ The following statements of decision address these mandate determinations and are consolidated under these parameters and guidelines:

1. *Notification to Parents: Pupil Attendance Alternatives (CSM 4453)*³⁷

(References to subdivision (g) refer to current subdivision (h).)

The Commission determined that Education Code section 48980, subdivision (g)³⁸ results in costs mandated by the state by requiring school districts to:

Provide or disseminate the notification to parents or guardians including information provided by the California Department of Education explaining the current statutory attendance options, and developing and including all current statutory and local attendance options which are unique to each district, and a procedure for alternative attendance areas or programs all as part of the annual notification, and to develop and distribute school district application forms for requesting a change of attendance, and a description of the appeals process for those applicants who are denied.

2. *Annual Parent Notification (CSM 4461)*³⁹

The Commission determined that Education Code section 48980, subdivision (a) required school districts to annually notify the parent or guardian of all pupils of specified Education Code provisions and that the additional printing and distribution of these notifications (in a cost effective manner) result in a reimbursable-state mandated program. The Commission also determined that a negligible reimbursable state-mandated program exists for annually reviewing and modifying the content of the parent notification to incorporate changes within the new sections referenced in these subdivisions.

3. *Schoolsite Discipline Rules (CSM 4462)*⁴⁰

The Commission determined that the requirement in Education Code section 35291⁴¹ for school districts to annually notify the parent or guardian of all pupils

³⁶ Article XIII B, section 6, of the California Constitution, and Government Code section 17514.

³⁷ Statutes of 1993, chapter 1296; filed February 16, 1994; Statement of Decision adopted August 15, 1994, and amended February 23, 1995.

³⁸ Added by Statutes of 1993, chapter 1296. Renumbered as subdivision (i) by Statutes of 1997, chapter 929; renumbered as subdivision (j) by Statutes of 1999, chapter 1X.

³⁹ Statutes of 1992, chapter 906; filed September 2, 1994; adopted August 24, 1995.

⁴⁰ Statutes of 1986, chapter 87; filed September 16, 1994; adopted August 24, 1995.

⁴¹ Amended by Statutes of 1977, chapter 965, and Statutes of 1986, chapter 87.

of the availability of district rules on student discipline combined with the annual parent notification requirement is a reimbursable state-mandated program.

4. *Alternative Schools Annual Notification (CSM 4488)*⁴²

The Commission determined that Education Code section 58501⁴³ resulted in costs mandated by the state by requiring school districts and county offices of education to:

- a. Provide parents and guardians with a prescribed annual written notice on the alternative schools program.
- b. Make available the alternative schools law at the offices of the principal, county superintendent of schools and district administrative office for anyone who requests this information.
- c. Annually post the alternative schools notice in at least two places at each school site for the entire month of March.

5. *Annual Parent Notification – Staff Development (CSM 97-TC-24)*⁴⁴

The Commission determined that Education Code section 48980, subdivisions (c) and (h)⁴⁵, resulted in costs mandated by the state by requiring school districts to:

- a. Provide parents and guardians with annual written notice of the schedule of minimum days and pupil-free staff development days. (Ed. Code, § 48980, subd. (c).)
- b. ~~Include a copy of the school district's written policy regarding pupil access to the Internet and on-line sites as part of the annual written notifications to parents and guardians. (Former Ed. Code, § 48980, subd. (h), renumbered subd. (i) by Stats. 2003, ch. 650, then deleted by Stats. 2005, chapter 677, effective October 7, 2005. Thus, effective October 7, 2005, there are no reimbursable costs for this activity.)~~

6. *Annual Parent Notification: 1998-2000 Statutes (CSM 99-TC-09, 00-TC-12)*⁴⁶

The Commission determined that Education Code section 48980, subdivisions (e), (l), and (m), and Education Code section 49063, subdivision (k), resulted in costs

⁴² Statutes of 1975, chapter 448, and Statutes of 1981, chapter 469; filed September 29, 1995; Statement of Decision adopted November 15, 1996.

⁴³ As added by Statutes of 1975, chapter 448, and amended by Statutes of 1981, chapter 469.

⁴⁴ Statutes of 1997, chapter 929; filed May 12, 1998; Statement of Decision adopted August 26, 1999.

