Vision, Mission, and Goals

California State Board of Education vision, mission, and goals statement.

VISION

All California students of the 21st century will attain the highest level of academic knowledge, applied learning and performance skills to ensure fulfilling personal lives and careers and contribute to civic and economic progress in our diverse and changing democratic society.

MISSION

Create strong, effective schools that provide a wholesome learning environment through incentives that cause a high standard of student accomplishment as measured by a valid, reliable accountability system.

GOALS

1. Standards. Adopt and support rigorous academic content and performance standards in the four core subjects for kindergarten and grades 1 through 12.

2. Achievement. Ensure that all students are performing at grade level or higher, particularly in reading and math, at the end of each school year, recognizing that a small number of exceptional needs students must be expected, challenged, and assisted to achieve at an individually determined and appropriately high level. Advocate for mandatory intervention for every child not at grade level. Do everything possible to ensure that "the job is done right in the first place".

3. Assessment. Maintain policies assuring that all students receive the same nationally normed and standards-based assessments, grades 2 through 11, again recognizing that a small number of exceptional needs students must be separately and individually assessed using appropriate alternative means to determine achievement and progress.

Questions: State Board of Education | 916-319-0827

Last Reviewed: Tuesday, March 05, 2013
Bylaws
For the California State Board of Education, Amended January 16, 2013.

ARTICLE I

Authority

The California State Board of Education is established in the Constitution of the State of California and empowered by the Legislature through the California Education Code.

ARTICLE II

Powers and Duties

The Board establishes policy for the governance of the state's kindergarten through grade twelve public school system as prescribed in the Education Code, and performs other duties consistent with statute.

ARTICLE III

Members

APPOINTMENT

Section 1.

The State Board of Education consists of 11 members who are appointed by the Governor with the advice and consent of two-thirds of the Senate.

CC, Art. IX, Sec. 7
EC 33000 and 33000.5

TERM OF OFFICE

Section 2.

a. The term of office of the members of the Board is four years, except for the student member whose term is one year.
b. Except for the student member, who serves a one-year term, terms expire on January 15 of the fourth year following their commencement. Members, other than the student member, continue to serve until the appointment and qualification of their successors to a maximum of 60 days after the expiration of their terms. If the member is not reappointed and no successor is appointed within that 60-day period, the member may no longer serve and the position is deemed vacant. The term of the student member begins on August 1 and ends on July 31 of the following year.
c. If the Senate refuses to confirm, the person may continue to serve until 60 days have elapsed since the refusal to confirm or until 365 days have elapsed since the person first began performing the duties of the office, whichever occurs first.
d. If the Senate fails to confirm within 365 days after the day the person first began performing the duties of the office, the person may not continue to serve in that office following the end of the 365-day period.

EC 33001; 33000.5
GC 1774

VACANCIES

Section 3.

Any vacancy shall be filled by appointment by the Governor, subject to confirmation by two-thirds of the Senate. The person appointed to fill a vacancy shall hold office only for the balance of the unexpired term.

EC 33002
STUDENT MEMBER

Section 4.
Finalists for the student member position shall be selected and recommended to the Governor as prescribed by law.

EC 33000.5

COMPENSATION AND EXPENSES

Section 5.
Members of the Board shall receive their actual and necessary travel expenses while on official business. Each member shall also receive one hundred dollars ($100) for each day he or she is acting in an official capacity.

EC 33006
GC 11564.5

CONFLICT OF INTEREST CODE

Section 6.
Board members shall file statements of economic interest as required by the Fair Political Practices Commission. The terms of a standard Conflict of Interest Code, adopted by the Commission and as may be amended, are incorporated by reference and constitute the Conflict of Interest Code of the Board.

2 CCR 18730
5 CCR 18600

ARTICLE IV
Officers and Duties

PRESIDENT, VICE PRESIDENT

Section 1.
Officers of the Board shall be a president and a vice president. No member may serve as both president and vice president at the same time.

Section 2.

a. The president and vice president shall be elected annually in accordance with the procedures set forth in this section.
b. At the January meeting, the State Superintendent of Public Instruction shall ask members to nominate individuals for the office of president. At that same meeting, the president shall ask Board members to nominate individuals for the office of vice president. Any nomination for office must be seconded. No member may nominate or second the nomination for himself or herself for either office.
c. Six votes are necessary to elect an officer, and each officer elected shall serve for one year or until his or her successor is elected.
d. If, in the Board's judgment, no nominee for the office of president or vice president can garner sufficient votes for election to that office at the January meeting, a motion to put the election over to a subsequent meeting is in order.
e. Newly elected officers shall assume office immediately following the election.
f. In the event a vacancy occurs in the office of president or vice president during a calendar year, an election shall be held at the next meeting. Any member interested in completing the one-year term of an office that has become vacant may nominate himself or herself, but each nomination requires a second.
g. The State Superintendent of Public Instruction shall preside only during the election proceedings for the office of president and for the conduct of any other business that a majority of the Board members may direct.

EXECUTIVE OFFICER

Section 3.
The State Superintendent of Public Instruction shall be secretary and shall act as executive officer of the Board.

**EC 33004**

**DUTIES OF THE PRESIDENT**

**Section 4.**

The president shall:

- serve as spokesperson for the Board;
- represent the position of the Board to the State Superintendent of Public Instruction;
- appoint members to serve on committees and as liaisons, as prescribed in these Bylaws, and as may be needed in his or her judgment properly to fulfill the Board's responsibilities;
- serve as an ex officio voting member of the Screening Committee and any ad hoc committees, either by substituting for an appointed member who is not present with no change in an affected committee's quorum requirement, or by serving as an additional member with the affected committee's quorum requirement being increased if necessary;
- preside at all meetings of the Board and follow-up with the assistance of the executive director to see that agreed upon action is implemented;
- serve, as necessary, as the Board's liaison to the National Association of State Boards of Education, or designate a member to serve in his or her place;
- serve, or appoint a designee to serve, on committees or councils that may be created by statute or official order where required or where, in his or her judgment, proper carrying out of the Board's responsibility demands such service;
- keep abreast of local, state, and national issues through direct involvement in various conferences and programs dealing with such issues, and inform Board members of local, state, and national issues;
- participate in selected local, state, and national organizations, which have an impact on public education, and provide to other members, the State Superintendent, and the staff of the Department of Education the information gathered and the opinion and perspective developed as the result of such active personal participation;
- provide direction for the executive director;
- and, along with the executive director, direct staff in preparing agendas for Board meetings, in consultation with other members as permitted by law, and determine priorities for the expenditure of board travel funds.

**DUTIES OF THE VICE PRESIDENT**

**Section 5.**

The vice president shall:

- preside at Board meetings in the absence of the president;
- represent the Board at functions as designated by the president; and
- fulfill all duties of the president when he or she is unable to serve.

**DUTIES OF COMMITTEE CHAIR**

**Section 6.**

The chair of the Screening Committee or any ad hoc committee shall:

- preside at meetings of the committee he or she chairs, except that he or she shall yield the chair to another committee member in the event he or she will be absent or confronts a conflict regarding any matter coming before the committee, and may yield the chair to another committee member for personal reasons; and
- in consultation with the president, other committee members, and appropriate staff, assist in the preparation of committee agendas and coordinate and facilitate the work of the committee in furtherance of the Board's goals and objectives.

**DUTIES OF LIAISON OR REPRESENTATIVE**

**Section 7.**

A Board member appointed as a liaison or representative shall:

- serve as an informal (non-voting) link between the Board and the advisory body or agency (or function) to which he or she is appointed as liaison or representative; and
- reflect the position of the Board, if a position is known to him or her, on issues before the advisory body or agency (or within the
function) to which he or she is appointed as liaison or representative and keep the Board appropriately informed.

DUTIES OF A BOARD MEMBER APPOINTED TO ANOTHER AGENCY

Section 8.
The member shall:

- to every extent possible, attend the meetings of the agency and meet all responsibilities of membership; and
- reflect through his or her participation and vote the position of the Board, if a position is known to him or her, and keep the Board informed of the agency's activities and the issues with which it is dealing.

ARTICLE V

Meetings

REGULAR MEETINGS

Section 1.
Generally, regular meetings of the Board shall be held on the Wednesday and Thursday preceding the second Friday of each of the following months: January, March, May, July, September, and November. However, in adopting a specific meeting schedule, the Board may deviate from this pattern to accommodate state holidays and special events. Other regularly noticed meetings may be called by the president for any stated purpose.

EC 33007

SPECIAL MEETINGS

Section 2.
Special meetings may be called to consider those purposes specified in law if compliance with the 10-day notice would impose a substantial hardship on the board or if immediate action is required to protect the public interest.

OPEN MEETINGS

Section 3.

a. All meetings of the Board, except the closed sessions permitted by law, and all meetings of Board committees, to the extent required by law, shall be open and public.

b. All meetings shall conform to the Bagley-Keene Open Meeting Act, including requirements for notices of meetings, preparation and distribution of agendas and written materials, inspection of public records, closed sessions and emergency meetings, maintenance of records, and disruption of a public meeting. Those provisions of law which govern the conduct of meetings of the Board are hereby incorporated by reference into these Bylaws.

c. Unless otherwise provided by law, meetings of any advisory body, committee or subcommittee thereof, created by statute or by formal action of the Board, which is required to advise or report or recommend to the Board, shall be open to the public.

GC 11120 et seq.

NOTICE OF MEETINGS

Section 4.

a. Notice of each regular meeting shall be posted at least 10 days prior to the time of the meeting and shall include the time, date, and place of the meeting and a copy of the meeting agenda.

b. Notice of any meeting of the Board shall be given to any person so requesting. Upon written request, individuals and organizations wishing to receive notice of meetings of the Board will be included on the mailing list for notice of regular meetings.

SPECIAL MEETINGS (ADDITIONAL PROVISIONS)

Section 5.
a. Special meetings may be called by the president or by the secretary upon the request of any four members of the board for the purposes specified in law if compliance with the 10-day notice requirements would impose a substantial hardship on the board or if immediate action is required to protect the public interest.

b. Notice of special meetings shall be delivered in a manner that allows it to be received by the members and by newspapers of general circulation and radio or television stations at least 48 hours before the time of the special meeting. Notice shall also be provided to all national press wire services. Notice to the general public shall be made by placing it on appropriate electronic bulletin boards if possible.

c. Upon commencement of a special meeting, the board shall make a finding in open session that giving a 10-day notice prior to the meeting would cause a substantial hardship on the board or that immediate action is required to protect the public interest. The finding shall be adopted by a two-thirds vote of the board or a unanimous vote of those members present if less than two-thirds of the members are present at the meeting.

EC 33008
GC 11125

EMERGENCY MEETINGS

Section 5.

a. An emergency meeting may be called by the president or by the secretary upon the request of any four members without providing the notice otherwise required in the case of a situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities and which is properly a subject of an emergency meeting in accordance with law.

b. The existence of an emergency situation shall be determined by concurrence of six of the members during a meeting prior to an emergency meeting, or at the beginning of an emergency meeting, in accordance with law.

c. Notice of an emergency meeting shall be provided in accordance with law.

GC 11125.5
EC 33008
EC 33010

CLOSED MEETINGS

Section 6.

Closed sessions shall be held only in accordance with law.

GC 11126

QUORUM

Section 7.

a. The concurrence of six members of the Board shall be necessary to the validity of any of its acts.

b. A quorum of any Board committee shall be a majority of its members, and a committee may recommend actions to the Board with the concurrence of a majority of a quorum.

ORDER OF BUSINESS

Section 8.

The order of business for all regular meetings of the Board shall generally be:

- Call to Order
- Salute to the Flag
- Communications
- Announcements
- Report of the State Superintendent of Public Instruction
- Special Presentations
- Agenda Items
- Adjournment
CONSENT CALENDAR

Section 9.

a. Non-controversial matters and waiver requests meeting established guidelines may be presented to the Board on a consent calendar.

b. Items may be removed from the consent calendar upon the request of an individual Board member or upon the request of Department staff authorized by the State Superintendent of Public Instruction to submit items for consideration by the Board.

c. Items removed from the consent calendar shall be referred to a standing committee or shall be considered by the full Board at the direction of the president.

ARTICLE VI

Committees and Representatives

SCREENING COMMITTEE

Section 1.

a. The president shall appoint a Screening Committee composed of at least three Board members to screen and interview applicants for appointment to Board advisory bodies and other positions as necessary; participate, as directed by the president, in the selection of candidates for the position of student Board member in accordance with law; and recommend appropriate action to the Board. The president shall designate one Board member as Chair of the Screening Committee.

b. In consultation with the chair, the president may appoint additional Board members, such as the appointed Board liaison, to serve as voting members of the Screening Committee on a temporary basis. In accordance with Section 4 of these bylaws, the president may also serve as an ex officio member of the Screening Committee. The quorum requirement shall be increased as necessary to include the total number of Board members, including temporary members, appointed to serve on the Committee for that purpose.

c. As necessary, the chair may create an ad hoc subcommittee of the Screening Committee to assist the Screening Committee with its duties.

AD HOC COMMITTEES

Section 2.

From time to time, the president may appoint ad hoc committees for such purposes as he or she deems necessary. Ad hoc committees shall remain in existence until abolished by the president.

REPRESENTATIVES

Section 3.

From time to time, the president may assign Board members the responsibility of representing the State Board in discussions with staff (as well as with other individuals and agencies) in relation to such topics as assessment and accountability, legislation, and implementation of federal and state programs. The president may also assign Board members the responsibility of representing the Board in ceremonial activities.

ARTICLE VII

Public Hearings: General

SUBJECT OF A PUBLIC HEARING

Section 1.

a. The Board may hold a public hearing regarding any matter pending before it after giving notice as required by law.

b. The Board may direct that a public hearing be held before staff of the Department of Education, an advisory commission to the Board, or a standing or ad hoc committee of the Board regarding any matter which is or is likely to be pending before the Board. If the Board directs that a public hearing be held before staff, then a recording of the public hearing and a staff-prepared
summary of comments received at the public hearing shall be made available in advance of the meeting at which action on the pending matter is scheduled in accordance with law.

5 CCR 18460
EC 33031
GC 11125

TIME LIMITS FOR THE PRESENTATION OF PUBLIC TESTIMONY

Section 2.

At or before a public hearing, the presiding individual shall (in keeping with any legal limitation or condition that may pertain) determine the total amount of time that will be devoted to hearing oral comments, and may determine the time to be allotted to each person or to each side of an issue.

5 CCR 18463
EC 33031

WAIVER BY PRESIDING INDIVIDUAL

Section 3.

At any time, upon a showing of good cause, the presiding individual may waive any time limitation established under Section 3 of this article.

5 CCR 18464
EC 33031

ARTICLE VIII

Public Hearings: School District Reorganization

SUBMISSION OF PROPOSALS AND PETITIONS

Section 1.

A proposal by a county committee on school district organization or other public agency, or a petition for the formation of a new district or the transfer of territory of one district to another shall be submitted to the executive officer of the Board. The executive officer of the Board shall cause the proposal or petition to be:

- reviewed and analyzed by the California Department of Education;
- set for hearing before the Board (or before staff if so directed by the Board) at the earliest practicable date; and
- transmitted together with the report and recommendation of the Department of Education to the Board (or to the staff who may be directed by the Board to conduct the hearing) and to such other persons as is required by law not later than ten days before the date of the hearing.

CCR 18570

ARGUMENTS PRESENTED AT THE PUBLIC HEARING: ORIGINAL SUBMISSION

Section 2.

At the time and place of hearing, the Board (or staff if so directed by the Board) will receive oral or written arguments on the proposal or petition. The presiding individual may limit the number of speakers on each side of the issue, limit the time permitted for the presentation of a particular view, and limit the time of the individual speakers. The presiding individual may ask that speakers not repeat arguments previously presented.

CCR 18571

RESUBMISSION OF THE SAME OR ESSENTIALLY IDENTICAL PROPOSAL OR PETITION

Section 3.
If the same or an essentially identical proposal or petition has been previously considered by the Board, the documents constituting such a resubmission shall be accompanied by a written summary of any new factual situations or facts not previously presented. In this case, any hearing shall focus on arguments not theretofore presented and hear expositions of new factual situations and of facts not previously entered into the public record.

*CCR 18572*

### ARTICLE IX

**Public Records**

Public records of the Board shall be available for inspection and duplication in accordance with law, including the collection of any permissible fees for research and duplication.

*GC 6250 et seq.*

### ARTICLE X

**Parliamentary Authority**

#### RULES OF ORDER

**Section 1.**

Debate and proceedings shall be conducted in accordance with Robert's Rules of Order (Newly Revised) when not in conflict with rules of the Board and other statutory requirements.

**Section 2.**

Members of the public or California Department of Education staff may be recognized by the president of the Board or other presiding individual, as appropriate, to speak at any meeting. Those comments shall be limited to the time determined by the president or other presiding individual. All remarks made shall be addressed to the president or other presiding individual. In order to maintain appropriate control of the meeting, the president or other presiding individual shall determine the person having the floor at any given time and, if discussion is in progress or to commence, who may participate in the discussion.

**Section 3.**

All speakers shall confine their remarks to the pending matter as recognized by the president or other presiding individual.

**Section 4.**

Public speakers shall not directly question members of the Board, the State Superintendent, or staff without express permission of the president or other presiding individual, nor shall Board members, the State Superintendent, or staff address questions directly to speakers without permission of the president or other presiding individual.

**Section 5.**

The Chief Counsel to the Board or the General Counsel of the California Department of Education, or a member of the Department's legal staff in the absence of the Board's Chief Counsel, will serve as parliamentarian. In the absence of legal staff, the president or other presiding individual will name a temporary replacement if necessary.

### ARTICLE XI

**Board Appointments**

#### ADVISORY BODIES

**Section 1.**

Upon recommendation of the Screening Committee as may be necessary, the Board appoints members to the following advisory bodies for the terms indicated:
a. Advisory Commission on Special Education. The Board appoints five of 17 members to serve four-year terms.
   EC 33590
b. Instructional Quality Commission. The Board appoints 13 of 18 members to serve four-year terms.
   EC 33530
c. Child Nutrition Advisory Council. The Board appoints 13 members, 12 to three-year terms and one student representative to a one-year term. By its own action, the Council may provide for the participation in its meetings of non-voting representatives of interest groups not otherwise represented among its members, such as school business officials and experts in the area of physical education and activity.
   EC 49533
d. Advisory Commission on Charter Schools. The Board appoints eight members to two-year terms.
   EC 47634.2(b)(1)

State Board of Education Policy 01-04

OTHER APPOINTMENTS

Section 2.

On the Board’s behalf, the president shall make all other appointments that are required of the Board or require Board representation, including, but not limited to: WestEd (Far West Laboratory for Educational Research and Development), Trustees of the California State Summer School for the Arts and the California Subject Matter Projects.

SCREENING AND APPOINTMENT

Section 3.

Opportunities for appointment shall be announced and advertised as appropriate, and application materials shall be made available to those requesting them. The Screening Committee shall paper-screen all applicants, interview candidates as the Committee determines necessary, and recommend appropriate action to the Board.

ARTICLE XII

Presidential Appointments

LIAISONS

Section 1.

The president shall appoint one Board member, or more where needed, to serve as liaison(s) to:

a. The Advisory Commission on Special Education.
b. The Instructional Quality Commission.
c. The Advisory Commission on Charter Schools.
d. The National Association of State Boards of Education, if the Board participates in that organization.
e. The Commission on Teacher Credentialing.

OTHER

Section 2.

The president shall make all other appointments that may be required of the Board or that require Board representation.

ARTICLE XIII

Amendment to the Bylaws

These Bylaws may be amended at any regular meeting of the Board, provided that the amendment has been submitted in writing to the Board and members of the public with the meeting notice.
Abbreviations

Abbreviations used in these Bylaws, citing Board authority, are:

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>CC</td>
<td>Constitution of the State of California</td>
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<tr>
<td>CCR</td>
<td>California Code of Regulations</td>
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<td>EC</td>
<td>California Education Code</td>
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<td>GC</td>
<td>California Government Code</td>
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<tr>
<td>CFR</td>
<td>Code of Federal Regulations</td>
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<tr>
<td>JPA-FWL</td>
<td>Joint Powers Agreement Establishing the Far West Laboratory for Educational Research and Development, originally entered into by the State Board of Education on February 11, 1966, and subsequently amended</td>
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Dates of Adoption and Amendment

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<td>January 16, 2013</td>
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Questions: State Board of Education | 916-319-0827

Last Reviewed: Wednesday, January 30, 2013
SBE Agenda for November 2013
Agenda for the California State Board of Education (SBE) meeting on November 6-7, 2013.

State Board Members

- Michael W. Kirst, President
- Ilene W. Straus, Vice President
- Sue Burr
- Carl Cohn
- Bruce Holaday
- Aida Molina
- Patricia A. Rucker
- Niki Sandoval
- Trish Williams
- Jesse Y. Zhang, Student Member
- Vacancy

Secretary & Executive Officer

- Hon. Tom Torlakson

Executive Director

- Karen Stapf Walters

<table>
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<th>Schedule of Meeting</th>
<th>Location</th>
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| **Wednesday, November 6, 2013**  
8:00 a.m. Pacific Time ±  
STATE BOARD OF EDUCATION  
Public Session, adjourn to Closed Session – IF NECESSARY. | California Department of Education  
1430 N Street, Room 1101  
Sacramento, California 95814  
916-319-0827 |

Please see the detailed agenda for more information about the items to be considered and acted upon. The public is welcome.

<table>
<thead>
<tr>
<th>Schedule of Meeting</th>
<th>Location</th>
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| **Thursday, November 7, 2013**  
8:00 a.m. Pacific Time ±  
STATE BOARD OF EDUCATION  
Public Session, adjourn to Closed Session. The Closed Session will take place at approximately 11:30 a.m. (The public may not attend.) | California Department of Education  
1430 N Street, Room 1101  
Sacramento, California 95814  
916-319-0827 |

The Closed Session (1) may commence earlier than 11:30 a.m.; (2) may begin at or before 11:30 a.m., be recessed, and then be reconvened later in the day; or (3) may commence later than 11:30 a.m.

**CLOSED SESSION AGENDA**

Conference with Legal Counsel – Existing Litigation: Under Government Code sections 11126(e)(1) and (e)(2)(A), the State Board of Education hereby provides public notice that some or all of the pending litigation follows will be considered and acted upon in closed session:
Conference with Legal Counsel – Anticipated Litigation: Under Government Code sections 11126(e), the State Board of Education hereby provides public notice that it may meet in Closed Session to decide whether there is a significant exposure to litigation, and to consider and act in connection with matters for which there is a significant exposure to litigation. Under Government Code sections 11126(e)(1) and (e)(2), the State Board of Education hereby provides public notice that it may meet in Closed Session to decide to initiate litigation and to consider and act in connection with litigation it has decided to initiate.

Under Government Code Section 11126(c)(14), the State Board of Education hereby provides public notice that it may meet in Closed Session to review and discuss the actual content of pupil achievement tests (including, but not limited to, the High School Exit Exam) that have been submitted for State Board approval and/or approved by the State Board.

Under Government Code Section 11126(a), the State Board of Education hereby provides public notice that it may meet in Closed Session regarding the appointment, employment, evaluation of performance, or dismissal, discipline, or release of public employees, or a complaint or charge against public employees. Public employees include persons exempt from civil service under Article VII, Section 4(e) of the California Constitution.

ALL TIMES ARE APPROXIMATE AND ARE PROVIDED FOR CONVENIENCE ONLY

ALL ITEMS MAY BE RE-ORDERED TO BE HEARD ON ANY DAY OF THE NOTICED MEETING
THE ORDER OF BUSINESS MAY BE CHANGED WITHOUT NOTICE

Time is set aside for individuals desiring to speak on any topic not otherwise on the agenda (please see the detailed agenda for the Public Session). In all cases, the presiding officer reserves the right to impose time limits on presentations as may be necessary to ensure that the agenda is completed.

REASONABLE ACCOMMODATION FOR ANY INDIVIDUAL WITH A DISABILITY

Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in a meeting or function of the California State Board of Education (SBE), may request assistance by contacting the SBE Office, 1430 N Street, Room 5111, Sacramento, CA, 95814; telephone, 916-319-0827; facsimile, 916 319-0175.

CALIFORNIA STATE BOARD OF EDUCATION

FULL BOARD AGENDA
Public Session
November 6, 2013

Wednesday, November 6, 2013 – 8:00 a.m. Pacific Time ±
California Department of Education
1430 N Street, Room 1101
Sacramento, California 95814

- Call to Order
- Salute to the Flag
- Communications
- Announcements
- Report of the State Superintendent of Public Instruction
- Special Presentations
  Public notice is hereby given that special presentations for informational purposes may take place during this session.
- Agenda Items
- Adjournment

AGENDA ITEMS

Item 1 (DOC)
Subject: 2014-2015 State Board of Education Student Member: Recommendation of Three Finalists for Submission to the Governor.
Type of Action: Action, Information

Item 2 (DOC)
Subject: Reports from the 2013 Student Advisory Board on Education.
Type of Action: Information

Item 3 (DOC)
Type of Action: Action, Information

Item 4 (DOC)
Subject: Presentation by Sue Stickel, Deputy Superintendent, Sacramento County Office of Education, and Judy Flores, Assistant Superintendent, Shasta County Office of Education, representing the California County Superintendents Educational Services Association on Common Core Implementation Survey Results and Development of the Leadership Planning Guide.
Type of Action: Information

- Presentation slides by Sue Stickel and Judy Flores regarding Common Core State Standards (Coming Soon)

PUBLIC HEARING

A Public Hearing on the following agenda item will commence no earlier than 9:30 a.m. on November 6, 2013. The Public Hearing will be held as close to 9:30 a.m. as the business of the State Board permits.

Item 5 (DOC)


Type of Action: Action, Information, Public Hearing

END OF PUBLIC HEARING

Item 6 (DOC)

Subject: Adoption of recommended Next Generation Science Standards for California Public Schools, Kindergarten through Grade Twelve learning progressions for middle grades 6–8 as required by Education Code 60605.85.

Type of Action: Action, Information

Item 7 (DOC)

Subject: California English Language Development Test: Update on Transitioning to the English Language Proficiency Assessments for California.

Type of Action: Information

Item 8 (DOC)

Subject: Update on Statewide Assessment Transition to the Measurement of Academic Performance and Progress including, but not limited to, Smarter Balanced Assessment Resources and Development Activities, Accountability, and Technology.

Type of Action: Information

Item 9 (DOC)

Subject: Amendment to the Educational Testing Service contract to implement the California Measurement of Academic Performance and Progress.

Type of Action: Action, Information

Item 10 (DOC)

Subject: Approval of the Incorporation of Graduation Data in the Academic Performance Index and an Update on the California Department of Education’s Work Plan and Process for Revising the Academic Performance Index Consistent with Education Code Sections 52052 through 52052.9.

Type of Action: Action, Information

Item 11 (DOC)

Subject: Elementary and Secondary Education Act: Establish the Appropriate Sanction to Assign to Each of the Local Educational Agencies in Cohort 7 of Program Improvement Year 3.

Type of Action: Action, Information
Item 12 (DOC)

Subject: STATE BOARD PROJECTS AND PRIORITIES.

Including, but not limited to, future meeting plans; agenda items; and officer nominations and/or elections; State Board office budget, staffing, appointments, and direction to staff; declaratory and commendatory resolutions; Bylaw review and revision; Board policy; approval of minutes; Board liaison reports; training of Board members; and other matters of interest.

Type of Action: Action, Information

ADJOURNMENT OF DAY’S SESSION

FULL BOARD AGENDA
Public Session

November 7, 2013

Thursday, November 7, 2013 – 8:00 a.m. Pacific Time ±
California Department of Education
1430 N Street, Room 1101
Sacramento, California 95814

- Call to Order
- Salute to the Flag
- Communications
- Announcements
- Report of the State Superintendent of Public Instruction
- Special Presentations
  *Public notice is hereby given that special presentations for informational purposes may take place during this session.*
- Agenda Items
- Adjournment

AGENDA ITEMS

Item 13 will be the first item heard on the SBE's agenda Thursday, November 7, 2013.
The meeting will commence at 8:00 a.m.

Item 13 (DOC; Updated 30-Oct-2013)

Subject: Local Control Funding Formula: Discussion of Proposed Changes to California's Local Educational Agency and School Planning and Accountability System.

Type of Action: Action, Information

Item 14 (DOC)

Subject: Revisions to the Criteria and Standards for Fiscal Stability to Conform to Requirements of the Local Control Funding Formula.

Type of Action: Action, Information

Item 15 (DOC; 1MB)


Type of Action: Action, Information

Item 16 (DOC; 2MB)
Subject: Update of Special Education Regulations—Approve Commencement of a 15-Day Public Comment Period for Proposed Amendments to California Code of Regulations, Title 5, Sections 3001-3088.

Type of Action: Action, Information

WAIVERS / ACTION AND CONSENT ITEMS

The following agenda items include waivers that are proposed for consent and those waivers scheduled for separate action because CDE staff has identified possible opposition, recommended denial, or determined may present new or unusual issues that should be considered by the State Board. Waivers proposed for consent are so indicated on each waiver’s agenda item; however, any board member may remove a waiver from proposed consent and the item may be heard individually. On a case-by-case basis, public testimony may be considered regarding the item, subject to the limits set by the Board President or by the President's designee; and action different from that recommended by CDE staff may be taken.

Federal Program Waiver (Carl D. Perkins Career and Technical Education Improvement Act)

Item W-01 (DOC)

Subject: Request by five districts for a waiver of Section 131(c)(1) of the Carl D. Perkins Career and Technical Education Improvement Act of 2006 (Public Law 109-270).

Waiver Numbers:
- Biggs Unified School District Fed-09-2013
- Cloverdale Unified School District Fed-05-2013
- Golden Valley Unified School District Fed-08-2013
- Laton Joint Unified School District Fed-07-2013
- Templeton Unified School District Fed-06-2013

(Recommended for APPROVAL)

Independent Study Program (Pupil Teacher Ratio)

Item W-02 (DOC)

Subject: Request by the Capistrano Unified School District to waive portions of California Education Code Section 51745.6, and California Code of Regulations, Title 5, Section 11704, and portions of Section 11963.4(a)(3), related to charter school independent study pupil-to-teacher ratio to allow an increase from 25:1 to a 27.5:1 pupil-to-teacher ratio at Oxford Preparatory Academy.

Waiver Number: 6-7-2013

(Recommended for APPROVAL WITH CONDITIONS)

Special Education Program (Educational Interpreter for Deaf and Hard of Hearing)

Item W-03 (DOC)

Subject: Request by four local educational agencies to waive California Code of Regulations, Title 5, Section 3051.16(b)(3), the requirement that educational interpreters for deaf and hard of hearing pupils meet minimum qualifications as of July 1, 2009, to allow five educational interpreters to continue to provide services to students until June 30, 2014, under a remediation plan to complete those minimum qualifications.

Waiver Numbers:
- Imperial County Office of Education 21-4-2013
- Imperial County Office of Education 22-4-2013
- Lemoore Union High School District 12-8-2013
- Plumas Unified School District 2-7-2013
- San Luis Obispo County Office of Education 1-8-2013

(Recommended for APPROVAL WITH CONDITIONS)
Community Day Schools (CDS) (Colocate Facilities and Commingle Grade Levels)

Item W-04 (DOC)

Subject: Request by two local educational agencies under the authority of California Education Code Section 33050. One is to waive portions of California Education Code Section 48661(a), relating to the colocation of a community day school with other types of schools and/or portions of California Education Code sections 48660 and 48916.1(d), relating to the allowable grade spans for community day schools. The other is to waive portions of California Education Code Section 48663(a), relating to community day school minimum instructional minutes.

Waiver Numbers:
- Exeter Unified School District 12-7-2013
- Red Bluff Joint Union High School District 15-8-2013

(Recommended for APPROVAL WITH CONDITIONS)

Equity Length of Time (Equity Length of Time)

Item W-05 (DOC)

Subject: Request by Tracy Joint Unified School District for a renewal to waive Education Code Section 37202, the equity length of time requirement for Gladys Poet-Christian Magnet School for students in grades one through three to facilitate enriched music and physical education instruction.

Waiver Number: 5-8-2013

(Recommended for APPROVAL)

Other Waivers (Employment - Retirement System)

Item W-06 (DOC)

Subject: Request by Sanger Unified School District to waive California Education Code Section 45134(c), to allow the employment of a State Teachers Retirement System retiree as a classified school bus driver.

Waiver Number: 9-8-2013

(Recommended for APPROVAL WITH CONDITONS)

Sale or Lease of Surplus Property (Sale of Surplus Property)

Item W-07 (DOC)

Subject: Request by Mendocino Unified School District to waive portions of California Education Code Section 17545(a), specific statutory provisions for the sale of personal property. Approval of the waiver would allow the district to sell a piece of personal property using a "request for proposal" process, thereby maximizing the proceeds from the sale. The personal property for which the waiver is requested is the Mendocino Community Network.

Waiver Number: 7-8-2013

(Recommended for APPROVAL WITH CONDITIONS)

School Construction Bonds (Bond Indebtedness Limit - Unified School District)

Item W-08 (DOC)

Subject: Request by Alvord Unified School District to waive California Education Code Section 15270(a), related to bonded indebtedness limits. Total bonded indebtedness may not exceed 2.5 percent of the taxable assessed valuation of property for unified school districts. Proposition 39 bonds limit the tax rate levy authorized in each election to $60 per $100,000 of assessed value for unified school districts. The district is requesting 3.67 percent bonded indebtedness limit.

Waiver Number: 2-8-2013
School District Reorganization (Election of Governing Board)

Item W-09 (DOC)

Subject: Request by three school districts to waive California Education Code Section 5020, and portions of sections 5019, 5021, and 5030, that require a district-wide election to establish new trustee areas.

Waiver Numbers:
- Hughson Unified School District 8-8-2013
- Lincoln Unified School District 7-7-2013
- Pixley Union Elementary School District 10-7-2013

(Recommended for APPROVAL)

Schoolsite Council Statute (Number and Composition of Members)

Item W-10 (DOC)

Subject: Request by eight local educational agencies, under the authority of California Education Code Section 52863 for waivers of Education Code Section 52852, relating to schoolsite councils regarding changes in shared, composition, or shared and composition members.

Waiver Numbers:
- Caliente Union Elementary School District 13-8-2013
- Fairfield-Suisun Unified School District 8-7-2013
- Igo, Ono, Platina Union Elementary School District 4-7-2013
- Kernville Union Elementary School District 14-7-2013
- Peninsula Union School District 24-11-2012
- Surprise Valley Joint Unified School District 1-7-2013
- Trona Joint Unified School District 11-7-2013
- Waugh Elementary School District 3-8-2013

(Recommended for APPROVAL WITH CONDITIONS)

Special Education Program (Non Public Agency (NPA or School (NPS)) Annual Renewal of Certification)

Item W-11 (DOC)

Subject: Request by the El Dorado County Office of Education under authority of California Education Code Section 56101 to waive Education Code Section 56366.1(h), the August through October 31 timeline for an annual certification renewal application, for Pinnacle Educational Services, a nonpublic agency.

Waiver Number: 3-7-2013

(Recommended for DENIAL)

Class Size Penalties (Over Limit on Kindergarten and Grades 1-3)

Item W-12 (DOC)

Subject: Request by six districts, under the authority of California Education Code Section 41382, to waive portions of Education Code sections 41376(a), (c), and (d) and/or 41378(a) through (e), relating to class size penalties for kindergarten through grade three. For kindergarten, the overall class size average is 31 to one with no class larger than 33. For grades one through three, the overall class size average is 30 to one with no class larger than 32.

Waiver Numbers:
- Fillmore Unified School District 4-8-2013
Quality Education Investment Act (Class Size Reduction Requirements)

**Item W-13 (DOC)**

**Subject:** Request by Coachella Valley Unified School District to waive portions of California *Education Code* Section 52055.740(a), regarding class size reduction requirements under the Quality Education Investment Act.

**Waiver Numbers:**
- 23-6-2013
- 24-6-2013

(Recommended for APPROVAL WITH CONDITIONS)

Quality Education Investment Act (Rule of 27)

**Item W-14 (DOC)**

**Subject:** Request by Anaheim Union High School District to waive portions of California *Education Code* Section 52055.740(a)(1)(C)(iii), regarding class size reduction requirements under the Quality Education Investment Act.

**Waiver Number:** 14-8-2013

(Recommended for APPROVAL WITH CONDITIONS)

**END OF WAIVERS**

**Item 17 (DOC)**

**Subject:** GENERAL PUBLIC COMMENT.

Public Comment is invited on any matter not included on the printed agenda. Depending on the number of individuals wishing to address the State Board, the presiding officer may establish specific time limits on presentations.

**Type of Action:** Information

**Item 18 (DOC)**

**Subject:** Standardized Testing and Reporting Program: Release of 10 Percent Withheld for 2012–13 Educational Testing Service Contract.

**Type of Action:** Action, Information

**Item 19 (DOC)**

**Subject:** Approval of the Charter School Numbers Assigned to Newly Established Charter Schools.

**Type of Action:** Action, Information

**Item 20 (DOC)**

**Subject:** Approval of 2013–14 Consolidated Applications.
Type of Action: Action, Information

Item 21 (DOC)

Subject: Elementary and Secondary Education Act: Approval of Local Educational Agency Plans, Title I, Section 1112.

Type of Action: Action, Information

Item 22 (DOC; 1MB)

Subject: Elementary and Secondary Education Act: School Improvement Grant: Request a Waiver Under Title I, Part A Section 9401 to Carry Over 100 Percent of the Fiscal Year 2012 Cohort 2 School Improvement Grant Allocation.

Type of Action: Action, Information

- Item 22 Attachment 2 (PDF)
- Accessible Alternative Version (AAV) of Item 22 Attachment 2

Item 23 (DOC; 2MB)

Subject: Revisions to the California School Accounting Manual.

Type of Action: Action, Information

ADJOURNMENT OF MEETING

This agenda is posted on the State Board of Education's Web site [http://www.cde.ca.gov/be/ag/]. For more information concerning this agenda, please contact the State Board of Education at 1430 N Street, Room 5111, Sacramento, CA, 95814; telephone 916-319-0827; facsimile 916-319-0175. Members of the public wishing to send written comments about an agenda item to the board are encouraged to send an electronic copy to SBE@cde.ca.gov, with the item number clearly marked in the subject line. In order to ensure that comments are received by board members in advance of the meeting, please submit these and any related materials to our office by 12:00 Noon on Friday, November 1, 2013, the Friday prior to the meeting.

Questions: State Board of Education | 916-319-0827

Last Reviewed: Wednesday, October 30, 2013

California Department of Education

Mobile site | Full site
CALIFORNIA STATE BOARD OF EDUCATION

NOVEMBER 2013 AGENDA

SUBJECT

2014-2015 State Board of Education Student Member: Recommendation of Three Finalists for Submission to the Governor.

SUMMARY OF THE ISSUE(S)

On Tuesday, November 5, 2013, the State Board of Education Screening Committee will interview six candidates selected by the Student Advisory Board on Education (SABE) from an initial set of 12 semi-finalists. The list of three finalists recommended by the Screening Committee will be provided as an Item Addendum.

RECOMMENDATION

The State Board of Education’s (SBE) Screening Committee recommends that the SBE approve the three finalists for the position of 2014-2015 SBE Student Member, as identified in the Item Addendum. The approved finalists will be forwarded to the Governor for his consideration. The Governor will appoint one of the three finalists who will then serve as the 2014-15 SBE Student Member.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

In keeping with the requirements of California Education Code Section 33000.5(e)(5), the State Board selects three finalists from six candidates to serve as the Student Member for the forthcoming year. The three finalists will be presented to the Governor who will appoint one of them to serve as the 2014-2015 SBE Student Member.

FISCAL ANALYSIS (AS APPROPRIATE)

None.

ATTACHMENT(S)

An Item Addendum will contain information about the 12 semi-finalists, the six candidates interviewed by the SBE Screening Committee, and the three finalists recommended by the SBE Screening Committee.
ITEM 02
REPORTS FROM THE 2013 STUDENT ADVISORY BOARD ON EDUCATION.

SUMMARY OF THE ISSUE(S)

The 2013 Student Advisory Board on Education (SABE) Conference will be held in Sacramento from November 2-6, 2013, and will culminate in the oral presentations to the State Board of Education (SBE) on the morning of Wednesday, November 6, 2013. Each presentation will focus on an issue chosen by student delegates of the SABE Conference, and will reflect their research and discussion.

RECOMMENDATION

Listen to student proposals from the 2013 SABE Conference.

BRIEF HISTORY OF KEY ISSUES

The SBE receives annual SABE reports. The California Department of Education (CDE) and SBE staff, working with the SBE’s Student Member, may review and develop responses to the SABE proposals, which may be considered at a future SBE meeting.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

Student proposals to the SBE in November 2012 covered a range of topics, including Cell Phones and Driving Safety in Health Curriculum; Overemphasis on Testing; Preventing High School Dropouts; Implementation of the Common Core Standards in California; and Best Classroom Practices.

FISCAL ANALYSIS (AS APPROPRIATE)

None.
Student representatives will provide a handout of student reports to members of the State Board at the time of their oral presentation.
ITEM 03
## SUBJECT


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## SUMMARY OF THE ISSUE(S)

This agenda item is the fifteenth in a series of regular updates to inform the State Board of Education (SBE) and public regarding Common Core State Standards (CCSS) systems implementation activities.

## RECOMMENDATION

The California Department of Education (CDE) recommends that the SBE take action as deemed necessary and appropriate but recommends no specific action at this time.

## BRIEF HISTORY OF KEY ISSUES

When the SBE adopted the CCSS with additions in 2010, these standards became the current subject-matter standards in English language arts and mathematics. The full implementation of these standards will occur over several years as a new system of CCSS-aligned curriculum, instruction, and assessment is developed.

The **CCSS Systems Implementation Plan for California**, available on the CDE CCSS Web page at [http://www.cde.ca.gov/re/cc/](http://www.cde.ca.gov/re/cc/), was jointly presented by the SBE and State Superintendent of Public Instruction (SSPI) to the Governor and the California State Legislature in March 2012. A Web-based interactive timeline that provides detailed information regarding the statewide implementation projects included in the plan is available on the CDE CCSS Systems Implementation—Significant Milestones Web page at [http://www.cde.ca.gov/re/cc/tl/index.asp](http://www.cde.ca.gov/re/cc/tl/index.asp).
SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

July 2011-September 2013: The CDE presented to the SBE a series of regular updates on the implementation of the CCSS.

March 2012: The SBE unanimously voted to present, in partnership with the SSPI, the CCSS Systems Implementation Plan for California to the Governor and the California State Legislature thereby fulfilling the requirements of California Education Code Section 60605.8 (h).

June 2011: Governor Edmund G. Brown, Jr., SSPI Tom Torlakson, and SBE President Michael Kirst signed the memorandum of understanding for California’s participation as a governing state in the Smarter Balanced Assessment Consortium (Smarter Balanced). California was previously a participating state in the Partnership for the Assessment of Readiness for College and Careers (PARCC).

November 2010: The CDE presented to the SBE an update on the implementation of the CCSS. This update was provided at the joint meeting between the SBE and the Commission on Teacher Credentialing (See agenda at http://www.cde.ca.gov/be/pn/pn/ctcsbeagenda08nov2010.asp).

August 2010: Pursuant to Senate Bill X5 1, the SBE adopted the academic content standards in English language arts and mathematics as proposed by the California Academic Content Standards Commission (ACSC); the standards include the CCSS and specific additional standards that the ACSC had deemed necessary to maintain the integrity and rigor of California’s already high standards.

May 2009: The SSPI, the Governor of California, and the SBE President agreed to participate in the Council of Chief State School Officers and the National Governors Association Center for Best Practices initiative to develop the CCSS as part of California’s application to the federal Race to the Top grant.

FISCAL ANALYSIS (AS APPROPRIATE)

The cost of implementing the CCSS is significant, but will be offset by the improved efficiencies, benefits of shared costs with other states, and the shifting of current costs to CCSS activities. Currently, the CDE is providing free professional learning support via webinars and presentations and is providing ongoing guidance to the field for transitioning to the CCSS. In terms of instructional materials, costs will span multiple years but will be offset by access to a national market of materials and greater price competition in so long as California does not add state-specific evaluation criteria. Nonetheless, the implementation of new CCSS-aligned assessments, professional learning supports, and instructional materials will require a shifting and infusion of new resources.
ATTACHMENT(S)

Attachment 1: Common Core State Standards Systems Implementation Plan
Highlights: September–October 2013 (5 pages)

Attachment 2: CCSS Implementation Outreach: State Board and Department of
Education Activities (8 pages)

Attachment 3: Elements of the Implementation of a Curriculum (16 pages)
Common Core State Standards
Systems Implementation Plan
Highlights: September–October 2013

1. Facilitate high quality professional learning opportunities for educators to ensure that every student has access to teachers who are prepared to teach to the levels of rigor and depth required by the CCSS.

   The California Department of Education (CDE) has released a new addition to the collection of Common Core State Standards (CCSS) professional learning modules (PLMs) for educators:

   ▪ Common Core State Standards and Content Literacy for Science: This module addresses building student understanding of inquiry-based science by incorporating and enhancing the literacy skills of oral language (speaking and listening), writing (particularly in science notebooks), and reading of informational text. The module features: an overview of literacy in science; four model lessons at grade spans kindergarten through grade two, grades three through five, grades six through eight, and grades nine through twelve; analysis of student work at the same grade levels; planning templates for teachers to design lessons that align the CCSS to their science learning goals; and resources for differentiated instruction and other ideas for building scientific literacy.

Nine online PLMs are currently available for teachers to access independently or for schools or districts to use as facilitated professional learning. The PLMs were designed to deepen educators' understanding of the CCSS; instructional strategies to support the learning of all pupils, including English learners, pupils with disabilities, and underperforming pupils; and instructional strategies that promote creativity, innovation, critical thinking, problem solving, collaboration, and communication skills in all academic content areas.

The modules are located on the Brokers of Expertise (BoE) Web site located at http://ccssplm.myboe.org/. The BoE Web site also offers resources and a platform for questions about the CCSS. Additional modules are in development. More information is available on the CDE Professional Learning Modules for Educators Web page at http://www.cde.ca.gov/re/cc/ccssplm.asp.
2. Provide CCSS-aligned instructional resources designed to meet the diverse needs of all students.

- The reviewer deliberations for the 2014 Mathematics Primary Adoption were conducted on September 10–14, 2013, in Sacramento. The instructional materials reviewers and content review experts appointed by the State Board of Education (SBE) met for five intense days of public meetings and recommended 30 of the 35 submitted programs to the Instructional Quality Commission (IQC). The IQC will take action to recommend programs to the SBE at its meeting on November 21–22, 2013. Final SBE action on the adoption is expected at its January 2014 meeting.

- The sixth and final meeting of the SBE-appointed English Language Arts/English Language Development (ELA/ELD) Curriculum Framework and Evaluation Criteria Committee (CFCC) was held on September 25–27, 2013. Since February, the committee of teachers and district and higher education stakeholders have reviewed and revised numerous drafts of each framework chapter. The draft documents have been prepared collaboratively with writers from the Center for the Advancement of Reading and WestEd using the framework revision guidelines. The content in the draft framework provides guidance on the implementation of the CCSS for ELA and Literacy in History/Social Studies, Science, and Technical Subjects (CA CCSS for ELA/Literacy), including the English Language Development (CA ELD) standards. The draft framework includes content chapters for grade-span and grade-level implementation, outlines key considerations and shifts in the CA CCSS for ELA/Literacy and CA ELD standards and support to the field in areas of professional development, assessment, technology, and access and equity for all students. Also included are criteria for the evaluation of instructional materials. At the September meeting, the ELA/ELD CFCC members approved the draft ELA/ELD Framework for forwarding to the IQC. The IQC will meet on November 21–22 to prepare the draft for the first 60-day public review from December 2013 through January 2014.

- Information regarding the adoption of the 2013 revision of the Mathematics Framework for California Public Schools: Kindergarten Through Grade Twelve is provided in Item 5.

3. Develop and transition to CCSS-aligned assessment systems to inform instruction, establish priorities for professional learning, and provide tools for accountability.

- An update regarding the transition to the English Language Proficiency Assessments for California will be provided in Item 7.

- An update regarding the transition to the California Measurement of Academic Performance and Progress including, but not limited to, Smarter Balanced assessment
resources and development activities, accountability, and technology is provided in Item 8.

5. Collaborate with the postsecondary and business communities to ensure that all students are prepared for success in career and college.

- The National Governors Association has awarded California an *Improving Student Learning at Scale Collaborative Policy Project* grant of $65,000 to support CCSS implementation. The project will provide California’s higher education leaders and policy-makers with a forum to define the role and responsibilities of the higher education systems in transitioning to the CCSS. This process will help all parties develop shared goals and common language for guiding CCSS implementation and will provide a structure for ongoing communication and coordination that we anticipate will last beyond the grant period. The project will result in guiding documents (perhaps a singular policy framework) that can be used by policy-makers and educators to steer higher education policy and practice in support of the CCSS transition. The grant will be collaboratively implemented by the Intersegmental Coordinating Committee, the SBE, and the CDE.

6. Seek, create, and disseminate resources to support stakeholders as CCSS systems implementation moves forward.

- The following CCSS-related bills were signed into law in October 2013:
  - Assembly Bill 484 replaces the Standardized Testing and Reporting (STAR) program with the California Measurement of Academic Performance and Progress (CalMAPP) testing program. A summary of the legislation is provided in Attachment 1 of Item 8.
  - AB 899 (Weber) establishes a process to link the CA ELD standards to the CCSS for mathematics and the NGSS, in which:
    - The State Superintendent of Public Instruction (SSPI) would convene a group of experts, in consultation with the SBE, to link the CA ELD standards.
    - The SSPI would hold two public meetings for the purpose of allowing the public to provide input regarding the work of the group of experts.
    - The SSPI would present the aligned standards, based on the work of the group of experts, to the SBE on or before January 1, 2015.
    - The SBE would have to adopt or reject the SSPI’s recommendations on or before August 1, 2015.
The SSPI and the SBE would then be required to present a schedule and implementation plan for integrating the aligned CA ELD standards to the Governor and the appropriate policy and fiscal committees of the Legislature.

The implementation of this bill is prohibited unless funds are appropriated by the Legislature in the Annual Budget Act or another statute.

- Senate Bill 201 (Liu) authorizes the SBE to adopt basic instructional materials for kindergarten and grades one to eight, inclusive, that are aligned to the CCSS for ELA and CA ELD by no later than November 30, 2015. The bill would require the CDE to assess a fee after a publisher or manufacturer of materials has declared the intent to submit one or more programs and the grade levels to be covered by each of those programs.

In addition, SB 201 authorizes the CDE to begin work on an assessment for initial identification of English learners.

- SB 300 authorizes the SBE to adopt a new curriculum framework in science aligned to the NGSS by January 31, 2016, and ensure that the framework includes strategies to address the needs of English learners and students with disabilities. This bill also extends by two months the SBE’s deadline to adopt the ELA/ELD Framework.

- The CDE has made available Common Core Search, a new online searchable database that will permit stakeholders at all phases of implementation to easily access the high-quality resources they need to support local implementation efforts. The database allows users to employ filters and a keyword search to quickly find the resources they are seeking. Common Core Search, available at https://www2.cde.ca.gov/ccsr, currently offers hundreds of resources that have been reviewed for quality. More resources will be added as they become available.

7. **Design and establish systems of effective communication among stakeholders to continuously identify areas of need and disseminate information.**

- CDE staff, in collaboration with representatives from the Los Angeles Chamber of Commerce and Children Now, participated in Make or Break Moments in the Transition to Common Core Assessments, a multi-state meeting hosted by the Council of Chief State School Officers and the Policy Innovators in Education Network in Chicago, Illinois, on October 28–30, 2013. The California team had the opportunity to collaborate on strategic communications work, network and learn from other states and organizations,
and continue work on developing comprehensive strategic communications focused on transitioning to the Smarter Balanced assessment system.

- The CDE promotes new CCSS-related resources via the CDE CCSS Web page and listserv. Summary of Web-based Outreach Data:

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<th>July</th>
<th>August</th>
<th>September</th>
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<tr>
<td>Listserv Subscribers</td>
<td>7,782</td>
<td>8,011</td>
<td>8,234</td>
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<tr>
<td>Total Web Page Hits</td>
<td>265,184</td>
<td>421,399</td>
<td>431,337</td>
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- A summary of select outreach and communications activities of the CDE and SBE is provided in Attachment 2 of this item.

- A presentation by leadership from the California County Superintendents Educational Services Association on CCSS implementation survey results and development of the Leadership Planning Guide is provided in Item 4.
Common Core State Standards Implementation Outreach  
California State Board of Education and California Department of Education Activities

Engage partners in facilitating two-way communication and leverage local and state implementation activities.

<table>
<thead>
<tr>
<th>Dates/Events</th>
<th>Participants</th>
<th>Description</th>
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| September 3, 2013         | 35 teachers  
California Department of Education (CDE)/State Board of Education (SBE) Team: Nancy Brownell | Provide an overview of instructional shifts expected of common core implementation, strategies for using depth of knowledge charts in designing student activities, and share Smarter Balanced sample items and practice test resources. |
| Present to Tulsa Street Elementary staff |                                                                              |                                                                                                                                              |
| September 3, 2013         | 19 teachers  
CDE/SBE Team: Emily Oliva, Erika Hughes, Jeannie Oropeza and Elena Fajardo | Present on Science, Technology, Engineering, and Mathematics, including the Common Core Standards for Mathematics (CCSSM). Discuss California government structure and finance system and Dual Immersion programs and English Language Development. |
| Present to International Delegation – Pakistani Teacher Exchange |                                                                              |                                                                                                                                              |
| September 5, 2013         | 40 parents and district staff  
CDE/SBE Team: Nancy Brownell | Provide an overview of Common Core State Standards (CCSS) and Smarter Balanced sample items and practice test resources for parents. |
<p>| Present to Jackson Elementary School parents, Rescue Union School District |                                                                              |                                                                                                                                              |</p>
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<td>September 5, 2013</td>
<td>30 CISC Mathematics Subcommittee Members</td>
<td>Present an update on legislative activity, State Board Meeting items pertaining to mathematics, CCSSM and Mathematics Framework, and Smarter Balanced Assessment development activities.</td>
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<td>CDE/SBE Team: Emily Oliva</td>
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<td>September 8, 2013</td>
<td>35 Senators and faculty</td>
<td>Provide an overview of the CCSS.</td>
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<td>CDE/SBE Team: Barbara Murchison</td>
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<tr>
<td>September 9, 2013</td>
<td>45 parents and district staff</td>
<td>Provide an overview of CCSS and Smarter Balanced sample items and practice test resources for parents.</td>
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<tr>
<td></td>
<td>CDE/SBE Team: Nancy Brownell</td>
<td></td>
</tr>
<tr>
<td>September 12, 2013</td>
<td>40 parents and district staff</td>
<td>Provide an overview of CCSS and Smarter Balanced sample items and practice test resources for parents.</td>
</tr>
<tr>
<td></td>
<td>CDE/SBE Team: Nancy Brownell</td>
<td></td>
</tr>
<tr>
<td>Dates/Events</td>
<td>Participants</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------------</td>
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<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Technology Readiness Tool Webinar</td>
<td>CDE/SBE Team: Rodney Okamoto</td>
<td></td>
</tr>
<tr>
<td>September 16, 2013</td>
<td>75 school board members from and superintendents from local districts</td>
<td>Provide an update on CCSS and Smarter Balanced timelines and resources, and share communication and community engagement strategies for school boards to consider.</td>
</tr>
<tr>
<td>Present to Merced County, Region 8 CSBA members</td>
<td>CDE/SBE Team: Nancy Brownell</td>
<td></td>
</tr>
<tr>
<td>September 18, 2013</td>
<td>50 parents and district staff</td>
<td>Provide an overview of CCSS and Smarter Balanced sample items and practice test resources for parents.</td>
</tr>
<tr>
<td>Present to Green Valley School parents, Rescue Union School District</td>
<td>CDE/SBE Team: Nancy Brownell</td>
<td></td>
</tr>
<tr>
<td>September 19-20, 2013</td>
<td>80 administrators from county offices of education</td>
<td>Provide an overview of CCSS implementation activities of the CDE and recent legislation impacting schools and districts.</td>
</tr>
<tr>
<td>Present to Curriculum Instruction Steering Committee (CISC) of the County Superintendents</td>
<td>CDE/SBE Team:</td>
<td></td>
</tr>
</tbody>
</table>

Karen Stapf
Walters, Deb
Sigman, Chris
Swenson, Tom
Adams, Carrie
Roberts, Nancy
Brownell,
<table>
<thead>
<tr>
<th>Dates/Events</th>
<th>Participants</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 19, 2013</td>
<td>70 school board members and Superintendents from local districts</td>
<td>Provide an update on CCSS and Smarter Balanced timelines and resources, and share communication and community engagement strategies for school boards to consider.</td>
</tr>
<tr>
<td>Present to Calaveras County local school boards</td>
<td>CDE/SBE Team: Nancy Brownell</td>
<td></td>
</tr>
<tr>
<td>September 20, 2013</td>
<td>30 candidates</td>
<td>Present an update on Common Core implementation and professional learning module resources.</td>
</tr>
<tr>
<td>Present to CSUS Teacher Preparation Candidates</td>
<td>CDE/SBE Team: Carrie Roberts, Barbara Murchison</td>
<td></td>
</tr>
<tr>
<td>September 23, 2013</td>
<td>40 school board members from districts and local administrators and superintendents</td>
<td>Provide an update on CCSS and Smarter Balanced timelines and resources, and share communication and community engagement strategies for school boards to consider.</td>
</tr>
<tr>
<td>Present to Glenn County local school board members and administrators</td>
<td>CDE/SBE Team: Nancy Brownell</td>
<td></td>
</tr>
<tr>
<td>September 25, 2013</td>
<td>Education Coalition Smarter Balanced Liaisons</td>
<td>Present an update on Assembly Bill 484 legislative activities and Smarter Balanced test development activities, including the spring 2014 Field Test and availability of the <em>Usability, Accessibility, and Accommodations Guidelines.</em></td>
</tr>
<tr>
<td>Smarter Balanced Update for Education Coalition (EDCO) Liaisons</td>
<td>CDE/SBE Team: Deb Sigman, Jessica Valdez, Rodney Okamoto</td>
<td></td>
</tr>
<tr>
<td>Dates/Events</td>
<td>Participants</td>
<td>Description</td>
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<tr>
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</tr>
<tr>
<td>September 27, 2013&lt;br&gt;Smarter Balanced Update for Contra Costa County Office of Education Curriculum Council</td>
<td>25 District Associate Superintendents and Curriculum Directors&lt;br&gt;CDE/SBE Team: Jessica Valdez</td>
<td>Present an update on Assembly Bill 484 legislative activities and Smarter Balanced test development activities, including the spring 2014 Field Test and availability of the Usability, Accessibility, and Accommodations Guidelines.</td>
</tr>
<tr>
<td>October 3, 2013&lt;br&gt;Present to El Dorado County Superintendents</td>
<td>14 district superintendents&lt;br&gt;CDE/SBE Team: Nancy Brownell</td>
<td>Provide an update on CCSS and Smarter Balanced timelines and resources, and share communication and community engagement strategies to consider.</td>
</tr>
<tr>
<td>October 9, 2013&lt;br&gt;Present at Strengthening Student Success Conference, Community Colleges</td>
<td>40 Community College faculty and counselors&lt;br&gt;CDE/SBE Team: Barbara Murchison</td>
<td>Present an update on California’s transition to the CCSS and the Smarter Balanced system, including implications for postsecondary education and the Early Assessment Program.</td>
</tr>
<tr>
<td>October 10, 2013&lt;br&gt;Webinar for Schools Moving Up</td>
<td>40 Participants Teachers, school and district administrators, and higher education faculty within California and across the United States&lt;br&gt;CDE/SBE Team: Deb Sigman</td>
<td>Provide webinar in the Schools Moving Up Secondary Literacy Partnership Series, “Transitioning to the Common Core State Standards: Spotlight on Instruction, Assessment, and Equity.”</td>
</tr>
<tr>
<td>Dates/Events</td>
<td>Participants</td>
<td>Description</td>
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<tr>
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</tr>
</tbody>
</table>
| October 15, 2013  
Participate in Assembly Member Holly Mitchell Town Hall on CCSS | 100 local community members  
CDE/SBE Team: Nancy Brownell | Provide an update on CCSS implementation and timelines and share strategies for parent and community support. |
| October 17, 2013  
Present to California Credential Analysts and Counselors Conference | 250 conference participants  
CDE/SBE Team: Jessica Valdez, Barbara Murchison | Presentation on the CCSS and state implementation activities. |
| October 21, 2013 – Sacramento, CA  
October 28, 2013 – Ontario, CA  
Transitioning to New Assessments and Accountability Systems | Northern and Southern California educators, 600-700 participants at each location  
CDE/SBE Team: Assessment, Accountability, and Educational Data Management Division Staff | Meeting hosted by the CDE Assessment Development and Administration Division to provide an update for district staff, primarily district test coordinators on assessment, accountability, and data management activities for the 2013-14 school year, primarily the impact of new legislation on local practices. |
<table>
<thead>
<tr>
<th>Dates/Events</th>
<th>Participants</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 22, 2013</td>
<td>20 teachers, administrators and district administrators</td>
<td>Present an update on legislative activity, State Board Meeting items pertaining to mathematics, CCSSM and Mathematics Framework, and Smarter Balanced Assessment development activities.</td>
</tr>
<tr>
<td>Riverside County Office of Education Math Network</td>
<td>CDE/SBE Team: Emily Oliva</td>
<td></td>
</tr>
<tr>
<td>October 22, 2013</td>
<td>Participating PTA and community members</td>
<td>Provide an update on CCSS and Smarter Balanced timelines and resources, and share communication and community engagement strategies to consider.</td>
</tr>
<tr>
<td>Present to ThinkMarin and Assembly Member Marc Levine Town Hall on CCSS</td>
<td>CDE/SBE Team: Nancy Brownell</td>
<td></td>
</tr>
<tr>
<td>October 23, 2013</td>
<td>400 conference participants</td>
<td>Provide an update on Common Core implementation in California and considerations and implications for charter school authorizers.</td>
</tr>
<tr>
<td>Present to National Association of Charter School Authorizers Annual Leadership Conference</td>
<td>CDE/SBE Team: Nancy Brownell</td>
<td></td>
</tr>
<tr>
<td>October 28, 2013</td>
<td>80 conference participants</td>
<td>Provide an update on Common Core implementation in California and considerations and implications for governance teams.</td>
</tr>
<tr>
<td>Present to El Dorado County School Board Trustees and Superintendents</td>
<td>CDE/SBE Team: Nancy Brownell</td>
<td></td>
</tr>
<tr>
<td>Dates/Events</td>
<td>Participants</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------</td>
<td>-------------</td>
</tr>
<tr>
<td>October 28-30</td>
<td>Multi-state conference participants</td>
<td>CDE team collaborated with both national and state implementation partners to identify actionable next steps and develop a communications plan for transitioning to the Smarter Balanced system.</td>
</tr>
<tr>
<td>Participate in CCSSO event: Make or Break Moments in the Transition to Common Core Assessments</td>
<td>CDE/SBE Team: Richard Zeiger, Lara Azar, Eric Zilbert, Barbara Murchison</td>
<td></td>
</tr>
</tbody>
</table>


Elements of the Implementation of a Curriculum

The California State Board of Education (SBE) adopts academic content standards for California students in kindergarten through grade twelve. However, decisions regarding local adoption and implementation of academic content standards are made at the local level by local school boards and educators. While the standards describe what students should know and be able to do as they progress through the grades, they do not prescribe how or when teachers teach the content. Curriculum is what teachers teach and what students study. Local teachers, principals, superintendents, and school boards make decisions about curriculum and how their schools are run.

In 2010, the SBE adopted the Common Core State Standards (CCSS) for Mathematics and English Language Arts and Literacy in History/Social Studies, Science, and Technical Subjects. As we transition to the CCSS, California educators are employing various strategies to develop and implement curriculum that will support student achievement of the CCSS. The SBE will adopt curriculum frameworks in the core content areas and instructional materials for use in kindergarten through grade eight (K–8) to support educators to do this work. The California Department of Education (CDE) and numerous state and national implementation partners have also engaged in a variety of activities to support the work of local curriculum development and implementation. Several of these activities are highlighted in this document. In addition, the strategies employed by districts in three counties to develop and use curricular resources and materials are described at the conclusion of the document.
Part I: SBE Activities to Support Local Curriculum Development and Implementation

California’s Curriculum Frameworks

In addition to the content standards, the SBE adopts the curriculum frameworks. The frameworks are developed through the Instructional Quality Commission. They provide guidance for implementing the content standards and guide the curriculum and instruction that teachers provide in their efforts to ensure that all students meet or exceed SBE-adopted standards. Frameworks also provide guidance for developers of instructional materials.

The frameworks explain how to address the needs of all students in California public schools, including students with disabilities, English learners, and students performing below grade level. They include research-based strategies and guiding principles of effective curriculum implementation in the subject area, discussion of appropriate use of technology, opportunities to accelerate student learning, and guidance on professional development of teachers in the content area. They also include effective strategies for student engagement in application of the content, response to intervention techniques to maximize and accelerate student achievement, and effective screening and progress monitoring practices.

The work to revise California’s curriculum frameworks to align them to the CCSS is well underway. Assembly Bill 250 (Statutes of 2011) authorized the SBE to revise the mathematics and English language arts curriculum frameworks to support implementation of the CCSS. It is expected that the revised Mathematics Framework will be presented to the SBE for adoption in November 2013, and the revised English language arts/English language development framework will be presented to the SBE for adoption in July 2014. More information regarding timelines and the process for revising California’s curriculum frameworks is available on the CDE Curriculum Frameworks Web page at http://www.cde.ca.gov/be/st/fr/.
Instructional Materials

Supplemental Instructional Materials Reviews

In 2011, the State Superintendent of Public Instruction (SSPI) initiated a process for the review of supplemental instructional materials aligned to the CCSS. Senate Bill 140, signed by the Governor on October 8, 2011, called for the expansion of that process. Pursuant to that legislation, the SSPI invited publishers of instructional materials in mathematics and English language arts (ELA) to submit supplemental instructional materials that bridge the gap between programs currently being used by local educational agencies (LEAs) and the CCSS.

The SBE adopted evaluation criteria for the review of the supplemental instructional materials at its meeting in January 2012. The criteria called for two categories of submission: supplements to specific currently state-adopted programs (Category 1), and general supplements that could be used with any program currently being used by LEAs (Category 2). The criteria covered supplements for kindergarten through grade seven in mathematics, and kindergarten through grade eight in ELA. Because the 1997 California standards and the CCSS for mathematics do not match at grade eight, supplements for grade eight adopted mathematics programs were not part of the review.

The materials listed below have been reviewed by teachers and content experts recruited by the SSPI and the SBE and have been approved by the SBE. They are aligned to the CCSS and can serve as resources to help LEAs transition to the new standards.

Supplemental Instructional Materials: English Language Arts Recommended Programs: Categories 1 and 2

<table>
<thead>
<tr>
<th>Category</th>
<th>Publisher</th>
<th>Program</th>
<th>Recommended Grades</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Houghton Mifflin Harcourt</td>
<td>California Excursions</td>
<td>1, 6</td>
</tr>
<tr>
<td>1</td>
<td>McGraw-Hill Education</td>
<td>California CCSS Treasures Supplemental</td>
<td>K–6</td>
</tr>
<tr>
<td>1</td>
<td>Houghton Mifflin Harcourt</td>
<td>California Medallion</td>
<td>K–6</td>
</tr>
<tr>
<td>1</td>
<td>SRA/McGraw-Hill</td>
<td>Imagine It! CCSS Supplemental</td>
<td>K–6</td>
</tr>
<tr>
<td>1</td>
<td>Holt McDougal</td>
<td>Holt McDougal Literature California Common Core</td>
<td>6–8</td>
</tr>
</tbody>
</table>
### Supplemental Instructional Materials: Mathematics Recommended Programs: Categories 1 and 2

<table>
<thead>
<tr>
<th>Category</th>
<th>Publisher</th>
<th>Program</th>
<th>Recommended Grades</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>McGraw-Hill Education</td>
<td>My California Math Supplement</td>
<td>K–5</td>
</tr>
<tr>
<td>1</td>
<td>McGraw-Hill Education</td>
<td>Everyday Math CCSS Supplement</td>
<td>K–6</td>
</tr>
<tr>
<td>1</td>
<td>Houghton Mifflin Harcourt</td>
<td>California Common Core Math</td>
<td>K–6</td>
</tr>
<tr>
<td>1</td>
<td>Pearson Scott Foresman</td>
<td>Envision Math</td>
<td>K–5</td>
</tr>
<tr>
<td>1</td>
<td>Holt McDougal</td>
<td>California Math Curriculum Companion</td>
<td>6–7</td>
</tr>
<tr>
<td>1</td>
<td>McGraw-Hill Education</td>
<td>Cinch Math</td>
<td>6–7</td>
</tr>
<tr>
<td>1</td>
<td>Pearson Prentice Hall</td>
<td>Prentice Hall Mathematics</td>
<td>6–7</td>
</tr>
<tr>
<td>2</td>
<td>Center for Mathematics and Teaching</td>
<td>Math Links</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>Houghton Mifflin Harcourt</td>
<td>Explorations in Core Math</td>
<td>6–7</td>
</tr>
<tr>
<td>2</td>
<td>Mastery Learning Systems</td>
<td>Discover the Basics</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Math Teachers Press</td>
<td>Moving with Math</td>
<td>K–6</td>
</tr>
</tbody>
</table>
In addition, a review of supplemental English Language Development materials is underway and will be completed in the spring of 2014. More information regarding the Supplemental Instructional Materials Reviews is available on the CDE Supplemental Instructional Materials Review Web page at http://www.cde.ca.gov/ci/cr/cf/suptsupmatreview.asp.

**Mathematics Instructional Materials Primary Adoption**

Assembly Bill 1246 (Chapter 668 of the Statutes of 2012), signed on September 27, 2012, authorized the SBE to conduct a primary adoption of K–8 instructional materials in mathematics aligned to the CCSS. The SBE-adopted timeline for the mathematics adoption is available on the CDE Schedule of Significant Events Web page at http://www.cde.ca.gov/ci/ma/im/math2014events.asp.

Thirty-five publishers submitted materials for possible adoption.

<table>
<thead>
<tr>
<th>Publisher</th>
<th>Program Series</th>
<th>Link to Student-only Materials</th>
<th>Program Type</th>
<th>Grades</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALEKS Corporation</td>
<td>CA Algebra 1</td>
<td><a href="http://www.aleks.com/k12/course_products">http://www.aleks.com/k12/course_products</a></td>
<td>Algebra 1</td>
<td>8</td>
</tr>
<tr>
<td>Big Ideas Learning, LLC</td>
<td>BIG IDEAS MATH: A Common Core Curriculum</td>
<td><a href="http://ca.bigideasmath.com">http://ca.bigideasmath.com</a></td>
<td>Algebra 1</td>
<td>8</td>
</tr>
<tr>
<td>Big Ideas Learning, LLC</td>
<td>BIG IDEAS MATH: A Common Core Curriculum</td>
<td><a href="http://ca.bigideasmath.com">http://ca.bigideasmath.com</a></td>
<td>Basic grade level programs (K–8)</td>
<td>6–8</td>
</tr>
<tr>
<td>Center for Mathematics and Teaching, Inc</td>
<td>MathLinks Grade 8</td>
<td><a href="http://mathandteaching.org/mathlinks/program-info/core-grade-8/samples">http://mathandteaching.org/mathlinks/program-info/core-grade-8/samples</a></td>
<td>Basic grade level programs (K–8)</td>
<td>8</td>
</tr>
<tr>
<td>CPM Educational Program</td>
<td>Core Connections High School</td>
<td><a href="http://www.cpm.org/california">http://www.cpm.org/california</a></td>
<td>Algebra 1</td>
<td>8</td>
</tr>
<tr>
<td>CPM Educational Program</td>
<td>Core Connections, Courses 1-3</td>
<td><a href="http://www.cpm.org/california">http://www.cpm.org/california</a></td>
<td>Basic grade level programs (K–8)</td>
<td>6–8</td>
</tr>
<tr>
<td>Publisher</td>
<td>Program Series</td>
<td>Link to Student-only Materials</td>
<td>Program Type</td>
<td>Grades</td>
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<td>----------------------------------</td>
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</tr>
<tr>
<td>Edgenuity Inc.</td>
<td><em>Edgenuity California Common Core Mathematics (Online courseware)</em></td>
<td><a href="http://www.edgenuity.com/California">http://www.edgenuity.com/California</a></td>
<td>Basic grade level programs (K–8)</td>
<td>6–8</td>
</tr>
<tr>
<td>Publisher</td>
<td>Program Series</td>
<td>Link to Student-only Materials</td>
<td>Program Type</td>
<td>Grades</td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
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<td>--------</td>
</tr>
<tr>
<td>McGraw-Hill School Education, LLC</td>
<td><em>California Math, Courses 1-3 ©2015</em></td>
<td><a href="https://www.mheonline.com/ca_adoption/">https://www.mheonline.com/ca_adoption/</a></td>
<td>Basic grade level programs (K–8)</td>
<td>6–8</td>
</tr>
<tr>
<td>Reasoning Mind</td>
<td><em>Reasoning Mind Algebra Readiness Program</em></td>
<td><a href="http://www.reasoningmind.org/guest">http://www.reasoningmind.org/guest</a></td>
<td>Basic grade level programs (K–8)</td>
<td>2–6</td>
</tr>
<tr>
<td>The College Board – SpringBoard</td>
<td><em>SpringBoard Mathematics</em></td>
<td><a href="http://www.springboardonline.com/california">http://www.springboardonline.com/california</a></td>
<td>Algebra 1</td>
<td>8</td>
</tr>
<tr>
<td>Publisher</td>
<td>Program Series</td>
<td>Link to Student-only Materials</td>
<td>Program Type</td>
<td>Grades</td>
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<td>--------------------------------</td>
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</tr>
<tr>
<td>The College Board – SpringBoard</td>
<td>SpringBoard Mathematics</td>
<td><a href="http://www.springboardonline.com/california">http://www.springboardonline.com/california</a></td>
<td>Basic grade level programs (K–8)</td>
<td>6–8</td>
</tr>
<tr>
<td>Triumph Learning</td>
<td>Triumph Learning Common Core Math Curriculum</td>
<td><a href="http://www.triumphlearning.com/camathadoptionpublic.html">http://www.triumphlearning.com/camathadoptionpublic.html</a></td>
<td>Basic grade level programs (K–8)</td>
<td>6–8</td>
</tr>
</tbody>
</table>

This list, which includes links to digital versions of the student materials, is available on the CDE List of Submitted Mathematics Programs Web page at http://www.cde.ca.gov/ci/ma/im/mathsubmissions.asp.

Reviewer deliberations for the adoption were conducted on September 10–14, 2013, in Sacramento. The instructional materials reviewers and content review experts appointed by the SBE met for five days of public meetings and eventually recommended 30 of the 35 submitted programs to the Instructional Quality Commission (IQC). The IQC will take action to recommend programs to the SBE at its meeting on November 21–22, 2013. Final SBE action on the adoption is expected at its January 2014 meeting.

**English Language Arts/English Language Development Instructional Materials Primary Adoption**

Senate Bill 201, signed on October 2, 2013, authorized the SBE to adopt basic instructional materials for kindergarten and grades one to eight, inclusive, that are aligned to the CCSS for English Language Arts and the California English Language Development standards by no later than November 30, 2015.
Part II: Additional Activities and Resources to Support Local Curriculum Development and Implementation

CCSS Professional Learning Modules for Educators

The Curriculum Support and Reform Act of 2011 (AB 250) required the CDE to oversee the development of professional learning modules (PLMs) that support educators in delivering curriculum aligned to the CCSS to all pupils. Per the requirements of the authorizing statute, the PLMs have been designed to deepen educators' understanding of the CCSS; instructional strategies to support the learning of all pupils, including English learners, pupils with disabilities, and underperforming pupils; and instructional strategies that promote creativity, innovation, critical thinking, problem solving, collaboration, and communication skills in all academic content areas.

The following ten online PLMs are currently available for educators to access independently or for schools or districts to use as facilitated professional learning:

- Overview of the Common Core State Standards for California Educators
- Mathematics: Kindergarten through Grade Eight Learning Progressions
- Mathematics: Kindergarten through Grade Twelve Standards for Mathematical Practice
- English Language Arts: Informational Text—Reading
- English Language Arts: Writing to Inform, Argue, and Analyze
- Content Literacy for Technical Subjects
- Assessment Literacy
- Content Literacy in History/Social Studies, Kindergarten through Grade Five
- The Common Core and Students with Disabilities: Aligning Individualized Education Programs to the Common Core State Standards
- Common Core State Standards and Content Literacy for Science

In addition, the 2013–14 California budget apportioned $600,000 for the creation of CCSS PLMs designed specifically for school administrators. The CDE is convening a focus group of California school administrators in November 2013 to assess needs and determine appropriate topics for this set of PLMs.

The Smarter Balanced Digital Library

The Smarter Balanced Assessment Consortium (Smarter Balanced) is a multistate consortium working collaboratively to develop a student assessment system aligned with the CCSS for English language arts/literacy and mathematics. Smarter Balanced assessments are designed to measure student progress toward college and career readiness. As a Smarter Balanced governing state, California is included in the decision-making process.

Smarter Balanced is committed to providing formative assessment resources, tools, and professional learning opportunities for educators to tailor instruction based on student needs. The Digital Library, which is scheduled for release in 2014, will provide teachers with an online clearinghouse of classroom-based, formative assessment strategies and practices that enhance day-to-day instruction, including resources to interpret data and reports from the Smarter Balanced summative and interim assessments. It will be interactive and allow educators from member states to use and rate resources and collaborate.

The consortium State Network of Educators (SNE) includes a team of approximately 150 California educators that will submit and evaluate professional learning and instructional resources for inclusion in the Smarter Balanced Digital Library. Members of the SNE are K–12 and higher education professionals who have demonstrated expertise in the CCSS and formative assessment tools and practices and who have experience teaching one or more of the following student groups: general education, gifted and talented, English learners, and students with disabilities. Between September 2013 and September 2014, members of the SNE will participate in five web-based trainings, propose and review content for the Digital Library, and provide feedback on the resources and the usability of the Digital Library. More information regarding the Digital Library and State Network of Educators is available on the CDE Digital Library State Network of Educators Web page at http://www.cde.ca.gov/ta/tg/sa/diglib-seneflyer.asp.

California Learning Resource Network

The California Learning Resource Network (CLRN), a CDE project since 1999, reviews a variety of electronic resources for their alignment to the CCSS for English language arts and mathematics, as well as California Content Standards for other core subjects. CLRN’s 6,000 OER may be browsed by subject, type, standard strand, or standard.
Online course and supplemental electronic resource reviews may be found by searching for specific standards. Each content review addresses three questions for each of the CCSS: whether the complete standard is taught (and if not, which components are missing), whether there is an opportunity for student practice, and whether students are assessed on the standard. All of CLRN's resource reviews may be found at http://clrn.org.

**Achieve the Core**

Student Achievement Partners, a non-profit organization founded by several of the primary authors of the CCSS, has developed a Web site with hundreds of free, high-quality resources to support the implementation of the CCSS. The collection includes mathematics and literacy resources for teachers, leadership tools, and links to high quality curricular resources being developed by states that are implementing the CCSS, including New York, Louisiana, and Vermont. These resources may be reviewed at the Achieve the Core Web site at http://www.achievethecore.org/.

**Basal and Anthology Alignment Projects**

These two projects, facilitated by the Council of Great City Schools and Student Achievement Partners, build educator capacity to develop text-dependent questions and tasks designed to support student attainment of the CCSS. Participating educators are trained to evaluate questions in currently-adopted ELA textbooks for alignment and write text-dependent materials that require students to respond to questions that require close reading of text.

In addition to building educator capacity to evaluate and augment texts to align them to the CCSS, these projects provide non-participating educators with access to a collection of free CCSS-aligned materials that may be used with materials currently in classrooms. The Basal Alignment Project has developed more than 300 revised lessons for currently adopted basal readers (grades 3–5) that include text-dependent questions and tasks and a focus on academic vocabulary. The Anthology Alignment Project is similarly building CCSS-aligned lessons for anthologies currently being used in grades 6–10.

Teacher-developed CCSS-aligned lessons for grades 3–5 and more information regarding the Basal Alignment Project are available on the Achieve the Core Basal Alignment Project Web page at http://www.achievethecore.org/page/751/bap-project-page. More information regarding the Anthology Alignment Project and lessons developed via the project are available on the Achieve the Core Anthology Alignment Project Web page at http://www.achievethecore.org/page/753/aap-project-page.

