

ITEM 20
FINAL STAFF ANALYSIS
PROPOSED PARAMETERS AND GUIDELINES AMENDMENT

Education Code Sections 60607, subdivision (a), 60609,
60615, 60630, 60640, and 60641

Statutes 1997, Chapter 828

California Code of Regulations, Title 5, Sections 851, 852, 853, 855,
857, 858, 859, 861, 862, 863, 864, 865, 867, and 868

National Norm-Referenced Achievement Test, 05-PGA-03
(formerly *Standardized Testing and Reporting (STAR), 04-RL-9723-01*)

EXECUTIVE SUMMARY

On August 24, 2000, the Commission on State Mandates (Commission), adopted a Statement of Decision finding that the *Standardized Testing and Reporting (STAR)* test claim (as enacted by Stats. 1997, ch. 828, Sen. Bill No. 376) imposes a new program or higher level of service within the meaning of article XIII B, section 6 of the California Constitution, and costs mandated by the state pursuant to Government Code section 17514. This decision was limited to a national norm-referenced achievement test and foreign language test enacted by Statutes 1997, chapter 828. The Commission determined, in summary, that:

The STAR Program requires school districts, between March 15 and May 15 each year, to test all students in grades 2 through 11 with a nationally normed achievement test designated by the State Board of Education. [Footnote omitted.] School districts must also: designate a STAR Program district coordinator and STAR Program test site coordinator at each test site; administer an additional test to pupils of limited English proficiency who are enrolled in grades 2 through 11 if the pupil was enrolled in the district for less than 12 months before the time the last STAR Program test was administered; exempt pupils under certain circumstances; include STAR Program test results in the pupil's record or [sic] achievement; report STAR Program test results to the district's governing board or county board of education and to the pupil's parent or guardian; submit a report to the Superintendent of Public Instruction; contract with a test publisher to receive the tests; and submit whatever information the State Department of Education deems necessary to permit the State Superintendent of Public Instruction to prepare reports on the results of the STAR Program.

Statutes 2004, chapter 216, section 34 (Sen. Bill No. 1108, eff. Aug. 11, 2004) and Statutes 2004, chapter 895, section 19 (Assem. Bill No. 2855, eff. Jan. 1, 2005) directed the Commission to reconsider the prior final decision and parameters and guidelines for the STAR

program. Section 34 of Senate Bill 1108 (almost identical to Assem. Bill No. 2855, section 19) states the following:

Notwithstanding any other law, the Commission on State Mandates shall, on or before December 31, 2005, reconsider its decision in 97-TC-23, relating to the Standardized Testing and Reporting (STAR) program mandate, and its parameters and guidelines for calculating the state reimbursement for that mandate pursuant to Section 6 of Article XIII B of the California Constitution for each of the following statutes¹ in light of federal statutes enacted and state court decisions rendered since these statutes were enacted:

- (a) Chapter 975 of the Statutes of 1995.
- (b) Chapter 828 of the Statutes of 1997.
- (c) Chapter 576 of the Statutes of 2000.
- (d) Chapter 722 of the Statutes of 2001.²

On July 28, 2005, the Commission found, effective July 1, 2004, that administering the California Achievement Tests, Sixth Edition Survey (CAT/6) in grades 3 and 7 imposes a reimbursable state mandate on school districts within the meaning of article XIII B, section 6 of the California Constitution and Government Code sections 17514 and 17556. The Commission found that all the other activities were either federally mandated or no longer required, and thus, were not reimbursable. Accordingly, this item proposes to delete the activities from the parameters and guidelines that the Commission determined to not be reimbursable.

Discussion

Non-substantive, technical changes were made to the prior parameters and guidelines for purposes of clarification, consistency with language in recently adopted parameters and guidelines, and conformity to the Statement of Decision and statutory language.

Commission staff issued a draft staff analysis on October 17, 2005. The Department of Finance (DOF) submitted comments on November 16, 2005.³ To conform to the period of reimbursement, DOF recommended revising the dates under Section IV.B.2. and IV.B.3. regarding district and test site coordinator availability to complete testing. DOF generally concurred with the draft staff analysis.⁴

¹ The only STAR statute on which Commission issued a Statement of Decision is Statutes 1997, chapter 828.

