

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE PARAMETERS AND GUIDELINES
AMENDMENT FOR:

Education Code Sections 46601, 46601.5, and
48204(f);

Statutes 1986, Chapter 172; Statutes 1986,
Chapter 742; Statutes 1989, Chapter 853;
Statutes 1990, Chapter 10; Statutes 1992,
Chapter 120.

Requestor: State Controller's Office

Period of Reimbursement: See Section III.

Case No.: 10-PGA-01 (CSM-4442)

Interdistrict Attendance Permits

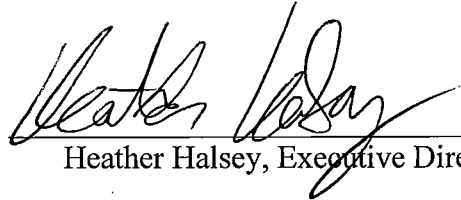
STATEMENT OF DECISION
PURSUANT TO GOVERNMENT CODE
SECTION 17500 ET SEQ.; TITLE 2,
CALIFORNIA CODE OF
REGULATIONS, DIVISION 2,
CHAPTER 2.5, ARTICLE 7.

(Adopted September 28, 2012)

(Served October 5, 2012)

PARAMETERS AND GUIDELINES AMENDMENT

The Commission on State Mandates adopted the attached parameters and guidelines amendment on September 28, 2012.



Heather Halsey, Executive Director

Amended: September 28, 2012

Adopted: October 26, 1995

AMENDMENT TO PARAMETERS AND GUIDELINES

Education Code Section 46601
Former Education Code Section 46601.5
Former Education Code Section 48204 (f)
Chapter 172, Statutes of 1986
Chapter 742, Statutes of 1986
Chapter 853, Statutes of 1989
Chapter 10, Statutes of 1990
Chapter 120, Statutes of 1992

Interdistrict Attendance Permits
10-PGA-01(CSM 4442)

I. SUMMARY OF THE MANDATE

On May 24, 1995, the Commission on State Mandates (Commission) adopted a statement of decision finding that the test claim statutes impose a partially reimbursable state-mandated program upon school districts within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514. The Commission approved this test claim for the following reimbursable activities:

1. Require the school district to:
 - Notify the permit applicant of the right to appeal to the county board of education if the application for an inter-district attendance permit is denied by the district; and
 - Advise the permit applicant of the right to appeal to the county board of education if the district refuses to enter into an agreement or issue a permit. (Ed. Code, § 46601; Stats 1986, ch. 742 and Stats. 1989, ch. 853.)
2. Require the county board of education or its designee to verify that local remedies have been exhausted before accepting an appeal, and while investigating the adequacy of local appeals, require the designee to provide any additional information deemed useful to the county board in reaching a decision. (Ed. Code, § 46601(a), (b), and (c), Stats. 1986, ch. 742, and Stats 1989, ch. 853.)
3. Require the school district to:
 - Respond to information requests from the county board during the board's investigatory process;
 - When requested by the county board of education, reconsider an appeal for an unsuccessful permit. (Ed. Code, § 46601(a), (b), and (c), Stats. 1986, ch. 742, and Stats 1989, ch. 853.)
4. Require the county board of education to provide an appeal process for inter-district attendance requests between counties, as specified. (Education Code, § 46601(d), Stats. 1986, ch. 742 and Stats 1989, ch. 853.)

5. Require the school districts to do the following pursuant to Education Code section 46601.5(a), (b), and (c), and subject to 48204(f), when considering a child care transfer request (Stats. 1986, ch. 172, Stats. 1990, ch. 10, and Stats. 1992, ch. 120):
 - a) Districts shall, in considering an inter-district transfer request, give consideration to the child care needs of the pupil, ensuring that an application for a continuing child care transfer is not denied or revoked for arbitrary or impermissible reasons;
 - b) Districts subject to court-ordered desegregation plans must evaluate the impact of proposed continuing child care transfers on such plans;
 - c) District staff must prepare and present information to the governing board in a cost-effective manner, facilitating that board's responsibility to decide whether a proposed continuing child care transfer should be prohibited, and the reasons therefore;
 - d) In the case of a denied or revoked continuing child care transfer, the governing board must communicate in writing to the pupil's parent or guardian the specific reasons for that determination;
 - e) The governing board must ensure that the determination to prohibit a continuing child care transfer, including the specific reasons therefore, is accurately recorded in the minutes of the board meeting in which the determination was made; and
 - f) Districts must annually determine whether continuing child care transfers, when considered with parent employment transfers, fall within the statutory limits as specified therein.

On July 1, 2003, Education Code section 46601.5 was repealed by the plain language of the statute. Thus, the activities listed above in #5 are no longer mandated or reimbursable effective July 1, 2003.

On September 28, 2012, these parameters and guidelines were amended to clarify that the following activities listed in the parameters and guidelines, which were formerly required by Education Code sections 46601.5 and 48204(f), have been repealed by operation of law and are not reimbursable beginning July 1, 2003:

1. Application Evaluation

In considering an interdistrict transfer request application, give consideration to the child care needs of the pupil, and ensure that a continuing interdistrict transfer request application for child care needs is not denied or revoked for arbitrary or impermissible reasons. For districts subject to court-ordered integration plans, determine the effect the potential transfer would have on the district's plan.

2. Presentation to the Governing Board

Prepare and present information regarding the transfer application for child care purposes to the governing board in a cost-effective manner; and in the case of a rejected application, the specific reasons must be accurately recorded in the minutes of the governing board meeting.