According to the Council of Great City Schools, the following California LEAs have participated in the Basal and Anthology Alignment Projects: Fresno Unified School
District (USD), Los Angeles USD, San Diego USD, Bonita USD, Capistrano USD, Clovis USD, Corona-Norco USD, Covina Valley USD, Hacienda USD, La Puente USD, Lennox School District Long Beach USD, Montebello USD, Paramount USD, and Patterson Joint USD.

**EQuIP Rubrics**

Facilitated by Achieve, Educators Evaluating Quality Instructional Products (EQuIP) is a collaborative of states working to increase the supply of quality instructional materials that are aligned to the CCSS and build the capacity of educators to evaluate and improve the quality of instructional materials for use in their classrooms and schools. The EQuIP Rubrics may be used to guide the development of lessons and units, and to evaluate existing lessons and units to identify improvements necessary to align with the CCSS. They can be used by individuals or groups, integrated into formal review processes and professional learning communities, and/or used to guide discussions and decision making. The rubrics are available at the Achieve EQuIP Web page at [http://www.achieve.org/EQuIP](http://www.achieve.org/EQuIP).

**OER Rubrics**

Open educational resources (OER) are freely accessible digital materials that may be used in teaching and learning. Achieve has developed a set of rubrics that may be used to determine the degree of alignment between OER and the CCSS. The rubrics, training materials to support their use, and more information are available on the Achieve OER Web page at [http://www.achieve.org/oer-rubrics](http://www.achieve.org/oer-rubrics).
Part III: Local Educational Agency Snapshots of Curriculum Development and Implementation

There are various methods and strategies employed for developing and implementing curricular resources and materials across California school districts during the transition to the CCSS. Districts generally organize the instructional calendar around a 36-week year, divided into trimesters, quarters, and/or semesters, linked to parent reporting timelines. As a result of these timelines, units of instruction based on broad grade level and disciplinary content are developed and aligned to instructional goals and standards. These units become the basis for a variety of instructional delivery options and activities for daily and weekly lessons. Through conversations with district and county leaders, and participation in local professional learning activities, CDE staff collected and synthesized some of the strategies currently in place for implementing CCSS aligned curricula. Locally adopted policies and procedures determine the choices districts implement to best meet their local goals. The following snapshots provide a general description of three models in place in Shasta, Ventura, and Sonoma counties.

Shasta County – Synthesis of Mathematics Supplementary Materials Approach

School districts in Shasta County are collaborating with one another and with the Shasta County Office of Education on the development of CCSS mathematics courses, selection of instructional resources, and implementation of the learning progressions and mathematics practices. Recently, Shasta county district superintendents convened a countywide Math Task Force in 2012–13 to determine the best CCSS implementation and Algebra I placement strategies for their students. This process was facilitated by the ongoing leadership development work the county office staff have been implementing with districts for the past five years.

Teachers are simultaneously participating in countywide professional learning opportunities to increase their understanding of CCSS mathematics and mathematics practices, expectations and examples of instructional shifts needed to implement the standards, and coaching and lesson study opportunities. The foundation for this work began with a California Mathematics and Science Partnership (CaMSP) grant, administered by the Science, Technology, Engineering, and Mathematics (STEM) Office of the CDE.

The general goals of the grants are to increase the academic achievement of students in mathematics and science by enhancing the content knowledge and teaching skills for classroom teachers through sustained professional development. These ongoing grant-funded activities, and additional support and guidance from mathematics specialists and teacher leaders from the local Math Task Force, led to the expanded implementation of grade eight CCSS mathematics courses and Integrated Mathematics I courses at the middle and high schools across the county.
During spring 2013, teacher teams reviewed selected supplemental resources to pilot during 2013–14. With assistance from a local business partnership to help fund the pilot materials, schools were able to purchase consumable class sets of a range of materials. Teacher teams will evaluate these materials in spring 2014 along with additional SBE-recommended materials and other sources so that schools are fully prepared to purchase and/or pilot materials across the county in 2014–15. Materials include research-based programs from two for-profit companies and two non-profits: Carnegie Learning founded by cognitive and computer scientists from Carnegie Mellon University in conjunction with veteran mathematics teachers, and College Preparatory Mathematics middle school and high school core courses—Core Connections, Courses 1, 2 & 3. In addition, open source materials from Utah Core Standards Secondary Mathematics Curriculum Guides are being utilized.

Shasta County Office of Education mathematics specialists continue to meet with teacher teams on a quarterly basis to assess needs, share information on the successful piloting of the supplemental materials, develop pacing guides to map the mathematics instructional priorities across courses, and use Mathematics Assessment Resource Service (MARS) tasks and the Mathematics Assessment Project resources. In January 2014, a two-day institute is planned to strategize implementation priorities for Integrated Mathematics II course pacing and resources.

Leadership development and capacity building for teachers, administrators, and other staff continue to be an ongoing focus for Shasta county districts. A key to this successful collaboration has been the vision of the Shasta county and district superintendents and local governing boards, the emphasis on deepening teachers’ knowledge of the CCSS, mathematics instructional priorities and lesson study, and collective accountability for increasing student success.

Ventura County – Synthesis of Blended Resource Approaches

Teachers are developing curricular priorities, pacing sequences, and guides aligned to the grade level standards. In both elementary and secondary contexts, current textbook reading selections are used as a resource for instruction. Additionally, some districts are using supplemental instructional materials that bridge the gap between programs currently being used in classrooms and the expectations of CCSS aligned materials (e.g., digital resources and informational text selections at varied levels of text complexity). Teachers are striving to be critical consumers of a range of open source instructional materials, such as resources from the Basal/Anthology Alignment Projects and Achieve the Core.

Given the timeline and status of new CCSS-aligned textbooks, ELA teachers continue to use their existing textbooks as a central resource, with additions from a variety of supplementary text resources (e.g., literary reviews, contemporary informational articles related to the time periods of curricular content, autobiographies/biographies, and
speeches). These supplemental materials often include higher levels of text complexity and rigor and provide additional content for evidence-based question development. Teachers continue to strengthen instructional strategies that provide students with opportunities to focus on depth of understanding, interpretive and analytical skills, evidence based responses, synthesis, and research.

Secondary content area teachers in history/social studies are using textbooks as a centerpiece of instruction and supplementing with additional primary sources and historical documents from the libraries and organizations that house these artifacts (e.g., the National Archives). Additionally, staffs are working with their technology departments to find and house new digital media supplementary materials. Science teachers are also supplementing their textbooks. Many secondary science departments are using resources and materials from outside organizations such as the California Natural Resource Agency, California Education and the Environment Initiative (EEI), STEM resources, and/or other scientific organizations. In anticipation of new science standards, teachers’ exploration of existing resources from varied organizations is an ongoing process.

Mathematics teachers are supplementing content with a range of existing resources from Inside Mathematics, MARS tasks and materials from the University of Nottingham, and UC Berkeley resources.

The Ventura County Office of Education has compiled an extensive list of mathematics resources currently available that schools in the county are reviewing to better align their instruction with CCSS learning progressions.

**Sonoma County – Synthesis of Unit Planning Resource Approaches (K–8)**

Unit planning is a way of choosing an overarching or unifying idea revealing many aspects of related concepts, events, or situations. A unit is much broader than specific topics and the use of units in curricular design provides students with learning opportunities to make rich connections among a variety of disciplines. At a curricular or instructional level, instructional materials—with within and across grades and levels of complexity—are selected for topics or themes that systematically develop the knowledge base of students and are reflective of the content standards. Within a grade level, an adequate number of materials on a single topic are needed to allow students to study that topic for a sustained period. In addition to literary and informational texts, content from textbooks is another source of information and content.

Teachers analyze their locally adopted academic standards in order to find meaningful interdisciplinary relationships. Once these areas are identified, teachers select a few key topics to teach within a realistic time frame in order to ensure students have opportunities to demonstrate their levels of knowledge and skills reflecting the standards. Units are selected based on their importance and relevance to specific
literary, historical, scientific, or artistic concepts for a particular grade level. The key is to ensure that the selected topics are standards-based and worth the concentration of instructional time.

Teachers collaborate on the selection of instructional materials and digital resources, guided by local district policies. District teams often provide recommended literary and informational text selections for inclusion in unit development. Teachers frequently work in grade level teams to select literary and informational texts, including current textbooks and selections from them, which reinforce, extend, challenge, and/or fictionalize historical contexts and scientific ideas. In other instances, science and social studies texts are used to inform the reader’s understanding and interpretation of literature. By designing instruction in this manner, and using a variety of texts and resources, students gain a deeper understanding of important ideas and concepts over a sustained period of time while refining their understanding of various disciplines.

Teacher teams from many schools are selecting texts from a variety of sources using their personal expertise from teaching specific grade levels and knowledge of content, and seeking materials and texts that offer multiple points of view so students have information to craft meaningful evidence-based arguments and explanations. Students benefit from considering how opinions and ideas have evolved over time or continue to be sources of contention. Expectations of technological proficiency are central to student inquiry in thematic and other instruction since digital media is another content resource. The need to use technological tools efficiently is imbedded into curricular planning.

Teacher and school leadership teams are developing assessment tasks and activities in tandem with unit development so students generate a range of evidence reflecting progress on learning the standards at expected levels of depth, complexity, and breadth of knowledge. Teachers then analyze student performance tasks for understanding, listen to what they say, examine a range of completed assignments, and provide feedback. Teachers continually provide ongoing opportunities for students to explain what they are learning, give examples and evidence, and successfully apply what they have learned in new contexts.
This item provides an update on the following information shared by representatives from the California County Superintendents Educational Services Association (CCSESA) at the July 2013 State Board of Education (SBE) meeting:

1. Highlights of survey data on common core implementation progress, priorities and needs collected by county offices from local districts.


The SBE staff recommends that the SBE take action as deemed necessary and appropriate but recommends no specific action at this time.

At the July 10, 2013 SBE meeting, representatives from the CCSESA provided an overview of the technical assistance and professional development activities provided to districts and schools related to common core implementation. As a result of the Board’s interest in receiving more detailed information regarding the extent of common core statewide implementation priorities, CCSESA agreed to conduct an LEA survey to gather data on LEAs’ implementation progress, and to develop a Leadership Planning Guide to assist LEAs with their implementation goals.

FISCAL ANALYSIS (AS APPROPRIATE)

Not applicable.
ATTACHMENT(S)

Attachment 1: Leadership Planning Guide California: Common Core State Standards and Assessments Implementation may be found at the following link: http://www.ccsesa.org/index/hotTopics.cfm?hotTopicId=1382556556.
California Education Code (EC) Section 60207 requires the State Board of Education (SBE) to adopt a revised mathematics curriculum framework and evaluation criteria for the adoption of mathematics instructional materials aligned to the California Common Core State Standards for Mathematics (CA CCSSM). EC Section 60204 calls for the Instructional Quality Commission (IQC) to recommend curriculum frameworks to the SBE. On July 30, 2013, the IQC voted unanimously to recommend that the SBE adopt the draft Mathematics Framework for California Public Schools: Kindergarten Through Grade Twelve (Mathematics Framework). The SBE must hold a public hearing before taking action on the draft Mathematics Framework.

RECOMMENDATION

The California Department of Education (CDE) and the IQC recommend that the SBE hold a public hearing and adopt the draft Mathematics Framework. The draft Mathematics Framework is available on the CDE Draft Mathematics Framework Chapters Web page at http://www.cde.ca.gov/ci/ma/cf/draft2mathfwchapters.asp.

BRIEF HISTORY OF KEY ISSUES

Framework Components
The draft Mathematics Framework provides guidance on the implementation of the CA CCSSM to teachers, administrators, other educators, parents/guardians, and other education stakeholders. It incorporates and supports the CA CCSSM. The grade-level and course-level chapters emphasize focus, coherence, and rigor, which are the major principles underlying the CA CCSSM. These chapters highlight the critical areas of instruction, provide examples of what instruction and learning of the standards might look like, and illustrate connections between the Standards for Mathematical Practice and the Standards for Mathematical Content.
Chapters on universal access, instructional strategies, supporting high-quality mathematics instruction, and assessment provide further guidance on meeting the instructional needs of all students. The draft *Mathematics Framework* makes note of the important roles that teacher leaders, administrators, college and university personnel, community members, and families must play to help all students succeed in mathematics. The chapters on technology in mathematics instruction and instructional materials provide assistance for teachers and local districts on the use and selection of instructional resources. The appendices documents include suggestions on course placement and sequences, including acceleration options at both the middle and high school levels, and incorporating financial literacy into mathematics instruction. There is also a discussion of mathematical modeling including a list of topics that could be addressed in a modeling course.

The draft *Mathematics Framework* meets the SBE’s guidelines, responds to input from the field, and fully supports the focus, coherence, and rigor of the CA CCSSM. Written with the classroom teacher in mind, the draft Mathematics Framework will be an important tool in the implementation of the CA CCSSM and preparing California’s students for college, career, and citizenship.

**Framework Development Process**

The development of a curriculum framework is a multi-step process with many opportunities for public involvement. In February and March 2012, four regional focus groups were convened to receive input from the field on how to revise the *Mathematics Framework*. The comments received at the focus group meetings informed the SBE-adopted “Curriculum Framework and Evaluation Criteria Committee Guidelines for the 2013 Revision of the *Mathematics Framework for California Public Schools, Kindergarten Through Grade Twelve,*” which was the guiding document for the work of the Mathematics Curriculum Framework and Evaluation Criteria Committee (MCFCC). The MCFCC met six times from September 2012 to February 2013, and developed an initial revised draft *Mathematics Framework*.

In March 2013, the IQC reviewed and edited the MCFCC’s initial draft *Mathematics Framework* and approved it for posting and distribution for the first of two 60-day public review and comment periods. The draft *Mathematics Framework* was posted from April 17 through June 17, 2013, with an online survey to facilitate public comment. In June and July, the IQC considered public comments from the online survey, individuals, and organizations. On July 30, 2013, the IQC made further edits to the draft *Mathematics Framework* based on the comments received. At its meeting, the IQC took action to (1) recommend that the SBE adopt the draft *Mathematics Framework*, and (2) post and distribute the draft *Mathematics Framework* for a second required 60-day public review and comment period. Comments received during the August 30 through October 30, 2013, public review and comment period will be forwarded to the SBE.

At the November 2013 SBE meeting, the IQC will formally recommend that the SBE adopt the draft *Mathematics Framework*. The SBE will convene a public hearing on the draft *Mathematics Framework* before taking action on the recommendation. The SBE may make additional edits to the draft *Mathematics Framework* that will be incorporated.
into the document by CDE staff before it is published. The SBE and CDE staff will make necessary editorial changes as the document is professionally edited and prepared for publication.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

**September 4, 2013:** The IQC reported on the development of the draft *Mathematics Framework* at the September SBE meeting.

**January 2013:** The SBE approved the “Criteria for Evaluating Mathematics Instructional Materials for Kindergarten through Grade Eight,” which was drafted by the MCFCC and then revised and recommended by the IQC. The SBE also adopted modifications to the California additions to the CA CCSSM and the Model Courses for Higher Mathematics as recommended by State Superintendent of Public Instruction Torlakson, pursuant to *EC* Section 60505.11.

**July 2012:** The SBE: (1) approved the “Curriculum Framework and Evaluation Criteria Committee Guidelines for the 2013 Revision of the *Mathematics Framework for California Public Schools, Kindergarten Through Grade Twelve,*” as recommended by the IQC, and (2) appointed 19 members to the MCFCC, as recommended by the IQC.

**January 2012:** The SBE approved the timeline and MCFCC application form for the 2013 revision of the *Mathematics Framework*. The MCFCC application was available online from January 17 through April 18, 2012.

**August 2010:** The SBE adopted the academic content standards in mathematics as proposed by the California Academic Content Standards Commission (ACSC); the standards include the Common Core State Standards for Mathematics and specific additional standards that the ACSC had deemed necessary to maintain the integrity and rigor of California’s already high standards.

**January 2008:** The SBE adopted new *California Code of Regulations*, Title 5, sections governing the curriculum framework and instructional materials adoption process.

FISCAL ANALYSIS (AS APPROPRIATE)

The cost of developing and printing a curriculum framework is approximately $1.2 million, including staff costs, editing and printing costs, and expenses related to the various committees involved in its development.

ATTACHMENT(S)

None
## SUBJECT

Adoption of recommended *Next Generation Science Standards for California Public Schools, Kindergarten through Grade Twelve* learning progressions for middle grades 6–8 as required by *Education Code* 60605.85.

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## SUMMARY OF THE ISSUE(S)

*California Education Code* (EC) Section 60605.85 required the State Superintendent of Public Instruction (SSPI) to submit a set of revised *Science Content Standards* to the State Board of Education (SBE) by July 31, 2013. The revised science standards for California must be based upon the nationally developed Next Generation Science Standards (NGSS). At the September 4, 2013, meeting, the SBE adopted the SSPI’s recommended *Next Generation Science Standards for California Public Schools, Kindergarten through Grade Twelve and Appendices A–M*, and deferred action on the proposed learning progression for middles grades 6–8 until the November 6–7, 2013, SBE meeting.

## RECOMMENDATION

The California Department of Education (CDE) recommends the SBE adopt the *Next Generation Science Standards for California Public Schools, Kindergarten through Grade Twelve* (CA NGSS) proposed learning progression for middle grades 6–8 as required by *EC* Section 60605.85. The proposed learning progressions for middle grades 6–8 were developed and recommended by California’s Science Expert Panel (SEP) and are available on the CDE Website at [http://www.cde.ca.gov/pd/ca/sc/ngssintrod.asp](http://www.cde.ca.gov/pd/ca/sc/ngssintrod.asp).

## BRIEF HISTORY OF KEY ISSUES

**Background Information**

*EC* Section 60605.85 required the SSPI to submit a set of revised science content standards for California public schools, kindergarten through grade twelve, to the SBE by July 31, 2013; and the SBE’s adoption, rejection, or modification of those standards by November 30, 2013. The science standards for California must be based upon the nationally developed NGSS.
The standards were presented to the SBE and recommended for adoption as the Next Generation Science Standards for California Public Schools, Kindergarten through Grade Twelve under SBE Agenda Item 2 of the July 10, 2013, SBE meeting. Item 2 and related documents are available online as part of the full SBE July agenda at http://www.cde.ca.gov/be/ag/ag/documents/agenda201307.pdf. This agenda item provided the SBE and the public information on the feedback gathered through three public meetings and from the review by the SEP on the proposed CA NGSS based upon the nationally developed NGSS as required by EC Section 60605.85. The NGSS is based upon the National Research Council's Framework for K–12 Science (chaired by Helen Quinn of California). The development of the NGSS was led by 26 states, including California, and overseen and managed by Achieve.

The proposed standards were again reviewed at the September 4, 2013, SBE meeting. The Agenda Item and related documents are available at http://www.cde.ca.gov/be/ag/ag/yr13/agenda201309.asp. After hearing public comment, the SBE voted unanimously to adopt the proposed CA NGSS and Appendices A–M. The SBE chose to defer adoption of the proposed learning progressions for middle grades 6–8 until the November 6–7, 2013, meeting to allow classroom teachers additional time to review the proposed learning progressions for middle grades 6–8.

The CA NGSS Science Standards for California K–12 Education

The CA NGSS, based on the NGSS, are different than current California science standards, and emphasize the importance of having a deep understanding of science concepts and engaging in scientific thinking. The standards further acknowledge the importance of addressing big ideas and cross cutting concepts.

The new science standards also emphasize:

- The integration of science and engineering practices within the content,
- The integration of the Common Core State Standards for English language arts and Mathematics,
- The integration of skills and practices across the content areas as the foundation of STEM (Science, Technology, Engineering, and Mathematics) education,
- Student understanding and use of scientific knowledge within and across science disciplines, and
- Learning progressions that develop from Kindergarten through grade 12.

Proposed Learning Progressions for Middle Grades Science

The SSPI convened a Science Expert Panel (SEP) composed of 25 science classroom teachers, county science leaders, Institute of High Education (IHE) faculty, business, industry, and informal science center leaders. The list of SEP members can be found
on the CDE’s NGSS webpage at http://www.cde.ca.gov/pd/ca/sc/ngssintrod.asp. Over the last two years, many members of the SEP had served on the larger California State Review Team (SRT) that had reviewed various iterations of the full NGSS while under development. New members added to the SEP included Helen Quinn, Bruce Alberts, Art Sussman, as well as several new middle and high school teachers. The SBE’s two NGSS liaisons, Trish Williams and Ilene Strauss, attended the SEP’s meetings to observe and listen to the discussion.

The SEP was charged with 1) making the general recommendations for adoption of the CA NGSS, then 2) assigning the 6–8 grade span of NGSS science standards to specific grades, in away that most likely would improve student learning and teaching instruction of science in preparation for rigorous science courses in high school. The SEP spent six days working in groups and as a whole to develop a learning progression for middle grades to (1) define science topics students should learn at each grade level 6–8, and (2) facilitate the instructional materials development process, (3) and eventually the science assessment plans by determining grade level placement of science topics.

The SEP utilized the following guiding criteria to develop the proposed middle grades learning progression.

The Performance Expectations (PE’s) must:

- Be arranged to provide a smooth and rational learning transition from elementary to high school
- Align at every grade level 6–8 with the Common Core State Standards for English Language arts and Mathematics
- Build and deepen knowledge of science facts as well as overarching interdisciplinary core ideas within and across grade levels
- Be balanced in complexity and quantity at each grade
- Integrate engineering appropriately

The SEP made a final recommendation for an integrated science learning progression for middle grades 6–8 science course of study to transition to high school. It is important to note in Achieve’s review of countries that scored highest on the Programme for International Student Assessment (PISA) used integrated science models through eighth grade.

In an effort to clarify the rationale to the proposed organization of the middle school standards, representatives from WestEd, California Science Project, California Science Teachers Association (CSTA), CDE, and Dr. Helen Quinn developed a document on the middle grades 6–8 learning progression. This document explains the organization of the proposed standards by domain, the integration of the domains by grade level, and the
progression through the middle grades 6–8. The document is available on the CDE Web site at http://www.cde.ca.gov/pd/ca/sc/ngssrationale6thgr.asp.

At the annual CSTA conference in late October 2013, CDE staff, in cooperation with the CSTA, presented numerous sessions on the proposed learning progression for middle grades.

The CDE and California Commission on Teacher Credentialing (CTC) have created a guidance document to assist teachers, administrators, and other educational stakeholders to determine which teaching credentials are required to teach the proposed middle grades science progression (see Attachment 1).

Science Standards Implementation
The implementation of the CA NGSS requires a goal-focused strategic plan and the participation of key individuals and organizations. Broadly stated, the strategic plan includes: (a) the review, recommendation and adoption of CA NGSS, and (b) implementation of CA NGSS through three phases: awareness, transition, and full implementation at the school level, transforming science teaching and learning for all students and teachers. While some Local Educational Agencies (LEA’s) are beginning to implement the NGSS, the CDE does not expect full implementation until the 2016–2017 school year (see Attachment 2).

Strategic Leadership Team
A Strategic Leadership Team is being selected to design the NGSS for California Implementation Plan and review critical issues that could impact effective adoption and implementation of the NGSS. The plan will include a timeline for full implementation as well as a timeline for the development and adoption of the science frameworks and the development of new state and national academic performance assessments. The plan will also include implementation strategies, both short and long term, for local education agencies.

This team is a consortium of 50 field colleagues selected by the SSPI and consists of representatives of research-based effective professional learning programs, IHE, California CTC, professional organizations for California public school teachers and administrators, Informal Science Programs, after-school programs, district and county offices, and business. In addition, SBE NGSS liaisons will continue their involvement in overseeing the work of the Strategic Leadership Team. In Winter 2013, the team will meet for the first time to begin drafting the initial timeline and implementation strategies.

Additionally, multiple divisions within the department will be working to develop the strategic action plan. Once the Strategic Leadership Team and the Department have completed their work, the strategic action plan will be presented to the SBE at a future meeting.
SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

September 2013: Phil Lafontaine, Director of the Professional Learning Support Division, presented an update on the proposed CA NGSS to the SBE. Kathy DiRanna, Director of the K–12 Alliance at WestEd, presented an overview of the SEP’s development of the integrated learning progression for middle grades 6–8. Included in this update was information shared at regional meetings regarding the proposed middle grades progressions and research findings supporting an integrated approach. Dr. Stephen L. Pruitt from Achieve, Inc., the managing partner of the NGSS, was present at the meeting, and answered questions from SBE members regarding adoption of the NGSS by other states and implementation support for California.

The SBE voted unanimously to adopt the proposed CA NGSS and Appendices A–M. The adoption of the proposed learning progression for middle grades 6–8 was deferred until the November 6–7, 2013, SBE meeting.

July 2013: Phil Lafontaine, Director of the Professional Learning Support Division, presented background information on the proposed NGSS for California public schools to the SBE. Also presenting were Kathy DiRanna, Director of the K–12 Alliance at WestEd, and Helen Quinn, chair of the National Research Council committee that developed *A Framework for K–12 Science Education: Practices, Crosscutting Concepts, and Core Ideas*. Kathy presented on the work of the SEP and the development of the grade level progressions for middle grades 6–8. Dr. Quinn presented on the science behind the middle grades progressions.

After the presentation on Item 2 and public comment, the SBE decided to defer action on adoption of the science standards to allow teachers, especially middle grade teachers, further opportunity to review the recommended grade progressions. SBE President Michael Kirst also requested CDE staff to provide assessment options for the national science standards at the September SBE meeting.

May 2013: Phil Lafontaine, Director of the Professional Learning Support Division, along with Dr. Stephen L Pruitt, Vice President for Content, Research, and Development at Achieve, Inc., provided an update on the final draft of the NGSS and the supporting Appendices A–M. A preliminary report on the public hearings was also provided.

March 2013: Phil Lafontaine, Director of the Professional Learning Support Division, shared an update of the development process of the NGSS.

November 2012: The CDE updated the SBE through an Information Memorandum on the development of NGSS.

May 2012: At its May 2012 meeting, the CDE staff presented on the progress and timeline of the development of the NGSS along with Dr. Stephen L Pruitt, Vice President for Content, Research, and Development at Achieve, Inc.
November 2011: The CDE’s presentation included information on the requirements of Senate Bill 300. Specifically, the SSPI was required to recommend science content standards—utilizing the NGSS as their basis—to the SBE by March 30, 2013. The SBE was required to adopt, reject, or modify those standards by July 30, 2013. Information regarding the state’s involvement in the national process for the development of the NGSS was discussed.

FISCAL ANALYSIS (AS APPROPRIATE)

Projected estimated costs for participating in the development of the CA NGSS are approximately $186,000. CDE has worked with foundations to cover much of the costs of required trips to Washington, convene the California teams, and for staff to coordinate the logistics associated with the development of the standards. CDE is currently seeking foundation funding of approximately $141,000 to cover the activities of the proposed Awareness Phase.

ATTACHMENT(S)

Attachment 1: Authorizations to Teach NGSS (Next Generation Science Standards) for California in Grades 6–8 (2 Pages).

Attachment 2: Proposed Implementation Timeline for NGSS (2 Pages).
## Authorizations to Teach NGSS (Next Generation Science Standards) for California in Grades 6–8

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<th>Type of Credential</th>
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<td>The proposed NGSS for California middle school learning progression specifies integrated science content (cross-cutting concepts) in grades 6–8 and also incorporates engineering practices for students to engage in rather than engineering as a distinct content area.</td>
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### Single Subject in:

- Life Science
- Physical Science
- Science: Biological Sciences
- Foundational-Level General Science

- Science: Chemistry
- Science: Geosciences
- Science: Physics

### Supplementary or Subject Matter Authorization(s) in:

- General Science (*added to elementary credentials*)
- General Science (*added to secondary credentials-R1A authorization code*)
- Introductory General Science (*added to secondary credentials*)
- Introductory Life and Physical Science (*added to secondary credentials*)
- Introductory Science (*added to secondary credentials*)
- Life Science and Physical Science (*added to elementary credentials*)
- Science (*added to elementary credentials*)

### Standard Secondary (grades 7–8 only) or Elementary with a Minor in Astronomy, Chemistry, Geology, or Physics AND a Minor or a Supplementary Authorization in one of the following:

- Biological Science(s)
- Biological Science & Mathematics: Biological Science

### Standard Secondary (grades 7–8 only) or Elementary with a Major in:

- Astronomy
- Biological Science
- Biological Science & Mathematics (*added to elementary only*)
- Chemistry
- Geology
- Physical Science (*added to elementary only*)
- Physical Science & Mathematics (*added to elementary only*)
- Physics

### Standard Secondary (grades 7–8 only) or Elementary with a Minor in Biological Science or Biological Science & Mathematics: Biological Science AND a Minor or a Supplementary Authorization in one of the following:

- Astronomy
- Chemistry
- Geology
- Physical Science
- Physical Science: Chemistry, Geology, or Physics
- Physics
Standard Secondary (grades 7–8 only) or Elementary with a Minor in Astronomy, Chemistry, Geology, or Physics AND a Minor or a Supplementary Authorization in one of the following:

- Biological Science(s)
- Biological Science & Mathematics: Biological Science
## Proposed Implementation Timeline for

*Next Generation Science Standards for California Public Schools, Kindergarten through Grade Twelve*

<table>
<thead>
<tr>
<th>Year</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>• First review of proposed <em>Next Generation Science Standards (NGSS)</em> for California Public Schools, Kindergarten through Grade Twelve by the California State Board of Education (SBE)</td>
</tr>
<tr>
<td>August</td>
<td>• California Science Teachers Association hosts town hall meetings</td>
</tr>
<tr>
<td>September</td>
<td>• Second review of proposed <em>Standards for California Public Schools, Kindergarten through Grade Twelve</em></td>
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<tr>
<td></td>
<td>• SBE adopts the NGSS standards and NGSS appendices for assistance with local implementation</td>
</tr>
<tr>
<td>October</td>
<td>• SB 300 Hancock Science Framework</td>
</tr>
<tr>
<td>November</td>
<td>• SBE review of proposed NGSS middle grades learning progressions</td>
</tr>
<tr>
<td></td>
<td>• Strategic Leadership Team established and initial drafting of the state implementation plan for NGSS</td>
</tr>
<tr>
<td>Winter</td>
<td>• Development of NGSS State Implementation Plan</td>
</tr>
<tr>
<td></td>
<td>• Regional Information Meetings for initial awareness of NGSS</td>
</tr>
<tr>
<td></td>
<td>• SBE acts on Instructional Quality Commission (IQC) timeline for curriculum framework development and application for Curriculum Framework and Evaluation Criteria Committee (CFCC)(January 2014)</td>
</tr>
<tr>
<td></td>
<td>• CDE conducts meetings of Science Curriculum Framework Focus Groups throughout the state (January-February 2014)</td>
</tr>
<tr>
<td>Spring</td>
<td>• Anticipated presentation of NGSS State Implementation Plan to SBE for review</td>
</tr>
<tr>
<td></td>
<td>• Release of Application for the Science Curriculum Framework and Criteria Committee</td>
</tr>
<tr>
<td></td>
<td>• LEA’s begin Awareness Phase of Implementation</td>
</tr>
<tr>
<td></td>
<td>• Begin consultation and development work on summative science assessments aligned to NGSS</td>
</tr>
<tr>
<td>2013–2014</td>
<td></td>
</tr>
<tr>
<td>Summer</td>
<td>• IQC recommends and SBE acts on CFCC membership and Curriculum Framework Guidelines</td>
</tr>
<tr>
<td>Fall - Winter</td>
<td>• Science Curriculum Framework and Criteria Committee Meetings</td>
</tr>
<tr>
<td></td>
<td>• LEA’s continue Awareness Phase of Implementation</td>
</tr>
<tr>
<td></td>
<td>• Continue consultation and development work on summative science assessments aligned to NGSS</td>
</tr>
<tr>
<td>2014–2015</td>
<td></td>
</tr>
<tr>
<td>Fall</td>
<td>• Completion of <em>Science Framework</em> based upon NGSS</td>
</tr>
<tr>
<td>January</td>
<td>• Adoption of <em>Science Framework</em> by SBE</td>
</tr>
<tr>
<td>March</td>
<td>• Provide recommendations to the SBE for approval on expanding the assessment system to include additional assessments</td>
</tr>
<tr>
<td>Spring</td>
<td>• Continue the development and implementation activities related to the science assessments</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th></th>
<th>2016–2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fall</strong></td>
<td>• LEA’s begin full implementation of NGSS</td>
</tr>
<tr>
<td><strong>Spring</strong></td>
<td>• Continue the development and implementation activities related to the science assessments</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017–2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>November</strong></td>
<td>• Adoption of New Science Instructional Materials based upon NGSS</td>
</tr>
<tr>
<td><strong>Spring</strong></td>
<td>• Continue the development and implementation activities related to the science assessments</td>
</tr>
</tbody>
</table>
ITEM 07
CALIFORNIA STATE BOARD OF EDUCATION

NOVEMBER 2013 AGENDA

SUBJECT
California English Language Development Test: Update on Transitioning to the English Language Proficiency Assessments for California.

SUMMARY OF THE ISSUE(S)

With the new 2012 English Language Development (ELD) Standards in place, the CDE is required by state and federal law to ensure the English language proficiency assessment administered annually to California’s English Learners (ELs) is appropriately aligned to the 2012 ELD Standards. The current California English Language Development Test (CELDT) was developed to align to the 1999 California ELD Standards. As the 2012 ELD Standards differ significantly from the 1999 ELD Standards, the CDE intends to replace the CELDT with the English Language Proficiency Assessments for California (ELPAC) system that will be developed to align to the new standards.

In the summer 2013, Senate Bill (SB) 201 (Liu) was amended to add language to allow for the development of the ELPAC to include separate initial identification and annual summative assessments as well as move the annual testing window from the fall to the spring. The bill was signed by the Governor on October 2, 2013 and becomes effective January 1, 2014.

RECOMMENDATION

The CDE recommends no specific action at this time.

BRIEF HISTORY OF KEY ISSUES

In 2011, Assembly Bill (AB) 124 was passed requiring the state to update, revise and align the ELD Standards to the Common Core State Standards for English language arts.

In November 2012, the State Board of Education approved new California ELD Standards.
In April 2013, the CDE directed the CELDT contractor to conduct an item alignment study. The purpose of this study is to analyze the alignment of current CELDT items to the 2012 ELD Standards. The outcome of this study will inform the plans for the development of the ELPAC by providing information about the degree to which the current CELDT item pool may be usable in the development of the ELPAC.

In May 2013, the CELDT contractor conducted a preliminary analysis of a representative sample of CELDT items, in order to determine their alignment to the 2012 ELD Standards in preparation for an item alignment process meeting. On June 11–12, 2013, the contractor convened a meeting of 99 California educators who provided their professional judgment on the alignment of each item to the 2012 ELD Standards.

On August 30, 2013, the CDE and the CELDT contractor presented draft sections of the item alignment report, including a gap analysis, to the CELDT Technical Advisory Group (TAG). The final report will identify the CELDT items that are aligned to the 2012 ELD Standards.

The next key step in developing the ELPAC will be the development of K–12 test blueprints. With the passage of SB 201 [Education Code Section 60810 (a)(2)], the SBE must approve the assessment blueprints, the performance descriptors, and the performance-level cut scores. Until the ELPAC is ready for operational administration, the CDE will continue to administer the CELDT for federal accountability under Title III of the Elementary and Secondary Education Act.

**SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION**

**July 2013:** The CDE presented the methods and process of the CELDT item alignment study to the SBE.

**May 2013:** The CDE presented and described the proposed ELPAC system to the SBE, comprised of an initial screener and a summative assessment. The CDE proposes to replace the CELDT with the ELPAC tests that will be aligned to the 2012 ELD Standards pending legislative authority and funding.

**April 2013:** The CDE provided an Information Memorandum to the SBE to introduce the proposal of replacing the CELDT with the ELPAC system aligned to the 2012 ELD Standards.

**November 2012:** The SBE adopted new ELD standards aligned to the California Common Core State Standards in English language arts. In accordance with Education Code (EC) sections 60810(c)(7) and 60811.3 (AB 124), the CDE must incorporate the 2012 ELD Standards into the state ELD assessment.
FISCAL ANALYSIS (AS APPROPRIATE)

The costs of the alignment study are included in the current CELDT contract.

ATTACHMENT(S)

Attachment 1: Executive Summary: California English Language Development Test Item Alignment Report (1 Page)

Attachment 2: Proposed Timeline: Replacing the California English Language Development Test with the English Language Proficiency Assessments for California System (1 Page)
Executive Summary: California English Language Development Test Item Alignment Report

This report has been prepared by Educational Data Systems and its subcontractors, Educational Testing Service (ETS) and the Sacramento County Office of Education (SCOE), under the California English Language Development Test (CELDT) contract for the California Department of Education (CDE).

With the new 2012 English Language Development (ELD) Standards in place, the CDE is required by state and federal law to ensure the English language proficiency assessment administered annually to California’s English Learners (ELs) is appropriately aligned to the 2012 ELD Standards. The CELDT was developed to align to the 1999 California English Language Development Standards. As the 2012 ELD Standards differ significantly from the 1999 ELD Standards, the CDE intends to replace the CELDT with the English Language Proficiency Assessments for California (ELPAC) system that will be aligned to the new standards.

The purpose of this study is to analyze the alignment of current CELDT items to the 2012 ELD Standards. The outcome of this study will inform the plans for the development of the ELPAC by providing information about the degree to which the current CELDT item pool may be usable in the development of the ELPAC.

This report addresses the following topics: (1) identification or development of an alignment protocol appropriate for analyzing the alignment of items to the new standards; (2) summary of the design and methodology; (3) description of the item alignment meeting; (4) study outcomes and findings; and (5) recommendations.

The key findings are as follows:

(1) overall, 26 percent of the sampled active CELDT items in the item pool were found to have primary alignment to one of the 2012 ELD Standards;
(2) in the domain of listening, 24 percent of sampled items had primary alignment;
(3) in the domain of speaking, 30 percent of sampled items had primary alignment;
(4) in the domain of reading, 35 percent of sampled items had primary alignment;
(5) in the domain of writing, 8 percent of sampled items had primary alignment with the 2012 ELD Standards;
(6) of the 2012 ELD Standards for Part I: Interacting in Meaningful Ways, alignment from the existing CELDT items was minimal; and
(7) of the 2012 ELD Standards for Part II: Learning About How English Works, there were no items with primary alignment to any of the seven standards.

The report concludes that considerable development of new items and potentially new item types will be necessary as part of the ELPAC design and development process.
Proposed Timeline: Replacing the California English Language Development Test with the English Language Proficiency Assessments for California System

The California Department of Education (CDE) proposes to replace the California English Language Development Test (CELDT) with the English Language Proficiency Assessments for California (ELPAC) system by 2016–17, provided additional funding is secured for new test development activities. The following is the proposed timeline of key transition activities:

<table>
<thead>
<tr>
<th>Date</th>
<th>Key Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2013</td>
<td>The current CELDT contractor will submit to the CDE an item alignment report that highlights which CELDT questions are aligned to the 2012 English Language Development (ELD) standards.</td>
</tr>
<tr>
<td>Spring 2014</td>
<td>The CDE plans to release the Request for Proposals for the ELPAC initial identification and annual summative assessments.</td>
</tr>
<tr>
<td>Summer 2014</td>
<td>The CDE may award a contract to develop the ELPAC initial identification and annual summative assessments.</td>
</tr>
<tr>
<td>Fall 2014</td>
<td>The SBE may consider for approval the new ELPAC test blueprints for kindergarten through grade twelve (K–12) based on the 2012 ELD standards.</td>
</tr>
<tr>
<td>Fall 2015</td>
<td>The ELPAC initial identification assessment may be field tested by the ELPAC contractor.</td>
</tr>
<tr>
<td>Winter 2015</td>
<td>The SBE may consider for approval to commence the rulemaking process for the ELPAC regulations.</td>
</tr>
<tr>
<td>Spring 2016</td>
<td>The ELPAC summative assessment may be field tested by the ELPAC contractor.</td>
</tr>
<tr>
<td>Summer 2016</td>
<td>The SBE may consider for approval the ELPAC performance descriptors.</td>
</tr>
<tr>
<td>2016–17</td>
<td>The ELPAC contractor may administer the operational ELPAC initial identification assessment and the annual summative assessment.</td>
</tr>
<tr>
<td>2016-17</td>
<td>The SBE may consider for approval the ELPAC performance-level cut scores.</td>
</tr>
</tbody>
</table>
SUBJECT
Update on Statewide Assessment Transition to the Measurement of Academic Performance and Progress including, but not limited to, Smarter Balanced Assessment Resources and Development Activities, Accountability, and Technology.

SUMMARY OF THE ISSUE(S)

Assembly Bill 484

Assembly Bill (AB) 484 (Bonilla), sponsored by State Superintendent of Public Instruction (SSPI) Torlakson, was signed into law by Governor Brown on October 2, 2013. AB 484 establishes California’s new statewide student assessment system—the California Measurement of Academic Performance and Progress (CalMAPP)—which succeeds the Standardized Testing and Reporting (STAR) Program. With the passage of AB 484, California is immediately beginning its transition to the new statewide student assessment system and preparing for the impact this legislation will have on state and federal accountability and local technology requirements. A summary of this newly enacted legislation is provided in this item (see Attachment 1).

Smarter Balanced Assessment Development

California is a governing state in the Smarter Balanced Assessment Consortium. This item provides an update on Smarter Balanced assessment development resources and activities including the spring 2014 Field Test, in which all LEAs will participate; the Usability, Accessibility, and Accommodations Guidelines; and the operational testing window (see Attachment 2). In addition, this item provides a CalMAPP technology update (see Attachment 3).

RECOMMENDATION

This is the fifth update to the State Board of Education (SBE) since the release of the SSPI’s report to the Legislature, Recommendations for Transitioning California to a Future Assessment System. At this time, no specific action is recommended.
**BRIEF HISTORY OF KEY ISSUES**

California adopted the Common Core State Standards for English–language arts (ELA) and mathematics in August 2010 and joined the Smarter Balanced Assessment Consortium as a governing state in June 2011. In response to California *Education Code (EC)* Section 60604.5, the SSPI consulted with stakeholders and, on January 8, 2013, provided the Legislature with recommendations for transitioning California to a future assessment system. The SSPI’s recommendations report can be found on the California Department of Education (CDE) Statewide Pupil Assessment System Web page at [http://www.cde.ca.gov/ta/tg/sa/ab250.asp](http://www.cde.ca.gov/ta/tg/sa/ab250.asp).

AB 484, which was introduced by Assembly Member Bonilla on February 19, 2013, co-authored by Senator Steinberg, and sponsored by State Superintendent Torlakson, addresses the need for a statewide assessment transition for the full implementation of the Common Core State Standards. AB 484 was passed by the California Legislature in September and signed into law on October 2, 2013.


Numerous measures are being taken by the CDE to transition to CalMAPP. The Assessment Development and Administration Division (ADAD) is: (1) working to amend the CDE contract with Educational Testing Service to implement the 2013–14 CalMAPP assessments, which are outlined in Attachment 1; (2) preparing a new request for submissions of competitive bidding to implement the CalMAPP assessment system beginning in fall 2014; and (3) drafting regulations in response to AB 484 with the intent of bringing to the SBE for consideration at the January meeting. In addition, the Educational Data Management Division and Technology Services Division are collaborating with the ADAD to prepare for the technology aspect of the transition to CalMAPP.

When the Smarter Balanced federal grant ends in September 2014, the management of the consortium is expected to transition from the state of Washington to the Graduate School of Education and Information Studies at the University of California, Los Angeles.

**SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION**

In September 2013, the CDE presented information to the SBE on Smarter Balanced assessment activities, including legislative developments, findings from the CDE Technology Preparedness Survey, a report on research regarding the costs of statewide student testing, research regarding computer-based versus paper-based testing, an update on review of the draft *Accessibility and Accommodations Guidelines,*
developments for the spring 2014 Field Test, and a comparison of costs for the development and administration of the ELA and mathematics portions of the STAR Program and the Smarter Balanced assessment system.

In July 2013, the SBE received an update from the CDE on Smarter Balanced assessment development activities, including: the release of Practice Tests, feedback from CDE staff observations of the spring 2013 Pilot Test, California educator involvement in item development activities and Digital Library development activities, available resources to help gauge the technology readiness of local educational agencies, and initial cost estimates for implementing the Smarter Balanced system of assessments.

In July, May, and March 2013, the CDE presented to the SBE an update on the progress made toward revising the Academic Performance Index (as identified in California EC sections 52052 through 52052.9).

In May 2013, the CDE and Smarter Balanced Executive Director Joe Willhoft presented an update on Smarter Balanced assessment development activities, including the assessment consortium’s sustainability plan, initial achievement level descriptors (ALDs) and college content readiness policy, the spring 2013 Pilot Test and Practice Tests, and the Digital Library. In addition, the SBE approved an amendment to California’s Consolidated State Application Accountability Workbook regarding the calculation for the five-year cohort graduation rate.

In March 2013, the CDE presented the first update on the future statewide assessment system and Smarter Balanced assessment development activities, including the initial ALDs and college content readiness policy.

In January 2013, the CDE presented to the SBE the SSPI’s recommendations to the Legislature for the future statewide assessment system and engaged in discussion with the SBE regarding the recommendations.

FISCAL ANALYSIS (AS APPROPRIATE)

Provisions in the current 2013–14 state budget act require that STAR Program funding be utilized to implement AB 484. AB 484 requires that for the 2013–14 school year the STAR contract be amended to administer CalMAPP and that cost savings from the suspension of STAR assessments be used to fund the spring 2014 consortium Field Test.

Full implementation of CalMAPP is contingent upon funding be made available. The CDE has submitted a legislative budget change proposal to the Department of Finance estimating costs for the full implementation of CalMAPP.
ATTACHMENT(S)

Attachment 1: Legislative Summary of Assembly Bill 484 (3 Pages)

Attachment 2: Smarter Balanced Assessment Development Activities (4 Pages)

Attachment 3: California Measurement of Academic Performance and Progress Technology Update (5 Pages)
Legislative Summary of Assembly Bill 484

This document provides highlights from Assembly Bill (AB) 484, which was signed into law on October 2, 2013. The full text of AB 484 is available on the California Legislative Information Web page at http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB484.

AB 484:

- Establishes California’s new statewide student assessment system, the California Measurement of Academic Performance and Progress (CalMAPP), which includes some assessments previously used in the Standardized Testing and Reporting (STAR) Program.

- States the purpose of the new assessment system: to assist teachers, administrators, students, and parents by promoting high-quality teaching and learning through the use of a variety of assessment approaches and item types.

- Provides consortium interim and formative tools for kindergarten through grade twelve as an option at no cost to local educational agencies (LEAs).

- Conveys intent for California to adopt an assessment system that covers the full breadth and depth of the curriculum to promote the teaching of the full curriculum, and acknowledges that the transition to the new assessment system will occur over several years.
  - Includes consortium summative assessment for English–language arts (ELA) and mathematics in grades three through eight and grade eleven.
  - Includes science assessments aligned with the Next Generation Science Standards for grade spans: three through five; six through nine; and ten through twelve, and until the new assessments are adopted, allows the administration of California Standards Tests in Science aligned to the 1998 standards for grades five, eight, and ten.
  - Requires the CDE to submit to the SBE recommendations on expanding the CalMAPP to include additional assessments that address the full curriculum, including assessments in such subjects as history-social science, technology, visual and performing arts, ELA, mathematics, and science.

- Exempts English learners enrolled in school in the United States for less than 12 months from having to take the ELA assessment.
• Requires the administration of California Alternate Performance Assessment (CAPA) for grades two through eleven in ELA and mathematics, and for science for grades five, eight, and ten until a successor assessment is implemented.

• Requires the CDE to develop for adoption by the SBE a primary language assessment in a language other than English to be administered in 2016–17; an implementation timeline for a stand-alone language arts summative assessment in primary languages other than English to be submitted to the SBE one year after the first full administration of the consortium summative assessments.

• Replaces the CST grade eleven assessments with the grade eleven consortium summative assessments for the purpose of the EAP starting in 2014–15.

• Prohibits the comparison of scores and results of CalMAPP with those of assessments that measure achievement for previously adopted standards (e.g., STAR mathematics)

• Prohibits the display of scores that would identify students or teachers

• Provides the State Superintendent of Public Instruction with the authority, with the approval of the SBE, to not calculate the Academic Performance Index (API) for schools and districts in 2013–14 and 2014–15 because of the lack of comparability with assessments from prior years.

• Provides alternatives for schools and districts that do not receive an API because of comparability issues to meet legislative requirements, allowing schools and districts to use one of the following:
  
  o The most recent API
  o An average of the three most recent annual API calculations
  o Alternative measures that show increases in pupil academic achievement schoolwide and for all student groups

• Requires administration of the following assessments for the 2013–14 school year:
  
  o Consortium field test for grades three through eight and grade eleven with a small selection of students in grades nine and ten.
  o California Standards Test (CST) for science in grades five, eight, and ten
  o California Modified Assessment for science in grades five, eight, and ten
  o CAPA for ELA and mathematics in grades two through twelve and for science in grades five, eight, and ten
• Provides the following optional assessments for the 2013–14 school year:
  o Early Assessment Program (EAP): voluntary for grade eleven students. Only individual student EAP results will be reported; no state-, district-, or school-level results will be reported.
  o STS in Reading-language arts: optional for LEAs to administer. CDE will pay only for English learners who have been enrolled in school in the United States for less than twelve months or have been receiving instruction in Spanish.
  o CSTs not being used for CalMAPP in 2013–14, CMAs, and STS in mathematics may be available for purchase by LEAs.

• States the purpose of the field test: to enable the consortium to gauge the validity and reliability of the assessments and conduct necessary psychometric studies including, but not limited to, achievement standard setting, and to allow the CDE to conduct studies regarding full implementation of the assessment system. The use of the field tests and results for any other purpose, including the calculation of any accountability measure, is prohibited.

• Requires the adoption of regulations governing CalMAPP by the SBE; initial regulations must be adopted as emergency regulations to immediately implement CalMAPP, including the administration, scoring, and reporting of assessments.

• Requires CDE to determine how schools and districts are progressing toward implementation of a technology-enabled assessment system and the extent to which the CCSS assessments can be fully implemented; a report and recommendations must be submitted to the SBE.

• Requires an ongoing independent evaluation of CalMAPP, beginning in the first year of the administration of the consortium summative assessments, and every three years thereafter. The CDE must contract for an independent evaluation of CalMAPP for the purpose of continuous improvement.

• Requires annual reports on CalMAPP results. Beginning one year after the first year of administration of the new consortium summative assessments, the CDE must provide the SBE with an annual report that includes an analysis of results and test scores of the CalMAPP summative assessments.
Smarter Balanced Assessment Development Activities

2014 Smarter Balanced Field Test

Assembly Bill 484, signed into law on October 2, 2013, requires all LEAs to participate in the Smarter Balanced Field Test in a manner prescribed by the California Department of Education (CDE) in consultation with the president or executive director of the State Board of Education.

The Smarter Balanced Field Test will be administered between March 18 and June 6, 2014. Students in grades three through eleven will be assessed via computer-based assessments in English–language arts (ELA) or mathematics:

- Grades three through eight: all students, including those selected for the scientific sample (described below), will be expected to participate.
- Grades nine and ten: only students in the scientific sample will be expected to participate.
- Grade eleven: students selected for the scientific sample will be expected to participate; all other students will be allowed to participate.

Participation in the Field Test will provide students, teachers, and administrators with valuable exposure to the future assessment system:

- Students will gain hands-on experience with the functionality of innovative technology-enhanced items and newly designed performance tasks with related classroom experiences.
- Teachers and administrators will gain valuable exposure to administration logistics to better prepare for smooth and successful participation in the operational assessments, which will begin in the 2014–15 school year.
- Local educational agencies (LEAs) will benefit from learning where technology gaps may exist so they can fully prepare for the operational assessments.

Sampling Structure for the Spring 2014 Smarter Balanced Field Test

A scientific sample of 20 percent of students across all member states will be selected to participate in the Field Test, 10 percent to participate in the ELA test and 10 percent to participate in the mathematics test. In California, over 680,000 students will participate in the scientific sample of the Field Test, comprising approximately 36 percent of the consortium’s total Field Test sample. For grades nine and ten, a small sample of students will be selected for vertical scaling purposes.
The scientific sample will include students in grades three through eleven who have been selected to represent the demographic characteristics of each member state. Table 1 presents the California scientific sample size, by grade, for the ELA Field Test and the mathematics Field Test.

### Table 1: Number of California Students Selected for in the Scientific Sample of the Smarter Balanced Spring 2014 Field Test

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Scientific Sample Size for ELA</th>
<th>Scientific Sample Size for Mathematics</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>31,825</td>
<td>35,194</td>
</tr>
<tr>
<td>4</td>
<td>34,743</td>
<td>37,050</td>
</tr>
<tr>
<td>5</td>
<td>34,560</td>
<td>37,596</td>
</tr>
<tr>
<td>6</td>
<td>35,002</td>
<td>38,797</td>
</tr>
<tr>
<td>7</td>
<td>35,448</td>
<td>39,998</td>
</tr>
<tr>
<td>8</td>
<td>36,545</td>
<td>41,941</td>
</tr>
<tr>
<td>9</td>
<td>9,433</td>
<td>9,433</td>
</tr>
<tr>
<td>10</td>
<td>9,433</td>
<td>9,433</td>
</tr>
<tr>
<td>11</td>
<td>91,061</td>
<td>113,530</td>
</tr>
<tr>
<td>Total</td>
<td>318,050</td>
<td>362,972</td>
</tr>
</tbody>
</table>

In addition to the scientific sample, all California LEAs are required by AB 484 to participate in the Field Test in accordance with procedures set forth by the CDE. With the exception of students who participate in the California Alternate Performance Assessment, all students in grades three through eight are expected to participate in either the ELA or mathematics Field Test. For grades nine and ten, only students selected for the scientific sample are expected to participate. For grade eleven, only students in the scientific sample will be expected to participate in the Field Test, and all other grade eleven students may participate. AB 484 requires that all grade eleven students, including those who participate in the Field Test, have the option to participate in the Early Assessment Program.

Further information about the spring 2014 Field Test, including questions and answers, is available on the CDE Smarter Balanced Web page at [http://www.cde.ca.gov/ta/tg/sa/smarterfieldtest.asp](http://www.cde.ca.gov/ta/tg/sa/smarterfieldtest.asp).

**Smarter Balanced Usability, Accessibility, and Accommodations Guidelines Now Available**

On September 10, 2013, the Smarter Balanced governing states approved the *Usability, Accessibility, and Accommodations Guidelines*, which will direct the supports provided to students for the Smarter Balanced summative assessments. The *Guidelines* is a research-based document that outlines three levels of support designed to meet the needs of all students, including English learners and students with disabilities. Figure 1
(See Guidelines, p.4) displays the three levels of support offered and a description of each set of tools, supports, and accommodations.

Figure 1: Conceptual Model Underlying the Smarter Balanced Usability, Accessibility, and Accommodations Guidelines

- Universal tools are available to all students. Examples include such features as spell-checker, where appropriate; a digital highlighter; the ability to flag items; and embedded tools, such as rulers, protractors, and calculators for some mathematics items.

- Designated supports are available to students for whom a need has been identified by school personnel familiar with the student’s instructional and assessment needs. Examples include linguistic supports, such as stacked translations and English glossaries, and such features as color-contrast text or blocking distracting content.

- Accommodations are available for students with an individualized education program or 504 plan that specifies the need for such support. Examples include
such features as closed captioning, braille, text-to-speech, and videos using American Sign Language.


**Smarter Balanced Operational Testing Windows Approved by Governing States**

On September 10, 2013, Smarter Balanced governing states approved the testing windows for the summative assessments which will begin in the 2014–15 school year. Below are the testing windows as approved:

- **Grades three through eight:** The testing window shall not begin until at least 66 percent of a school’s annual instructional days have been completed, and testing may continue up to and including the last day of school. In a 180-day school year, 66 percent of a school year occurs after the 120th instructional day; this allows for a 12-week window for grade three through eight testing.

- **Grade eleven:** The testing window shall not begin until at least 80 percent of a school’s annual instructional days have been completed, and testing may continue up to and including the last day of school. In a 180-day school year, 80 percent of a school year occurs after the 144th instructional day; this allows for a 7-week window for grade eleven testing.

Each member state may establish more specific windows within the constraints of the consortium-defined windows described above. CDE is gathering information to inform the decisions regarding the establishment of California specific windows.
California Measurement of Academic Performance and Progress
Technology Update

The California Department of Education (CDE) continues to support local educational agencies (LEAs) in their preparation for the transition to the California Measurement of Academic Performance and Progress (CalMAPP), including the administration of the assessment developed through the Smarter Balanced Assessment Consortium (Smarter Balanced) and implementation of computer-based and adaptive testing.

Key Issues

The CDE is assisting LEAs prepare for the transition through the following six activities:

1. Technology Readiness Tool

To prepare for the transition, the CDE encourages LEAs to participate in the Technology Readiness Tool (TRT). Sponsored by the two assessment consortia, Smarter Balanced and Partnership for Assessment of Readiness for College and Careers, the TRT is designed to evaluate and determine the necessary school-level technology and infrastructure needed for administering the new online assessments to be launched in the 2014–15 school year.

Following the release of the TRT in April 2012, the initial TRT results were used to develop the minimum system requirements, which were released December 2012 and are available on the Smarter Balanced Releases Technology Strategy Framework and System Requirements Specifications Web page at http://www.smarterbalanced.org/news/smarter-balanced-releases-technology-strategy-framework-and-system-requirements-specifications/. The TRT requires LEAs to input device and network information in addition to the number of test sessions per day and number of days to administer the test. Based on this information, a “readiness” report is produced at the school level (percentage of students who can be tested, given the information provided). This report helps the CDE determine which LEAs may need to develop their technology capacity and assists the CDE and Smarter Balanced in making informed technology-related decisions. The TRT is continually open for LEAs to submit new or updated data. “Snapshots” are taken twice annually through 2014 and are used for displaying LEA Progress Reports and District Summary Reports. The next snapshot date is December 13, 2013.

To assist LEAs with completing the TRT, the CDE developed training videos and Webinars that are available on the CDE Smarter Balanced TRT Web page at http://www.cde.ca.gov/ta/tg/sa/sbac-itr-index.asp. The CDE also has partnered with such organizations as the California County Superintendents Educational Services Association (CCESSA) to encourage LEAs to complete the TRT. In addition, the CDE has created an e-mail Listserv and help desk (accessible by e-mail at sbac-itreadiness@cde.ca.gov.)
2. CDE Technology Preparedness Survey: Preparing for the Implementation of Smarter Balanced Assessments

As reported in the State Board of Education (SBE) October Memorandum, the CDE conducted a separate online survey for LEA information technology directors or their designees to gauge the technology resources needed to implement the Smarter Balanced system of assessments. Respondents were asked to rate their level of confidence, based on the Smarter Balanced minimum technology requirements, in their LEA’s technology preparedness. They were asked how confident they were in a scenario in which the Smarter Balanced computer-based assessments were to be administered today and whether they would be able to complete testing within a twelve-week testing window. The survey also asked about minimum technology requirements established by Smarter Balanced (e.g., operating systems and network bandwidth) and about staffing and facilities needs in order to administer the Smarter Balanced assessments. The October Memorandum is available on the SBE Information Memoranda Web page at http://www.cde.ca.gov/be/ag/ag/.

Overall, respondents indicated more confidence in the adequacy of their LEA’s facilities, network bandwidth, and number of computers with the minimum operating system and less confidence about the adequacy of their LEA’s technical support personnel and additional equipment, such as headphones and keyboards. Regarding completing testing in a twelve-week window, a majority of respondents who expressed confidence in their facilities, bandwidth, and number of computers felt it could be completed in a twelve-week window. Conversely, those respondents not expressing confidence also did not feel that testing could be completed in a twelve-week window. Finally, respondents indicated that the greatest need is for professional development for staff related to technology. A high need for headphones, laptops, and tablets was also identified. Less need was identified for bandwidth, keyboards, and printers.

Approximately 88 percent of respondents reported that they plan to purchase additional or new technology equipment using part of the 1.25 billion dollars allocated in Assembly Bill (AB) 86 to prepare for the implementation of the Smarter Balanced assessments.

3. California Longitudinal Pupil Achievement Data System

Assessment results from the existing statewide assessment programs are currently uploaded to the California Longitudinal Pupil Achievement Data System (CALPADS). CALPADS links these student assessment results to each enrolled student and provides the results to LEAs through screens, reports, and extracts. AB 484 authorizes CalMAPP, which significantly modifies how assessments are administered. To accommodate these changes, the CDE plans to modify CALPADS to implement and maintain a process to upload student enrollment data from CALPADS to the new test registration system on a daily basis. CDE is working to develop a plan to implement these changes in CALPADS.
4. K–12 High Speed Network

In 2000, the Corporation for Education Network Initiatives in California (CENIC), an independent non-profit chartered by Stanford University, the University of California (UC), The California State University, the California Institute of Technology, the California Community Colleges, and the University of Southern California began development of the Digital California Project, an initiative designed to bring high-performance, advanced-services network capacity to California's K–12 schools. The resulting network, applicable to K–12 participants, is known as the K–12 High Speed Network (K12HSN). State funding for the K12HSN was initiated in the 2000–01 fiscal year, with a $32 million appropriation to the UC to contract with CENIC to develop and administer the network.

In 2004–05, the Governor’s Administration proposed shifting the cost of the K–12 portion of the program from UC's budget to Proposition 98 funds and allocated $21 million (Proposition 98) for the K12HSN in the 2004–05 Budget Act. In response, the Legislature inserted budget bill language that required the CDE to provide a grant to a lead county office of education to provide K–12 high-speed Internet connectivity and network infrastructure for LEAs.

In 2004, the Imperial County of Education was selected to administer the K12HSN. The K12HSN's objective pursuant to California Education Code Section 11800 is to provide the following: (1) reliable and cost-effective internet service; (2) reliable and secure interconnectivity among K–12 entities in California, connection to higher education institutions of California, and connection to state and local agencies to facilitate efficient interaction, including transmission of data; (3) videoconferencing and related distance learning capabilities; and (4) statewide coordination of network uses to benefit teaching and learning.

The K12HSN Advisory Board meets on a quarterly basis and is composed of the following members pursuant to California Education Code Section 11800: (1) the State Superintendent of Public Instruction or his or her designee; (2) the county superintendent of schools of the lead educational agency; (3) a county superintendent of schools of a county with an average daily attendance of more than 60,000 pupils; (4) three school district superintendents; (5) two county superintendents of school appointed by the majority of votes of all of the county superintendent of schools; (6) Three school site representatives, which shall include not less than two classroom teachers or instructional specialists; and (7) the Secretary for Education, or his or her designee.

In September 2013, the CDE held a meeting with representatives from the K12HSN and key stakeholders (CENIC staff and CCESSA representatives) to determine the current utilization of network bandwidth at the school, district, and county office of education levels of the network. The CDE and K12HSN are jointly working to continue to address identified network challenges that have been present since 2004, including last-mile infrastructure, technical expertise, funding, sustainability, and resiliency.
5. Bandwidth Testing

The CDE is discussing with representatives from the EducationSuperHighway bandwidth testing at schools in California through the SchoolSpeedTest (SST) program. The EducationSuperHighway, a nonprofit organization based in California focused on ensuring that schools have reliable, high capacity (100 Megabytes per second or greater) Internet access. With the SST, LEA staff and students would test the bandwidth by logging onto the SST tool on the EducationSuperHighway Web site during a month-long period. At the conclusion of the SST, the CDE would be expected to have another measure of the LEAs bandwidth. Additional information on the SST is available on the EducationSuperHighway Web site at http://www.educationsuperhighway.org/index.html.

6. Smarter Balanced Assessments Hosting Analysis

Each member of the Smarter Balanced consortium will be responsible for hosting the Smarter Balanced assessment delivery for their individual state. (See the Smarter Balanced California Logical Hosting Diagram on the following page.) Included in the state hosted requirements are item scoring, test delivery, test administration, test registration, and an adaptive engine. In order to review the potential hosting alternatives which begin with spring 2015 assessment, the CDE contracted with Sabot Technologies to conduct an analysis on the alternatives, costs, and recommendations for hosting the Smarter Balanced assessment delivery. Six options for hosting were reviewed: (1) hosting at CDE; (2) hosting at the Office of Technology Agency (on the floor); (3) hosting at the Office of Technology Agency (in the cloud); (4) hosting at one or more nodes on the K12HSN; (5) hosting by a yet-to-be-determined vendor; and (6) a combination of the aforementioned options. The analysis found that the only currently viable alternative is by vendor. The results of the report by Sabot Technologies will be used to develop risk management and mitigation strategies, vendor Requests for Submission, and other hosting related solicitations.
**Smarter Balanced CA Logical Hosting Diagram**

**Consortium Hosted**

- **Item Bank** (author, approve, versions, etc.)
  - Operational Items

- **Test Bank** (blueprints, test items, etc.)
  - Pools of items packaged into tests

- **Data Warehouse**

- **Reporting**

**State Hosted**

- **Item Scoring** (Machine, Artificial Intelligence, Hand)
  - Determine next set of items

- **Test Delivery**
  - Scheduled tests
  - Items
  - Responses

- **Test Admin** (scheduling)
  - Eligible students

- **Test Registration**

**CALPADS Data System**

**District SIS**

**Student-level** and aggregated Web-based reports

*Student-level reports will be generated by Consortium if State allows student PII data to be stored at Consortium. Otherwise, State will host an instance of the Data Warehouse and Reporting components.*

**Detailed Information**

- **Operational Items**
  - Item Bank
  - Test Bank
  - Data Warehouse
  - Reporting

- **Item Scoring**
  - Test Delivery
  - Test Admin
  - Test Registration

- **Logical Hosting**
  - Consortium Hosted
  - State Hosted

- **Hosted at a State data center or Smarter Balanced-certified vendor using open source versions of components.**
## SUBJECT

Amendment to the Educational Testing Service contract to implement the California Measurement of Academic Performance and Progress.

<table>
<thead>
<tr>
<th></th>
<th>Action</th>
<th>Information</th>
<th>Public Hearing</th>
</tr>
</thead>
</table>

## SUMMARY OF THE ISSUE(S)

California *Education Code (EC)* Section 60643 stipulates that the California Department of Education (CDE) shall develop and the State Board of Education (SBE) shall approve the Standardized Testing and Reporting (STAR) Program contract and allows the CDE to develop the contract through negotiations with the publisher.

Per the contract scope of agreement approved by the SBE in March 2006, the CDE and Educational Testing Service (ETS) may make non-material, technical changes to the scope of work that have no costs associated with them, and that the CDE and ETS may make substantive changes to the scope of work that have no costs associated with them provided that the ETS Program Director, the SBE President, and the State Superintendent of Public Instruction agree to them.

Any changes to the contract that result in additional costs beyond the amounts set forth in the state budget each fiscal year are not valid without prior approval by the Department of Education and the SBE.

## RECOMMENDATION

The CDE recommends that the SBE approve an amendment to the STAR Program contract with ETS and direct CDE and SBE staff to work with ETS in the modification of the scope of work, timeline, and budget for the 2014 test administration.

## BRIEF HISTORY OF KEY ISSUES

Assembly Bill 484 (Bonilla) removed provisions establishing the STAR Program and established the California Measurement of Academic Performance and Progress
(CalMAPP), commencing with the 2013–14 school year, for the assessment of certain elementary and secondary pupils. CalMAPP is currently composed of a consortium summative assessment in English language arts and mathematics for grades 3 to 8, and grade 11; science grade level assessments in grades 5, 8, and 10; the California Alternate Performance Assessment in grades 2 to 11, in English language arts and mathematics and science in grades 5, 8, and 10; and the Early Assessment Program in English language arts and mathematics in grade 11. The proposed scope of work will be provided as an Item Addendum (Attachment 1).

**SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION**

**March 2012:** The SBE heard discussion and approved agreed-upon amendments to the STAR Program contract to implement enhancements to the STAR Program that supported the state’s transition activities to the common core state standards and a new assessment system.

**July 2010:** The SBE approved an extension to the current STAR contract with ETS to December 31, 2013, with the caveat that ETS restore the grade four writing component to the ELA CST and CMA tests with no further compensation as well as develop a longitudinal growth model at no additional cost to the state. The two-year contract extension covers the 2012 and 2013 test administrations.

**September 2009:** The SBE approved an amendment to the STAR Program contract with ETS to modify the scope of work, timeline, and budget through negotiations with ETS, SBE staff, SBE testing liaisons, and the CDE to address a $6,534,000 reduction in the 2009–10 General Fund appropriation for the STAR Program contract.

**September 2008:** The SBE approved a two-year extension of the STAR Program contract with ETS for the 2010 and 2011 test administrations.

**November 2005:** The SBE accepted the recommendation of the State Superintendent of Public Instruction to designate ETS as the STAR contractor and approved the resulting negotiated contract in March 2006.

**FISCAL ANALYSIS (AS APPROPRIATE)**

The funding for the STAR Program is an annual budget appropriation. The funding necessary for the current contract is included in current fiscal year budget act.

**ATTACHMENT(S)**

Attachment 1: Proposed Amendment to the Standardized Testing and Reporting Program Contract will be provided as an Item Addendum.
CALIFORNIA STATE BOARD OF EDUCATION

NOVEMBER 2013 AGENDA

SUBJECT

Approval of the Incorporation of Graduation Data in the Academic Performance Index and an Update on the California Department of Education’s Work Plan and Process for Revising the Academic Performance Index Consistent with Education Code Sections 52052 through 52052.9.

SUMMARY OF THE ISSUE(S)

This is the fifth in a series of updates to the State Board of Education (SBE) regarding the Academic Performance Index (API) activities related to the implementation of California Education Code (EC) sections 52052 through 52052.9. The California Department of Education (CDE) will provide a brief update on the progress made toward implementing the main components of California EC sections 52052 through 52052.9 as amended by Senate Bill (SB) 1458 (Steinberg).

RECOMMENDATION

The CDE recommends that the SBE approve the Public Schools Accountability Act (PSAA) Advisory Committee’s recommended methodology for incorporating graduation data in the API. The methodology is outlined below:

- Incorporate graduation data in the same way that assessment results are now included in the API which is at the student level. Students in the four-year graduation cohort will be assigned various API points pending their identification within the following four graduation statuses:
  - Four-Year Graduation with Diploma: 1000 points
  - Special Education Certificate Recipient: 1000 points
  - High School Equivalency Test: 800 points
  - Non-Graduate: 200 points

The proposed assignment of 1000 API points for students who earn a Special Education certificate is supported by the Advisory Commission on Special Education (ACSE), which is reflected in a formal recommendation made at their August 2013 meeting.
The recommended methodology also includes a bonus point structure at the schoolwide level which provides additional points to four-year graduates who are identified for specific programs. Four-year graduates who are identified in more than one program may earn bonus points more than once. Each identified program is worth 50 bonus points each which allows a maximum of 150 bonus points to be earned by a graduate. The identified programs are:

- English learner (EL): 50 points
- Student with disabilities (SWD): 50 points
- Socioeconomically disadvantaged (SED): 50 points

In January, the CDE will provide the SBE with timeline options for implementing the incorporation of the graduation data in the API.

**BRIEF HISTORY OF KEY ISSUES**

Currently, the API is based only on statewide assessment results: the Standardized Testing and Reporting (STAR) Program and the California High School Exit Examination (CAHSEE). SB 1458 changes the composition of the API for high schools beginning with the 2015–16 API reporting cycle (i.e., the 2015 Base API and the 2016 Growth API), when statewide assessment results may not constitute more than 60 percent of a high school’s API. The remaining 40 percent must be based on other indicators, such as graduation data and college and career readiness.

When the PSAA was established in 1999 and created the API, legislation stated that the API shall consist of a variety of indicators, including, but not limited to, graduation rates for pupils in secondary schools (California EC Section 52052[a][4]). At that time, the PSAA Advisory Committee concluded that it would not be possible to add graduation data until the California School Information Services (CSIS) was fully implemented.

In 2009, CSIS transitioned into the California Longitudinal Pupil Achievement Data System (CALPADS). CALPADS allows for a system that collects student-level data, such as individual student enrollment, demographics, and program participation. With the confidence that the CALPADS contains reliable, valid, and staple graduation data, and with the requirement to include additional indicators by 2015–16, the CDE began discussions in 2012 with the PSAA Advisory Committee and the Technical Design Group (TDG) regarding methodologies for incorporating graduation data in the API.

The PSAA Advisory Committee discussed various methods for incorporating graduation data into the API. All methods considered assigning points to students based on graduation status and included a provision to assign bonus points at the schoolwide level for graduating ELs, SEDs, or SWDs.

At the June 25, 2013 PSAA Advisory Committee meeting, the committee members approved a methodology for incorporating graduation data in the API. The PSAA Advisory Committee’s recommended methodology is detailed in Attachment 1.
The decision was supported by API simulations completed by CDE staff; regional meetings held by the CDE; and a statewide survey completed by school, district, and county administrators; staff; parents; teachers; students; organizations; and other interested parties.

The PSAA Advisory Committee’s recommended methodology is supported by responses received from the statewide survey. At least 80 percent of respondents supported a bonus point structure for ELs, SEDs, and SWDs; assigning 1000 points for students who graduate with a four-year diploma, giving credit to students who pass the high school equivalency test; and giving credit to students who earn a Special Education Certificate. In order to accurately report on the progress of closing the achievement gap, bonus points will not be assigned at the student group level. Attachment 2 contains the results from the statewide survey.

In addition to the recommended methodology, the PSAA Advisory Committee also recommends incorporating graduation data beginning with the 2013–14 API reporting cycle (i.e., 2013 Base API [released in the spring of 2014] and 2014 Growth API). This recommendation is also supported by responses received from the statewide survey. The CDE asked school, district, or county administrators, whether they preferred to implement these new API indicators gradually or all-at-once. Of the 694 responses to this question, 65 percent indicated support for a gradual three-year implementation plan while 35 percent indicated support for an all-at-once implementation plan (See Attachment 2).

Furthermore, the PSAA Advisory Committee’s recommendation is to initially include the graduation data at the relatively low weight of 10 percent. This weight may be considered for increase in the future when at least 40 percent of the API must be based on non-assessment indicators. At a future SBE meeting, the CDE will recommend how much weight to assign the graduation data.

The PSAA Advisory Committee met September 6, 2013 to review the accountability indicators of several other states and survey results regarding the incorporation of the college and career indicator in the API. In addition, Michal Kurlaender and Jake Jackson from the U.C. Davis School of Education presented information on school level indicators of college readiness and Patrick Ainsworth presented on the work that the Smarter Balanced Assessment Consortium (SBAC) is undertaking regarding college and career readiness. The committee will meet on October 22, 2013 to continue the discussion surrounding the inclusion of a college and career indicator and other possible indicators in the API. Attachment 2 provides a proposed work plan for the PSAA Advisory Committee.

**SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION**

In July 2013, the CDE provided the SBE an update on the progress made toward implementing components identified in SB 1458, including results of public input.
received at regional meetings. These regional meetings were held to seek feedback from the public and stakeholders on new high school accountability requirements for the API.

In March 2013, the SBE approved eliminating the requirement that the performance levels of students in grades eight and nine taking the General Mathematics California Standards Test (CST) be lowered by one or two performance levels, respectively, for inclusion into the 2012 Base API. This decision was implemented in the 2012 Base API Report released to the public on May 24, 2013, and will be reflected in the 2013 Growth API scheduled to be released in September 2013.

In January 2012, the SBE approved proposed amendments to California Code of Regulations, Title 5 (5 CCR) sections 1039.2 and 1039.3 which defined continuous student enrollment for accountability purposes and required assessment results from an alternative education program to be assigned to the school/local educational agency of residence under specific circumstances. These regulations became operative on May 2, 2012.

FISCAL ANALYSIS (AS APPROPRIATE)

The 2013 State Budget provides the CDE with two positions to support the implementation of SB 1458 and the redesign of the API. Although the Analysis, Measurement, and Accountability Reporting Division (AMARD) has begun the work associated with implementing SB 1458, the majority of the work (e.g., researching college and career measures, running simulations, etc.) will be completed by staff filling the two budgeted positions.

Costs associated with incorporating graduation data in the API are included in the AMARD’s budget.

ATTACHMENT(S)

Attachment 1: Recommended Methodology to Incorporate Graduation Data in the Academic Performance Index (2 Pages)

Attachment 2: Results of Statewide Survey Regarding Incorporation of Graduation Data in the Academic Performance Index (2 Pages)

Attachment 3: Proposed Work Plan for the Public Schools Accountability Act Advisory Committee (2 Pages)
At their June 25, 2013 meeting, the Public Schools Accountability Act (PSAA) Advisory Committee recommended a structure that assigns Academic Performance Index (API) points at the student level pending their graduation status. The table below identifies the various API points that may be earned by students who fall into four graduation statuses:

**Recommended API Point Structure**

<table>
<thead>
<tr>
<th>4-Year Graduate with Diploma (includes CHSPE*)</th>
<th>Special Education Certificate</th>
<th>High School Equivalency Test</th>
<th>Non-Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1000</td>
<td>800</td>
<td>200</td>
</tr>
</tbody>
</table>

* California High School Proficiency Examination

The PSAA Advisory Committee elected to incorporate graduation data in the same way that assessment results are now included in the API which is at the student-level. Graduation data would be added to the API using individual student performance data similar to the method used for converting assessment results to API points.

Students considered for the graduation indicator are all students who belong to the four-year graduation rate cohort. A high school graduate is defined as a student who has received a diploma or who passed both parts of the CHSPE. Students who pass the high school equivalency test or earn a Special Education Certificate are included in the total cohort count but are counted separately from students who earn a diploma.

- **Special Education Certificate Recipients:** The proposed assignment of 1000 API points for students who earn a Special Education Certificate is in alignment with a formal recommendation made by the Advisory Commission on Special Education (ACSE) at their August 2013 meeting.

- **High School Equivalency Test:** While the PSAA Advisory Committee recommends assigning 800 API points for students who pass the current high school equivalency test, the committee also proposes to re-evaluate these points (possibly increase to 1000) once the new high school equivalency test is made available statewide. The new assessment is purported to be more rigorous and will provide results comparable to a high school equivalency credential.

The recommended methodology also includes a bonus point structure at the schoolwide level which provides additional points to any four-year graduates who are identified for specific programs. The identified programs are:
• English learner (EL)
• Student with disabilities (SWD)
• Socioeconomically disadvantaged (SED)

Four-year graduates who are identified as EL, SWD, and/or SED at any time in grades nine through twelve will remain in that student group for the calculation of the graduation indicator. Students still classified as SWDs at the completion of grade twelve, who have not graduated or received a certificate, will be removed from the four-year cohort and added to the five- or six-year cohort when they graduate, receive a certificate, or leave school. Therefore, full credit is given to fifth and sixth year SWD graduates.

The bonus structure is detailed in the table below:

<table>
<thead>
<tr>
<th>4-Year Graduate with Diploma</th>
<th>Bonus Points Added</th>
<th>Maximum API Points Earned*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>EL 50</td>
<td>1150</td>
</tr>
<tr>
<td></td>
<td>SWD 50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SED 50</td>
<td></td>
</tr>
</tbody>
</table>

* Schoolwide APIs capped at 1000 points.