² In Assembly Bill 2855, section 19, the order of subdivisions (c) and (d) is reversed.

³ Exhibit A.

⁴ DOF also suggested that the SCO review all previously submitted claims in light of the Commission's findings and the proposed parameters and guidelines amendment to verify that the claims pertain only to the national norm-referenced achievement test for STAR and not any other component, i.e. the standards-based achievement test, the designated primary language test, or the California Alternate Performance Assessment.

Substantive changes were made to the following sections of the parameters and guidelines.

Program Name

Staff proposes that the program be renamed *National Norm-Referenced Achievement Test* to clarify that the other three components of the STAR Program – the foreign-language test, the disabled pupils test, and the California Standards Test – are not reimbursable under these parameters and guidelines.

Section III. Period of Reimbursement

Staff modified this section to include a new reimbursement period beginning July 1, 2004.

Section IV. Reimbursable Activities

Staff deleted the activities in the prior parameters and guidelines that were mandated by the federal government, and thus are not reimbursable, and those activities required by regulations that have been repealed. Staff clarified that the only reimbursable activities remaining are those found by the Commission on reconsideration to impose a reimbursable state-mandated program, i.e., those that apply to the CAT/6.

In addition, under Section IV.B.3., staff clarified that the activities performed by the STAR Program District Coordinator and the STAR Program Test Site Coordinator are limited to those required by California Code of Regulations, title 5, sections 851, 852, 853, 855, 857, 858, 859, 861, 862, 863, 864, 865, 867, and 868. As previously written, the language was too vague and ambiguous.

Section VII. Offsetting Savings and Reimbursements

Staff clarified the Commission’s findings that, effective July 1, 2004, in any fiscal year in which school districts are legally required to, they must reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from state and federal Title VI funds appropriated for STAR administration. Staff also clarified the Commission’s finding that school districts are not required to use Title I funds to offset administration of the CAT/6.

Staff Recommendation

Staff recommends the Commission adopt the proposed amendments to the parameters and guidelines for the *National Norm-Referenced Achievement Test* program (formerly *Standardized Testing and Reporting* program) beginning on page 5.

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

PROPOSED PARAMETERS AND GUIDELINES AMENDMENT

Education Code Sections 60607, subdivision (a), 60609,
60615, 60630, 60640, and 60641, and 60643

Statutes ~~of~~ 1997, Chapter 828

California Code of Regulations, Title 5, Sections ~~850-904~~⁺ 851, 852, 853, 855,
857, 858, 859, 861, 862, 863, 864, 865, 867, and 868

National Norm-Referenced Achievement Test, 05-PGA-03
(formerly *Standardized Testing and Reporting (STAR), 04-RL-9723-01*)

I. SUMMARY OF THE MANDATE

~~Statutes of 1997, chapter 828, among other things, amended Education Code sections 60607, 60609, 60615, and 60630 and added Education Code sections 60640, 60641 and 60643. Statutes of 1997, chapter 828, and the implementing regulations at California Code of Regulations, title 5, sections 850-904, established the *Standardized Testing and Reporting (STAR)* Program related to achievement testing that school districts must administer to pupils in the state. The *STAR* Program requires school districts, between March 15 and May 15 each year, to test all students in grades 2 through 11 with a nationally normed achievement test designated by the State Board of Education. School districts administer the test in English (commonly called the “SAT 9” test) to all pupils enrolled in grades 2 through 11 and administer an additional test (commonly called the “Sabe/2” test) to every pupil of limited English proficiency who is enrolled in grades 2 through 11 if the pupil was initially enrolled in any public school in the state less than 12 months prior to the date that the English language SAT 9 test is given. School districts are also required to engage in numerous activities related to test administration and reporting.~~

~~On August 24, 2000, the Commission on State Mandates (Commission), in the adopted a Statement of Decision adopted at the August 24, 2000 hearing, found finding that the test claim legislation and regulations impose a new program or higher level of service within the meaning of section 6, article XIII B, section 6 of the California Constitution, and costs mandated by the state pursuant to Government Code section 17514. This decision was limited to a national norm-referenced achievement test and foreign language test enacted by Statutes 1997, chapter 828.~~

