

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Education Code Sections 2550.3 and 42238.7
as amended by Statutes 1998, Chapter 846 and
Statutes 1997, Chapter 855

Filed on June 29, 1999

By the Campbell Union High School District,
Grant Joint Union High School District, and
San Luis Obispo County of Education,
Claimants

No. 98-TC-26

Attendance Accounting

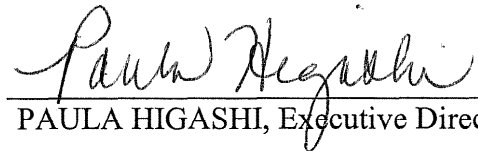
ADOPTION OF PARAMETERS AND
GUIDELINES PURSUANT TO
GOVERNMENT CODE SECTION 17557
AND TITLE 2, CALIFORNIA CODE OF
REGULATIONS, SECTION 1183.12

(Adopted on July 31, 2003)

PARAMETERS AND GUIDELINES

On July 31, 2003, the Commission on State Mandates adopted the attached Parameters and Guidelines.

This Decision shall become effective on August 7, 2003.


PAULA HIGASHI, Executive Director

PARAMETERS AND GUIDELINES

Education Code Sections 2550.3 and 42238.7

Statutes 1997, Chapter 855

Statutes 1998, Chapter 846

Attendance Accounting

I. SUMMARY OF THE MANDATE

On October 24, 2002, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Education Code sections 2550.3 and 42238.7 impose new activities upon school districts and county offices of education. The Commission further found that these new activities represent a new program or higher level of service within an existing program within the meaning of article XIII B, section 6 of the California Constitution and impose costs mandated by the state pursuant to Government Code section 175 14.

Accordingly, the Commission approved this test claim for the following specific one-time activities:

School District Activities:

- z Completion and return of the "Worksheet for Determining the Adjusted 1998-99 Base Revenue Limit in Accordance with SB 727" to the Superintendent of Public Instruction. (Ed. Code, § 42238.7.)

County Office of Education Activities:

- z Completion and return of the "Worksheet for Determining the Adjusted 1998-99 Base Revenue Limit in Accordance with SB 727" to the Superintendent of Public Instruction. (Ed. Code, § 2550.3.)

II. ELIGIBLE CLAIMANTS

Any "school district" as defined in Government Code section 175 19, except for community colleges, which incurs increased costs due to this mandate is eligible to claim reimbursement.

III. PERIOD OF REIMBURSEMENT

Government Code section 17557 requires that a test claim must be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was submitted on June 29, 1999, therefore all mandated costs incurred on or after July 1, 1997 are eligible for reimbursement. However, the reimbursement period for this test claim is limited to November 18, 1998, the date the California Department of Education issued the required worksheet and June 30, 1999. . Only the actual one-time costs for fiscal year 1998-99 shall be included in each claim. Pursuant to Government Code

section 1756 1, subdivision (d)(1), all claims for reimbursement of initial year's costs shall be submitted within 120 days of release of claiming instructions by the State Controller. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise provided for by Government Code section 17564.

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 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 one-time activities, pursuant to Education Code sections 2550.3 and 42238.7, are eligible for reimbursement:

- A. Complete, i.e., write the required information on, the **"Worksheet for Determining the Adjusted 1998-99 Base Revenue Limit in Accordance with SB 727"** issued by the California Department of Education¹
- B. Submit the completed **"Worksheet for Determining the Adjusted 1998-99 Base Revenue Limit in Accordance with SB 727"** to the Superintendent of Public Instruction.
- C. For County Offices of Education only, provide a copy of the **"Worksheet for Determining the Adjusted 1998-99 Base Revenue Limit in Accordance with SB 727"** to each school district within the county.

¹ Worksheet attached. Note: The Commission found that the worksheet issued by the California Department of Education was the method of implementing Education Code sections 2550.3 and 42238.7. The California Department of Education only required a single report for the 1996- 1997 school year. Therefore, reimbursement is limited to the report for the 1996-1997 school year.

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. Direct 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.

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) nonrestrictive indirect cost rate provisionally approved by the California Department of Education.

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

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter² 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.

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 claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the statute or executive order creating the mandate and the parameters and guidelines adopted by the Commission.

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

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

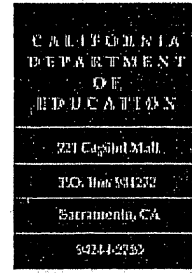
IX. REMEDIES BEFORE THE COMMISSION

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

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



DELAINE EASTIN
State Superintendent of Public Instruction



DATE: November 18, 1998

TO: County Superintendents of Schools

FROM: Robert D. Miyashiro, Director
Education Finance Division

SUBJECT: 1998-99 Base Revenue Limit Worksheet Per SB 727

Senate Bill 727 (Chapter 855, Statutes of 1997) amended state law to provide that beginning July 1, 1998, excused absences are no longer included in calculations of Average Daily Attendance (ADA) and thus have been eliminated for purposes of determining apportionments.