Four-year graduates who are identified for more than one program may earn bonus points more than once. For example, a student who is identified as both EL and SED may earn 100 API bonus points at the schoolwide level; a student who is identified for all three programs may earn 150 API bonus points at the schoolwide level. However, since the API is based on a range from 200 to 1000 points, the schoolwide APIs will be capped at 1000 points so that API scores cannot exceed 1000 points. In order to accurately report on the progress of closing the achievement gap, bonus points will not be assigned at the student group level.
### Results of Statewide Survey Regarding Incorporation of Graduation Data in the Academic Performance Index

<table>
<thead>
<tr>
<th>Organization/Affiliation/Job Type</th>
<th>Number of Responders</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent or Guardian</td>
<td>153</td>
<td>8.66%</td>
</tr>
<tr>
<td>Teacher (K-8)</td>
<td>107</td>
<td>6.06%</td>
</tr>
<tr>
<td>Teacher (9-12)</td>
<td>490</td>
<td>27.75%</td>
</tr>
<tr>
<td>School Administrator</td>
<td>359</td>
<td>20.33%</td>
</tr>
<tr>
<td>Other School Staff Member</td>
<td>92</td>
<td>5.21%</td>
</tr>
<tr>
<td>School Board Member</td>
<td>13</td>
<td>0.74%</td>
</tr>
<tr>
<td>District Administrator</td>
<td>283</td>
<td>16.02%</td>
</tr>
<tr>
<td>County Office of Education Administrator</td>
<td>52</td>
<td>2.94%</td>
</tr>
<tr>
<td>Other District/County Staff Member</td>
<td>52</td>
<td>2.94%</td>
</tr>
<tr>
<td>California Department of Education Staff</td>
<td>8</td>
<td>0.45%</td>
</tr>
<tr>
<td>Advocacy Group or Organization</td>
<td>43</td>
<td>2.43%</td>
</tr>
<tr>
<td>Other</td>
<td>114</td>
<td>6.46%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,766</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### Graduation Questions

<table>
<thead>
<tr>
<th>Graduation Questions</th>
<th>Total Number of Responses</th>
<th>Support %</th>
<th>Oppose %</th>
<th>Don’t Know %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you support providing high schools with the highest Academic Performance Index (API) point value (i.e., 1000 points) for students who earn a four-year high school diploma?</td>
<td>1,756</td>
<td>86.28%</td>
<td>9.85%</td>
<td>3.87%</td>
</tr>
<tr>
<td>Do you support providing high schools with extra API points for graduating disadvantaged students in four years? (A disadvantaged student is defined as low-income, English learner, or student with disabilities.)</td>
<td>1,753</td>
<td>81.86%</td>
<td>15.29%</td>
<td>2.85%</td>
</tr>
<tr>
<td>Do you support providing high schools with credit for students who pass the General Educational Development (GED) Test, but do not graduate?</td>
<td>1,753</td>
<td>70.80%</td>
<td>24.30%</td>
<td>4.90%</td>
</tr>
<tr>
<td>Do you support providing high schools with credit for students who earn a special education certificate of completion, but do not graduate? Certificates are given to students who are unable to meet graduation requirements, but meet the goals outlined in their Individualized Education Program (IEP).</td>
<td>1,752</td>
<td>84.48%</td>
<td>12.67%</td>
<td>2.85%</td>
</tr>
</tbody>
</table>
There are two proposed timeline for incorporating new indicators into the high school API. Three respondents (school, district, and county offices administrators) were asked which API implementation timeline they prefer (all-at-once or gradual implementation).

Results of Preferred Implementation Timeline for New Indicators in the API

Gradual
65%

All-At-Once
35%
## Proposed Work Plan for the Public Schools Accountability Act Advisory Committee

<table>
<thead>
<tr>
<th>Meeting Date</th>
<th>Topic</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 6, 2013</td>
<td>• Review alternatives to decile ranks</td>
<td>No action required</td>
</tr>
<tr>
<td></td>
<td>• Presentations on indicators used by other states, school level</td>
<td></td>
</tr>
<tr>
<td></td>
<td>college readiness indicators, and Smarter Balanced Assessment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Consortium (SBAC) work on college and career readiness</td>
<td></td>
</tr>
<tr>
<td>October 22, 2013</td>
<td>• Consideration of possible measures for college</td>
<td>Determine which college measures need additional research</td>
</tr>
<tr>
<td></td>
<td>and career indicator (CCI)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Presentation of some proposed non-CCI indicators (e.g., physical</td>
<td>No action required</td>
</tr>
<tr>
<td></td>
<td>fitness, visual and performing arts, etc.)</td>
<td></td>
</tr>
<tr>
<td>December 9, 2013</td>
<td>• Review research on some college measures for CCI based on October</td>
<td>Determine which college measures should be included in</td>
</tr>
<tr>
<td></td>
<td>decision</td>
<td>CCI simulations</td>
</tr>
<tr>
<td></td>
<td>• Continue discussion on career readiness</td>
<td>Determine which career measures need additional research</td>
</tr>
<tr>
<td></td>
<td>• Review options for calculating a high school Academic Performance</td>
<td>Recommend to the Superintendent whether to suspend or</td>
</tr>
<tr>
<td></td>
<td>School Exit Examination (CAHSEE) and life science</td>
<td>school years</td>
</tr>
<tr>
<td>February 2014</td>
<td>• Continue to review research on CCI college/career measures based on</td>
<td>Determine which CCI measures should be included in</td>
</tr>
<tr>
<td></td>
<td>October and December decisions</td>
<td>simulations</td>
</tr>
<tr>
<td></td>
<td>• Review simulation of college measures based on December decisions</td>
<td>No action required</td>
</tr>
<tr>
<td></td>
<td>• Presentation of more proposed non-CCI indicators</td>
<td>No action required</td>
</tr>
<tr>
<td>Meeting Date</td>
<td>Topic</td>
<td>Action</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>April 2014</td>
<td>• Continue to review research of career measures based on December decisions</td>
<td>Determine which career measures should be included in simulations</td>
</tr>
<tr>
<td></td>
<td>• Continue to review simulation based on February decisions</td>
<td>No decision required</td>
</tr>
<tr>
<td>June 2014</td>
<td>• Continue to review simulations based on April decisions</td>
<td>No Decision required</td>
</tr>
<tr>
<td></td>
<td>• Presentation of Non-CCI measures</td>
<td>Determine which non-CCI indicators need additional research</td>
</tr>
<tr>
<td>August 2014</td>
<td>• Consideration of CCI indicators for the API based on simulations</td>
<td>Recommend to the Superintendent which measures should be included in the CCI—anticipate State Board of Education (SBE) item in November 2014</td>
</tr>
<tr>
<td></td>
<td>• Begin reviewing research on non-CCI measures</td>
<td>No action required</td>
</tr>
</tbody>
</table>
ITEM 11
SUMMARY OF THE ISSUE(S)

California Education Code (EC) Section 52055.57(c) states that a local educational agency (LEA) that has been identified for corrective action under the federal Elementary and Secondary Education Act (ESEA) of 2001 shall be subject to one or more sanctions (identified in this EC Section), as recommended by the State Superintendent of Public Instruction (SSPI) and approved by the State Board of Education (SBE).

Historically, the California State Board of Education (SBE) has required each of the LEAs subject to Program Improvement (PI) Corrective Action to institute and fully implement the standards-based/standards aligned curriculum and associated professional development (labeled as Corrective Action 6). However, the landscape of California educational policy, practice, and student achievement has changed significantly since 2007–08. The adoption of the Common Core State Standards (CCSS) and a significant state appropriation to support their implementation is equivalent to a statewide adoption of Corrective Action 6. As a result, this item requests the SBE establish the appropriate sanction to be assigned to any LEAs identified for corrective action in 2013–14.

RECOMMENDATION

The California Department of Education (CDE) recommends that the SBE consider assigning the sanction delineated in California EC Section 52055.57(c)(7), instead of the sanction described in California EC Section 52055.57(c)(6), the sanction initially imposed for the 328 LEAs that have advanced to PI Year 3 Corrective Action since 2007–08. See Attachment 1 for the relevant EC and list of sanction options.

The CDE recommends that in the absence of the reauthorization of the ESEA, and in light of recent California academic, programmatic and state policy changes, the SBE should consider establishing the following sanction:

- The PI Year 3 sanction will be defined in 2013–14 as requiring an LEA assigned to corrective action to continue to reserve an amount equal to 10 percent of its
Title I allocation to provide professional development for teachers to strengthen the academic achievement of the LEA’s students determined to be in greatest need of assistance. This 10 percent reservation is a continuation of the mandated reservations for all LEAs identified for improvement in PI Years 1 and 2. As defined in the 2012 General Assurances for Program Improvement Local Educational Agencies Corrective Action Resources, professional development includes, but is not limited to, professional development focused on standards-based/standards-aligned instruction and materials, implementation of CCSS, and use of effective instructional strategies.

In January 2014, the CDE will provide a specific recommendation to assign corrective action for any LEAs identified for PI Corrective Action, authorizing technical assistance as required by ESEA Section 1116(c)(10)(B) and providing funds for any Cohort 7 PI Year 3 LEA in corrective action with PI schools.

HISTORY OF KEY ISSUES

The key issues underlying the recommendation for a change in assignment of sanction are included in Attachment 2.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

The SBE has initially assigned California EC Section 52055.57(c)(6) as the sanction, and provided associated technical assistance and fiscal resources to six previous PI Year 3 cohorts at meetings occurring in March 2008, November 2008, January 2010, March 2010, March 2011, November 2011, and November 2012.

FISCAL ANALYSIS (AS APPROPRIATE)

The California State Budget for 2013, Assembly Bill 110, Item 6110-134-0890, Schedule (2), appropriated approximately $31 million for LEAs in corrective action. California EC Section 52055.57(d) provides a formula to allocate $150,000 per PI school for LEAs with intense performance problems, $100,000 per PI school for LEAs with moderate performance concerns, and $50,000 per PI school for LEAs with minor or isolated (light) performance concerns. No fiscal resources are identified for LEAs in PI Corrective Action that do not have any schools in PI.

ATTACHMENT(S)

Attachment 1: Elementary and Secondary Education Act and California Education Code Requirements for Local Educational Agencies in Program Improvement Corrective Action (1 Page)

Attachment 2: Key Issues Underlying the Recommendation for a Change in Assignment of Sanctions for Local Educational Agencies in Program Improvement Corrective Action as Required by the Elementary and Secondary Education Act and California Education Code (5 Pages)
Elementary and Secondary Education Act and California Education Code
Requirements for Local Educational Agencies in
Program Improvement Corrective Action

In accordance with Elementary and Secondary Education Act (ESEA) Section 1116(c)(10)(C) and California Education Code (EC) Section 52055.57(c), any local educational agency (LEA) that has been identified for corrective action under the 2001 authorization of the ESEA shall be subject to one or more of the following sanctions as recommended by the State Superintendent of Public Instruction (SSPI) and approved by the State Board of Education (SBE):

1. Replacing LEA personnel who are relevant to the failure to make Adequate Yearly Progress (AYP).

2. Removing schools from the jurisdiction of the LEA and establishing alternative arrangements for the governance and supervision of those schools.

3. Appointing, by the SBE, a receiver or trustee to administer the affairs of the LEA in place of the county superintendent of schools and the governing board.

4. Abolishing or restructuring the LEA.

5. Authorizing pupils to transfer from a school operated by the LEA to a higher performing school operated by another LEA, and providing those pupils with transportation to those schools, in conjunction with carrying out not less than one additional action described in this list of allowable corrective actions.

6. Instituting and fully implementing a new curriculum that is based on state academic content and achievement standards, including providing appropriate professional development based on scientifically based research for all relevant staff that offers substantial promise of improving educational achievement for high-priority pupils.

7. Deferring programmatic funds or reducing administrative funds.
Key Issues Underlying the Recommendation for a Change in Assignment of
Sanctions for Local Educational Agencies in Program Improvement Corrective
Action as Required by the Elementary and Secondary Education Act and
California Education Code

The 2001 reauthorization of the Elementary and Secondary Education Act (ESEA) was
followed by subsequent supporting California legislation (Assembly Bill 2066, 2004; AB
953, 2005; Senate Bill 1852, 2006; and AB 519, 2008). The initial cohort of 97 local
educational agencies (LEAs) that entered Program Improvement (PI) Year 3 in 2007–08
had significantly fewer students who were proficient in English-language arts (ELA) and
mathematics than the LEAs which will enter PI Year 3 in 2013. In addition, significant
curricular, instructional, assessment, and fiscal changes have been made in the past six
years, which argue for a change in assignment of sanctions to LEAs in PI Year 3.

Key issues are discussed below.

To date, ESEA has not been reauthorized by Congress, thus continuing the
mandate that every student be academically proficient by 2014.

The California Academic Accountability Workbook, submitted initially in 2002, outlined a
federally required trajectory of expected LEA Adequate Yearly Progress (AYP)
performance between 2002 and 2014, when all California students are expected to be
100 percent proficient in ELA and mathematics. Absent the reauthorization of ESEA, the
expectation of all California students to be proficient by June 2014 remains. As a result,
virtually all LEAs currently receiving Title I funds will potentially be in “improvement” or
“corrective action” at that time.

The graphs below illustrate the target changes over time for unified school districts and
the expectation for 100 percent proficiency in 2014.
California student achievement is improving statewide.

The statewide percent proficient for all students on the 2008 AYP report for ELA increased from 48.2 percent to 56.7 percent proficient in the 2013 AYP report.

The statewide percent proficient for all students on the 2008 AYP report for mathematics increased from 51.0 percent to 59.8 percent proficient in the 2013 AYP report.

Looking at the PI Year 3 LEAs, student achievement in the initial cohort of LEAs in PI Year 3 Corrective Action (Cohort 1) was substantially lower than student achievement in LEAs to be prospectively identified in PI Year 3 Cohort 7, based upon their initial AYP scores. (See Table 1.)

Table 1

| Comparison of Academic Percent Proficiency for students in PI Year 3 Cohort 1 LEAs (2008), Students in Prospective PI Year 3 Cohort 7 LEAs, and statewide averages for 2008 and 2013 |
|-------------------------------------------------|--------------|--------------|-------------|
| Average Percent Proficient                      | 2008         | 2013         | Difference  |
| LEAs in PI Year 3: ELA Results                   | 37.0%        | 66.1%        | +29.1%      |
| LEAs in PI Year 3: Mathematics Results           | 42.1%        | 67.6%        | +25.5%      |
| Statewide ELA Results (Grades 2–8 and Grade10)   | 48.2%        | 56.7%        | +8.4%       |
| Statewide: Mathematics Results (Grades 2–8 and Grade10) | 51.0%      | 59.8%        | +8.5        |

Note that the average ELA percent proficient for prospective LEAs in PI Year 3 in 2013 of 66.1 percent is higher than the statewide average for all LEAs at 56.7 percent; the average mathematics percent proficient for the same LEAs is 67.6 percent, and is also higher than the statewide average for all LEAs at 59.8 percent.

Expectations for student mastery of the Common Core State Standards (CCSS) and preparations for use of a new assessment system are underway statewide, thereby reducing the value of CCSS implementation as part of a Title I sanction.

The programmatic and policy landscape has changed significantly since passage of the 2001 authorization of ESEA. While collective rewards and sanctions have been documented as effective\(^1\), consequential accountability needs to be differentiated and supported with promising interventions and technical assistance\(^2\). Technical assistance

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is critical to spur student achievement. California has recently undertaken major activities to strengthen student achievement through adoption and implementation of CCSS, alignment of academic assessments with CCSS, and systemic professional development supports to help implement standards-based teaching and learning.

California is a leader in the implementation of CCSS and the Smarter Balanced Assessment Consortium; these reforms refine and extend the previously assigned PI Year 3 Corrective Action 6 requirement to implement State Board of Education (SBE) - adopted and approved curricula to a statewide requirement for all LEAs, supported by a significant state appropriation.

- California adopted CCSS in 2010 and has recently adopted the Next Generation Science Standards and the College and Career Readiness Anchor Standards, forming the basis for a new curriculum in K–12 classrooms.

- The State is supporting implementation of CCSS with a 2013 appropriation of $1.25 billion in one-time funds ($1 billion in 2012–13 and $250 million in 2013–14) to support the implementation of CCSS. Allowable expenditures include instructional materials, professional development, and technology. Funds will be distributed to school districts, county offices of education, charter schools, and state special schools based on prior year enrollment. (See Section 85 of AB 86 [Chapter 48, Statutes of 2013]).

- California is a governing state in the Smarter Balanced Assessment Consortium and will maximize field testing the Smarter Balanced Assessments in 2013–14.

Taken together, the State is poised to fully implement CCSS, supporting classroom teachers in CCSS contents and assessments. Any sanction of local school districts needs to encourage implementation of these activities and target resources to students determined to be most in need of support.

**Academic achievement gap continues to persist.**

The statewide academic achievement gains described in Table 2 are not consistent across student sub-groups. While student performance has improved, disparities in student academic achievement persist. (See Table 2.)

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A comparison of student sub-group scores for students in PI Year 3 Cohort 1 in 2008 and in students in potential PI Year 3 Cohort 7 LEAs in 2013 reflects this disparity. Student sub-group performance in Cohort 7 is improved compared to the Cohort 1 student sub-group performance, although all other student subgroups are less proficient than the white student sub-group. (See Table 2.)

### Table 2

<table>
<thead>
<tr>
<th>Student Sub-Group</th>
<th>2008 Cohort 1 ELA Results</th>
<th>2013 Cohort 7 ELA Results</th>
<th>Difference between White Percent Proficient of 60.6%</th>
<th>Difference between White Percent Proficient of 73.6%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent Proficient</td>
<td>Percent Proficient</td>
<td></td>
<td></td>
</tr>
<tr>
<td>African American</td>
<td>31.1</td>
<td>52.5</td>
<td>-29.5</td>
<td>-21.1</td>
</tr>
<tr>
<td>Hispanic</td>
<td>31.0</td>
<td>51.3</td>
<td>-29.6</td>
<td>-22.3</td>
</tr>
<tr>
<td>Socioeconomically Disadvantaged</td>
<td>30.8</td>
<td>51.2</td>
<td>-29.8</td>
<td>-22.4</td>
</tr>
<tr>
<td>English Learner</td>
<td>24.2</td>
<td>47.2</td>
<td>-36.4</td>
<td>-26.4</td>
</tr>
<tr>
<td>Students with Disabilities</td>
<td>17.1</td>
<td>42.4</td>
<td>-43.5</td>
<td>-31.2</td>
</tr>
</tbody>
</table>

The California Department of Education is recommending that the SBE assign Sanction 7 for all Cohort 7 Corrective Action LEAs. The recommended definition of the sanction requires an LEA in Corrective Action to continue to reserve an amount equal to 10 percent of its Title I allocation to provide professional development for teachers to strengthen the academic achievement of the LEA’s students determined to be in greatest need of assistance.

The other possible sanctions delineated in EC Section 52055.57(c) are not a “good fit” for LEAs prospectively identified as in PI Year 3 Cohort 7. These LEAs have consistently met or exceeded AYP and Academic Performance Index (API) targets for most of the past decade, until the escalating federal AYP targets outlined in the preceding graphs eventually caused the LEAs to be identified for PI, and ultimately, corrective action.

The change of the recommended corrective action sanction for LEAs in PI Year 3 in 2013–14 is to direct funds for the provision of professional development rather than duplicate the statewide efforts of implementing CCSS. The academic achievement of students determined to be in the greatest need of assistance will be strengthened through targeted professional development for their teachers. Continued professional development as a result of a refined definition of Sanction 7 is the most preferable of the
available corrective action sanctions and most likely to assist those students with the greatest academic need.
ITEM 12
CALIFORNIA STATE BOARD OF EDUCATION

NOVEMBER 2013 AGENDA

SUBJECT
STATE BOARD PROJECTS AND PRIORITIES.
Including, but not limited to, future meeting plans; agenda items; and officer nominations and/or elections; State Board office budget, staffing, appointments, and direction to staff; declaratory and commendatory resolutions; Bylaw review and revision; Board policy; approval of minutes; Board liaison reports; training of Board members; and other matters of interest.

SUMMARY OF THE ISSUE(S)

1. SBE Draft Preliminary Report of Actions/Minutes for the September 4, 2013 meeting

2. Board member liaison reports

RECOMMENDATION(S)

The SBE staff recommends that the SBE approve the Preliminary Report of Actions/Minutes for the September 4, 2013 meeting. (Attachment 1)

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

At each regular meeting, the SBE has traditionally had an agenda item under which to address “housekeeping” matters, such as agenda planning, non-closed session litigation updates, non-controversial proclamations and resolutions, bylaw review and revision, Board policy; Board minutes; Board liaison reports; and other matters of interest. The State Board has asked that this item be placed appropriately on each agenda.

FISCAL ANALYSIS (AS APPROPRIATE)

Not applicable.

ATTACHMENT(S)

Attachment 1: State Board of Education Draft Preliminary Report of Actions/Minutes for the September 4, 2013 meeting (18 Pages) may be viewed at the following link:
## SUBJECT

Local Control Funding Formula: Discussion of Proposed Changes to California’s Local Educational Agency and School Planning and Accountability System.

| ☒ Action | ☒ Information | ☐ Public Hearing |

## SUMMARY OF THE ISSUE(S)

Assembly Bill 97 (Chapter 47, Statutes of 2013), as amended by Senate Bill 91 (Chapter 49, Statutes of 2013) and by Senate Bill 97 (Chapter 357, Statutes of 2013), enacted the Local Control Funding Formula (LCFF). This agenda item is the third in a series of regular updates to inform the State Board of Education (SBE) and the public regarding the implementation of the LCFF.

## RECOMMENDATION

No specific action is recommended at this time.

## BRIEF HISTORY OF KEY ISSUES

The LCFF is intended to provide a funding mechanism that is simple and transparent while allowing local educational agencies (LEAs) maximum flexibility in allocating resources to meet local needs. As LEAs embark on the transition to full LCFF implementation scheduled for 2020–21, the State Board of Education (SBE) will encounter issues that will require their input and action in order to support local implementation of LCFF. Specifically, the SBE is required to review and take action on the following:

- On or before January 1, 2014, the SBE must review for approval the updated standards and criteria for use by LEAs in the adoption of local budgets (Education Code [EC] Section 33127). The California Department of Education (CDE) has completed the process to update the criteria and standards to align with the local control and accountability plan (LCAP) requirements with guidance
from the committee as required by statute. The revised criteria and standards are presented to the SBE for approval (See November 2013 SBE Item 14).

- Before January 30, 2014, the SBE must review for approval any changes that the Public School Accountability Act Advisory Committee (PSAA) recommends to the Academic Performance Index (API) after a review of LCFF statute to ensure current regulations on assignment of accountability data to districts of residence are consistent with LCFF funding and accountability provisions (EC 52052.1). The PSAA advisory committee will meet on December 9, 2013, to finalize its recommendations to the State Superintendent of Public Instruction (SSPI) and SBE. Recommendations will be presented to the board no later than the January 2014 SBE meeting.

- By January 31, 2014, the SBE must review for approval spending regulations that clarify how expenditures of funds should be managed to demonstrate compliance (EC 42238.07). A draft of proposed regulations is presented in Attachment 1. The final draft of spending regulations will be presented to the board for approval of emergency regulations and commencement of the rulemaking process at the January 2014 SBE meeting.

- On or before March 31, 2014, the SBE must review for approval the local control and accountability plan (LCAP) templates for use by LEAs to support local adoption and annual review of the LCAP (EC 52064). A proposed conceptual framework, including options for consideration for the LCAP template, is presented in Attachment 1. The final draft of the LCAP template may be presented to the board for approval of emergency regulations and commencement of the rulemaking process at the January 2014 SBE meeting.

- On or before October 1, 2015, the SBE must review for approval evaluation rubrics that provide a “holistic multidimensional assessment” of LEA strengths and weaknesses to be used by entities providing technical assistance and evaluating LEAs that may need intervention. (EC 52064.5)

**SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION**

The SBE has historically been responsible for adopting standards and criteria for LEA and school accountability, and for assigning interventions according to those criteria, in both state and federal accountability systems.

**July 2013:** The CDE and WestEd presented to the SBE an informational update on the implementation of the LCFF.

**September 2013:** The CDE and WestEd presented to the SBE an informational update that provided an overview of the process used to guide the LCFF stakeholder
engagement activities. Included was a summary of the preliminary themes that emerged from stakeholders that related to the LCFF spending regulations and LCAP templates.

**FISCAL ANALYSIS (AS APPROPRIATE)**

The 2013 Budget Act appropriates $2.067 billion for allocation to school districts and charter schools in the first year of LCFF implementation, and $32 million for allocation to county offices of education for the County LCFF. The budget also provides $2 million to the Governor’s Office of Planning and Research to provide assistance to the SBE to develop and adopt specified regulations, evaluation rubrics, and local control and accountability plan templates.

**ATTACHMENT(S)**

Attachment 1: Conceptual Framework and Options for the Local Control Funding Formula Expenditure of Funds Regulations and Local Control and Accountability Plan Templates (9 pages)

Attachment 2: Local Control Funding Formula Stakeholder Outreach and Engagement Activities (8 pages)

Attachment 3: Local Control Funding Formula Guidance and Communication (1 page)

Attachment 4: At a Glance: Summary of State Board of Education Action Items Relative to the State Board of Education Meeting Schedule (2 pages)

Attachment 5: Relevant Local Control Funding Formula Education Code Sections (14 pages)
Conceptual Framework and Options for the Local Control Funding Formula
Expenditure of Funds Regulations and Local Control and Accountability Plan
Templates

Draft Language for Regulations:

Stakeholder input indicates significant variability in the local contexts within which LCFF
will be implemented. This document reflects an options-based policy framework for
regulations. In other words, rather than creating regulations that direct an LEA to spend
or account for funding use in a single specific way, this approach is intended to provide
each LEA with flexibility to determine how it will demonstrate it has met the requirement
to "increase or improve services for unduplicated pupils in proportion to the increase in
funds apportioned on the basis of the number and concentration of unduplicated pupils."
This approach reflects the intent of the LCFF legislation as a whole to focus on
improving outcomes for all students. This draft regulation proposal should be
considered jointly with the concepts for the local control and accountability plan.

Article 1. Local Control and Accountability Plan and Spending Requirements for
Supplemental and Concentration Grants.

§ XXX1. Scope.

(a) This chapter applies to all local educational agencies as defined in subdivision
(a) of §XXX2.

(b) Funding restrictions specified in Education Code section 42238.07 apply to local
control funding formula funds apportioned pursuant to Education Code Sections
2574, 2575, 42238.02, and 42238.03.

§ XXX2. Definitions.

In addition to those found in Education Code sections 2574-2579 and 42238-42303, the
following definitions are provided:

(a) "Local educational agency" means a school district, county office of education, or
charter school.

(b) "Services" as used in Education Code section 42238.07 may include, but are not
limited to, services associated with the delivery of instruction, administration,
facilities, technology, and other general infrastructure necessary to operate and
deliver educational instruction and related services.
(c) “Prior year” means one fiscal year immediately preceding the fiscal year for which a local control and accountability plan or annual update to the local control and accountability plan is approved.

(d) “Unduplicated pupil” means any of those pupils to whom any of the definitions included in Education Code section 42238.01 apply.

§ XXX3. Options for Local Educational Agencies to Demonstrate Increased or Improved Services for Unduplicated Pupils in Proportion to the Increase in Funds Apportioned for Supplemental and Concentration Grants.

(a) A local educational agency shall provide evidence in its local control and accountability plan, using the template adopted by the State Board of Education, to demonstrate increased or improved services for unduplicated pupils as required by paragraph (1) of subdivision (a) of Education Code section 42238.07 by describing how the local educational agency expends funds in accordance with the following options:

(1) Spend more on services for unduplicated pupils in proportion to the increase in supplemental and concentration grant funds over the amount spent in the prior year.

(2) Provide more, or improve, services for unduplicated pupils in proportion to the increase in supplemental and concentration grant funds. These services may include, but are not limited to, expanding existing services, extending learning time, increasing learning options, or providing professional development opportunities.

(3) Achieve more for unduplicated pupils in proportion to the increase in supplemental and concentration grant funds. Local educational agencies may demonstrate an increase in achievement by providing evidence of achievement in the applicable state priorities referenced in subdivision (d) of Education Code Section 52060, subdivision (d) of Education Code Section 52066, and subparagraph (B) of paragraph (5) of subdivision (b) of Education Code Section 47605, including a description of the increase in achievement for unduplicated pupils in proportion to the increase in supplemental and concentration grant funds.

(b) Pursuant to paragraph (2) of subdivision (a) of Education Code section 42238.07, local educational agencies are authorized to use the funds apportioned for the purposes provided on the basis of the number of unduplicated pupils for schoolwide purposes, for school districts, districtwide purposes, for county offices of education, countywide purposes, or for charter schools, charterwide purposes, in a manner that is no more restrictive than the restrictions provided for in Title I of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301, et seq.).
Examples of How Regulations May be Demonstrated

Stakeholder input indicates there is significant variability in the local context within which the Local Control Funding Formula (LCFF) will be implemented. However, the expectation that the LCFF supports increased performance and improved outcomes applies to all local educational agencies (LEAs). A document providing non-binding examples of how LEAs may provide evidence of the selected option to demonstrate “increased or improved services for unduplicated pupils in proportion to the increase in funds apportioned,” (EC 42238.07) while satisfying the intent of the LCFF statute may be useful. The following are some examples that could be included in such a document.

Spend More

The following is an example of how an LEA may demonstrate the “spend more” option. This is example is one way this could be demonstrated and is not intended to serve as guidance or direction.

Increase Spending Relative to the Proportion of Local Control Funding Formula Base and Supplemental Funding

For increased funding attributable to the LCFF above the prior year (i.e., incremental increase attributable to the LCFF), calculate the proportion of “new” funding that is provided as base versus supplemental/concentration. Add this amount to the prior year level of spending for students in need (e.g., low income, English learners, and foster youth) in the relative ratio of such funding at the LCFF target (full implementation). At full implementation the amount spent will meet or exceed the target for the supplemental/concentration funding level.

Provide More

The following are examples of how an LEA may demonstrate the “provide more” option. These examples are not intended to serve as guidance or direction.

Add or improve services to provide more to unduplicated students; examples include, but are not limited to:

- Extend learning time for unduplicated pupils: Add learning time through summer school, intersession, and/or before- or after-school programs.
• Increase learning options: Add specialized programs and/or staff (e.g., intervention support, instructional aides, reduced class sizes, and technology support) to increase support for unduplicated pupils.

• Offer targeted professional development: Some or all teachers participate in professional development to improve learning support for unduplicated pupils.

• Provide supplemental learning materials: Provide print, technology, equipment, and/or supplies to address learning needs of unduplicated pupils.

**Achieve More**

The following option is an example of how local educational agencies (LEAs) may demonstrate the “achieve more” option. This example is not intended to serve as guidance or direction.

Provide evidence of significant growth in the preceding two- or more year period for unduplicated pupils, as documented by state or local data indicating student performance on the Local Control Funding Formula (LCFF) state priorities as identified in **Education Code** sections 52060(d), 52066(d), or 47605(b)(5)(B) for the local educational agency.

**Local Control and Accountability Plan Concept**

The following describes possible content to include in the Local Control and Accountability Plan (LCAP) template, organized by elements and including instructions and guiding questions. It is envisioned that the “other considerations” section may be included in separate, nonbinding guidance for addressing the questions that would be contained in the LCAP and will accompany the template to support its use and value.

**Comments about Format**

The first version of the LCAP will be in an editable template format that can be downloaded for use and posted for review at an LEA Web site. In all likelihood it will be organized into sections (elements) with guiding questions intended to generate thoughtful analyses of each LEA’s data and findings. It is envisioned that once the State Board of Education (SBE) adopts the template, an online tool can then be created that pre-populates data, aids in the efficient completion of the LCAP, and facilitates transparency.
Local Control and Accountability Plan Guiding Principles

- Simple: Avoids plan duplication, jargon, and non-essential information.
- Transparent: Includes information necessary to demonstrate/describe/explain how LCFF funding supports student performance and outcomes.
- Local: Expects information shared to be highly contextual and supports the sharing of a local story.
- Performance-Focused: Emphasizes student performance outcomes and avoids compliance-oriented information requests and questions (e.g., checkboxes and explanation of processes).

Local Control and Accountability Plan Content Description

<table>
<thead>
<tr>
<th>Element - Purpose</th>
<th>Instructions and Guiding Questions</th>
<th>Other Considerations (potentially included in separate guidance)</th>
</tr>
</thead>
</table>
| **Stakeholder Engagement**  
Engagement of parents, students, and other stakeholders is critical to the Local Control and Accountability Plan (LCAP) process and supports transparency. It is also important that engagement support improved student performance and outcomes.  
- How have parents, community members, students, and other stakeholders (e.g., local educational agency personnel, other governmental agencies) been engaged and involved in developing, reviewing, and supporting implementation of the LCAP?  
- How has the involvement of stakeholders supported improved performance and outcomes for students? |  
- Are engaged parents and students representative of the school community?  
- How have the English learner and parent advisory committees been engaged?  
- What type of documentation and/or training has been provided to parent and community stakeholders about the budget, state priorities, and other information useful to engaging in the development of the LCAP?  
- What form of outreach to parents has been taken and has it yielded results?  
- How are parents engaged by sites in support of the state priorities and goals identified in the LCAP?  
- How were teachers, principals, administrators,
<table>
<thead>
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</thead>
</table>
| Needs Analysis   | Ensure as appropriate that data for the state priorities are addressed that apply to the grade levels served and, for charter schools, the nature of the program; encourage inclusion of local priorities; ensure that subgroup analysis is completed for all significant subgroups and/or special populations; if data analysis has been completed for other plans and aligns to the state and local priorities, simply refer to these data and provide a summary within the LCAP; encourage plain language, avoid jargon.  
  - What data were reviewed/considered to assess student needs?  
  - What results identified the primary needs of students attending schools within the LEA? |  
  - What are the growth needs of the LEA based on an analysis of data that considers all state and local priorities?  
  - Are there significant differences in performance between subgroups of students? If so, what might be developed (e.g., goals, actions, and services) to close the observed gap?  
  - Which data sources did the LEA use for analysis and to generate goals (e.g., Dataquest, School Accountability Report Cards, Healthy Kids Survey, and local data) |
| Goals            | Provide clear explanation of what a goal is and how to address the question (level of detail)  
Describe LEA goals for all students and describe any differentiation or focus within or among goals related to significant subgroups and/or special populations; encourage plain language, avoid jargon.  
  - What are the LEA’s goals to |  
  - Are there specific goals needed to address the unique needs of low income, English learners, foster youth, or other special populations? If so, what are these goals?  
  - What are the local goals and are they reflected in the goals included in the LCAP? |
<table>
<thead>
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</thead>
<tbody>
<tr>
<td>needed and that provide sufficient direction to guide action.</td>
<td>improve student outcomes that address the needs identified?</td>
<td>• How did the LEA consider site goals when developing LEA goals and vice versa?</td>
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<tr>
<td></td>
<td>• How do these goals relate to the state priorities and locally identified priorities?</td>
<td>• Do the goals create urgency to act?</td>
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<tr>
<td></td>
<td>• Are there any specific goals for individual sites that add to or differentiate from the LEA goals listed above? If so, please describe.</td>
<td>• Do the goals support coherence in the initiatives of the LEA? In other words, will the LCAP goals be evidenced in the overall strategic focus and values of the LEA or are they viewed as another layer or area of work? If the latter is the case, it may be necessary to revisit the goals and/or manner in which the LCAP is being shared with stakeholders.</td>
</tr>
</tbody>
</table>

**Performance**

A clear and concise description of what improvements have and will occur for students. As a plan for three years, the description of performance is expected to show a progression across this period.

<table>
<thead>
<tr>
<th>Performancerelease</th>
<th>Provide clear explanation of what is meant by “change and/or improvement” and how to address the question (level of detail).</th>
<th>Is the performance of low income, English Learners, and Foster Youth specified?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• What will be the noticeable changes and/or improvements for students and their learning outcomes when the goals are met?</td>
<td>• How did the LEA consider site-level performance expectations when developing LEA goals and vice versa?</td>
</tr>
<tr>
<td></td>
<td>• What will be the noticeable changes and/or improvements for students in your special populations (e.g., low income, English learners, foster youth, and other significant subgroups) and their learning outcomes when the goals are met?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• What will be different/improved for students (all and by subgroups) in Year 1? Year 2? Year 3?</td>
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<tr>
<td>Element - Purpose</td>
<td>Instructions and Guiding Questions</td>
<td>Other Considerations (potentially included in separate guidance)</td>
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<td>-------------------</td>
<td>-------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>The actions taken by a local educational agency (LEA) are captured as services to students. This emphasizes the student-focus of activities and requests details regarding expenditures, which will be summarized in the budget section.</td>
<td>Specific questions may be helpful to elicit broad thinking about priorities and/or expectations for program strategies. For instance, addressing specific questions regarding safety, facilities, Common Core State Standards implementation, climate, significant subgroups, etc. could be provided to aid in discussion regarding the LCAP and completion of the LCAP.</td>
</tr>
</tbody>
</table>
|                   | Organize into sub-sections for “all” and then separate sections for subgroups (describe by year 1, year 2, and year 3).  
- Describe the services the LEA will provide as they relate to all pupils and special populations and reflecting the nature of the program you provide (e.g., type and/or focus of your LEA)  
- What is the LEA’s program of support for ALL students and a description of related expenses?  
- What increased or improved services or programs will be provided with LCFF funding for low income students and a description of related expenses?  
- How will outcomes be improved for low income students because of such services?  
- What increased or improved services or programs will be provided with LCFF funding for English learners and a description of related expenses?  
- How will outcomes be improved for English learners because of such services?  
- What increased or improved services or programs will be provided with LCFF funding for foster youth and a description of related expenses?  
- How will outcomes be improved for foster youth because of such services? |  |
<p>| | | |
|                   | |  |</p>
<table>
<thead>
<tr>
<th>Element - Purpose</th>
<th>Instructions and Guiding Questions</th>
<th>Other Considerations (potentially included in separate guidance)</th>
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</thead>
<tbody>
<tr>
<td><strong>Budget Information</strong>&lt;br&gt;Provide budget information that explains how Local Control Funding Formula (LCFF) funds are used to support student performance and address needs of special populations. This should be simple yet complete.</td>
<td>Provide budget display options (tables and graphics) to share summary of pertinent details (e.g., organize by goals, subgroups, and/or location of services).&lt;br&gt;• How has the LEA ensured that LCFF funds provide for increased or improved services for low income, English Learners, and Foster Youth in proportion to funding provided for such pupils? (See CCR XXX for guidance)&lt;br&gt;• How will LCFF funds be spent to provide for students (options for budget displays, goals, subgroups, etc.)?&lt;br&gt;• How are the expenses described under “services” displayed in the LEA’s budget or budget display included in this section?</td>
<td></td>
</tr>
</tbody>
</table>
Local Control Funding Formula Stakeholder Outreach and Engagement Activities

The Local Control Funding Formula (LCFF) Implementation Working Group was comprised of representatives from approximately 20 statewide organizations directly involved with local implementation of the LCFF. The implementation working group meetings were held on the following dates:

- July 23, 2013
- August 22, 2013
- September 19, 2013
- October 24, 2013

Overview of the August Implementation Working Group Meeting

At the August meeting, the Implementation Working Group was presented with concrete examples to consider for developing regulations and templates that support the legislative intent of the LCFF. Implementation Working Group participants compared two scenarios based on real local educational agencies (LEAs) as a means to inform recommendations to the State Board of Education for regulations and templates.

The following ideas were expressed during the meeting:

- The need to support accountability, equity, and performance through local flexibility.
- The current structural deficit in many LEA budgets that may make it difficult to immediately begin adding new services.
- The need to define “base” services, including a specific year for a point of reference.
- The importance of the state priorities.
- Expectations for evidence of need based on data in the Local Control and Accountability Plan (LCAP) with clear linkages between the budget, plan, and outcomes.
- The need for genuine parent engagement throughout the process.
- The need for both detail and simplicity in the content and structure of the LCAP.
Overview of the September Implementation Working Group Meeting

At the September meeting, the Local Control Funding Formula (LCFF) Implementation Working Group members focused on guidance for regulation and plan development. This working session was framed by the key points made by State Board of Education (SBE) members at the September 2013 meeting:

- There should be coherence between the regulations, templates, and rubrics.
  - Seeing how the pieces fit together may alleviate some of the stated concerns.

- The task before the SBE is to implement current law.
  - The SBE is a regulatory body and must develop regulations that meet current law or the regulations will be rejected by the Office of Administrative Law.

- Legislative priorities and guidance for the Local Control and Accountability Plan (LCAP) are clearly identified in EC 52060.
  - Implementing the LCFF is not an either-or choice: it should reflect both flexibility and equity.
  - The LCFF is a seismic shift from state-directed to locally-directed planning and budgeting within broad state goals.
  - The SBE is tasked with providing guidance and consistency across LEAs while minimizing duplication of effort.
  - There is nothing invisible in the intent of the LCFF; the state priorities are in the legislation. LEAs looking for guidance should look to the law as it exists.

- The LCFF facilitates locally developed plans and budgets that are simple and transparent.
  - Provide practical examples to guide implementation.

- The LCFF supports ALL students; the LCAP must address the needs of ALL students.

- The LCFF supports improved outcomes for students, and LEAs must demonstrate how they are addressing the needs at each school and for each subgroup.
o Be clear what LEAs will be asked to explain and what process will be in place if local decisions fail to yield results. In other words, how will districts be guided to redirect resources and attention?

Participants received a preliminary sample of options to prompt specific feedback on the development of the expenditure of funds regulations and the Local Control and Accountability Plan (LCAP) template.

The following key decision points were presented for consideration:

<table>
<thead>
<tr>
<th>Regulations</th>
<th>Templates</th>
<th>Rubric</th>
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</thead>
<tbody>
<tr>
<td><strong>Define</strong></td>
<td><strong>Organize and Communicate</strong></td>
<td><strong>Assess and Indicate Assistance</strong></td>
</tr>
<tr>
<td>Clarify key terms and</td>
<td>Demonstrate through the</td>
<td>Provide a process for assessing performance</td>
</tr>
<tr>
<td>conditions to support local</td>
<td>development and sharing of</td>
<td>and identifying assistance based on review</td>
</tr>
<tr>
<td>implementation that</td>
<td>the LCAP that local</td>
<td>of the LCAP that meets specific areas of</td>
</tr>
<tr>
<td>achieves LCFF</td>
<td>implementation supports</td>
<td>need related to LCFF implementation</td>
</tr>
<tr>
<td>implementation objectives</td>
<td>LCFF implementation</td>
<td>objectives and regulations</td>
</tr>
<tr>
<td></td>
<td>objectives and regulations</td>
<td></td>
</tr>
</tbody>
</table>

**Connecting Elements/Guiding Principals**

- Performance-focused: relationship between plans, funding use, and outcomes for students
- Simplicity and transparency
- Student-focused: local identification of needs, provides equitable opportunity
- State priorities: define metrics, but rely on local determination of measurement
- Stakeholder Engagement: parents, community, educators

Using these decision points, participants were encouraged to consider regulations as providing options for local educational agencies (LEAs) to demonstrate “increase or improve services for unduplicated pupils in proportion to the increase in funds apportioned on the basis of the number and concentration of unduplicated pupils.” Two distinct parts of the regulations were identified for discussion: 1) regulations could include definitions (e.g., baseline for calculations), and 2) regulations could include options for demonstrating through the LCAP (e.g., spend more, provide more, and achieve more).

This first iteration of key decision points was used to facilitate small group discussion at the meeting. Specific recommendations were reported out to the larger group and recorded to further inform the regulation development process. Working group members were asked to share these key decision points to solicit more in depth recommendations from their respective colleagues and stakeholders.
Overview of the October Implementation Working Group Meeting

Following the September 19, 2013, LCFF Implementation Working Group meeting, Working Group participants and other interested parties submitted written feedback and suggestions. That feedback, as well as direction from the State Board of Education (SBE), was the basis of a draft conceptual framework for the regulations and the Local Control and Accountability Plan (LCAP). Given the diverse perspectives and interests of the Implementation Working Group, these frameworks did not reflect a consensus opinion, but struck a balance between the various interpretations of the Local Control Funding Formula (LCFF) intent and implementation objectives, within the parameters of the entirety of the LCFF legislation. The draft regulations and LCAP conceptual framework presented to the SBE reflect consideration of the input provided as part of this recent session, with continued attention to providing the SBE with a coherent approach to implement the LCFF legislation.

The Implementation Working Group also discussed what local implementation would look like once regulations and templates are in place. Participants in this discussion represented the diverse perspectives of local stakeholders (e.g., parent/community member, teacher, LEA leader, and board member), as well as the perspective of civil rights organizations, to identify what changes are to be expected, a vision for a high-quality LCAP, identification of potential supports and/or resources that would be useful to an LEA’s ability to successfully prepare its LCAP and budget, and indicators that the LCFF is delivering on its stated goals. There was broad recognition that communication and enhanced engagement by all stakeholders is critical to the success of the LCFF. Furthermore, it was noted that the LCFF can support a shift from compliance to efficacy and performance, but changes in the focus of planning and how the process of planning proceeds are necessary. The most significant needs identified by the Implementation Working Group participants included training of stakeholders and development/provision of planning tools to support local implementation.

Since July 2013 the LCFF Implementation Working Group has met four times. Participants have articulated the opportunities, challenges, and diversity of perspectives that exist for the LCFF. It is clear from the Working Group’s conversations and ideas that the LCFF is very different from the prior funding model and structure. Acclimating to this change will take some time, but there is general agreement that now is the time to begin.

Regional Input Sessions: Preliminary Summary

In August 2013, regional input sessions were hosted at three primary locations with remote locations connected via video conference. Facilitators were available onsite at both primary and remote locations to guide the sessions and help record public comments.
The regional input sessions were held on the following dates and locations:

August 8, 2013
- Primary Location: Los Angeles County Office of Education, Downey, CA
- Remote Location: San Diego County Office of Education, San Diego, CA

August 12, 2013
- Primary Location: Sacramento County Office of Education, Mather, CA
- Remote Location: Shasta County Office of Education, Redding, CA

August 13, 2013
- Primary Location: Kern County Office of Education, Bakersfield, CA
- Remote Location: Fresno County Office of Education, Fresno, CA

WestEd summarized input from these sessions as follows:

Educators, community organization leaders, parents, stakeholders, and others gathered to give and hear testimony on the implementation of the LCFF. A total of 320 comments were recorded from verbal testimony and written input on comment cards from individuals in attendance at the sessions, in addition to written comments submitted electronically to the public comment portal located on the LCFF Web page at http://lcff.wested.org/.

The majority of input came from school, district, and county office personnel (38%), followed by representatives of organizations or advocacy groups (37%). The bulk of comments (77%) did not take a position for or against the LCFF, but made regulatory recommendations, expressed concern around funding flexibility, and stated that parents and community members would likely not be engaged or informed throughout the LCAP process.

Of the comments that expressed support one way or another, those in favor (13%) slightly outnumbered those opposed (10%) to the LCFF.

Following is a sample of comments and concerns:

- It’s important for the state to provide maximum flexibility as the districts move towards economic recovery.

- We request the regulations maintain flexibility to allow school agencies to exercise local control so they can focus effectively on individual needs of every student without excessive and unnecessary bureaucracy and oversight.

- This has potential to make a powerful difference for outcomes for students who have historically not been well served by public education, but the keyword is potential.

- In the world of reform, the Local Control Funding Formula is sea change.
We believe the measurements identified under the LCAP will provide for all student needs being met.

I want our parents to be trained. We also need to make sure that they understand the process they are talking about.

My concern isn't primarily with the development of plans and spending LCFF funds but with the subsequent evaluation of the effectiveness of these plans.

On a very practical note, the LCAP should align with all budget reporting requirements both at the state and federal level and make it possible to utilize fewer forms while providing clear expenditure information for our stakeholders. It is of critical importance that the regulations developed by the…State Board of Education articulate specific tasks so districts must take the time to ensure that they involve and include parents, particularly parents of English learners and low income students.

Parents need to understand the budget of their districts so that they can have meaningful participation in the future budget decisions.

Three primary topics, *Budget and Funding Use*, the *Local Control and Accountability Plan*, and *Transparency and Community Involvement*, emerged from the collection of comments and were used to organize a more detailed synthesis of the stakeholder comments. The comprehensive summary and analysis can be retrieved from the LCFF Web page at [http://lcff.wested.org/resources/](http://lcff.wested.org/resources/).

**Local Control Funding Formula Community Forums**

The Local Control Funding Formula (LCFF) community forums are coordinated and sponsored by the California Endowment ([http://www.calendow.org/](http://www.calendow.org/)). Strategically positioned throughout the state, these forums introduce interested stakeholders (e.g., students, teachers, parents, and community members) to the LCFF and how this historic funding formula will impact local communities. Free transportation on the “School Success Express” bus, in addition to free food, child care, and translation services, are provided to maximize participation and engage broad stakeholder input. Members of the public are welcome to deliver public comments both verbally and in writing. Each forum concludes with a discussion on how parents, students, and residents can become more involved in local educational activities. Additional forums are tentatively scheduled for November 4 (Salinas), November 7 (Fresno), November 9 (San Diego) and November 13 (Del Norte - Crescent City). Exact times and locations will be posted on the California Endowment Web site ([http://www.calendow.org/uploadedFiles/Health_Happends_Here/In_Schools/School%20Success%20Express%20Schedule%2010-22.pdf](http://www.calendow.org/uploadedFiles/Health_Happends_Here/In_Schools/School%20Success%20Express%20Schedule%2010-22.pdf)).
The first three forums were held in South Kern County, Coachella and Sacramento and each event attracted between 100 and 150 people. While the feedback is wide ranging, some preliminary themes have emerged:

- **Parents are eager to be involved, but don’t always know how.** School districts do not always communicate with parents in a clear way and in their preferred language. When districts hold meetings during the work day, parents cannot afford to take time away from work to attend. School district materials on budgets are not always easy to obtain or understand. Some parents feared districts would simply seek “rubber stamp” approval from existing parent committees rather than engage parents in a new way, as the LCFF envisions. Parents called on school districts to share more information and open up the process so they can fully participate and see where the money is going, but were concerned school districts would not be held accountable for doing this.

- **Parents and students want new funds to “follow the students” and result in improvements at the school site level.** They have seen schools struggle with
years of budget cuts and want to see new dollars used for tangible things such as reduced class sizes, improved technology, longer library hours, positive rather than punitive school discipline, improved school facilities, mentoring, tutoring, more programs in the arts and physical education and other necessities of a quality education.

- **Students in disadvantaged communities want to see schools held accountable for truly preparing them for college and careers.** At the Coachella forum, there were a number of students who said they graduated from high school but struggled in college and in their jobs because the quality of their education was poor compared to peers who went to school in higher-income communities. “We want an education that is equal to our dreams,” one student said.

In addition to providing the State Board of Education (SBE) with a transcription of public comments, the California Endowment recorded written comments with a total of 160 written comments to date. All community forum public input will be gathered and entered into the public comment database organized by WestEd (http://lcff.wested.org/resources/). The feedback provided has directly contributed to the refinement of the conceptual framework and options, as presented in Attachment 1, for the State Board of Education (SBE) to consider with regard to adopting Local Control Funding Formula (LCFF) expenditure of funds regulations and the Local Control and Accountability Plan (LCAP) template.
Local Control Funding Formula Guidance and Communication

Ongoing communication with the field continues to be a major priority for the California Department of Education (CDE) and the State Board of Education (SBE) staff with support from WestEd. This includes statewide outreach through correspondences and webinars, conference presentations, information updates and public comment opportunities at meetings of the SBE.

- The online posting of resources specific to Local Control Funding Formula (LCFF) information and implementation is located on the CDE LCFF Web page at http://www.cde.ca.gov/fg/aa/lc/index.asp.

- The LCFF Channel was created to provide informational videos on LCFF implementation and is located on the WestEd Web page at http://lcff.wested.org/lcff-channel/Information.

- Regular information updates are distributed to local educational agencies (LEAs) and interested stakeholders through the CDE LCFF listserv. To receive updates regarding the LCFF via e-mail notification, subscribe to the LCFF listserv by sending a "blank" message to join-LCFF-list@mlist.cde.ca.gov.

- Staff representatives from the SBE, CDE, and WestEd have provided panel presentations and information sessions on the LCFF at various conferences throughout the state.
## At a Glance: Summary of State Board of Education Action Items Relative to the State Board of Education Meeting Schedule

<table>
<thead>
<tr>
<th>State Board of Education Meetings</th>
<th>Update to Budget Standards and Criteria Adoption Due January 1, 2014</th>
<th>Public School Accountability Act Advisory Committee (PSAA) Recommendations Due January 30, 2014</th>
<th>Spending Regulations Adoption Due January 31, 2014</th>
<th>Local Control and Accountability Plan (LCAP) Templates Adoption Due March 21, 2014</th>
<th>LCAP Evaluation Rubric Adoption Due October 1, 2015</th>
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</thead>
<tbody>
<tr>
<td><strong>September 2013</strong></td>
<td>Information update provided to the board.</td>
<td>Information update provided to the board.</td>
<td>Introduce overview of spending regulations conceptual framework for discussion.</td>
<td>Information update provided to the board.</td>
<td>Information update provided to the board.</td>
</tr>
<tr>
<td><strong>November 2013</strong></td>
<td>Recommendations for budget standards and criteria presented to the board for approval.</td>
<td>Recommendations for technical changes to the API presented to the board for discussion.</td>
<td>Further refinement of spending regulations conceptual framework and options presented to the board for discussion.</td>
<td>Introduce LCAP templates conceptual framework for discussion.</td>
<td>Information update provided to the board.</td>
</tr>
<tr>
<td><strong>January 2014</strong></td>
<td>Recommendations for technical changes to the API presented to the board for adoption.</td>
<td>Final regulations presented to the board with the request for approval to commence the rulemaking process and emergency regulations.</td>
<td>Final LCAP templates presented to the board with the request for approval to commence the rulemaking process and emergency regulations.</td>
<td>Introduce conceptual framework for discussion.</td>
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### State Board of Education Action Items

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<tbody>
<tr>
<td>March 2014</td>
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<td></td>
<td>To be determined (TBD).</td>
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<tr>
<td>May 2014</td>
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<td>TBD</td>
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<td>July 2014</td>
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<td>September 2014</td>
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<td>November 2014</td>
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<td>January 2015</td>
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<td>February 2015</td>
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<td>March 2015</td>
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<td>May 2015</td>
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Note: Dates and activities that support the completion of SBE action items are subject to change. The table will be updated and presented at each subsequent SBE meeting.
Relevant Local Control Funding Formula Education Code Sections

The scope of the State Board of Education (SBE) responsibilities with regard to Local Control Funding Formula (LCFF) implementation is specified in Assembly Bill 97 (Chapter 47, Statutes of 2013) with recent amendments enacted in Senate Bill 97 (Chapter 357, Statutes of 2013). Below are relevant Education Code sections reflecting current law.

Spending Regulations

*Education Code* Section 42238.07

(a) On or before January 31, 2014, the state board shall adopt regulations that govern the expenditure of funds apportioned on the basis of the number and concentration of unduplicated pupils pursuant to Sections 2574, 2575, 42238.02, and 42238.03. The regulations shall include, but are not limited to, provisions that do all of the following:

(1) Require a school district, county office of education, or charter school to increase or improve services for unduplicated pupils in proportion to the increase in funds apportioned on the basis of the number and concentration of unduplicated pupils in the school district, county office of education, or charter school.

(2) Authorize a school district, county office of education, or charter school to use funds apportioned on the basis of the number of unduplicated pupils for schoolwide purposes, or, for school districts, districtwide purposes, for county offices of education, countywide purposes, or for charter schools, charterwide purposes, in a manner that is no more restrictive than the restrictions provided for in Title I of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301, et seq.).

(b) The state board may adopt emergency regulations for purposes of this section

Local Control Accountability Plan Template

*Education Code* Section 52064

(a) On or before March 31, 2014, the state board shall adopt templates for the following purposes:

(1) For use by school districts to meet the requirements of Sections 52060 to 52063, inclusive.

(2) For use by county superintendents of schools to meet the requirements of Sections 52066 to 52069, inclusive.

(3) For use by charter schools to meet the requirements of Section 47606.5.

(b) The templates developed by the state board shall allow a school district, county superintendent of schools, or charter school to complete a single local control and accountability plan to meet the requirements of this article and the requirements of the federal No Child Left Behind Act of 2001 related to local educational agency plans pursuant to Section 1112 of Subpart 1 of Part A of Title I of Public Law 107-110. The state board shall also take steps to minimize duplication of effort at the local level to the
greatest extent possible. The template shall include guidance for school districts, county superintendents of schools, and charter schools to report both of the following:

(1) A listing and description of expenditures for the 2014–15 fiscal year, and each fiscal year thereafter, implementing the specific actions included in the local control and accountability plan.

(2) A listing and description of expenditures for the 2014–15 fiscal year, and each fiscal year thereafter, that will serve the pupils to whom one or more of the definitions in Section 42238.01 apply and pupils redesignated as fluent English proficient.

(c) If possible, the templates identified in paragraph (2) of subdivision (a) for use by county superintendents of schools shall allow a county superintendent of schools to develop a single local control and accountability plan that would also satisfy the requirements of Section 48926.

(d) The state board shall adopt the template pursuant to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The state board may adopt emergency regulations for purposes of implementing this section.

(e) Revisions to a template or evaluation rubric shall be approved by the state board by January 31 before the fiscal year during which the template or evaluation rubric is to be used by a school district, county superintendent of schools, or charter school.

(f) The adoption of a template or evaluation rubric by the state board shall not create a requirement for a governing board of a school district, a county board of education, or a governing body of a charter school to submit a local control and accountability plan to the state board, unless otherwise required by federal law. The Superintendent shall not require a local control and accountability plan to be submitted by a governing board of a school district or the governing body of a charter school to the state board. The state board may adopt a template or evaluation rubric that would authorize a school district or a charter school to submit to the state board only the sections of the local control and accountability plan required by federal law.

Local Control Accountability Plan Contents: School Districts

**Education Code Section 52060**

(a) On or before July 1, 2014, the governing board of each school district shall adopt a local control and accountability plan using a template adopted by the state board.

(b) A local control and accountability plan adopted by a governing board of a school district shall be effective for a period of three years, and shall be updated on or before July 1 of each year.

(c) A local control and accountability plan adopted by a governing board of a school district shall include, for the school district and each school within the school district, both of the following:

(1) A description of the annual goals, for all pupils and each subgroup of pupils identified pursuant to Section 52052, to be achieved for each of the state priorities identified in subdivision (d) and for any additional local priorities identified by the governing board of the school district. For purposes of this article, a subgroup of pupils identified pursuant to Section 52052 shall be a numerically significant pupil subgroup as specified in paragraphs (2) and (3) of subdivision (a) of Section 52052.
(2) A description of the specific actions the school district will take during each year of the local control and accountability plan to achieve the goals identified in paragraph (1), including the enumeration of any specific actions necessary for that year to correct any deficiencies in regard to the state priorities listed in paragraph (1) of subdivision (d). The specific actions shall not supersede the provisions of existing local collective bargaining agreements within the jurisdiction of the school district.

(d) All of the following are state priorities:

(1) The degree to which the teachers of the school district are appropriately assigned in accordance with Section 44258.9, and fully credentialed in the subject areas, and, for the pupils they are teaching, every pupil in the school district has sufficient access to the standards-aligned instructional materials as determined pursuant to Section 60119, and school facilities are maintained in good repair as specified in subdivision (d) of Section 17002.

(2) Implementation of the academic content and performance standards adopted by the state board, including how the programs and services will enable English learners to access the common core academic content standards adopted pursuant to Section 60605.8 and the English language development standards adopted pursuant to Section 60811.3 for purposes of gaining academic content knowledge and English language proficiency.

(3) Parental involvement, including efforts the school district makes to seek parent input in making decisions for the school district and each individual schoolsite, and including how the school district will promote parental participation in programs for unduplicated pupils and individuals with exceptional needs.

(4) Pupil achievement, as measured by all of the following, as applicable:

(A) Statewide assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or any subsequent assessment, as certified by the state board.

(B) The Academic Performance Index, as described in Section 52052.

(C) The percentage of pupils who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study that align with state board-approved career technical educational standards and frameworks, including, but not limited to, those described in subdivision (a) of Section 52302, subdivision (a) of Section 52372.5, or paragraph (2) of subdivision (e) of Section 54692.

(D) The percentage of English learner pupils who make progress toward English proficiency as measured by the California English Language Development Test or any subsequent assessment of English proficiency, as certified by the state board.

(E) The English learner reclassification rate.

(F) The percentage of pupils who have passed an advanced placement examination with a score of 3 or higher.

(G) The percentage of pupils who participate in, and demonstrate college preparedness pursuant to, the Early Assessment Program, as described in Chapter 6 (commencing with Section 99300) of Part 65 of Division 14 of Title 3, or any subsequent assessment of college preparedness.

(5) Pupil engagement, as measured by all of the following, as applicable:

(A) School attendance rates.

(B) Chronic absenteeism rates.
(C) Middle school dropout rates, as described in paragraph (3) of subdivision (a) of Section 52052.1.
(D) High school dropout rates.
(E) High school graduation rates.
(6) School climate, as measured by all of the following, as applicable:
   (A) Pupil suspension rates.
   (B) Pupil expulsion rates.
(7) The extent to which pupils have access to, and are enrolled in, a broad course of study that includes all of the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable, including the programs and services developed and provided to unduplicated pupils and individuals with exceptional needs, and the program and services that are provided to benefit these pupils as a result of the funding received pursuant to Section 42238.02, as implemented by Section 42238.03.
(8) Pupil outcomes, if available, in the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable.
   (e) For purposes of the descriptions required by subdivision (c), a governing board of a school district may consider qualitative information, including, but not limited to, findings that result from school quality reviews conducted pursuant to subparagraph (J) of paragraph (4) of subdivision (a) of Section 52052 or any other reviews.
   (f) To the extent practicable, data reported in a local control and accountability plan shall be reported in a manner consistent with how information is reported on a school accountability report card.
   (g) A governing board of a school district shall consult with teachers, principals, administrators, other school personnel, local bargaining units of the school district, parents, and pupils in developing a local control and accountability plan.
   (h) A school district may identify local priorities, goals in regard to the local priorities, and the method for measuring the school district’s progress toward achieving those goals.

Local Control Accountability Plan Contents: Charter Schools

Education Code Section 47604.33.
(a) Each charter school shall annually prepare and submit the following reports to its chartering authority and the county superintendent of schools, or only to the county superintendent of schools if the county board of education is the chartering authority:
   (1) On or before July 1, a preliminary budget. For a charter school in its first year of operation, the information submitted pursuant to subdivision (g) of Section 47605 satisfies this requirement.
   (2) On or before July 1, an annual update required pursuant to Section 47606.5.
   (3) On or before December 15, an interim financial report. This report shall reflect changes through October 31.
   (4) On or before March 15, a second interim financial report. This report shall reflect changes through January 31.
   (5) On or before September 15, a final unaudited report for the full prior year.
(b) The chartering authority shall use any financial information it obtains from the charter school, including, but not limited to, the reports required by this section, to assess the fiscal condition of the charter school pursuant to subdivision (d) of Section 47604.32.
(c) The cost of performing the duties required by this section shall be funded with supervisorial oversight fees collected pursuant to Section 47613.

Education Code Section 47605.
(a) (1) Except as set forth in paragraph (2), a petition for the establishment of a charter school within a school district may be circulated by one or more persons seeking to establish the charter school. A petition for the establishment of a charter school shall identify a single charter school that will operate within the geographic boundaries of that school district. A charter school may propose to operate at multiple sites within the school district, as long as each location is identified in the charter school petition. The petition may be submitted to the governing board of the school district for review after either of the following conditions is met:

(A) The petition is signed by a number of parents or legal guardians of pupils that is equivalent to at least one-half of the number of pupils that the charter school estimates will enroll in the school for its first year of operation.

(B) The petition is signed by a number of teachers that is equivalent to at least one-half of the number of teachers that the charter school estimates will be employed at the school during its first year of operation.

(2) A petition that proposes to convert an existing public school to a charter school that would not be eligible for a loan pursuant to subdivision (b) of Section 41365 may be circulated by one or more persons seeking to establish the charter school. The petition may be submitted to the governing board of the school district for review after the petition is signed by not less than 50 percent of the permanent status teachers currently employed at the public school to be converted.

(3) A petition shall include a prominent statement that a signature on the petition means that the parent or legal guardian is meaningfully interested in having his or her child or ward attend the charter school, or in the case of a teacher’s signature, means that the teacher is meaningfully interested in teaching at the charter school. The proposed charter shall be attached to the petition.

(4) After receiving approval of its petition, a charter school that proposes to establish operations at one or more additional sites shall request a material revision to its charter and shall notify the authority that granted its charter of those additional locations. The authority that granted its charter shall consider whether to approve those additional locations at an open, public meeting. If the additional locations are approved, they shall be a material revision to the charter school’s charter.

(5) A charter school that is unable to locate within the jurisdiction of the chartering school district may establish one site outside the boundaries of the school district, but within the county in which that school district is located, if the school district within the jurisdiction of which the charter school proposes to operate is notified in advance of the charter petition approval, the county superintendent of schools and the Superintendent are notified of the location of the charter school before it commences operations, and either of the following circumstances exists:
(A) The school has attempted to locate a single site or facility to house the entire program, but a site or facility is unavailable in the area in which the school chooses to locate.

(B) The site is needed for temporary use during a construction or expansion project.

(6) Commencing January 1, 2003, a petition to establish a charter school may not be approved to serve pupils in a grade level that is not served by the school district of the governing board considering the petition, unless the petition proposes to serve pupils in all of the grade levels served by that school district.

(b) No later than 30 days after receiving a petition, in accordance with subdivision (a), the governing board of the school district shall hold a public hearing on the provisions of the charter, at which time the governing board of the school district shall consider the level of support for the petition by teachers employed by the district, other employees of the district, and parents. Following review of the petition and the public hearing, the governing board of the school district shall either grant or deny the charter within 60 days of receipt of the petition, provided, however, that the date may be extended by an additional 30 days if both parties agree to the extension. In reviewing petitions for the establishment of charter schools pursuant to this section, the chartering authority shall be guided by the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged. The governing board of the school district shall grant a charter for the operation of a school under this part if it is satisfied that granting the charter is consistent with sound educational practice. The governing board of the school district shall not deny a petition for the establishment of a charter school unless it makes written factual findings, specific to the particular petition, setting forth specific facts to support one or more of the following findings:

1. The charter school presents an unsound educational program for the pupils to be enrolled in the charter school.

2. The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.

3. The petition does not contain the number of signatures required by subdivision (a).

4. The petition does not contain an affirmation of each of the conditions described in subdivision (d).

5. The petition does not contain reasonably comprehensive descriptions of all of the following:

   A. (i) A description of the educational program of the school, designed, among other things, to identify those whom the school is attempting to educate, what it means to be an “educated person” in the 21st century, and how learning best occurs. The goals identified in that program shall include the objective of enabling pupils to become self-motivated, competent, and lifelong learners.

   (ii) A description, for the charter school, of annual goals, for all pupils and for each subgroup of pupils identified pursuant to Section 52052, to be achieved in the state priorities, as described in subdivision (d) of Section 52060, that apply for the grade levels served, or the nature of the program operated, by the charter school, and specific annual actions to achieve those goals. A charter petition may identify additional school priorities, the goals for the school priorities, and the specific annual actions to achieve those goals.
(iii) If the proposed school will serve high school pupils, a description of the manner in which the charter school will inform parents about the transferability of courses to other public high schools and the eligibility of courses to meet college entrance requirements. Courses offered by the charter school that are accredited by the Western Association of Schools and Colleges may be considered transferable and courses approved by the University of California or the California State University as creditable under the “A” to “G” admissions criteria may be considered to meet college entrance requirements.

(B) The measurable pupil outcomes identified for use by the charter school. “Pupil outcomes,” for purposes of this part, means the extent to which all pupils of the school demonstrate that they have attained the skills, knowledge, and attitudes specified as goals in the school’s educational program. Pupil outcomes shall include outcomes that address increases in pupil academic achievement both schoolwide and for all groups of pupils served by the charter school, as that term is defined in subparagraph (B) of paragraph (3) of subdivision (a) of Section 47607. The pupil outcomes shall align with the state priorities, as described in subdivision (d) of Section 52060, that apply for the grade levels served, or the nature of the program operated, by the charter school.

(C) The method by which pupil progress in meeting those pupil outcomes is to be measured. To the extent practicable, the method for measuring pupil outcomes for state priorities shall be consistent with the way information is reported on a school accountability report card.

(D) The governance structure of the school, including, but not limited to, the process to be followed by the school to ensure parental involvement.

(E) The qualifications to be met by individuals to be employed by the school.

(F) The procedures that the school will follow to ensure the health and safety of pupils and staff. These procedures shall include the requirement that each employee of the school furnish the school with a criminal record summary as described in Section 44237.

(G) The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted.

(H) Admission requirements, if applicable.

(I) The manner in which annual, independent financial audits shall be conducted, which shall employ generally accepted accounting principles, and the manner in which audit exceptions and deficiencies shall be resolved to the satisfaction of the chartering authority.

(J) The procedures by which pupils can be suspended or expelled.

(K) The manner by which staff members of the charter schools will be covered by the State Teachers’ Retirement System, the Public Employees’ Retirement System, or federal social security.

(L) The public school attendance alternatives for pupils residing within the school district who choose not to attend charter schools.

(M) A description of the rights of any employee of the school district upon leaving the employment of the school district to work in a charter school, and of any rights of return to the school district after employment at a charter school.

(N) The procedures to be followed by the charter school and the entity granting the charter to resolve disputes relating to provisions of the charter.
(O) A declaration whether or not the charter school shall be deemed the exclusive
public school employer of the employees of the charter school for purposes of Chapter
10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code.
(P) A description of the procedures to be used if the charter school closes. The
procedures shall ensure a final audit of the school to determine the disposition of all
assets and liabilities of the charter school, including plans for disposing of any net
assets and for the maintenance and transfer of pupil records.
(c) (1) Charter schools shall meet all statewide standards and conduct the pupil
assessments required pursuant to Sections 60605 and 60851 and any other statewide
standards authorized in statute or pupil assessments applicable to pupils in noncharter
public schools.
(2) Charter schools shall, on a regular basis, consult with their parents, legal
guardians, and teachers regarding the school’s educational programs.
(d) (1) In addition to any other requirement imposed under this part, a charter school
shall be nonsectarian in its programs, admission policies, employment practices, and all
other operations, shall not charge tuition, and shall not discriminate against any pupil on
the basis of the characteristics listed in Section 220. Except as provided in paragraph
(2), admission to a charter school shall not be determined according to the place of
residence of the pupil, or of his or her parent or legal guardian, within this state, except
that an existing public school converting partially or entirely to a charter school under
this part shall adopt and maintain a policy giving admission preference to pupils who
reside within the former attendance area of that public school.
(2) (A) A charter school shall admit all pupils who wish to attend the school.
(B) If the number of pupils who wish to attend the charter school exceeds the school’s
capacity, attendance, except for existing pupils of the charter school, shall be
determined by a public random drawing. Preference shall be extended to pupils
currently attending the charter school and pupils who reside in the district except as
provided for in Section 47614.5. Other preferences may be permitted by the chartering
authority on an individual school basis and only if consistent with the law.
(C) In the event of a drawing, the chartering authority shall make reasonable efforts to
accommodate the growth of the charter school and in no event shall take any action to
impede the charter school from expanding enrollment to meet pupil demand.
(3) If a pupil is expelled or leaves the charter school without graduating or completing
the school year for any reason, the charter school shall notify the superintendent of
the school district of the pupil’s last known address within 30 days, and shall, upon request,
provide that school district with a copy of the cumulative record of the pupil, including a
transcript of grades or report card, and health information. This paragraph applies only
to pupils subject to compulsory full-time education pursuant to Section 48200.
(e) The governing board of a school district shall not require any employee of the
school district to be employed in a charter school.
(f) The governing board of a school district shall not require any pupil enrolled in the
school district to attend a charter school.
(g) The governing board of a school district shall require that the petition or
petitioners provide information regarding the proposed operation and potential effects of
the school, including, but not limited to, the facilities to be used by the school, the
manner in which administrative services of the school are to be provided, and potential
civil liability effects, if any, upon the school and upon the school district. The description
of the facilities to be used by the charter school shall specify where the school intends to locate. The petitioner or petitioners shall also be required to provide financial statements that include a proposed first-year operational budget, including startup costs, and cashflow and financial projections for the first three years of operation.

(h) In reviewing petitions for the establishment of charter schools within the school district, the governing board of the school district shall give preference to petitions that demonstrate the capability to provide comprehensive learning experiences to pupils identified by the petitioner or petitioners as academically low achieving pursuant to the standards established by the department under Section 54032, as it read before July 19, 2006.

(i) Upon the approval of the petition by the governing board of the school district, the petitioner or petitioners shall provide written notice of that approval, including a copy of the petition, to the applicable county superintendent of schools, the department, and the state board.

(j) (1) If the governing board of a school district denies a petition, the petitioner may elect to submit the petition for the establishment of a charter school to the county board of education. The county board of education shall review the petition pursuant to subdivision (b). If the petitioner elects to submit a petition for establishment of a charter school to the county board of education and the county board of education denies the petition, the petitioner may file a petition for establishment of a charter school with the state board, and the state board may approve the petition, in accordance with subdivision (b). A charter school that receives approval of its petition from a county board of education or from the state board on appeal shall be subject to the same requirements concerning geographic location to which it would otherwise be subject if it received approval from the entity to which it originally submitted its petition. A charter petition that is submitted to either a county board of education or to the state board shall meet all otherwise applicable petition requirements, including the identification of the proposed site or sites where the charter school will operate.

(2) In assuming its role as a chartering agency, the state board shall develop criteria to be used for the review and approval of charter school petitions presented to the state board. The criteria shall address all elements required for charter approval, as identified in subdivision (b) and shall define “reasonably comprehensive” as used in paragraph (5) of subdivision (b) in a way that is consistent with the intent of this part. Upon satisfactory completion of the criteria, the state board shall adopt the criteria on or before June 30, 2001.

(3) A charter school for which a charter is granted by either the county board of education or the state board based on an appeal pursuant to this subdivision shall qualify fully as a charter school for all funding and other purposes of this part.

(4) If either the county board of education or the state board fails to act on a petition within 120 days of receipt, the decision of the governing board of the school district to deny a petition shall, thereafter, be subject to judicial review.

(5) The state board shall adopt regulations implementing this subdivision.

(6) Upon the approval of the petition by the county board of education, the petitioner or petitioners shall provide written notice of that approval, including a copy of the petition to the department and the state board.

(k) (1) The state board may, by mutual agreement, designate its supervisory and oversight responsibilities for a charter school approved by the state board to any local
educational agency in the county in which the charter school is located or to the

governing board of the school district that first denied the petition.

(2) The designated local educational agency shall have all monitoring and supervising

authority of a chartering agency, including, but not limited to, powers and duties set forth

in Section 47607, except the power of revocation, which shall remain with the state

board.

(3) A charter school that is granted its charter through an appeal to the state board

and elects to seek renewal of its charter shall, before expiration of the charter, submit its

petition for renewal to the governing board of the school district that initially denied the

charter. If the governing board of the school district denies the school’s petition for

renewal, the school may petition the state board for renewal of its charter.

(i) Teachers in charter schools shall hold a Commission on Teacher Credentialing

certificate, permit, or other document equivalent to that which a teacher in other public

schools would be required to hold. These documents shall be maintained on file at the

charter school and are subject to periodic inspection by the chartering authority. It is the

intent of the Legislature that charter schools be given flexibility with regard to noncore,

noncollege preparatory courses.

(m) A charter school shall transmit a copy of its annual, independent financial audit

report for the preceding fiscal year, as described in subparagraph (I) of paragraph (5) of

subdivision (b), to its chartering entity, the Controller, the county superintendent of

schools of the county in which the charter school is sited, unless the county board of

education of the county in which the charter school is sited is the chartering entity, and

the department by December 15 of each year. This subdivision does not apply if the

audit of the charter school is encompassed in the audit of the chartering entity pursuant
to Section 41020.

Education Code Section 47606.5.

(a) On or before July 1, 2015, and each year thereafter, a charter school shall update

the goals and annual actions to achieve those goals identified in the charter pursuant to

subparagraph (A) of paragraph (5) of subdivision (b) of Section 47605 or subparagraph

(A) of paragraph (5) of subdivision (b) of Section 47605.6. The annual update shall be

developed using the template adopted pursuant to Section 52064 and shall include all

of the following:

(1) A review of the progress toward the goals included in the charter, an assessment

of the effectiveness of the specific actions described in the charter toward achieving the

goals, and a description of changes to the specific actions the charter school will make

as a result of the review and assessment.

(2) A listing and description of the expenditures for the fiscal year implementing the

specific actions included in the charter as a result of the reviews and assessment

required by paragraph (1).

(b) The expenditures identified in subdivision (a) shall be classified using the

California School Accounting Manual pursuant to Section 41010.

(c) For purposes of the review required by subdivision (a), a governing body of a

charter school may consider qualitative information, including, but not limited to, findings

that result from school quality reviews conducted pursuant to subparagraph (J) or

paragraph (4) of subdivision (a) of Section 52052 or any other reviews.
(d) To the extent practicable, data reported pursuant to this section shall be reported in a manner consistent with how information is reported on a school accountability report card.

(e) The charter school shall consult with teachers, principals, administrators, other school personnel, parents, and pupils in developing the annual update.

Local Control Accountability Plan Contents: County Offices of Education

Education Code Section 52066.

(a) On or before July 1, 2014, each county superintendent of schools shall develop, and present to the county board of education for adoption, a local control and accountability plan using a template adopted by the state board.

(b) A local control and accountability plan adopted by a county board of education shall be effective for a period of three years, and shall be updated on or before July 1 of each year.

(c) A local control and accountability plan adopted by a county board of education shall include, for each school or program operated by the county superintendent of schools, both of the following:

   (1) A description of the annual goals, for all pupils and each subgroup of pupils identified pursuant to Section 52052, to be achieved for each of the state priorities identified in subdivision (d), as applicable to the pupils served, and for any additional local priorities identified by the county board of education.

   (2) A description of the specific actions the county superintendent of schools will take during each year of the local control and accountability plan to achieve the goals identified in paragraph (1), including the enumeration of any specific actions necessary for that year to correct any deficiencies in regard to the state priorities listed in paragraph (1) of subdivision (d). The specific actions shall not supersede the provisions of existing local collective bargaining agreements within the jurisdiction of the county superintendent of schools.

   (d) All of the following are state priorities:

      (1) The degree to which the teachers in the schools or programs operated by the county superintendent of schools are appropriately assigned in accordance with Section 44258.9 and fully credentialed in the subject areas, and, for the pupils they are teaching, every pupil in the schools or programs operated by the county superintendent of schools has sufficient access to the standards-aligned instructional materials as determined pursuant to Section 60119, and school facilities are maintained in good repair as specified in subdivision (d) of Section 17002.

      (2) Implementation of the academic content and performance standards adopted by the state board, including how the programs and services will enable English learners to access the common core academic content standards adopted pursuant to Section 60605.8 and the English language development standards adopted pursuant to Section 60811.3 for purposes of gaining academic content knowledge and English language proficiency.

      (3) Parental involvement, including efforts the county superintendent of schools makes to seek parent input in making decisions for each individual schoolsite and program operated by a county superintendent of schools, and including how the county
superintendent of schools will promote parental participation in programs for unduplicated pupils and individuals with exceptional needs.

(4) Pupil achievement, as measured by all of the following, as applicable:
   (A) Statewide assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or any subsequent assessment, as certified by the state board.
   (B) The Academic Performance Index, as described in Section 52052.
   (C) The percentage of pupils who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study that align with state board-approved career technical education standards and frameworks, including, but not limited to, those described in subdivision (a) of Section 52302, subdivision (a) of Section 52372.5, or paragraph (2) of subdivision (e) of Section 54692.
   (D) The percentage of English learner pupils who make progress toward English proficiency as measured by the California English Language Development Test or any subsequent assessment of English proficiency, as certified by the state board.
   (E) The English learner reclassification rate.
   (F) The percentage of pupils who have passed an advanced placement examination with a score of 3 or higher.
   (G) The percentage of pupils who participate in, and demonstrate college preparedness pursuant to, the Early Assessment Program, as described in Chapter 6 (commencing with Section 99300) of Part 65 of Division 14 of Title 3, or any subsequent assessment of college preparedness.

(5) Pupil engagement, as measured by all of the following, as applicable:
   (A) School attendance rates.
   (B) Chronic absenteeism rates.
   (C) Middle school dropout rates, as described in paragraph (3) of subdivision (a) of Section 52052.1.
   (D) High school dropout rates.
   (E) High school graduation rates.

(6) School climate, as measured by all of the following, as applicable:
   (A) Pupil suspension rates.
   (B) Pupil expulsion rates.
   (C) Other local measures, including surveys of pupils, parents, and teachers on the sense of safety and school connectedness.

(7) The extent to which pupils have access to, and are enrolled in, a broad course of study that includes all of the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable, including the programs and services developed and provided to unduplicated pupils and individuals with exceptional needs, and the program and services that are provided to benefit these pupils as a result of the funding received pursuant to Section 42238.02, as implemented by Section 42238.03.

(8) Pupil outcomes, if available, in the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable.

(9) How the county superintendent of schools will coordinate instruction of expelled pupils pursuant to Section 48926.
(10) How the county superintendent of schools will coordinate services for foster children, including, but not limited to, all of the following:

(A) Working with the county child welfare agency to minimize changes in school placement.

(B) Providing education-related information to the county child welfare agency to assist the county child welfare agency in the delivery of services to foster children, including, but not limited to, educational status and progress information that is required to be included in court reports.

(C) Responding to requests from the juvenile court for information and working with the juvenile court to ensure the delivery and coordination of necessary educational services.

(D) Establishing a mechanism for the efficient expeditious transfer of health and education records and the health and education passport.