~~Statutes 2004, chapter 216, section 34 (Sen. Bill No. 1108, eff. Aug. 11, 2004) and Statutes 2004, chapter 895, section 19 (Assem. Bill No. 2855, eff. Jan. 1, 2005) directed the Commission to reconsider the prior final decision and parameters and guidelines for the STAR program. On July 28, 2005, the Commission found, effective July 1, 2004, that administering~~

⁺~~The implementing regulations were amended subsequent to the test claim filing. All references to the primary language test were renumbered to sections 880-904. This was not a substantive change, and therefore, the Statement of Decision findings still apply.~~

the California Achievement Tests, Sixth Edition Survey (CAT/6)² in grades 3 and 7 imposes a reimbursable state mandate on school districts within the meaning of article XIII B, section 6 of the California Constitution and Government Code sections 17514 and 17556. The Commission found that all the other activities were either federally mandated, and thus not reimbursable, or no longer required.

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

~~Section 17557 of the Government Code states that a test claim must be submitted on or before December 31 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on March 24, 1998. Statutes of 1997, chapter 828, was an urgency statute effective on October 10, 1997.³ Therefore, costs incurred on or after October 10, 1997 for compliance with the mandate are reimbursable, unless otherwise specified below.~~

~~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, subdivision (d)(1), all claims for reimbursement of initial year’s costs shall be submitted within 120 days from the date on which the State Controller’s Office issues claiming instructions.~~

~~If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.~~

The period of reimbursement for the activities in this parameters and guidelines amendment begins on July 1, 2004.

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

1. A local agency 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).
2. A local agency 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.
3. 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 filing

² Reference to the CAT/6 herein would apply to any successor national norm-referenced achievement test selected by the California Department of Education.

³ ~~The implementing regulations, however, were effective January 2, 1998.~~

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, subdivision (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

For each eligible claimant, the following activities to administer the designated achievement and primary language tests are eligible for reimbursement:⁴

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 activities are reimbursable:

A. Training, Policies, and Procedures

- 1. _____ Reviewing the requirements of the ~~STAR Program~~ CAT/6 and conducting or attending training sessions. Increased costs for substitute teacher time during the school day or for teacher stipends to attend training sessions outside the regular school day (after school or on Saturday) are eligible for reimbursement. However, the time the teacher spends to attend training sessions during that teacher's normal classroom hours is not reimbursable. (One-time activity per employee per test site.)

⁴~~Only the designated achievement and primary language tests enacted by Statutes of 1997, chapter 828 are reimbursable, pursuant to these parameters and guidelines.~~

~~—2. _____ Developing internal policies, procedures, and forms to implement *Standardized Testing and Reporting the CAT/6*. (One-time activity for school districts created after July 1, 2004.)~~

The cost of travel for and materials and supplies used or distributed in training sessions is reimbursable under this activity.

~~B. Test Materials, Supplies, and Equipment (*Reimbursement period: January 2, 1998—December 15, 1999*)~~

~~1. Contacting the test provider selected by the State Board of Education and negotiating the purchase of the materials, preparing contracts or purchase orders approved by the State Board of Education for purchase of the materials. (Ed. Code, § 60643, subds. (a)(2) and (e); Cal. Code Regs., tit. 5, §§ 860, 873.⁵) Preparation of the contract with the test publisher is limited to review, approval, and completion of the contract approved by the State Board of Education. Modification of the approved contract by school districts to include any additional materials or services pursuant to Education Code section 60643, subdivision (e)(12), is not reimbursable.~~

~~2. Purchasing materials in accordance with the standard contract pursuant to the California Department of Education's regulations. (Cal. Code Regs., tit. 5, §§ 856, 869, subd. (b), and 871.⁶)~~

~~The purchase price of the materials, supplies, and equipment is reimbursable under this activity, including the sales tax paid to the publisher. (Cal. Code Regs., tit. 5, § 856.⁷)~~

~~C.B. Pretest and Posttest Coordination (*Reimbursement period begins January 2, 1998*)~~

~~—1. _____ Processing requests for exemption from testing the CAT/6 test filed by parents and guardians. (Ed. Code, §§ 60615, 60640, subd. (j); Cal. Code Regs., tit. 5, §§ 852, subd. (a), and 881, subd. (a).)~~