To implement this change, SB 727 provides for the adjustment of district revenue limits by >rolling in=funding for excused absences, using absence experience from fiscal year 1996-97. In other words, each district=s total revenue limit apportionment for 1996-97 is divided by its 1996-97 ADA for actual attendance only. The result is an adjusted 1996-97 revenue limit per unit of ADA, which is then used to calculate an adjusted 1997-98 revenue limit per unit of ADA (1997-98 COLAs: Elementary/\$102; High School/\$123; Unified/ \$ 1 06). These figures are then used to calculate the district=s estimated 1998-99 revenue limit per unit of ADA (1998-99 COLAs: Elementary/\$156; High School/\$1 88; Unified/\$163).

Enclosed are the base revenue limit calculations (Worksheet EX) for fiscal year 1998-99 for each district in your county. These calculations are based on information submitted on the 1996-97 School District Report Forms for Excused Absences. Please provide a copy of the enclosed worksheets to each district in your county.

If you have any questions, please contact Sue Haseltine at (9 16) 324-45 5 1. For your convenience, this information is available on the SFSD (formerly EFD's) Internet Web Site at:

<http://www.cde.ca.gov/fiscal/>

, RDM:RGO:s

_____ county _____ District# _____

(State Use Only)

Worksheet for Determining the Adjusted 1998-99 Base Revenue Limit
 In Accordance with SB 727

Reference: SB 727, Chapter 855, Statutes of 1997
 SB 1468, Chapter 846, Statutes of 1998

EDP NO.	WHOLE NUMBERS ONLY UNLESS DECIMAL POINT IS PROVIDED
001	
006	
011	
016	
021	
026	
031	
036	
041	
046	
051	
053	
056	

A. 1996-97 Base Revenue Limit per ADA

1.	1995-96 Base Revenue Limit.....(A-1)	\$ _____
2.	1996-97 Equalization.....(A-2)	\$ _____
3.	1996-97 Additional Equalization.....(A-3)	\$ _____
4.	1996-97 COLA.....(A-4)	\$ _____
5.	1996-97 Adjusted Base Revenue Limit per ADA (Sum of Lines A-1 through A-4).....(A-5)	
6.	1996-97 Base Revenue Limits for Growth ADA (105% of the 1996-97 Statewide Average Revenue Limit per ADA)	
	Elementary Districts.....	\$3,807
	High School Districts.....	\$4,593
	Unified Districts.....(A-6)	\$3,981

B. 1996-97 Schedule B(A) Data

1.	Total 1995-96 Regular P-2 ADA (EDP 043).....(B-i)	
2.	Total 1996-97 Regular P-2 ADA (EDP 058).....(B-2)	
3.	Total 1996-97 Regular Second Principal ADA (EDP 061 per E.C. 42238.5).....(B-3)	
4.	1996-97 School District Report Form For Excused Absences	
a.	Total ADA with Excused Absences... (B-4a)	
b.	Total Exaused Absences.....(B-4b)	
c.	Staff Development Excused Absences. (B-4c)	
d.	Total ADA without Excused Absences (Line B-4a minus B-4b minus B-40) (Round to whole number).....(B-4d)	

If Using 1996-97 Current Year ADA for Funding, Complete Sections C and D on Page 2.
 If Using 1995-96 Prior Year ADA for Funding, Complete Sections E and F on Page 3.