(e) For purposes of the descriptions required by subdivision (c), a county board of education may consider qualitative information, including, but not limited to, findings that result from school quality reviews conducted pursuant to subparagraph (J) of paragraph (4) of subdivision (a) of Section 52052 or any other reviews.

(f) To the extent practicable, data reported in a local control and accountability plan shall be reported in a manner consistent with how information is reported on a school accountability report card.

(g) The county superintendent of schools shall consult with teachers, principals, administrators, other school personnel, local bargaining units of the county office of education, parents, and pupils in developing a local control and accountability plan.

(h) A county board of education may identify local priorities, goals in regard to the local priorities, and the method for measuring the county office of education's progress toward achieving those goals.

**Academic Performance Index: PSAA Review**

*Education Code* Section 52052.1.

(a) Beginning July 1, 2011, in addition to the test scores specified in subparagraph (B) of paragraph (4) of subdivision (a) of Section 52052, the Academic Performance Index (API) for a school or school district shall do all of the following:

(1) Include the test scores and other accountability data of enrolled pupils who were referred by the school or school district of residence to an alternative education program, including community, community day, and continuation high schools and independent study, and be calculated by assigning all accountability data on pupils in alternative education programs, including community, community day, and continuation high schools and independent study, to the school and school district of residence to ensure that placement decisions are in the best interests of affected pupils. If a pupil is referred to an alternative education program by a juvenile court judge or other correctional or judicial official, or if the pupil is expelled pursuant to subdivision (a) or (c) of Section 48915, the test scores of that pupil shall remain with the alternative education program and with the school district or county office of education serving that pupil. This section does not prohibit the alternative education program from counting the test scores of those pupils served in their alternative education program. It is the intent of
the Legislature that these alternative education programs remain accountable to the pupils they serve.

(2) Exclude the test scores or other data of those pupils exempt pursuant to federal statute or federal regulation.

(3) Include school and school district dropout rates for pupils who drop out of school while enrolled in grade 8 or 9. If reliable data is not available by July 1, 2011, the Superintendent, on or before that date, shall report to the Legislature the reasons for the delay and date he or she anticipates the specified dropout rates will be included in the API.

(b) The advisory committee established pursuant to Section 52052.5 shall recommend to the Superintendent and the state board all of the following:

(1) The length of time for which the accountability data on pupils in alternative education programs shall be assigned to the school and school district of residence pursuant to paragraph (1) of subdivision (a).

(2) Whether it is appropriate to assign accountability data to the school or the school district, pursuant to paragraph (1) of subdivision (a), if the pupil never attended the school of residence or has been absent for more than one year from the school district of residence due to placement in another school or school district or out of state.

(c) Before January 30, 2014, the advisory committee established pursuant to Section 52052.5 shall review, and recommend to the Superintendent and the state board any changes proposed for, the assignment of accountability data to the school district of residence pursuant to paragraph (1) of subdivision (a) based on the addition of Sections 2574, 2575, 42238.02, and 42238.03, and Article 4.5 (commencing with Section 52060) by the act adding this subdivision.
ITEM 14
## SUBJECT

Revisions to the Criteria and Standards for Fiscal Stability to Conform to Requirements of the Local Control Funding Formula.

### SUMMARY OF THE ISSUE(S)

Assembly Bill 97 (AB 97) (Chapter 47, Statutes of 2013), as amended by Senate Bill 91 (Chapter 49, Statutes of 2013) and by Senate Bill 97 (Chapter 357, Statutes of 2013), enacted the Local Control Funding Formula (LCFF). The LCFF replaces most previous K–12 funding streams, including revenue limits and most state categorical programs.

AB 97 requires that each local educational agency (LEA) adopt a Local Control and Accountability Plan (LCAP). The bill requires the State Superintendent of Public Instruction (SSPI) to convene the criteria and standards committee pursuant to Section 33127 of the Education Code (EC) to modify the criteria and standards to incorporate consideration of the LCAP into the budget review process. EC Section 33127(c) specifies that the SSPI, the Controller, and the Director of Finance shall update the criteria and standards on or before January 1, 2014, to address the LCAP requirements effective for the 2014–15 fiscal year.

The revisions recommended herein by the committee address the changes specifically required by EC 33127(c), plus certain additional changes necessitated by the LCFF to eliminate, replace, or modify criteria relating to the former funding formula, plus minor terminology changes to conform to new accounting standards. The committee did not address any other policy matters or changes to the criteria and standards at this time.

### RECOMMENDATION

The California Department of Education (CDE) recommends that the State Board of Education (SBE) adopt the revisions to the criteria and standards shown in Attachment 1. After the revisions are adopted, the criteria and standards will appear as shown in Attachments 2 through 5. The revisions will be incorporated into Title 5 of the California Code of Regulations as shown in Attachment 6.
BRIEF HISTORY OF KEY ISSUES

In accordance with AB 1200 (Chapter 1213, Statutes of 1991), county superintendents of schools have fiscal oversight responsibility over the school districts in the county and the SSPI has fiscal oversight responsibility over county offices of education. The criteria and standards for fiscal solvency used to develop, review, and assess school district and county office of education budgets and interim reports were originally developed in 1989 through the collaborative effort of an advisory committee that included representatives from a variety of LEA associations and state agencies. The criteria and standards have undergone periodic revisions since then.

The criteria and standards guide LEAs in developing their budgets and in their periodic self-evaluations of fiscal solvency known as interim reports, and are used by the county superintendent of schools and the SSPI in their monitoring and fiscal oversight roles.

The criteria and standards are codified in Title 5 of the California Code of Regulations. The complex analytical tools used to apply the criteria and standards are automated within CDE’s standardized account code structure (SACS) financial reporting software which LEAs use to prepare, validate, and submit their budgets and interim reports to their reviewing agencies and to submit their year-end financial data to CDE.

The criteria and standards committee met in September, 2013 and developed the revisions recommended herein. The committee was composed of representatives from the following organizations and agencies:

California Association of School Business Officials
California County Superintendents Educational Services Association
California Federation of Teachers
California School Boards Association
California School Employees Association
California Teachers Association
Fiscal Crisis and Management Assistance Team
California Department of Finance
California Legislative Analyst’s Office
State Board of Education
California State Controller’s Office
California Department of Education

Also invited but not in attendance were the following organizations and agencies:

Association of California School Administrators
Small School Districts’ Association
SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

The fiscal criteria and standards were originally adopted by the SBE in May 1989 (Chapter 1462, Statutes of 1988). They were revised in 1999, 2000, 2005, and 2008.

The CDE brought preliminary information about the required revisions relating to the LCFF to the Board in September 2013.

FISCAL ANALYSIS (AS APPROPRIATE)

Revising the criteria and standards will require a one-time cost to CDE estimated at $20,000 to program the changes in the CDE’s standardized account code structure (SACS) financial reporting software used by LEAs to prepare, validate, and submit their budgets and interim reports to their reviewing agencies and to submit their year-end financial data to CDE.

ATTACHMENTS

Attachment 1: Summary of Revisions to Criteria and Standards, for SBE adoption (3 Pages)

Attachment 2: Criteria and Standards for School District Budgets, after revisions (6 Pages)

Attachment 3: Criteria and Standards for County Office of Education Budgets, after revisions (6 Pages)

Attachment 4: Criteria and Standards for School District Interim Reports, after revisions (4 Pages)

Attachment 5: Criteria and Standards for County Office of Education Interim Reports, after revisions (4 Pages)

Attachment 6: Proposed Revisions to the California Code of Regulations, Title 5, Education (33 Pages)
SUMMARY OF REVISIONS TO CRITERIA AND STANDARDS

Following is a summary of the revisions to the criteria and standards. There are minor differences in how the criteria and standards are worded for the budget reports compared to the interim reports, and minor differences between the criteria and standards for school districts and the criteria and standards for county offices of education. Substantive revisions are described below. For purposes of this summary, non-substantive revisions are indicated as no change. Attachment 6 illustrates all text changes to Title V of the *California Code of Regulations*.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>No change for district criterion. For county office criterion, revised “county-wide other purpose ADA” to “county-wide ADA” to conform to the new funding formula.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Daily Attendance (ADA)</td>
<td>No change.</td>
</tr>
<tr>
<td>Enrollment (School Districts Only)</td>
<td>No change.</td>
</tr>
<tr>
<td>ADA to Enrollment (School Districts Only)</td>
<td>No change.</td>
</tr>
<tr>
<td>Revenue Limit</td>
<td>Changed terminology from “revenue limit” to “LCFF.” Revised standard for measuring the change in LCFF revenue to take into consideration LCFF gap funding and (for districts only) LCFF economic recovery target payment, in addition to the change in population and the cost-of-living adjustment (COLA). Added clarification that a district or county office that is at or above its LCFF target receives no gap funding, and instead its LCFF target is increased by COLA, but that such a district or county office’s year-over-year revenue increase might be less than the statutory COLA due to local factors and components of the funding formula.</td>
</tr>
<tr>
<td>Renamed criterion “Local Control Funding Formula (LCFF) Revenue”</td>
<td>No change.</td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>Added acknowledgment that for many districts and county offices, it is likely that the 2014–15 and 2015–16 change from the historical average ratio of unrestricted salaries and benefits to total unrestricted general fund expenditures will exceed the standard because certain revenues that were restricted prior to the LCFF are now unrestricted within the LCFF.</td>
</tr>
<tr>
<td>Other Revenues and Expenditures</td>
<td>No change.</td>
</tr>
<tr>
<td><strong>Criterion</strong></td>
<td>Details</td>
</tr>
<tr>
<td>----------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Facilities Maintenance</td>
<td>Replaced reference to <em>Education Code</em> Section 17584 relating to the former Deferred Maintenance program with reference to whether the LEA is providing adequately to preserve the functionality of its facilities for their normal life in accordance with <em>Education Code</em> sections 52060(d)(1) (for districts) or 52066(d)(1) (for county offices), and 17002(d)(1).</td>
</tr>
<tr>
<td>Deficit Spending</td>
<td>No change.</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>No change.</td>
</tr>
<tr>
<td>Reserves</td>
<td>No change for district criterion. For county office criterion, revised definition of “available reserves” to eliminate reference to the Juvenile Court/County Community Schools and Regional Occupational Centers/Programs.</td>
</tr>
<tr>
<td>Cash Balance (Interim Period Only)</td>
<td>No change.</td>
</tr>
<tr>
<td>Supplemental Information</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>----------------------------------------------------------------</td>
</tr>
<tr>
<td>New item: Local Control and Accountability Plan (LCAP)</td>
<td>New Item: Confirm that the governing board has adopted an LCAP or an update to the LCAP effective for the budget year.</td>
</tr>
<tr>
<td>New item: LCAP Expenditures</td>
<td>New Item: Confirm that the budget includes the expenditures necessary to implement the LCAP or annual update to the LCAP.</td>
</tr>
<tr>
<td>Temporary Interfund Borrowings (Interim Period Only)</td>
<td>No change.</td>
</tr>
<tr>
<td>Status of Other Funds (Interim Period Only)</td>
<td>No change.</td>
</tr>
</tbody>
</table>
# Criteria and Standards

## School District – Budgets

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Average Daily Attendance</strong></td>
<td>Funded average daily attendance (ADA) has not been overestimated in the first prior fiscal year or in two or more of the previous three fiscal years by more than the following percentage levels:</td>
</tr>
<tr>
<td></td>
<td>3.0% for districts with 0 to 300 ADA</td>
</tr>
<tr>
<td></td>
<td>2.0% for districts with 301 to 1,000 ADA</td>
</tr>
<tr>
<td></td>
<td>1.0% for districts with 1,001 and over ADA</td>
</tr>
<tr>
<td><strong>2. Enrollment</strong></td>
<td>Projected enrollment has not been overestimated in the first prior fiscal year or in two or more of the previous three fiscal years by more than the following percentage levels:</td>
</tr>
<tr>
<td></td>
<td>3.0% for districts with 0 to 300 ADA</td>
</tr>
<tr>
<td></td>
<td>2.0% for districts with 301 to 1,000 ADA</td>
</tr>
<tr>
<td></td>
<td>1.0% for districts with 1,001 and over ADA</td>
</tr>
<tr>
<td><strong>3. ADA to Enrollment</strong></td>
<td>Projected second period ADA to enrollment ratio for any of the budget year or two subsequent fiscal years has not increased from the historical average ratio from the three prior fiscal years by more than one half of one percent.</td>
</tr>
</tbody>
</table>
| **4. Local Control Funding Formula (LCFF) Revenue** | Projected LCFF revenue for any of the budget year or two subsequent fiscal years has not changed from the prior fiscal year by more than the change in population, plus the district’s gap funding or cost-of-living adjustment (COLA)¹ and its economic recovery target payment, plus or minus one percent.  

For basic aid districts, projected LCFF revenue has not changed from the prior fiscal year by more than the percent change in property tax revenues plus or minus one percent.  

For districts funded by necessary small school formulas, projected LCFF revenue has not changed from the prior fiscal year amount by more than the district’s gap funding or COLA¹ and its economic recovery payment, plus or minus one percent.
## Criteria and Standards
### School District – Budgets

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Salaries and Benefits</td>
<td>Projected ratio of total unrestricted salaries and benefits to total unrestricted general fund expenditures for any of the budget year or two subsequent fiscal years has not changed from the historical average ratio from the three prior fiscal years by more than the greater of three percent or the district’s required reserves percentage. It is likely that for many districts the 2014–15 and 2015–16 change from the historical average ratio will exceed the standard because certain revenues that were restricted prior to the LCFF are now unrestricted within the LCFF.</td>
</tr>
<tr>
<td>6. Other Revenues and Expenditures</td>
<td>Projected operating revenues (including federal, other state and other local) or expenditures (including books and supplies, and services and other operating), for any of the budget year or two subsequent fiscal years, have not changed from the prior fiscal year amount by more than the percentage change in population and the funded COLA plus or minus ten percent. For each major object category, changes that exceed the percentage change in population and the funded COLA plus or minus five percent must be explained.</td>
</tr>
<tr>
<td>7. Facilities Maintenance</td>
<td>Confirm that the annual contribution for facilities maintenance funding is not less than the amount required pursuant to Education Code Section 17070.75, if applicable, and that the district is providing adequately to preserve the functionality of its facilities for their normal life in accordance with Education Code sections 52060(d)(1) and 17002(d)(1).</td>
</tr>
<tr>
<td>8. Deficit Spending</td>
<td>Unrestricted deficit spending (total unrestricted expenditures and other financing uses is greater than total unrestricted revenues and other financing sources) as a percentage of total unrestricted expenditures and other financing uses, has not exceeded one-third of the district’s available reserves as a percentage of total expenditures and other financing uses in two out of three prior fiscal years.</td>
</tr>
<tr>
<td>9. Fund Balance</td>
<td>Budgeted beginning unrestricted general fund balance has not been overestimated for two out of three prior fiscal years by more than the following percentage levels:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
<th>ADA Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.7%</td>
<td>for districts with</td>
<td>0 to 300 ADA</td>
</tr>
<tr>
<td>1.3%</td>
<td>for districts with</td>
<td>301 to 1,000 ADA</td>
</tr>
<tr>
<td>1.0%</td>
<td>for districts with</td>
<td>1,001 to 30,000 ADA</td>
</tr>
<tr>
<td>0.7%</td>
<td>for districts with</td>
<td>30,001 to 400,000 ADA</td>
</tr>
<tr>
<td>0.3%</td>
<td>for districts with</td>
<td>400,001 and over ADA</td>
</tr>
</tbody>
</table>
## Criteria and Standards
### School District – Budgets

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>10. Reserves</td>
<td>Available reserves(^2) for any of the budget year or two subsequent fiscal years are not less than the following percentages or amounts as applied to total expenditures and other financing uses.(^3)</td>
</tr>
<tr>
<td></td>
<td>the greater of 5% or $55,000 for districts with 0 to 300 ADA</td>
</tr>
<tr>
<td></td>
<td>the greater of 4% or $55,000 for districts with 301 to 1,000 ADA</td>
</tr>
<tr>
<td></td>
<td>3% for districts with 1,001 to 30,000 ADA</td>
</tr>
<tr>
<td></td>
<td>2% for districts with 30,001 to 400,000 ADA</td>
</tr>
<tr>
<td></td>
<td>1% for districts with 400,001 and over ADA</td>
</tr>
</tbody>
</table>

---

1 Districts that are already at or above their LCFF target funding level as described in Education Code Section 42238.03(d) receive no gap funding. These districts have a COLA applied to their LCFF target, but their year-over-year revenue increase might be less than the statutory COLA due to certain local factors and components of the funding formula.

2 Available reserves are the unrestricted amounts in the Reserve for Economic Uncertainties and the Unassigned/Unappropriated accounts in the General Fund and Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the General Fund.

3 A school district that is the Administrative Unit of a Special Education Local Plan Area may exclude from its expenditures the distribution of funds to its participating members.

4 Percentage levels equate to a rate of deficit spending which would eliminate recommended reserves for economic uncertainties over a three year period.
### Criteria and Standards
**School District – Budgets**

**Supplemental Information**

Provide supplemental information as follows:

- Provide methodology and assumptions used to estimate ADA, enrollment, revenues, expenditures, reserves and fund balance, and multiyear commitments (including cost-of-living adjustments).
- Provide information on additional indicators as requested.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>S1.</td>
<td>Contingent Liabilities</td>
</tr>
<tr>
<td>S2.</td>
<td>Use of One-time Revenues for Ongoing Expenditures</td>
</tr>
<tr>
<td>S3.</td>
<td>Use of Ongoing Revenues for One-time Expenditures</td>
</tr>
<tr>
<td>S4.</td>
<td>Contingent Revenues</td>
</tr>
<tr>
<td>S5.</td>
<td>Contributions</td>
</tr>
</tbody>
</table>
## Criteria and Standards
### School District – Budgets

<table>
<thead>
<tr>
<th>Supplemental Information</th>
<th>Provide supplemental information as follows:</th>
</tr>
</thead>
<tbody>
<tr>
<td>S6. Long-term Commitments</td>
<td>Identify all existing and new multiyear commitments(^1) and their annual required payment for the budget year and two subsequent fiscal years. Explain how any increase in annual payments will be funded. Also explain how any decrease to funding sources used to pay long-term commitments will be replaced.</td>
</tr>
<tr>
<td>S7. Unfunded Liabilities</td>
<td>Estimate the unfunded liability for post employment benefits other than pensions (OPEB) based on an actuarial valuation, if required, or other method; identify or estimate the annual required contribution; and indicate how the obligation is funded (pay-as-you-go, amortized over a specific period, etc.). Estimate the unfunded liability for self-insurance programs such as workers’ compensation based on an actuarial valuation, if required, or other method; identify or estimate the required contribution; and indicate how the obligation is funded (level of risk retained, funding approach, etc.).</td>
</tr>
<tr>
<td>S8. Status of Labor Agreements</td>
<td>Analyze the status of employee labor agreements. Identify new labor agreements, as well as new commitments provided as part of previously ratified multiyear agreements; and include all contracts, including all administrator contracts (and including all compensation). For new agreements, indicate the date of the required board meeting. Compare the increase in new commitments to the projected increase in ongoing revenues and explain how these commitments will be funded in future fiscal years. If salary and benefit negotiations are not finalized at budget adoption, upon settlement with certificated or classified staff:</td>
</tr>
<tr>
<td></td>
<td>• The school district must determine the cost of the settlement, including salaries, benefits, and any other agreements that change costs, and provide the county office of education with an analysis of the cost of the settlement and its impact on the operating budget.</td>
</tr>
<tr>
<td></td>
<td>• The county superintendent shall review the analysis relative to the criteria and standards and may provide written comments to the president of the district governing board and superintendent.</td>
</tr>
</tbody>
</table>
## Criteria and Standards
### School District – Budgets

**Supplemental Information**  
Provide supplemental information as follows:

<table>
<thead>
<tr>
<th>S9.</th>
<th>Local Control and Accountability Plan (LCAP)</th>
<th>Confirm that the school district’s governing board has adopted an LCAP or an update to the LCAP effective for the budget year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>S10.</td>
<td>LCAP Expenditures</td>
<td>Confirm that the budget includes the expenditures necessary to implement the LCAP or annual update to the LCAP.</td>
</tr>
</tbody>
</table>

1 Include multiyear commitments, multiyear debt agreements, and new programs or contracts that result in long-term obligations.
Criteria and Standards
County Offices of Education – Budgets

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Daily Attendance</strong></td>
<td>Projected countywide average daily attendance (ADA) has not been overestimated in the first prior fiscal year or in two or more of the previous three fiscal years by more than the following percentage levels:</td>
</tr>
<tr>
<td></td>
<td>3.0% for counties with Under 7,000 ADA</td>
</tr>
<tr>
<td></td>
<td>2.0% for counties with 7,000 to 59,999 ADA</td>
</tr>
<tr>
<td></td>
<td>1.0% for counties with Over 59,999 ADA</td>
</tr>
<tr>
<td><strong>Local Control Funding Formula (LCFF) Revenue</strong></td>
<td>Projected LCFF revenue for any of the budget year or two subsequent fiscal years has not changed from the prior fiscal year by more than the change in population, plus the county office’s gap funding or cost-of-living adjustment (COLA)(^1) plus or minus one percent. For excess property tax counties, projected LCFF revenue has not changed from the prior fiscal year by more than the percent change in property tax revenues plus or minus one percent.</td>
</tr>
<tr>
<td><strong>Salaries and Benefits</strong></td>
<td>Projected total salaries and benefits for any of the budget year or two subsequent fiscal years has not changed from the prior fiscal year amount by more than the change in funded COLA plus or minus five percent. It is likely that for many county offices the 2014–15 and 2015–16 change from the historical average ratio will exceed the standard because certain revenues that were restricted prior to the LCFF are now unrestricted within the LCFF.</td>
</tr>
</tbody>
</table>
### Criteria and Standards

**County Offices of Education – Budgets**

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Other Revenues and Expenditures</td>
<td>Projected operating revenues (including federal, other state and other local) or expenditures (including books and supplies, and services and other operating), for any of the budget year or two subsequent fiscal years, have not changed from the prior fiscal year amount by more than the change in funded COLA plus or minus ten percent. For each major object category, changes that exceed the percentage change in the funded COLA plus or minus five percent must be explained.</td>
</tr>
<tr>
<td>5. Facilities Maintenance</td>
<td>Confirm that the annual contribution for facilities maintenance funding is not less than the amount required pursuant to Education Code Section 17070.75, if applicable, and that the county office is providing adequately to preserve the functionality of its facilities for their normal life in accordance with Education Code sections 52066(d)(1) and 17002(d)(1).</td>
</tr>
<tr>
<td>6. Deficit Spending</td>
<td>Unrestricted deficit spending (total unrestricted expenditures and other financing uses is greater than total unrestricted revenues and other financing sources) as a percentage of total unrestricted expenditures and other financing uses, has not exceeded one-third of the county office’s available reserves as a percentage of total expenditures and other financing uses in two out of three prior fiscal years.</td>
</tr>
<tr>
<td>7. Fund Balance</td>
<td>Budgeted beginning unrestricted county school service fund balance has not been overestimated for two out of three prior fiscal years by more than the following percentage levels:</td>
</tr>
<tr>
<td></td>
<td>for counties with total expenditures and other financing uses of Less Than $4,895,000</td>
</tr>
<tr>
<td></td>
<td>1.3%</td>
</tr>
<tr>
<td></td>
<td>1.0%</td>
</tr>
<tr>
<td></td>
<td>0.7%</td>
</tr>
</tbody>
</table>
### Criteria and Standards

#### County Offices of Education – Budgets

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Reserves</td>
<td>Available reserves&lt;sup&gt;2&lt;/sup&gt; for any of the budget year or two subsequent fiscal years are not less than the following percentages or amounts&lt;sup&gt;5&lt;/sup&gt; as applied to total expenditures and other financing uses:&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>for counties with total expenditures and other financing uses of</td>
</tr>
<tr>
<td></td>
<td>Less Than $4,895,000</td>
</tr>
<tr>
<td></td>
<td>the greater of 5% or $55,000</td>
</tr>
<tr>
<td></td>
<td>the greater of 4% or $245,000</td>
</tr>
<tr>
<td></td>
<td>the greater of 3% or $489,000</td>
</tr>
<tr>
<td></td>
<td>the greater of 2% or $1,652,000</td>
</tr>
<tr>
<td></td>
<td>$4,895,000 to $12,235,999</td>
</tr>
<tr>
<td></td>
<td>$12,236,000 to $55,064,000</td>
</tr>
<tr>
<td></td>
<td>$55,064,000 and Over</td>
</tr>
</tbody>
</table>

<sup>1</sup> County offices that are already at or above their LCFF target funding level receive no gap funding. These county offices have a COLA applied to their LCFF target, but their year-over-year revenue increase might be less than the statutory COLA due to certain local factors and components of the funding formula.

<sup>2</sup> Available reserves are the unrestricted amounts in the Reserve for Economic Uncertainties and the Unassigned/Unappropriated accounts in the County School Service Fund and Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the County School Service Fund.

<sup>3</sup> A county office of education that is the Administrative Unit of a Special Education Local Plan Area may exclude from its expenditures the distribution of funds to its participating members.

<sup>4</sup> Percentage levels equate to a rate of deficit spending which would eliminate recommended reserve for economic uncertainties over a three year period.

<sup>5</sup> Dollar amounts to be adjusted annually by the prior year statutory cost-of-living adjustment (Education Code Section 2557), rounded to the nearest thousand.
### Criteria and Standards
#### County Offices of Education – Budgets

**Supplemental Information**

Provide supplemental information as follows:

- **Provide methodology and assumptions used to estimate ADA, enrollment, revenues, expenditures, reserves and fund balance, and multiyear commitments (including cost–of-living adjustments).**
- **Provide information on additional indicators as requested.**

<table>
<thead>
<tr>
<th>S1. Contingent Liabilities</th>
<th>Identify any known or contingent liabilities from financial or program audits, state compliance reviews, litigation, etc., that may impact the budget.</th>
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<tbody>
<tr>
<td>S2. Use of One-time Revenues for Ongoing Expenditures</td>
<td>Identify any ongoing county school service fund expenditures in excess of one percent of the total county school service fund expenditures that are funded with one-time resources in the budget year, and explain how the one-time resources will be replaced to continue funding the ongoing expenditures in the following fiscal years.</td>
</tr>
<tr>
<td>S3. Use of Ongoing Revenues for One-time Expenditures</td>
<td>Identify any large non-recurring county school service fund expenditures that are funded with ongoing county school service fund revenues.</td>
</tr>
<tr>
<td>S4. Contingent Revenues</td>
<td>Identify projected revenues for the budget year and two subsequent fiscal years that are contingent on reauthorization by the local government, special legislation, or other definitive act (e.g. parcel taxes). If any of these revenues are dedicated for ongoing expenses, explain how the revenues will be replaced or the expenditures reduced.</td>
</tr>
</tbody>
</table>
| S5. Contributions | Identify projected contributions from unrestricted resources in the county school service fund to restricted resources in the county school service fund for the budget year and two subsequent fiscal years. Provide an explanation if contributions have changed from prior fiscal year amounts by more than $20,000 and more than ten percent. Explanation should include whether contributions are ongoing or one-time in nature.

Identify projected transfers to or from the county school service fund to cover operating deficits in either the county school service fund or any other fund for the budget year and two subsequent fiscal years. Provide an explanation if transfers have changed from the prior fiscal year amounts by more than $20,000 and more than ten percent. Explanation should include whether transfers are ongoing or one-time in nature.

Estimate the impact of any capital projects on the county school service fund operational budget.
<table>
<thead>
<tr>
<th>S6.</th>
<th>Long-term Commitments</th>
<th>Identify all existing and new multiyear commitments and their annual required payment for the budget year and two subsequent fiscal years. Explain how any increase in annual payments will be funded. Also explain how any decrease to funding sources used to pay long-term commitments will be replaced.</th>
</tr>
</thead>
</table>
| S7. | Unfunded Liabilities | Estimate the unfunded liability for post employment benefits other than pensions (OPEB) based on an actuarial valuation, if required, or other method; identify or estimate the annual required contribution; and indicate how the obligation is funded (pay-as-you-go, amortized over a specific period, etc.).

Estimate the unfunded liability for self-insurance programs such as workers’ compensation based on an actuarial valuation, if required, or other method; identify or estimate the required contribution; and indicate how the obligation is funded (level of risk retained, funding approach, etc.). |
| S8. | Status of Labor Agreements | Analyze the status of labor agreements.
Identify new labor agreements, as well as new commitments provided as part of previously ratified multiyear agreements; and include all contracts, including all administrator contracts (and including all compensation). For new agreements, indicate the date of the required board meeting.

Compare the increase in new commitments to the projected increase in ongoing revenues, and explain how these commitments will be funded in future fiscal years.

If salary and benefit negotiations are not finalized at budget adoption, upon settlement with certificated or classified staff:

The county office of education must determine the cost of the settlement, including salaries, benefits, and any other agreements that change costs, and provide the California Department of Education (CDE) with an analysis of the cost of the settlement and its impact on the operating budget.

The CDE shall review the analysis relative to the criteria and standards, and may provide written comments to the president of the governing board and the county superintendent of schools. |
Criteria and Standards
County Offices of Education – Budgets

**Supplemental Information**  Provide supplemental information as follows:

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<table>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>S9.</td>
<td>Local Control and Accountability Plan (LCAP)</td>
</tr>
<tr>
<td></td>
<td>Confirm that the county office’s governing board has adopted an LCAP or approved an update</td>
</tr>
<tr>
<td></td>
<td>to the LCAP effective for the budget year.</td>
</tr>
<tr>
<td>S10.</td>
<td>LCAP Expenditures</td>
</tr>
<tr>
<td></td>
<td>Confirm that the budget includes the expenditures necessary to implement the LCAP or</td>
</tr>
<tr>
<td></td>
<td>annual update to the LCAP.</td>
</tr>
</tbody>
</table>

1 Include multiyear commitments, multiyear debt agreements, and new programs or contracts that result in long-term obligations.
Criteria and Standards
School District – Interim Reports

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deviations from the standards must be explained and may affect your interim certification.</td>
<td></td>
</tr>
</tbody>
</table>

A qualified certification indicates that, based on current projections the school district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

A negative certification indicates that, based on current projections, the school district will be unable to meet its financial obligations for the remainder of the current fiscal year or subsequent fiscal year.

1. Fund and Cash Balances
   Projected general fund balances will be positive at the end of the current fiscal year and two subsequent fiscal years and the projected general fund cash balance will be positive at the end of the current fiscal year.

2. Reserves
   Available reserves\(^1\) for any of the current fiscal year or two subsequent fiscal years are not less than the following percentages or amounts\(^2\) as applied to total expenditures and other financing uses\(^3\):

   \[
   \begin{array}{llll}
   \text{the greater of 5\% or} & \text{the greater of 4\% or} \\
   $55,000 & $55,000 \\
   \text{for districts with} & \text{for districts with} \\
   0 & 301 \\
   \text{to} & \text{to} \\
   300 ADA & 1,000 ADA \\
   \text{3\%} & \text{1\%,001} \\
   \text{for districts with} & \text{to} \\
   301 & 30,000 ADA \\
   \text{2\%} & \text{30,001} \\
   \text{for districts with} & \text{to} \\
   30,001 & 400,000 ADA \\
   \text{1\%} & \text{400,001 and} \\
   \text{for districts with} & \text{over ADA} \\
   \end{array}
   \]

3. Deficit Spending
   Unrestricted deficit spending (total unrestricted expenditures and other financing uses is greater than total unrestricted revenues and other financing sources) as a percentage of total unrestricted expenditures and other financing uses, has not exceeded one-third of the district’s available reserves\(^1\) as a percentage of total expenditures and other financing uses\(^3\) in any of the current fiscal year or two subsequent fiscal years.

4. Average Daily Attendance
   Funded average daily attendance (ADA) for any of the current fiscal year or two subsequent fiscal years has not changed by more than two percent since budget adoption\(^4\).

5. Enrollment
   Projected enrollment for any of the current fiscal year or two subsequent fiscal years has not changed by more than two percent since budget adoption\(^4\).

6. ADA to Enrollment
   Projected second period ADA to enrollment ratio for any of the current fiscal year or two subsequent fiscal years has not increased from the historical average ratio from the three prior fiscal years by more than one half of one percent.
Criteria and Standards
School District – Interim Reports

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<tbody>
<tr>
<td>7. Local Control Funding Formula (LCFF) Revenue</td>
<td>Projected LCFF revenue for any of the current fiscal year or two subsequent fiscal years, has not changed by more than two percent since budget adoption.</td>
</tr>
<tr>
<td>8. Salaries and Benefits</td>
<td>Projected ratio of total unrestricted salaries and benefits to total unrestricted general fund expenditures for any of the current fiscal year or two subsequent fiscal years has not changed from the historical average ratio from the three prior fiscal years by more than the greater of three percent or the district’s required reserves percentage. It is likely that for many districts, the 2014–15 and 2015–16 change from the historical average ratio will exceed the standard because certain revenues that were restricted prior to the LCFF are now unrestricted within the LCFF.</td>
</tr>
<tr>
<td>9. Other Revenues and Expenditures</td>
<td>Projected operating revenues (including federal, other state and other local) or expenditures (including books and supplies, and services and other operating), for any of the current fiscal year or two subsequent fiscal years, have not changed by more than five percent since budget adoption. Changes that exceed five percent in any major object category must be explained.</td>
</tr>
<tr>
<td>10. Facilities Maintenance</td>
<td>Identify changes that have occurred since budget adoption in the projected contributions for facilities maintenance funding as required pursuant to Education Code Section 17070.75, or in how the district is providing to preserve the functionality of its facilities for their normal life in accordance with Education Code sections 52060(d)(1) and 17002(d)(1).</td>
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1 Available reserves are the unrestricted amounts in the Reserve for Economic Uncertainties and the Unassigned/Unappropriated accounts in the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the General Fund.

2 Dollar amounts to be adjusted annually by the prior year statutory cost-of-living adjustment (Education Code Section 42238), rounded to the nearest thousand.

3 A school district that is the Administrative Unit of a Special Education Local Plan Area may exclude from its expenditures the distribution of funds to its participating members.

4 First interim reports will be compared to adopted budgets. Second interim reports will be compared to first interim projections.
**Criteria and Standards**  
**School District – Interim Reports**

### Supplemental Information

Provide supplemental information as follows:

- Provide methodology and assumptions used to estimate ADA, Enrollment, Revenues, Expenditures, Reserves and Fund Balance, and Multiyear Commitments (including cost-of-living adjustments).
- Provide information on additional indicators as requested.

<table>
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<tr>
<th><strong>S1. Contingent Liabilities</strong></th>
<th>Identify any known or contingent liabilities from financial or program audits, state compliance reviews, litigation, etc., that have occurred since budget adoption that may impact the budget.</th>
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<tbody>
<tr>
<td><strong>S2. Use of One-Time Revenues for Ongoing Expenditures</strong></td>
<td>Projected use of one-time revenues for ongoing general fund expenditures has not changed by more than five percent since budget adoption.</td>
</tr>
<tr>
<td><strong>S3. Contingent Revenues</strong></td>
<td>Identify projected revenues for the current fiscal year and two subsequent fiscal years that are contingent on reauthorization by the local government, special legislation, or other definitive act (e.g. parcel taxes). If any of these revenues are dedicated for ongoing expenses, explain how the revenues will be replaced or the expenditures reduced.</td>
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| **S4. Contributions** | Identify projected contributions from unrestricted resources in the general fund to restricted resources in the general fund for the current fiscal year and two subsequent fiscal years. Provide an explanation if contributions have changed by more than $20,000 and more than five percent since budget adoption.  
Identify projected transfers to or from the general fund to cover operating deficits in either the general fund or any other fund for the current fiscal year and two subsequent fiscal years. Provide an explanation if transfers have changed by more than $20,000 and more than five percent since budget adoption.  
Identify capital project cost overruns that have occurred since budget adoption that may impact the general fund budget. |
| **S5. Long-Term Commitments** | Identify all existing and new multiyear commitments and their annual required payment for the current fiscal year and two subsequent fiscal years.  
Explain how any increase in annual payments will be funded. Also explain how any decrease to funding sources used to pay long-term commitments will be replaced. |
## Criteria and Standards
### School District – Interim Reports

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<td><strong>S7. Temporary Interfund Borrowings</strong></td>
<td>Identify projected temporary borrowings between funds (refer to <em>Education Code Section 42603</em>).</td>
</tr>
<tr>
<td><strong>S8. Status of Labor Agreements</strong></td>
<td>Analyze the status of employee labor agreements. Identify new labor agreements that have been ratified since budget adoption¹, as well as new commitments provided as part of previously ratified multiyear agreements; and include all contracts, including all administrator contracts (and including all compensation). For new agreements, indicate the date of the required board meeting. Compare the increase in new commitments to the projected increase in ongoing revenues and explain how these commitments will be funded in future fiscal years. If salary and benefit negotiations are not finalized, upon settlement with certificated or classified staff:</td>
</tr>
<tr>
<td></td>
<td>• The school district must determine the cost of the settlement, including salaries, benefits, and any other agreements that change costs and provide the county office of education with an analysis of the cost of the settlement and its impact on the operating budget.</td>
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<td>• The county superintendent shall review the analysis relative to the criteria and standards and may provide written comments to the president of the district governing board and the district superintendent.</td>
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<tr>
<td><strong>S9. Status of Other Funds</strong></td>
<td>Analyze the status of other funds that may have negative fund balances at the end of the current fiscal year. If any other fund has a projected negative fund balance, prepare an interim report and multiyear projection for that fund. Explain plans for how and when the negative fund balance will be addressed.</td>
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¹ First interim reports will be compared to adopted budget. Second interim reports will be compared to first interim projections.

² Include multiyear commitments, multiyear debt agreements, and new programs or contracts that result in long-term obligations.
# Criteria and Standards

## California Department of Education – Interim Reports

**Deviations from the standards must be explained, and may affect your interim certification.**

A qualified certification indicates that, based on current projections, the county office of education may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

A negative certification indicates that, based on current projections, the county office of education will be unable to meet its financial obligations for the remainder of the current fiscal year or subsequent fiscal year.

<table>
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<tr>
<td><strong>1. Fund and Cash Balances</strong></td>
<td>Projected county school service fund (CSSF) balances will be positive at the end of the current fiscal year and two subsequent fiscal years and the projected CSSF cash balance will be positive at the end of the current fiscal year.</td>
</tr>
<tr>
<td><strong>2. Reserves</strong></td>
<td>Available reserves(^1) for any of the current fiscal year or two subsequent fiscal years are not less than the following percentages or amounts(^2) as applied to total expenditures and other financing uses(^3):</td>
</tr>
<tr>
<td></td>
<td>for counties with total expenditures and other financing uses of:</td>
</tr>
<tr>
<td></td>
<td>the greater of 5% or $55,000                                                                                      Less Than $4,895,000</td>
</tr>
<tr>
<td></td>
<td>the greater of 4% or $245,000                                                                                     $4,895,000 to $12,235,999</td>
</tr>
<tr>
<td></td>
<td>the greater of 3% or $489,000                                                                                      $12,236,000 to $55,064,000</td>
</tr>
<tr>
<td></td>
<td>the greater of 2% or $1,652,000                                                                                    $55,064,000 and Over</td>
</tr>
<tr>
<td><strong>3. Deficit Spending</strong></td>
<td>Unrestricted deficit spending (total unrestricted expenditures and other financing uses is greater than total unrestricted revenues and other financing sources) as a percentage of total unrestricted expenditures and other financing uses, has not exceeded one-third of the county office's available reserves(^1) as a percentage of total expenditures and other financing uses(^2) in any of the current fiscal year or two subsequent fiscal years.</td>
</tr>
<tr>
<td><strong>4. Average Daily Attendance</strong></td>
<td>Projected countywide average daily attendance (ADA) has not changed for any of the current fiscal year or two subsequent fiscal years by more than two percent since budget adoption(^4). Projected ADA for county operated programs has not changed for any of the current fiscal year or two subsequent fiscal years by more than two percent since budget adoption(^4).</td>
</tr>
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</table>
California Department of Education
Revised November 2013
Revisions effective July 1, 2014

Criteria and Standards
County Office of Education – Interim Reports

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<td>7. Other Revenues and Expenditures</td>
<td>Projected operating revenues (including federal, other state, and other local) or expenditures (including books and supplies, and services and other operating) for any of the current fiscal year or two subsequent fiscal years have not changed by more than five percent since budget adoption. Changes that exceed five percent in any major object category must be explained.</td>
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<td>8. Facilities Maintenance</td>
<td>Identify changes that have occurred since budget adoption in the projected contributions for facilities maintenance funding as required pursuant to Education Code Section 17070.75, or in how the county office is providing adequately to preserve the functionality of its facilities for their normal life in accordance with Education Code sections 52066(d)(1) and 17002(d)(1).</td>
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2 A county office of education that is the Administrative Unit of a Special Education Local Plan Area may exclude from its expenditures the distribution of funds to its participating members.

3 Dollar amounts to be adjusted annually by the prior year statutory cost-of-living adjustment (Education Code Section 2557), rounded to the nearest thousand.

4 First interim reports will be compared to adopted budgets. Second interim reports will be compared to first interim projections.
## Criteria and Standards

### County Office of Education – Interim Reports

**Supplemental Information**

Provide supplemental information as follows:

Provide methodology and assumptions used to estimate ADA, enrollment, revenues, expenditures, reserves and fund balance, and multiyear commitments (including cost-of-living adjustments).

Provide information on additional indicators as requested.

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<td>Projected use of one-time revenues for ongoing CSSF expenditures has not changed by more than five percent since budget adoption.</td>
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<tr>
<td><strong>S3. Contingent Revenues</strong></td>
<td>Identify projected revenues for the current fiscal year and two subsequent fiscal years that are contingent on reauthorization by the local government, special legislation, or other definitive act (e.g. parcel taxes). If any of these revenues are dedicated for ongoing expenses, explain how the revenues will be replaced or the expenditures reduced.</td>
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<td><strong>S4. Contributions</strong></td>
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<tr>
<td><strong>S5. Long-Term Commitments</strong></td>
<td>Identify all existing and new multiyear commitments and their annual required payment for the current fiscal year and two subsequent fiscal years. Explain how any increase in annual payments will be funded. Also explain how any decrease to funding sources used to pay long-term commitments will be replaced.</td>
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## Criteria and Standards
### County Office of Education – Interim Reports

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| S8. Status of Labor Agreements | Analyze the status of employee labor agreements. Identify new labor agreements that have been ratified since budget adoption\(^2\), as well as new commitments provided as part of previously ratified multiyear agreements; and include all contracts, including all administrator contracts (and including all compensation). For new agreements, indicate the date of the required board meeting. Compare the increase in new commitments to the projected increase in ongoing revenues, and explain how these commitments will be funded in future fiscal years. If salary and benefit negotiations are not finalized, upon settlement with the certificated or classified staff:  
  - The county office of education must determine the cost of the settlement, including salaries, benefits, and any other agreements that change costs, and provide the California Department of Education (CDE) with an analysis of the cost of the settlement and its impact on the operating budget.  
  - The CDE shall review the analysis relative to the criteria and standards, and may provide written comments to the president of the governing board and the county superintendent of schools. |
| S9. Status of Other Funds | Analyze the status of other funds that may have negative fund balances at the end of the current fiscal year. If any other fund has a projected negative fund balance, prepare an interim report and multiyear projection for that fund. Explain plans for how and when the negative fund balance will be addressed. |

---

1 First interim reports will be compared to adopted budgets. Second interim reports will be compared to first interim projections.

2 Include multiyear commitments, multiyear debt agreements, and new programs or contracts that result in long-term obligations.
Title 5, Education
Division 1, California Department of Education
Chapter 14. School Finance
Subchapter 8. Criteria and Standards for School District Budgets and Interim Reports


§ 15440. General.
(a) School districts shall use the following criteria and standards (beginning with section 15441) and supplemental information (beginning with section 15452) in the development of their annual budgets. The county superintendent of schools will review the school district’s budget to determine whether it complies with the criteria and standards.

(b) The budget review includes an analysis of ten criteria, with standards, and additional information about the status of the budget. The ten criteria are average daily attendance (ADA), enrollment, ADA to enrollment, revenue limit local control funding formula (LCFF) revenue, salaries and benefits, other revenues and expenditures, facilities maintenance, deficit spending, fund balance, and reserves. School district budgets are measured against the standards for each of these criteria. In addition to the criteria and standards, the review must identify additional information regarding contingent liabilities, use of one-time revenues for ongoing expenditures, use of ongoing revenues for one-time expenditures, contingent revenues, contributions, long-term commitments, unfunded liabilities, and the status of labor agreements, local control and accountability plan (LCAP), and LCAP expenditures. Deviations from the standards must be explained, and may affect the approval of the budget.


§ 15441. Average Daily Attendance (ADA).
Funded ADA has not been overestimated in the first prior fiscal year or in two or more of the previous three fiscal years by more than the following percentage levels:

- 3% for districts with 0–300 ADA
- 2% for districts with 301–1,000 ADA
- 1% for districts with 1,001 and over ADA


§ 15442. Enrollment.
Projected enrollment has not been overestimated in the first prior fiscal year or in two or more of the previous three fiscal years by more than the following percentage levels:

- 3% for districts with 0–300 ADA
- 2% for districts with 301–1,000 ADA
- 1% for districts with 1,001 and over ADA


§ 15443. Average Daily Attendance to Enrollment.
Projected second period ADA to enrollment ratio for any of the budget year or two subsequent fiscal years has not increased from the historical average ratio from the three prior fiscal years by more than one half of one percent.


§ 15444. Revenue Limit Local Control Funding Formula (LCFF) Revenue.
(a) Projected revenue limit LCFF revenue for any of the budget year or two subsequent fiscal years has not changed from the prior fiscal year by more than the change in population, plus the district’s gap funding or and the funded cost-of-living adjustment (COLA) and its economic recovery target payment, plus or minus one percent.
(b) For basic aid districts, projected revenue limit LCFF revenue has not changed from the prior fiscal year by more than the percent change in property tax revenues plus or minus one percent.

(c) For districts funded by necessary small school formulas, projected revenue limit LCFF revenue has not changed from the prior fiscal year amount by more than the district's gap funding or funded cost-of-living adjustment COLA and its economic recovery payment, plus or minus one percent.

(d) For the purposes of this section, districts that are already at or above their LCFF target funding level as described in Education Code Section 42238.03(d) receive no gap funding. These districts have a COLA applied to their LCFF target, but their year-over-year revenue increase might be less than the statutory COLA due to certain local factors and components of the funding formula.


§ 15445. Salaries and Benefits.

Projected ratio of total unrestricted salaries and benefits to total unrestricted general fund expenditures for any of the budget year or two subsequent fiscal years has not changed from the historical average ratio from the three prior fiscal years by more than the greater of three percent or the district's required reserves percentage.

For purposes of this section, it is likely that for many districts the 2014–15 and 2015–16 change from the historical average ratio will exceed the standard because certain revenues that were restricted prior to the LCFF are now unrestricted within the LCFF.


§ 15446. Other Revenues and Expenditures.

Projected operating revenues (including federal, other state and other local) or expenditures (including books and supplies, and services and other operating) for any of the budget year or two subsequent fiscal years, have not changed from the prior
fiscal year amount by more than the percentage change in population and the funded
cost-of-living adjustment plus or minus ten percent.

For each major object category, changes that exceed the percentage change in
population and the funded cost-of-living-adjustment plus or minus five percent must be
explained.

Note: Authority cited: Sections 33127 and 33129, Education Code. Reference:
Section 33128, Education Code.

§ 15447. Facilities Maintenance.

Confirm that the annual contribution for facilities maintenance funding is not less
than the amounts amount required pursuant to Education Code sections Section 17584
and 17070.75, if applicable, and that the district is providing adequately to preserve the
functionality of its facilities for their normal life in accordance with Education Code
sections 52060(d)(1) and 17002(d)(1).

Note: Authority cited: Sections 33127 and 33129, Education Code. Reference:
Sections 17002, 17070.75, 17584, and 33128, and 52060, Education Code.

§ 15448. Deficit Spending.

(a) Unrestricted deficit spending (total unrestricted expenditures and other
financing uses is greater than total unrestricted revenues and other financing sources)
as a percentage of total unrestricted expenditures and other financing uses, has not
exceeded one-third of the district's available reserves as a percentage of total
expenditures and other financing uses in two out of three prior fiscal years.

(b) For purposes of this section, available reserves are the unrestricted reserves
amounts in the Designated Reserve for Economic Uncertainties and the Undesignated
Unassigned/Unappropriated accounts in the General Fund and the Special Reserve
Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any
negative ending balances in restricted resources in the General Fund.

(c) For purposes of this section, a school district that serves as the
Administrative Unit (AU) of a Special Education Local Plan Area (SELPA) may exclude
from its expenditures the distribution of funds to its participating members.
§ 15449. Fund Balance.
(a) Budgeted beginning unrestricted general fund balance has not been overestimated for two out of three prior fiscal years by more than the following percentage levels:

1. 1.7% for districts with 0–300 ADA
2. 1.3% for districts with 301–1,000 ADA
3. 1.0% for districts with 1,001–30,000 ADA
4. 0.7% for districts with 30,001–400,000 ADA
5. 0.3% for districts with 400,001 and over ADA

(b) For purposes of this section, the percentage levels equate to a rate of deficit spending which would eliminate recommended reserves for economic uncertainties over a three year period.

§ 15450. Reserves.
(a) Available reserves for any of the budget year or two subsequent fiscal years are not less than the following percentages or amounts as applied to total expenditures and other financing uses:

1. the greater of 5% or $55,000 for districts with 0–300 ADA
2. the greater of 4% or $55,000 for districts with 301–1,000 ADA
3. 3% for districts with 1,001–30,000 ADA
4. 2% for districts with 30,001–400,000 ADA
5. 1% for districts with 400,001 and over ADA

(b) For purposes of this section, the following shall apply:

1. Available reserves are the unrestricted reserves amounts in the Designated Reserve for Economic Uncertainties and the Undesignated Unassigned/Unappropriated accounts in the General Fund and the Special Reserve
Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any
negative ending balances in restricted resources in the General Fund.

(2) A school district that serves as the AU of a SELPA may exclude from
its expenditures the distribution of funds to its participating members.

(3) The dollar amounts are to be adjusted annually by the prior year
statutory cost-of-living adjustment (Education Code section 42238), rounded to the
nearest thousand.

Note: Authority cited: Sections 33127 and 33129, Education Code. Reference:
Sections 33128 and 42238, Education Code.

§ 15451. Supplemental Information.

(a) School districts shall provide supplemental information in the following
general areas:

(1) Provide the methodology and assumptions used to estimate ADA,
enrollment, revenues, expenditures, reserves and fund balance, and multiyear
commitments (including cost-of-living adjustments).

(2) Provide information on additional indicators as requested.

(b) School districts shall provide supplemental information in the following
specific areas:

(1) Contingent Liabilities. Identify any known or contingent liabilities from
financial or program audits, state compliance reviews, litigation, etc., that may
impact the budget.

(2) Use of One-time Revenues for Ongoing Expenditures. Identify any
ongoing general fund expenditures in excess of one percent of the total general
fund expenditures that are funded with one-time resources in the budget year,
and explain how the one-time resources will be replaced to continue funding the
ongoing expenditures in the following fiscal years.

(3) Use of Ongoing Revenues for One-time Expenditures. Identify any
large nonrecurring general fund expenditures that are funded with ongoing
general fund revenues.
(4) Contingent Revenues. Identify projected revenues for the budget year and two subsequent fiscal years that are contingent on reauthorization by the local government, special legislation, or other definitive act (e.g. parcel taxes). If any of these revenues are dedicated for ongoing expenses, explain how the revenues will be replaced or the expenditures reduced.

(5) Contributions. Provide information regarding contributions as follows:

(A) Identify projected contributions from unrestricted resources in the general fund to restricted resources in the general fund for the budget year and two subsequent fiscal years. Provide an explanation if contributions have changed from the prior fiscal year amounts by more than $20,000 and more than ten percent. An explanation should include whether contributions are ongoing or one-time in nature.

(B) Identify projected transfers to or from the general fund to cover operating deficits in either the general fund or any other fund for the budget year and two subsequent fiscal years. Provide an explanation if transfers have changed from the prior fiscal year amounts by more than $20,000 and more than ten percent. An explanation should include whether transfers are ongoing or one-time in nature.

(C) Estimate the impact of any capital projects on the general fund operational budget.

(6) Long-term Commitments. Provide information regarding long-term commitments as follows:

(A) Identify all existing and new multiyear commitments (include multiyear commitments, multiyear debt agreements, and new programs or contracts that result in long-term obligations) and their annual required payment for the budget year and two subsequent fiscal years.

(B) Explain how any increase in annual payments will be funded. Also explain how any decrease to funding sources used to pay long-term commitments will be replaced.

(7) Unfunded Liabilities. Provide information regarding unfunded liabilities as follows:
(A) Estimate the unfunded liability for post employment benefits other than pensions (OPEB) based on an actuarial valuation, if required, or other method; identify or estimate the annual required contribution; and indicate how the obligation is funded (pay-as-you-go, amortized over a specific period, etc.).

(B) Estimate the unfunded liability for self-insurance programs such as workers' compensation based on an actuarial valuation, if required, or other method; identify or estimate the required contribution; and indicate how the obligation is funded (level of risk retained, funding approach, etc).

(8) Status of Labor Agreements. Analyze the status of employee labor agreements, including the following:

(A) Identify new labor agreements, as well as new commitments provided as part of previously ratified multiyear agreements; and include all contracts, including all administrator contracts (and including all compensation). For new agreements, indicate the date of the required board meeting.

(B) Compare the increase in new commitments to the projected increase in ongoing revenues, and explain how these commitments will be funded in future fiscal years.

(C) If salary and benefit negotiations are not finalized at budget adoption, upon settlement with certificated or classified staff:

1. The school district must determine the cost of the settlement, including salaries, benefits, and any other agreements that change costs, and provide the county office of education with an analysis of the cost of the settlement and its impact on the operating budget.

2. The county superintendent of schools shall review the analysis relative to the criteria and standards, and may provide written comments to the president of the district governing board and superintendent.
(9) Local Control and Accountability Plan (LCAP). Confirm that the school district’s governing board has adopted an LCAP or an update to the LCAP effective for the budget year.

(10) LCAP Expenditures. Confirm that the budget includes the expenditures necessary to implement the LCAP or annual update to the LCAP.

Note: Authority cited: Sections 33127 and 33129, Education Code. Reference: Sections 33128, 42127, and 52060, Education Code; and Sections 3540.2 and 3547.5, Government Code.

Article 2. Interim Report Review

§ 15453. General.

(a) School districts shall conduct a review of their budgets at Interim Report time in accordance with the following criteria and standards (beginning with section 15454) and supplemental information (beginning with section 15464). The county superintendent of schools will review the school district’s Interim Report using the criteria and standards.

(b) The school district superintendent shall submit two interim reports to its governing board during each fiscal year. Both interim reports shall be approved by the district’s governing board along with a certification on whether their school district is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the two subsequent fiscal years. The certification shall be based on the governing board’s assessment and the criteria and standards. The certification shall be classified as positive, qualified, or negative.

(1) A positive certification indicates that, based on current projections the school district will meet its financial obligations for the current fiscal year and two subsequent fiscal years.

(2) A qualified certification indicates that, based on current projections the school district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.
(3) A negative certification indicates that, based on current projections the school district will be unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year.

(c) The review includes an analysis of ten criteria, with standards, and supplemental information about the status of the budget at Interim Report time. The ten criteria are fund and cash balances, reserves, deficit spending, ADA, enrollment, ADA to enrollment, revenue limit LCFF revenue, salaries and benefits, other revenues and expenditures, and facilities maintenance. Each of these criteria has a standard by which it is measured. In addition to the criteria and standards, the review must identify additional information regarding contingent liabilities, use of one-time revenues for ongoing expenditures, contingent revenues, contributions, long-term commitments, unfunded liabilities, temporary interfund borrowings, status of labor agreements, and the status of other funds. Deviations from the standards must be explained, and may affect the interim certification.

Note: Authority cited: Sections 33127, 33129, and 42131, Education Code.
Reference: Section 33128, Education Code.

§ 15454. Fund and Cash Balances.

Projected general fund balances will be positive at the end of the current fiscal year and two subsequent fiscal years and the projected general fund cash balance will be positive at the end of the current fiscal year.

Note: Authority cited: Sections 33127, 33129, and 42131, Education Code.
Reference: Section 33128, Education Code.

§ 15455. Reserves.

(a) Available reserves for any of the current fiscal year or two subsequent fiscal years are not less than the following percentages or amounts as applied to total expenditures and other financing uses:

- the greater of 5% or $55,000 for districts with 0–300 ADA
- the greater of 4% or $55,000 for districts with 301–1,000 ADA
- 3% for districts with 1,001–30,000 ADA
2% for districts with 30,001–400,000 ADA
1% for districts with 400,001 and over ADA

(b) For purposes of this section, the following shall apply:

(1) Available reserves are the unrestricted reserves amounts in the Designated Reserve for Economic Uncertainties and the Undesignated Unassigned/Unappropriated accounts in the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the General Fund.

(2) A school district that serves as the AU of a SELPA may exclude from its expenditures the distribution of funds to its participating members.

(3) The dollar amounts are to be adjusted annually by the prior year statutory cost-of-living adjustment (Education Code section 42238), rounded to the nearest thousand.


§ 15456. Deficit Spending.

(a) Unrestricted deficit spending (total unrestricted expenditures and other financing uses is greater than total unrestricted revenues and other financing sources) as a percentage of total unrestricted expenditures and other financing uses, has not exceeded one-third of the district’s available reserves as a percentage of total expenditures and other financing uses in any of the current fiscal year or two subsequent fiscal years.

(b) For purposes of this section, the following shall apply:

(1) Available reserves are the unrestricted reserves amounts in the Designated Reserve for Economic Uncertainties and the Undesignated Unassigned/Unappropriated accounts in the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the General Fund.

(2) A school district that serves as the AU of a SELPA may exclude from its expenditures the distribution of funds to its participating members.
§ 15457. **Average Daily Attendance.**

(a) Funded ADA for any of the current fiscal year or two subsequent fiscal years has not changed by more than two percent since budget adoption.

(b) For purposes of this section, first interim reports will be compared to adopted budgets; second interim reports will be compared to first interim projections.

Note: Authority cited: Sections 33127, 33129, and 42131, Education Code.
Reference: Section 33128, Education Code.

§ 15458. **Enrollment.**

(a) Projected enrollment for any of the current fiscal year or two subsequent fiscal years has not changed by more than two percent since budget adoption.

(b) For purposes of this section, first interim reports will be compared to adopted budgets; second interim reports will be compared to first interim projections.

Note: Authority cited: Sections 33127, 33129, and 42131, Education Code.
Reference: Section 33128, Education Code.

§ 15459. **ADA to Enrollment.**

Projected second period ADA to enrollment ratio for any of the current fiscal year or two subsequent fiscal years has not increased from the historical average ratio from three prior fiscal years by more than one half of one percent.

Note: Authority cited: Sections 33127, 33129, and 42131, Education Code.
Reference: Section 33128, Education Code.

§ 15460. **Revenue Limit Local Control Funding Formula (LCFF) Revenue.**

(a) Projected revenue limit LCFF revenue for any of the current fiscal year or two subsequent fiscal years has not changed by more than two percent since budget adoption.

(b) For purposes of this section, first interim reports will be compared to adopted
budgets; second interim reports will be compared to first interim projections.

Note: Authority cited: Sections 33127, 33129, and 42131, Education Code.
Reference: Section 33128, Education Code.

§ 15461. Salaries and Benefits.
Projected ratio of total unrestricted salaries and benefits to total unrestricted
general fund expenditures for any of the current fiscal year or two subsequent fiscal
years has not changed from the historical average ratio from the three prior fiscal years
by more than the greater of three percent or the district’s required reserves percentage.

For purposes of this section, it is likely that for many districts the 2014–15 and
2015–16 change from the historical average ratio will exceed the standard because
certain revenues that were restricted prior to the LCFF are now unrestricted within the
LCFF.

Note: Authority cited: Sections 33127, 33129, and 42131, Education Code.
Reference: Section 33128, Education Code.

§ 15462. Other Revenues and Expenditures.
(a) Projected operating revenues (including federal, other state and other local)
or expenditures (including books and supplies, and services and other operating) for
any of the current fiscal year or two subsequent fiscal years, have not changed by more
than five percent since budget adoption.

(b) Changes that exceed five percent in any major object category must be
explained.

(c) For purposes of this section, first interim reports will be compared to adopted
budgets; second interim reports will be compared to first interim projections.

Note: Authority cited: Sections 33127, 33129, and 42131, Education Code.
Reference: Section 33128, Education Code.

§ 15463. Facilities Maintenance.
(a) Identify changes that have occurred since budget adoption in the projected
contributions for facilities maintenance funding as required pursuant to Education Code
sections 17584 and 17070.75, or in how the district is providing to preserve the functionality of its facilities for their normal life in accordance with Education Code sections 52060(d)(1) and 17002(d)(1).

(b) For purposes of this section, first interim reports will be compared to adopted budgets; second interim reports will be compared to first interim projections. Note: Authority cited: Sections 33127, 33129, and 42131, Education Code.
Reference: Sections 17002, 17070.75, 17584, and 33128, and 52060, Education Code.

§ 15464. Supplemental Information.

(a) School districts shall provide supplemental information in the following general areas:

(1) Provide the methodology and assumptions used to estimate ADA, enrollment, revenues, expenditures, reserves and fund balance, and multiyear commitments (including cost-of-living adjustments).

(2) Provide information on additional indicators as requested.

(b) School districts shall provide supplemental information in the following specific areas:

(1) Contingent Liabilities. Identify any known or contingent liabilities from financial or program audits, state compliance reviews, litigation, etc., that have occurred since budget adoption that may impact the budget.

(2) Use of One-Time Revenues for Ongoing Expenditures. Identify ongoing general fund expenditures funded by one-time revenues that have changed by more than five percent since budget adoption. (For this purpose, the first interim reports will be compared to adopted budgets; the second interim reports will be compared to first interim projections.)

(3) Contingent Revenues. Identify projected revenues for the current fiscal year and two subsequent fiscal years that are contingent on reauthorization by the local government, special legislation, or other definitive act (e.g., parcel taxes). If any of these revenues are dedicated for ongoing expenses, explain how the revenues will be replaced or the expenditures reduced.
(4) Contributions. Provide information regarding contributions as follows:

   (A) Identify projected contributions from unrestricted resources in the general fund to restricted resources in the general fund for the current fiscal year and two subsequent fiscal years. Provide an explanation if contributions have changed by more than $20,000 and more than five percent since budget adoption. (For this purpose, the first interim reports will be compared to adopted budgets; the second interim reports will be compared to first interim projections.)

   (B) Identify projected transfers to or from the general fund to cover operating deficits in either the general fund or any other fund for the current fiscal year and two subsequent fiscal years. Provide an explanation if transfers have changed by more than $20,000 and more than five percent since budget adoption. (For this purpose, the first interim reports will be compared to adopted budgets; the second interim reports will be compared to first interim projections.)

   (C) Identify capital project cost overruns that have occurred since budget adoption that may impact the general fund budget. (For this purpose, first interim reports will be compared to adopted budgets; second interim reports will be compared to first interim projections.)

(5) Long-Term Commitments. Provide information regarding long-term commitments as follows:

   (A) Identify all existing and new multiyear commitments (include multiyear commitments, multiyear debt agreements, and new programs or contracts that result in long-term obligations) and their annual required payment, for the current fiscal year and two subsequent fiscal years.

   (B) Explain how any increase in annual payments will be funded. Also explain how any decrease to funding sources used to pay long-term commitments will be replaced.

(6) Unfunded Liabilities. Identify any changes in estimates for unfunded liabilities since budget adoption, and indicate whether the changes are the result of a new actuarial valuation. (For this purpose, the first interim reports will be
compared to adopted budgets; the second interim reports will be compared to
first interim projections.)

(7) Temporary Interfund Borrowings. Identify projected temporary
borrowings between funds (refer to Education Code section 42603).

(8) Status of Labor Agreements. Analyze the status of employee labor
agreements, including the following:

(A) Identify new labor agreements that have been ratified since
budget adoption, as well as new commitments provided as part of
previously ratified multiyear agreements; and include all contracts,
including all administrator contracts (and including all compensation). For
new agreements, indicate the date of the required board meeting. (For
this purpose, the first interim reports will be compared to adopted
budgets; the second interim reports will be compared to first interim
projections.)

(B) Compare the increase in new commitments to the projected
increase in ongoing revenues, and explain how these commitments will
be funded in future fiscal years.

(C) If salary and benefit negotiations are not finalized, upon
settlement with certificated or classified staff:

1. The school district must determine the cost of the
settlement, including salaries, benefits, and any other agreements
that change costs, and provide the county office of education with
an analysis of the cost of the settlement and its impact on the
operating budget.

2. The county superintendent of schools shall review the
analysis relative to the criteria and standards, and may provide
written comments to the president of the district governing board
and the district superintendent.

(9) Status of Other Funds. Analyze the status of other funds that may
have negative fund balances at the end of the current fiscal year. If any other
fund has a projected negative fund balance, prepare an interim report and
multiyear projection for that fund. Explain plans for how and when the negative
fund balance will be addressed.

Note: Authority cited: Sections 33127 and 33129, Education Code. Reference:
Sections 33128 and 42603, Education Code; and Sections 3540.2 and 3547.5,
Government Code.

Subchapter 9. Criteria and Standards for County Office of Education Budgets
and Interim Reports


§ 15467. General.
(a) County offices of education shall use the following criteria and standards
(beginning with section 15468) and supplemental information (beginning with section
15475) in the development of their annual budgets. The State Superintendent of Public
Instruction (SSPI) will review the county office of education's budget to determine
whether it complies with the criteria and standards.

(b) The budget review includes an analysis of eight criteria, with standards, and
additional information about the status of the budget. The eight criteria are ADA,
revenue limit local control funding formula (LCFF) revenue, salaries and benefits, other
revenues and expenditures, facilities maintenance, deficit spending, fund balance, and
reserves. County office budgets are measured against a standard for each of these
criteria. In addition to the criteria and standards, the review must identify additional
information regarding contingent liabilities, use of one-time revenues for ongoing
expenditures, use of ongoing revenues for one-time expenditures, contingent revenues,
contributions, long-term commitments, unfunded liabilities, and the status of labor
agreements, local control and accountability plan (LCAP), and LCAP expenditures.
Deviations from the standards must be explained, and may affect the approval of the
budget.

Note: Authority cited: Sections 1621, 1622, 1623, 33127, and 33129, Education
§ 15468. Average Daily Attendance.
(a) Projected countywide other purpose ADA has not been overestimated in the first prior fiscal year or in two or more of the previous three fiscal years by more than the following percentage levels:
   3.0% for counties with under 7,000 ADA
   2.0% for counties with 7,000 through 59,999 ADA
   1.0% for counties with over 59,999 ADA
(b) Projected ADA for county operated programs for any of the budget year or two subsequent fiscal years has not increased from the historical average from the three prior fiscal years by more than two percent each year.


§ 15469. Revenue Limit Local Control Funding Formula (LCFF) Revenue.
(a) Projected revenue limit LCFF revenue for any of the budget year or two subsequent fiscal years has not changed from the prior fiscal year by more than the change in population, plus the county office's gap funding or and the funded cost-of-living adjustment (COLA), plus or minus one percent.
(b) For excess property tax counties, projected revenue limit LCFF revenue has not changed from the prior fiscal year by more than the percent change in property tax revenues plus or minus one percent.
(c) For purposes of this section, county offices that are already at or above their LCFF target funding level receive no gap funding. These county offices have a COLA applied to their LCFF target, but their year-over-year revenue increase might be less than the statutory COLA due to certain local factors and components of the funding formula.


§ 15471. Salaries and Benefits.
Projected total salaries and benefits for any of the budget year or two
subsequent fiscal years has not changed from the prior fiscal year amount by more than the change in funded COLA plus or minus five percent.

For purposes of this section, it is likely that for many county offices the 2014–15 and 2015–16 change from the historical average ratio will exceed the standard because certain revenues that were restricted prior to the LCFF are now unrestricted within the LCFF.


§ 15471.1. Other Revenues and Expenditures.

(a) Projected operating revenues (including federal, other state and other local) or expenditures (including books and supplies, and services and other operating) for any of the budget year or two subsequent fiscal years, have not changed from the prior fiscal year amount by more than the change in funded COLA plus or minus ten percent.

(b) For each major object category, changes that exceed the percentage change in funded COLA plus or minus five percent must be explained.


§ 15471.2. Facilities Maintenance.

Confirm that the annual contribution for facilities maintenance funding is not less than the amount required pursuant to Education Code sections 17584 and 17070.75, if applicable, and that the county office is providing adequately to preserve the functionality of its facilities for their normal life in accordance with Education Code sections 52066(d)(1) and 17002(d)(1).


§ 15472. Deficit Spending.
(a) Unrestricted deficit spending (total unrestricted expenditures and other financing uses is greater than total unrestricted revenues and other financing sources) as a percentage of total unrestricted expenditures and other financing uses, has not exceeded one-third of the county office's available reserves as a percentage of total expenditures and other financing uses in two out of three prior fiscal years.

(b) For purposes of this section, the following shall apply:

(1) Available reserves from the Juvenile Court/County Community Schools and Regional Occupational Centers/Programs may be included, up to the applicable percentage of program expenditures. Funds designated as reserves for this purpose continue to be restricted for use only in those programs. Also, available reserves are the unrestricted reserves amounts in the Designated Reserve for Economic Uncertainties and the Undesignated/Unassigned/Unappropriated accounts in the County School Service Fund and Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the County School Service Fund.

(2) A county office of education that serves as the AU of a SELPA may exclude from its expenditures the distribution of funds to its participating members.


§ 15473. Fund Balance.

(a) Budgeted beginning unrestricted county school service fund balance has not been overestimated for two out of three prior fiscal years by more than the following percentage levels:

1.7% for counties with total expenditures and other financing uses of less than $4,895,000.

1.3% for counties with total expenditures and other financing uses of $4,895,000 through $12,235,999.
1.0% for counties with total expenditures and other financing uses of $12,236,000 through $55,064,000.

0.7% for counties with total expenditures and other financing uses of over $55,064,000.

(b) For purposes of this section, the following shall apply:

(1) A county office of education that serves as the AU of a SELPA may exclude from its expenditures the distribution of funds to its participating members.

(2) Percentage levels equate to a rate of deficit spending which would eliminate recommended reserves for economic uncertainties over a three year period.

(3) The dollar amounts are to be adjusted annually by the prior year statutory cost-of-living adjustment calculated pursuant to Education Code section 2557, rounded to the nearest thousand.

Note: Authority cited: Sections 1621, 1622, 1623, 33127, and 33129, Education Code. Reference: Section Sections 2557 and 33128, Education Code.

§ 15474. Reserves.

(a) Available reserves for any of the budget year or two subsequent fiscal years are not less than the following percentages or amounts as applied to total expenditures, and other financing uses:

- the greater of 5% or $55,000 for counties with total expenditures, and other financing uses of less than $4,895,000.
- the greater of 4% or $245,000 for counties with total expenditures, and other financing uses of $4,895,000 through $12,235,999.
- the greater of 3% or $489,000 for counties with total expenditures, and other financing uses of $12,236,000 through $55,064,000.
- the greater of 2% or $1,652,000 for counties with total expenditures, and other financing uses of over $55,064,000.

(b) For purposes of this section, the following shall apply:

(1) Available reserves from the Juvenile Court/County Community
Schools and Regional Occupational Centers/Programs may be included, up to the applicable percentage of program expenditures. Funds designated as reserves for this purpose continue to be restricted for use only in those programs. Also, available reserves are the unrestricted reserves amounts in the Designated Reserve for Economic Uncertainties and the Undesignated/Unassigned/Unappropriated accounts in the County School Service Fund and Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the County School Service Fund.

(2) A county office of education that serves as the AU of a SELPA may exclude from its expenditures the distribution of funds to its participating members.

(3) The dollar amounts are to be adjusted annually by the prior year statutory cost-of-living adjustment calculated pursuant to Education Code section 2557 rounded to the nearest thousand.


§ 15475. Supplemental Information.
(a) County offices of education shall provide supplemental information in the following general areas:

(1) Provide the methodology and assumptions used to estimate ADA, enrollment, revenues, expenditures, reserves and fund balance, and multiyear commitments (including cost-of-living adjustments).

(2) Provide information on additional indicators as requested.

(b) County offices of education shall provide supplemental information in the following specific areas:

(1) Contingent Liabilities. Identify any known or contingent liabilities from financial or program audits, state compliance reviews, litigation, etc., that may impact the budget.

(2) Use of One-time Revenues for Ongoing Expenditures. Identify any ongoing county school service fund expenditures in excess of one percent of the total county school service fund expenditures that are funded with one-time
resources in the budget year, and explain how the one-time resources will be replaced to continue funding the ongoing expenditures in the following fiscal years.

(3) Use of Ongoing Revenues for One-time Expenditures. Identify any large nonrecurring county school service fund expenditures that are funded with ongoing county school service fund revenues.

(4) Contingent Revenues. Identify projected revenues for the budget year and two subsequent fiscal years that are contingent on reauthorization by the local government, special legislation, or other definitive act (e.g. parcel taxes). If any of these revenues are dedicated for ongoing expenses, explain how the revenues will be replaced or the expenditures reduced.

(5) Contributions. Provide information regarding contributions as follows:

(A) Identify projected contributions from unrestricted resources in the county school service fund to restricted resources in the county school service fund for the budget year and two subsequent fiscal years. Provide an explanation if contributions have changed from prior fiscal year amounts by more than $20,000 and more than ten percent. An explanation should include whether contributions are ongoing or one-time in nature.

(B) Identify projected transfers to or from the county school service fund to cover operating deficits in either the county school service fund or any other fund for the budget year and two subsequent fiscal years. Provide an explanation if transfers have changed from the prior year amounts by more than $20,000 and more than ten percent. An explanation should include whether transfers are ongoing or one-time in nature.

(C) Estimate the impact of any capital projects on the county school service fund operational budget.

(6) Long-term Commitments. Provide information regarding long-term commitments as follows:
(A) Identify all existing and new multiyear commitments (include multiyear commitments, multiyear debt agreements, and new programs or contracts that result in long-term obligations) and their annual required payment for the budget year and two subsequent fiscal years.

(B) Explain how any increase in annual payments will be funded. Also explain how any decrease to funding sources used to pay long-term commitments will be replaced.

(7) Unfunded Liabilities. Provide information regarding unfunded liabilities as follows:

(A) Estimate the unfunded liability for post employment benefits other than pensions (OPEB) based on an actuarial valuation, if required, or other method; identify or estimate the annual required contribution; and indicate how the obligation is funded (pay-as-you-go, amortized over a specific period, etc.).

(B) Estimate the unfunded liability for self-insurance programs such as workers' compensation based on an actuarial valuation, if required, or other method; identify or estimate the required contribution; and indicate how the obligation is funded (level of risk retained, funding approach, etc).

(8) Analyze the status of labor agreements, including the following:

(A) Identify new labor agreements, as well as new commitments provided as part of previously ratified multiyear agreements; and include all contracts, including all administrator contracts (and including all compensation). For new agreements, indicate the date of the required board meeting.

(B) Compare the increase in new commitments to the projected increase in ongoing revenues, and explain how these commitments will be funded in future fiscal years.

(C) If salary and benefit negotiations are not finalized at budget adoption, upon settlement with certificated or classified staff:
(1) The county office must determine the cost of the settlement, including salaries, benefits, and any other agreements that change costs, and provide the California Department of Education (CDE) with an analysis of the cost of the settlement and its impact on the operating budget.

(2) The CDE shall review the analysis relative to the criteria and standards, and may provide written comments to the president of the governing board and the county superintendent of schools.

(9) Local Control and Accountability Plan (LCAP). Confirm that the county office’s governing board has adopted an LCAP or approved an update to the LCAP effective for the budget year.

(10) LCAP Expenditures. Confirm that the budget includes the expenditures necessary to implement the LCAP or annual update to the LCAP.


Article 2. Interim Report Review

§ 15480. General.

(a) County offices of education shall conduct a review of their budgets at Interim Report time in accordance with the following criteria and standards and supplemental information (beginning with section 15481) and supplemental information (beginning with section 15493). The SSPI will review the county office’s Interim Report using the criteria and standards.

(b) The county superintendent of schools shall submit two interim reports to its governing board during each fiscal year. Both interim reports shall be reviewed by the county board of education and approved by the county superintendent of schools, who shall certify whether their county office of education is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecast, for two subsequent fiscal years. The certification shall be based on the criteria and standards and shall be classified as positive, qualified, or negative.
(1) A positive certification indicates that, based on current projections the county office of education will meet its financial obligations for the current fiscal year and two subsequent fiscal years.

(2) A qualified certification indicates that, based on current projections the county office of education may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

(3) A negative certification indicates that, based on current projections the county office of education will be unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year.

(b) The review includes an analysis of eight criteria, with standards, and supplemental information about the status of the budget at Interim Report time. The eight criteria are fund and cash balances, reserves, deficit spending, ADA, revenue limit local control funding formula (LCFF) revenue, salaries and benefits, other revenues and expenditures, and facilities maintenance. Each of these criteria has a standard by which it is measured. In addition to the criteria and standards, the review must identify additional information regarding contingent liabilities, use of one-time revenues for ongoing expenditures, contingent revenues, contributions, long-term commitments, unfunded liabilities, temporary interfund borrowings, the status of labor agreements, and the status of other funds. Deviations from the standards must be explained, and may affect the interim certification.

Note: Authority cited: Sections 1240(l), 33127, and 33129, Education Code.
Reference: Section 33128, Education Code.

§ 15481. Fund and Cash Balances.
Projected county school service fund balances will be positive at the end of the current fiscal year and two subsequent fiscal years and the projected county school service fund cash balance will be positive at the end of the current fiscal year.

Note: Authority cited: Sections 1240(l), 33127, and 33129, Education Code.
Reference: Section 33128, Education Code.

§ 15483. Reserves.
(a) Available reserves for any of the current fiscal year or two subsequent fiscal years are not less than the following percentages or amounts as applied to total expenditures, and other financing uses:

- the greater of 5% or $55,000 for counties with total expenditures, and other financing uses of less than $4,895,000.
- the greater of 4% or $245,000 for counties with total expenditures and other financing uses of $4,895,000 through $12,235,999.
- the greater of 3% or $489,000 for counties with total expenditures, and other financing uses of $12,236,000 through $55,064,000.
- the greater of 2% or $1,652,000 for counties with total expenditures, and other financing uses of over $55,064,000.

(b) For purposes of this section, the following shall apply:

1. Available reserves from the Juvenile Court/County Community Schools and Regional Occupational Centers/Programs may be included, up to the applicable percentage of program expenditures. Funds designated as reserves for this purpose continue to be restricted for use only in those programs. Also, available Available reserves are the unrestricted reserves amounts in the Designated Reserve for Economic Uncertainties and the Undesignated Unassigned/Unappropriated accounts in the County School Service Fund and the Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the County School Service Fund.

2. A county office of education that serves as the AU of a SELPA may exclude from its expenditures the distribution of funds to its participating members.

3. The dollar amounts are to be adjusted annually by the prior year statutory cost-of-living adjustment calculated pursuant to Education Code section 2557, rounded to the nearest thousand.

Note: Authority cited: Sections 1240(l), 33127, and 33129, Education Code.

Reference: Section Sections 2557 and 33128, Education Code.
§ 15484. Deficit Spending.

(a) Unrestricted deficit spending (total unrestricted expenditures and other financing uses is greater than total unrestricted revenues and other financing sources) as a percentage of total unrestricted expenditures and other financing uses, has not exceeded one-third of the county office's available reserves as a percentage of total expenditures and other financing uses in any of the current fiscal year or two subsequent fiscal years.

(b) For purposes of this section, the following shall apply:

(1) Available reserves from the Juvenile Court/County Community Schools and Regional Occupational Centers/Programs may be included, up to the applicable percentage of program expenditures. Funds designated as reserves for this purpose continue to be restricted for use only in those programs. Also, available reserves are the unrestricted reserves amounts in the Designated Reserve for Economic Uncertainties and the Undesignated/Unassigned/Unappropriated accounts in the County School Service Fund and the Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the County School Service Fund.

(2) A county office of education that serves as the AU of a SELPA may exclude from its expenditures the distribution of funds to its participating members.

Note: Authority cited: Sections 1240(l), 33127, and 33129, Education Code.

Reference: Section 33128, Education Code.

§ 15485. Average Daily Attendance.

(a) Projected countywide other purpose ADA has not changed for any of the current fiscal year or two subsequent fiscal years by more than two percent since budget adoption.