~~• Reviewing the Individualized Education Program (IEP) of children with disabilities to determine if the IEP contains an express exemption from testing. (Ed. Code, § 60640, subds. (e), (j); Cal. Code Regs., tit. 5, §§ 852, subd. (b), and 881, subd. (b).)~~

~~• Determining the appropriate grade level test for special education pupils and providing appropriate testing adaptations and accommodations for these pupils. (Cal. Code Regs., tit. 5, §§ 853, subd. (c),⁸ and 882, subd. (c).)~~

~~—2. _____ Designating a school district employee as a STAR program district coordinator. The school district shall notify the publisher of the identity and contact information for the STAR program district coordinator. (Cal. Code Regs., tit. 5, §§ 857, 859, 865, 867, & 868, 886, 888, 895, 897, and 899.) This activity is reimbursable only to the extent that it applies to the CAT/6 test.~~

⁵ Cal. Code Regs., tit. 5, §§ 860 and 873 were repealed effective December 16, 1999.

⁶ Cal. Code Regs., tit. 5, §§ 856, 869, and 871 were repealed effective December 16, 1999.

⁷ Cal. Code Regs., tit. 5, § 856 was repealed effective December 16, 1999.

⁸ Cal. Code Regs., tit. 5, § 853, subd. (c), was formerly § 852, subd. (b).

- ~~From January 2, 1998 through December 31, 2000, the STAR program district coordinator shall be available through June 30 to complete school district testing.~~
 - Beginning ~~January 1, 2001~~ July 1, 2004, the STAR program district coordinator, or the school district superintendent or his or her designee, shall be available through August 15 to complete school district CAT/6 testing.
- 3. _____ Designating a school district employee as a STAR program test site coordinator at each test site. (Cal. Code Regs., tit. 5, §§ 858, 859, 867, & 868, ~~887, 888, 897, and 899~~.) *This activity is reimbursable only to the extent that it applies to the CAT/6.*
- ~~From January 2, 1998 through December 31, 2000, the STAR program test site coordinator shall be available to the STAR program district coordinator by telephone through June 30 for purposes of resolving discrepancies or inconsistencies in materials or errors in reports.~~
 - Beginning ~~January 1, 2001~~ July 1, 2004, the STAR program test site coordinator, or the site principal or his or her designee, shall be available to the STAR program district coordinator by telephone through August 15 for purposes of resolving discrepancies or inconsistencies in materials or errors in reports related to the CAT/6 test.

STAR Program District Coordinator

Reimbursable Aactivities performed by the STAR program district coordinator include, but are not limited to (only as applied to the CAT/6):

- 1. _____ Responding to correspondence and inquiries from the publisher in a timely manner and as provided in the publisher’s instructions. (Cal. Code Regs., tit. 5, §§ 857, subd. (b), ~~and 886~~.)
- 2. _____ Determining school district and individual ~~school test~~ CAT/6 and test material needs in conjunction with the test publisher, using California Basic Education Data System (CBEDS) and current enrollment data. (Cal. Code Regs., tit. 5, §§ 857, subd. (b), ~~and 886~~.)
- 3. _____ Overseeing the acquisition and distribution of CAT/6 tests and test materials to individual schools and test sites. (Cal. Code Regs., tit. 5, §§ 857, subd. (b), ~~866, subd. (a), 886, and 896, subd. (a)~~.)
- 4. _____ Providing a signed receipt to the test publisher upon receipt of the CAT/6 testing materials. (Cal. Code Regs., tit. 5, §§ 865, subd. (a), ~~and 895, subd. (a)~~.)
- 5. _____ Coordinating CAT/6 testing dates and make-up testing dates for the school district. (Cal. Code Regs., tit. 5, §§ 857, subd. (b), ~~and 886~~.)
- 6. _____ Maintaining security over CAT/6 test material and test data. (Cal. Code Regs., tit. 5, §§ 857, subd. (b), ~~and 886~~.)
- 7. _____ Overseeing the administration of the ~~designated achievement test and primary language test, if applicable,~~ CAT/6 to eligible students. (Cal. Code Regs., tit. 5, §§ 857, subd. (b), ~~and 886~~.)