C. If Using 1996-97 Current Year ADA, complete Sections C and D. (1996-97 Schedule B(A), EDP 061 equals EDP 058)	EDP NO.	WHOLE NUMBERS ONLY UNLESS DECIMAL POINT IS PROVIDED
1. Total ADA (Page 1, Line B-4a)..... (C-1)	361	
2. Excused Absences (Page 1, Line B-4b Plus Line B-4c)..... (C-2)	066	
3. Total ADA Less Excused Absences (Line C-1 minus Line C-2) (Page 1, Line B-4d).... (C-3)	071	
4. 1996-97 Base Revenue Limit per ADA (Line A-5)..... (C-4)	076	\$ _____
5. 1996-97 Base Revenue Limit per ADA for Growth (From Line A-6)..... (C-5)	081	\$ _____
6. 1996-97 Non-Growth ADA (1996-97 Schedule B(A), EDP 018')..... (C-6)	086	
7. 1996-97 Small School(s) ADA (1996-97 Sah F EDP 105 Elem), EDP 204 (High School))..... (C-7)	091	
8. Total Adjusted Non-Growth ADA (Sum of Line C-6 and Line C-7)..... (C-8)	096	
9. Total Adjusted Growth ADA (Line C-1 minus Line C-8)..... (C-9)	101	
10. Total Base Revenue Limit for Non-Growth ADA (Line C-4 times Line C-8) (Whole Number)..... (C-10)	106	\$ _____
11. Total Base Revenue Limit for Growth ADA (Line C-9 times Lesser of C-4 or C-5) (Whole Number).... (C-11)	111	_____
12. Total Base Revenue Limit (Line C-10 plus Line C-11)(C-12)	116	_____
D. Adjusted 1996-97 Base Revenue Limit per ADA (SB 727)		
1. Line C-12 divided by Line C-3..... (D-1)	121	\$ _____
2. Adjustment for Reorganization..... (F-2)	123	\$ _____
3. 1997-98 COLA..... (D-2)	126	\$ _____
4. 1998-99 COLA..... (D-3)	131	\$ _____
5. Total Estimated 1998-99 undeficitied Base Revenue Limit per ADA (Sum of Lines D-1, D-2, D-3, and D-4)..... (D-5)	136	\$ _____

E. If Using 1995-96 Prior Year ADA, complete Sections E and F. (1996-97 Schedule B(A), EDP 061 equals EDP 043)	EDP NO,	WHOLE NUMBERS ONLY UNLESS DECIMAL POINT IS PROVIDED
1. Total. 1995-96 Second Principal ADA (Page 1, Line B-1).....(E-1)	141	
2. Home and Hospital ADA.....(E-2)	146	
3. Total Adjusted 1995-96 ADA (Line E-1 minus Line E-2) (Whole Number).....(E-3)	151	
4. 1995-96 Non-Growth ADA (1996-97 Schedule B(A), EDP 018)...., , , (E-4)	156	
5. 1995-96 Small School(s) ADA (1996-97 Sch F EDP 101 (Elem), ED?? 200 (HighSchool)).....(E-5)	161	
6. Total Adjusted Non-Growth ADA (Sum of Line C-4 and Line C-5).....(E-6)	6	
7. Total Adjusted Growth ADA (Line E-3 minus Line E-6).....(E-7)	171	
8. Total Base Revenue Limit for Non-Growth ADA (Line A-5 times Line E-6).....(E-8)	176	
9. Total Base Revenue Limit for Growth ADA (Line E-7 times Lesser of A-5 or A-6).....(E-9)	181	
10. Total Base Revenue Limit (Line E-B plus Line E-9).....(E-10)	186	
11. 1996-97 ADA with Excused Absences (Page 1, Line B-4a).....(E-11)	191	
12. 1996-97 ADA without Excused Absences (Page 1, Line B-4d).....(E-12)	196	
13. 1995-96 Adjustment Factor (Line E-12 divided by Line E-11) (5 Decimals), , , , (E-13)	201	
24. 1995-96 Adjusted Base Revenue Limit ADA (Line E-3 times Line E-13) (Whole Number).....(E-14)	206	
F. Adjusted 1996-97 Base Revenue Limit		
1. Line E-10 divided by Line E-14.....(F-1)	\$ 211	
2. Adjustment for Reorganization, , , , , (F-2)	\$ 213	
3. 1997-98 COLA, , , , , (F-3)	\$ 216	
4. 1998-99 COLA, , , , , (F-4)	\$ -221	
5. Total Estimated 1998-99 Undeficitated Base Revenue Limit Per ADA (Sum of Lines F-1, F-2, F-3, and F-4).....(F-5)	226	\$

DECLARATION OF SERVICE BY MAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 958 14.

August 7, 2003, I served the:

Adopted Parameters and Guidelines

Attendance Accounting, 98-TC-26

Campbell Union High School District, Grant Joint Union High School District, and San Luis Obispo County of Education, Claimants

Statutes 1998, Chapter 846 and Statutes 1997, Chapter 855

Education Code Sections 2550.3 and 42238.7

by placing a true copy thereof in an envelope addressed to:

Mr. Paul C. Minney
Spector, Middleton, Young, & Minney ,
LLP
7 Park Center Drive
Sacramento, CA 95825

Mr. Mike Havey, Bureau Chief
State Controller's Office
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

State Agencies and Interested Parties (See attached mailing list);

and by sealing and depositing said envelope in the United States mail at Sacramento, California, with postage thereon fully paid.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on August 7, 2003, at Sacramento, California.



VICTORIA SORIANO