(b) Projected ADA for county operated programs has not changed for any of the current fiscal year or two subsequent fiscal years by more than two percent since budget adoption.
(c) For purposes of this section, first interim reports will be compared to adopted budgets; second interim reports will be compared to first interim projections.

Note: Authority cited: Sections 1240(l), 33127, and 33129, Education Code.

Reference: Sections 1205 and 33128, Education Code.

§ 15486. Revenue Limit Local Control Funding Formula (LCFF) Revenue.

(a) Projected revenue limit LCFF revenue for any of the current fiscal year or two subsequent fiscal years, has not changed by more than two percent since budget adoption.

(b) For purposes of this section, first interim reports will be compared to adopted budgets; second interim reports will be compared to first interim projections.

Note: Authority cited: Sections 1240(l), 33127, and 33129, Education Code.

Reference: Section 33128, Education Code.

§ 15488. Salaries and Benefits.

(a) Projected total salaries and benefits for any of the current fiscal year or two subsequent fiscal years has not changed by more than five percent since budget adoption.

(b) For purposes of this section, first interim reports will be compared to adopted budgets; second interim reports will be compared to first interim projections.

Note: Authority cited: Sections 1240(l), 33127, and 33129, Education Code.

Reference: Section 33128, Education Code.

§ 15489. Other Revenues and Expenditures.

(a) Projected operating revenues (including federal, other state and other local) or expenditures (including books and supplies, and services and other operating) for any of the current fiscal year or two subsequent fiscal years, have not changed by more than five percent since budget adoption.

(b) Changes that exceed five percent in any major object category must be explained.
(c) For purposes of this section, first interim reports will be compared to adopted budgets; second interim reports will be compared to first interim projections.

Note: Authority cited: Sections 1240(l), 33127, and 33129, Education Code.
Reference: Section 33128, Education Code.

§ 15490. Facilities Maintenance.

(a) Identify changes that have occurred since budget adoption in the projected contributions for facilities maintenance funding as required pursuant to Education Code sections 17584 and 17070.75, or in how the county office is providing adequately to preserve the functionality of its facilities for their normal life in accordance with Education Code sections 52066(d)(1) and 17002(d)(1).

(b) For purposes of this section, the first interim reports will be compared to adopted budgets; second interim reports will be compared to first interim projections.

Note: Authority cited: Sections 1240(l), 33127, and 33129, Education Code.
Reference: Sections 17002, 17070.75, 33128, and 52066, Education Code.

§ 15493. Supplemental Information.

(a) County offices of education shall provide supplemental information in the following general areas:

(1) Provide the methodology and assumptions used to estimate ADA, enrollment, revenues, expenditures, reserves and fund balance, and multiyear commitments (including cost-of-living adjustments).

(2) Provide information on additional indicators as requested.

(b) County offices of education shall provide supplemental information in the following specific areas:

(1) Contingent Liabilities. Identify any known or contingent liabilities from financial or program audits, state compliance reviews, litigation, etc., that have occurred since budget adoption that may impact the budget.

(2) Use of One-Time Revenues for Ongoing Expenditures. Identify the ongoing county school service fund (CSSF) expenditures funded by one time revenues that have changed by more than five percent since budget adoption.
(For this purpose, the first interim reports will be compared to adopted budgets; the second interim reports will be compared to first interim projections).

(3) Contingent Revenues. Identify projected revenues for the current fiscal year and two subsequent fiscal years that are contingent on reauthorization by the local government, special legislation, or other definitive act (e.g., parcel taxes). If any of these revenues are dedicated for ongoing expenses, explain how the revenues will be replaced or the expenditures reduced.

(4) Contributions. Provide information regarding contributions as follows:

(A) Identify projected contributions from unrestricted resources in the CSSF to restricted resources in the CSSF for the current year and two subsequent fiscal years. Provide an explanation if contributions have changed by more than $20,000 and more than five percent since budget adoption. (For this purpose, the first interim reports will be compared to adopted budgets; the second interim reports will be compared to first interim projections.)

(B) Identify projected transfers to or from the CSSF to cover operating deficits in either the CSSF or any other fund for the current year and two subsequent fiscal years. Provide an explanation if transfers have changed by more than $20,000 and more than five percent since budget adoption. (For this purpose, the first interim reports will be compared to adopted budgets; the second interim reports will be compared to first interim projections.)

(C) Identify capital project cost overruns that have occurred since budget adoption that may impact the CSSF budget. (For this purpose, first interim reports will be compared to adopted budgets; second interim reports will be compared to first interim projections.)

(5) Long-Term Commitments. Provide information regarding long-term commitments as follows:

(A) Identify all existing and new multiyear commitments (include multiyear commitments, multiyear debt agreements, and new programs or
contracts that result in long-term obligations) and their annual required
payment, for the current fiscal year and two subsequent fiscal years.

(B) Explain how any increase in annual payments will be funded.
Also explain how any decrease to funding sources used to pay long-term
commitments will be replaced.

(6) Unfunded Liabilities. Identify any changes in estimates for unfunded
liabilities since budget adoption, and indicate whether the changes are the result
of a new actuarial valuation. (For this purpose, first interim reports will be
compared to adopted budgets; second interim reports will be compared to first
interim projections.)

(7) Temporary Interfund Borrowings. Identify projected temporary
borrowings between funds (refer to Education Code section 42603).

(8) Status of Labor Agreements. Analyze the status of employee labor
agreements, including the following:

(A) Identify new labor agreements that have been ratified since
budget adoption, as well as new commitments provided as part of
previously ratified multiyear agreements; and include all contracts,
including all administrator contracts (and including all compensation). For
new agreements, indicate the date of the required board meeting.

(B) Compare the increase in new commitments to the projected
increase in ongoing revenues, and explain how these commitments will
be funded in future fiscal years.

(C) If salary and benefit negotiations are not finalized, upon
settlement with certificated or classified staff:

1. The county office of education must determine the cost of
the settlement, including salaries, benefits, and any other
agreements that change costs, and provide the CDE with an
analysis of the cost of the settlement and its impact on the
operating budget.
2. The CDE shall review the analysis relative to the criteria and standards, and may provide written comments to the president of the governing board and county superintendent of schools.

(9) Status of Other Funds. Analyze the status of other funds that may have negative fund balances at the end of the current fiscal year. If any other fund has a projected negative fund balance, prepare an interim report and multiyear projection for that fund. Explain plans for how and when the negative fund balance will be addressed.

Note: Authority cited: Sections 1240(l), 33127, and 33129, Education Code.

Reference: Sections 33128 and 42603, Education Code; and Sections 3540.2 and 3547.5, Government Code.
## SUBJECT


| ☒ Action |
| ☐ Information |
| ☐ Public Hearing |

## SUMMARY OF THE ISSUE(S)

As required by the Individuals with Disabilities Education Act (IDEA) of 2004, Part B, the State Performance Plan (SPP) and Annual Performance Report (APR) are prepared each year using the instructions sent to the California Department of Education (CDE), Special Education Division (SED) by the U.S. Department of Education (ED), Office of Special Education Programs (OSEP). The SPP is a seven-year plan covering 2005–2006 through 2012–2013. The APR covers California’s progress on ten compliance and ten performance indicators for program year 2012–2013.

This presentation provides an overview of the Federal Fiscal Year (FFY) 2012 APR data that will be submitted to OSEP on February 1, 2014. We are seeking the approval now for this item.

## RECOMMENDATION

The CDE SED recommends that the SBE review and approve the executive summary of the FFY 2012 APR for Part B of the IDEA covering program year 2012–2013.

## BRIEF HISTORY OF KEY ISSUES

California is required to have in place a SPP to guide the state's implementation of Part B of the IDEA and to describe how the state will improve implementation. California’s initial plan was submitted to the OSEP on December 2, 2005, as approved by the SBE and the State Superintendent of Public Instruction. Each year the SPP is updated to reflect changes in federal requirements and update improvement activities. The SPP remains current through FFY 2012, program year 2012–13.
In addition, California must report annually to the public on the performance of its local educational agencies (LEAs). The APR documents and analyzes the LEAs’ and State’s progress toward meeting the targets and benchmarks identified in the SPP; it also summarizes the statewide activities associated with each of the SPP’s target indicators. The APR is presented to the SBE annually for review.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

For FFY 2011, the APR reported on the progress of the 2011–2012 compliance and performance indicators as required by the IDEA. The APR and the SPP also addressed some new federal reporting requirements, which included updates to reflect changes in the calculation methodology used to identify disproportionality for Indicator Four (Rates of Suspension and Expulsion), Indicator Nine (Disproportionality of Racial and Ethnic Groups in Special Education), and Indicator Ten (Disproportionality of Racial and Ethnic Groups in Specific Disability Categories). The SPP and APR, amended as described, were approved by the SBE at its January 2012 meeting. On February 1, 2012, the SPP and APR were submitted to the OSEP.

FISCAL ANALYSIS (AS APPROPRIATE)

There is no fiscal impact.

ATTACHMENT(S)

California Department of Education

Special Education Division

Individuals with Disabilities Education Act of 2004

State Annual Performance Report

Executive Summary

Federal Fiscal Year 2012 (Program Year 2012–2013)

November 2013
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Special Education in California

The California Department of Education (CDE) provides state leadership and policy direction for school district special education programs and services for students who have disabilities, newborn to 22 years of age. Special Education is defined as specially designed instruction and services, at no cost to parents, to meet the unique needs of children with disabilities. Special education services are available in a variety of settings, including day-care settings, preschool, regular classrooms, classrooms that emphasize specially designed instruction, the community, and the work environment.

This leadership includes providing families with information on the education of children with disabilities. The CDE works cooperatively with other state agencies to provide everything from family-centered services for infants and preschool children with disabilities to planned steps for transitions from high school to employment and quality adult life. The CDE responds to consumer complaints and administers the federal Individuals with Disabilities Education Act (IDEA) and the No Child Left Behind Act (NCLB) for students with disabilities in California.

Accountability and Data Collection

In accordance with the IDEA of 2004, California is required to report annually to the secretary of the U.S. Department of Education on the performance and progress under the State Performance Plan (SPP). This report is the State Annual Performance Report (APR). The APR requires the CDE to report on 20 indicators (Table 1) that examine a comprehensive array of compliance and performance requirements relating to the provision of special education and related services. The California Special Education Management Information System (CASEMIS) is the data reporting and retrieval system used at the CDE. CASEMIS provides the local educational agencies (LEAs) a statewide standard for maintaining a common core of special education data at the local level that is used for accountability reporting and to meet statutory and programmatic needs in special education.

The CDE is required to publish the APR for public review. The current APR reflects data collected during Federal Fiscal Year (FFY) 2012, which is equivalent to California’s school year 2012–2013. Please note there are several indicators that are reported in lag years using data from school year 2011–2012. There are 10 performance indicators and 10 compliance indicators. Indicator 4 has both a performance and a compliance component. It is included in the compliance list. All compliance indicator targets are set by the U.S. Department of Education at either 0 or 100 percent. Performance indicator targets were established based on the recommendations of the broad-based stakeholder group, Improving Special Education Services (ISES), and approved by the State Board of Education (Table 5).
Table 1: California State Indicators

<table>
<thead>
<tr>
<th>Type</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
<td>1 Graduation Rates</td>
</tr>
<tr>
<td>Performance</td>
<td>2 Dropout Rates</td>
</tr>
<tr>
<td>Performance</td>
<td>3A Statewide Assessment</td>
</tr>
<tr>
<td>Performance</td>
<td>3B Statewide Assessment-Participation Rates</td>
</tr>
<tr>
<td>Performance</td>
<td>3C Statewide Assessment-Proficiency Rates</td>
</tr>
<tr>
<td>Performance</td>
<td>4A Rates of Suspension and Expulsion</td>
</tr>
<tr>
<td>Compliance</td>
<td>4B Rates of Suspension and Expulsion by Race or Ethnicity</td>
</tr>
<tr>
<td>Performance</td>
<td>5A Least Restrictive Environment (Removed &gt;21% of day)</td>
</tr>
<tr>
<td>Performance</td>
<td>5B Least Restrictive Environment (Removed &gt;60% of day)</td>
</tr>
<tr>
<td>Performance</td>
<td>5C Least Restrictive Environment (Served in separate school or other placement)</td>
</tr>
<tr>
<td>Performance</td>
<td>6 Preschool Least Restrictive Environment</td>
</tr>
<tr>
<td>Performance</td>
<td>7A Preschool Assessment: Social-emotional skills</td>
</tr>
<tr>
<td>Performance</td>
<td>7B Preschool Assessment: Acquisition/Use of knowledge</td>
</tr>
<tr>
<td>Performance</td>
<td>7C Preschool Assessment: Use of Appropriate Behaviors</td>
</tr>
<tr>
<td>Performance</td>
<td>8 Parent Involvement</td>
</tr>
<tr>
<td>Compliance</td>
<td>9 Disproportionality Overall</td>
</tr>
<tr>
<td>Compliance</td>
<td>10 Disproportionality by Disability</td>
</tr>
<tr>
<td>Compliance</td>
<td>11 Eligibility Evaluation</td>
</tr>
<tr>
<td>Compliance</td>
<td>12 Part C to Part B Transition</td>
</tr>
<tr>
<td>Compliance</td>
<td>13 Effective Transitions</td>
</tr>
<tr>
<td>Performance</td>
<td>14 Post Secondary</td>
</tr>
<tr>
<td>Compliance</td>
<td>15 General Supervision</td>
</tr>
<tr>
<td>Compliance</td>
<td>16 Complaints</td>
</tr>
<tr>
<td>Compliance</td>
<td>17 Due Process</td>
</tr>
<tr>
<td>Performance</td>
<td>18 Hearing Requests</td>
</tr>
<tr>
<td>Performance</td>
<td>19 Mediation</td>
</tr>
<tr>
<td>Compliance</td>
<td>20 State-Reported Data</td>
</tr>
</tbody>
</table>

Overview of Population and Services

During Fiscal Year (FY) 2012–2013, 686,352 students age 0–22 years, were enrolled in special education. Compared to the total student enrollment in California, special education students make up about 11 percent of total students. The average age of a special education student in California is 11 years of age. The median grade level is sixth grade. As shown in Figure 1, the majority of students with disabilities in California are between six and twelve years of age. The majority of special education students (67.5 percent) are male and 30.4 percent are English-language learners. All tables and figures are based on students 0 to 22 years of age.
California students diagnosed with at least one disability are eligible for services to meet their needs. There are 13 disability categories as identified in Table 2. The majority (40.19 percent) of students are identified as having a “Specific Learning Disability” as their primary disability category. The second most common primary disability designation for students (23.36 percent) is a “Speech/Language Impairment”.

### Table 2: Enrollment of Special Education Students by Disability Type

<table>
<thead>
<tr>
<th>Disability Type</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intellectual Disability</td>
<td>43,672</td>
<td>6.28%</td>
</tr>
<tr>
<td>Orthopedic Impairment</td>
<td>13,385</td>
<td>1.93%</td>
</tr>
<tr>
<td>Hard of Hearing</td>
<td>10,207</td>
<td>1.47%</td>
</tr>
<tr>
<td>Other Health Impairment</td>
<td>66,026</td>
<td>9.50%</td>
</tr>
<tr>
<td>Deaf</td>
<td>3,798</td>
<td>0.55%</td>
</tr>
<tr>
<td>Specific Learning Disability</td>
<td>279,414</td>
<td>40.19%</td>
</tr>
<tr>
<td>Speech and Language</td>
<td>162,386</td>
<td>23.36%</td>
</tr>
<tr>
<td>Deaf-Blindness</td>
<td>149</td>
<td>0.02%</td>
</tr>
<tr>
<td>Visual Impairment</td>
<td>4,120</td>
<td>0.59%</td>
</tr>
<tr>
<td>Multiple Disability</td>
<td>6,081</td>
<td>0.87%</td>
</tr>
<tr>
<td>Emotional Disturbance</td>
<td>25,114</td>
<td>3.61%</td>
</tr>
<tr>
<td>Autism</td>
<td>78,629</td>
<td>11.31%</td>
</tr>
<tr>
<td>Traumatic Brain Injury</td>
<td>1,709</td>
<td>0.25%</td>
</tr>
</tbody>
</table>
Of all special education students in California, Hispanic youth represent the greatest numbers of students in need of services. Figure 2 shows the total number of special education students by race/ethnicity.

**Figure 2: 2012–13 Students in Special Education by Race/Ethnicity**

- Hispanic: 371,493 (53.44%)
- White: 188,658 (27.14%)
- African American: 65,959 (9.49%)
- Asian: 42,503 (6.11%)
- Pacific Islander: 2,975 (.43%)
- Multi-Ethnic: 18,483 (2.66%)
- Native American: 5,102 (.73%)

CASEMIS Dec.2012
The CDE also tracks the type of school or program in which special education students receive the majority of their instructional services. These include public schools, private schools, independent study, charter schools, community schools, correctional programs, higher education, and transition programs. Table 3 shows that the majority (86.4 percent) of special education students are enrolled in a public day school.

### Table 3: Enrollment of Special Education by Type of School

<table>
<thead>
<tr>
<th>No School (0–5 years)</th>
<th>5,262</th>
<th>0.76%</th>
<th>Adult Education Program</th>
<th>1,757</th>
<th>0.25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Day School</td>
<td>600,605</td>
<td>86.40%</td>
<td>Charter School</td>
<td>21,962</td>
<td>3.16%</td>
</tr>
<tr>
<td>Public Residential School</td>
<td>721</td>
<td>0.10%</td>
<td>Charter School District</td>
<td>10,626</td>
<td>1.53%</td>
</tr>
<tr>
<td>SpEd Center or Facility</td>
<td>9,812</td>
<td>1.41%</td>
<td>Head Start</td>
<td>1,741</td>
<td>0.25%</td>
</tr>
<tr>
<td>Other Public School</td>
<td>4,713</td>
<td>0.68%</td>
<td>Child Development/Care</td>
<td>2,831</td>
<td>0.41%</td>
</tr>
<tr>
<td>Continuation School</td>
<td>5,694</td>
<td>0.82%</td>
<td>State Preschool Program</td>
<td>1,153</td>
<td>0.17%</td>
</tr>
<tr>
<td>Alternative Work Education Center/Facility</td>
<td>606</td>
<td>0.09%</td>
<td>Non Public Residential School</td>
<td>1124</td>
<td>0.16%</td>
</tr>
<tr>
<td>Independent Study</td>
<td>1,320</td>
<td>0.19%</td>
<td>Extended Day Care</td>
<td>258</td>
<td>0.04%</td>
</tr>
<tr>
<td>Juvenile Court School</td>
<td>1,902</td>
<td>0.27%</td>
<td>Non Public Day School</td>
<td>11,626</td>
<td>1.67%</td>
</tr>
<tr>
<td>Community School</td>
<td>3,284</td>
<td>0.47%</td>
<td>Private Preschool</td>
<td>795</td>
<td>0.11%</td>
</tr>
<tr>
<td>Correctional Institution</td>
<td>253</td>
<td>0.04%</td>
<td>Private Day School</td>
<td>2,792</td>
<td>0.40%</td>
</tr>
<tr>
<td>Home Instruction</td>
<td>2,135</td>
<td>0.31%</td>
<td>Private Residential School</td>
<td>36</td>
<td>0.01%</td>
</tr>
<tr>
<td>Hospital Facility</td>
<td>219</td>
<td>0.03%</td>
<td>Non Public Agency</td>
<td>223</td>
<td>0.03%</td>
</tr>
<tr>
<td>Community College</td>
<td>313</td>
<td>0.05%</td>
<td>Parochial School</td>
<td>1,410</td>
<td>0.20%</td>
</tr>
</tbody>
</table>

Special education students in California receive a variety of services to address their unique needs. During 2012–2013, there were 1,428,442 services provided to California special education students. Table 4 describes the type of services provided to students.
The most common service provided was Specialized Academic Instruction, followed by Language and Speech Services.

Table 4: Services Provided To Special Education Students

<table>
<thead>
<tr>
<th>Services Provided To Special Education Students</th>
<th>Quantity</th>
<th>Percentage</th>
<th>Description</th>
<th>Quantity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialized Services for Ages 0–2 years</td>
<td>13,833</td>
<td>0.93%</td>
<td>Specialized Services/Low Incidence Disabilities</td>
<td>6,353</td>
<td>0.43%</td>
</tr>
<tr>
<td>Specialized Academic Instruction</td>
<td>561,771</td>
<td>38.03%</td>
<td>Services for Deaf Students</td>
<td>17,892</td>
<td>1.21%</td>
</tr>
<tr>
<td>Intensive Individual Services</td>
<td>10,496</td>
<td>0.71%</td>
<td>Services for Visually Impaired Students</td>
<td>10,117</td>
<td>0.68%</td>
</tr>
<tr>
<td>Individual/Small Group Instruction</td>
<td>7,933</td>
<td>0.54%</td>
<td>Specialized Orthopedic Services</td>
<td>3,392</td>
<td>0.23%</td>
</tr>
<tr>
<td>Language/Speech</td>
<td>327,984</td>
<td>22.2%</td>
<td>Recreation Services</td>
<td>738</td>
<td>0.05%</td>
</tr>
<tr>
<td>Adapted Physical Education</td>
<td>42,433</td>
<td>2.87%</td>
<td>Reader and Note Taking Services</td>
<td>408</td>
<td>0.03%</td>
</tr>
<tr>
<td>Health and Nursing</td>
<td>15,210</td>
<td>1.03%</td>
<td>College Preparation</td>
<td>68,330</td>
<td>4.63%</td>
</tr>
<tr>
<td>Assistive Technology</td>
<td>5,168</td>
<td>0.35%</td>
<td>Vocational/Career</td>
<td>99,583</td>
<td>6.74%</td>
</tr>
<tr>
<td>Occupational Therapy</td>
<td>61,374</td>
<td>4.15%</td>
<td>Agency Linkages</td>
<td>9,074</td>
<td>0.61%</td>
</tr>
<tr>
<td>Physical Therapy</td>
<td>9,916</td>
<td>0.67%</td>
<td>Travel Training</td>
<td>2,458</td>
<td>0.17%</td>
</tr>
<tr>
<td>Mental Health Services</td>
<td>105,176</td>
<td>7.12%</td>
<td>Other Transition Services</td>
<td>31,221</td>
<td>2.11%</td>
</tr>
<tr>
<td>Day Treatment</td>
<td>1,227</td>
<td>0.08%</td>
<td>Other Special Education Services</td>
<td>15,550</td>
<td>1.05%</td>
</tr>
<tr>
<td>Residential Treatment</td>
<td>805</td>
<td>0.05%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2012–2013 APR Indicators

During FFY 2012, California met 30 percent of the 20 target indicators. Table 5 identifies each indicator, its target, the FFY 2012 state results, and if the target was met. The pages following Table 5 provide an overview of each individual indicator, including a description of the indicator, the target, the data collected, the results, and a summary of improvement activities.
<table>
<thead>
<tr>
<th>Indicators</th>
<th>Target</th>
<th>Results</th>
<th>Met Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Graduation Rate</td>
<td>72.96</td>
<td>78.13%</td>
<td>Yes</td>
</tr>
<tr>
<td>2 Dropout Rate</td>
<td>Less Than 22.1%</td>
<td>17.9%</td>
<td>Yes</td>
</tr>
<tr>
<td>3 Statewide Assessment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3A AYP</td>
<td>58%</td>
<td>8.2%</td>
<td>No</td>
</tr>
<tr>
<td>3B Participation</td>
<td>95% ELA/Math</td>
<td>97.4-98.2%</td>
<td>Yes</td>
</tr>
<tr>
<td>3C Elementary, High, and Unified Districts</td>
<td>Multiple Targets</td>
<td>Multiple Results</td>
<td>No</td>
</tr>
<tr>
<td>4 A Suspension and Expulsion Rate Overall</td>
<td>Less than 10.1%</td>
<td>2.51%</td>
<td>Yes</td>
</tr>
<tr>
<td>4B Suspension and Expulsion Rate by Race/Ethnicity</td>
<td>0%</td>
<td>1.67%</td>
<td>No</td>
</tr>
<tr>
<td>5 Least Restrictive Environment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5A Percent Removed from Regular Class Less Than 21% of the Day</td>
<td>76%</td>
<td>52.6%</td>
<td>No</td>
</tr>
<tr>
<td>5B Percent Removed from Regular Class More Than 60% of the Day</td>
<td>Less than 9%</td>
<td>22.1%</td>
<td>No</td>
</tr>
<tr>
<td>5C Percent served in separate schools</td>
<td>Less than 3.8%</td>
<td>4.0%</td>
<td>No</td>
</tr>
<tr>
<td>6 Preschool Least Restrictive Environment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6A. Regular preschool</td>
<td>More than 40.9%</td>
<td>38.8%</td>
<td>No</td>
</tr>
<tr>
<td>6B. Separate schools or classes</td>
<td>Less than 23%</td>
<td>35.9%</td>
<td>No</td>
</tr>
<tr>
<td>7 Preschool Assessment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7A (1 &amp; 2)</td>
<td>72.7/82.1%</td>
<td>61.3-62.1%</td>
<td>No</td>
</tr>
<tr>
<td>7B (1 &amp; 2)</td>
<td>70.0/82.5%</td>
<td>61.1-60.5%</td>
<td>No</td>
</tr>
<tr>
<td>7C (1 &amp; 2)</td>
<td>75/79%</td>
<td>67.1-66.3%</td>
<td>No</td>
</tr>
<tr>
<td>8 Percent of Parents Reporting the Schools Facilitated Parental Involvement</td>
<td>90%</td>
<td>98.9%</td>
<td>Yes</td>
</tr>
<tr>
<td>9 Overall Disproportional Racial or Ethnic Groups in Special Education</td>
<td>0%</td>
<td>.73%</td>
<td>No</td>
</tr>
<tr>
<td>10 Disproportional Racial or Ethnic Groups in Disability Categories</td>
<td>0%</td>
<td>1.25%</td>
<td>No</td>
</tr>
<tr>
<td>11 Eligibility Evaluation Completed within 60 Days of Parental Consent</td>
<td>100%</td>
<td>98.0%</td>
<td>No</td>
</tr>
<tr>
<td>12 Part C to Part B Transition by Third Birthday</td>
<td>100%</td>
<td>98.2%</td>
<td>No</td>
</tr>
<tr>
<td>13 Secondary Transition Goals and Services</td>
<td>100%</td>
<td>87.3%</td>
<td>No</td>
</tr>
<tr>
<td>14 Post-School Employment or Enrollment in Post-Secondary Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14a Enrolled in higher education</td>
<td>50%</td>
<td>32.8%</td>
<td>No</td>
</tr>
<tr>
<td>14b Enrolled in higher education or competitive employment</td>
<td>65%</td>
<td>41.3%</td>
<td>No</td>
</tr>
<tr>
<td>14c Enrolled in any post-secondary education or any employment</td>
<td>69%</td>
<td>80.5%</td>
<td>Yes</td>
</tr>
<tr>
<td>15 General Supervision System Corrects Noncompliance Within in One Year</td>
<td>100%</td>
<td>99.9%</td>
<td>No</td>
</tr>
<tr>
<td>16 General Supervision: Written Complaints Resolved in 60 Days</td>
<td>100%</td>
<td>100%</td>
<td>Yes</td>
</tr>
<tr>
<td>17 General Supervision: Due Process Hearings</td>
<td>100%</td>
<td>99.1%</td>
<td>No</td>
</tr>
<tr>
<td>18 General Supervision</td>
<td>55%</td>
<td>30.12%</td>
<td>No</td>
</tr>
<tr>
<td>19 General Supervision: Number of Mediation Agreements</td>
<td>85%</td>
<td>64.7%</td>
<td>No</td>
</tr>
<tr>
<td>20 OSEP will calculate from other data sources.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Indicator 1: Graduation

Description

This is a performance indicator. This measures the percent of youth with individual education programs (IEPs) graduating from high school with a regular diploma (20 U.S.C 1416 [a][3][A]). The calculation methods for this indicator were revised in 2008–09 and again in 2009–10, to align with reporting criteria under Title I of the Elementary and Secondary Education Act (ESEA). A new reporting methodology was implemented for the FFY 2012 APR. All California students are required to pass the California High School Exit Exam (CAHSEE) to earn a public high school diploma. State law provides an exemption from this testing requirement for students who otherwise meet the district requirement for graduation.

Target for 2012–2013

- Have a 2012 graduation rate of at least 90 percent or
- Meet the 2012 fixed growth rate of 72.96 percent or
- Meet the 2012 variable growth rate of 72.84 percent

Measurement

The data are reported in lag years using the California Longitudinal Pupil Achievement Data System (CALPADS) data from the FFY 2011 (2011–2012). The calculation is based on data from California’s ESEA reporting.

Results for 2012–2013

The graduation rate for the FFY 2012 demonstrated that 78.13 percent of students with disabilities graduated with a high school diploma.

Target Met: Yes

Summary of Improvement Activities

- Provide technical assistance regarding: graduation standards, student participation in graduation activities, promotion/retention guidelines, and preparation for CAHSEE.
- Disseminate and promote English-learners with Disabilities Handbook, which provides guidance on ways to support twelfth graders in meeting goals for graduation.
- Develop and disseminate training modules on standards-based IEPs that promote and sustain activities that foster special education and general education working together to meet the needs of all learners. Modules target service delivery, curriculum and instruction, and differentiated instruction.
Indicator 2: Dropouts

Description

This is a performance indicator. This measures the percent of youth with IEPs dropping out of high school (20 U.S.C 1416 [a][3][A]). The calculation methods for this indicator were revised in 2009–10 to create a more rigorous target and approved by the Office of Special Education Programs (OSEP) in April 2010. Dropout rates are calculated from data reported for grades nine through twelve. The CDE uses the annual (one-year) dropout rate and the four-year derived dropout rate. The four-year derived dropout rate is an estimate of the percent of students who would dropout in a four-year period based on data collected for a single year. California does not currently have benchmarks for dropout rates for the ESEA.

Target for 2012–2013

Less than 22.1 percent of students with disabilities will drop out of high school.

Measurement

The data are reported in lag years using the CALPADS data from the FFY 2011 (2011–2012). The calculation is based on data from the ESEA reporting.

Results for 2012–2013

For FFY 2012, Indicator 2 (Dropout Rates) for the four-year Derived Rate Formula was 17.9 percent.

Target Met: Yes

Summary of Improvement Activities

- Continue the Building Effective Schools Together (BEST) program, which provides training and technical assistance on positive behavioral supports.

- Disseminate and provide training based on Transition to Adult Living: A Guide for Secondary Education, a comprehensive handbook written for students’ parents and teachers, to support the transition of students with disabilities to adulthood and/or independent living.

- The CDE will continue to contract with the California Juvenile Court Schools to facilitate electronic transmission of records across public agencies, implement Response to Instruction and Intervention (RTI²), and improve academic achievement.
Indicator 3: Statewide Assessments

Description

This is a performance indicator and measures the participation and performance of children with IEPs on statewide assessments including: 1) Percent of the districts with a disability subgroup, that meets the State’s minimum “n” size, that meet the State’s Adequate Yearly Progress (AYP) for English-language Arts (ELA) and Mathematics targets for the disability subgroup; 2) Participation rate for children with IEPs; and 3) Proficiency rate for children with IEPs against grade-level, modified, and alternate academic achievement standards (20 U.S.C. 1416 [a][3][A]).

Target for 2012–2013

3A. The annual benchmarks and six-year target for the percent of districts meeting the State’s AYP objectives for progress for the disability subgroup is 58 percent.

3B. The annual benchmark and target for participation on statewide assessments in ELA and Math, 95 percent (rounded to nearest whole number), is established under ESEA.

3C. Consistent with the ESEA accountability framework, the 2012–2013 annual measurable objectives (benchmarks) for the percent proficient on statewide assessments are broken down by school subgroup.

- Elementary and Middle Schools/Districts
  - ELA= 89.2 percent
  - Math= 89.5 percent

- High Schools/Districts
  - ELA= 88.9 percent
  - Math= 88.7 percent

- Unified Districts, COE
  - ELA= 89.0 percent
  - Math=89.1 percent

Measurement

The AYP percent equals the number of districts with a disability subgroup that meets the State’s minimum “n” size, which meet the State’s AYP targets for the disability subgroup divided by the total number of districts that have a disability subgroup that meets the State’s minimum “n” size.

Participation rate percent equals the number of children with IEPs participating in the assessment (California Standards Test, California Alternate Performance Assessment, California Modified Assessment, and CAHSEE) divided by the total number of children with IEPs enrolled on the first day of testing, calculated separately for reading and math.
Proficiency rate percent equals number of children with IEPs enrolled for a full academic year scoring at or above proficient divided by the total number of children with IEPs enrolled for a full academic year, calculated separately for reading and math.

**Results for 2012–2013**

A. In FFY 2012 for Target A, the results are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>58</td>
<td>8.2%</td>
<td>No</td>
</tr>
</tbody>
</table>

B. In FFY 2012 for Target B, the results are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ELA</td>
<td>95</td>
<td>97.4%</td>
<td>Yes</td>
</tr>
<tr>
<td>Math</td>
<td>95</td>
<td>98.2%</td>
<td>Yes</td>
</tr>
</tbody>
</table>

C. In FFY 2012 for Target C, the results are as follows:

<table>
<thead>
<tr>
<th>Type of LEAs</th>
<th>ELA Target Percent Proficient</th>
<th>ELA Actual Percent Proficient</th>
<th>Target Met</th>
<th>Math Target Percent Proficient</th>
<th>Math Actual Percent Proficient</th>
<th>Target Met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary School Districts</td>
<td>67.6</td>
<td>38.7</td>
<td>No</td>
<td>68.5</td>
<td>42.0</td>
<td>No</td>
</tr>
<tr>
<td>High school Districts (grades 9-12 only)</td>
<td>66.7</td>
<td>26.1</td>
<td>No</td>
<td>66.1</td>
<td>26.5</td>
<td>No</td>
</tr>
<tr>
<td>Unified School Districts, High School Districts, County Offices of Education (grades 2–8 and 9–12)</td>
<td>67.0</td>
<td>35.6</td>
<td>No</td>
<td>67.3</td>
<td>38.3</td>
<td>No</td>
</tr>
</tbody>
</table>

**Target Met:** No
Summary of Improvement Activities

- Provide technical assistance to schools focused on the implementation of programs to reform high poverty schools. Provide focused monitoring technical assistance at facilitated school sites to address participation and performance on statewide assessments.

- Develop and maintain an IDEA information Web page with links to important references and resources on the reauthorization of the IDEA, including statewide assessments.

- Collaborate with the CDE Program Improvement and Interventions Office to infuse special education indicators into the Academic Performance Survey and District Assistance Survey.
Indicator 4A: Suspension and Expulsion Overall

Description

This is a performance indicator. This measures percent of districts that have a significant discrepancy in the rate of suspensions and expulsions of greater than 10 days in a school year for children with IEPs (20 U.S.C. 1416[a][3][A] and 1412[a][22]). A district is considered to have a significant discrepancy if the districtwide rate for suspension and expulsion exceeds the statewide rate for suspension and expulsion. Districts identified to have a significant discrepancy are required to review their policies, procedures, and practices related to the development and implementation of IEPs, the use of positive behavioral interventions and supports, and procedural safeguards. The data reported here is from 2011–2012.

Target for 2012–2013

No more than 10.1 percent of districts will have rates of suspensions and expulsions of children with disabilities for greater than 10 days in a school year.

Measurement

The data are reported in lag years using the CALPADS data from the FFY 2011 (2011–2012). The percent is calculated by the number of districts that have a significant discrepancy in the rates of suspensions and expulsions of children with IEPs for greater than 10 days in a school year divided by the number of districts in the State times 100.

Results for 2012–2013

In FFY 2012, there were 25 districts (2.51 percent) whose rate of suspension and expulsion was greater than the statewide rate.

Target Met: Yes

Summary of Improvement Activities

- In collaboration with other divisions of the CDE, provide technical assistance to LEAs and schools on reinventing high schools to address suspension and expulsion.

- Provide technical assistance to schools focused on the implementation of reform programs that have been successful in high poverty schools.
• Work with special education local plan areas (SELPAs), LEAs, and County Offices of Education (COEs) to clarify responsibilities and improve behavior emergency and incident reporting.

• Promote the IDEA 2004 and Research for Inclusive Settings (IRIS) modules in behavior, diversity, and other content. This is a special project that includes training and technical assistance work.

• Promote the Culturally Responsive Teaching in California online training modules for the school site general and special educators dealing with utilizing positive behavior supports.
Indicator 4B: Suspension and Expulsion by Race or Ethnicity

Description:

This is a compliance indicator. This measures percent of districts that have:
(a) significant discrepancy, by race or ethnicity, in the rate of suspensions and expulsions of greater than 10 days in a school year for children with IEPs; and (b) policies, procedures, or practices that contribute to the significant discrepancy and do not comply with requirements relating to the development and implementation of IEPs, the use of positive behavioral interventions and supports, and procedural safeguards (20 U.S.C. 1416[a][3][A] and 1412[a][22]).

Target for 2012–2013

Zero percent of districts will have a significant discrepancy in the rates of suspensions and expulsions for greater than 10 days in a school year of children with disabilities by race.

Measurement

The data are reported in lag years using the CALPADS data from the FFY 2011 (2011–2012). This percent is calculated by the number of districts that have: (a) a significant discrepancy, by race or ethnicity, in the rates of suspensions and expulsions of greater than 10 days in a school year of children with IEPs; and (b) policies, procedures, or practices that contribute to the significant discrepancy and do not comply with requirements relating to the development and implementation of IEPs, the use of positive behavioral interventions and supports, and procedural safeguards divided by the number of districts in the State times 100.

Results for 2012–2013

In FFY 2012, there were 1.67 percent of districts with significant discrepancies, by race or ethnicity, in the rates of suspension or expulsion of greater than 10 days for students with IEPs.

Target Met: No

Summary of Improvement Activities

- Provide technical assistance to schools focused on the implementation of reform programs that have been successful in high poverty schools.

- Work with SELPAs, LEAs, and COEs to clarify their responsibilities and improve behavior emergency and incident reporting.
• Work with SELPAs, LEAs, and COEs to update and improve monitoring items and instruments for reviewing policies, practices, and procedures related to this indicator.

• Provide BEST training and technical assistance on positive behavioral supports. Promote and distribute the IRIS modules in behavior, diversity, and other content. This is a special project that includes training and technical assistance work.
Indicator 5: Least Restrictive Environment

Description

This is a performance indicator. This measures percent of children with IEPs, ages six through twenty-one, served inside the regular class 80 percent or more of the day; inside the regular class less than 40 percent of the day, and are served in public or private separate schools, residential facilities, or homebound/hospital placement.

Target for 2012–2013

5A. Seventy-six percent or more of students will be removed from regular class less than 21 percent of the day;

5B. No more than nine percent will be removed from regular class more than 60 percent of the day; and

5C. No more than 3.8 percent are served in public or private separate schools, residential placements, or homebound or hospital placements.

Measurement

5A. The number of children with IEPs served inside the regular class 80 percent or more of the day divided by the total number of students aged 6 through 21 with IEPs.

5B. The number of children with IEPs served inside the regular class less than 40 percent of the day divided by the total number of students aged six through twenty-one with IEPs.

5C. The number of children with IEPs served in public or private separate schools, residential facilities, or homebound/hospital placements divided by the total number of students ages six through twenty-one with IEPs.

Results for 2012–2013

California did not meet the targets for 5A (only 52.6 percent of students were in regular class less than 80 percent of the day or more); for 5B, (22.1 percent of students were in regular class less than 40 percent of the day); and for 5C, (4.0 percent were served in public or private separate schools and facilities).

Target Met: 5A No  5B No  5C No
Summary of Improvement Activities

- Continue implementing the Facilitated Focused Monitoring Project including the “scaling up” of focused monitoring activities that contain targeted technical assistance to LEAs related to Least Restrictive Environment (LRE) and improved academic outcomes.

- Conduct activities related to parent involvement, LRE, Multi-Tiered System of Support (MTSS), and secondary transition. The CDE promotes parental involvement by inviting their membership and participation in the ISES and CDE trainings. The CDE-supported trainings are posted on the Internet to increase parental access.

- In collaboration with the California Comprehensive Center, the CDE Special Education Division (SED) will develop and disseminate training modules on standards-based IEPs to promote and sustain activities that foster special education and general education collaboration.
Indicator 6: Preschool Least Restrictive Environment

Description
This is a performance indicator. This measures the percent of children with IEPs ages three through five, attending a:

- Regular early childhood program and receiving the majority of special education and related service in the regular early childhood program; and
- Separate special education class, separate school, or residential facility (20 U.S.C. 1416[a][3][A]).

Target for 2012–2013
A. More than 40.9 percent of students will be serviced in settings with typically developing peers.
B. Less than 23 percent of students will be served in a separate social education class, separate school, or residential facility.

Measurement
C. Percent = ( [# of children ages three through five with IEPs attending a regular early childhood program and receiving the majority of special education and related services in the regular early childhood program] divided by the [total # of children ages three through five with IEPs]) times 100
D. Percent = ( [# of children ages three through five with IEPs attending a separate special education class, separate school, or residential facility] divided by the [total # of children ages three through five with IEPs]) times 100

Results for 2012–2013
A. 38.8 percent of children ages three through five with IEPs attended a regular early childhood program and received the majority of special education and related services in the regular early childhood program
B. 35.9 percent of children ages three through five with IEPs attended a separate special education class, separate school, or residential facility

Target Met: No

Summary of Improvement Activities
- Prepare and disseminate general policy letter related to preschool LRE.
- Contact districts with outlying values to monitor policies, procedures, and practices, and to provide technical assistance.
• Work with preschool technical assistance contractors to prepare and disseminate technical assistance materials and services.
Indicator 7A: Preschool Assessment

Description

This is a performance indicator and measures the percent of preschool children with IEPs who demonstrate improvement in Outcome A: Positive social-emotional skills, including social relationships.

Target for 2012–2013

- Of those children who entered the program below age expectations in Outcome A, 72.7 percent substantially increased their rate of growth by the time they turned six years of age or exited the program.
- Of those children who were functioning within age expectations in Outcome A, 82.1 percent were functioning within age expectations by the time they turned six years of age or exited the program.

Measurement

Outcome A: Positive social-emotional skills, including social relationships:

- Number of preschool children who did not improve functioning divided by the number of preschool children with IEPs assessed X 100.
- Number of preschool children who improved functioning but not sufficient to move nearer to functioning comparable to same-aged peers divided by the number of preschool children with IEPs assessed X 100.
- Number of preschool children who improved functioning to a level nearer to same-aged peers but did not reach it divided by the number of preschool children with IEPs assessed X 100.
- Number of preschool children who improved functioning to reach a level comparable to same-aged peers divided by the number of preschool children with IEPs assessed X 100.
- Number of preschool children who maintained functioning at a level comparable to same-aged peers divided by the number of preschool children with IEPs assessed X 100.

Results for 2012–2013

For FFY 2012, for Outcome A, 61.3 percent of students substantially increased their rate of growth by the time they turned six years of age or exited the program, and 62.1
percent of students were functioning within age expectations by the time they turned six years of age or exited the program.

Target Met: No

Summary of Improvement Activities

- Provide on-going statewide technical assistance and training on Early Child Special Education (ECSE) and assist the CDE in monitoring and activities assessment.

- Continue the Train-the-Trainer training for SELPA teams to build local capacity for support, technical assistance, and mentoring for teachers.

- Develop Web-based modules for training and instruction related to the Desired Results Developmental Profile (DRDP) instruments and data reporting system to build local capacity for support, technical assistance, and mentoring.
Indicator 7B: Preschool Assessment

Description
This is a performance indicator and measures the percent of preschool children with IEPs who demonstrate improvement in Outcome B: Acquisition and use of knowledge and skills, including early language/communication and early literacy.

Target for 2012–2013

- Of those children who entered the program below age expectations in Outcome B, 70 percent substantially increased their rate of growth by the time they turned six years of age or exited the program.

- Of children who were functioning within age expectations in Outcome B, 82.5 percent were functioning within age expectations by the time they turned six years of age or exited the program.

Measurement

Outcome B: Acquisition and use of knowledge and skills, including early language/communication and early literacy:

- Number of preschool children who did not improve functioning divided by the number of preschool children with IEPs assessed X 100.

- Number of preschool children who improved functioning but not sufficient to move nearer to functioning comparable to same-aged peers divided by the number of preschool children with IEPs assessed X 100.

- Number of preschool children who improved functioning to a level nearer to same-aged peers but did not reach it divided by the number of preschool children with IEPs assessed X 100.

- Number of preschool children who improved functioning to reach a level comparable to same-aged peers divided by the number of preschool children with IEPs assessed X 100.

- Number of preschool children who maintained functioning at a level comparable to same-aged peers divided by the number of preschool children with IEPs assessed X 100.

Results for 2012–2013

In FFY 2012, for Outcome B, 61.1 percent of students substantially increased their rate of growth by the time they turned six years of age or exited the program; and 60.5
percent of students were functioning within age expectations by the time they turned six years of age or exited the program.

Target Met: No

Summary of Improvement Activities

- Provide on-going statewide technical assistance and training on ECSE and assist the CDE in monitoring and activities assessment.

- Continue the Train-the-Trainer training for SELPA teams to build local capacity for support, technical assistance, and mentoring for teachers.

- Develop Web-based modules for training and instruction related to the DRDP instruments and data reporting system to build local capacity for support, technical assistance, and mentoring.
Indicator 7C: Preschool Assessment

Description

This is a performance indicator and measures the percent of preschool children with IEPs who demonstrate improvement in Outcome C: Use of appropriate behaviors to meet their needs (20 U.S.C. 1416[a][3][A]).

Target for 2012–2013

- Of those children who entered the program below age expectations in Outcome C, 75 percent substantially increased their rate of growth by the time they turned six years of age or exited the program.

- Of those children who were functioning within age expectations in Outcome C, 79 percent were functioning within age expectations by the time they turned six years of age or exited the program.

Measurement

Outcome C: Use of appropriate behaviors to meet their needs:

- Number of preschool children who did not improve functioning divided by the number of preschool children with IEPs assessed X 100.

- Number of preschool children who improved functioning but not sufficient to move nearer to functioning comparable to same-aged peers divided by the number of preschool children with IEPs assessed X 100.

- Number of preschool children who improved functioning to a level nearer to same-aged peers but did not reach it divided by the number of preschool children with IEPs assessed X 100.

- Number of preschool children who improved functioning to reach a level comparable to same-aged peers divided by the number of preschool children with IEPs assessed X 100.

- Number of preschool children who maintained functioning at a level comparable to same-aged peers divided by the number of preschool children with IEPs assessed X 100.

Results for 2012–2013

In FFY 2012, for Outcome C, 67.1 percent of students substantially increased their rate of growth by the time they turned six years of age or exited the program; and 66.3
percent of students were functioning within age expectations by the time they turned six years of age or exited the program.

Target Met: No

**Summary of Improvement Activities**

- Provide on-going statewide technical assistance and training on ECSE and assist the CDE in monitoring and activities assessment.

- Continue the Train-the-Trainer training for SELPA teams to build local capacity for support, technical assistance, and mentoring for teachers.

- Develop Web-based modules for training and instruction related to the DRDP instruments and data reporting system to build local capacity for support, technical assistance, and mentoring.
Indicator 8: Parent Involvement

Description

This is a performance indicator. This measures the percent of parents with a child receiving special education services who report that schools facilitated parent involvement as a means of improving services and results for children with disabilities (20 U.S.C. 1416[a][3][A]). This data is one question in a survey distributed, collected, and reported by the SELPAs. The measure is the percentage of parents responding “yes” to the question: “Did the school district facilitate parent involvement as a means of improving services and results for your child?”

Target for 2012–2013

Ninety percent of parents will report that schools facilitated parent involvement as a means of improving services and results for children with disabilities.

Measurement

The number of respondent parents who report schools facilitated parent involvement as a means of improving services and results for children with disabilities divided by the total number of respondent parents of children with disabilities.

Results for 2012–2013

The result for Indicator 8 in FFY 2012 was 98.9 percent of parents with a child receiving special education services report that schools facilitated parental involvement.

Target Met: Yes

Summary of Improvement Activities

- Explore Web-based applications for all components of the monitoring system including parent involvement.

- Develop a Web-based survey process and a statewide data collection through CASEMIS to capture a universal sample of families to address the Parent Involvement Indicator.

- Conduct trainings and technical assistance related to parent involvement.

- The SED partners with Parent Training and Information Center, Family Resource Center, and Family Empowerment Center parents to provide statewide training and technical assistance. The SED will maintain a parent “hot line” to provide parents with information and assistance.
Indicator 9: Disproportionality Overall

Description

This is a compliance indicator. This measures the percent of districts with disproportionate representation of racial and ethnic groups in special education and related services that is the result of inappropriate identification (20 U.S.C. 1416[a][3][C]). Currently, California combines the disparity measure with the e-formula in a race-neutral approach to identify which districts are disproportionate. The first test is to identify those districts that have a disparity that is higher than the annual benchmark. The second test, based on the e-formula, looks at the over representation of each ethnic group compared to the distribution of those ethnic groups in the general education population.

Target for 2012–2013

Zero percent of districts will have disproportionate representation of racial and ethnic groups in special education and related services that is the result of inappropriate identification.

Measurement

The number of districts with disproportionate representation of racial and ethnic groups in special education and related services that is the result of inappropriate identification divided by the number of districts in the State.

Results for 2012–2013:

For FFY 2012, .73 percent of districts will have disproportionate representation of racial and ethnic groups in special education and related services that is the result of inappropriate identification.

Target Met: No

Summary of Improvement Activities

- Work with the Western Regional Resource Center (WRRC) and other federal contractors to identify and disseminate research-based practices related to preventing disproportionate representation and to address the relationship between eligibility and disproportionality of racial and ethnic groups.

- Refine policies, procedures, and practices instruments to assist the LEAs in reviewing their policies, procedures, and practices in relation to disproportionality of racial and ethnic groups.
• Incorporate preliminary self-review and improvement planning modules, based on National Center for Culturally Responsive Educational Systems (NCCREST), into monitoring software.

• Annually identify districts that are significantly disproportionate, using existing instruments and procedures.
Indicator 10: Disproportionality by Disability

Description
This is a compliance indicator. This measures the percent of districts with disproportionate representation of racial and ethnic groups in specific disability categories that is the result of inappropriate identification (20 U.S.C. 1416[a][3][C]). The calculation for Indicator 10 (Ethnicity by Disability) has been changed at the direction of the OSEP during their September 2010 verification visit. Effective FFY 2010, the CDE measures disproportionality using two measures: (1) the e-formula and (2) the Alternate Risk Ratio.

Target for 2012–2013
Zero percent of districts will have disproportionate representation of racial and ethnic groups in specific disability categories that are the result of inappropriate identification.

Measurement
The number of districts with disproportionate representation of racial and ethnic groups in specific disability categories, as identified by both the e-formula and Alternate Risk Ratio, which is the result of inappropriate identification divided by the number of districts in the State.

Results for 2012–2013:
For FFY 2012, 1.25 percent of districts will have disproportionate representation of racial and ethnic groups in specific disability categories that are the result of inappropriate identification.

Target Met: No

Summary of Improvement Activities

- Refine guidance for policies, procedures, and practices to assist the LEAs in reviewing their policies, procedures, and practices in relation to disproportionality by disability groups.

- Use refined procedures to identify districts with significant disproportionality and establish plans for supervision and technical assistance.

- Incorporate preliminary self-review and improvement planning modules, based on NCCREST, into monitoring software.

- Annually identify districts that are significantly disproportionate, using existing instruments and procedures related to disability.
Indicator 11: Eligibility Evaluation

Description

This is a compliance indicator. This measures the percent of children who were evaluated within 60 days of receiving parental consent for initial evaluation or, if the state establishes a timeframe within which the evaluation must be conducted, within that timeframe (20 U.S.C. 1416[a][3][B]). These data were calculated using CASEMIS data fields related to parental consent date and initial evaluation date. Determination of eligibility was made using the data field which includes the type of plan a student has (IEP, Individualized Family Support Plan, Individual Service Plan), if the student is eligible, or no plan if the student is determined ineligible. If the parent of a child repeatedly failed or refused to bring the child for the evaluation, or a child enrolled in a school of another public agency after the timeframe for initial evaluations had begun, and prior to a determination by the child’s previous public agency as to whether the child is a child with a disability, then the child was eliminated from both the numerator and the denominator.

Target for 2012–2013

Eligibility determinations will be completed within 60 days for 100 percent of children for whom parental consent to evaluate was received.

Measurement

- The number of children for whom parental consent to evaluate was received.
- The number of children whose evaluations were completed within 60 days (or a state-established time line).

Results for 2012–2013

For FFY 2012, 98.0 percent of eligibility determinations were completed within 60 days for children whom parental consent to evaluate was received.

Target Met: No

Summary of Improvement Activities

- Explore Web-based applications for all components of the monitoring system including 60-day evaluation time line.
- Analyze data from compliance complaints and all monitoring activities to determine areas of need for technical assistance, in addition to correction of noncompliance.
• Prepare and install initial evaluation compliance reports into the CASEMIS software to enable districts and SELPAs to self-monitor.

• Prepare and send noncompliance-finding letters based on CASEMIS data to LEAs to reinforce the importance of correcting all noncompliant findings resulting from verification and self-review monitoring.
Indicator 12: Part C to Part B Transition

Description

This is a compliance indicator. Percent of children referred by Part C prior to age three, who are found eligible for Part B, and who have an IEP developed and implemented by their third birthdays (20 U.S.C. 1416[a][3][B]). These data were collected through CASEMIS and data from the Department of Developmental Services.

Target for 2012–2013

One hundred percent of children referred by the IDEA Part C prior to age three and who are found eligible for the IDEA Part B will have an IEP developed and implemented by their third birthday.

Measurement

- Number of children who have been served in Part C and referred to Part B (LEA notified pursuant to the IDEA section 637[a][9][A] for Part B eligibility determination).
- Number of those referred determined to be NOT eligible and whose eligibilities were determined prior to their third birthdays.
- Number of those found eligible who have an IEP developed and implemented by their third birthdays.
- Number of children for whom parental refusal to provide consent caused delays in evaluation or initial services.

Results for 2012–2013

For FFY 2012, 98.2 percent of children referred by Part C of IDEA prior to age three and who were found eligible for Part B of IDEA had an IEP developed and implemented by their third birthday.

Target Met: No

Summary of Improvement Activities

- Meet annually with SELPAs, LEAs, and regional centers to review data and plan for corrective action plans and technical assistance activities related to transition from Part C to Part B, based on APR data.
• Convene ISES stakeholder group to obtain input on aspects of Part C to Part B transition (e.g., moving from family focus to child focus).

• Revise CASEMIS to include separate referral and evaluation dates for Part B and Part C in accordance with the IDEA.

• Participate in the OSEP National Early Childhood Conference to stay abreast of national trends, research on transition from Part C to Part B, and new OSEP requirements.

• Participate in a joint Transition Project with the Department of Developmental Services (Part C lead agency), with the assistance of the WRRC.
Indicator 13: Secondary Transition Goals and Services

Description

This is a compliance indicator. Percent of youth with IEPs ages 16 and above with an IEP that includes appropriate measurable post-secondary goals that are annually updated and based upon an age appropriate transition assessment and transition services, including courses of study, that will reasonably enable the student to meet those post-secondary goals and annual IEP goals related to the student’s transition service’s needs. There also must be evidence that the student was invited to the IEP team meeting where transition services are to be discussed and evidence that, if appropriate, a representative of any participating agency was invited to the IEP team meeting with the prior consent of the parent or student who has reached the age of majority (20 U.S.C. 1416[a][3][B]).

Target for 2012–2013

One hundred percent of youth ages 16 and above with an IEP that includes appropriate measurable post-secondary goals that are annually updated and based upon an age appropriate transition assessment and transition services.

Measurement

Number of youth with IEPs ages 16 and above with an IEP that includes appropriate measurable post-secondary goals that are annually updated and based upon an age appropriate transition assessment and transition services divided by the number of youth with an IEP ages 16 and above.

Results for 2012–2013

For FFY 2012, 87.3 percent of students with IEPs, ages 16 and above, have all eight post-secondary goals included in their IEPs.

Target Met: No

Summary of Improvement Activities

- Use transition data collected through state-funded Workability I grant procedures to ensure programs include the provision of transition services.

- Provide CASEMIS training and on-going technical assistance to ensure reliable and accurate submission of data related to this indicator.

- Disseminate and provide training based upon Transition to Adult Living: A guide for Secondary Education, a comprehensive handbook written for students, parents, and teachers, offering practical guidance and resources to support the
transition efforts for students with disabilities as they move into the world of adulthood and/or independent living.

- Provide regionalized training and technical assistance regarding elements of transition services, goals, and objectives.


Indicator 14: Post-school

Description

This is a performance indicator. This indicator measures the percent of youth, who are no longer in secondary school, had IEPs in effect at the time they left school, and were:

- Enrolled in higher education within one year of leaving high school;
- Enrolled in higher education or competitively employed within one year of leaving high school; or
- Enrolled in higher education or in some other post-secondary education or training program; or competitively employed or in some other employment within one year of leaving high school (20 U.S.C. 1416(a)(3)(B)). Data are collected and reported by SELPAs using the June 2012 CASEMIS submission.

Target for 2012–2013

A. Fifty percent of youth who had Individualized Education Programs (IEP) who are no longer in secondary school will be reported to have been enrolled in some type of post-secondary school within one year of leaving high school.

B. Sixty-five percent of youth who had Individualized Education Programs (IEP) who are no longer in secondary school will be reported to have been competitively employed, enrolled in some type of post-secondary school, or both, within one year of leaving high school.

C. Sixty-nine percent of youth who had Individualized Education Programs (IEP) who are no longer in secondary school will be reported to have been competitively employed, enrolled in some type of post-secondary school, or both, within one year of leaving high school.

Measurement

A. The number of youth who are no longer in secondary school, had IEPs in effect when they left school, and were enrolled in higher education within one year of leaving high school divided by the number of respondent youth who are no longer in secondary school.

B. Number of youth who are no longer in secondary school, had IEPs in effect when they left school, and were enrolled in higher education or competitively employed within one year of leaving high school divided by the number of respondent youth who are no longer in secondary school.
C. Number of youth who are no longer in secondary school, had IEPs in effect when they left school, and were enrolled in higher education, or in some other post-secondary education or training program; or competitively employed or in some other employment divided by the number of respondent youth who are no longer in secondary school.

Results for 2012–2013:

In FFY 2012, 32.8 percent of youth who had Individualized Education Programs (IEP) who are no longer in secondary school will be reported to have been enrolled in some type of post-secondary school within one year of leaving high school. Forty-one percent of youth who had Individualized Education Programs (IEP) who are no longer in secondary school will be reported to have been competitively employed, enrolled in some type of post-secondary school, or both, within one year of leaving high school. Eighty percent of youth who had Individualized Education Programs (IEP) who are no longer in secondary school will be reported to have been competitively employed, enrolled in some type of post-secondary school, or both, within one year of leaving high school.

Target Met: A. No  B. No  C. Yes

Summary of Improvement Activities

- Provide CASEMIS training for SELPAs and on-going technical assistance to ensure reliable and accurate submission of data.

- Work with national and state experts on research and data approaches to address post-school outcomes data collection.

- Work with universities, colleges, and junior colleges to explain the importance of post-secondary education.

- Work with WorkAbility and other agencies and programs on the importance of employing people with disabilities at minimum wage or more.

- Use transition data in the state-funded Workability I grant procedures to ensure programs include the provision of transition services.
Indicator 15: General Supervision

Description

This is a compliance indicator. General supervision system (including monitoring, complaints, hearings, etc.) identifies and corrects noncompliance as soon as possible, but in no case later than one year from identification (20 U.S.C. 1416 [a][3][B]). The State also verified that each LEA with noncompliance corrected in FFY 2009:
1) Has corrected each individual case of noncompliance, unless the child is no longer within the jurisdiction of the LEA, consistent with the OSEP Memorandum 09-02, dated October 17, 2008, (OSEP Memo 09-02); and 2) Has ensured that (from last year’s APR) a more stringent level of follow-up review and reporting is required of districts that have previously corrected noncompliance related to this indicator. This is to ensure that LEAs are correctly implementing the specific regulatory requirements.

Target for 2012–2013

One hundred percent of noncompliance will be corrected within one year of identification.

Measurement

- Percent of noncompliance corrected within one year of identification
- Number of findings of noncompliance (A)
- Number of corrections completed as soon as possible but in no case later than one year from identification (B)
- Percent = (B) divided by (A) times 100

Results for 2012–2013: For FFY 2012, 99.9 percent of noncompliance will be corrected within one year of identification.

Target Met: No

Summary of Improvement Activities

- Develop and maintain the IDEA 2004 information Web page with links to important references and resources on the reauthorization of the IDEA. This activity constitutes public reporting/data and awareness/data utilized to reflect upon practice efforts as part of general supervision obligations under the IDEA 2004.
• Provide staff training for corrective actions, timelines, and sanctions. Incorporate notice of potential sanctions in monitoring correspondence.

• Recruit candidates and hold civil service examinations to fill vacancies with new staff, retired annuitants, or visiting educators. This activity is intended to ensure that the CDE maintains an adequate number of qualified staff to support the SED’s work and activities (monitoring and enforcement as part of general supervision).
Indicator 16: Complaints

Description

This is a compliance indicator and measures the percent of signed written complaints with reports issued that were resolved within a 60-day time line or a time line extended for exceptional circumstances with respect to a particular complaint, or because the parent (or individual or organization) and the public agency agree to extend the time to engage in mediation or other alternative means of dispute resolution, if available in the State (20 U.S.C. 1416[a][3][B]).

Target for 2012–2013

One hundred percent of written complaints resolved within a 60-day time line, including a time line extended for exceptional circumstances with respect to a particular complaint.

Measurement

- Percent = [(1.1(b) + 1.1(c)) divided by 1.1] times 100.

  (1) Signed, written complaints total
    (1.1) Complaints with reports issued
      (a) Reports with findings
      (b) Reports within time line
      (c) Reports within extended time lines
    (1.2) Complaints withdrawn or dismissed
    (1.3) Complaints unavailable
      (a) Complaint unavailable pending results from a due process hearing

Results for 2012–2013

For FFY 2012, 100 percent of signed written complaints with reports issued were resolved within a 60-day time line or a time line extended for exceptional circumstances.

Target Met: Yes

Summary of Improvement Activities

- Develop an integrated database to proactively identify upcoming corrective actions across all components of the monitoring system. This activity supports the continued effort to calculate and provide valid and reliable data for monitoring and enforcement as part of general supervision.
• Continue to cross-train for complaint investigations and other monitoring activities to focus on inter-rater reliability and consistency. This activity continues to improve the expertise of the CDE staff in monitoring and enforcement as part of general supervision.

• Participate in legal rounds with the Legal Audits and Compliance Division on legal issues related to special education legal issues, complaints, and noncompliance.
Indicator 17: Due Process

Description

This is a compliance indicator and measures the percent of adjudicated due process hearing requests that were adjudicated within the 45-day time line or a time line that is properly extended by the hearing officer at the request of either party or in the case of an expedited hearing, within the required time lines (20 U.S.C. 1416[a][3][B]).

Target for 2012–2013

One hundred percent of due process hearing requests will be fully adjudicated within the 45-day time line or a time line that is properly extended by the hearing officer at the request of either party.

Measurement

- Percent = \[
\frac{(3.2(a) + 3.2(b))}{3.2}\] times 100

(3) Total number of due process complaints filed
   (3.1) Resolution meetings
      (a) Written settlement agreements
   (3.2) Hearings fully adjudicated
      (a) Decisions within time line (including expedited)
      (b) Decisions within extended time line
   (3.3) Due Process complaints unavailable
   (3.4) Due process complaints withdrawn or dismissed (including resolved without hearing)

Results for 2012–2013

For FFY 2012, 99.1 percent of due process hearing requests were fully adjudicated within the 45-day time line or a time line that was properly extended by the hearing officer at the request of either party.

Target Met: No
Summary of Improvement Activities

- Obtain data on resolution sessions and settlement agreements deriving solely from those sessions directly from school districts with due process fillings.

- The Office of Administrative Hearings (OAH) will consult with its advisory group in areas such as revisions to the OAH Web site, forms, documents, scheduling procedures, staff training, training materials, parent procedure manual, consumer brochure, outreach to families and students, and proposed revisions to laws and rules.

- Conduct a records review at the OAH as part of the CDE’s efforts to implement recommendations of the Bureau of State Audits (BSA) report to determine how it is handling oversight of the special education hearings and mediation process. This review is part of an on-going monitoring activity, as a result of the BSA report, and constitutes the final review.
INDICATOR 18: HEARING REQUESTS

Description

This is a performance indicator and measures the percentage of hearing requests that went to resolution sessions that were resolved through resolution session settlement agreements (20 U.S.C. 1416[a][3][B]).

Target for 2012–2013

Fifty-five percent of hearing requests that went to resolution sessions were resolved through resolution session settlement agreements.

Measurement

- Percent = (3.1(a) divided by 3.1) times 100
  
  (3.1) Resolution meetings
  
  (a) Written settlement agreements
  
  (3.2) Hearings fully adjudicated
  
  (a) Decisions with time line (including expedited
  
  (b) Decisions within extended time line
  
  (3.3) Due Process complaints unavailable
  
  (3.4) Due process complaints withdrawn or dismissed (including resolved without hearing)

Results for 2012–2013

In FFY 2012, 30.12 percent of hearing requests that went to resolution meetings were resolved through resolution session settlement agreements

Target Met: No

Summary of Improvement Activities

- Obtain data on resolution sessions and settlement agreements deriving solely from those sessions, directly from school districts with due process filings.
• The OAH will consult with its advisory group in areas such as revisions to the OAH Web site, forms, documents, scheduling procedures, staff training, training materials, parent procedure manual, consumer brochure, outreach to families and students, and proposed revisions to laws and rules.

• Conduct records review at the OAH, as part of the CDE's efforts to implement recommendations of the BSA on oversight of the special education hearings and mediation process.
Indicator 19: Mediation

Description

This is a performance indicator and measure the percentage of mediations held that resulted in mediation agreements (20 U.S.C. 1416[a][3][B]).

Target for 2012–2013

At least 85 percent of mediation conferences will result in mediation agreements.

Measurement

- Percent = \( \frac{(2.1(a)(i) + 2.1(b)(i))}{2.1} \times 100 \)

  (2) Total number of mediation request received through all dispute resolution processes

  (2.1) Mediations held

  (a) Mediations held related to due process complaints

     (i) Mediation agreements related to due process complaints

  (b) Mediations held not related to due process complaints

     (i) Mediation agreements not related to due process complaints

  (2.2) Mediations unavailable

  (2.3) Mediations withdrawn or not held

Results for 2012–2013

For FFY 2012, 64.7 percent of mediation conferences resulted in mediation agreements.

Target Met: No

Summary of Improvement Activities

- Implement standards for the qualifications and supervision of the OAH/contractor staff functioning as mediators.
• The OAH will consult with its advisory group in areas such as revisions to the OAH Web site, forms, documents, scheduling procedures, staff training, training materials, parent procedure manual, consumer brochure, outreach to families and students, and proposed revisions to laws and rules.

• Conduct training sessions for staff and LEAs on dispute resolution and mediations on an on-going basis.

• Utilization of a monitoring system and letters to districts, as part of the on-going training agenda for staff involved in due process efforts at OAH.
Indicator 20: State Reported Data

Description
This is a compliance indicator to show that state reported data (618 and SPP APR) are timely and accurate (20 U.S.C. 1416[a][3][B]).

Target for 2012–2013

20a. One hundred percent of state-reported data, including 618 data and APRs, are submitted on time and are accurate.

20b. One hundred percent of the SELPAs will submit accurate data to the CDE in a timely manner.

Measurement
State reported data, including 618 data, SPP, and APR are:

- Accurate, including covering the correct year and following the correct measurement

- Submitted on or before due dates:
  - February 1 for child count, including race and ethnicity, and placement
  - February 1 for APRs and assessment
  - November 2 for exiting, discipline, personnel, and dispute resolution

Results for 2012–2013
Indicator no longer calculated by the CDE. OSEP calculates this data.

Target Met: Not applicable

Summary of Improvement Activities

- Modify validation codes and develop prototype reports. This activity supports general IDEA 2004 requirements.

- Provide statewide CASEMIS training. This activity supports data collection through CASEMIS and provides training and technical assistance.

- Provide on-going technical assistance to ensure reliable and accurate submission of data. This activity supports data collection through CASEMIS and provides training and technical assistance.

- Improve and expand anomaly analysis and reporting.
CALIFORNIA STATE BOARD OF EDUCATION

NOVEMBER 2013 AGENDA

SUBJECT

Update of Special Education Regulations—Approve Commencement of a 15-Day Public Comment Period for Proposed Amendments to California Code of Regulations, Title 5, Sections 3001-3088.

SUMMARY OF THE ISSUE(S)

Many of the regulations that govern the special education program in California have not been updated since the State Board of Education (SBE) adopted substantive amendments in December 1987. Since those regulations became operative on April 20, 1988, there have been numerous changes to state statutes and federal statutes and regulations. The attached amendments to California Code of Regulations, Title 5 (5 CCR), sections 3001–3088, are being proposed to update these regulations by bringing them into alignment with existing state statutes and federal requirements. In addition, proposed Sections 3051 through 3051.24 represent a significant reorganization and merger of existing regulations in order to clarify that the same regulations or related services apply to both public and nonpublic schools.

RECOMMENDATION

The California Department of Education (CDE) recommends that the State Board of Education (SBE) take the following actions:

- Approve the proposed changes to the proposed regulations;
- Direct that the proposed changes be circulated for a 15-day public comment period in accordance with the Administrative Procedure Act;
- If no relevant comments to the proposed changes are received during the 15-day public comment period, the proposed regulations with changes are deemed adopted, and the CDE is directed to complete the rulemaking package and submit it to the Office of Administrative Law (OAL) for approval;
- If any relevant comments to the proposed changes are received during the 15-day public comment period, the CDE is directed to place the proposed regulations on the SBE’s January 2014 agenda for action; and
• Authorize the CDE to take any necessary ministerial action to respond to any direction or concern expressed by the OAL during its review of the rulemaking file.

BRIEF HISTORY OF KEY ISSUES

The regulations implementing special education and related services to children ages birth to 22 in California have not been substantially updated since 1987. In the intervening years, state statutes and federal statutes and regulations have continued to change, and the federal Individuals with Disabilities Education Act (IDEA) has been reauthorized twice.

In 2010, the Special Education Division (SED) began an internal process for reviewing and updating 5 CCR, sections 3001–3088. The SED internal review process involved division management and staff at all levels in a series of meetings and comment periods that resulted in technical and substantive proposed amendments to the regulations.

In August 2012, pursuant to Title 1, CCR, Section 100, the CDE SED, sought from the Office of Administrative Law (OAL) approval for proposed technical, nonsubstantive amendments to the regulations under review. In September 2012, the OAL approved technical, nonsubstantive amendments to the following 5 CCR sections: 3000, 3010, 3021, 3021.1, 3022, 3023, 3024, 3025, 3027, 3028, 3042, 3051.4, 3051.75, 3051.8, 3051.9, 3051.12, 3051.13, 3051.17, 3051.18, 3052, 3053, 3055.1, 3056, 3062, 3063, 3064, 3067, 3069, 3080, 3082, 3083, 3084, 3085, 3086, 3087, 3088, 3088.1, 3088.2, 3089, 3090, 3091, 3092, 3093, 3094, 3096, 3096.1, 3096.2, 3097, 3098, 3098.1, 3098.2, 3099, and 3100. These regulatory sections were updated in the California Code of Regulations, Title 5, and the amendments were posted to the CDE Web site at http://www.cde.ca.gov/sp/se/ac/.

On October 15, 2012, the SED solicited—by e-mail through the division’s established mailing lists—assistance and advice from hundreds of education stakeholders regarding which sections of the existing regulations they thought should be maintained, amended, deleted, or added. Stakeholder groups that the SED contacted included members of the Advisory Commission on Special Education (ACSE), Assembly Bill 114 Transition Workgroup, the Association of California School Administrators, the California Association of Resource Specialists PLUS, Community Advisory Committee members, the Family Empowerment and Disability Council, members of the Improving Special Education Services group, representatives of Institutes of Higher Education, Nonpublic School/Agency Administrators, directors of Special Education Local Plan Areas (SELPAs), Special Education Administrators of County Offices, members of the California Teachers Association board, and WorkAbility administrators. In addition, SED staff asked SELPA directors to forward the request for assistance and advice to district special education directors.

To facilitate these stakeholders in providing the SED with their comments, an electronic assistance and advice form was sent to them along with instructions for using the form. The form had a field that allowed stakeholders to indicate for each regulation whether the regulation should be maintained, amended, deleted, or added. The form also
allowed respondents to enter proposed amendments of up to 400 characters, and it
provided a field in which respondents could offer a rationale for each comment, also of
up to 400 characters. The SED received responses from ten persons, and these
responses were compiled into one document, which was provided to ACSE.

Pursuant to California Education Code Section 33595, the ACSE is mandated to
“Comment publicly on any rules or regulations proposed by the state regarding the
education of individuals with exceptional needs.” During the ACSE’s January 2013
meeting, and in preparation for the ACSE’s March 2013 meeting, SED staff provided the
commissioners with an information package that contained the draft amendments to the
regulations, the draft initial statement of reasons, a compilation of public comments
received so far, and information about the rulemaking process.

A second informal public comment period was also conducted from December 28,
2012, through February 15, 2013. The SED staff, in partnership with the ACSE, once
again contacted the education stakeholders noted above and asked them to provide the
ACSE with comments on the proposed amended regulations. This round of comments
was provided to all of the commissioners on February 21, 2013, in anticipation of the
ACSE’s March 2013 meeting.

On March 6, 2013, the ACSE deliberated on the proposed amendments to 5 CCR
sections 3001–3088 and provided the SED with its comments, many of which were
incorporated into the regulatory package. The ACSE approved a motion that the CDE
should forward the proposed regulations to the SBE for approval to commence the
formal rulemaking process.

On May 9, 2013, the SBE approved the commencement of the rulemaking process.
The CDE received 328 public comments on the proposed regulations during a 45-day
public comment period from May 25, 2013, through July 8, 2013. The SED accepted
some of the comments, amended the regulations accordingly, and prepared the
attached Final Statement of Reasons. With this agenda item the CDE takes the next
step toward the adoption of regulations by proposing that changes to the proposed
regulations be circulated for a 15-day public comment period.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND
ACTION

On May 9, 2013, the SBE approved the commencement of the rulemaking process.
The 45-day public comment period ran from May 25, 2013, through July 8, 2013.
A public hearing was held on July 8, 2013, in accordance with the Administrative
Procedure Act.

FISCAL ANALYSIS (AS APPROPRIATE)

A Fiscal Impact Statement is provided as an addendum.
ATTACHMENT(S)

Attachment 1: 15-Day Notice of Modifications (10 pages)
Attachment 2: Regulations (60 pages)
Attachment 3: Final Statement of Reasons (86 pages)
Attachment 4: Economic and Fiscal Impact Statement (STD. 399) (4 pages)
November 8, 2013

15-DAY NOTICE OF MODIFICATIONS TO TEXT OF PROPOSED REGULATIONS REGARDING SPECIAL EDUCATION

Pursuant to the requirements of Government Code section 11346.8(c), and California Code of Regulations, title 1, section 44, the State Board of Education (SBE) is providing notice of changes made to the above-referenced proposed regulation text which was the subject of a regulatory hearing on July 8, 2013.

Changes to the text:

SECTION 3001 is amended to delete subdivisions (d), (e), (f), (g), and (ab) pursuant to AB 86.

SECTION 3001(g) (formerly k) is amended to capitalize the term Pupil Personnel Services, which is the name of a kind of credential.

SECTION 3001(r) (formerly v) is amended to provide an additional clarification to the definition of “Qualified.”

SECTION 3030(b)(10)(C)(5) is amended to include an exception noted in 34 C.F.R. section 300.310(c) concerning the observation of a child when determining the existence of a specific learning disability.

SECTIONS 3031(a)(2)(A) and (B) are amended to more closely align with the language in California Government Code section 95014(a), pertaining to the eligibility criteria for qualifying for Early Start services and the definition of “developmental delay” for children aged birth to younger than three years, including children under 24 months of age.

Section 3031(a)(2)(A) is also amended so that it lists the five developmental areas pertaining to developmental delay exactly as these areas appear in Government Code section 95014(a).

SECTION 3031(b) is amended to include a reference to both Education Code section 56001(c) and (d) to additionally clarify the protections of the California Early Intervention Services Act.
SECTION 3040(a) (formerly b) is maintained and amended with the following language
“The LEA shall give the parent or guardian a copy of the IEP in his or her primary
language at his or her request.”

SECTION 3040(b) (formerly c) is maintained to ensure that the requirement is explicit.

SECTION 3043(d) is amended to delete reference to an obsolete reimbursement
formula for LEAs providing extended school year services.

SECTIONS 3051 through 3051.24 are being amended significantly by merging
subdivisions pertaining to detailed staff qualifications from section 6035 into these
sections. The purpose of this merger is to create one section of regulations containing
both the definitions and standards of related services and the qualifications of personnel
who are permitted to provide these services. Specifically, the amendments to the
pertinent sections are as follows:

SECTION 3051 is amended to add references to section 3001(r) (formerly v), which
defines “Qualified,” and all the relevant portions of sections 3051, et seq. These
amendments are added to emphasize that all entities providing related services shall be
qualified, as defined by the regulations, and shall meet the requirements of 3051, et
seq. In addition, new subsection (4) pertaining to nonpublic schools and nonpublic
agencies is added and repeats the language found in section 3055(a) to clarify that the
requirements of section 3051, et seq. pertain to nonpublic school and nonpublic agency
settings. Similarly, subdivision (5) is added to clarify how persons providing related
services to California students who are placed in out-of-state settings must be certified.
A reference citation from federal regulations, 34 C.F.R. Section 300.18, is added to
substantiate that the need for highly qualified special education teachers pertains to
nonpublic schools and nonpublic agencies as well as to general education settings.

SECTION 3051.1(c) is amended to incorporate from section 3065(k) the qualifications
of persons who can provide language, speech and hearing development and
remediation.

SECTION 3051.1(d) is added to incorporate language from proposed section
3065(k)(2)(A) that references Business and Professions Code section 2530.2(i) and
former section 3051.1(c), and to clarify that the assistants referred to by the regulations
are speech-language pathology assistants. Education Code section 56366.1 is added to
the authority section in the note to substantiate that nonpublic schools and nonpublic
agencies seeking certification from the CDE must meet the requirements of this section.
Business and Professions Code section 2530 is added to the reference pertinent to
qualifications of speech-language pathologists.

SECTION 3051.2(b) is amended to incorporate from section 3065(c) the qualifications
of persons who can provide audiological services. Education Code section 56366.1 is
added to the note to substantiate that nonpublic schools and nonpublic agencies
seeking certification from the CDE must meet the requirements of this section.
Education Code section 49422 is added to the references because it contains information about the credentialing of audiologists. Business and Professions Code section 2530 is added to the reference pertinent to qualifications of audiologists.

SECTION 3051.3(b) is amended to incorporate from section 3065(n) the qualifications of persons who can provide orientation and mobility instruction. Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section.

SECTION 3051.4 AUTHORITY AND REFERENCE is amended as follows: Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Citations from federal regulations–34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services–are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3051.5(b) is amended to incorporate from section 3065(a) the qualifications of persons who can provide adapted physical education. Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Citations from federal regulations–34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services–are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3051.6(b) is amended to incorporate from section 3065(p) and 3065(m) the qualifications of persons who can provide physical therapy and occupational therapy, respectively. Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Business and Professions Code sections 2570.2 and 2630 are added to the reference pertinent to qualifications of occupational therapists and physical therapists, respectively.

SECTION 3051.7(e) is amended to incorporate from section 3065(x) the qualifications of persons who can provide vision services. Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Education Code section 49422 is added to the references because it contains information about the credentialing of optometrists. Citations from federal regulations–34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services–are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3051.7.5 NOTE is amended as follows: Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies
seeking certification from the CDE must meet the requirements of this section. The reference to 20 U.S.C. Section 1414(c)(2)(B) is deleted because it now refers to evaluation procedures, and the reference to 34 C.F.R. 300.600 is deleted because it now refers to state monitoring and enforcement. Citations from federal regulations–34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services–are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3051.8 NOTE is amended as follows: Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Citations from federal regulations–34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services–are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3051.9(c) is amended to incorporate from section 3065(f) the qualifications of persons who can provide counseling and guidance services. This section is also amended to include the correct title of those who are registered with the Board of Behavioral Sciences as interns; to update the list of people who are qualified to supervise a Marriage and Family Therapist Registered Intern by adding a reference to “Licensed Professional Clinical Counselors”; and to add two new qualifications, “Licensed Professional Clinical Counselor” and “Professional Clinical Counselor Registered Interns” to the list of persons qualified to provide counseling and guidance services.

Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Education Code section 49422 is added to the references because it contains information about the credentialing of psychologists. Business and Professions Code sections 2903, 2905, 4980.02, 4980.14, and 4996.9 are added to the reference pertinent to qualifications of the practice of psychology, marriage and family therapy, educational psychology, and clinical social work. Citations from federal regulations–34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services–are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3015.10 is amended to reinstate former subdivision (a), which reads “Counseling provided to an individual with exceptional needs by a credentialed or licensed psychologist or other qualified personnel.” This amendment clarifies that “counseling” falls under the category of “psychological services” and can, therefore, be provided by a psychologist.
Subdivision (a)(4) is added to bring this section into closer alignment with 34 CFR 300.34(c)(10) regarding the development of positive behavioral intervention strategies.

Subdivision (a)(5) is incorporated from former 3065(q)(1)(B) to ensure proper clarification that the term “psychological services” does not include assessment services and the development of an IEP, as specified in Education Code section 56363(b)(10).

Subdivision (b) is amended to incorporate from section 3065(q)(2) the qualifications of persons who can provide psychological services and to update professional titles by adding the word “Licensed” to Educational Psychologist and Marriage and Family Therapist.

Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section.

SECTION 3051.11(b) is amended to incorporate from section 3065(o) the qualifications of persons who can provide parent counseling and training. This section is also amended to include the correct title of those who are registered with the Board of Behavioral Sciences as interns; to update the list of people who are qualified to supervise a Marriage and Family Therapist Registered Intern by adding a reference to “Licensed Professional Clinical Counselors”; and to add two new qualifications, “Licensed Professional Clinical Counselor” and “Professional Clinical Counselor Registered Interns” to the list of persons qualified to provide counseling and guidance services.

Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Education Code section 49422 is added to the references because it contains information about the credentialing of psychologists. Business and Professions Code sections 2903, 2905, 4980.02, 4980.14, and 4996.9 are added to the reference pertinent to qualifications of the practice of psychology, marriage and family therapy, educational psychology, and clinical social work.

SECTION 3051.12(a)(5) is amended to clarify that care is being provided to individuals “with disabilities.” Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Education Code section 49422 is added to the references because it contains information about the credentialing of nurses.

SECTION 3051.13(a) is amended to delete the requirement that persons providing social worker services “be qualified.”

SECTION 3051.13(b) is amended to incorporate from section 3065(s) the qualifications of persons who can provide social worker services. Subdivision (b) is also amended to
include the correct title of those who are registered with the Board of Behavioral Sciences as interns; to update the list of people who are qualified to supervise a Marriage and Family Therapist Registered Intern by adding a reference to “Licensed Professional Clinical Counselors”; and to add two new qualifications, “Licensed Professional Clinical Counselor” and “Professional Clinical Counselor Registered Interns” to the list of persons qualified to provide counseling and guidance services.

Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Education Code section 49422 is added to the references because it contains information about the credentialing of persons providing social worker services. Business and Professions Code sections 2903, 2905, 4980.02, 4980.14, and 4996.9 are added to the reference pertinent to qualifications of the practice of psychology, marriage and family therapy, educational psychology, and clinical social work.

SECTION 3051.14(b) is amended to delete the requirement that persons providing specially designed vocational education and career development services “be qualified.” Subdivision (b) is further amended to incorporate from section 3065(u) the qualifications of persons who can provide specially designed vocational education and career development services.

Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section.

SECTION 3051.15(b) (formerly d) is amended to delete the requirement that persons providing recreation services shall “be qualified.” Subdivision (d) is further amended to incorporate from section 3065(r) the qualifications of persons who can provide recreation services. Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Citations from federal regulations—34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services—are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3051.16(d) is added to incorporate language from section 3065(v) pertaining to the qualifications of persons who can provide specialized services for low-incidence disabilities. Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section.

SECTION 3051.17 NOTE is amended as follows: Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Citations
from federal regulations—34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services—are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3051.18 NOTE is amended as follows: Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section.

SECTION 3051.19 is added to incorporate from section 3065(b) language pertaining to the provision of assistive technology services.

SECTION 3051.20 is added to incorporate from section 3065(g) language pertaining to the provision of early education programs.

SECTION 3051.21 is added to incorporate from proposed section 3065(l) language pertaining to the qualifications of persons who can provide music therapy. This section is also amended to include a definition of music therapy obtained from the Certification Board for Music Therapy.

SECTION 3051.22 is added to incorporate from section 3065(w) language pertaining to the qualifications of persons who can provide transcription services.

SECTION 3051.23 is added to incorporate from section 3065(d) and (e) language pertaining to the qualifications of persons who can provide behavior interventions.

SECTION 3051.24 is added to incorporate from section 3065(y) language pertaining to the qualifications of persons who can provide other related services.

SECTION 3060(d)(7) is amended to delete reference to section 3052, which was repealed by AB 86 and pertained to positive behavior interventions, and to add references to Education Code sections 56520 through 56525, which where amended by AB 86 to address positive behavioral interventions in the absence of section 3052.

SECTION 3065 is being amended significantly as follows: All of the subsections have been moved in whole or in part to sections in 3051, et seq. The purpose of this merger of section 3065 into section 3051, et seq., is to create one section of regulations containing both the definitions and standards of related services and the qualifications of personnel who are permitted to provide these services. Specifically, the amendments to the pertinent sections are as follows:

Subdivision (a) is amended to clarify that the requirements of section 3051, et seq. must be met in nonpublic school and nonpublic agency settings. Similarly, subdivision (b) is added to clarify how persons providing related services to California students who are placed in out-of-state settings must be certified.
Former subdivision (a), pertinent to adapted physical education, is incorporated into section 3051.5(b).

Former subdivision (b), pertinent to assistive technology services, is now section 3051.19

Former subdivision (c), pertinent to audiological services, is incorporated into section 3051.2(b).

Former subdivisions (d) and (e), pertinent to behavior intervention, are now section 3051.23.

Former subdivision (f), pertinent to counseling and guidance, is incorporated into section 3051.9(c).

Former subdivision (g), pertinent to early education programs, is now section 3051.20.

Former subdivision (h), pertinent to educational interpreters, is deleted because it is redundant to section 3051.16.

Former subdivision (i), pertinent to health and nursing services, is deleted. This subdivision is redundant or duplicative of the staff qualifications enumerated in section 3051.12.

Former subdivision (j), pertinent to home and hospital instruction, is deleted because this subdivision is too restrictive. Requirements pertinent to home or hospital instruction can be found in section 3051.4.

Former subdivision (k), pertinent to language and speech development and remediation, is incorporated into section 3051.1.(c).

Former subdivision (l), pertinent to music therapy, is incorporated into section 3051.21.

Former subdivision (m), pertinent to occupational therapy, is incorporated into section 3051.6(b).

Former subdivision (n), pertinent to orientation and mobility instruction, is incorporated into section 3051.3(b).

Former subdivision (o), pertinent to parent counseling and training, is incorporated into section 3051.11(c).

Former subdivision (p), pertinent to physical therapy, is incorporated into section 3051.6(b).
Former subdivision (q)(1), pertinent to psychological services, is deleted; section 3051.10(a) provides a list, which is not exhaustive, of psychological services.

Former subdivision (q)(2) is incorporated into section 3051.10(b).

Former subdivision (r), pertinent to recreation services, is incorporated into section 3051.15(b).

Former subdivision (s), pertinent to social worker services, is incorporated into section 3051.13(b).

Former subdivision (t), pertinent to specialized driver training, is deleted because it is redundant to section 3051.8. Further, section 3051.8 cites the pertinent sections of Education Code regarding service provider qualifications.

Former subdivision (u), pertinent to specially designed vocational education and career development, is incorporated into section 3051.14(b).

Former subdivision (v), pertinent to specialized services for pupils with low-incidence disabilities, is incorporated into section 3051.16(d).

Former subdivision (w), pertinent to transcription services, is now section 3051.22.

Former subdivision (x), pertinent to vision services, is incorporated into section 3051.7(e).

Former subdivision (y), pertinent to other related services, is now section 3051.24.

SECTIONS 3083, 3084, and 3088 are amended to delete the word “public” before the word “agency” and to insert the words “or nonprofit organization or entity” to ensure that reference to the entity providing due process hearings and mediations reflects legislative language in Education Code section 56504.5.

COMMENTS

If you have any comments regarding the proposed changes that are the topic of this 15-Day Notice, the SBE will accept written comments between November 9, 2013 and November 25, 2013, inclusive. All written comments must be submitted to the Regulations Coordinator via facsimile at 916-319-0155; email at recommends@cde.ca.gov or mailed and received at the following address by close of business at 5:00 p.m. on November 25, 2013 and addressed to:

Debra Thacker, Regulations Coordinator
Legal, Audits and Compliance Branch
Administrative Supports and Regulations Adoption Unit
All written comments received by 5:00 p.m. on November 25, 2013, which pertain to the indicated changes will be reviewed and responded to by CDE staff as part of the compilation of the rulemaking file. Written comments received by the CDE staff during the public comment period are subject to viewing under the Public Records Act. Please limit your comments to the modifications to the 15-day text.
TITLE 5. EDUCATION
DIVISION 1. CALIFORNIA DEPARTMENT OF EDUCATION
CHAPTER 3. INDIVIDUALS WITH EXCEPTIONAL NEEDS
SUBCHAPTER 1. SPECIAL EDUCATION
ARTICLE 1. GENERAL PROVISIONS
§ 3001. Definitions.
In addition to those found in Education Code sections 56020 - 56033, 56035, Public Law 94-142 as amended (20 U.S.C. Sections 1401(1) to (35) et seq.), and 34 C.F.R. Title 34, Code of Federal Regulations, Part Sections 300.4 - 300.45 and 301, the following definitions are provided:
(a) "Access" means that the nonpublic, nonsectarian school shall provide State Board of Education (SBE)-adopted, standards-aligned core curriculum and instructional materials for kindergarten and grades 1 to 8 (K-8), inclusive; and provide standards-aligned core curriculum and instructional materials for grades 9 to 12 (9-12), inclusive, used by a local educational agency (LEA) that contracts with the nonpublic school.
(d) "Behavioral emergency" is the demonstration of a serious behavior problem:
(1) which has not previously been observed and for which a behavioral intervention plan has not been developed; or
(2) for which a previously designed behavioral intervention is not effective.
Approved behavioral emergency procedures must be outlined in the special education local planning area (SELPA) local plan.
(e) "Behavioral intervention" means the systematic implementation of procedures that result in lasting positive changes in the individual's behavior.
"Behavioral intervention" means the design, implementation, and evaluation of
individual or group instructional and environmental modifications, including programs of behavioral instruction, to produce significant improvements in human behavior through skill acquisition and the reduction of problematic behavior. “Behavioral interventions” are designed to provide the individual with greater access to a variety of community settings, social contacts and public events; and ensure the individual’s right to placement in the least restrictive educational environment as outlined in the individual’s IEP. “Behavioral interventions” do not include procedures which cause pain or trauma. “Behavioral interventions” respect the individual’s human dignity and personal privacy. Such interventions shall assure the individual’s physical freedom, social interaction, and individual choice.

(f) “Behavioral intervention case manager” means a designated certificated school/district/county/nonpublic school or agency staff member(s) or other qualified personnel pursuant to subdivision (ac)(v) contracted by the school district or county office or nonpublic school or agency who has been trained in behavior analysis with an emphasis on positive behavioral interventions. The "behavioral intervention case manager" is not intended to be a new staffing requirement and does not create any new credentialing or degree requirements. The duties of the "behavioral intervention case manager" may be performed by any existing staff member trained in behavior analysis with an emphasis on positive behavioral interventions, including, but not limited to, a teacher, resource specialist, school psychologist, or program specialist.

(g) "Behavioral intervention plan" is a written document which is developed when the individual exhibits a serious behavior problem that significantly interferes with the implementation of the goals and where applicable, benchmarks or short-term objectives of the individual’s IEP. The "behavioral intervention plan" shall become part of the IEP. The plan shall describe the frequency of the consultation to be provided by the behavioral intervention case manager to the staff members and parents who are responsible for implementing the plan. A copy of the plan shall be provided to the person or agency responsible for implementation in noneducational settings. The plan shall include
the following:

1. a summary of relevant and determinative information gathered from a functional analysis assessment;
2. an objective and measurable description of the targeted maladaptive behavior(s) and replacement positive behavior(s);
3. the individual's goals and objectives specific to the behavioral intervention plan;
4. a detailed description of the behavioral interventions to be used and the circumstances for their use;
5. specific schedules for recording the frequency of the use of the interventions and the frequency of the targeted and replacement behaviors; including specific criteria for discontinuing the use of the intervention for lack of effectiveness or replacing it with an identified and specified alternative;
6. criteria by which the procedure will be faded or phased-out, or less intense/frequent restrictive behavioral intervention schedules or techniques will be used;
7. those behavioral interventions which will be used in the home, residential facility, work site or other noneducational settings; and
8. specific dates for periodic review by the IEP team of the efficacy of the program.

(h) "Board" means the California State Board of Education.

(d)(h) "CDE" means the California Department of Education.

(e)(i) "Certification" means authorization by the California State Superintendent of Public Instruction (SSPI) for a nonpublic school or nonpublic agency to service individuals with exceptional needs under a contract pursuant to the provisions of Education Code section 56366(d).

(f)(i)(k) "Contracting education agency," means school district, a SELPA, a charter school participating as a member of a special education local plan area SELPA, or county office of education.

(g)(k)(l) "Credential" means any valid credential, life diploma, or document in special education or Pupil Personnel Services issued by, or under the jurisdiction of, the
California SBE State Board of Education prior to 1970 or the California Commission on Teacher Credentialing (CTC), which entitles the holder thereof to perform services for which certification qualifications are required.

(h)(l)(m) "Department of Consumer Affairs" means the California Department of Consumer Affairs.

(i)(m)(n) "Dual enrollment" means the concurrent attendance of the individual in a public education agency and a nonpublic school and/or a nonpublic agency.

(o) "Feasible" as used in Education Code section 56363(a) means the IEP team:

1. has determined the regular class teacher, special class teacher, and/or resource specialist possesses the necessary competencies and credentials/certificates to provide the designated instruction and service specified in the IEP; and
2. has considered the time and activities required to prepare for and provide the designated instruction and services and related services by the regular class teacher, special class teacher, and/or resource specialist.

(p) "Free appropriate public education" means special education and related services that:

1. have been provided at public expense, under public supervision and direction and without charge;
2. meets any of the standards established by state or federal law;
3. include an appropriate preschool, elementary, or secondary school education in California; and
4. are provided in conformity with the IEP required under state and federal law.

(k)(o)(q) "Individual Services Agreement" means a document, prepared by the LEA, that specifies the length of time for which special education and designated instruction and services and related services are to be provided, by nonpublic schools and/or nonpublic agencies, to individuals with exceptional needs.

(k)(o)(r) "Instructional day" shall be the same period of time as constitutes the regular school day for that chronological peer group unless otherwise specified in the IEP.

(l)(p)(s) "License" means a valid nonexpired document issued by a licensing agency within the California Department of Consumer Affairs or other state licensing office.
authorized to grant licenses and authorizing the bearer of the document to provide certain professional services or refer to themselves using a specified professional title. If a license is not available through an appropriate state licensing agency, a certificate of registration with the appropriate professional organization at the national or state level, which has standards established for the certificate that are equivalent to a license, shall be deemed to be a license.

(m)(q) "Linguistically appropriate goals, objectives, and programs" means:

... . . .

(u) "Local educational agency" (LEA) means a school district, a county office of education, a charter school participating as a member of a special education local plan area, or a special education local plan area.

(n)(r) "Local governing board," means either district or county board of education.

(o)(s) "Master contract" means the legal document that binds the public education agency and the nonpublic school or nonpublic agency.

(p)(t)(x) "Nonsectarian" means a private, nonpublic school or agency that is not owned, operated, controlled by, or formally affiliated with a religious group or sect, whatever might be the actual character of the education program or the primary purpose of the facility and whose articles of incorporation and/or by-laws stipulate that the assets of such agency or corporation will not inure to the benefit of a religious group.

(q)(u)(y) "Primary language" means the language other than English, or other mode of communication, the person first learned, or the language which is spoken used in the person's home.

(r)(v)(z) "Qualified" means that a person has met federal and state certification, licensing, registration, or other comparable requirements which apply to the area in which he or she is providing special education or related services, or, in the absence of such requirements, the state-education-agency-approved or recognized requirements, and adheres to the standards of professional practice established in federal and state law or regulation, including the standards contained in the California Business and Professions Code and the scope of practice as defined by the licensing or credentialing body. Nothing in this definition shall be construed as restricting the activities in or services of a graduate needing direct hours leading to licensure, or of a
student teacher or intern leading to a graduate degree at an accredited or approved
college or university, as authorized by state laws or regulations.

(aa) "Related services" means transportation, and such developmental, corrective,
and other supportive services (including speech pathology and audiology, psychological
services, physical and occupational therapy, recreation, including therapeutic
recreation, social work services, counseling services, including rehabilitation counseling,
and medical services, except that such medical services shall be for diagnostic and
evaluation purposes only) as required to assist an individual with exceptional needs to
benefit from special education, and includes the early identification and assessment of
disabling conditions in children. Related services include, but are not limited to,
designated instruction and services. The list of related services is not exhaustive and
may include other developmental, corrective, or supportive services if they are required
to assist a child with a disability to benefit from special education. Each related service
defined under this part may include appropriate administrative and supervisory activities
that are necessary for program planning, management, and evaluation.

(w)(ab) "Serious behavior problems" means the individual's behaviors which
are self-injurious, assaultive, or cause serious property damage and other severe
behavior problems that are pervasive and maladaptive for which
instructional/behavioral approaches specified in the student's IEP are found to be
ineffective.

(ac) "Special education" means specially designed instruction, at no cost to the
parents, to meet the unique needs of individuals with exceptional needs whose
educational needs cannot be met with modification of the regular instruction program,
and related services, at no cost to the parent, that may be needed to assist these
individuals to benefit from specially designed instruction.

(s)(x)(ad) "Specialized physical health care services" means those health services,
including catheterization, gastric tube feeding, suctioning or other services prescribed
by the individual's licensed physician and surgeon requiring medically related training
for the individual who performs the services and which are necessary during the school
day to enable the individual to attend school.

(t)(y)(ae) "Specified education placement" means that unique combination of
facilities, personnel, location or equipment necessary to provide instructional services to an individual with exceptional needs, as specified in the IEP, in any one or a combination of public, private, home and hospital, or residential settings. The IEP team shall document its rationale for placement in other than the pupil's school and classroom in which the pupil would otherwise attend if the pupil were not disabled. The documentation shall indicate why the pupil's disability prevents his or her needs from being met in a less restrictive environment even with the use of supplementary aids and services.

(u)(z)(af) "SSPI" means the California State Superintendent of Public Instruction.

(v)(aa)(ag) "Temporary physical disability" means a disability incurred while an individual was in a regular education class and which at the termination of the temporary physical disability, the individual can, without special intervention, reasonably be expected to return to his or her regular education class.

NOTE: Authority cited: Sections 56100 and 56523, Education Code. Reference: Sections 33000, 33126, 33300, 49423.5, and 56026, 56026.3, 56034, 56320, 56361, 56366, 56366.10, 56520 and 56523, Education Code; Section 2, Article IX, Constitution of the State of California; 20 U.S.C. Section 1401; and 34 C.F.R. Sections 300.4 - 300.45 and 300.320.

ARTICLE 3. IDENTIFICATION, REFERRAL AND ASSESSMENT

§ 3023. Assessment and Reassessment.
(a) In addition to provisions of Education Code Sections 56320 and 56381, assessments and reassessments shall be administered by qualified personnel who are competent in both the oral or sign language skills and written skills of the individual's primary language or mode of communication and have a knowledge and understanding of the cultural and ethnic background of the pupil. If it clearly is not feasible to do so, an interpreter must be used, and the assessment report shall document this condition and note that the validity of the assessment may have been affected.

(b) The normal process of second-language acquisition, as well as manifestations of dialect and sociolinguistic variance shall not be diagnosed as a handicapping disabling condition.
NOTE: Authority cited: Section 56100(a), (i) and (j), Education Code. Reference: Sections 56001, 56320, 56324, and 56327, Education Code; and 34 C.F.R. Sections 300.304, 300.305 and 300.310 300.530, 300.532 and 300.543.

§ 3025. Assessment Option: Referral to State Schools for Further Assessment.

(a) Prior to referring a pupil for further assessment to California Schools for the Deaf or Blind or the Diagnostic Centers Schools, districts, special education local plan areas SELPAs, counties, or other agencies providing education services, shall first conduct assessments at the local level within the capabilities of that agency. Results of local assessments shall be provided to parent(s) and shall state the reasons for referral to the State School. Results of local assessments shall accompany the referral request.

(b) The Schools for the Deaf and Blind and the Diagnostic Centers Schools shall conduct assessments pursuant to the provisions of Education Code section 56320, et seq.

(c) A representative of the district, special education local plan areas SELPAs, or county individualized education program IEP team shall participate in the staffing meeting and shall receive the final report and recommendations. Conference calls are acceptable forms of participation, provided that written reports and recommendations have been received by the representative prior to the meeting.


§ 3029. Contracting for Individually Administered Tests of Psychological Functioning Due to the Unavailability of School Psychologists.

(a) School districts, county offices, and special education local plan areas SELPAs shall ensure that credentialed school psychologists are available to perform individually administered tests of intellectual or emotional functioning pursuant to Education Code Section 56320(b)(3) of the Education Code.

(b) Due to the temporary unavailability of a credentialed school psychologist, a school district or county office may contract with qualified personnel to perform individually administered tests of intellectual or emotional functioning including
necessary reports pursuant to Education Code Section 56327 of the Education Code.

(c) The district or county office shall seek appropriately credentialed school psychologists for employment. These efforts, which include but are not limited to contacting institutions of higher education having approved school psychology programs and utilizing established personnel recruitment practices, shall be documented and available for review.

(d) The only persons qualified to provide assessment services under this section shall be educational psychologists licensed by the Board of Behavioral Science Examiners.

NOTE: Authority cited: Sections 56100(a) and 56320(f), Education Code. Reference: Sections 49422(e)(1), 56320(b) and 56327, Education Code.

ARTICLE 3.1. INDIVIDUALS WITH EXCEPTIONAL NEEDS

§ 3030. Eligibility Criteria.

(a) A pupil child shall qualify as an individual with exceptional needs, pursuant to Education Code Section 56026 of the Education Code, if the results of the assessment as required by Education Code Section 56320 demonstrate that the degree of the pupil's child's impairment as described in Section 3030 subdivisions (a)(b)(1) through (b)(13)(j) requires special education in one or more of the program options authorized by Education Code Section 56361 of the Education Code. The decision as to the whether or not the assessment results demonstrate that the degree of the pupil's child's impairment requires special education shall be made by the individualized education program IEP team, including personnel in accordance with Education Code Section 56341(d)(b) of the Education Code. The individualized education program IEP team shall take into account all the relevant material which is available on the pupil child. No single score or product of scores shall be used as the sole criterion for the decision of the individualized education program IEP team as to the pupil's child's eligibility for special education. The specific processes and procedures for implementation of these criteria shall be developed by each Special Education Local Plan Area and be included in the local plan pursuant to Section 56220(a) of the Education Code.

(a) A pupil has a hearing impairment, whether permanent or fluctuating, which
impairs the processing of linguistic information through hearing, even with amplification, and which adversely affects educational performance. Processing linguistic information includes speech and language reception and speech and language discrimination.

(b) A pupil has concomitant hearing and visual impairments, the combination of which causes severe communication, developmental, and educational problems.

(b) The disability terms used in defining an individual with exceptional needs are as follows:

(1) Autism means a developmental disability significantly affecting verbal and nonverbal communication and social interaction, generally evident before age three, and adversely affecting a child’s educational performance. Other characteristics often associated with autism are engagement in repetitive activities and stereotyped movements, resistance to environmental change or change in daily routines, and unusual responses to sensory experiences.

(A) Autism does not apply if a child’s educational performance is adversely affected primarily because the child has an emotional disturbance, as defined in subdivision (b)(4) of this section.

(B) A child who manifests the characteristics of autism after age three could be identified as having autism if the criteria in subdivision (b)(1) of this section are satisfied.

(2) Deaf-blindness means concomitant hearing and visual impairments, the combination of which causes such severe communication and other developmental and educational needs that they cannot be accommodated in special education programs solely for children with deafness or children with blindness.

(3) Deafness means a hearing impairment that is so severe that the child is impaired in processing linguistic information through hearing, with or without amplification that adversely affects a child’s educational performance.

(4) Emotional disturbance means a condition exhibiting one or more of the following characteristics over a long period of time and to a marked degree that adversely affects a child’s educational performance:

(A) An inability to learn that cannot be explained by intellectual, sensory, or health factors.

(B) An inability to build or maintain satisfactory interpersonal relationships with peers
and teachers.

(C) Inappropriate types of behavior or feelings under normal circumstances.

(D) A general pervasive mood of unhappiness or depression.

(E) A tendency to develop physical symptoms or fears associated with personal or
school problems.

(F) Emotional disturbance includes schizophrenia. The term does not apply to
children who are socially maladjusted, unless it is determined that they have an
emotional disturbance under subdivision (b)(4) of this section.

(5) Hearing impairment means an impairment in hearing, whether permanent or
fluctuating, that adversely affects a child’s educational performance but that is not
included under the definition of deafness in this section.

(6) Intellectual disability means significantly subaverage general intellectual
functioning, existing concurrently with deficits in adaptive behavior and manifested
during the developmental period that adversely affects a child’s educational
performance.

(7) Multiple disabilities means concomitant impairments, such as intellectual
disability-blindness or intellectual disability-orthopedic impairment, the combination of
which causes such severe educational needs that they cannot be accommodated in
special education programs solely for one of the impairments. “Multiple disabilities”
does not include deaf-blindness.

(8) Orthopedic impairment means a severe orthopedic impairment that adversely
affects a child’s educational performance. The term includes impairments caused by a
congenital anomaly, impairments caused by disease (e.g., poliomyelitis, bone
tuberculosis), and impairments from other causes (e.g., cerebral palsy, amputations,
and fractures or burns that cause contractures).

(9) Other health impairment means having limited strength, vitality, or alertness,
including a heightened alertness to environmental stimuli, that results in limited
alertness with respect to the educational environment that:

(A) Is due to chronic or acute health problems such as asthma, attention deficit
disorder or attention deficit hyperactivity disorder, diabetes, epilepsy, a heart condition,
hemophilia, lead poisoning, leukemia, nephritis, rheumatic fever, sickle cell anemia, and
Tourette syndrome; and

(B) Adversely affects a child’s educational performance.

(10) Specific learning disability means a disorder in one or more of the basic psychological processes involved in understanding or in using language, spoken or written, that may have manifested itself in the imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations, including conditions such as perceptual disabilities, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia. The basic psychological processes include attention, visual processing, auditory processing, sensory-motor skills, cognitive abilities including association, conceptualization and expression.

(A) Specific learning disabilities do not include learning problems that are primarily the result of visual, hearing, or motor disabilities, of intellectual disability, of emotional disturbance, or of environmental, cultural, or economic disadvantage.

(B) In determining whether a pupil has a specific learning disability, the public agency may consider whether a pupil has a severe discrepancy between intellectual ability and achievement in oral expression, listening comprehension, written expression, basic reading skill, reading comprehension, mathematical calculation, or mathematical reasoning. The decision as to whether or not a severe discrepancy exists shall take into account all relevant material which is available on the pupil. No single score or product of scores, test or procedure shall be used as the sole criterion for the decisions of the IEP team as to the pupil’s eligibility for special education. In determining the existence of a severe discrepancy, the IEP team shall use the following procedures:

1. When standardized tests are considered to be valid for a specific pupil, a severe discrepancy is demonstrated by: first, converting into common standard scores, using a mean of 100 and standard deviation of 15, the achievement test score and the intellectual ability test score to be compared; second, computing the difference between these common standard scores; and third, comparing this computed difference to the standard criterion which is the product of 1.5 multiplied by the standard deviation of the distribution of computed differences of students taking these achievement and ability tests. A computed difference which equals or exceeds this standard criterion, adjusted by one standard error of measurement, the adjustment not to exceed 4 common
standard score points, indicates a severe discrepancy when such discrepancy is corroborated by other assessment data which may include other tests, scales, instruments, observations and work samples, as appropriate.

2. When standardized tests are considered to be invalid for a specific pupil, the discrepancy shall be measured by alternative means as specified on the assessment plan.

3. If the standardized tests do not reveal a severe discrepancy as defined in subdivisions 1. or 2. above, the IEP team may find that a severe discrepancy does exist, provided that the team documents in a written report that the severe discrepancy between ability and achievement exists as a result of a disorder in one or more of the basic psychological processes. The report shall include a statement of the area, the degree, and the basis and method used in determining the discrepancy. The report shall contain information considered by the team which shall include, but not be limited to:

   (i) Data obtained from standardized assessment instruments;
   (ii) Information provided by the parent;
   (iii) Information provided by the pupil's present teacher;
   (iv) Evidence of the pupil's performance in the regular and/or special education classroom obtained from observations, work samples, and group test scores;
   (v) Consideration of the pupil's age, particularly for young children; and
   (vi) Any additional relevant information.

4. A severe discrepancy shall not be primarily the result of limited school experience or poor school attendance.

(C) Whether or not a pupil exhibits a severe discrepancy as described in subdivision (b)(10)(B) above, a pupil may be determined to have a specific learning disability if:

   1. The pupil does not achieve adequately for the pupil's age or to meet State-approved grade-level standards in one or more of the following areas, when provided with learning experiences and instruction appropriate for the pupil's age or State-approved grade-level standards:

      (i) Oral expression.
      (ii) Listening comprehension.
      (iii) Written expression.
(iv) Basic reading skill.

(v) Reading fluency skills.

(vi) Reading comprehension.

(vii) Mathematics calculation.

(viii) Mathematics problem solving, and

2. (i) The pupil does not make sufficient progress to meet age or State-approved grade-level standards in one or more of the areas identified in subdivision (b)(10)(C)(1) of this section when using a process based on the pupil’s response to scientific, research-based intervention; or

(ii) The pupil exhibits a pattern of strengths and weaknesses in performance, achievement, or both, relative to age, State-approved grade-level standards, or intellectual development, that is determined by the group to be relevant to the identification of a specific learning disability, using appropriate assessments, consistent with 34 C.F.R. sections 300.304 and 300.305; and

3. The findings under subdivisions (b)(10)(C)(1) and (2) of this section are not primarily the result of:

(i) A visual, hearing, or motor disability;

(ii) Intellectual disability;

(iii) Emotional disturbance;

(iv) Cultural factors;

(v) Environmental or economic disadvantage; or

(vi) Limited English proficiency.

4. To ensure that underachievement in a pupil suspected of having a specific learning disability is not due to lack of appropriate instruction in reading or math, the group making the decision must consider:

(i) Data that demonstrate that prior to, or as a part of, the referral process, the pupil was provided appropriate instruction in regular education settings, delivered by qualified personnel; and

(ii) Data-based documentation of repeated assessments of achievement at reasonable intervals, reflecting formal assessment of student progress during instruction, which was provided to the pupil's parents.
5. In determining whether a pupil has a specific learning disability, the public agency must ensure that the pupil is observed in the pupil's learning environment in accordance with 34 C.F.R. section 300.310. In the case of a child of less than school age or out of school, a qualified professional must observe the child in an environment appropriate for a child of that age. The eligibility determination must be documented in accordance with 34 C.F.R. section 300.311.

(11)(e) A pupil has a language or speech disorder as defined in Education Code Section 56333 of the Education Code, and it is determined that the pupil's disorder meets one or more of the following criteria:

(A)(1) Articulation disorder. The pupil displays reduced intelligibility or an inability to use the speech mechanism which significantly interferes with communication and attracts adverse attention. Significant interference in communication occurs when the pupil's production of single or multiple speech sounds on a developmental scale of articulation competency is below that expected for his or her chronological age or developmental level, and which adversely affects educational performance.

(B)(2) A pupil does not meet the criteria for an articulation disorder if the sole assessed disability is an abnormal swallowing pattern.

(C)(3) Abnormal Voice. A pupil has an abnormal voice which is characterized by persistent, defective voice quality, pitch, or loudness.

(D)(4) Fluency Disorders. A pupil has a fluency disorder when the flow of verbal expression including rate and rhythm adversely affects communication between the pupil and listener.

(E)(5) Language Disorder. The pupil has an expressive or receptive language disorder when he or she meets one of the following criteria:

1. (A) The pupil scores at least 1.5 standard deviations below the mean, or below the 7th percentile, for his or her chronological age or developmental level on two or more standardized tests in one or more of the following areas of language development: morphology, syntax, semantics, or pragmatics. When standardized tests are considered to be invalid for the specific pupil, the expected language performance level shall be determined by alternative means as specified on the assessment plan, or
2.(B) The pupil scores at least 1.5 standard deviations below the mean or the score is below the 7th percentile for his or her chronological age or developmental level on one or more standardized tests in one of the areas listed in subsection (A) and displays inappropriate or inadequate usage of expressive or receptive language as measured by a representative spontaneous or elicited language sample of a minimum of fifty utterances. The language sample must be recorded or transcribed and analyzed, and the results included in the assessment report. If the pupil is unable to produce this sample, the language, speech, and hearing specialist shall document why a fifty utterance sample was not obtainable and the contexts in which attempts were made to elicit the sample. When standardized tests are considered to be invalid for the specific pupil, the expected language performance level shall be determined by alternative means as specified in the assessment plan.

(12) Traumatic brain injury means an acquired injury to the brain caused by an external physical force, resulting in total or partial functional disability or psychosocial impairment, or both, that adversely affects a child’s educational performance. Traumatic brain injury applies to open or closed head injuries resulting in impairments in one or more areas, such as cognition; language; memory; attention; reasoning; abstract thinking; judgment; problem-solving; sensory, perceptual, and motor abilities; psychosocial behavior; physical functions; information processing; and speech.

(A) Traumatic brain injury does not apply to brain injuries that are congenital or degenerative, or to brain injuries induced by birth trauma.

(13) Visual impairment including blindness means an impairment in vision that, even with correction, adversely affects a child’s educational performance. The term includes both partial sight and blindness.

(d) A pupil has a visual impairment which, even with correction, adversely affects a pupil’s educational performance.

(e) A pupil has a severe orthopedic impairment which adversely affects the pupil’s educational performance. Such orthopedic impairments include impairments caused by congenital anomaly, impairments caused by disease, and impairments from other causes.

(f) A pupil has limited strength, vitality or alertness, due to chronic or acute health
problems, including but not limited to a heart condition, cancer, leukemia, rheumatic
fever, chronic kidney disease, cystic fibrosis, severe asthma, epilepsy, lead poisoning,
diabetes, tuberculosis and other communicable infectious diseases, and hematological
disorders such as sickle cell anemia and hemophilia which adversely affects a pupil's
educational performance. In accordance with Section 5626(e) of the Education Code,
such physical disabilities shall not be temporary in nature as defined by Section
3001(v).
(g) A pupil exhibits any combination of the following autistic-like behaviors, to include
but not limited to:
(1) An inability to use oral language for appropriate communication.
(2) A history of extreme withdrawal or relating to people inappropriately and
continued impairment in social interaction from infancy through early childhood.
(3) An obsession to maintain sameness.
(4) Extreme preoccupation with objects or inappropriate use of objects or both.
(5) Extreme resistance to controls.
(6) Displays peculiar motoric mannerisms and motility patterns.
(7) Self-stimulating, ritualistic behavior.
(h) A pupil has significantly below average general intellectual functioning existing
concurrently with deficits in adaptive behavior and manifested during the developmental
period, which adversely affect a pupil's educational performance.
(i) Because of a serious emotional disturbance, a pupil exhibits one or more of the
following characteristics over a long period of time and to a marked degree, which
adversely affect educational performance:
(1) An inability to learn which cannot be explained by intellectual, sensory, or health
factors.
(2) An inability to build or maintain satisfactory interpersonal relationships with peers
and teachers.
(3) Inappropriate types of behavior or feelings under normal circumstances exhibited
in several situations.
(4) A general pervasive mood of unhappiness or depression.
(5) A tendency to develop physical symptoms or fears associated with personal or
school problems.

(j) A pupil has a disorder in one or more of the basic psychological processes involved in understanding or in using language, spoken or written, which may manifest itself in an impaired ability to listen, think, speak, read, write, spell, or do mathematical calculations, and has a severe discrepancy between intellectual ability and achievement in one or more of the academic areas specified in Section 56337(a) of the Education Code. For the purpose Section 3030(j)

(1) Basic psychological processes include attention, visual processing, auditory processing, sensory-motor skills, cognitive abilities including association, conceptualization and expression.

(2) Intellectual ability includes both acquired learning and learning potential and shall be determined by a systematic assessment of intellectual functioning.

(3) The level of achievement includes the pupil's level of competence in materials and subject matter explicitly taught in school and shall be measured by standardized achievement tests.

(4) The decision as to whether or not a severe discrepancy exists shall be made by the individualized education program team, including assessment personnel in accordance with Section 56341(d), which takes into account all relevant material which is available on the pupil. No single score or product of scores, test or procedure shall be used as the sole criterion for the decisions of the individualized education program team as to the pupil's eligibility for special education. In determining the existence of a severe discrepancy, the individualized education program team shall use the following procedures:

(A) When standardized tests are considered to be valid for a specific pupil, a severe discrepancy is demonstrated by: first, converting into common standard scores, using a mean of 100 and standard deviation of 15, the achievement test score and the ability test score to be compared; second, computing the difference between these common standard scores; and third, comparing this computed difference to the standard criterion which is the product of 1.5 multiplied by the standard deviation of the distribution of computed differences of students taking these achievement and ability tests. A computed difference which equals or exceeds this standard criterion, adjusted by one
standard error of measurement, the adjustment not to exceed 4 common standard
score points, indicates a severe discrepancy when such discrepancy is corroborated by
other assessment data which may include other tests, scales, instruments, observations
and work samples, as appropriate.

(B) When standardized tests are considered to be invalid for a specific pupil, the
discrepancy shall be measured by alternative means as specified on the assessment
plan.

(C) If the standardized tests do not reveal a severe discrepancy as defined in
subparagraphs (A) or (B) above, the individualized education program team may find
that a severe discrepancy does exist, provided that the team documents in a written
report that the severe discrepancy between ability and achievement exists as a result of
a disorder in one or more of the basic psychological processes. The report shall include
a statement of the area, the degree, and the basic and method used in determining the
discrepancy. The report shall contain information considered by the team which shall
include, but not be limited to:

1. Data obtained from standardized assessment instruments;
2. Information provided by the parent;
3. Information provided by the pupil's present teacher;
4. Evidence of the pupil's performance in the regular and/or special education
classroom obtained from observations, work samples, and group test scores;
5. Consideration of the pupil's age, particularly for young children; and
6. Any additional relevant information.

(5) The discrepancy shall not be primarily the result of limited school experience or
poor school attendance.

NOTE: Authority cited: Statutes of 1981, Chapter 1094, Section 25(a); and Section
56100(a), (g) and (i), Education Code. Reference: Sections 56026, 56320, 56333 and
56337, Education Code; 20 U.S.C. Sections 1401(a)15)(3)(A) and 1412(5) 1414(a) and
(b); 34 C.F.R. Sections 300.5(b)(7) and (9), 300.532(a)(2), (d) and (e), 300.533,
300.540,300.541-43 300.8, 300.300, 300.301, 300.304, 300.305, 300.306, 300.307,
300.308, 300.309 and 300.311; and sections 56026, 56320, 56333 and 56337,
Education Code.
§ 3031. Additional Eligibility Criteria for Individuals with Exceptional Needs - Age Birth to Four Younger Than Three Years and Nine Months.

(a) A child, age birth to four younger than three years and nine months, shall qualify as an individual with exceptional needs pursuant to Education Code §56026(c)(1) and (2) and Government Code section 95014 if the Individualized Education Program Family Service Plan (IFSP) team determines that the child meets the following criteria:

1. Is identified as an individual with exceptional needs pursuant to §3030, and
2. Is identified as requiring intensive special education and services by meeting one of the following criteria:
   (A) The child has a developmental delay as determined by a significant difference between the expected level of development for their age and their current level of functioning in one or more of the following five developmental areas: is functioning at or below 50 percent of his or her chronological age level in any one of the following skill areas:
      1. gross or fine motor cognitive development;
      2. receptive or expressive language physical and motor development, including vision and hearing;
      3. social, or emotional or adaptive communication development;
      4. cognitive social or emotional development; and or
      5. visual and hearing adaptive development.
   A significant difference is defined as a 33 percent delay in one developmental area before 24 months of age, or, at 24 months of age or older, either a delay of 50 percent in one developmental area or a 33 percent delay in two or more developmental areas.
   (B) The child is functioning between 51% and 75% of his or her chronological age level in any two of the skill areas with at least a 33 percent delay in two or more developmental areas identified in §3031(2)(A).
   (B)(C) The child has a disabling medical condition or congenital syndrome which the
Individualized Education Program IFSP team determines has a high predictability of requiring intensive special education and services.

(b) Programs for individuals with exceptional needs younger than three years of age are permissive in accordance with Education Code §sections 56001(c) and (d) of the Education Code except for those programs mandated pursuant to Education Code §section 56425 of the Education Code.

NOTE: Authority cited: Statutes of 1981, Chapter 1094, Section 25(a); and §section 56100(a), (g) and (i), Education Code. Reference: Sections 56001 and 56026, Education Code; Section 95014, Government Code; 20 U.S.C. §section 1401(a)(15)(3)(B), 20 U.S.C. Section 1432(a)(5); 34 C.F.R. Sections 300.5 303.21, 300.25; Statutes of 1981, Chapter 1094, Section 25(a); and Sections 56026; 56030.5, 56333, and 56337, Education Code.

ARTICLE 4. INSTRUCTIONAL PLANNING AND INDIVIDUALIZED EDUCATION PROGRAM

§ 3040. Individualized Education Program Implementation. [Repealed]

(a) Upon completion of the individualized education program, that individualized education program shall be implemented as soon as possible following the individualized education program team meeting.

(b) The LEA shall give the parent or guardian a copy of the IEP in his or her primary language at his or her request. A copy of the individualized education program shall be provided to the parents at no-cost, and a copy of the individualized education program shall be provided in the primary language at the request of the parent.

(c) The individualized education program IEP shall show a direct relationship between the present levels of performance, the goals and objectives, and the specific educational services to be provided.

NOTE: Authority cited: Section 56100(a), (i) and (j), Education Code. Reference: Section 56341, Education Code; and 34 C.F.R. §§sections 300.342 - 300.345.
§ 3043. Extended School Year.

Extended school year services shall be provided, in accordance with 34 C.F.R. section 300.106, for each individual with exceptional needs who has unique needs and requires special education and related services in excess of the regular academic year. Such individuals shall have handicaps disabilities which are likely to continue indefinitely or for a prolonged period, and interruption of the pupil's educational programming may cause regression, when coupled with limited recoupment capacity, rendering it impossible or unlikely that the pupil will attain the level of self-sufficiency and independence that would otherwise be expected in view of his or her handicapping disabling condition. The lack of clear evidence of such factors may not be used to deny an individual an extended school year program if the individualized education program IEP team determines the need for such a program and includes extended school year in the individualized education program IEP pursuant to subdivision subsection (fe).

(a) Extended year special education and related services shall be provided by a school district, SELPA special education local plan area, or county office offering programs during the regular academic year.

(b) Individuals with exceptional needs who may require an extended school year are those who:

(1) Are placed in special classes or centers; or

(2) Are individuals with exceptional needs whose IEPs individualized education programs specify an extended year program as determined by the Individualized Education Program IEP team.

(d) An extended year program shall be provided for a minimum of 20 instructional days, including holidays. For reimbursement purposes:

(1) A maximum of 55 instructional days excluding holidays shall be allowed for individuals in special classes or centers for pupils with severe disabilities the severely handicapped; and

(2) A maximum of 30 instructional days excluding holidays shall be allowed for all other eligible pupils needing extended year.

(e) A local governing board may increase the number of instructional days
during the extended year period, but shall not claim revenue for average daily attendance generated beyond the maximum instructional days allowed in subdivisions subsection (d)(1) and (2).

(e)(f) An extended year program, when needed, as determined by the IEP Individualized Education Program team, shall be included in the pupil's IEP individualized education program.

(f)(g) In order to qualify for average daily attendance revenue for extended year pupils, all of the following conditions must be met:

(1) Extended year special education shall be the same length of time as the school day for pupils of the same age level attending summer school in the district in which the extended year program is provided, but not less than the minimum school day for that age unless otherwise specified in the IEP individualized education program to meet a pupil's unique needs.

(2) The special education and related services offered during the extended year period are comparable in standards, scope and quality to the special education program offered during the regular academic year.

(g)(h) If during the regular academic year an individual's IEP individualized education program specifies integration in the regular classroom, a public education agency is not required to meet that component of the IEP individualized education program if no regular summer school programs are being offered by that agency.

. . .

NOTE: Authority cited: Section 56100(a) and (j), Education Code. Reference: Sections 37600, 41976.5 and 56345, Education Code; and 34 C.F.R. Section 300.346 300.106.

ARTICLE 5. IMPLEMENTATION (PROGRAM COMPONENTS)

§ 3051. Standards for Designated Instruction and Services (DIS) and Related Services and Staff Qualifications.

(a) General Provisions.

(1) Designated instruction and services and Related services may be provided to individuals or to small groups in a specialized area of educational need, and throughout the full continuum of educational settings.
(2) Designated instruction and services and related services, when needed are
determined by the IEP.

(3) All entities and individuals providing designated instruction and services and
related services shall be qualified pursuant to sections 3060-3065 of this title.

(3)(4) All entities and individuals providing designated instruction and services and
related services shall meet the qualifications found in 34 C.F.R. sections 300.156(b)
and section 3001(r) and the relevant portion of section 3051 et seq. and shall be
either:
(A) Employees of the school district or county office, or
(B) Employed under contract pursuant to Education Code sections 56365-56366, or
(C) Employees, vendors or contractors of the State Departments of Health Care
Services or State Hospitals Mental Health, or any designated local public health or

(4) To be eligible for certification to provide related services to individuals with
exceptional needs, nonpublic schools and nonpublic agencies shall meet the
requirements of this section.

(5) An individual providing related services out of state, pursuant to sections
56365 and 56366 of the Education Code, as required in a pupil’s IEP, must:
(A) Hold a current valid credential or license to render that related service as
required by that state, and
(B) Be employed by a nonpublic, nonsectarian school or agency certified by
the CDE.

NOTE: Authority cited: Sections 33031, 56100 and 56366.1, Education Code.
Reference: Sections 56363, 56365 and 56366, Education Code; and 34 C.F.R. Sections
300.12, 300.18, 300.34 and 300.156(b).

§ 3051.1. Language, Speech and Hearing Development and Remediation.
(a) An individual holding an appropriate credential with specialization in language,
speech and hearing may provide services Language, Speech and Hearing
Development and Remediation services which include:

(1) Referral and assessment of individuals suspected of having a disorder of
language, speech, or hearing. Such individuals are not considered as part of the caseload pursuant to Education Code §56363.3 of the Education Code unless an IEP individualized education program is developed and services are provided pursuant to §§3051.1(a)(2) and (3).

(2) Specialized instruction and services for individuals with disorders of language, speech, and hearing, including monitoring of pupil progress on a regular basis, providing information for the review, and when necessary participating in the review and revision of individualized educational programs IEPs of pupils.

...  
(b) Caseloads of full-time equivalent language, speech and hearing specialists providing instruction and services within the district, SELPA special education local plan area, or county office shall not exceed a district-wide, special education local plan area SELPA-wide, or county-wide average of fifty-five (55) individuals unless prior written approval has been granted by the SSPI State Superintendent of Public Instruction.

(c) Services may be provided by an aside aide working under the direct supervision of a credentialed qualified language, speech, and hearing specialist if specified in the IEP individualized education program. No more than two aides may be supervised by one credentialed qualified language, speech, and hearing specialist. The case loads of persons in subsection subdivision (b) shall not be increased by the use of aides noncertificated personnel.

(d) Individuals providing Language, and speech and hearing development and remediation services shall be provided only by personnel who possess: qualified.

(1) a license in Speech-Language Pathology issued by a licensing agency within the Department of Consumer Affairs; or

(2) a credential authorizing language or speech services.

(d) Services may also be provided by speech-language pathology assistants working under the direct supervision of a qualified language, speech, and hearing specialist, as defined in Business and Professions Code section 2530.2(i), and if specified in the IEP. No more than two assistants may be supervised by one qualified language, speech, and hearing specialist. The caseloads of persons in
subdivision (b) shall not be increased by the use of assistants.

NOTE: Authority cited: Sections 56100(a) and (i) and 56366.1, Education Code.

Reference: **Section 2530, Business and Professions Code;** Sections 56363(b)(4) and 56363.3, and Education Code; and 34 C.F.R. Sections 300.13(b)(12) 300.34 and 300.156(b)(1).

§ 3051.2. Audiological Services.

(a) In addition to provisions of Title 34, Code of Federal Regulations, C.F.R. Section 300.13(b)(4) 300.34, designated audiological instruction and services may include:

... (3) Planning, organizing, and implementing an audiology program for individuals with auditory dysfunctions, as specified in the IEP individualized education program.

... (b) The person **Individuals providing audiological services** shall hold a valid credential with a specialization in clinical or rehabilitative services in audiology be provided only by personnel who possess: qualified.

(1) a license in Audiology issued by a licensing agency within the Department of Consumer Affairs; or

(2) a credential authorizing audiology services.

NOTE: Authority cited: Sections 56100(a) and (i) and 56366.1, Education Code; U.S.C. 1414(c) (2) (B); and 34 C.F.R. 300.600. Reference: **Section 2530, Business and Professions Code;** Sections 49422 and 56363(b)(2), Education Code; and 34 C.F.R. 300.13(b)(4) Sections 300.34 and 300.156(b)(1).

§ 3051.3. Orientation and Mobility Instruction.

(a) Orientation and Mobility instruction may include:

(1) Specialized instruction for individuals in orientation and mobility techniques.

(2) Consultative services to other educators and parents regarding instructional planning and implementation of the IEP individualized education program relative to the development of orientation and mobility skills and independent living skills.

(b) The person **Individuals providing orientation and mobility instruction** and
services shall hold a credential as an orientation and mobility specialist be provided only by personnel who possess a credential that authorizes services in orientation and mobility instruction qualified.

NOTE: Authority cited: Sections 56100(a) and (i) \textbf{and} 56366.1, Education Code; 20 U.S.C. 1414(c) (2) (B); and 34 C.F.R. 300.600. Reference: Section 56363, Education Code; and 34 C.F.R. Sections 300.34 and 300.156(b)(1).

§ 3051.4. Instruction in the Home or Hospital.

(e) Instruction in the home or hospital shall be provided by a regular class teacher, the special class teacher or the resource specialist teacher, if the teacher or specialist is competent to provide such instruction and services and if the provision of such instruction and services by the teacher or specialist is feasible. If not, the appropriate designated instruction and related services specialist shall provide such instruction.

. . .

NOTE: Authority cited: Sections 56100 \textbf{and} 56366.1, Education Code. Reference: Sections 56001 and 56363, Education Code; \textbf{and} 34 C.F.R. Sections 300.34 \textbf{and} 300.156(b)(1).

§ 3051.5. Adapted Physical Education for Individuals with Exceptional Needs.

(b) The person \textbf{individuals providing} instruction and services \textbf{aA}dapted physical education shall have a credential authorizing the teaching of adapted physical education as established by the Commission on Teacher Credentialing be provided only by personnel who possess a credential issued by the California CTC that authorizes service in adapted physical education qualified.

NOTE: Authority cited: Sections 56100(a) and (i) \textbf{and} 56366.1, Education Code. Reference: 34 C.F.R 300.307 Section 56363, Education Code; \textbf{and} 34 C.F.R. Sections 300.34 \textbf{and} 300.156(b)(1).
§ 3051.6. Physical and Occupational Therapy.

(a) When the district, special education local plan area SELPA, or county office contracts for the services of a physical therapist or an occupational therapist, the following standards shall apply:

(1) Occupational or physical therapists shall provide services based upon recommendation of the individual education program IEP team. Physical therapy and occupational therapy services for infants are limited by Education Code section 56426.6. Physical therapy services may not exceed the services specified in the Business and Professions Code at §Section 2620. Occupational therapy services may not exceed the services specified in the Business and Professions Code section 2570.2(k).

(2) The district, special education local plan area SELPA, or county office shall assure that the therapist has available safe and appropriate equipment.

(b) Qualifications of therapists. Individuals providing physical or occupational therapy shall be qualified:

(1) Physical therapy shall be provided only by personnel who possess a valid license in Physical Therapy issued by a licensing agency within the Department of Consumer Affairs.

(2) Occupational therapy shall be provided only by personnel who possess a license in occupational therapy issued by a licensing agency within the Department of Consumer Affairs. Services provided by a Certified Occupational Therapist Assistant shall be supervised by a registered occupational therapist in accordance with professional standards outlined by the American Occupational Therapy Association.

(3) The therapists shall have graduated from an accredited school.

(2) A physical therapist shall be currently licensed by the Board of Medical Quality Assurance of the State of California and meet the educational standards of the Physical Therapy Examining Committee.

(3) An occupational therapist shall be currently registered with the American Occupational Therapy Association.

NOTE: Authority cited: Sections 56100(a) and (i) and 56366.1, Education Code.
$3051.7. Vision Services.

(a) Vision services shall be provided by a Credentialed teacher of the visually handicapped and may include:

(b) An assessment of and provision for services to visually impaired pupils may be conducted by an eye specialist who has training and expertise in low vision disabilities and has available the appropriate low vision aids for the purpose of assessment. The eye specialist may provide consultation to the pupil, parents, teacher and other school personnel as may be requested by individualized education program an IEP team.

(e) Individuals providing vision services shall be provided only by personnel who possess: qualified.

(1) a license as an Optometrist, Ophthalmologist, Physician or Surgeon, issued by a licensing agency within the Department of Consumer Affairs and authorizing the licensee to provide the services rendered, or

(2) a valid credential authorizing vision instruction or services.

NOTE: Authority cited: Sections 56100(a) and (i) and 56366.1, Education Code.

Reference: Sections 44265.5 and 49422 and 56363(b)(7), Education Code; and 34 C.F.R. Sections 300.34 and 300.156(b)(1).

$3051.7.5. Vision Therapy.

NOTE: Authority cited: Sections 56100 and 56366.1, Education Code; 20 U.S.C. Section 1414(c)(2)(B); and 34 C.F.R. Section 300.600. Reference: Section 56363, Education Code; and 34 C.F.R. Sections 300.34 and 300.156(b)(1).
§ 3051.8. Specialized Driver Training Instruction.

. . .

NOTE: Authority cited: Sections 56100 and 56366.1, Education Code. Reference:
Sections 41906, 41907 and 56363, Education Code; and 34 C.F.R. Sections 300.34
and 300.156(b)(1).

§ 3051.9. Counseling and Guidance Services.

. . .

(c) Individuals performing counseling and guidance services shall be provided only by personnel who possess a: qualified.

(1) license as a Marriage and Family Therapist, or Marriage and Family Therapist Registered Intern who is under the supervision of a Licensed Marriage and Family Therapist, a Licensed Clinical Social Worker, a Licensed Professional Clinical Counselor, a Licensed Psychologist, or a Physician who is certified in psychiatry by the Medical Board of California, the Board of Behavioral Sciences, or the Board of Psychology, within the Department of Consumer Affairs.

(2) license as a Clinical Social Worker, or Associate Clinical Social Worker who is under the supervision of either a Licensed Clinical Social Worker or a licensed Mental Health Professional by the Board of Behavioral Sciences, within the Department of Consumer Affairs; or

(3) license as an Educational Psychologist issued by a licensing agency within the Department of Consumer Affairs; or

(4) license in psychology, or who are working under supervision of a licensed psychologist, both regulated by the Board of Psychology, within the Department of Consumer Affairs; or

(5) Pupil Personnel Services Credential, which authorizes school counseling or school psychology.

(6) license as a Licensed Professional Clinical Counselor, or a Professional Clinical Counselor Registered Intern who is under the supervision of a Licensed Professional Clinical Counselor, a Licensed Marriage and Family Therapist, a Licensed Clinical Social Worker, a Licensed Clinical Psychologist, or a Physician who is certified in psychiatry by the American Board of Psychiatry and
Neurology.

NOTE: Authority cited: Sections 56100 and 56366.1, Education Code. Reference:
Sections 2903, 2905, 4980.02, 4989.24, 4996.9 and 4999.10, Business and
Professions Code; Sections 49422 and 56363, Education Code; and 34 C.F.R.
Sections 300.34 and 300.156(b)(1).

§ 3051.10. Psychological Services Other Than Assessment and Development of the Individualized Education Program IEP.

(a) Psychological services may include:

(1) Counseling provided to an individual with exceptional needs by a credentialed or licensed psychologist or other qualified personnel.

(2) Consultative services to parents, pupils, teachers, and other school personnel.

(3) Planning and implementing a program of psychological counseling for individuals with exceptional needs and parents.

(4) Assisting in developing positive behavioral intervention strategies.

(5) This term does not include assessment services and the development of an IEP.

(b)(c) Individuals providing psychological services shall be qualified by a student’s IEP may be rendered by any of the following professionals who possess the credential or license required by law for the performance of particular psychological services by members of that profession:

(1) Licensed Educational Psychologist pursuant to Business and Professions Code section 4989.14;

(2) Licensed Marriage and Family Therapist pursuant to Business and Professions Code section 4980.02;

(3) Licensed Clinical Social Worker pursuant to Business and Professions Code section 4996.9; or

(4) Licensed Psychologist pursuant to Business and Professions Code section 2903; or

(5) Pupil Personnel Services Credential that authorizes school psychology.
NOTE: Authority cited: Sections 56100(a) and (i) and 56366.1, Education Code; 201 U.S.C. 1414(c) (2) (B); and 34 C.F.R. 300.600. Reference: Section 56363(b)(10), Education Code; and 34 C.F.R. 300.13 (b) (8) Sections 300.34 and 300.156(b)(1).

§ 3051.11. Parent Counseling and Training.

(a) Parent counseling and training may include:

(1) Assisting parents in understanding the special needs of their child, and

(2) Providing parents with information about child development.

(b)(c) Individuals providing parent counseling and training shall be provided only by personnel who possess a qualified:

(1) credential that authorizes special education instruction; or

(2) credential that authorizes health and nursing services; or

(3) license as a Marriage and Family Therapist, or Marriage and Family Therapist Registered Intern who is under the supervision of a Licensed Marriage and Family Therapist, a Licensed Clinical Social Worker, a Licensed Professional Clinical Counselor, a Licensed Psychologist, or a Physician who is certified in psychiatry by the Medical Board of California, the Board of Behavioral Sciences, or the Board of Psychology, within the Department of Consumer Affairs; or

(4) license as a Clinical Social Worker, or Associate Clinical Social Worker who is under the supervision of either a Licensed Clinical Social Worker or a licensed Mental Health Professional by the Board of Behavioral Sciences, within the Department of Consumer Affairs; or

(5) license as an Educational Psychologist, issued by a licensing agency within the Department of Consumer Affairs; or

(6) license as a Psychologist, or who are working under the supervision of a licensed Psychologist, both regulated by the Board of Psychology, within the Department of Consumer Affairs; or

(7) Pupil Personnel Services Credential that authorizes school counseling or school psychology or school social work.

(8) license as a Licensed Professional Clinical Counselor, or a Professional Clinical Counselor Registered Intern who is under the supervision of a Licensed
Professional Clinical Counselor, a Licensed Marriage and Family Therapist, a Licensed Clinical Social Worker, a Licensed Clinical Psychologist, or a Physician who is certified in psychiatry by the American Board of Psychiatry and Neurology.

NOTE: Authority cited: Education Code Sections 56100 and 56366.1 (a) and (i); 20 U.S.C. 1414(c) (2) (B); and 34 C.F.R. 300.600, Education Code. Reference: Sections 2903, 2905, 4980.02, 4989.14, 4996.9 and 4999.10, Business and Professions Code; Sections 49422 and 56363(b)(11), Education Code; and 34 C.F.R. 300.13(b)(6) Sections 300.34 and 300.156(b)(1).


. . .

(a)(5) Maintaining communication with health agencies providing care to individuals with disabilities.

NOTE: Authority cited: Sections 56100 and 56366.1, Education Code. Reference: Sections 49422, 49423.5 and 56363, Education Code; and 34 C.F.R. Sections 300.34 and 300.156(b)(1).


(a) Personnel providing social worker services shall be qualified.

(a)(b) Social work services may include:

(1) Individual and group counseling with the individual and his or her immediate family.

(2) Consultation with pupils, parents, teachers, and other personnel regarding the effects of family and other social factors on the learning and developmental requirements of individual pupils with exceptional needs.

(3) Developing a network of community resources, making appropriate referral and maintaining liaison relationships among the school, the pupil with exceptional needs, the family, and the various agencies providing social, income maintenance, employment development, mental health, or other developmental services.

(b) Social worker services shall be provided only by personnel who possess a:
(1) license as a Clinical Social Worker, or Associate Clinical Social Worker who is under the supervision of either a Licensed Clinical Social Worker or a licensed Mental Health Professional by the Board of Behavioral Sciences, within the Department of Consumer Affairs; or

(2) license as a Marriage and Family Therapist, or Marriage and Family Therapist Registered Intern who is under the supervision of a Licensed Marriage and Family Therapist, a Licensed Clinical Social Worker, a Licensed Professional Clinical Counselor, a Licensed Psychologist, or a Physician who is certified in psychiatry by the Medical Board of California, the Board of Behavioral Sciences, or the Board of Psychology, within the Department of Consumer Affairs; or

(3) credential authorizing school social work.

(4) license as a Licensed Professional Clinical Counselor, or a Professional Clinical Counselor Registered Intern who is under the supervision of a Licensed Professional Clinical Counselor, a Licensed Marriage and Family Therapist, a Licensed Clinical Social Worker, a Licensed Clinical Psychologist, or a Physician who is certified in psychiatry by the American Board of Psychiatry and Neurology.

NOTE: Authority cited: Sections 56100 and 56366.1, Education Code. Reference: Sections 2903, 2905, 4980.02, 4989.14, 4996.9 and 4999.10, Business and Professions Code; Sections 49422 and 56363, Education Code; and 34 C.F.R. Sections 300.34 and 300.156(b)(1).


(a) Specially designed vocational education and career development for individuals with exceptional needs regardless of severity of disability may include:

(1)(a) Providing prevocational programs and assessing work-related skills, interests, aptitudes, and attitudes.

(2)(b) Coordinating and modifying the regular vocational education program.

(3)(c) Assisting individuals in developing attitudes, self-confidence, and vocational competencies to locate, secure, and retain employment in the community or sheltered
environment, and to enable such individuals to become participating members of the
community.

(4)(d) Establishing work training programs within the school and community.

(5)(e) Assisting in job placement.

(6)(f) Instructing job trainers and employers as to the unique needs of the
individuals.

(7)(g) Maintaining regularly scheduled contact with all work stations and job-site
trainers.

(8)(h) Coordinating services with the Department of Rehabilitation and other
agencies as designated in the individualized education program IEP.

(b)(i) Individuals providing specially designed vocational education and career
development shall be provided only by personnel who possess: qualified.

(1) an adult education credential with a career development authorization; or

(2) a credential that authorizes instruction in special education or vocational
education; or

(3) a Pupil Personnel Services Credential that authorizes school counseling.

NOTE: Authority cited: Sections 56100 and 56366.1 (a) and (i), Education Code.
Reference: Section 56363(b)(14), Education Code; 34 C.F.R. 300.14(b)(3) Sections
300.34 and 300.156(b)(1).

§ 3051.15. Recreation Services.

(a) Recreation services include but are not limited to:

(1)(a) Therapeutic recreation services which are those specialized instructional
programs designed to assist pupils in becoming as independent as possible in leisure
activities, and when possible and appropriate, facilitate the pupil's integration into
regular recreation programs.

(2)(b) Recreation programs in schools and the community which are those programs
that emphasize the use of leisure activity in the teaching of academic, social, and daily
living skills; and, the provision of nonacademic and extracurricular leisure activities and
the utilization of community recreation programs and facilities.

(3)(c) Leisure education programs which are those specific programs designed to
prepare the pupil for optimum independent participation in appropriate leisure activities, including teaching social skills necessary to engage in leisure activities, and developing awareness of personal and community leisure resources.

(b) Individuals providing recreation services shall be provided only by personnel who possess: qualified.
1. a certificate issued by the California Board of Recreation and Park Certification; or
2. a certificate issued by the National Council for Therapeutic Recreation; or
3. the National Recreation and Park Association, authorizing services in recreation or therapeutic recreation.

NOTE: Authority cited: Sections 56100 and 56366.1 (a) and (l), Education Code.
Reference: Section 56363(b)(15), Education Code; and 34 C.F.R. 300.13(b)(9) Sections 300.34 and 300.156(b)(1).

§ 3051.16. Specialized Services for Low-Incidence Disabilities.
(a) Specialized services for low-incidence disabilities may include:

(b) Certification requirements for educational interpreters for deaf and hard of hearing pupils.
1. By July 1, 2008, an educational interpreter shall be certified by the national Registry of Interpreters for the Deaf (RID), or equivalent; in lieu of RID certification or equivalent, an educational interpreter shall have achieved a score of 3.0 or above on the Educational Interpreter Performance Assessment (EIPA), the Educational Sign Skills Evaluation-Interpreter and Receptive (ESSE-I/R), or the National Association of the Deaf/American Consortium of Certified Interpreters (NAD/ACCI) assessment. If providing Cued Language transliteration, a transliterator shall possess Testing/Evaluation and Certification Unit (TECUnit) certification, or have achieved a score of 3.0 or above on the EIPA - Cued Speech.
2. By July 1, 2008, an educational interpreter shall be certified by the national RID, or equivalent; in lieu of RID certification or equivalent, an educational interpreter must have achieved a score of 3.5 or above on the EIPA, the ESSE-I/R, or the NAD/ACCI.
assessment. If providing Cued Language transliteration, a transliterator shall possess TECUnit certification, or have achieved a score of 3.5 or above on the EIPA - Cued Speech.

(b)(e) An "educational interpreter" provides communication facilitation between students who are deaf or hard of hearing, and others, in the general education classroom and for other school-related activities, including extracurricular activities, as designated in a student's Individualized Educational Program (IEP).

(c)(b)(3) By July 1, 2009, and thereafter, an educational interpreter shall be certified by the national Registry of Interpreters for the Deaf (RID), or equivalent; in lieu of RID certification or equivalent, an educational interpreter must have achieved a score of 4.0 or above on the Educational Interpreter Performance Assessment (EIPA), the Educational Sign Skills Evaluation-Interpreter and Receptive (ESSE-I/R), or the National Association of the Deaf/American Consortium of Certified Interpreters (NAD/ACCI) assessment. If providing Cued Language transliteration, a transliterator shall possess Testing/Evaluation and Certification Unit (TECUnit) certification, or have achieved a score of 4.0 or above on the EIPA - Cued Speech.

(d) Specialized services for pupils with low-incidence disabilities shall be provided only by personnel who possess a credential that authorizes services in special education or clinical rehabilitation services in the appropriate area of disability.

NOTE: Authority cited: Sections 56100 and 56366.1 (a) and (i), Education Code. Reference: Section 56363, Education Code; and 34 C.F.R. Sections 300.34 and 300.156(b)(1), Title 34, Code of Federal Regulations.

§ 3051.17. Services for Pupils with Chronic Illnesses or Acute Health Problems.

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NOTE: Authority cited: Sections 56100 and 56366.1, Education Code. Reference: Section 56363, Education Code; and 34 C.F.R Sections 300.34 and 300.156(b)(1).
§ 3051.18. DESIGNATED INSTRUCTION AND RELATED SERVICES FOR THE DEAF AND HARD OF HEARING.

. . .

NOTE: Authority cited: Sections 56100 and 56366.1, Education Code. Reference: Section 56363, Education Code; and 34 C.F.R. Sections 300.34 and 300.156(b)(1).

§ 3051.19. Assistive Technology Service.

(a) “Assistive technology service” means any service that directly assists an individual with exceptional needs in the selection or use of an assistive technology device that is educationally necessary. The term includes the evaluation of the needs of an individual with exceptional needs including a functional evaluation of the individual in the individual's customary environment; coordinating and using other therapies, interventions, or services with assistive technology devices, such as those associated with existing education programs and rehabilitation plans and programs; training or technical assistance for an individual with exceptional needs or, where appropriate, the family of an individual with exceptional needs or, if appropriate, that individual’s family; and training or technical assistance for professionals (including individuals providing education and rehabilitation services), employers or other individuals who provide services to, employ, or are otherwise substantially involved in the major life functions of individuals with exceptional needs.

(b) Assistive technology services shall be provided only by personnel who possess a:

(1) license in Physical Therapy issued by a licensing agency within the Department of Consumer Affairs, where the utilization of assistive technology services falls within the scope of practice of physical therapy as defined in Business and Professions Code section 2620 and implementing regulations; or

(2) license in Occupational Therapy issued by a licensing agency within the Department of Consumer Affairs; or

(3) license in Speech-Language Pathology issued by a licensing agency within the Department of Consumer Affairs or a valid document, issued by the California
CTC, where the function of the assistive technology service is augmentative communication; or

(4) baccalaureate degree in engineering with emphasis in assistive technology; or

(5) baccalaureate degree in a related field of engineering with a graduate certificate in rehabilitation technology or assistive technology; or

(6) certification from the Rehabilitation Engineering and Assistive Technology Society of North America and Assistive Technology Provider (RESNA/ATP); or

(7) certificate in assistive technology applications issued by a regionally accredited post-secondary institution; or

(8) credential that authorizes special education of physically impaired handicapped, orthopedically impaired, or severely impaired pupils.

NOTE: Authority cited: Sections 56100 and 56366.1, Education Code. Reference: Sections 2530, 2570.2, and 2620, Business and Professions Code; Section 56363, Education Code; 20 U.S.C. Section 1401; and 34 C.F.R. Sections 300.5, 300.6, 300.105, 300.34, and 300.156(b)(1).

§ 3051.20. Early Education Programs.

(a) “Early education” means the program and services specified by Education Code section 56425 et. seq.

(b) Early education programs for children with disabilities, as defined in Education Code section 56426, shall be provided only by personnel who meet the appropriate personnel qualifications set forth in this article and comply with Education Code section 56426.2.

NOTE: Authority cited: Sections 56100 and 56366.1, Education Code. Reference: Sections 56363 and 56430, Education Code; and 34 C.F.R. Sections 300.34 and 300.156(b)(1).


(a) According to the Certification Board for Music Therapists “Music therapy is the specialized use of music by a credentialed professional who develops
individualized treatment and supportive interventions for people of all ages and
ability levels to address their social, communication, emotional, physical,
cognitive, sensory and spiritual needs.”

(b) Music therapy shall be provided only by personnel who hold a Music
Therapist – Board Certified credential from the Certification Board for Music
Therapists (CBMT) on the completion of all academic and clinical training
requirements, and after successfully passing the CBMT National Board
Certification Examination.

NOTE: Authority cited: Sections 56100 and 56366.1, Education Code. Reference:
Section 56363, Education Code; and 34 C.F.R. Sections 300.34 and 300.156(b)(1).

§ 3051.22. Transcription Services.

Transcribers for visually impaired pupils shall have a certificate issued by the
Library of Congress as a Braille Transcriber.

NOTE: Authority cited: Sections 56100 and 56366.1, Education Code. Reference:
Section 56363, Education Code; and 34 C.F.R. Sections 300.34 and 300.156(b)(1).

§ 3051.23. Behavioral Intervention.

(a) Pursuant to Education Code section 56520, behavioral interventions shall
be designed or planned only by personnel who have a:

(1) Pupil Personnel Services Credential that authorizes school counseling or
school psychology; or

(2) credential authorizing the holder to deliver special education instruction; or

(3) license as a Marriage and Family Therapist certified by the Board of
Behavioral Sciences, within the Department of Consumer Affairs; or

(4) license as a Clinical Social Worker by the Board of Behavioral Sciences,
within the Department of Consumer Affairs; or

(5) license as an Educational Psychologist issued by a licensing agency within
the Department of Consumer Affairs; or

(6) license in psychology regulated by the Board of Psychology, within the
Department of Consumer Affairs; or
(7) master's degree issued by a regionally accredited post-secondary institution in education, psychology, counseling, behavior analysis, behavior science, human development, social work, rehabilitation, or in a related field.

(b) To provide behavioral intervention, including implementation of behavior intervention plans, but not including development or modification of behavior intervention plans, an LEA shall deliver those services using personnel who:

(1) possess the qualifications under subdivision (a); or

(2)(A) are under the supervision of personnel qualified under subdivision (a); and

(B) possess a high school diploma or its equivalent; and

(C) receive the specific level of supervision required in the pupil's IEP.

NOTE: Authority cited: Sections 56100 and 56366.1, Education Code. Reference: Sections 56363 and 56520, Education Code; and 34 C.F.R. Sections 300.34 and 300.156(b)(1).

§ 3051.24. Other Related Services.

Other related services not identified in this section shall be provided only by staff who possess a:

(a) license issued by an entity within the Department of Consumer Affairs or another state licensing office; or

(b) credential issued by the California CTC authorizing the service.

NOTE: Authority cited: Sections 56100 and 56366.1, Education Code. Reference: Section 56363, Education Code; and 34 C.F.R. Sections 300.18, 300.34 and 300.156(b)(1).

§ 3054. Special Center. [Repealed]
part of the day, the amount of time shall be written in the individualized education
program.

(B) When the individualized education program team determines that an individual
cannot function for the period of time of a regular school day, and when it is so specified
in the individualized education program, an individual may be permitted to attend a
special center for less time than the regular school day for that chronological peer
group.

(2) Be staffed by qualified personnel at a pupil/adult ratio to enable implementation
of the pupils' individualized education programs.

(3) Provide an emergency communication system for the health and safety of
individuals with exceptional needs, such as fire, earthquake, and smog alerts.

(4) Have specialized equipment and facilities to meet the needs of individuals served
in the special centers.

(b) Special centers should be located to promote maximum, appropriate interaction
with regular educational programs.

NOTE: Authority cited: Section 56100(a) and (i), Education Code; 20 U.S.C. Section

1414(c)(2)(B); and 34 C.F.R. Section 300.600. References: Sections 56001 and 56364,
Education Code; and 34 C.F.R. Sections 300.550 - 554.

ARTICLE 6. NONPUBLIC, NONSECTARIAN SCHOOL AND AGENCY SERVICES

§ 3060. Application for Certification.

. . .

(c) Each nonpublic school or nonpublic agency application shall include all
information required by the CDE's application pursuant to Education Code sections
56366.1(a) and (b) and:

(1) the name and address of the nonpublic school or nonpublic agency;
(2) the name of the administrator and contact person;
(3) the telephone and FAX number and e-mail address;
(4) for nonpublic schools, the name of the teacher(s) with a credential authorizing
service in special education;
(5) the types of disabling conditions served;
(6) the age, gender and grade levels served;
(7) the total student capacity of the program;
(8) a brief description of the program including entrance criteria and exit criteria for transition back to the public school setting, and specific services designed to address student needs as listed on the student’s IEP;
(9) for nonpublic schools, SBE-adopted core-curriculum (K-8) and standards-aligned core-curriculum (9-12) and instructional materials used by general education students;
(10) per hour, per day or monthly fees for services provided;
(11) written directions and a street map describing the location of the nonpublic school from the major freeways, roads, streets, thoroughfares and closest major airport;
(12) annual operating budget, including projected costs and revenues for each agency and school program, providing documentation that demonstrates that the rates to be charged are reasonable to support the operation of the agency or school;
(13) an entity-wide audit in accordance with generally accepted accounting and auditing principles including each entity’s costs and revenues by individual cost center;
(14) a list of all qualified staff, including subcontractors identifying their assignment and qualifications in providing services to pupils;
(15) tuberculosis clearance dates for all staff;
(16) criminal record summary or criminal history clearance dates for all staff, including subcontractors, who have contact with pupils;
(17) a list of contracting LEAs for whom the applicant has a contract to provide school and/or related services;
(18) for out-of-state applicants, a copy of the current certification or license by the state education agency to provide education services to individuals with exceptional needs under the Individuals with Disabilities Education Act;
(19) a copy of the current school year calendar weekly class schedule, and daily schedule with number of instructional minutes by each grade level served;
(20) a fire inspection clearance completed within the past twelve months;
(21) For new or relocating nonpublic schools, the following documents shall be available for inspection during any onsite visit made by the CDE:
(A)(a) a copy of a business license (if applicable);
(B)(b) a written disaster and mass casualty plan of action;
(C)(c) a building safety inspection clearance; and
(D)(d) a health inspection clearance.

(22) For each nonpublic school with a residential component the application shall include:

(A) the name of the residential program attached to the nonpublic school;
(B) the proprietary status of the residential program;
(C) a list of all residential facilities affiliated with the nonpublic school;
(D) the total capacity of all the residential facilities affiliated with the nonpublic school;
(E) the rate of care classification level (California schools only) for each residential facility affiliated with the nonpublic school; and
(F) a copy of the current residential care license.

(d) The applicant shall submit a signed assurance statement that the nonpublic school will maintain compliance with the following:

(1) Fair Employment Act;
(2) Drug Free Workplace Act;
(3) Section 504 of the Rehabilitation Act;
(4) Individuals with Disabilities Education Act;
(5) Civil Rights Act;
(6) Nonsectarian status;
(7) Prohibition of Corporal Punishment of Pupils under Education Code section 49001; use of Positive Behavioral Interventions pursuant to Education Code sections 56520 through 56525 and California Code of Regulations, title 5, section 3052;

...
§ 3061. Service Fees, Finance and Maintenance of Records.

All certified nonpublic schools and nonpublic agencies shall:

(a) make available any books and records associated with the delivery of education and designated instruction and services and related services to individuals with exceptional needs for audit inspection or reproduction by the SSPI or the SSPI's authorized representatives. These records shall include those management records associated with the delivery of education and designated instruction and services and related services, and the costs of providing services and personnel records necessary to ensure that staff qualifications comply with the requirements contained in Article 6 of these regulations; and

... .

NOTE: Authority cited: Sections 33031, and 56100 and 56366, Education Code. Reference: Sections 56366.1 and 56366.10, Education Code; 20 U.S.C. Section 1401(26); and 34 C.F.R. Section 300.34.

§ 3064. Staff Qualifications - Special Education Instruction.

(a) In each classroom for which the nonpublic school is seeking certification, the nonpublic school shall deliver instruction utilizing personnel who possess a credential authorizing the holder to deliver special education instruction according to the age range and disabling conditions of individuals with exceptional needs enrolled in the nonpublic school.

(1) During situations when instructional personnel leave the employ of the nonpublic school with little or no notice, the nonpublic school may employ a person who holds a Provisional Internship Permit or a Short Term Staff Permit or a Temporary County Certificate for a period of time not to exceed the remainder of the school year.

... .


§ 3065. Staff Qualifications - Related Services.

(a) To be eligible for certification to provide designated instruction and related...
services to individuals with exceptional needs, nonpublic schools and nonpublic agencies shall meet the following requirements of section 3051 et seq.: 

(b) Pursuant to Education Code section 56366.1(n), only those nonpublic, nonsectarian schools or agencies located outside of California that employ staff who hold a current valid credential or license to render special education and related services as required by that state shall be eligible to be certified. 

(a)(1) "Adapted physical education" means:

(A) a modified general physical education program, or a specially designed physical education program in a special class; or

(B) consultative services provided to pupils, parents, teachers, or other school personnel for the purpose of identifying supplementary aids and services or modifications necessary for successful participation in the general physical education program or specially designed physical education programs. 

(a)(2) Adapted physical education, as defined in section 3051.5, shall be provided only by personnel who possess a credential issued by the California Commission on Teacher Credentialing that authorizes service in adapted physical education.