- ~~—8. _____~~ Overseeing the collection and return of all CAT/6 test materials and tests to the publisher. (Cal. Code Regs., tit. 5, §§ 857, subd. (b), ~~and 886.~~)
- ~~—9. _____~~ Resolving any discrepancies in the quantity of CAT/6 test and test materials received from and returned to the test publisher. (Cal. Code Regs., tit. 5, §§ 857, subd. (b), ~~& 868, 886, and 899.~~)
- ~~—10. _____~~ Certifying information with respect to the ~~designated achievement~~ CAT/6 test to the California Department of Education within five (5) working days of completed school district testing. (Cal. Code Regs., tit. 5, §§ 857, subd. (c), ~~and 886.~~)
- ~~—11. _____~~ Preparing, executing, and collecting STAR Test Security Agreements and Affidavits from every person who has access to tests and other test materials. (Cal. Code Regs., tit. 5, §§ 859 ~~and 888.~~)
- ~~12. Returning test materials, test order data, and enrollment data by grade level to the test publisher. (Cal. Code Regs., tit. 5, § 867.5.)~~

STAR Program Test Site Coordinator

Reimbursable Aactivities performed by the STAR test site coordinator ~~include, but~~ are ~~not~~ limited to (only as applied to the CAT/6):

- ~~—1. _____~~ Determining CAT/6 site test and test material needs. (Cal. Code Regs., tit. 5, §§ 858, subd. (b), ~~and 887.~~)
- ~~—2. _____~~ Overseeing the acquisition and distribution of CAT/6 tests and test materials at the test site. (Cal. Code Regs., tit. 5, §§ 858, subd. (b), ~~and 887.~~)
- ~~—3. _____~~ Cooperating with the STAR program district coordinator to provide the CAT/6 testing and make-up testing days for the site. (Cal. Code Regs., tit. 5, §§ 858, subd. (b), ~~and 887.~~)
- ~~—4. _____~~ Maintaining security over CAT/6 test material and test data. (Cal. Code Regs., tit. 5, §§ 858, subd. (b), ~~and 887.~~)
- ~~—5. _____~~ Overseeing the administration of the ~~designated achievement test and primary language test, if applicable,~~ CAT/6 to eligible students at the test site. (Cal. Code Regs., tit. 5, §§ 858, subd. (b), ~~and 887.~~)
- ~~—6. _____~~ Overseeing the collection and return of all CAT/6 testing materials and tests to the STAR program district coordinator. (Cal. Code Regs., tit. 5, §§ 858, subd. (b), ~~and 887.~~)
- ~~—7. _____~~ Assisting the STAR program district coordinator and the test publisher in resolving any discrepancies in the CAT/6 test information and materials. (Cal. Code Regs., tit. 5, §§ 858, subd. (b), ~~and 887.~~)
- ~~—8. _____~~ Certifying CAT/6 information to the STAR program district coordinator within three (3) working days of complete site testing. (Cal. Code Regs., tit. 5, §§ 858, subd. (b), ~~and 887.~~)
- ~~—9. _____~~ Preparing, executing, and collecting STAR Test Security Agreements and Affidavits from every person who has access to tests and other test materials. (Cal. Code Regs., tit. 5, §§ 859 ~~and 888.~~)

D.C. CAT/6 Test Administration (*Reimbursement period begins January 2, 1998*)

- 1. ~~Conducting and monitoring the STAR Program designated achievement and primary language tests given~~ CAT/6 test to all pupils in grades ~~2 through 11, inclusive 3 and 7.~~ (Ed. Code, §§ 60640, subds. (b), ~~&~~ (c), 60641, subd. (a); Cal. Code Regs., tit. 5, §§ 851, 852, subd. (b), 853, & 855, 880, 882, and 884.)
- ~~To the extent that such tests are available, giving an additional test to pupils of limited English proficiency who are enrolled in grades 2 through 11 if the pupil was initially enrolled in any school district less than 12 months before the date that the English language STAR Program test was given.~~ (Ed. Code, § 60640, subd. (g); Cal. Code Regs., tit. 5, § 880, subd. (a).)

Time spent by the classroom teacher during his or her normal classroom hours for test administration is not reimbursable.