⁴⁵ ~~Renumbered as subdivision (i) by Statutes of 1999, chapter 1X.~~

⁴⁶ CSM 99-TC-09; Statutes of 1998, chapters 846 and 1031, and Statutes of 1999, chapter 1X; filed May 17, 2000. CSM 00-TC-12; Statutes of 2000, chapter 73; filed May 11, 2001. Statement of Decision adopted December 12, 2001.

mandated by the state by requiring school districts to provide to parents and guardians, the following information:

a.k. Notice that pupils will be required to pass a high school exit examination as a condition of graduation. (Ed. Code, § 48980, subd. (e).)

b.l. Notice that no pupil may have his or her grade reduced or lose academic credit for any excused absences if the pupil makes up any missed assignments or tests.
(Former Ed. Code, § 48980, subd. (l); renumbered subd. (k) by Stats. 2003, ch. 650, renumbered subd. (j) by Stats. 2005, ch. 677.)

e.m. A copy of the complete text of Education Code section 48205. (Former Ed. Code, § 48980, subd. (l); renumbered subd. subd. (j) by Stats. 2005, ch. 677.)

d.n. Notice of the availability of state funds to cover the costs of advanced placement examination fees. (Former Ed. Code, § 48980, subd. (m); renumbered subd. (l) by Stats. 2003, ch. 650, renumbered subdivision (k) by Stats.2005, ch. 677.)

e.o. Notice that a prospectus of school curriculum is available for review at the pupil's school, upon request. (Ed. Code, § 49063, subd. (k).)

II. ELIGIBLE CLAIMANTS

Any "school district," as defined in Government Code section 17519, except for community colleges, that incurs increased costs as a result of this mandate is eligible to claim reimbursement.

III.VII. PERIOD OF REIMBURSEMENT

This amended consolidated set of parameters and guidelines is operative for reimbursement claims filed for fiscal year ~~2005-2006~~2007.

Pursuant to Government Code section 17560, reimbursement for state-mandated costs may be claimed as follows:

A local agency or school district may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b).

A local agency or school district may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.

In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between October 15 and January 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

Reimbursable actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561 (d)(1), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the State Controller's claiming instructions. 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.

There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

IV.VIII. REIMBURSABLE ACTIVITIES

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 a mandate.

For each eligible claimant, the following activities are reimbursable:

A.M. Review and Update

Annual review of Education Code section 48980, subdivisions (a), (c), (e), (h), (j), (k), (~~l~~), and 49063, subdivision (k), and the sections referenced therein, for any change to scope and content; prepare or modify the annual parent notification and attendance application, as necessary; and have those changes approved by the governing board. (Ed. Code, § 48980, subd. (a).)

B.N. Printing

Annually print or otherwise reproduce the parent notification and district alternative attendance application and any state provided notification/application, and the notice of alternative schools. (Ed. Code, §§ 35291, 48980, subds. (a) & (h).)

C.O. Distribution

Annually distribute in a cost-effective manner a copy of the district parent notification and district alternative attendance application, and any state-provided alternative attendance notification/application, and the notice of alternative schools, to the parent or guardian of continuing and new students. (Ed. Code, §§ 35291, 48980, subds. (a) & (h).)

D.P. Alternative School Laws

Make available the text of the alternative schools law at the principal's office, county superintendent of school's office, and district administrative office for anyone who requests this information. (Ed. Code, § 58501.)

E.Q. Posting Notice of Alternative Schools

Post the alternative schools notice in at least two places at each school site for the entire month of March. (Ed. Code, § 58501.)

F.R. Providing Notice of Minimum Days or Pupil-Free Staff Development Days Scheduled After the First Day of School

If the schedule of minimum days or pupil-free staff development days are scheduled after the first day of school, prepare and distribute notice of these days to parents or guardians. (Ed. Code, § 48980, subd. (c).)

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V. CLAIM PREPARATION: REASONABLE REIMBURSEMENT METHODOLOGY

The Commission is adopting a *reasonable reimbursement methodology* to reimburse school districts for all direct and indirect costs, as authorized by Government Code section 17557, subdivision (b), *in lieu of payment of total actual costs incurred*. The definition of reasonable reimbursement methodology is in Government Code section 17518.5, as follows:

Government Code Section 17518.5

- (a) *Reasonable reimbursement methodology* means a formula for reimbursing local agency and school district costs mandated by the state that meets the following conditions:
 - (1) the total amount to be reimbursed statewide is equivalent to total estimated local agency and school district costs to implement the mandate in a cost-efficient manner.
 - (2) for 50 percent or more of eligible local agency and school district claimants, the amount reimbursed is estimated to fully offset their projected costs to implement the mandate in a cost-efficient manner.
- (b) Whenever possible, a *reasonable reimbursement methodology* shall be based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state rather than detailed documentation of actual local costs. In cases when local agencies and school districts are projected to incur costs to implement a mandate over a period of more than one fiscal year, the determination of a reasonable reimbursement methodology may consider local costs and state reimbursements over a period of greater than one fiscal year, but not exceeding 10 years.
- (c) A reasonable reimbursement methodology may be developed by any of the following:
 - (1) The Department of Finance.
 - (2) The Controller.
 - (3) An affected state agency.
 - (4) A claimant.
 - (5) An interested party,

A. Uniform Cost Allowances and Formula for Reimbursable Activities A-E

The *reasonable reimbursement methodology* shall consist of uniform cost allowances to cover all direct and indirect costs of performing activities A-E, as described under Section IV. Reimbursable Activities, and applied to a formula for calculating claimable costs.