(b)(1) “Assistive technology service” means any service that directly assists an individual with exceptional needs in the selection or use of an assistive technology device that is educationally necessary. The term includes the evaluation of the needs of an individual with exceptional needs including a functional evaluation of the individual in the individual's customary environment; coordinating and using other therapies, interventions, or services with assistive technology devices, such as those associated with existing education programs and rehabilitation plans and programs; training or technical assistance for an individual with exceptional needs or, where appropriate, the family of an individual with exceptional needs or, if appropriate, that individual's family; and training or technical assistance for professionals (including individuals providing education and rehabilitation services), employers or other individuals who provide services to, employ, or are otherwise substantially involved in the major life functions of individuals with exceptional needs.
(2) Assistive technology services shall be provided only by personnel who possess a:

(A) license in Physical Therapy issued by a licensing agency within the Department of Consumer Affairs, where the utilization of assistive technology services falls within the scope of practice of physical therapy as defined in Business and Professions Code section 2620 and implementing regulations; or

(B) license in Occupational Therapy issued by a licensing agency within the Department of Consumer Affairs; or

(C) license in Speech-Language Pathology issued by a licensing agency within the Department of Consumer Affairs or a valid document, issued by the California Commission on Teacher Credentialing, where the function of the assistive technology service is augmentative communication; or

(D) baccalaureate degree in engineering with emphasis in assistive technology; or

(E) baccalaureate degree in a related field of engineering with a graduate certificate in rehabilitation technology or assistive technology; or

(F) certification from the Rehabilitation Engineering and Assistive Technology Society of North America and Assistive Technology Provider (RESNA/ATP); or

(G) a certificate in assistive technology applications issued by a regionally accredited post-secondary institution; or

(H) a credential that authorizes special education of physically impaired, orthopedically impaired, handicapped, or severely impaired handicapped pupils.

(c)(1) "Audiological services" means aural rehabilitation (auditory training, speech reading, language habilitation, and speech conservation) and habilitation with individual pupils in the general classroom; monitoring hearing levels, auditory behavior, and amplification for all pupils requiring personal or group amplification in the instructional setting; planning, organizing, and implementing an audiology program for individuals with auditory dysfunctions, as specified in the IEP; or consultative services regarding test finding, amplification needs and equipment, otological referrals, home training programs, acoustic treatment of rooms, and coordination of educational services to
hearing-impaired individuals.

(c)(2) Audiological services, as defined in section 3051.2, shall be provided only by personnel who possess:

(1)(A) a license in Audiology issued by a licensing agency within the Department of Consumer Affairs; or

(2)(B) a credential authorizing audiology services.

(d) Behavior intervention shall be designed or planned only by personnel who have:

(1) pupil personnel services credential that authorizes school counseling or school psychology; or

(2) credential authorizing the holder to deliver special education instruction; or

(3) license as a Marriage and Family Therapist certified by the Board of Behavioral Sciences, within the Department of Consumer Affairs; or

(4) license as a Clinical Social Worker by the Board of Behavioral Sciences, within the Department of Consumer Affairs; or

(5) license as an Educational Psychologist issued by a licensing agency within the Department of Consumer Affairs; or

(6) license in psychology regulated by the Board of Psychology, within the Department of Consumer Affairs; or

(7) master's degree issued by a regionally accredited post-secondary institution in education, psychology, counseling, behavior analysis, behavior science, human development, social work, rehabilitation, or in a related field.

(e) To be eligible for certification to provide behavior intervention, including implementation of behavior modification intervention plans, but not including development or modification of behavior intervention plans, a nonpublic school or agency shall deliver those services utilizing personnel who:

(1) possess the qualifications under subdivision (d); or

(2)(A) are under the supervision of personnel qualified under subdivision (d); and

(B) possess a high school diploma or its equivalent; and

(C) receive the specific level of supervision required in the pupil’s IEP.
(f)(1) "Counseling and guidance" means educational counseling in which the pupil is assisted in planning and implementing his or her immediate and long-range educational program; career counseling in which the pupil is assisted in assessing his or her aptitudes, abilities, and interests in order to make realistic career decisions; personal counseling in which the pupil is helped to develop his or her ability to function with social and personal responsibility; or counseling with parents and staff members on learning problems and guidance programs for pupils.

(f)(2) Counseling and guidance, as defined in section 3051.9, shall be provided only by personnel who possess a:

(1)(A) license as a Marriage and Family Therapist, or Marriage, and Family Intern under supervision of either a Marriage and Family Therapist, licensed Clinical Social Worker, licensed Psychologist, or a Physician who is certified in psychiatry by either the Medical Board of California, the Board of Behavioral Sciences, or the Board of Psychology, within the Department of Consumer Affairs; or

(2)(B) license as a Clinical Social Worker, or Associate Clinical Social Worker under supervision of either a licensed Clinical Social Worker or a licensed Mental Health Professional by the Board of Behavioral Sciences, within the Department of Consumer Affairs; or

(3)(C) license as an Educational Psychologist issued by a licensing agency within the Department of Consumer Affairs; or

(4)(D) license in psychology, or who are working under supervision of a licensed psychologist, both regulated by the Board of Psychology, within the Department of Consumer Affairs; or

(5)(E) pupil personnel services credential, which authorizes school counseling or school psychology.

(g)(1) "Early education programs for children with disabilities" means the program and services specified by Education Code, part 30, section 56425 et seq.

(g)(2) Early education programs for children with disabilities, as defined in Education Code section 56426, shall be provided only by personnel who meet the appropriate personnel qualifications set forth in this article and comply with all
other requirements of Education Code, chapter 4.4 commencing with section 56425 56426.2.

(h) An "educational interpreter" provides communication facilitation between students who are deaf or hard of hearing, and others, in the general education classroom and for other school related activities, including extracurricular activities, as designated in a student's IEP.

(1) Interpreters for deaf and hard of hearing pupils shall meet the following qualification standards:

(A) By July 1, 2008, an educational interpreter shall be certified by the national RID, or equivalent; in lieu of RID certification or equivalent, an educational interpreter shall have achieved a score of 3.0 or above on the EIPA, the ESSE-I/R, or the NAD/ACCI assessment. If providing Cued Language transliteration, a transliterator shall possess TECUnit certification, or have achieved a score of 3.0 or above on the EIPA—Cued Speech.

(B) By July 1, 2009, and thereafter, an educational interpreter shall be certified by the national RID, or equivalent; in lieu of RID certification or equivalent, an educational interpreter shall have achieved a score of 4.0 or above on the EIPA, the ESSE-I/R, or the NAD/ACCI assessment. If providing Cued Language transliteration, a transliterator shall possess TECUnit certification, or have achieved a score of 4.0 or above on the EIPA—Cued Speech.

(i)(1) "Health and nursing services" means:

(A) managing the child's health problems on the school site;

(B) consulting with pupils, parents, teachers, and other personnel;

(C) group and individual counseling with parents and pupils regarding health problems;

(D) maintaining communication with health agencies providing care to individuals with disabilities; or

(E) providing services by qualified personnel.

(i)(2) Health and nursing services, as defined in section 3051.12, shall be provided only by personnel who possess:

(A) a license as a Registered Nurse, issued by a licensing agency within the
Department of Consumer Affairs; or

(2)(B) a license as a Vocational Nurse, issued by a licensing agency within the Department of Consumer Affairs, under the supervision of a licensed Registered Nurse; or

(3)(C) a school nurse credential; or

(4)(D) demonstrated competence in cardio-pulmonary resuscitation, current knowledge of community emergency medical resources, and skill in the use of physical health care services for individuals with exceptional needs. In addition, possession of training in these procedures to a level of competence and safety that meets the objectives of the training as provided by the school nurse, public health nurse, licensed physician and surgeon, or other training programs.

"Demonstrated competence in cardio-pulmonary resuscitation" means possession of a current valid certificate from an approved program; or

(5)(E) a valid license, certificate, or registration appropriate to the health service to be designated, issued by the California agency authorized by law to license, certificate, or register persons to practice health service in California.

(j)(1) "Home and hospital services" means instruction delivered to children with disabilities, individually, in small groups, or by teleclass, whose medical condition such as those related to surgery, accidents, short-term illness or medical treatment for a chronic illness prevents the individual from attending school.

(j)(2) Home or hospital instruction, as defined in section 3051.4, shall be provided only by personnel who possess a credential issued by the California Commission on Teacher Credentialing authorizing the holder to deliver special education instruction according to age range and disabling condition of the individual(s).

(k)(1) "Language and speech development and remediation" means screening, assessment, IEP development and direct speech and language services delivered to children with disabilities who demonstrate difficulty understanding or using spoken language to such an extent that it adversely affects their educational performance and cannot be corrected without special education and related services.
(k)(2) Language and speech development and remediation, as defined in section 3051.1, shall be provided only by personnel who possess:

(1) a license in Speech-Language Pathology issued by a licensing agency within the Department of Consumer Affairs; or

(2)(B) a credential authorizing language or speech services.

(A) Services provided by a Speech-Language Pathology Assistant shall be supervised by a Speech-Language Pathologist as defined in Business and Professions Code section 2530.2(i).

(l)(1) "Occupational therapy" means the use of various treatment modalities including self-help skills, language and educational techniques as well as sensory motor integration, physical restoration methods, and pre-vocation exploration to facilitate physical and psychosocial growth and development.

(l) Music therapy shall be provided only by personnel who hold a Music Therapist – Board Certified credential from the Certification Board for Music Therapists (CBMT) upon the completion of all academic and clinical training requirements, and after successfully passing the CBMT National Board Certification Examination.

(m)(2) Occupational therapy, as defined in section 3051.6, shall be provided only by personnel who possess a license in occupational therapy issued by a licensing agency within the Department of Consumer Affairs. Services provided by a Certified Occupational Therapist Assistant (COTA) shall be supervised by a registered occupational therapist in accordance with professional standards outlined by the American Occupational Therapy Association.

(m)(1) "Orientation and mobility instruction" means specialized instruction for individuals in orientation and mobility techniques or consultative services to other educators and parents regarding instructional planning and implementation of the IEP relative to the development of orientation and mobility skills and independent living skills.

(n)(2) Orientation and mobility instruction, as defined in section 3051.3, shall be provided only by personnel who possess a credential that authorizes services in orientation and mobility instruction.
(n)(1) “Parent counseling and training” means assisting parents in understanding the
special needs of their child and providing parents with information about child
development.

(o)(2) Parent counseling and training, as defined in section 3051.11, shall be
provided only by personnel who possess a:

(1) a credential that authorizes special education instruction; or

(2) a credential that authorizes health and nursing services; or

(3) a license as a Marriage and Family Therapist, or Marriage, and Family
Intern under supervision of either a Marriage and Family Therapist, licensed
Clinical Social Worker, licensed Psychologist, or a Physician who is certified in
psychiatry by either the Medical Board of California, the Board of Behavioral
Sciences, or the Board of Psychology, within the Department of Consumer
Affairs; or

(4) a license as a Clinical Social Worker, or Associate Clinical Social Worker
under supervision of either a licensed Clinical Social Worker or a licensed Mental
Health Professional by the Board of Behavioral Sciences, within the Department
of Consumer Affairs; or

(5) a license as an Educational Psychologist, issued by a licensing agency
within the Department of Consumer Affairs; or

(6) a license as a psychologist, or who are working under the supervision of a
licensed psychologist, both regulated by the Board of Psychology, within the
Department of Consumer Affairs; or

(7) a pupil personnel services credential that authorizes school counseling or
school psychology or school social work.

(o)(1) “Physical therapy” means the:

(A) the administration of active, passive, and resistive therapeutic exercises and local or
general massage, muscle training and corrective exercises and coordination work;

(B) the administration of hydrotherapy treatments;

(C) assistance in administering various types of electrotherapy including ultraviolet,
infrared, diathermy and inductothermy;

(D) teaching of parents of hospitalized pupils exercises which are to be continued at
home and interpret to them the significance of physical therapy services; and

(E) instruction in walking, standing, balance, use of crutches, cane, or walker and in 
the care of braces and artificial limbs.

(p)(2) Physical therapy, as defined in section 3051.6, shall be provided only by 
personnel who possess a valid license in Physical Therapy issued by a licensing 
agency within the Department of Consumer Affairs.

(q)(p)(1) “Psychological services” means:

(A) the application of psychological principles and methods including, but not 
limited to, procedures on interviewing, psycho-educational assessment,

diagnosis of specific learning and behavioral disabilities, and amelioration of 
learning and behavioral problems of individuals or groups through applied 
psychotherapy.

(B) This term does not include assessment services and the development of 
an IEP.

(2) Psychological services required by a student’s IEP may be rendered by any 
of the following professionals employed by a nonpublic school or agency who 
possess the credential or license required by law for the performance of 
particular psychological services by members of that profession:

(A) Educational Psychologist pursuant to Business and Professions Code 
section 4989.14;

(B) Marriage and Family Therapist pursuant to Business and Professions Code 
section 4980.02;

(C) Licensed Clinical Social Worker pursuant to Business and Professions 
Code section 4996.9; or

(D) Licensed Psychologist pursuant to Business and Professions Code 
section 2903.

(E) pupil personnel services credential that authorizes school psychology.

(q)(1) "Recreation services" means:

(A) therapeutic recreation and specialized instructional programs designed to assist 
pupils to become as independent as possible in leisure activities, and when possible 
and appropriate, facilitate the pupil's integration into general recreation programs;
(B) recreation programs in schools and the community which are those programs that emphasize the use of leisure activity in the teaching of academic, social, and daily living skills and the provision of nonacademic and extracurricular leisure activities and the utilization of community recreation programs and facilities; or

(C) leisure education programs which are those specific programs designed to prepare the pupil for optimum independent participation in appropriate leisure activities, and developing awareness of personal and community leisure resources.

(r)(2) Recreation services, as defined in section 3051.15, shall be provided only by personnel who possess a:

(1)(A) certificate, issued by the California Board of Recreation and Park Certification; or

(2)(B) certificate issued by the National Council for Therapeutic Recreation; or

(3)(C) the National Recreation and Park Association, authorizing services in recreation or therapeutic recreation.

(r)(1) "Social worker services" means:

(A) individual and group counseling with the individual and his or her immediate family;

(B) consultation with pupils, parents, teachers, and other personnel regarding the effects of family and other social factors on the learning and developmental requirements of children with disabilities; or

(C) developing a network of community resources, making appropriate referral and maintaining liaison relationships among the school, the pupil, the family, and the various agencies providing social income maintenance, employment development, mental health, or other developmental services.

(e)(2) Social worker services, as defined in section 3051.13, shall be provided only by personnel who possess a:

(1)(A) license as a Clinical Social Worker, or Associate Clinical Social Worker under supervision of either a licensed Clinical Social Worker or a licensed Mental Health Professional by the Board of Behavioral Sciences, within the Department of Consumer Affairs; or

(2)(B) license as a Marriage and Family Therapist, or Marriage, and Family
Intern under supervision of either a Marriage and Family Therapist, licensed Clinical Social Worker, licensed Psychologist, or a Physician who is certified in psychiatry by either the Medical Board of California, the Board of Behavioral Sciences, or the Board of Psychology, within the Department of Consumer Affairs; or

(3)(C) credential authorizing school social work.

(e)(1) "Specialized driver training instruction" means instruction to children with disabilities to supplement the general driver training program.

(t)(2) Specialized driver education and driver training instruction, as defined in section 3051.8, shall be provided only by personnel who possess a credential that authorizes service in driver education and driver training.

(t)(1) "Specially designed vocational education and career development" means:

(A) providing prevocational programs and assessing work-related skills, interests, aptitudes, and attitudes;

(B) coordinating and modifying the general vocational education program;

(C) assisting pupils in developing attitudes, self-confidence, and vocational competencies to locate, secure, and retain employment in the community or shelter environment, and to enable such individuals to become participating members of the community;

(D) establishing work training programs within the school and community;

(E) assisting in job placement;

(F) instructing job trainers and employers as to the unique needs of the individuals;

(G) maintaining regularly scheduled contract with all work stations and job-site trainers; or

(H) coordinating services with the Department of Rehabilitation, the Employment Development Department and other agencies as designated in the IEP.

(u)(2) Specially designed vocation education and career development, as defined in section 3051.14, shall be provided only by personnel who possess a:

(1)(A) adult education credential with a career development authorization; or

(2)(B) credential that authorizes instruction in special education or vocational education; or
(3)(C) pupil personnel services credential that authorizes school counseling.

(u)(1) "Specialized services for low-incidence disabilities" means:

(A) specially designed instruction related to the unique needs of pupils with low-incidence disabilities; or

(B) specialized services related to the unique needs of individuals with low-incidence disabilities.

(v)(2) Specialized services for pupils with low-incidence disabilities, as defined in section 3051.16, shall be provided only by personnel who possess a credential that authorizes services in special education or clinical or rehabilitation services in the appropriate area of disability.

(w)(v) Transcribers for visually impaired pupils shall have a certificate issued by the Library of Congress as a Braille Transcriber.

(w)(1) "Vision services" means:

(A) adaptations in curriculum, media, and the environment, as well as instruction in special skills; or

(B) consultative services to pupils, parents, teachers, and other school personnel.

(x)(2) Vision services, as defined in section 3051.7, shall be provided only by personnel who possess:

(1) a license as an Optometrist, Ophthalmologist, Physician or Surgeon, issued by a licensing agency within the Department of Consumer Affairs and authorizing the licensee to provide the services rendered, or

(2) a valid credential authorizing vision instruction or services.

(y)(x) Other related services not identified in this section shall only be provided by staff who possess a:

(1) license issued by an entity within the Department of Consumer Affairs or another state licensing office; or

(2) credential issued by the California Commission on Teacher Credentialing authorizing the service.

NOTE: Authority cited: Sections 33031, and 56100 and 56366, Education Code.

Reference: Sections 2530, 2570.2, 2620, 2903, 2905, 4980.02, 4989.14, and 4996.9 and 17505.2, Business and Professions Code; Sections 49422, and 56363, 56366.1,
§ 3068. Appeals and Waivers Information.

(e) LEAs and nonpublic schools and agencies may request the SSPI to waive Education Code sections 56365, 56366, 56366.3 and 56366.6. Such petitions shall be made in accordance with the provisions of Education Code section 56366.2 and shall be necessary in order to provide services to individuals with exceptional needs consistent with their IEP.

NOTE: Authority cited: Sections 33031, and 56100 and 56366, Education Code.
Reference: Sections 56101, 56366.2 and 56366.6, Education Code.

Article 7. Procedural Safeguards

§ 3083. Service Notice.

Notwithstanding Government Code section 11440.20 of the APA, service of notice, motions, or other writings pertaining to special education due process hearing procedures to the California Special Education Hearing Office public agency or nonprofit organization or entity that is responsible for conducting due process hearings and any other person or entity are subject to the following provisions:

(a) The notice, motion, or writing shall be delivered personally or sent by mail or other means to the Hearing Office public agency or nonprofit organization or entity that is responsible for conducting due process hearings, person, or entity at their last known address and, if the person or entity is a party with an attorney or other authorized representative of record in the proceeding, to the party’s attorney or other authorized representative.

(b) Unless a provision specifies the form of mail, service or notice by mail may be by first-class mail, registered mail, or certified mail, by mail delivery service, by facsimile transmission if complete and without error, or by other electronic means as provided by regulation, in the discretion of the sender.

(c) Service must be made by a method that ensures receipt by all parties and the
§ 3084. Ex Parte Communications.

(a) Notwithstanding Government Code sections 11425.10(a)(8), 11430.20, and 11430.30 of the APA, while special education due process hearing proceedings are pending, there shall be no communication, direct or indirect, regarding any issue in the proceeding, to a hearing officer from an employee or representative of a party or from an interested person unless the communication is made on the record at the hearing.

(b) A proceeding is pending from the date of receipt by the California Special Education Hearing Office public agency or nonprofit organization or entity that is responsible for conducting due process hearings of the request for hearing.

. . .

NOTE: Authority cited: Section 56100, Education Code. Reference: Sections 56500, 56501, 56502, 56503, 56504, 56505, 56506 and 56507, Education Code; Sections 11425.10, 11430.10-11430.30, 11430.50 and 11430.60, Government Code; 20 U.S.C. Sections 1415(b)(2) and (c); and 34 C.F.R. Sections 300.507, 300.508, 300.509, 300.510, 300.511 and 300.512.

§ 3088. Sanctions.

. . .

(e) The presiding hearing officer may, with approval from the General Counsel of the CDE, order a party, the party's attorney or other authorized representative, or both, to pay reasonable expenses, including costs of personnel, to the California Special Education Hearing Office public agency or nonprofit organization or entity that is responsible for conducting due process hearings for the reasons set forth in Government Code section 11455.30(a).
NOTE: Authority cited: Section 56100, Education Code. Reference: Sections 56500, 56501, 56502, 56503, 56504, 56505, 56506 and 56507, Education Code; Sections 11455.10, 11455.20 and 11455.30, Government Code; 20 U.S.C. Sections 1415(b)(2) and (c); and 34 C.F.R. Section 300.511.

8-28-13 [California Department of Education]
FINAL STATEMENT OF REASONS
Special Education Regulations

UPDATE OF INITIAL STATEMENT OF REASONS

The original proposed text was made available for public comment for at least 45 days from May 25, 2013, through July 8, 2013. The California Department of Education (CDE) received 328 written comments during that time.

A public hearing was held at 9 a.m. on July 8, 2013, at the CDE. The CDE received comments from 18 persons.

SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE INITIAL NOTICE PERIOD OF MAY 25, 2013 THROUGH JULY 8, 2013.

Elana Artson
George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Rebecca Cervenak, Staff Attorney, and Lauren Giardina, Staff Attorney, Disability Rights California (DRC)
Marcia Eichelberger, Steering Committee Representative, Alliance of California Autism Organizations
Laura Faer, Statewide Education Rights Director, Public Counsel Law Center
Kelly D. Fair, Managing Associate, Denton's Litigation and Dispute Resolution (on behalf of her client Janeen Steel, Learning Rights Law Center)
Maureen Graves, Co-Chair; Roberta S. Savage, Co-Chair; and John Nolte, Attorney; California Association of Parent-Child Advocacy (CAPCA)
Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California
Paula Pearlman, Executive Director, Disability Rights Legal Center
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Angela Sutherland
Valerie Vanaman, Attorney, Newman, Aaronson, Vanaman

Comment: The commenters recommend that the 45-day public comment period provided for in Government Code be extended given the magnitude of the work involved in reviewing the proposed regulations and the inadequacy of the 45-day comment period. Some commenters say that the public has not had sufficient time to fully review and comprehend the proposed regulatory amendments, especially since the public comment period coincided with a busy time of year for child advocates.

Reject: In 2010, the Special Education Division (SED) began the process for reviewing and updating 5 CCR, sections 3001–3088. In August 2012, pursuant to Title 1, California Code of Regulations, section 100, the CDE SED, sought from the Office of Administrative Law (OAL) approval for proposed technical, nonsubstantive amendments
to the regulations under review. In September 2012, the OAL approved technical, 
nonsubstantive amendments to 51 regulatory sections that were updated in the 
California Code of Regulations These amendments were also posted to the CDE Web 
site at http://www.cde.ca.gov/sp/se/ac/.

On October 15, 2012, the SED solicited—by e-mail through the division’s established 
mailing lists—assistance and advice from hundreds of education stakeholders regarding 
which sections of the existing regulations they thought should be maintained, amended, 
deleted, or added. Stakeholder groups that the SED contacted included members of the 
Advisory Commission on Special Education (ACSE), Assembly Bill 114 Transition 
Workgroup, the Association of California School Administrators, the California 
Association of Resource Specialists PLUS, Community Advisory Committee members, 
the Family Empowerment and Disability Council, members of the Improving Special 
Education Services group, representatives of Institutes of Higher Education, Nonpublic 
School/Agency Administrators, directors of Special Education Local Plan Areas 
(SELPAs), Special Education Administrators of County Offices, members of the 
California Teachers Association board, and WorkAbility administrators. In addition, SED 
staff asked SELPA directors to forward the request for assistance and advice to district 
special education directors. The SED received responses from ten persons, and these 
responses were compiled into one document, which was provided to ACSE.

Pursuant to California Education Code section 33595, the ACSE is mandated to 
“Comment publicly on any rules or regulations proposed by the state regarding the 
education of individuals with exceptional needs.” During the ACSE’s January 2013 
meeting, and in preparation for the ACSE’s March 2013 meeting, SED staff provided the 
commissioners with an information package that contained the draft amendments to the 
regulations, the draft initial statement of reasons (ISOR), a compilation of public 
comments received so far, and information about the rulemaking process.

A second informal public comment period was also conducted from December 28, 
2012, through February 15, 2013. The SED staff, in partnership with the ACSE, once 
again contacted hundreds of education stakeholders and asked them to provide the 
ACSE with comments on the proposed amended regulations. This round of comments 
was provided to all of the commissioners on February 21, 2013, in anticipation of the 
ACSE’s March 2013 meeting.

On March 6, 2013, the ACSE deliberated on the proposed amendments to 5 CCR 
sections 3001–3088 and provided the SED with its comments, many of which were 
corporated into the regulatory package. The ACSE approved a motion that the CDE 
should forward the proposed regulations to the SBE for approval to commence the 
formal rulemaking process.

On July 26, 2013, the SED Director, Fred Balcom, sent a letter to the persons 
requesting an extension of the public comment period. The letter provided them with the 
chronology of events in the CDE’s process for reviewing the regulations and explained 
the CDE’s reason for deciding not to provide an extension in the public comment period.
The CDE has accepted recommendations from commenters during the 45-day public comment period that will result in substantive amendments to some regulatory sections. The CDE anticipates requesting from the State Board of Education (SBE) during its November 2013 meeting permission to pursue another 15-day public comment period.

**Richard Schnetzer, Governmental Consultant, California Association of Private Special Education Schools (CAPSES)**
**Comment:** Commenter noted he would not be submitting a request to postpone the public hearing for the Title 5, California Code of Regulations, as CAPSES has been following the process since last fall.
**No response required.**

**Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California**
**Comment:** The commenter expresses concern about renumbering the section of the regulations. The commenter notes that when the Special Education Division, California Department of Education discontinued publishing *A Composite of Laws* in 2009, it denied parents, educators, and professionals the ability to easily access special education laws. The commenter notes that the “Laws and Regulations: Special Education and Related Laws" Web site is not accessible to many, and it is very difficult to locate the sections of law one needs for a specific purpose.
**Reject:** The renumbering of certain sections of the regulations is inevitable in the amending process and follows the format for all state regulations.

**Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center**
**Comment:** The commenter notes that there are several changes within the proposed amendments to Title 5, California Code of Regulations, section 3001-3088, that may adversely impact on business, including, but not limited to:

1. Adverse impact on regional centers, departments of mental health, and healthcare industries;
2. Change to qualifications for related services will have an impact on the schools that provide the certification/credentialing; and
3. Differential requirements for public and certified nonpublic programs may greatly reduce the financial viability of the latter and/or substantially raise costs of nonpublic school programs.

A thorough analysis of the proposed amendments' economic impact demonstrates that several businesses and professions will be adversely impacted by this proposed regulation. As there is no evidence that the CDE adequately analyzed this issue, further review is warranted or the proposed regulation must be rejected.
**Reject:** Staff at the California Department of Finance have determined that the proposed regulatory amendments will not adversely impact business.
Sylvia Youngblood, Representative, Governmental Affairs Committee, Los Angeles Learning Disabilities Association

Comment: The commenter believes proposed revisions are going to make it harder for parents to navigate through the laws because the CDE is taking away all of the references to federal law and other Education Codes. Now those are going to be taken away so parents who are trying to get services for their child and get an appropriate education for their child will have a hard time doing that on their own, especially if they can’t afford an attorney or find an agency that can help them.

Response: Although it is not clear to which regulatory sections these comments apply, the CDE has carefully updated the state and federal statutory citations and the federal regulatory citations in the bodies, the notes, and the references of the regulations. These citations may be helpful to parents trying to navigate through what is admittedly a complex system of laws and regulations. In any case, the CDE hopes that parents will benefit from consulting special education regulations that are updated and that provide citations to current state and federal requirements.

SECTION 3001

Maureen Burness, Policy Committee Chair, Advisory Commission on Special Education

Comment: Sections 3001(d); 3001(e); 3001(f); 3001(g); 3001(ab): The commenter recommends that these sections of the regulations be deleted during this regulatory action in compliance with Assembly Bill 86.

Accept: The CDE will propose that the following subsections of 3001 be deleted from the regulations pursuant to AB 86: 3001(d); 3001(e); 3001(f); 3001(g); and 3001(ab).

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)

Comment: Section 3001(o); 3001(p); 3001(u); 3001(aa); 3001(ac): Commenter asks why these definitions are eliminated.

Response: Please refer to pages 3 through 5 of the ISOR.

Rebecca Cervenak, Staff Attorney, and Lauren Giardina, Staff Attorney, Disability Rights California (DRC)

Paula Pearlman, Executive Director, Disability Rights Legal Center

Comment: Section 3001: The commenters say that many of the proposed definitions in this section do not align with the definitions of the identical terms in other areas of these regulations, particularly in the areas of certification, licensing, and qualifications.

Response: No substantive amendments have been proposed for 3001(i) the definition of certification; 3001(p) the definition of license; or 3001(v) the definition of qualified. Without specific reference to the numbers of the sections wherein definitions are said to be misaligned, it is not possible to respond more fully to this comment.
Anjanette Pelletier, Senior SELPA Administrator, San Mateo County SELPA
Comment: Section 3001: The commenter is in favor of aligning the definitions in the California regulations with the federal regulations. The current misalignment is challenging and confusing and causes problems.
No response required.

Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Comment: Section 3001: The commenter says that definitions of Section 3001 need to be maintained. The California Code of Regulations section 3001 provides the definitions for special education. The purpose of these definitions is to provide a clear and unambiguous understanding of the terms used in the regulations. CDE’s reasoning for removing these definition in the proposed amendment are that the terms are found in other sections of the law. However, requiring families, advocates, and district staff to weed through numerous statutes to find information to consistently apply the regulation is an unreasonable burden that will result in increased costs, confusion, and a greater likelihood of noncompliance with the regulation.
Reject: The CDE understands that, according to Government Code section 11342.600, the purpose of regulations is to “implement, interpret, or make specific the law enforced or administered by it, or to govern its procedure.” Repeating definitions that already exist in Education Code is duplicative and potentially confusing if the definitions are not identical. The CDE believes that parents and their advocates have the same access to Education Code Part 30, Chapter 1, Article 2, Definitions (sections 56020–56035) as they do to state regulations.

Valerie Vanaman, Attorney, Newman, Aaronson, Vanaman
Comment: Section 3001: The commenter says that the existing regulations provide in Section 3001 definitions that are necessary to understand the language used in the regulations. The commenter also says that without any explanation for doing so, the CDE intends to make the regulations much more difficult of all for the stakeholders to access by removing essential definitions. As with many of the other proposed changes, it creates a situation in which there will be as many definitions in use as there are local educational agencies.
Reject: Please see pages 2 and 3 of the ISOR for an explanation of the amendments proposed for this section of the regulations. The CDE understands that, according to Government Code section 11342.600, the purpose of regulations is to “implement, interpret, or make specific the law enforced or administered by it, or to govern its procedure.” Repeating definitions that already exist in Education Code is duplicative and potentially confusing if the definitions are not identical. The CDE believes that stakeholders and LEAs have the same access to Education Code Part 30, Chapter 1, Article 2, Definitions (sections 56020–56035) as they do to state regulations.

Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California
Comment: Section 3001(a): The commenter recommends that “local education[al] agency” should be spelled using initial capital letters.
Reject: The style of this term as used in the regulations follows the style of this term as used in Education Code (e.g., see sections 56026, 56026.3, 56028, 56028.5).

Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California
Comment: Section 3001(d)(2): The commenter recommends that "special education local plan area" should be spelled using initial capital letters.
Reject: The style of this term as used in the regulations follows the style of this term as used in Education Code (e.g., see sections 56026, 56028, 56028.5).

Heather DiFede, Senior Director, East County SELPA
Comment: Section 3001(g): The commenter opposes the proposed addition of the words “benchmarks or short-term” before the word “objectives.” The commenter notes that under federal law, not all students are required to have benchmarks or short-term objectives; only those students who take an alternate assessment. The commenter also notes that benchmarks or short-term objectives are not required for grades kindergarten through twelve or high school students not participating in the statewide assessments.
Reject: Assembly Bill (AB) 86, the 2013 education omnibus budget trailer bill, mandates that the State Superintendent of Public Instruction repeal subdivisions (d), (e), (f), (g), and (ab) of Section 3001. This section of the regulations no longer has the force of law. The SSPI is taking action to repeal it in this regulatory package.

Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California
Comment: Section 3001, proposed subsection (k): The commenter recommends that “pupil personnel services” should be spelled using initial capital letters.
Accept: The term “Pupil Personnel Services” refers to the name of a kind of credential and should be put into initial upper case letters.

Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Comment: Section 3001(o): The commenter says that the term “feasible” should remain a defined term, because the term is used in related regulation sections 3023(a) and in 3051.4 regarding home instruction. If the term is to be used at all within the regulations, it should remain a defined term to eliminate confusion.
Reject: Section 3001(o) before amendment read ““Feasible” as used in Education Code section 56363(a)....” In response to the reauthorization of the IDEA, the word “feasible” was edited out of Education Code section 56363(a) (through AB 1662, Chapter 653, Statutes of 2005). Although the word “feasible” is used in other sections of the regulations, the definition in section 3001 pertained explicitly to a section of Education Code that no longer uses the word “feasible.”

Rebecca Cervenak, Staff Attorney, and Lauren Giardina, Staff Attorney, Disability Rights California (DRC)
Laura Faer, Statewide Education Rights Director, Public Counsel Law Center
Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California
Paula Pearlman, Executive Director, Disability Rights Legal Center
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Angela Sutherland

Comment: Section 3001, current subsection (p): The commenters express concern about deleting the definition in the regulations of a “free, appropriate public education.” One commenter says parents have a hard enough time searching through Web sites to find the special education laws and regulations. One commenter expresses concern that school administrators will also be confused and may believe that substantive changes are being made that are not in fact being contemplated. One commenter expresses concerns that without this definition, families, districts, and providers will believe that the definition of FAPE has changed or is no longer applicable. Other commenters note that the definition of FAPE should be retained in the existing regulations because the Education Code does not create a specific definition and its deletion from the regulations could create significant confusion as to why this critical term was deleted. In particular, it might be interpreted as the state undermining the rights contained in such term.

Reject: The CDE understands that, according to Government Code section 11342.600, the purpose of regulations is to “implement, interpret, or make specific the law enforced or administered by it, or to govern its procedure.” Repeating definitions that already exist in federal statute and regulations is duplicative and potentially confusing if the definitions are not identical in all places. Information about FAPE can be found in Education Code, and definitions of FAPE are available in Title 34, Code of Federal Regulations, section 300.17, and in Title 20, United States Code, section 1401(9). Since FAPE is a cornerstone of special education, the CDE thinks it unlikely that because a definition of FAPE does not also appear in the state regulations district personnel will conclude that it is no longer the law.

Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California
Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3001, current subsection (u): The commenters recommend retaining in the regulations the definition of “local educational agency,” which has been proposed for deletion from the regulations. One commenter expresses concern that school administrators will be confused and may believe that substantive changes are being made that are not in fact being contemplated.

Reject: The CDE understands that, according to Government Code section 11342.600, the purpose of regulations is to “implement, interpret, or make specific the law enforced or administered by it, or to govern its procedure.” Repeating definitions that already exist in Education Code is duplicative and potentially confusing if the definitions are not identical. The CDE believes that school administrators have the same access to
Education Code Part 30, Chapter 1, Article 2, Definitions (sections 56020–56035) as they have to state regulations.

Rebecca Cervenak, Staff Attorney, and Lauren Giardina, Staff Attorney, Disability Rights California (DRC)
Maureen Graves, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Paula Pearlman, Executive Director, Disability Rights Legal Center

Comment: Section 3001, proposed subsection (u): The commenters commend the CDE for amending the definition of “primary language” to language that is “used” rather than “spoken.” Commenters note that this amendment is more inclusive toward the deaf and hard of hearing community and other communities where sign language or the use of an assistive technology device is the primary mode of communication.
No response required.

Sara Kashing, Staff Attorney, and Jill Epstein, Executive Director, California Association of Marriage and Family Therapists (CAMFT)

Comment: Section 3001, proposed subsection (v): The commenters say that subsection (v) of this section is vague and unclear in violation of Government Code section 11349(c). The commenters say that the proposed definition of the term “qualified” should clarify that trainees or pre-licensees who have not completed their degrees and are working in practicum settings are considered qualified service providers.
Reject: The commenters say that adding the word “trainees” would make the definition of “qualified” less vague and unclear thus fulfilling the requirements of Government Code section 11349(c). Section 3001(v) as amended says in pertinent part “Nothing in this definition shall be construed as restricting the activities in or services of a graduate needing direct hours leading to licensure, or of a student teacher or intern leading to a graduate degree at an accredited or approved college or university, as authorized by state laws or regulations.”

State statutes pertaining to marriage and family therapists do not define the term “pre-licensee.” Business and Professions Code section 4980.03, pertinent to marriage and family therapists, defines a trainee as an “unlicensed person who is currently enrolled in a master's or doctor's degree program…” and who, therefore, is not a graduate. Adding marriage and family trainees to this definition does not provide clarification; such an amendment represents a policy change that is beyond the scope of this regulatory action, which seeks to align state regulations pertaining to special education with current state statute and federal statute and regulations.

Rebecca Cervenak, Staff Attorney, and Lauren Giardina, Staff Attorney, Disability Rights California (DRC)
Paula Pearlman, Executive Director, Disability Rights Legal Center

Comment: Section 3001, proposed subsection (x): The commenters note that the definition of “specialized physical health care services” has been amended to include “catheterization, g-tube feeding, suctioning, or other services. The commenters note
that since Education Code Section 49423.5(d) [not (c) as cited by the commenters] contains largely the same definition, this amendment is unnecessary.

**Reject:** The CDE believes that the definition currently contained in general Education Code should be used in special education regulations since it is not extant in special education statute and the definitions should be consistent between the two sources.

Rebecca Cervenak, Staff Attorney, and Lauren Giardina, Staff Attorney, Disability Rights California (DRC)
Laura Faer, Statewide Education Rights Director, Public Counsel Law Center
Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Paula Pearlman, Executive Director, Disability Rights Legal Center
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Angela Sutherland

**Comment: Section 3001, current subsection (aa):** Commenters express concern with deleting the definition in the regulations of “related services.” One commenter says parents have a hard enough time searching through Web sites to find the special education laws and regulations.

One commenter expresses concern that school administrators will also be confused and may believe that substantive changes are being made that are not in fact being contemplated.

Commenters express concerns that if the term “related services” is allowed to remain undefined and vague, children who rely heavily on such services will be at risk of losing services or facing a delay in the provision of necessary services while the definition of the term is interpreted by IEP team members.

One commenter says it is critical that districts and families realize the breadth of potentially required services and to understand that any enumeration of services under the regulations are without limitation. One commenter recommends that the deleted section include language to ensure that there is no confusion that services listed in section 56363 and 34 C.F.R. section 300.34 are “not exhaustive;” resulting in unnecessary litigation regarding the state’s intent. A commenter suggests that to reflect that the inclusion of another service in an IEP, where a specific serviced is required for a child to derive educational benefit, is required under federal and state law, the following language should be inserted into the regulation: “The list of related services in section 56363 and 34 C.F.R. section 300.34 is not exhaustive and includes other developmental, corrective and supportive services as required for a child to benefit from special education.”

One commenter expressed concern about the deletion of the following sentence: “Each related service defined under this subdivision may include appropriate administrative and supervisory activities that are necessary for program planning, management and evaluation.” The commenter is concerned that the deletion of this sentence may create
confusion or incorrectly reflect that such administrative and supervisory activities are no longer included, as appropriate. The commenter suggests that the above sentence be retained.

Reject: The definition of “related services” exists in Education Code section 56363; Title 20, United States Code, section 1401(26); and in Title 34, Code of Federal Regulations, section 300.34. It seems unlikely that not repeating the same language also in state regulations will prove confusing for parents or school administrators.

As for the term “related services” being vague, a review of existing statutes and regulations will confirm the specificity of the existing definitions, obviating the risk that students will lose services or face a delay because of confusion on the part of IEP team members. The current definition of “related services” in Education Code has been in place since 2005.

Regarding the important point that any list of related services cannot be exhaustive, Education Code section 56363 prefaces a list of related services by stating that “These services may include, but are not limited to” the enumerated services. Further, Title 34, Code of Federal Regulations, section 300.34, says “Related services means…such developmental, corrective, and other supportive services as are required to assist a child with a disability to benefit from special education….”

The federal Office of Special Education Programs (OSEP) provides further guidance in the “Analysis of Comments and Changes” section of the final IDEA regulations, pertaining to Section 300.34:

Section 300.34(a) and Section 602(26) of the Act state that related services include other supportive services that are required to assist a child with a disability to benefit from special education. We believe this clearly conveys that the list of services in § 300.34 is not exhaustive and may include other developmental, corrective, or supportive services if they are required to assist a child with a disability to benefit from special education. It would be impractical to list every service that could be a related service, and therefore, no additional language will be added to the regulations.

Consistent with §§ 300.320 through 300.328, each child’s IEP team, which includes the child’s parent along with school officials, determines the instruction and services that are needed for an individual child to receive FAPE. In all cases concerning related services, the IEP team’s determination about appropriate services must be reflected in the child’s IEP, and those listed services must be provided in accordance with the IEP at public expense and at no cost to the parents. Nothing in the Act or in the definition of related services requires the provision of a related service to a child unless the child’s IEP team has determined that the related service is required in order for the child to benefit from special education and has included that service in the child’s IEP. 71 Federal Register 46569 (August 14, 2006)
Regarding concern that administrative and supervisory activities will be construed as no longer required if direct reference is not made to them in the state regulations, the foregoing discussion clarifies that federal law is unequivocal about the necessity of such activities when the IEP team determines they are required to assist a child to benefit from special education.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Angela Sutherland

Comment: Section 3001, current subsection (ac): The commenters express concern with deleting the definition in the regulations of “special education.” One commenter says that parents have a hard enough time searching through Web sites to find the special education laws and regulations. One commenter expresses concern that school administrators will also be confused and may believe that substantive changes are being made that are not in fact being contemplated.

Reject: The CDE understands that, according to Government Code section 11342.600, the purpose of regulations is to “implement, interpret, or make specific the law enforced or administered by it, or to govern its procedure.” Repeating definitions that already exist in Education Code is duplicative and potentially confusing if the definitions are not identical. The CDE believes that parents, advocates, and school administrators have the same access to Education Code Part 30, Chapter 1, Article 2, Definitions (sections 56020–56035) as they do to state regulations.

SECTION 3023

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3023(a): The commenters welcome the clarification that assessment requirements under section 3023 include “reassessments.”

No response required.

SECTION 3029

Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California

Comment: Section 3029(b): The commenter asks: When contracting with outside personnel to do assessments, what qualifications/credentials must that person have to be deemed qualified? The commenter agrees that school psychologists and educational psychologists are not the only qualified people, but there need to be standards as to who is qualified in this situation.

Response: Education Code section 49422(e)(1) provides a list of persons who are qualified to administer psychological tests, and that citation has been added to the references for this section.
George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)

Comment: Section 3029(d): Commenter asks why eliminate this qualification pertaining to contracting for individually administered tests of psychological functioning due to the unavailability of school psychologists.

Response: Please refer to page 4 of the ISOR.

Laura Faer, Statewide Education Rights Director, Public Counsel Law Center

Comment: Sections 3029(d): The removal of the requirement that school psychologists be certified by the BBS appears to create variability in the quality of assessment for children and potential problems when students transfer from one district to another.

Reject: It is important to note that credentialed school psychologists and licensed educational psychologist are two different forms of qualification and are issued by two different agencies, the California Commission on Teacher Credentialing and the Board of Behavioral Sciences, respectively. The educational psychologist is one kind of emergency option when a credentialed school psychologist is not available and, to the extent that SELPAs and LEAs make use of them, educational psychologists are licensed by the Board of Behavioral Sciences according to Business and Professions Code 4989.10, et seq.

Jeff Frost, Legislative Advocate, California Association of School Psychologists (CASP)

Sam Neustadt, Assistant Superintendent, Solano County SELPA

Comment: Section 3029(d): The commenters oppose the deletion of this subsection. One commenter notes that Education Code section 56320(b)(3) specifies that tests of intellectual or emotional functioning shall be administered by a credentialed school psychologist. When a credentialed school psychologist is not available, it is current law and current practice to contract with a licensed educational psychologist. The commenter is concerned that eliminating specific reference in the regulations to “educational psychologists licensed by the Board of Behavioral Science Examiners” opens the door to unqualified practitioners.

Another commenter opposes the deletion of this subsection because it opens the door to an expansive list of assessors, far in excess of current law. The commenter is concerned that this amendment would create further exposure for additional independent educational evaluations that are no more informative about educational needs than current psycho-educational evaluations provided under current law.

Reject: The CDE is unaware of a current law that requires an LEA to contract with a licensed educational psychologist when a credentialed school psychologist is unavailable. Section 3029(b) says that “Due to the temporary unavailability of a credentialed school psychologist, a school district or county office may contract with qualified personnel to perform individually administered tests of intellectual or emotional functioning….” Education Code section 49422(e)(1) provides information on who is qualified to administer psychological tests in addition to credentialed school
psychologists. Qualified personnel are governed, within their professions, by the California Commission on Teacher Credentialing and the California Department of Consumer Affairs. The essential point in the regulations is that the person administering the tests is qualified under California law and within the scope of practice as defined by the licensing or credentialing body. To ensure that this last requirement is clear, the CDE is adding this statement regarding scope to the definition of “Qualified” in section 3001(v).

SECTION 3030

Tonia Safford-McClure, Psy.D., Educational Psychologist

Comment: Section 3030: The commenter recommends that the categories under which children are determined to be eligible for special education be amended by adding “developmental delay” for children ages three through nine. The commenter notes that when assessing younger students, having developmental delay as an eligibility category provides greater flexibility in determining a need for special education services, especially because some young children do not appear to qualify under one of the other eligibility categories.

Reject: Title 20, United States Code, section 1401(3)(b) leaves the addition of this category to a state’s discretion as a state defines “developmental delay” and as measured by appropriate diagnostic instruments and procedures. Further, a state cannot require a local educational agency (LEA) to adopt and use the term “developmental delay” for children in its jurisdiction (Title 34, Code of Federal Regulations, section 300.111(b)(2)). The purpose of this regulatory package is to update old state regulations by bringing them into alignment with current state statutes and federal statutes and regulations. According to California’s “hierarchy of the law,” state statute takes precedence over a regulation. Amending Title 5, California Code of Regulations, section 3030, to add a new special education eligibility category constitutes a policy change that would need to take place first in state statute before being reflected in the regulations.

Rebecca Cervenak, Staff Attorney, and Lauren Giardina, Staff Attorney, Disability Rights California (DRC)

Paula Pearlman, Executive Director, Disability Rights Legal Center

Comment: Section 3030: Commenters say that many of the changes to the eligibility criteria are premature and vague. First, the federal law has not yet been revised considering the updated diagnostic criteria in the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition. To avoid the inevitable revisions that will occur when the federal eligibility criteria is updated, the eligibility criteria should not change at this time.

Commenters say there are also many troubling proposed changes to the eligibility criteria that will decrease the amount of students eligible for special education or cause confusion surrounding a person’s eligibility which will undoubtedly lead to unnecessary and costly litigation. For example, the proposed deletion of section 3030(g) to remove the term and definition of autistic-like behaviors and substitute the proposed significantly more limited definition of autism in the updated section 3030(b)(1) will likely only serve
the purpose of clouding an already well-accepted definition of autism and potentially causing undue delay and inappropriate service denials for students who have autism spectrum disorders.

Reject: The 5 CCR regulations have not been updated since 1987. Because changes are always occurring in the special education field and related fields, there is no optimal time for updating the regulations. The intent of the current regulatory package is to bring state eligibility criteria into conformance with the federal eligibility criteria. The CDE is aware that confusion among educators arises when state and federal eligibility requirements are inconsistent with each other.

Heather DiFede, Senior Director, East County SELPA
Comment: Section 3030: The commenter recommends that the proposed deletion of some of the detailed eligibility criteria be reconsidered. The commenter expresses a concern that eliminating the existing level of detail is going to create nebulous criteria and lead to increased litigation. The commenter recommends maintaining the existing language currently found in section 3030(c), speech or language disorder; section 3030(g), autistic-like behaviors; and section 3030(j)(A) and (B).

Partially accept and partially reject: The CDE has retained in its current regulatory package the language found in section 3030(c) for speech or language disorder. The same eligibility criteria can be found in the proposed regulations under 3030(b)(11).

Again, the CDE has retained in its current regulatory package the language found in section 3030(j)(A) and (B) for specific learning disability. The same eligibility criteria can be found in the proposed regulations under 3030(b)(10)(B)(1) and (2).

The eligibility criteria for autism are updated in the proposed regulations under section 3030(b)(1) to reflect federal requirements found in Title 34, Code of Federal Regulations, section 300.8. Federal regulations also provide additional differentiating criteria. The term “autistic-like” in the current regulations is used as an adjective to modify “behavior.” In the proposed amendments, the words “autistic-like behavior” are replaced with the words “characteristics often associated with autism”; the lists of these “behaviors” or “characteristics” are essentially the same. There is no eligibility category for a student’s being “autistic like,” only for being autistic.

As for the possibility of increased litigation, aligning California’s criteria with federal requirements for determining whether a student has autism helps to ensure that students with autism are appropriately identified and receive the appropriate services for their needs. When state and federal criteria are misaligned, the resulting confusion can also lead to litigation, which can delay a student's receiving the services noted in his or her IEP.

George Buzzetti, Director of Policy and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Comment: Section 3030: current subsection (a): Commenter asks why this important language is taken out.
Response: Please refer to page 5 of the ISOR.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Rebecca Cervenak, Staff Attorney, and Lauren Giardina, Staff Attorney, Disability Rights California (DRC)
Laura Faer, Statewide Education Rights Director, Public Counsel Law Center
Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California
Paula Pearlman, Executive Director, Disability Rights Legal Center
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Sylvia Youngblood, Representative, Governmental Affairs Committee, Los Angeles Learning Disabilities Association

Comment: Section 3030: proposed subsection (a): The commenters oppose replacing the word "pupil" with "child." One of the commenters has concerns that the change from "pupil" to "child" has dramatic differences in legal meaning. Some of the commenters say they understand that federal law uses the word "child" but the Education Code uses the word "pupil" throughout and this is more accurate, as many students in special education fall within the 18-22 year old range. One commenter says that the use of the word child is inaccurate and could create confusion regarding eligibility. "Child" is defined as someone who is under the age of majority. Using the word "child" in the regulation potentially limits its scope to those under the age of 18. This does not take into account students with disabilities ages 18-22. To eliminate the potential harm to students ages 18-22, one commenter recommends that the word "student" be used in place of either "child" or "pupil." Moreover, one of the struggles of the disability rights movement has long been to overcome the treatment of adults with disabilities like "children." It would be ironic and unfortunate to enshrine this demeaning perspective in California regulations just as the term "mental retardation" is rightly being removed.

Reject: Regarding the possible legal difference in the use of the words “pupil” or “child,” there is none delineated in the IDEA. The proposed amendment is unlikely to create confusion regarding eligibility given the clear definitions of age categories in Education Code section 56026, which also includes categories for persons between nineteen and twenty-one years of age. Education Code refers variously to “individual with exceptional needs,” “pupil,” “child,” “youth,” and “person” in referring to someone receiving special education and related services. There was no concerted effort to replace the word “pupil” with the word “child” throughout the regulations; rather, the regulations reflect the multiplicity of words used in the Education Code.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Comment: Section 3030: proposed subsection (a): The commenters strongly object to the proposal to remove from section 3030(a) the requirement that "[t]he specific processes and procedures for implementation of these [eligibility] criteria shall be developed by each Special Education Local Plan Area and be included in the local plan pursuant to Section 56220(a) of the Education Code." The commenters are concerned that the proposed approach creates a severe risk that districts will not use discrepancy criteria, and also will not undertake an RTI process, and will instead ignore, or mis- or insufficiently categorize, students with specific learning disabilities. Districts will be able to invoke opportunistically whichever LD definition is hardest to square with a particular student’s profile, and take inconsistent lines from case to case. If California decides to leave it up to local districts how to define learning disability (an approach which is not required by federal law, which merely forbids requiring districts to use discrepancy criteria), the state needs to ensure that criteria are clearly stated. Without knowing what criteria are being used, families’ rights to participate in IEP development and to obtain relevant, useful Independent Educational Evaluations will be nullified.

Reject: The statutory authority for this regulation was repealed through Assembly Bill 602, Chapter 854, Statutes of 1997. The criteria for determining a student’s eligibility for special education under any category, including specific learning disability, are provided in Section 3030 throughout.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Marcia Eichelberger, Steering Committee Representative, Alliance of California Autism Organization
Laura Faer, Statewide Education Rights Director, Public Counsel Law Center
Esteban Fuentes, Treasurer; Jose Luis and Gloria Hernandez, President and Founders; Rosa Hernandez; Maria Garcia; Hilda Cuenca; Martha Mora; Grupo de Autismo Angeles
Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Grace Trujillo

Comment: Section 3030(b)(1): The commenters oppose aligning the state eligibility criteria for autism with federal eligibility criteria and suggest that the CDE maintain existing “autistic-like” eligibility criteria. The proposed amendments would unsettle a widely understood and fairly settled area in California law and would generate costs for both families and school districts in terms of litigation and independent educational evaluations. One commenter notes entertaining frequent discussions with school psychologists who report that they can only assess for “autistic-like characteristics [sic]” not autism.

One commenter says that nothing in IDEA prevents states from formulating eligibility requirements differently, as long as they do not bar students who are eligible under federal guidelines. There is no requirement that California use the same language.
One commenter says it must be clear in the regulations that the districts are mandated to conduct medical assessments if deemed necessary to determine autism eligibility or develop an IEP. Another commenter says that if school psychologists are required to conduct autism assessments for eligibility, there must be additional language in the regulations outlining the process for making this assessment to ensure that there is no delay in the evaluations.

Commenters also said that a change in eligibility may be inadvisable now since the new DSM-V criteria for diagnosing autism may lead to further changes in the federal regulations; any change to autism eligibility criteria in state regulations should be made after Congress and the U.S. Department of Education determine whether to revise the federal definition to conform with the DSM-V. **Reject:** The intent of the current regulatory package is to bring state eligibility criteria into conformance with the federal eligibility criteria because the CDE is aware that confusion among educators arises when state and federal eligibility requirements are inconsistent with each other. The term “autistic-like” in the current regulations is used as an adjective to modify “behavior.” In the proposed amendments, the words “autistic-like behavior” are replaced with the words “characteristics often associated with autism”; the lists of these “behaviors” or “characteristics” are essentially the same. There is no eligibility category for a student’s being “autistic like,” only for being autistic. Psychologists who can assess only for “autistic-like behaviors” will also be able to assess for “characteristics often associated with autism.”

As for the possibility of increased litigation, aligning California’s criteria with federal requirements for determining whether a student has autism helps to ensure that students with autism are appropriately identified and receive the appropriate services for their needs. When state and federal criteria are misaligned, the resulting confusion can also lead to litigation, which can delay a student’s receiving the services noted in his or her IEP.

As for using the regulations to mandate that districts fund medical assessments, Education Code section 56320(f) stipulates that pupils must be assessed in all areas related to the suspected disability, including, if appropriate, for health and development. Regarding outlining the process of conducting autism assessments to avoid delays, such information is beyond the scope of these regulations. Although the CDE does not have statutory authority to outline such procedures, Education Code section 56302.1(a) says that “Once a child has been referred for an initial assessment to determine whether the child is an individual with exceptional needs as defined in Section 56026 and to determine the educational needs of the child, these determinations shall be made, and an individualized education program meeting shall occur, within 60 days of receiving parental consent for the assessment in accordance with subparagraph (C) of paragraph (1) of subsection (a) of Section 1414 of Title 20 of the United States Code.”

Regarding waiting to update this section of the regulations, 5 CCR, sections 3001-3088, have not been updated since 1987. Because changes are constantly occurring in the
special education field and related fields, there is no optimal time for updating the regulations. Should the federal Office of Special Education Programs amend its criteria for determining eligibility to receive special education under the category of autism, the CDE will review its criteria.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)

Comment: Section 3030(b)(2): Commenter believes that the definitions for deaf-blindness are already too restrictive for pupils and that the assistance to these pupils be opened, not made more restrictive.

Reject: The purpose of this regulatory action is to align old, out-of-date regulations with existing state statutes and federal statutes and regulations. Expanding eligibility requirements beyond state and federal requirements for students with deaf-blindness or any other category involves a policy discussion that is beyond the scope of this proposed rulemaking.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center

Valerie Vanaman, Attorney, Newman, Aaronson, Vanaman

Comment: Section 3030(b)(2): The commenters note that the eligibility criteria in this section of regulations reference classroom placement, which seems misplaced in eligibility criteria. The commenters say that placement should not be predetermined by choosing one of these disability categories: many students with deaf-blindness may be best served precisely with accommodations in a program geared to the particular communication issues facing deaf or blind students. One commenter says that the change proposed is not permitted by either federal or state law and will lead to litigation.

Reject: The reference to placement appears in the federal regulations to which this section has been aligned. The purpose of this regulatory package is to update old state regulations by bringing them into alignment with current state statutes and federal statutes and regulations.

Jorge Quiñónez, Monterey County

Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3030(b)(4): The commenter recommends changing the reference to “emotional disturbance”—one of the categories under which a child may qualify to receive special education—to an alternative reference such as “emotional disability” or “emotional/behavioral disability.” The commenter notes that these suggested alternatives are less stigmatizing and that several states have chosen to use alternative terms when referring to this eligibility category.

Reject: The purpose of this regulatory package is to update old state regulations by bringing them into alignment with current state statutes and federal statutes and regulations. The use of “emotional disturbance” in the proposed state regulations is
consistent with the terminology used in California Education Code, which in turn is consistent with the terminology used in Title 34, Code of Federal Regulations, section 300.8. According to California’s “hierarchy of the law,” state statute takes precedence over a regulation. A change in California’s terminology from “emotional disturbance” to an alternative reference constitutes a policy change that would need to take place first in state statutes before being reflected in the regulations.

A. Kay Altizer, Director, Special Education, Berkeley Unified School District
Comment: Section 3030(b)(1) and (b)(4)(F): The commenter approves of the new definition of autism and the addition of a reference to “schizophrenia.”
No response required.

Comment: Section 3030(b)(4)(F) and 3030(b)(6): The commenter recommends that the proposed regulations be amended to include definitions or clarifications for the terms “social maladjustment behaviors,” “significantly subaverage,” and “developmental period.”
Reject: Section 3030(b)(4)(F) makes reference to “children who are socially maladjusted” but not to “social maladjustment behaviors.” The terms “significantly subaverage” and “developmental period” do appear in section 3030(b)(6). These terms are consistent with their use in Title 34, Code of Federal Regulations, section 300.8. The purpose of this regulatory package is to update old state regulations by bringing them into alignment with current state statutes and federal statutes and regulations. Amending Title 5, California Code of Regulations, section 3030(b)(4)(F) and section 3030(b)(6) to add new definitions to terms used in the eligibility criteria constitutes a policy change that is beyond the scope of this rulemaking process.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Comment: Section 3030(b)(7): Commenter believes that students with multiple disabilities will do better being properly accommodated than in generic programs that do not address their individual specific needs.
No response required; the comment does not pertain to the proposed amendments.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Comment: Section 3030(b)(7): The commenters note that the eligibility criteria in this section reference classroom placement, which seems misplaced in eligibility criteria. The commenters say that placement should not be predetermined by choosing one of these disability categories: many students with multiple disabilities may be best served precisely with accommodations in a program geared to the particular mobility issues facing students with multiple disabilities.
Reject: The reference to placement appears in the federal regulations to which this section has been aligned. The purpose of this regulatory package is to update old state
regulations by bringing them into alignment with current state statutes and federal statutes and regulations.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Comment: Section 3030(b)(8); 3030(b)(9); 3030(b)(10): Commenter opposes changing the definition of "orthopedic impairment"; "other health impairment"; and "specific learning disability," respectively, and recommends against lowering the standards.
Reject: The purpose of this regulatory package is to update old, out-of-date state regulations by bringing them into alignment with current state statutes and federal statutes and regulations. Unfortunately, the commenter does not specify the ways in which he is concerned that the proposed amendments may lower standards for students. The CDE is unable to respond further to this comment.

A. Kay Altizer, Director, Special Education, Berkeley Unified School District
Comment: Section 3030(b)(9)(A): The commenter recommends that the proposed regulation be amended to delete the use of the term “attention deficit disorder.”
Reject: The term “attention deficit disorder,” as it is used in the proposed regulations, is consistent with its use in Title 34, Code of Federal Regulations, section 300.8, the federal definition of “Other health impairment.” The CDE does not believe it is necessary to delete this term from the state’s definition of this eligibility criteria.

Laura Faer, Statewide Education Rights Director, Public Counsel Law Center
Comment: Section 3030: Current subsection (b)(9)(A): The commenter says that removal of “cystic fibrosis” from the list could suggest that such disease is no longer included in the list of health problems that are chronic or acute. The commenter says that we should avoid litigation and delays for children who need services over whether the removal is something more than an oversight.
Reject: The purpose of this regulatory package is to update old, out-of-date state regulations by bringing them into alignment with current state statutes and federal statutes and regulations. The federal regulation and the proposed amendment to the state regulation both use the words “such as” to preface a long list of “chronic or acute health problems” leading to a determination that a student has “other health impairment,” indicating that the list is not meant to be exhaustive.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Comment: Section 3030(b)(9): The commenters object to and question the reasons for removing several serious medical conditions from the list of potential qualifying conditions for “other health impairment.” The commenters propose retaining cancer, chronic kidney disease, cystic fibrosis, and “tuberculosis and other communicable infectious diseases” while otherwise adopting federal language. Removing specific conditions may cause confusion, alarm and improper questioning of current and
prospective eligibility. There is no need for California’s list of examples to be exactly the same as in the federal regulation.

Reject: The purpose of this regulatory package is to update old, out-of-date state regulations by bringing them into alignment with current state statutes and federal statutes and regulations. The federal regulation and the proposed amendment to the state regulation both use the words “such as” to preface a long list of “chronic or acute health problems” leading to a determination that a student has “other health impairment,” indicating that the list is not meant to be exhaustive. The illustrative list could include or exclude a variety of chronic or acute health problems: ultimately, the IEP team determines whether an individual’s chronic or acute condition constitutes “other health impairment.”

Fran Arner-Costello, Director, Programs and Services, Ventura County SELPA
Diane Fazzi, Chair; Gina Plate, Vice Chair; Maureen Burness, Policy Committee Chair, Advisory Committee on Special Education (ACSE)
Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California

Comment; 3030(b)(10): The commenters suggest that proposed 5 CCR 3030(b)(10) include additional details for determining whether a student has a specific learning disability. One of the commenters expresses the opinion that the additional detail is necessary to reflect current research and changes in practice regarding assessment in the area of specific learning disabilities. Another commenter expresses the opinion that the state must adopt additional criteria to be compliant with federal regulations.

Reject: Consistent with federal law, the proposed regulations provide that a student “may” be determined to have a specific learning disability if he or she has a severe discrepancy between ability and achievement, 5 CCR 3030(b)(10)(B), or if his or her achievement is determined to be inadequate pursuant to a “response to intervention” or “pattern of strengths and weaknesses” analysis, 5 CCR 3030(b)(10)(C). The additional detail proposed by the commenters is not necessary to aligning the regulations with federal law.

Maureen Graves, Co-Chair; Roberta S. Savage, Co-Chair; and John Nolte, Attorney; California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3030(b)(10): The commenters object to the proposed amendments pertaining to specific learning disability eligibility. One commenter says that a need exists to make it clear that districts need to adopt one of the approaches outlined—they cannot simply go back and forth as to theory while rejecting students’ requests for learning disability eligibility. The commenter also recommends that the regulations reflect that both ways of determining a learning disability are mandatory in districts as opposed to discretionary. The commenters say that the law needs to make clear that if districts are opting not to use discrepancy criteria, they must use a solid alternative.

The commenters are concerned that districts no longer have to accept demonstrations of discrepancy combined with processing disorder, and also under this wording would not need to adopt the approach outlined here. Nor would districts apparently have to explain how they are defining specific learning disability.
Commenters observe that districts must allow in some manner the identification of students as having a specific learning disability, a result not achieved under the purely permissive language here, which allows a discrepancy model, an RtI model, or a “strengths and weaknesses” model, but does not create a right on the part of students to be considered for learning disabled eligibility under any theory at all.

The commenters say that as for the discrepancy definition, use of which is optional, there have been powerful technical criticisms of the discrepancy model in California’s regulations, some of them linked to California’s failure to update the approach in many years. The current revision is an opportunity to engage in necessary dialogue and revisions so that districts that retain a discrepancy model will use a technically sound one. Instead, current, flawed discrepancy criteria are simply being repeated.

The commenters suggest deletion of 3030(b)(10)(C)(4)(i) and (ii), which pertain to using data to determine whether a child’s underachievement results from a lack of appropriate instruction in reading or math. The commenters say that subsections (i) and (ii) reflect an idealization of RtI in which services would be better selected, designed, executed and documented than they generally are and, indeed, better selected, designed, executed, and documented than special education services themselves typically are. The commenters say that special education eligibility should not await the development of excellent RtI models which, nearly 14 years after IDEA 2004 was developed, are nonexistent in much of California. It is sufficient to retain current language indicating that achievement deficits cannot be the result of poor instruction.

Reject: Beyond current state statutes and federal statutes and regulations, the CDE does not have statutory authority to direct districts to use or to not use certain methods for determining whether a student has a specific learning disability. Title 34, Code of Federal Regulations, section 300.307 says that states must not require the use of a severe discrepancy between intellectual ability and achievement for determining whether a child has a specific learning disability. That section also says that states must permit the use of a process based on the child’s response to scientific, research-based intervention and may permit the use of other alternative research-based procedures.

Regarding demonstrations of discrepancy combined with processing disorder, it is unclear that the commenter is making a suggestion regarding these regulations or which proposed amendment the commenter is addressing. The existing laws are permissive, and it is true that districts are not mandated to explain how they define specific learning disability beyond existing state and federal requirements.

As for the comment that “districts must allow in some manner the identification of students as having a specific learning disability,” the meaning of this comment is not clear. It seems in general that the commenters are concerned about districts’ having discretion in using a variety of methods to determine whether students have a specific learning disability. The further concern seems to be that because districts have a variety of methods, they use this variety to disqualify students for special education under the category of specific learning disability. Data show otherwise. As of December 1, 2012,
the largest group of students found to be eligible for special education in California qualify under the category of specific learning disability; they constitute 279,413 students out of a total 695,173 students receiving special education.

As to conducting further policy discussions about the current discrepancy criteria, the purpose of this regulatory package is to update old, out-of-date state regulations by bringing them into alignment with current state statutes and federal statutes and regulations.

Regarding deleting subsections 3030(b)(10)(C)(4)(i) and (ii), again, the purpose of this regulatory package is to update old, out-of-date state regulations by bringing them into alignment with current state statutes and federal statutes and regulations.

Jeff Frost, Legislative Advocate, California Association of School Psychologists (CASP)

Comment: Section 3030(b)(10)(C): The commenter notes that this section of the regulations does not mention “Response to Intervention (RtI)” as an alternative methodology for determining whether a student has a specific learning disability. The commenter would like to see RtI added as an alternative methodology. Partially accept: The term “response to intervention,” per se, does not appear in the IDEA or federal regulations pertaining to students with IEPs. Rather, federal documents refer to “methods of instruction that are based on scientifically based research.” The words “scientifically based” and “research based” appear throughout federal requirements. These words connote “RtI” and also appear in this subsection of the proposed regulations – as does a reference to a student’s “pattern of strengths and weaknesses.”

A. Kay Altizer, Director, Special Education, Berkeley Unified School District

Comment: Section 3030(b)(10)(C): The commenter opposes amending the regulations to include the use of “response to intervention” (RtI) as an optional method for determining whether a student has a specific learning disability until the following items are provided: state-defined parameters for RtI implementation; technical assistance for school districts; training; oversight; a list of approved or endorsed scientific research-based instruction and practices. Reject: The reauthorization of IDEA in 2004 provided school districts with the option of using scientific, research-based intervention in determining whether a student has a specific learning disability. The proposed amendments to Title 5, California Code of Regulations, section 3030(b)(10)(c) seek to bring state regulations up to date by aligning them with federal requirements. For educators who wish to learn more about implementing RtI, informational resources are available on the CDE Web site at http://www.cde.ca.gov/ci/cr/ri/ and at http://www.cde.ca.gov/sp/se/sr/.

Comment: Section 3030(b)(10)(C): The commenter also recommends the addition of the word “primarily” to line 25 on page 13. Reject: The CDE was unsuccessful in contacting the commenter regarding this recommendation and was unable to determine the proposed placement of the word.
“primarily.”

**Comment: Section 3030(b)(10)(C):** The commenter opposes proposed language in the regulations: “The use of a procedure that takes into account the correlation between the ability and achievement measures and regression to the mean to determine the level of difference required that represents a difference score greater than 1.5 standard deviations of the difference distribution for the two tests.”

**Reject:** The language that the commenter quotes is not contained in the proposed regulations.

**Comment: Section 3030(b)(10)(C):** The commenter also recommends that school districts be allowed to choose whether to use the discrepancy model, or a pattern of strengths and weaknesses, or both to determine whether a student has a specific learning disability.

**Accept:** The proposed regulations do, in fact, allow school districts to choose which methods they use to determine whether a student has a specific learning disability.

Sue Balt, 2012-13 Chair, California Association of SELPA Administrators

**Comment: Section 3030(b)(10)(C):** The commenter suggests that the regulations retain the use of the discrepancy model as well as the use of response to intervention, multi-tiered systems of support, and patterns of strengths and weaknesses as options for determining whether a student has a specific learning disability.

**Accept:** The proposed regulations do, in fact, allow school districts to choose which methods they use to determine whether a student has a specific learning disability.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)

**Comment: Section 3030(b)(10)(C)(2):** The commenter says that 14 years later there still are no proper standards for “scientific, research-based intervention.” The commenter asks how can this be and at the same time be instituted? In the commenter’s opinion, response to intervention (RtI) is a failure as the stand-alone methodology; it has proven to be such over time. The commenter notes that according to the work of Don Deshler and Doug Fuchs, RtI has not been properly implemented. The commenter's organization doubts that RtI should be the only methodology for special education anyway as there are too many ways around identification at an early age as can be done by professionals now in most cases outside of RtI.

**No response required; the comment does not address the proposed amendments to the regulations.**

Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California

**Comment: Section 3030(b)(10)(C)(4)(i):** The commenter asks what constitutes “qualified personnel” as referenced in this section pertaining to determining whether a child was provided appropriate instruction in regular education settings.

**Response:** The definition of “qualified” is provided in Title 5, California Code of
Regulations, section 3001.

Laura Faer, Statewide Education Rights Director, Public Counsel Law Center

Current subsection (b)(10)(C)(5): The description that the public agency must ensure that the pupil is observed in the learning environment is misleading and does not reflect the exception in 300.310 for a pupil who is out of school. This section should state “the pupil is observed in the pupil’s learning environment or in the case of a child of less than school age or out of school, in an environment appropriate for a child of that age” in accordance with 34 C.F.R. section 300.310.

Accept: The CDE agrees that this important exception should be specifically stated in the proposed regulations and will amend this section accordingly.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)

Comment: Section 3030: current subsections (d) through (j): Commenter asks why language has been eliminated from these subsections.

Response: Please refer to page 5 of the ISOR.

SECTION 3031

Rebecca Cervenak, Staff Attorney, and Lauren Giardina, Staff Attorney, Disability Rights California (DRC)
Paula Pearlman, Executive Director, Disability Rights Legal Center
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center

Comment: Section 3031: Commenters recommend that no amendments be made to this regulatory section. The commenters say that the proposed amendments to Section 3031 contradict current state law as written in Education Code section 56441. Commenters say the proposed amendments would limit eligibility only to children who are up to three years old. The commenters recommend that the CDE maintain the current age eligibility of birth to four and nine months.

The commenters recommend that the CDE maintain 25 percent as the minimum delay in functional skills.

The commenters also express concern that the amendments to this section shift responsibility for determining whether a child has a disabling medication condition or congenital syndrome from the IEP team to the individualized family service plan (IFSP) team from regional centers. The commenters believe that the IFSP team does not have the requisite training, experience, or expertise in determining whether or not child is eligible for special education services and is not the appropriate party to make such a determination. The commenters say that the IFSP team does not have to comply with state and federal education laws. By removing the IEP team from the eligibility process, parents and students will lose their due process protections.

Partially accept and partially reject: Education Code section 56441 pertains to
individuals with exceptional needs between the ages of three and five, but this age group is different from the group to whom Section 3031 applies, which is children from birth to age three who are eligible for early intervention services through California’s Early Start program. Government Code section 95014 specifies that “The term ‘eligible infant or toddler’ for the purposes of this title means infants and toddlers from birth through two years of age, for whom a need for early intervention services, as specified in the federal Individuals with Disabilities Education Act” is documented. United States Code Section 1432 also defines an at-risk infant and toddler as an “individual under three years of age who would be at risk of experiencing a substantial developmental delay if early intervention services were not provided to the individual.” In fact, the proposed amendments do not contradict Education Code section 56441 nor does the CDE have legal standing to extend Early Start services to students older than age three.

As to the minimum eligibility criteria, in 2009, the Legislature passed ABX49, which amended Government Code section 95014. Although by law the CDE is unable to maintain 25 percent as the minimum delay in functional skills, the Section 3031 does need to define a minimum delay in functional skills as the definition appears in current Government Code. The necessary amendments will be made to Section 3031.

As for shifting responsibility from IEP teams to regional centers, Government Code Section 95014 subsections (b)(1) and (2) and subsection (c) have for many years explicitly delineated the responsibilities between regional centers and LEAs. Without regard to location, the children who qualify for Early Start in California are provided due process protections under IDEA Part C.

Laura Faer, Statewide Education Rights Director, Public Counsel Law Center

Comment: Section 3031: The commenter opposes the amendments to this section that would restrict eligibility or reduce services for our youngest children with delays. California’s Department of Education should advocate for a more expansive definition of eligibility for these critical Early Start services to prevent greater costs to the state down the road when children with developmental delays are not timely served. The changes herein that would restrict eligibility appear to be short-sighted. If California regulations are going to be modified at this time, they should allude to sections of the law already changed by the legislature, rather than setting forth eligibility criteria when those are about to change.

Reject: The CDE is aware of the confusion among educators that exists because of the misalignment between Government Code section 95014 and Title 5, California Code of Regulations, section 3031, and seeks to remedy this situation. Should state laws pertinent to California’s Early Start program change once again, the CDE will be in a better position to respond in a timely manner to the need for amendments to individual regulatory sections if all of the regulations have been updated. Amendments to Section 3031 will be made to mirror the legislative changes to Government Code section 95014 almost verbatim.

Maureen Graves, Co-Chair; Roberta S. Savage, Co-Chair; and John Nolte, Attorney; California Association of Parent-Child Advocacy (CAPCA)
Comment: Section 3031: The commenters say that the proposed regulation is inconsistent with, and far more restrictive than, the 2009 trailer bill language that amended Government Code section 95014. Unlike Government Code, the proposed amendments to this section treat all children under age three the same—imposing the more stringent delay criteria for all.

The commenter also says that for students without delays of those magnitudes, the proposed amendments to the regulation create an extra-statutory requirement that the IFSP team determines the student has a “high predictability [sic: The original ISOR says “probability.”] of requiring intensive special education and services.” Government Code section 95014, however, contains no such requirement.

It would be far preferable for 5 CCR to point to relevant provisions in the Government Code (particularly since educational stakeholders are unaccustomed to looking there for special education regulations) rather than adding to current confusion. It would be disastrous for educational regulations to misstate current law, making it even more harsh. The proposed regulation would not simply put into effect disastrous, short-sighted cuts in Early Start eligibility: it would risk extending their consequences to plainly eligible children.

The commenter also notes that there is an error in current language that needs to be corrected: children under three do not have to demonstrate a qualifying disability under Section 3030—the criteria of Section 3031 are alternative criteria intended to be looser, not additional requirements limiting eligibility for early intervention. At a minimum (and assuming percentages of delay are corrected), the "and" in 3031(a)(1) ("Is identified as an individual with exceptional needs pursuant to Section 3030, and") should be replaced by “or.”

The commenter also says that in 3031(a)(2)(A)(2), “visual and hearing development” should be replaced by “visual or hearing development.”

Partially accept and partially reject: The CDE agrees that it is necessary to amend section 3031 to ensure that the CDE and the Department of Developmental Services, which share responsibilities for providing Early Start services to children ages birth to younger than three years, have the same eligibility criteria for qualifying for Early Start services and the same definition of “developmental delay.”

As for creating extra-statutory requirements and demonstrating a qualifying disability, Government Code section 95014 reads in part as follows:

The State Department of Education and local educational agencies shall be responsible for the provision of appropriate early intervention services in accordance with Part C of the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1431 et seq.) for infants with solely a visual, hearing, or severe orthopedic impairment, or any combination of those impairments, who meet the criteria in Sections 56026 and 56026.5 of the Education Code…”
Education Code section 56026 reads in part as follows:

"Individuals with exceptional needs" means those persons who satisfy all the following:

(a) Identified by an individualized education program team as a child with a disability, as that phrase is defined in Section 1401(3)(A) of Title 20 of the United States Code. …

(c) Come within one of the following age categories:

(1) Younger than three years of age and identified by the local educational agency as requiring intensive special education and services, as defined by the board.

It is CDE’s understanding that both Government Code and Education Code require children served by LEAs to be identified as individuals with exceptional needs who require intensive special education; CDE will retain that language in the regulations.

As for replacing “visual and hearing development” with “visual or hearing development,” the language in Section 3031(a)(2)(A)(2) is taken from Government Code section 95014, which says “vision and hearing.” The CDE will retain that language.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Maurine Ballard-Rosa, Professor, College of Education – Department of Teaching Credentials, Early Childhood Special Education Credential Program
Maureen Burness, Policy Committee Chair, Advisory Commission on Special Education
Jackie Clark, Program Manager, Placer County Office of Education Infant Program
Marcia Eichelberger, Steering Committee Representative, Alliance of California Autism Organization
Robin L. Hansen, MD, Professor of Pediatrics, Director, Center for Excellence in Developmental Disabilities, Director of Clinical Programs, M.I.N.D. Institute/UC Davis
Melanie P. Nicolas, State Chairperson, Infant Development Association of California
Carole Shugard
Sue Balt, 2012-13 Chair, California Association of SELPA Administrators

Comment: Section 3031(a)(2)(A) and (B): Many commenters express concern about the proposed eligibility criteria for qualifying for Early Start services and the definition of “developmental delay.” Several commenters note that Early Start is one program with two agencies collaborating to serve dually eligible infants and toddlers, so the two agencies must share the same eligibility criteria. Commenters note that the proposed language omits crucial eligibility criteria for children under 24 months of age. Many commenters recommend that section 3031(a)(2)(A) and (B) be amended to more closely align with the language in California Government Code section 95014(a).
Accept: The CDE agrees that it is necessary to amend section 3031(a)(2)(A) and (B) to ensure that the CDE and the Department of Developmental Services, which share responsibilities for providing services to children ages birth to younger than three years, have the same eligibility criteria for qualifying for Early Start services and the same definition of “developmental delay.”

Heather DiFede, Senior Director, East County SELPA
Comment: Section 3031(a)(2)(A) and (B): The commenter notes that there is a movement by regional centers to return to the original eligibility criteria in IDEA Part C. The commenter recommends that the current language in section 3031(a)(2)(A) and (B) be deleted and replaced with a reference to Government Code Section 95014.
Reject: At this point, the CDE prefers to make the eligibility criteria explicit in the Title 5 regulations. Should the eligibility criteria change in the future, CDE would be able to expedite an amendment of this regulatory section pursuant to Title 1, California Code of Regulations, section 100.

Maurine Ballard-Rosa, Professor, College of Education – Department of Teaching Credentials, Early Childhood Special Education Credential Program
Marcia Eichelberger, Steering Committee Representative, Alliance of California Autism Organization
Robin L. Hansen, MD, Professor of Pediatrics, Director, Center for Excellence in Developmental Disabilities, Director of Clinical Programs, M.I.N.D. Institute/UC Davis
Melanie P. Nicolas, State Chairperson, Infant Development Association of California
Comment: Section 3031(a)(2)(A): Many commenters express concern that the five developmental areas listed in the proposed amendments do not align with the state statutes and the IDEA (i.e., Government Code section 95014(a); IDEA section 632(5)(A)(i)). The commenters recommend that the five developmental areas be amended to align with the developmental areas listed in state and federal statutes.
Accept: The CDE agrees that it is necessary to amend section 3031(a)(2)(A) so that it lists the five developmental areas exactly as they appear in Government Code section 95014(a).