3. Notice of Denied Applications

In the case of a rejected application for an interdistrict transfer for child care purposes, provide a written explanation of the reasons to the parent or guardian.

4. Transfer Statistics

Determine on an annual basis whether net child care-related resident pupil transfers, when considered with parent employment transfers, fall within the statutory limits.

With respect to the remaining activities that continue to be eligible for reimbursement, the parameters and guidelines were amended to require school districts and county offices of education, for costs incurred beginning July 1, 2010, to use the California Department of Education approved indirect cost rate for the year that funds are expended. Finally, the parameters and guidelines were amended to require claimants, beginning in fiscal year 2012-2013, to support the claims for reimbursement with contemporaneous source documentation created at or near the same time the actual cost for the activity or event was incurred.

II. ELIGIBLE CLAIMANTS

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

III. PERIOD OF REIMBURSEMENT

The amendments made to these parameters and guidelines become effective as follows:

1. The activities required by Section IV.A. of these parameters and guidelines, which were formerly required by Education Code sections 46601.5 and 48204(f), are reimbursable only until June 30, 2003, and not reimbursable beginning July 1, 2003.
2. The amendment made to Section IV, adding language requiring that claims be supported with contemporaneous source documents, is effective beginning July 1, 2012. Government Code section 17557(d)(2)(H) provides that "any amendment to the boilerplate language that does not increase or decrease reimbursable costs shall limit the eligible filing period commencing with the fiscal year in which the amended parameters and guidelines were adopted." The Commission amended the boilerplate language requiring contemporaneous source documentation in fiscal year 2012-2013.
3. The amendment made to Section V.B. of these parameters and guidelines addressing the indirect cost rate, is effective beginning July 1, 2010. Pursuant to Government Code section 17557(d)(1), "A parameters and guidelines amendment filed more than 90 days after the claiming deadline for initial claims, as specified in the claiming instructions pursuant to section 17561, and on or before the claiming deadline following a fiscal year, shall establish reimbursement eligibility for that fiscal year. The State Controller's Office filed this request to amend the parameters and guidelines on February 9, 2011, making the amendments to Section V(B) of these parameters and guidelines effective for the 2010-2011 fiscal year.

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

1. Actual costs for one fiscal year shall be included in each claim.
2. Pursuant to Government Code section 17561(d)(1)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions.
3. Pursuant to Government Code section 17560(a), a school district may, by February 15 following the fiscal year in which costs were incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
4. If revised claiming instructions are issued by the Controller pursuant to Government Code section 17558(c), between November 15 and February 15, a school district filing an

annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim. (Gov. Code §17560(b).)

5. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564(a).
6. There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

IV. REIMBURSABLE ACTIVITIES

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

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

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

For each eligible claimant, the following activities are eligible for reimbursement:

- A. For each eligible school district, the following activities, required by former Education Code section 46601.5 and subject to the provisions of 48204(f), are eligible for reimbursement until June 30, 2002, and no longer reimbursable beginning July 1, 2003:

1. Application Evaluation

In considering an interdistrict transfer request application, give consideration to the child care needs of the pupil, and ensure that a continuing interdistrict transfer request application for child care needs is not denied or revoked for arbitrary or impermissible reasons. For districts subject to court-ordered integration plans, determine the effect the potential transfer would have on the district's plan.

2. Presentation to the Governing Board

Prepare and present information regarding the transfer application for child care purposes to the governing board in a cost-effective manner; and in the case of a rejected application, the specific reasons must be accurately recorded in the minutes of the governing board meeting.

3. Notice of Denied Applications

In the case of a rejected application for an interdistrict transfer for child care purposes, provide a written explanation of the reasons to the parent or guardian.

4. Transfer Statistics

Determine on an annual basis whether net child care-related resident pupil transfers, when considered with parent employment transfers, fall within the statutory limits.

B. The following activities, required by Education Code section 46601, are eligible for reimbursement:

1. County Appeals Process

For each eligible school district, notify pupil transfer applicants of the right of appeal to the county office of education when a request is denied for interdistrict attendance for any reason, respond to any information requests from the county office of education pursuant to the appeal, and upon the request of the county office of education, reconsider the pupil's interdistrict attendance request.

2. Intra-County Appeals Process

For each eligible county office of education, verify that school district remedies have been exhausted before accepting a pupil's appeal, investigate the adequacy of the local appeals, and report to the county board of education any additional information useful in reaching a decision.

3. Inter-County Appeals Process

For each eligible county office of education, provide the necessary appeal process (notice, investigation hearing, and decision) or participate in the appeal process of the other county if the other county has jurisdiction.

V. CLAIM PREPARATION AND SUBMISSION

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

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

1. Salaries and Benefits

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

2. Materials and Supplies

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

3. Contracted Services

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

4. Fixed Assets

Report the purchase price paid for fixed assets (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset 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, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1., Salaries and Benefits, for each applicable reimbursable activity.

B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs may 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.

Beginning July 1, 2010, school districts and county offices of education must use the California Department of Education approved indirect cost rate for the year that funds are expended.

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5(a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter¹ is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by

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

the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING REVENUES AND OTHER REIMBURSEMENTS

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

VIII. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558(c), the Controller shall issue revised claiming instructions for each mandate that requires state reimbursement not later than 90 days after receiving the amended 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(d)(2), issuance of the revised claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon the revised parameters and guidelines adopted by the Commission.

IX. REMEDIES BEFORE THE COMMISSION

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

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

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The statements of decision adopted for the test claim and parameters and guidelines are legally binding on all parties and provide the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record. The administrative record is on file with the Commission.