The uniform cost allowances for reimbursement of activities, A-E are *as follows*::

- 1-7. The fixed cost per page is \$.0697 for fiscal year 2004-2005 costs. In each subsequent year, the Controller shall adjust the fixed cost per page by the Implicit Price Deflator as defined in Government Code section 17523.

~~2-8.~~ The maximum number of claimable 8 ½” X 11” pages in the printed notification/application is determined for each program and is included in the matrix that follows.

~~3-9.~~ The number of notifications (includes applications), distributed to parents and guardians may be based on one of the following numbers:

- a. The actual number distributed.
- b. Actual district enrollment at the time of distribution.
- c. District’s annual average daily attendance (ADA).

The formula for calculating claimable costs for Reimbursable Activities A-E for each program is as follows:

Claimable Costs = (fixed cost/page) X (# of claimable pages) X (# of notifications)

B. Uniform Cost Allowance and Formula for Reimbursable Activity F.

The *reasonable reimbursement methodology* shall consist of uniform cost allowances to cover all direct and indirect costs of performing activity F, as described under Section IV. Reimbursable Activities, and applied to a formula for calculating claimable costs.

The uniform cost allowance for preparing and distributing notice to parents and guardians of minimum days or pupil-free staff development days scheduled after the first day of school is \$0.2772 per notice for fiscal year 2004-2005. The Controller shall adjust this cost each subsequent year by the Implicit Price Deflator.

The number of notices prepared and distributed to parents and guardians may be based on one of the following numbers:

- ~~a-g.~~ Actual number of notices distributed.
- ~~b-h.~~ Actual grade level or district enrollment at the time of distribution.
- ~~e-i.~~ District’s annual average daily attendance (ADA).

The formula for calculating claimable costs for reimbursable activity F is as follows:

Claimable Costs = (fixed cost/notice) X (number of notices distributed)

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The test claim decisions and content of parent notices, maximum number of “claimable pages”, reimbursement period, and statutory reference, for each program are as follows:

Test Claim Decisions and Content of Parent Notice	Claimable Pages	Status of Reimbursement Period	Current Reference
CSM-4453 <i>Pupil Attendance Alternatives</i>	Based on District Population: 0-500 -- 1 page 501-2500 – 3 pages 2501-25,000- 6 pages 25,001+ - 9 pages	Ongoing	Ed. Code, § 48980, subd. (h)
CSM-4461 <i>Annual Parent Notification</i> CSM-4462 <i>School Site Discipline Procedures</i>	2.75 pages	Ongoing	Ed. Code, § 48980, subd. (a) Ed. Code, § 35291
CSM-4448 <i>Alternative Schools</i>	0.25 page	Ongoing	Ed. Code, §, 58501
97-TC-24 <i>Staff Development Days</i>	1.5 pages	Ongoing	Ed. Code § 48980, subd. (c)
97-TC-24 <i>Internet Policy</i>	2.0 pages	Ends on October 6, 2005.	Former Ed. Code, § 48980, subd. (h); repealed by Stats 2005, ch. 677 (SB 512), eff. Oct. 7, 2005)
99-TC-09, 00-TC-12 High School Exit Exam Grade Reduction & Text of Ed. Code § 48205 Advanced Placement Fees Prospectus of Curriculum	.5 page 1.5 1.7 pages .5 pages .5 pages	Ongoing	Ed. Code, § 48980 Subd. (e) Subd. (j) Subd. (k) Ed. Code, § 49063, subd. (k)

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs based on this reasonable reimbursement methodology filed by a local agency or school district pursuant to this chapter⁴⁷ 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. 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.

School districts must retain documentation which indicates the total number of notifications/applications distributed and a sample copy of the notification distributed during the period subject to audit.

VII. OFFSETTING SAVINGS AND REIMBURSEMENTS

Any offsetting savings 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 received 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 revised claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the revised adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The revised claiming instructions shall be derived from the test claim decisions 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 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.

⁴⁷ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

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 Statements of Decisions listed in Section I. Summary of the Mandate are legally binding on all parties with respect to statutes claimed and determined by the Commission on State Mandates and provides the legal and factual basis for these consolidated parameters and guidelines.

However, these Statements of Decision do not address subsequent amendments to the test claim statutes. The support for the legal and factual findings is found in the administrative record for the test claims. The administrative records, including the Statements of Decision, are on file with the Commission.