E.D. Reporting and Record Keeping (*Reimbursement period begins January 2, 1998*)

- 1. ~~Recording and maintaining individual records of the tests in pupil records.~~ Inclusion of CAT/6 test results in each pupil's record of accomplishment. (Ed. Code, §§ 60607, subd. (a), ~~&~~ 60641, subd. (a).)
- 2. ~~Preparing and mailing reports of the individual results of the STAR Program tests~~ CAT/6 test to the pupils' parents or guardians, to the pupils' schools, and to the pupils' teachers. (Ed. Code, § 60641, ~~subds. (b) and (c)~~ subd. (a)(2); Cal. Code Regs., tit. 5, §§ 863 ~~and 892.~~)
- 3. ~~Reporting the results of the STAR Program tests~~ CAT/6 test to the school district governing board or county office of education on a districtwide and school-by-school basis. (Ed. Code, § 60641, ~~subd. (d)~~ subd. (a)(3); Cal. Code Regs., tit. 5, §§ 864 ~~and 893.~~)
- 4. ~~Collecting, collating, and s~~Submitting to the Superintendent of Public Instruction ~~the information on the STAR Program apportionment information report a report on the~~ CAT/6 test. (Ed. Code, § 60640, subd. (j); Cal. Code Regs., tit. 5, §§ 862 ~~and 894.~~)
- 5. ~~Submitting to the California Department of Education whatever information the~~ Department deems necessary to permit the Superintendent of Public Instruction to prepare a report analyzing, on a school-by-school basis, the results and test scores of the ~~STAR Program~~ CAT/6 test. (Ed. Code, § 60630, subd. (b); Cal. Code Regs., tit. 5, §§ 861 ~~and 890.~~)

The cost of materials and supplies used for reports (including, paper and envelopes), the cost of postage for mailing reports to parents, and the cost of computer programming used for reporting purposes is reimbursable under this activity.

V. CLAIM PREPARATION AND SUBMISSION

~~Each claim for reimbursement pursuant to this mandate must be timely filed and identify each of the following cost elements to each reimbursable activity identified in Section IV of this document.~~

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 ~~D~~irect costs ~~that~~ are eligible for reimbursement ~~are~~:

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.

6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. If the training encompasses subjects

broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

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.—SUPPORTING DATA~~

~~A.—Source Documents~~

~~For auditing purposes, all incurred costs claimed must be traceable to source documents that show evidence of the validity and relationship to the reimbursable activities. Documents may include, but are not limited to, worksheets, employee time records or time logs, cost allocation reports (system generated), invoices, receipts, purchase orders, contracts, agendas, training packets with signatures and logs of attendees, calendars, declarations, and data relevant to the reimbursable activities otherwise reported in compliance with local, state, and federal government requirements.~~

~~B.—Record Keeping~~

~~Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to audit by the State Controller no later than two years after the end of the calendar year in which the reimbursement claim is filed or last amended.* —See the State Controller's claiming instructions regarding retention of required documentation during the audit period.~~

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

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 chapter⁹ is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING 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.

~~Specifically, reimbursement for: 1) designating site and district coordinators, 2) exempting pupils from STAR Program tests upon request of parents or guardians, 3) coordinating testing at the test site, and 4) reporting data to the school district governing board or county office of education and the Superintendent of Public Instruction, shall be offset by funding provided in the State Budget for the STAR Program.~~

In any fiscal year in which school districts are legally required to, they must reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from state and federal Title VI funds appropriated for STAR administration. School districts are not required to use Title I funds to offset administration of the CAT/6 exam.

VIII. STATE CONTROLLER'S OFFICE REQUIRED CERTIFICATION

~~An authorized representative of the claimant shall be required to provide a certification of claim, as specified in the State Controller's claiming instructions, for those cost mandated by the state contained herein.~~

VIII. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (c), the Controller shall issue revised claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the revised 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 decision and the revised parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the revised claiming instructions shall constitute a notice of the right of the local agencies and school districts to file

⁹ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

reimbursement claims, based upon the revised parameters and guidelines adopted by the Commission.

IX. — PARAMETERS AND GUIDELINES AMENDMENTS

Parameters and guidelines may be amended pursuant to Title 2, California Code of Regulations, section 1183.2

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.