Comment: Section 3031(b): The commenters suggest that a reference in section 3031 to Education Code section 56001(c) be amended to include subsection (d) as well to clarify the protections of the Early Start Program.
Accept: The CDE agrees that it is necessary to amend section 3031(b) to include a reference to Education Code section 56001 (d) as well as (c) since both subsections reference the California Early Intervention Services Act. This amendment provides additional clarifications regarding the protections of the Act.
SECTION 3040

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Comment: Section 3040: The commenter opposes the deletion of this section of the regulations.

Partially accept and partially reject: The CDE agrees with the commenter that 3040(b) should be retained in the regulations.

Laura Faer, Statewide Education Rights Director, Public Counsel Law Center
Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California
Comment: Section 3040(a): The commenters say that the removal of this sentence is problematic as it suggests that “implementation” of the IEP may no longer be required. While it should not occur, some might argue that the term “made available” in the state code is somehow distinct. It would be an extreme disservice to pupils in California if, as a result of this deletion, school districts believed that they did not have to provide the accommodations, modifications, and services laid out in the IEP. This sentence should be retained. One commenter opposes removing section 3040 (a), because the California Code of Regulations provides a familiar—probably the best-known—reference for this key requirement. The commenters say that removal of this subsection risks confusion and increased noncompliance. One commenter notes that there is no harm in having this vital point duplicated.

Reject: This section of the regulations is redundant to Education Code section 56344(b), which says “Pursuant to Section 300.323(c)(2) of Title 34 of the Code of Federal Regulations, as soon as possible following development of the individualized education program....” The CDE understands that, according to Government Code section 11342.600, the purpose of regulations is to “implement, interpret, or make specific the law enforced or administered by it, or to govern its procedure.” Repeating requirements that already exist in Education Code is duplicative and potentially confusing if the wording of the requirements is not identical. The CDE believes that parents and their advocates have the same access to Education Code Part 30 as they do to state regulations.

Rebecca Cervenak, Staff Attorney; Lauren Giardina, Staff Attorney; Taymour Ravandi, Staff Attorney, Disability Rights California (DRC)
Marcia Eichelberger, Steering Committee Representative, Alliance of California Autism Organization
Laura Faer, Statewide Education Rights Director, Public Counsel Law Center
Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Esteban Fuentes, Treasurer; Jose Luis and Gloria Hernandez, President and Founders; Rosa Hernandez; Maria Garcia; Hilda Cuenca; Martha Mora; Grupo de
Autismo Angeles  
Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California  
Paula Pearlman, Executive Director, Disability Rights Legal Center  
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center  
Grace Trujillo  
Comment: Section 3040(b): The commenters express concern about the deletion of this subsection, which says that a copy of the IEP shall be provided in the primary language of the parent at the parent’s request.  
Accept: Although Education Code section 56341.5(j) says the LEA shall give the parent or guardian a copy of the IEP at no cost, the commenters are correct in pointing out that there is no section in state statute that says the IEP shall be provided in the primary language of the parent. The CDE agrees that it is necessary to retain this subsection of the regulations.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)  
Comment: Section 3040(c): The commenters strongly oppose deletion of the requirement that: “(c) The individualized education program shall show a direct relationship between the present levels of performance, the goals and objectives, and the specific educational services to be provided.” While the requirements embodied in this rule can readily be inferred from other provisions of IDEA, they are not outright stated in this way, and are often violated. California needs to move towards clearer, more substantive IEPs, not delete a straightforward regulatory provision aimed at ensuring that IEPs are sufficient under federal and state law.  
Accept: The CDE agrees that although the essence of this requirement is embodied in Education Code section 56345, the statement in Section 3040(c) makes this requirement plain.

SECTION 3042  
Maurine Ballard-Rosa, Professor, College of Education – Department of Teaching Credentials, Early Childhood Special Education Credential Program  
Robin L. Hansen, MD, Professor of Pediatrics, Director, Center for Excellence in Developmental Disabilities, Director of Clinical Programs, M.I.N.D. Institute/UC Davis  
Comment: Section 3042: The commenter recommends that California Code of Regulations, title 5, section 3042, which pertains to placement in the least restrictive environment, and which is not included in this regulatory package, be updated to conform with federal regulations. The commenter expresses concern that this section does not reflect federal regulations emphasizing the placement of students with IEPs in general education. The commenter suggests that section 3042 be amended by adding three subsections that quote Title 34, Code of Federal Regulations, section 300.116, subsections (c), (d), and (e).
Reject: This section of code is not included in the regulatory package because it does not require updating; the information it contains is current and valid. Section 3042 references California Education Code section 56342(b), which stipulates that “In determining the program placement of an individual with exceptional needs, a local educational agency shall ensure that the placement decisions and the child's placement are made in accordance with sections 300.114 to 300.118, inclusive, of Title 34 of the Code of Federal Regulations.” The update that the commenter recommends has already been made in Education Code. The CDE does not believe that repeating all federal regulations in state regulations is useful or necessary; further, there is no more reason to quote the three subsections noted above than any of the other federal mandates contained in sections 300.114 to 300.118.

SECTION 3043

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Comment: Section 3043: Commenter asks what are the legal implications of the change from “handicapped” to “disability.” Commenter asks has this been change been vetted legally and if so by whom. Commenter requests a copy of the document.
Response: Please refer to page 7 of the ISOR.

Maureen Burness, Policy Committee Chair, Advisory Commission on Special Education
Comment: Section 3043(d): Commenter recommends that this subsection be changed or deleted because it is moot. It has to do with the financing that has changed years ago. It shouldn’t be included if it really isn’t relevant any more.
Accept: The CDE agrees that subsection (d) is no longer used for reimbursement purposes given the existence of subsection (g), which pertains to qualifying for average daily attendance revenue; however, subsection (d) does provide for a minimum number of instructional days. Title 34, Code of Federal Regulations, section 300.106 allows state education agencies to set standards for their states regarding extended school year (ESY), so section 3043(d) is amended to delete reference to reimbursement but to preserve a state standard of a minimum number of days.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Comment: Section 3043: The commenters recommend that this section be revised to reflect the federal definition, which includes more than the regression/recoupment model for consideration when developing a student’s ESY services. The commenter says that California’s regression-recoupment emphasis violates federal law and has contributed to the sanctioning of a major California law firm for misrepresenting the law. Moser vs. Bret Harte Union High School District, CIV-F-99-6273 (Eastern District 2005) pp. 47-48 (sanctioning Lozano Smith for misrepresentation of fact and law, including, inter alia, standard for extended school year services, and noting that “Under federal law, regression – recoupment is not the standard for availability of ESY services”).
The commenter also notes that maintaining the current California definition encourages school districts to limit services to a randomly identified 20 days with roughly 50 percent of the services provided to the student during the school year. The federal bar on “unilaterally limit[ing] the type, amount, or duration of those services” directly contradicts California provisions, which purport to create a focus on regression/recoupment, which purport to set a maximum for ESY services and which have encouraged districts to treat 20 days as the presumptive length of services, and which purport to remove ESY from LRE requirements. It is problematic that in the one area in which wholesale incorporation of federal regulatory language could dramatically improve California outcomes, there is no plan to do so.

**Partially accept and partially reject:** Regarding reflecting federal regulations in California’s regulations, Section 3043 has already been amended to say that “Extended school year services shall be provided, in accordance with 34 C.F.R. section 300.106.”

The IDEA does not set a specific criterion for ESY eligibility, other than that ESY shall be provided when the IEP team determines that it is necessary for FAPE. (34 CFR 300.106.) States have flexibility in establishing standards for making ESY determinations so long as the standards are consistent with the individually-oriented approach (i.e., that students who require ESY in order to receive FAPE receive it). (71 Federal Register 46582 (August 14, 2006).) Section 3043 includes a “regression/recoupment” standard, along with the statement that the lack of clear evidence satisfying the regression/recoupment standard may not be used to deny a student ESY if the IEP team determines the student needs ESY and includes ESY in the IEP. The state regulation is thus aligned with the federal regulation.

As for the current minimum of 20 days, Title 34, Code of Federal Regulations, section 300.106 allows state education agencies to set standards for their states regarding ESY. Section 3043(d) is amended to delete reference to a maximum number of instructional days and to preserve an existing state standard for a minimum number of days.

**SECTION 3051**

Many commenters expressed concerns when comparing the proposed amendments for Article 5. Implementation (Program Components), Section 3051, et seq., and Article 6. Nonpublic, Nonsectarian School and Agency Services, Section 3065. Both sections seek to implement law by clarifying standards and staff qualifications for providing related services, but commenters noted inconsistencies and potential inequities between the two sections.

Some of the commenters’ concerns stem from the proposed deletion of section 3051(a)(3) and the rationale given in the ISOR for the proposed deletion. Section 3051(a)(3) says “All entities and individuals providing designated instruction and services and related services shall be qualified pursuant to sections 3060–3065 of this title.” In providing a reason for the proposed deletion of section 3051(a)(3), the ISOR states: “Former subdivision (a)(3) is deleted because the reference to sections 3060–
3065 specifically relates to nonpublic school and agency certification requirements. Related services, in addition to nonpublic schools and agencies, are also provided by LEAs and public agencies. The entities are not subject to nonpublic school and agency certification requirements and have personnel boards that establish their own minimum employee qualifications.”

Reasonably, many commenters understood the wording of the ISOR to mean that there is one standard for providing related services to students with IEPs in public schools and a separate standard for providing related services to students with IEPs in nonpublic schools. Further, commenters questioned the meaning of the assertion that LEAs and public agencies “have personnel boards that establish their own minimum employee qualification.” Commenters were also concerned about a phrase used throughout Section 3051, et seq., that said individuals providing a service “shall be qualified,” as defined in section 3001(v), while Section 3065 listed personnel qualifications that were specific and detailed.

After much research and discussion, CDE staff determined that although the two separate sections defining related services and staff qualifications had evolved over time, no statutory requirements exist to perpetuate a separate section pertaining exclusively to students in nonpublic schools and nonpublic agencies. The many comments that the CDE received during the 45-day public comment period illustrate a need to create and maintain one regulatory section pertaining to the standards and staff qualifications for providing related services. Amendments to this regulatory package have been made accordingly by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq., and then amending 5 CCR 3065 to specify that “(a) To be eligible for certification to provide related services to individuals with exceptional needs, nonpublic schools and nonpublic agencies shall meet the requirements of Section 3051, et seq.”

Rebecca Cervenak, Staff Attorney; and Lauren Giardina, Staff Attorney; Taymour Ravandi, Staff Attorney, Disability Rights California (DRC) Paula Pearlman, Executive Director, Disability Rights Legal Center Sylvia Youngblood, Representative, Governmental Affairs Committee, Los Angeles Learning Disabilities Association

**Comment: Section 3051:** The commenters say that amendments to section 3051 will result in significantly lower standards for public school providers. The commenters say that if the word “credentialed” is substituted for the more nebulous word “qualified,” and LEAs are given deference to determine whether a specific person is qualified, students will be at high risk of receiving services from unqualified personnel.

**Accept:** Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.
Marcia Eichelberger, Steering Committee Representative, Alliance of California Autism Organization

Comment: Section 3051: The commenter is concerned that the CDE proposes to entrench and deepen the double standard between services in public and in nonpublic schools. Both parts of this modification are disturbing. It makes no sense to strip qualification requirements from public school providers of related services. Parents want and need to trust school staff, but if districts are given complete flexibility to provide speech therapy with aides under supervision of "qualified" people, and allowed to use anyone they deem "qualified" to provide psychotherapy, they will not be able to. It is not difficult to spell out staff qualifications, as the proposed regulations do so in detail for nonpublic school and agency employees. In fact, it appears that they do so in so much detail that some programs will either no longer be able to operate or will have to drastically increase their charges to school districts and privately paying families. There need to be unitary, reasonable standards for service providers that apply regardless of whether children are in a public or certified nonpublic program.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Laura Faer, Statewide Education Rights Director, Public Counsel Law Center

Comment: Section 3051

We strongly disagree with the amendments throughout this section, which when read in relation to the very specific qualification requirements for personnel providing related services in Non-Public School, appear to severely weaken and water down any requirements for maintaining, training, and retaining highly qualified and consistent personnel throughout the state to serve children with disabilities.

Pursuant to 34 CFR section 300.156, the State Education Agency has a clear duty to “establish and maintain qualifications” and to create statewide policy “that includes a requirement that LEAs in the State take measurable steps to recruit, hire, train, and retain highly qualified personnel to provide special education and related services under this part to children with disabilities.” The State Education Agency is also responsible for ensuring that all such individuals are highly qualified and have not had “certification or licensure requirements waived on an emergency, temporary or provisional basis.” Throughout this section, the Department of Education proposes deleting requirements that individuals providing related services, including speech, language, hearing, occupational, and physical therapy have credentials and/or licenses and instead proposes that such individuals “be qualified.”

The ISOR claims that the purpose of such changes generally is to recognize that qualified means those “who are either licensed by the CDCA or have an appropriate credential issued by the CTC, and also meet the minimal qualifications of the employing
agency.” If in fact, the intention is to actually ensure that such individuals both have a credential and/or license as required by the specific state body in the area listed and meet any additional minimal qualifications set forth by the local education agency, then this should be specifically included throughout the regulations, as it has been done in detail for Non-Public Schools/Agencies. As such, we ask that the qualification requirements for related service providers and assessors for LEAs mirror those in section 3065 for Non-Public Schools.

The current approach of deleting any specific requirements for credentialing or licensure is an abrogation of the State’s duty to establish and maintain clear standards. These changes will likely result in further diminution in the quality of services and great inconsistencies and variations in quality and accessibility of services to our children most in need and further litigation with respect to who is or is not qualified. These changes are also likely to create confusion among professionals, parents, and pupils. The existing regulations ensure a level of consistency throughout the state and avoid differential treatment and level of services based on local policy. The State has a duty under federal law to specify what is required to ensure high quality related services for children, in remaining silent in the regulation and lowering the standards for local education agencies while maintaining clear qualification standards for non-public schools/agencies it is abdicating that authority and responsibility.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3051: The commenters strongly oppose the removal of all licensing or credential requirements for public school students. This puts all California special education students at risk of receiving substandard services. These changes when paired with the credentialing and licensing requirements maintained in the Code for NPS/NPAs appears on it face to be discriminatory and a direct attack on NPS/NPAs which provide a significant service to California students. Furthermore the reference to the federal regulations in these sections is circuitous because the federal regulations loop back to reliance on states for developing qualifications.

The commenter proposes that specific qualification criteria be retained and, if necessary, clarified and updated. Indicating that providers must be “qualified” under 34 C.F.R. § 300.156(b) is circular and illogical, as federal regulations leave the determination of requirements for staff qualifications largely to states. Though the ostensible purpose of removing specific qualifications is to clarify that either credentialed or licensed individuals may provide services, so long as they meet standards of the local educational agency, it is virtually certain that districts would take
this new language to grant enormous flexibility in deciding who is “qualified” to provide services. A major law firm representing districts—Lozano Smith—has already diffused that interpretation. Parents, administrators and related services providers and prospective providers need to be able to access information about what qualifications are in fact required. These are set forth in sections of the proposed regulations relating to NPAs and NPSs, and identical standards should apply for public schools.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Esteban Fuentes, Treasurer; Jose Luis and Gloria Hernandez, President and Founders; Rosa Hernandez; Maria Garcia; Hilda Cuenca; Martha Mora; Grupo de Autismo Angeles

Grace Trujillo

Comment: Section 3051: The commenters express concern about the proposed gap between qualifications of professionals in public versus private systems. The commenters note that letting school districts decide to call anyone they want “qualified” is a scary proposition.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California

Comment: Section 3051(a)(3): The commenter expresses serious concerns about the use of “qualified personnel” without defining what constitutes qualified. An attempt to locate the definitions of what qualifications are for a specific professional from the California Teacher Credentialing (CTC and the California Department of Consumer Affairs (CDCA) as directed in the Title 5 Proposed Rules and Regulations was an exercise in futility. Parents need to know what qualifications are required and where to look up whether staff working with their child have them. The commenter sees no reason not to include specific qualifications – which are now set forth for nonpublic schools – in provisions for public schools as well. Failing to set forth qualifications is dangerous. While the intent is apparently to allow either licensed or credentialed individuals to provide therapy in public schools, districts are likely to construe “qualified” as an invitation to eliminate or fail to replace such personnel and make their own, local decisions as to what constitutes “qualifications.” It is mandatory that the specific
qualifications for each entity and individual providing related services be included in the regulations.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center

Comment: Section 3051(a)(3): Subdivision (a)(3) of Section 3051 should not be excised. The Proposed Title 5 Amendment “ISOR” claims that subdivision (a)(3) was deleted because “the reference to sections 3060 - 3065 specifically relates to nonpublic school and agency certification requirements. Related Services, in addition to nonpublic schools and agencies, are also provided by LEA and public agencies. The entities are not subject to nonpublic school and agency certification requirements and have personnel boards that establish their own minimum employee qualifications.” This statement is incorrect. Section 3065 amendments related to non-public schools have very clear and specific requirements for “Related Services” which contradicts the proposed amendments to section 3051.

The requirements for “Related Services” should have a minimum requirement for both public and non-public school. These requirements should not differ; otherwise, the CDE risks creating a dual and unequal system in which students who attend non-public schools/agencies are likely to receive services of higher quality than those who remain in the public system. Under the proposed amendments to section 3065, students who attend non-public school/agencies will be ensured certification requirements for “Related Services,” but students attending public schools will not. Instead, public school students will solely be entitled to a “qualified” person, which is undefined and vague by the proposed regulation. (See Section C.) This proposed regulation would increase demand for non-public school services and the attendant cost, most of which would be passed along to contracting school districts and families.

The “Certification” requirements should not be excised from section 3051.1-3051.18. The state is required to ensure that each of the related services meet the “recognized certification, licensing, registration, or other comparable requirements that apply to the professional discipline…” 34 CFR 300.156(b). The Proposed Title 5 Amendment fails to meet this standard. The proposed Title 5 Amendment’s systematically and intentionally removes all of the credentialing language for each of the related services. This proposed regulation is an attempt to circumvent the requirements for ensuring that students with disabilities receive the specialized services as required
by federal law. The proposed regulation removes the specific “certification” requirements, leaving "qualified," again an undefined term, as the standard. If certification is removed from 3051.1-3051.18, then the qualifications are left undefined and the impacted students are left without a true standard for services rendered. Students with disabilities are entitled to know the credentials and legal requirements of the professionals who will be providing the related services. The very point of including therapeutic related services in an IEP is to provide students in need of specialized services care that is beyond the capacities of trained special education teachers. Taking away the “certification” standards, defeats the regulation’s intended purpose. Additionally, the proposed amendments to Section 3051 et seq. and 3065 create inconsistencies. For example, there is no explanation regarding why non-public schools and agencies have the personnel requirements, but public schools do not. This will create hardship and confusion in complying with the regulation. For ease of review, we have prepared a chart outlining the Proposed Title 5 Amendment’s inconsistencies and all of Learning Rights concerns regarding the amendments, attached hereto at Exhibit A.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Valerie Vanaman, Attorney, Newman, Aaronson, Vanaman
Comment: Section 3051: The rationale given for the elimination of specific qualifications a provider of related services must possess and the substitution of the words "qualified provider" is circular, difficult to follow and ultimately does not seem to have any legal basis. Since it is clear that the Department of Education does know how to define the qualifications a related services provider should possess and since it does so with precision in the regulations governing nonpublic schools, it is difficult to understand why such definition is eliminated from these sections.

The initial questions raised by, and that must be answered in adopting any of these regulations are the following:

1. Will a student attending a non-public school have a provider who is fully certificated or licensed in the service being provided while a student attending a public school program may have the service provided by anyone the local education agency decides to deem "qualified?"
2. If non-public schools are required to meet "state standards" does this mean those "state standards" do not apply for students who attend public schools?
3. How will any parent know whether or not the individual providing the service is "qualified?"
4. Is the State Department of Education prepared to permit students in one district to receive services from an individual who is "qualified" in a different manner than a
student in a different district so that students in wealthier districts receive services from
credentialed individuals while students in a poorer district receive services from far less
"qualified" individual? Is the State Department of Education prepared to defend unequal
services for students with disabilities based on the wealth of the district? The State
Department of Education proposes to replace a set of unambiguous standards capable
of being understood and applied on a statewide basis with the most ambiguous
standards possible and to, in effect, create within each local educational agency a
system of qualifications. Such a system abrogates the responsibility of the State
Department of Education to ensure equality among students regardless of the financial
status of the district in which they live, creates a situation in which litigation is not only
necessary but inevitable and thereby ensures that years of costly litigation for both local
educational agencies and the State Department of Education will take place. The
suggestion in the Proposed Regulation that there is no financial or economic impact is
false and unable to be supported by the State Department of Education. Among other
things, but without limitation, the State of California will face a financial and economic
impact when it is forced to defend a system of regulations that fails to ensure equality of
students throughout the State and regardless of the wealth of the local educational
agency in which they reside.

Accept: Please see the comments that introduce this section of the Final Statement of
Reasons. Amendments to this regulatory section have been made by transferring the
detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the
standards for providing related services and the professional requirements of personnel
providing related services to all students with IEPs. Section 3065 has been amended to
state that nonpublic schools and nonpublic agencies shall meet the requirements of
section 3051 et seq.

SECTION 3051.1

Laura Faer, Statewide Education Rights Director, Public Counsel Law Center
Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities
Association of California

Section 3051.1(a) and (c): One commenter notes that deleting the requirement for
holding “an appropriate credential with specialization in language, speech and hearing”
is troubling, as it is likely to be interpreted without further clarification that a teacher or
other individual who is not a speech and language therapist is qualified to address
language, speech and hearing issues and will likely result in the further diminution of
quality services to our children most in need. The regulation should reflect the statement
of reasons and provide explicitly that: “qualified means individuals who are either
licensed by the CDCA or have an appropriate credential issued by the CTC, and also
meet the minimum qualifications of the employing agency.” This change is going to
result in considerable confusion about who is or is not qualified and the State is not
providing the required guidance under 300.156. Another commenter notes that the
qualifications need to be clear.

Accept: Please see the comments that introduce this section of the Final Statement of
Reasons. Amendments to this regulatory section have been made by transferring the
detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the
standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Anne Delfosse, President, California Speech-Language-Hearing Association
William E. Barnaby, III, Legislative Counsel, California Speech-Language-Hearing Association

Comment: Section 3051.1(c): The commenters advocate that the use of the word “aide” be amended to “assistant.” The commenters note that the proposed regulation references Education Code section 56363(b)(1), which states “The language and speech development and remediation services may be provided by a speech-language pathology assistant as defined in subdivision (i) of Section 2530.2 of the Business and Professions Code.” Business and Professions Code section 2530.2(i) provides the definition of a speech-language pathology assistant. The commenters note that a speech-language pathology aide lacks the education and training that a speech-language pathology assistant has received and that speech-language pathology assistants are licensed paraprofessionals.

Accept: The CDE agrees that it is necessary to amend section 3051.1(c) to replace the word “aide” with the word “assistant” to align with Education Code.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3051.1: The commenters say that requiring simply that providers be “qualified” is insufficient. Services may be delegated to teachers, without caseload limits or assurances that teachers have either the time or expertise to provide therapies. There is no provision as to how parents would be informed, or what consent requirements would apply, if a district proposes to deliver “therapy” through an aide. Nonpublic schools and agencies are required to use SLPAs if they do not use fully credentialed or licensed speech and language therapists; and the same requirements should protect students in public schools. Existing requirements should be enhanced, not weakened. The prospect of aides not meeting SLPA qualifications providing speech and language therapy services is troubling, as the reason for granting such services is that students need specialized intervention their teacher cannot provide.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Comment: Section 3051.1: One commenter notes that the current language of the regulation should be retained. One commenter's notes about this section read as follows: “No longer required to have speech, language and hearing development and remediation provided with a credential person with a specialization in speech, language and hearing. Also, this change will result in aides working under supervision of a "qualified" person, who may not hold a certification. This is inconsistent. Under the amendment for 3065(k)(2) Language and speech development and remediation, as defined in section 3051.1, shall be provided only by personnel who possess: (1)(A) a license in Speech-Language Pathology issued by a licensing agency within the Department of Consumer Affairs; or (2)(B) a credential authorizing language or speech services. (A) Services provided by a Speech-Language Pathology Assistant shall be supervised by a Speech-Language Pathologist as defined in Business and Professions Code section 2530.2(i)."

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Valerie Vanaman, Attorney, Newman, Aaronson, Vanaman

Comment: Section 3051.1: The existing regulation is specific and requires that the individual providing the related service have an appropriate credential with specialization in language, speech and hearing. The change proposed is that the individual providing the service "shall be qualified." The questions raised by this proposal are the following:

1. Qualified by whom? The explanatory information provided states that "minimum qualifications are governed by the local educational or public educational agency consistent with professional requirements established for this service by the CDCA or CTC." Does this mean that each local educational agency or public educational agency is to establish and publish statements of who is qualified to deliver speech and language services? If so, where in the proposed regulations are they required to do so? If not, how is a family to know if the individual providing the services is "qualified?" If a student has been receiving speech and language services for some time and the parent sees no progress being made and suspects that the provider is not trained or credentialed to provide such services, how will the parent be able to learn the "qualifications" that were applied and whether or not the provider meets such qualifications? This proposed lack of direction and abrogation of responsibility on the part of the State Department of Education is not legally permitted by the existing statutory scheme. It will lead to extensive litigation in case after case when parents find it necessary to assert that the individual providing services was not "qualified" to do so.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the
detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

SECTION 3051.2

Laura Faer, Statewide Education Rights Director, Public Counsel Law Center
Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California

Section 3051.2(b): One commenter notes that if in fact the rationale for this change is to ensure that individuals “who are either licensed by the CDCA or have an appropriate credential issued by the CTC, and also meet the minimal qualifications of the employing agency” are the only ones who may provide such services, then this language should be the language of the regulation. The rationale provided here will not be consulted by schools and districts in the field when making hiring decisions and this language needs to provide clear state guidance regarding qualifications. Another commenter notes that the qualifications need to be clear.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3051.2: The commenters are concerned that it would be extremely difficult for parents and advocates to understand what “qualified” means, and indeed difficult for school districts wanting to “do the right thing” to know what level of expertise is necessary. Audiology services are highly technical and necessary expertise should be defined.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Comment: Section 3051.2: One commenter notes that the current language of the regulation should be retained. Another commenter’s notes about this section read as follows: “No longer required to have a valid credential person providing audiological services. This is inconsistent with the following in amendment 3065(c)(2) Audiological services, as defined in section 3051.2, shall be provided only by personnel who possess: (1)(A) a license in Audiology issued by a licensing agency within the Department of Consumer Affairs; or (2)(B) a credential authorizing audiology services.”

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Valerie Vanaman, Attorney, Newman, Aaronson, Vanaman

Comment: Section 3051.2(b): It is particularly troubling to believe that the State Department of Education is prepared to leave to the hands of, apparently, just anyone the determination of whether or not a student has a hearing loss. The existing regulation provides that the person providing audiological services "shall hold a valid credential with a specialization .... " Now, such individual only need to be "qualified." The rationale given for the change makes no sense. That rationale states that it is necessary to "recognize that individuals who are either licensed by the COCA or have an appropriate credential issued by the CTC, and also meet the minimum qualifications of the employing agency” may provide the service. If the individual must have the license or credential, then that language must stay in place and the only addition would be to add to the regulation the requirement that the individual also meet the qualifications of the employing agency. The rationale does not match the actual language change proposed and there is no basis for this change under the law.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

SECTION 3051.3

Laura Faer, Statewide Education Rights Director, Public Counsel Law
Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center

Comment: Section 3051.3(b): One commenter notes that if in fact the rationale for this change is to ensure that individuals “who are either licensed by the CDCA or have an
appropriate credential issued by the CTC, and also meet the minimal qualifications of
the employing agency” are the only ones who may provide such services, then this
language should be the language of the regulation. The rationale provided here will not
be consulted by schools and districts in the field when making hiring decisions and this
language needs to provide clear state guidance regarding qualifications. Another
commenter notes that the qualifications need to be clear.

Another commenter says that the current language of the regulation should be retained,
and the commenter’s additional notes about this section read as follows: “Again
changes the requirement to have “qualified” individual rather than a “credentialed”
orientation and mobility specialist. This section is inconsistent with 3065(n)(2)
Orientation and mobility instruction, as defined in section 3051.3, shall be provided only
by personnel who possess a credential that authorizes services in orientation and
mobility instruction.”

Accept: Please see the comments that introduce this section of the Final Statement of
Reasons. Amendments to this regulatory section have been made by transferring the
detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the
standards for providing related services and the professional requirements of personnel
providing related services to all students with IEPs. Section 3065 has been amended to
state that nonpublic schools and nonpublic agencies shall meet the requirements of
section 3051 et seq.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California
Association of Parent-Child Advocacy (CAPCA)
Comment: Section 3051.3: The commenters are concerned that orientation and
mobility services are highly technical, require an understanding of diverse kinds and
degrees of visual impairment, and critical for the short- and long-run safety and
productivity of students with visual impairment. Moreover, removing any specification
makes it impossible for districts and families to understand what level of expertise is
required in order to be “qualified” to provide these vital services, heightening safety risks
for students and liability risks for school districts.

Accept: Please see the comments that introduce this section of the Final Statement of
Reasons. Amendments to this regulatory section have been made by transferring the
detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the
standards for providing related services and the professional requirements of personnel
providing related services to all students with IEPs. Section 3065 has been amended to
state that nonpublic schools and nonpublic agencies shall meet the requirements of
section 3051 et seq.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government
Policy and Community Relations, Congress of Racial Equality of California
(CORE-CA)
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law
Center
Comment: Section 3051.3: One commenter notes that the current language of the
regulation should be retained. Another commenter’s notes about this section read as
follows: “Again changes the requirement to have ‘qualified’ individual rather than a ‘credentialed’ orientation and mobility specialist. This section is inconsistent with 3065(n)(2) Orientation and mobility instruction, as defined in section 3051.3, shall be provided only by personnel who possess a credential that authorizes services in orientation and mobility instruction.”

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Valerie Vanaman, Attorney, Newman, Aaronson, Vanaman

Comment: Section 3051.3(b): The commenters says that the proposed regulation eliminates any specific requirement and replaces the requirement with the ambiguous term "qualified." If a student is receiving orientation and mobility services and is injured as a result of the fact that the provider only met the minimum qualification of the employing agency but did not actually possess an orientation and mobility credential, will the State Department of Education be liable for the injuries suffered by the Student as a result of its failure to ensure that providers of this service were appropriately credentialed? As with the proposed change in item B above, if the only purpose is to add to the regulation that the individual must also meet the minimum qualifications of the employer, which is what the rationale says is the purpose, then what is the justification for removing the more specific language regarding the needed necessary credential?

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

SECTION 3051.5

Laura Faer, Statewide Education Rights Director, Public Counsel Law

Comment: Section 3051.5(b): Same concern as above. The rationale provided is that this amendment recognizes that “individuals who have an appropriate credential issued by the CTC, and also meet the minimum qualifications of the employing agency” may provide this service; however, the change implies something different. If this is the intent, then the regulatory language should at minimum read: “The individual shall have an appropriate credential to provide adapted physical education issued by the CTC, and also meet the minimum qualifications of the employing agency.”

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the
detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Comment: Section 3051.5: The commenters are concerned about removing access to individuals with genuine training and expertise in developing fitness, strength and leisure skill development programs for students with disabilities. As with orientation and mobility services, training is required to protect students’ physical safety as well as to foster skill acquisition.
Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Comment: Section 3051.5: One commenter notes that the current language of the regulation should be maintained. The commenter’s notes about this section read as follows: “Changes the requirements from those providing APE from being credentialed to just being "qualified". This is inconsistent with 3065 (a)(2) Adapted physical education, as defined in section 3051.5, shall be provided only by personnel who possess a credential issued by the California Commission on Teacher Credentialing that authorizes service in adapted physical education.”
Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Valerie Vanaman, Attorney, Newman, Aaronson, Vanaman
Comment: Section 3051.5(b): The commenter says that the proposed amendment removes the requirement that the individual providing adaptive physical education have a "credential authorizing the teaching of adaptive physical education" in favor of language providing that the individual be "qualified." As with B, C. and D above, the
rationale is that the State Department of Education is adding to the requirements by providing that the "qualified" individual must have an appropriate credential issued by the CTC and also meet the minimum qualifications of the employer. If this is an addition of a requirement only, what is the rationale for removing the specific language requiring the possession of a credential? There is no legally sufficient rationale presented for this change.

Moreover, on a purely practical level, this one provides yet another example of why litigation in individual cases is inevitable given the proposed changes. For example, a parent comes to our office complaining that because the student cannot meet the requirements that have been imposed by the individual providing what are suppose to be adaptive physical education services for sit ups, the student must work on that single skill throughout the physical education period and is not permitted to engage in any other physical education activity until the minimum standard is met. The parent wants to know how he or she can find out if the individual providing the service is "qualified" to provide such service and what can be done to challenge the fact that the service is not being done consistent with the student's unique and individual needs. Litigation will surely then ensue with regard to both questions.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq..

SECTION 3051.6

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Comment: Section 3051.6(b): Why eliminate the definitive language?
Response: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Laura Faer, Statewide Education Rights Director, Public Counsel Law
Comment: Section 3051.6(b): Same concern as above. If as specified in the ISOR, the intent is to recognize that Physical and Occupational Therapists are now licensed by the CDCA, Physical Therapy and Occupational Board Boards respectively and that such individuals must also meet the minimum qualifications of the employing agency, then the language should reflect that all such therapists must be so licensed.
Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3051.6: The commenters are concerned that under the proposed language, students will lose access to genuinely qualified personnel and that neither families nor district staff will have clear guidance as to qualifications for these important, safety related services. It appears that the intent is that physical and occupational therapy therapy will be provided by individuals licensed by the California Department of Consumer Affairs. The regulation should state that so that parents and administrators know what is required and how to verify appropriate credentials. CAPCA agrees that whether a school is accredited is a matter for consideration by licensing authorities and should be removed from the special education regulatory framework.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center

Comment: Section 3051.6: The commenter says that the current language of the regulation should be maintained. The commenter’s additional notes on the section read as follows: “Removes the certification requirements and leaves only the person is qualified: ‘the services specified in the Business and Professions Code section 2570.2(k).’ Inconsistent with the proposed recommendations of 3065(p)(2) Physical therapy, as defined in section 3051.6, shall be provided only by personnel who possess a valid license in Physical Therapy issued by a licensing agency within the Department of Consumer Affairs.”

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.
Valerie Vanaman, Attorney, Newman, Aaronson, Vanaman

Comment: Section 3051.6(b): As with each of the above regulations, the rationale provided for this change is that it adds the requirement that the provider meet the minimum requirements of the employer. Since it is an addition, the change should only be the "clean up" of the agency and/or governing board certifying occupational therapists and physical therapists with the addition that the provider meet the employers minimum qualifications. There is no rationale or legal authority for eliminating the specific qualification language.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

SECTION 3051.7

Laura Faer, Statewide Education Rights Director, Public Counsel Law

Comment: Section 3051.7(a): Same concerns as above. Existing regulations ensure that vision services are "provided by a credentialed teacher of the visually handicapped" and the Department’s suggestion is only that such individuals “be qualified” with no explanation or guidance in the actual regulations about what that means and how districts should implement or hire staff, is problematic. If as specified in the ISOR, the intent is that such individuals meet the professional standards required established by the CDCA and the CTC in terms of being either licensed by the former or credentialed by the latter in the area of vision services, then that should be provided in the regulations.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3051.7: The commenter have the same concerns as for other services. Relevant licenses and credentials should be set forth.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to
state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center

Comment: Section 3051.7: The commenter says that this section should align with 3065. The commenter's additional notes on this section read as follows:” No longer requires credentialed individual, lowered to ‘qualified’ one. Inconsistent with 3065 (x)(2) Vision services, as defined in section 3051.7, shall be provided only by personnel who possess:(1)(A) a license as an Optometrist, Ophthalmologist, Physician or Surgeon, issued by a licensing agency within the Department of Consumer Affairs and authorizing the licensee to provide the services rendered, or (2)(B) a valid credential authorizing vision instruction or services. (y)(x) Other related services not identified in this section shall only be provided by staff who possess a:”

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Valerie Vanaman, Attorney, Newman, Aaronson, Vanaman

Comment: Section 3051.7(a): Vision services are a unique service. They cannot be provided by just anyone who happens to have had any type of training. The existing regulation is quite specific as to the qualifications an individual must have, including the language that the services "shall be provided by a credentialed teacher of the visually handicapped." While it is appropriate to change the word "handicapped" it is not appropriate to remove the language requiring the service to be provided by a credentialed teacher of the visually impaired and replace it with the word "qualified." This is particularly the case given that, unlike some other sections, the rationale for this change seems to be that the local educational agency can adopt any standards it wants for individuals providing this service and without regard to actual credentialing requirements. Moreover, there is no requirement in this regulation that the local educational agency formally adopt and publish these requirements. It appears as though the State Department of Education is not only abrogating its total responsibility to the visually disabled, it is doing so without even requiring local educational agencies to engage in even a minimal process for establishing the "qualifications" for these "qualified" individuals. Of prime significance is the fact that the proposed regulation will result in a system in which the level of actual services delivered will vary widely from local educational agency to local educational agency. By permitting each local educational agency to establish the "minimum" qualification for this service, a student living in a wealthy district, for example, may have an actually credentialed teacher while a student in a poorer district may well have an individual who lacks a credential for visually impaired students but who, nonetheless, has been determined "qualified" by the local educational agency. This type of inequality is not permitted by state and federal
law and there is no legal basis for the adoption of this proposed change or any other proposed change that leaves it up to the local educational agency to define the term "qualified."

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

SECTION 3051.75

Sue Balt, 2012-13 Chair, California Association of SELPA Administrators
Heather DiFede, Senior Director, East County SELPA

Comment: The commenters recommend that references to “vision therapy” be removed from the regulations because of a lack of scientifically based and peer-reviewed research. Further, the federal regulations regarding related services are not exhaustive and do not preclude the offering of these services if appropriate on the basis of the individual students’ needs.

Reject: The CDE has determined to retain this regulatory section on “vision therapy” to preserve state standards for students whose IEPs require this related service.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3051.75: The commenters cannot tell whether any change is being proposed here. Is any?

Response: The “Note” of this section had been amended when the regulations were made available during the 45-day public comment period. Since then, the “Note” has been further amended.

SECTION 3051.10

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)

Comment: Section 3051.10(a): Why eliminate line (a) when it is specific?

Response: Subsection (a) of section 3051.10 has been reinstated.

Laura Faer, Statewide Education Rights Director, Public Counsel Law

Comment: Section 3051.10(a): The commenter says this change not only suggests that psychological services does not include “counseling” but also eliminates the requirement that such individuals be “credentialed or licensed”; again, the state has a responsibility to establish the standards to ensure that the staff who provide such services are highly qualified. These changes do the opposite. If the intent is to establish that such individuals shall be either licensed by CDCA or credentialed by CTC as
appropriate depending on the title and must also meet the qualifications of the employing agency, then that should be made clear in the regulation.

**Accept:** Please see the comments that introduce this section of the Final Statement of Reasons. Subsection (a) of section 3051.10 has been reinstated. In addition, amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

**Jeff Frost, Legislative Advocate, California Association of School Psychologists (CASP)**

**Comment: Section 3051.10(a):** The commenter recommends that subsection (a) be retained in the regulations and asserts that the subsection’s removal deletes the authority of school psychologists to perform counseling services to students with IEPs. The commenter notes that the deletion of this subsection of the regulations is contrary to guidance that was developed in stakeholder group meetings led by the California Department of Education following the repeal of Assembly Bill (AB 3632).

**Accept:** Subsection (a) of section 3051.10 has been reinstated.

**Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)**

**Comment: Section 3051.10:** The commenters believe that it is vital to make clear that districts must provide, or contract for, actual “counseling,” not simply “implement” a “counseling program” which might be taken to involve supervising an information and referral service or urging families to use insurance. Moreover, it is alarming to water down and remove specificity from counseling staff qualification requirements just after the legislature has seen fit to turn over educationally related mental health services—even for students with the most complex and acute needs—to school districts. Districts need to be pressed by the state to increase internal expertise, not given additional leeway to decide who is qualified to provide services that affect educational achievement and in some cases survival.

**Accept:** Please see the comments that introduce this section of the Final Statement of Reasons. Subsection (a) of section 3051.10 has been reinstated. In addition, amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

**Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California**

**Comment: Section 3051.10(a):** The commenter recommends that necessary qualifications by CDCA and/or CTC must be included in the regulations. In addition, the
amendment of subsection 3051.10(a) goes beyond deleting qualifications and appears to delete a service of counseling. The commenter expresses concern that districts may think it is somehow different to implement a “program” of counseling and may view this change as an excuse to reduce counseling services that need to be expanding given the loss of the traditional county-based system for providing mental health services to students with disabilities.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Subsection (a) of section 3051.10 has been reinstated. In addition, amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Maureen Burness, Policy Committee Chair, Advisory Commission on Special Education
Paula Pearlman, Executive Director, Disability Rights Legal Center
Comment: Section 3051.10(a): Commenter opposes the elimination of counseling services in the list of psychological services to be provided.
Accept: Subsection (a) of section 3051.10 has been reinstated.

Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Comment: Section 3051.10: The commenter says that as a result of the removal of AB 3632 we are concerned with any removal of counseling as a service especially by a credentialed or licensed psychologist. These regulations should be expanded rather than reduced. The definition under 3065 provides an appropriate description about psychological services:

3065 (p)(1) “Psychological services” means:(A) the application of psychological principles and methods including, but not limited to, procedures on interviewing, psycho-educational assessment, diagnosis of specific learning and behavioral disabilities, and amelioration of learning and behavioral problems of individuals or groups through applied psychotherapy.(B) This term does not include assessment services and the development of an IEP. (2) Psychological services required by a student’s IEP may be rendered by any of the following professionals employed by a nonpublic school or agency who possess the credential or license required by law for the performance of particular psychological services by members of that profession:(A) Educational Psychologist pursuant to Business and Professions Code Section 4989.14;(B) Marriage and Family Therapist pursuant to Business and Professions Code Section 4980.02;(C) Licensed Clinical Social Worker pursuant to Business and Professions Code Section 4996.9; or(D) Licensed Psychologist pursuant to Business and Professions Code Section 2903.(E) pupil personnel services credential that authorizes school psychology. Align personnel requirements with 3065.
The Proposed Title 5 Amendment fails to account for the removal of AB 3632 mental health services. On March 13, 2013 Fred Balcom, Special Education Division of the CDE, published a letter “Assembly Bill 114: Documenting Coordinated Services (Bundled Services) in Individualized Education Programs (‘IEP’) to Comply with the Individuals With Disabilities Education Act Requirements.” This letter describes how school districts should now provide services previously provided by AB 3632. Many of the mental health services were previously “bundled” and guidance was provided by Mr. Balcom describing how to use related services such as: counseling, behavior intervention, parent counseling, psychological services, and recreation services, to provide mental health services as part of a student’s IEP. This letter explained how a district could implement a “wrap-around” program or “day-treatment” program by combining related services. Instead of adding information to the related services referenced in this letter to guide districts on how to implement mental health, the Proposed Title 5 Amendment outright removes the professional requirements for many of these related services. The Proposed Title 5 Amendment fails to address and clarify how students with mental health services can be served by the Local Education Agency (“LEA” or “district”). This is unacceptable and will leave students needing special education services unprotected and without a standard of control over persons providing services. School Districts need guidance governed by regulations on how to combine related services to address students’ mental health needs. To remedy this undesirable result, Learning Rights proposes the CDE include additional language to the Proposed Title 5 Amendment to ensure that section 3051 et seq. is revised consistent with March 13, 2013 Mr. Balcom’s letter.

**Partially accept and partially reject:** Regarding the commenter’s concern about the removal of counseling from the list of psychological services, please see the comments that introduce this section of the Final Statement of Reasons. Subsection (a) of section 3051.10 has been reinstated. In addition, amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

As to the commenter’s assertion that additional regulations should be added to Title 5 to “account for the removal of AB 3632,” the CDE has no statutory authority to take this action. Since the repeal of AB 3632, the CDE has worked with a broad range of stakeholders to develop extensive guidance to assist LEAs in addressing students’ mental health care needs. These many guidance documents and information about the workgroup and its meetings are available at the CDE Web site at [http://www.cde.ca.gov/sp/se/ac/ab114twg.asp](http://www.cde.ca.gov/sp/se/ac/ab114twg.asp).

Valerie Vanaman, Attorney, Newman, Aaronson, Vanaman

Comment: Section 3051.10(a) and (c): The rationale given for the change in subdivision (a) is that it is deleted to "eliminate any reference to personnel qualifications." The rationale goes on to provide that "minimum qualifications are governed by the LEA or public educational agency consistent with professional
requirements established for this service by the CDCA or the CTC." If the requirements from the CDCA or CTC continue to apply, why are they being removed? Is it the intent of the State Department of Education to also abrogate all of its responsibility in this area by permitting LEA's to develop whatever minimum qualifications they may desire? If so, how is conformity across the State to be ensured? How will the State Department of Education ensure that students in a poorer district are provided with the same "qualified" personnel as students in more wealthy districts?

If subdivision c is being changed simply to add that the individuals must also meet the minimum qualifications of the employer, then why are the specific requirements being removed and that new requirement only added? How will the State Department of Education monitor the "minimum" requirements adopted by the local educational agencies? How will the State Department of Education ensure that the "minimum" requirements adopted by the local educational agencies include the credentialing and licensing requirements that the rationale seems to suggest must be incorporated? Where in the regulations are local educational agencies required to publish the minimum qualifications that are adopted? Is the State Department of Education making it legally acceptable for a student in one local educational agency to have counseling services from a fully credentialed individual and for a similarly situated student in another local educational agency to receive counseling services only from an individual with, for example, an associate degree who has been given some in house training? Will the State Department of Education be financially responsible if during the course of counseling, a student reveals information that puts the student or other students at risk but the individual providing the counseling does not meet the educational requirements for an individual who is fully licensed and credentialed and fails to report the information in the manner required by law because the individual is unaware of the reporting requirements?

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Subsection (a) of section 3051.10 has been reinstated. In addition, amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

SECTION 3051.11

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)

Comment: Section 3051.11: Commenter notes that all qualifications for parent trainers are eliminated and must be replaced.

Accept: A review of the original regulatory section will show that it did not contain qualifications for parent trainers; however, please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have
been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Laura Faer, Statewide Education Rights Director, Public Counsel Law Comment: Section 3051.11 Same concerns and recommendations. 
Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA) Comment: Section 3051.11: The commenters believe qualifications should be clear and consistent between public and nonpublic programs. 
Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center Comment: Section 3051.11: The commenter recommends that this section be aligned with 5 CCR 3065. The commenter’s notes about this section also reads as follows: “Adds requirement that counseling and training be provided by ‘qualified’ individual. This section is inconsistent with the proposed amendments of 3065 (o)(2) Parent counseling and training, as defined in section 3051.11, shall be provided only by personnel who possess a: (1)(A) credential that authorizes special education instruction; or (2)(B) credential that authorizes health and nursing services; or (3)(C) license as a Marriage and Family Therapist, or Marriage, and Family Intern under supervision of either a Marriage and Family Therapist, licensed Clinical Social Worker, licensed Psychologist, or a Physician who is certified in psychiatry by either the Medical Board of California, the Board of Behavioral Sciences, or the Board of Psychology, within the Department of Consumer Affairs; or (4)(D) license as a Clinical Social Worker, or Associate Clinical Social Worker under supervision of either a licensed Clinical Social Worker or a licensed Mental Health Professional by the Board of Behavioral Sciences, within the Department of Consumer Affairs; or (5)(E) license as an Educational Psychologist, issued by a licensing agency within the Department of Consumer Affairs; or (6)(F)
license as a psychologist, or who are working under the supervision of a licensed psychologist, both regulated by the Board of Psychology, within the Department of Consumer Affairs; or (7)(G) pupil personnel services credential that authorizes school counseling or school psychology or school social work.”

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

SECTION 3051.14

Laura Faer, Statewide Education Rights Director, Public Counsel Law
Comment: Section 3051.14 Same concerns and recommendations.
Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Comment: Section 3051.14: The commenters believe qualifications should be clear and consistent between public and nonpublic programs.
Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Comment: Section 3051.14: The commenter recommends that this section be aligned with 5 CCR 3065. The commenter’s notes about this section also reads as follows: “While this section add qualified, it is still inconsistent with the proposed amendments for 3065 (u)(2) Specially designed vocation education and career development, as defined in section 3051.14, shall be provided only by personnel who possess a: (1)(A) adult education credential with a career development authorization; or (2)(B) credential that authorizes instruction in special education or vocational education; or (3)(C) pupil personnel services credential that authorizes school counseling.”
Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

SECTION 3051.15

Laura Faer, Statewide Education Rights Director, Public Counsel Law

Comment: Section 3051.15 Same concerns and recommendations.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3051.15: The commenters believe qualifications should be clear and consistent between public and nonpublic programs.

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center

Comment: Section 3051.15: The commenter recommends that this section be aligned with 5 CCR 3065. The commenter’s notes about this section also reads as follows: “Adds requirement that recreation services be provided by “qualified” individuals, but fails to include the requirements listed in 3065(r)(2). Recreation services, as defined in section 3051.15, shall be provided only by personnel who possess a: (1)(A) certificate, issued by the California Board of Recreation and Park Certification; or (2)(B) certificate issued by the National Council for Therapeutic Recreation; or (3)(C) the National Recreation and Park Association, authorizing services in recreation or therapeutic recreation.”

Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the
standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

SECTION 3051.16

Laura Faer, Statewide Education Rights Director, Public Counsel Law
Comment: Section 3051.16 – Same concerns and recommendations.
Accept: Please see the comments that introduce this section of the Final Statement of Reasons. Amendments to this regulatory section have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq.

SECTION 3051.18

Janeen Steel, Founder/Director of Litigation and Advocacy, Learning Rights Law Center
Comment: Section 3051.18: The commenter recommends that the current language for this section be maintained. The commenter’s notes about this section also read as follows: “Removal of DIS services.”
Reject: Education Code section 56363 says that the term “designated instruction and services” (DIS) means “related services.” During its informal comment periods with special education stakeholders, the CDE was asked to delete references to DIS throughout the regulations and to use only the term “related services.” In response to the request from stakeholders, the CDE accordingly made the amendment.

SECTION 3052

A. Kay Altizer, Director, Special Education, Berkeley Unified School District
Comment: The commenter recommends that language be added to the regulations to clarify and define the standards of the functional behavioral assessment (FBA) to more closely align with the Hughes Bill/school-based functional analysis assessment (FAA).
Reject: California Code of Regulations, title 5, section 3052 is not included in this regulatory package. On July 1, 2013, Assembly Bill (AB) 86, the 2013 education omnibus budget trailer bill, mandated that the State Superintendent of Public Instruction repeal Section 3052 and subdivisions (d), (e), (f), (g), and (ab) of Section 3001. AB 86 also adds Education Code Section 56521.1, which references “FBAs.” As a result of the passage of AB 86, references to “FAAs” are removed from state regulations pertaining to students who receive special education. The need to align the standards of FBAs with FAAs is moot.
Maureen Burness, Advisory Commission on Special Education
Comment: Section 3052: The commenter recommends that this section of the regulations be deleted during this regulatory action in compliance with Assembly Bill 86. Reject: The CDE has determined that this section will be repealed in a separate action pursuant to Title 1, CCR, Section 100.

Anjanette Pelletier, Senior SELPA Administrator, San Mateo County SELPA
Angela Sutherland
Comment: Section 3052: Commenter echoes the sentiments of many of the parents in the public hearing that some of the changes to the requirements for certifications or supervision requirements for behavioral support and monitoring are concerns. She also says that the label of the person trained does not necessarily equate to the quality and kind of plan they can write and the quality of the plan that they can implement. Commenter also refers to recent legislative action regarding the mandate and its questionable future. No response required: As a result of the passage of AB 86, Section 3052 will be repealed in a separate action pursuant to Title 1, CCR, Section 100.

Angela Sutherland
Comment: Section 3052: The commenter expresses concerns about the qualifications for those who are designing and planning behavior intervention plans, for example, a person with a high school diploma who is working under the supervision of a person who is “qualified.” The commenter recommends stronger qualifications for behavior specialists. Reject: As a result of the passage of AB 86, Section 3052 will be repealed in a separate action pursuant to Title 1, CCR, Section 100. In addition, as a result of AB 86, this regulatory package proposes deleting the definitions in 5 CCR 3001 subsections (d), (e), (f), (g), and (ab) relating to “behavioral emergency,” “behavioral intervention,” “behavioral intervention case manager,” “behavioral intervention plan,” and “serious behavior problems.” The CDE is tasked with convening a large stakeholder group to discuss the impact of changes to law and regulations, develop and disseminate technical assistance advisories, identify and recommend practices based on peer-reviewed research, and identify model programs and adjust data collection and monitoring activities.

SECTION 3054

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Comment: Section 3054: Why eliminate “special centers.” Response: Please refer to page 13 of the ISOR.
SECTION 3064

Maureen Burness, Policy Committee Chair, Advisory Commission on Special Education

Comment: Section 3064: The commenter asks whether this section has been reviewed by the California Commission on Teacher Credentialing to ensure that it is current.

Response: The California Commission on Teacher Credentialing was contacted throughout the process of publicly reviewing the regulations and provided no comments.

Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California

Comment: Section 3064(a)(1): During situations when instructional personnel leave the employ of the nonpublic school with little or no notice, the nonpublic school may employ a person who holds a Provisional Internship Permit or a Short Term Staff Permit. The commenter asks: Would a student teacher be qualified in this situation?

Response: It is unclear how the commenter would define a “student teacher.” The commenter is encouraged to refer to Education Code sections 44225(m) and 44300. Additional information about the Provisional Internship Permit and the Short Term Staff Permit are available respectively at http://www.ctc.ca.gov/credentials/leaflets/cl856.pdf and http://www.ctc.ca.gov/credentials/leaflets/cl858.pdf.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3064: The commenters do not know to what extent if any, NPSs use or rely on county permits or how these work for public schools. The commenter asks would the proposed regulations create a difference between public and certified nonpublic schools. If so, what would be the distinction in practice and why is it being made?

No response required. The commenter does not make a recommendation regarding the regulations.

SECTION 3065

Maureen Burness, Policy Committee Chair, Advisory Commission on Special Education

Comment: Section 3065: The commenter asks whether this section has been reviewed by the California Commission on Teacher Credentialing to ensure that it is current regarding new authorizations.

Response: The California Commission on Teacher Credentialing was contacted throughout the process of reviewing the regulations and provided no comments.

Rebecca Cervenak, Staff Attorney, and Lauren Giardina, Staff Attorney, Disability Rights California (DRC)
Paula Pearlman, Executive Director, Disability Rights Legal Center
Esteban Fuentes, Treasurer; Jose Luis and Gloria Hernandez, President and Founders; Rosa Hernandez; Maria Garcia; Hilda Cuenca; Martha Mora; Grupo de Autismo Angeles

Grace Trujillo

Comment: Section 3065: Commenters note that this section requires much more strict and specific minimum qualifications for service providers who work with students in nonpublic settings, but there still appears to be a “catch all” section that allows a person who possesses a credential to provide the services as well. The commenter is unclear as to what these credentials are, what they require, and whether or not a person who possesses one is adequately trained to provide services to students. The commenters say it is also unclear why the CDE is proposing a dual standard for service providers in nonpublic settings versus public settings. Imposing a dual standard such as this creates an imbalance in the quality of the services that students receive and could result in more students requiring services in nonpublic schools instead of public, integrated settings. At the very least, the standards for minimum qualifications should be consistent in all settings and should be specifically defined to ensure high quality services.

Accept: Please see the comments that introduce 5 CCR section 3051 of this Final Statement of Reasons. Amendments to section 3051 have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq. The purpose of these proposed amendments is to ensure a consistency of requirements pertaining to related services in all settings for students with IEPs.

Marcia Eichelberger, Steering Committee Representative, Alliance of California Autism Organization

Comment: Section 3065: The commenter is concerned that CDE proposes to entrench and deepen the double standard between services in public and in nonpublic schools. Both parts of this modification are disturbing. It makes no sense to strip qualification requirements from public school providers of related services. Parents want and need to trust school staff, but if districts are given complete flexibility to provide speech therapy with aides under supervision of “qualified” people, and allowed to use anyone they deem “qualified” to provide psychotherapy, they will not be able to. It is not difficult to spell out staff qualifications, as the proposed regulations do so in detail for nonpublic school and agency employees. In fact, it appears that they do so in so much detail that some programs will either no longer be able to operate or will have to drastically increase their charges to school districts and privately paying families. There need to be unitary, reasonable standards for service providers that apply regardless of whether children are in a public or certified nonpublic program.

Accept: Please see the comments that introduce 5 CCR section 3051 of this Final Statement of Reasons. Amendments to section 3051 have been made by transferring the detailed staff qualifications from 5 CCR 3065 to 5 CCR 3051, et seq. both to specify the standards for providing related services and the professional requirements of
personnel providing related services to all students with IEPs. Section 3065 has been amended to state that nonpublic schools and nonpublic agencies shall meet the requirements of section 3051 et seq. The purpose of these proposed amendments is to ensure a consistency of requirements pertaining to related services in all settings for students with IEPs.

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Comment: Section 3065: The commenters approve of placing in regulations specific staff requirements to the extent they are required by the Education Code. Have the proposed requirements been specifically compared to the Education Code to ensure that all are statutorily required? AB 1858 attempted to strike a balance between accessibility of nonpublic school and agency services and their quality—an effort that has not been entirely successful. CAPCA opposes adding any new staffing qualification requirements to NPS and NPA certification requirements through this regulatory process.
Response: Education Code section 56070 provides “Qualifications for Designated Instruction and Services Personnel, Related Services Personnel, and Paraprofessionals.” The CDE understands its regulations to be consistent with this section of Education Code.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Comment: Section 3065(b)(2)(H): What is the legal difference between “impaired” and “handicapped”?
Response: Please refer to page 15 of the ISOR.

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Comment: Section 3065(c); 3065(f); 3065(h); 3065(j) through (o); 3065(q) through (u); 3065(w): Why are the definitions for these sections eliminated?
Response: Please refer to pages 15 through 18 of the ISOR.

Angela Sutherland
Comment: Section 3065(e): The commenter asks how can an individual who is not certified to develop an effective behavior intervention [plan] develop or modify a behavior plan?
No response required. The meaning of this question is unclear.

Sara Kashing, Staff Attorney, and Jill Epstein, Executive Director, California Association of Marriage and Family Therapists (CAMFT)
Comment: Section 3065: The commenter expresses concern that subsections (f)(1), (o)(3), and (s)(2) of this section are vague and unclear in violation of Government Code section 11349(c). These subsections should clarify that both trainees and interns may
provide counseling and guidance, parent counseling and training, and social work services.

These subsections should also include the correct title of those who are registered with the Board of Behavioral Sciences as Marriage and Family Therapist Interns.

These subsections should reflect the changes in the law related to who may supervise Marriage and Family Therapist Trainees and Marriage and Family Therapist Interns. California Business and Professions Code sections 4980.44 and 4980.88 now includes Licensed Professional Clinical Counselors as supervisors of Marriage and Family Therapist Trainees and Marriage and Family Therapist Registered Interns.

CAMFT proposes that subsection (f)(1) of Section 3065 be revised to read as follows: “license as a Marriage and Family Therapist, or Marriage and Family Therapist Trainee, or Marriage and Family Therapist Registered Intern under supervision of either a Marriage and Family Therapist, licensed Clinical Social Worker, Licensed Professional Clinical Counselor, licensed Psychologist, or a Physician who is certified in psychiatry by either the Medical Board of California, the Board of Behavioral Sciences, or the Board of Psychology within the Department of Consumer Affairs.”

CAMFT proposes that subsection (o)(3) of Section 3065 be revised to read as follows: “license as a Marriage and Family Therapist, or Marriage and Family Therapist Trainee, or Marriage and Family Therapist Registered intern under supervision of either a Marriage and Family Therapist, licensed Clinical Social Worker, Licensed Professional Clinical Counselor, licensed Psychologist, or a Physician who is certified in psychiatry by either the Medical Board of California, the Board of Behavioral Sciences, or the Board of Psychology within the Department of Consumer Affairs.”

CAMFT proposes that subsection (s)(2) of Section 3065 be revised to read as follows: “license as a Marriage and Family Therapist, or Marriage and Family Therapist Trainee, or Marriage and Family Therapist Registered intern under supervision of either a Marriage and Family Therapist, licensed Clinical Social Worker, Licensed Professional Clinical Counselor, licensed Psychologist, or a Physician who is certified in psychiatry by either the Medical Board of California, the Board of Behavioral Sciences, or the Board of Psychology within the Department of Consumer Affairs.”

CAMFT further proposes amending subsections (f), (o), and (s) to include personnel who possess a Licensed Professional Clinical Counselor license and Professional Clinical Counselor Registered Interns who are under the supervision of Licensed Professional Clinical Counselors, Licensed Marriage and Family Therapists, Licensed Clinical Social Workers, Licensed Clinical Psychologists, or a Physician who is certified in psychiatry by the American Board of Psychiatry and Neurology. The inclusion of such an amendment would not conflict with any of the statutes which these regulations support. Furthermore, the scope of practice for the Licensed Professional Clinical Counselor license is similar in scope to the Marriage and Family Therapist license.
**Partially Accept and Partially Reject:** The commenters say that adding the word “trainees” would make subsections (f)(1), (o)(3), and (s)(2) of this section less vague and unclear thus fulfilling the requirements of Government Code section 11349(c). These subsections already list “interns” as personnel who may provide counseling and guidance, parent counseling and training, and social work services. Title 5, California Code of Regulations, section 3001(v), which defines the term “qualified,” currently says in pertinent part “Nothing in this definition shall be construed as restricting the activities in or services of a graduate needing direct hours leading to licensure, or of a student teacher or intern leading to a graduate degree at an accredited or approved college or university, as authorized by state laws or regulations.” Business and Professions Code section 4980.03 pertaining to marriage and family therapists defines a trainee as an “unlicensed person who is currently enrolled in a master's or doctor's degree program...” and who, therefore, is not a graduate. Specifically, adding marriage and family trainees to this definition does not provide clarification; such an amendment represents a policy change that is beyond the scope of this regulatory action, which seeks to align state regulations pertaining to special education with current state statute and federal statute and regulations.

As for including the correct title of those who are registered with the Board of Behavioral Sciences as interns, the CDE agrees that this reference should be amended to read “Marriage and Family Therapist Registered Interns” consistent with Business and Professions Code section 4980.44.

Regarding updating the list of people who are qualified to supervise a Marriage and Family Therapist Registered Intern, the CDE agrees with this suggestion and will amend the pertinent subsections by adding a reference to “Licensed Professional Clinical Counselors.”

As for adding two new qualifications, “Licensed Professional Clinical Counselor” and “Professional Clinical Counselor Registered Interns,” the CDE agrees with this suggestion and will add the qualifications in new subsections.

**Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California**

**Comment: Section 3065(k)(2)(A):** The commenter says that the qualifications of a Speech-Language Pathology Assistant (SLPA) must be included in the regulations. The commenter asks whether federal law requires a unified standard for provision of services. The commenter asks whether school districts are required to use SLPAs, and if not, what “aide” training and supervision levels are required. The commenter also asks what kind of notice must parents receive that the school district proposes to provide speech and/or language therapy using an “aide” or SLPA?

**Response:** Business and Professions Code section 2530.2(i) is referenced in this regulatory section because it specifies the qualifications of a Speech-Language Pathology Assistant. Regarding the commenter’s questions, no response is required as the commenter is not making recommendations specific to the proposed amendments.
Heather DiFede, Senior Director, East County SELPA

Comment: Section 3065(j): The commenter opposes existing regulations that say home or hospital instruction “shall be provided only by personnel who possess a credential issued by the California Commission on Teacher Credentialing authorizing the holder to deliver special education instruction according to age range and disabling condition of the individual(s).” The commenter expresses concern that this existing regulation would mandate that only a special education teacher can provide services to students who, for example, might receive the majority of their instruction from general education teachers while they are on campus. The commenter recommends that flexibility be incorporated into this requirement.

Accept: The CDE agrees that this subsection is too restrictive and will delete section 3065(j) in favor of the requirements for instruction in the home or hospital specified in section 3051.4(e), which reads as follows:

“Instruction in the home or hospital shall be provided by a regular class teacher, the special class teacher or the resource specialist teacher, if the teacher or specialist is competent to provide such instruction and services and if the provision of such instruction and services by the teacher or specialist is feasible. If not, the appropriate designated instruction and related services specialist shall provide such instruction.”

Roberta S. Adler, MT-BC, Fellow, Academy of Neurologic Music Therapy, Owner/Director, Mobile Music Therapy Services of Orange County
Mary E. Alvarado, MT-BC, Rehabilitation Therapist/Music Therapist, Atascadero State Hospital
Yukiko Arimura-Hagy, credentialed, board-certified music therapist, Sacramento
Melody W. Baker, MT-BC, credentialed, board-certified music therapist (MT-BC), central California
Bessie J. Barth, MT-BC, NMT, Music Therapist-Board Certified, Neurologic Music Therapist, Director of Music To Grow On, Music Therapy Services
Barbara Behnke, retired registered nurse
Thomas Behnke, retired accountant
Celeste A. Behnke-Keith, credentialed, board-certified music therapist (MT-BC), Sacramento area
Laura DeLoye, MT-BC, Mariposa Music Therapy
Marian Kitty Dennis, MT-BC
Rose Fienman, MT-BC, California State University, Northridge, Music Therapy Wellness Clinic
Margie Fincham, RN, MSN
Eszter Forgacs, MT-BC, UCSF Infant-Parent Program
Diana J. Gailey, RMT-BC
Karen Gale, M.S., CCC, Speech Language Pathologist
Jennifer D. Geiger, Music Therapist, Board Certified, Geiger Consulting Music Therapy Services
Justine Hancock-Marsh, MT-BC, In Harmoney Music Therapy Services
Oliver Jacobson MT-BC
Michele Kemmerling, MT-BC
Juliane Kowski credentialed, board-certified music therapist (MT-BC), Bay Area, Berkeley and San Francisco, California
Andrea Krause, OTR/L Occupational Therapist, Northern California Children’s Therapy Center
Michelle Lazar, MT-BC, Autism Specialist, Music Therapist, Founder, Director, Coast Music Therapy
Tracey Levy, MT-BC
Diana Maddox, board-certified music therapist (MT-BC), Inland Empire
Tara McConnell, MT-BC, Clinical Director/Owner, McConnell Music Therapy Services
Alexandra McNay, MT-BC
Amy O’Dell, MT-BC, Education Specialist Mild/Moderate Disabilities, Music Therapist, Music To Grow On Music Therapy Services, Secretary, BRIGHT Children International
Alice Parente, Executive Director, I Can Do That!
Cathy Rivera, MT-BC, MusicMind
Karen Sanchez, MT-BC, Director/Founder, In Harmoney Music Therapy Services
Emily Sarà Sanderson, MT-BC
Bruce M. Saperston, PhD, MT-BC, Associate Professor Emeritus, Utah State University
Andrea Scheve, MM, MT-BC, Hospice and Palliative Care Music Therapist, Seasons Hospice and Palliative Care
Marcia Schumacher, MT-BC, Special Education Teacher, Elk Grove Unified School District
Stacie Shewmake, MT-BC, Board Certified Music Therapist
Cynthia Tinsley-Sanders, Registered Music Therapist-Board Certified Teacher of the Severely Handicapped, Tulare County Office of Education
Yuriko Urushibata, MT-BC, Music Therapist-Board Certified, Neurologic Music Therapist, Fellow, Owner, Cadence Music Therapy Services
Eric G. Waldon, Ph.D., MT-BC, University of the Pacific, Conservatory of Music, Assistant Professor, Music Therapy, Music Therapist-Board Certified, Licensed Psychologist
Jody Wilfong, MT-BC
Ian F. Wilkerson, credentialed, board-certified music therapist (MT-BC)
Melinda Wilson, MT-BC, Board-Certified Music Therapist
Alon Yizhak, credentialed, board-certified music therapist (MT-BC)
Comment: Section 3065(l): Several commenters approve of adding to the regulations the personnel qualifications for providing music therapy in nonpublic schools and nonpublic agencies.
No response required.
Sue Balt, 2012-13 Chair, California Association of SELPA Administrators
Heather DiFede, Senior Director, East County SELPA
Sam Neustadt, Assistant Superintendent, Solano County SELPA

Comment: Section 3065(l): The commenters recommend that references to “music therapy” be removed from the regulations because of a lack of scientifically based and peer-reviewed research. Further, the federal regulations regarding related services are not exhaustive and do not preclude the offering of these services if appropriate on the basis of the individual student’s needs. One commenter noted that, for this reason, including “music therapy” is more prescriptive than the federal law. One commenter noted that no government code regulates the Certification Board of Music Therapists.

Reject: After much discussion, the CDE has determined that it is preferable to document in regulations a definition of music therapy and staff qualifications for providing this related service rather than to have no standards for the students whose IEPs require this related service. Ultimately, the determination as to whether a related service is necessary for a student to benefit from special education is made by the IEP team. Further as noted above, the federal list of related services is not exhaustive, so the inclusion of a reference to music therapy in state regulations is not more prescriptive than the federal law.

SECTION 3068

Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)

Comment: Section 3068: The commenters strongly oppose the removal of subsection (e), which makes clear, in a readily accessible, relevant portion of CCR, that nonpublic schools and agencies which are facing regulatory difficulties and are engaged in appeals may be able to secure a waiver that would cure the problem. NPSs and NPAs—and the students that rely on their services—should not be forced into expensive and error-fraught legal consultations in order to locate waiver provisions in the Education Code when an NPA or NPS cannot meet a requirement of general applicability but may be the only way to fulfill a particular student’s IEP. Indeed, section 3068 without section (e) would create a false impression of the rights and responsibilities of nonpublic schools and agencies. Section (e) does not restate the statute; it merely points stakeholders involved in disputes as to whether nonpublic programs are meeting requirements to procedures spelled out in the Education Code for seeking waiver of those requirements. It should be retained.

Reject: The CDE does not believe that it is typically appropriate to use regulations to repeat information available in the statutes. Section 3068 of the regulations references Education Code section 56366.2, the statute pertaining to waivers, obviating the need for expensive legal consultations to obtain information about the nonpublic school waiver process.

SECTION 3083

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California
Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California

Comment: Section 3083: Commenters expressed concern about the amendment referencing the “public agency that is responsible for conducting due process hearings.” One commenter expresses concern that this regulatory section moves from naming a specific office to an unspecific reference.

One commenter recommends that the proposed reference to the “public agency that is responsible for conducting due process hearings” be amended to the “agency contracted with by the California Department of Education that is responsible for conducting due process hearings.”

Another commenter notes that the proposed change would limit any future agency to being a public, not private agency. The commenter notes that there may be a point in time when CDE needs to again contract with a private entity to conduct special education hearings and these proposed changes could make that difficult. The commenter proposes changing the proposed revisions to remove the term “public” so that CDE has leeway to explore how best to coordinate dispute resolution services under IDEA. The commenter notes that while deleting the Special Education Hearing Office’s name from California regulations is obviously overdue, the commenter requests that the term “public” be removed, so that these provisions do not assume the continuation of the Office of Administrative Hearing’s contract, which is subject to periodic renewal.

Partially accept and partially reject: The CDE agrees that the word “public” should be deleted from this regulatory section to provide for flexibility in identifying a contractor. The lack of specificity in naming the actual agency providing due process hearings and mediations ensures that the pertinent regulatory sections remain viable and provide room for departmental discretion within the law. This section will be amended to use the language found in Education Code section 56504.5: “agency” or “nonprofit organization or entity.”

SECTION 3084

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California

Comment: Section 3084(b): The commenters expressed concern about the amendment referencing the “public agency that is responsible for conducting due
process hearings.” One commenter expresses concern that this regulatory section moves from naming a specific office to an unspecific reference.

One commenter recommends that the proposed reference to the “public agency that is responsible for conducting due process hearings” be amended to the “agency contracted with by the California Department of Education that is responsible for conducting due process hearings.”

Another commenter notes that the proposed change would limit any future agency to being a public, not private agency. The commenter notes that there may be a point in time when CDE needs to again contract with a private entity to conduct special education hearings and these proposed changes could make that difficult. The commenter proposes changing the proposed revisions to remove the term “public” so that CDE has leeway to explore how best to coordinate dispute resolution services under IDEA. The commenter notes that while deleting the Special Education Hearing Office’s name from California regulations is obviously overdue, the commenter requests that the term “public” be removed, so that these provisions do not assume the continuation of the Office of Administrative Hearing’s contract, which is subject to periodic renewal.

**Partially accept and partially reject:** The CDE agrees that the word “public” should be deleted from this regulatory section to provide for flexibility in identifying a contractor. The lack of specificity in naming the actual agency providing due process hearings and mediations ensures that the pertinent regulatory sections remain viable and provide room for departmental discretion within the law. This section will be amended to use the language found in Education Code section 56504.5: “agency” or “nonprofit organization or entity.”

**SECTION 3088**

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)
Maureen Graves, Co-Chair, and Roberta S. Savage, Co-Chair, California Association of Parent-Child Advocacy (CAPCA)
Judy McKinley, Governmental Affairs Chairperson, Learning Disabilities Association of California

**Comment: Section 3088(e):** The commenters expressed concern about the amendment referencing the “public agency that is responsible for conducting due process hearings.” One commenter expresses concern that this regulatory section moves from naming a specific office to an unspecific reference.

One commenter recommends that the proposed reference to the “public agency that is responsible for conducting due process hearings” be amended to the “agency contracted with by the California Department of Education that is responsible for conducting due process hearings.”
Another commenter notes that the proposed change would limit any future agency to being a public, not private agency. The commenter notes that there may be a point in time when CDE needs to again contract with a private entity to conduct special education hearings and these proposed changes could make that difficult. The commenter proposes changing the proposed revisions to remove the term “public” so that CDE has leeway to explore how best to coordinate dispute resolution services under IDEA. The commenter notes that while deleting the Special Education Hearing Office’s name from California regulations is obviously overdue, the commenter requests that the term “public” be removed, so that these provisions do not assume the continuation of the Office of Administrative Hearing’s contract, which is subject to periodic renewal.

**Partially accept and partially reject:** The CDE agrees that the word “public” should be deleted from this regulatory section to provide for flexibility in identifying a contractor. The lack of specificity in naming the actual agency providing due process hearings and mediations ensures that the pertinent regulatory sections remain viable and provide room for departmental discretion within the law. This section will be amended to use the language found in Education Code section 56504.5: “agency” or “nonprofit organization or entity.”

**ADDITIONAL COMMENTS**

George Buzzetti, Director of Policy, and Celes King IV, Vice Chair, Government Policy and Community Relations, Congress of Racial Equality of California (CORE-CA)

“Also, when you see the DOE OIG report on the lack of accountability of charter schools in California, ED-OIG/A02L0002, you have to wonder how much other non accountability there is in California Schools such as in special education.

“A group was recently up in Fresno for Arts in Schools and Mr. Cheslog, assistant to Superintendent Torlakson, stated that there would be no accountability at the state level. That it was going to be the equivalent of “Educational Realignment.” Also, that 80 percent of the CDE budget was from the Federal Government to only monitor NCLB and RTTT. There is no money for accountability. How is this going to work we ask?

**No response required:** The comment does not address the proposed amendments to the regulations.

**LATE COMMENTS**

Nancy Fellmeth, President, Families for Early Autism Treatment

FEAT is a non-profit organization of parents, educators and other professionals dedicated to providing quality education, advocacy and support for the Autism Community in Northern California since 1993.

With regard to the proposed changes to the California Education Code, FEAT has general concerns in many areas about the changes that will significantly impact the
quality of education delivered to children with autism and other qualifying disabilities. Further, we believe parents and caregivers rights and safeguards that ensure their equal participation in the IEP process will be eroded by the changes.

The proposed revisions to the California Education Code that are of particular concern to FEAT includes [sic], but are not limited to:

1. Removal of the definition of Free Appropriate Public Education (FAPE)
2. Removal of the definition of Related Services
3. Removal of the definition of Special Education
4. Removal of Eligibility Process from Local Plan Requirements
5. Proposal to Redefine Autism Eligibility
6. Proposal to Rewrite Early Start Eligibility
7. Removal of "as soon as possible" implementation of IEPs requirement
8. Removal of the requirement that parents be provided an IEP in their primary language
9. Deletion of the requirement that: "(c) The individualized education program shall show a direct relationship between the present levels of performance, the goals and objectives, and the specific educational services to be provided."
10. Removal of the specific qualifications for public school providers of related services
11. Watering down of meaning of "Language, Speech and Hearing Development and Remediation"
12. Removal of qualifications for Orientation and Mobility Instruction, Adapted Physical Education and Physical and Occupational Therapy
13. Watering down and remove specificity for counseling staff qualification requirements

No response required because these comments were received after the close of the 45-day public comment period.

Sara M. Castro-Olivo, NCSP, Assistant Professor, Graduate School of Education, School Psychology Program, University of California, Riverside
Margaret Garcia, Associate Chair/School Psychology Program Coordinator, Division of Special Education and Counseling, California State University, Los Angeles Charter College of Education
Cathleen Geraghty-Jenkinson, School Psychology Lecturer/Field Coordinator, Graduate School of Education, University of California-Riverside
Kristi Hagans, NCSP, Associate Professor of School Psychology, School Psychology Program Director, California State University, Long Beach
Kristin Power, Professor, School Psychology, Director, Community Clinic for Counseling and Educational Services, California State University, Long Beach
President, Southern - School Psychology Educators of California
Alberto Restori, Professor, School Psychology Program, California State University, Northridge
Mike Vanderwood, NCSP, Associate Professor, School Psychology Program Coordinator, University of California-Riverside, Graduate School of Education
We write this letter as representatives from nationally accredited school psychology training programs in Southern California. As school psychology trainers, we are required to stay consistent with research and national trends related to assessment and intervention for students with learning disabilities. After reviewing the proposed rules, we are concerned about inconsistency between the direction these rules will take California educators and current best practice. Our specific concerns related to the revised rules for SLD eligibility determination are:

1. IDEA 2004 requires pre-eligibility determination intervention activities that are research based regardless of the eligibility model used. The proposed rules do not emphasize this component, yet current research indicates the use of research based interventions can improve student outcomes and reduce the need for special education services.

2. For intervention to be effective, a requirement for the use of progress monitoring assessments and measures of treatment integrity should be included in the rules. Again, these components should be required regardless of the eligibility model used and the use of these tools should be documented to improve student outcomes.

3. Right now, there is incredible variability in California in the way teams determine who is entitled to SLD services. This variability leads to the need for Independent Evaluations and creates significant disagreements amongst parents and educators. It is our belief the proposed rules will actually create more inconsistency and lead to increased costs for school districts and SELPAs. The proposed rules suggest three different models (PSW, Discrepancy, and RtI) with little specificity for the RtI model and contradictory eligibility rules for the discrepancy model (i.e., if a discrepancy is not found through formal testing, the IEP team may still qualify a student under the discrepancy model based on nonstandard measures). The proposed rules lack the specificity needed to create consistency and clarity about who should be classified as SLD. The multiple criteria for qualifying for special education services under SLD will render it too likely to find students eligible, resulting in a gross over-identification of students with SLD in California and significantly increasing costs.

4. The DSM 5 was just released and provided a definition of Learning Disability that is consistent with our current research knowledge. The authors of this definition emphasized the lack of evidence supporting the use of cognitive processing measures to define SLD. They eliminated the use of these measures in the DSM. We highly encourage the Board to follow the lead of the DSM 5 and several states in using an SLD definition that is consistent with current research. The California Board of Education proposed rules are almost 20 years behind our current understanding of the best way to assess SLD. The use of cognitive processing measures does not improve outcomes for students and costs school districts a significant amount of resources that could be better dedicated to intervention activities.
5. The discrepancy model is not supported by any group who conducts research about SLD. Besides being a wait to fail model, this approach does not require assessment of the skills that are known to cause learning problems. There are also substantial problems applying this model to English Learners due to the impact of language on measures of cognitive ability. We highly encourage the Board to eliminate the option for using a discrepancy model for SLD eligibility.

6. Although there are some research groups that support a “processing strengths and weaknesses” model, at this stage the data do not suggest this model is any better than a simple absolute low achievement approach. Yet, the costs for this model are quite high. We argue the inclusion of this model in the rules could substantially increase the costs districts incur as part of SLD identification.

7. The most supported model of SLD identification is an approach that emphasizes examination of the exclusionary factors and absolute low achievement that is not explained by other factors (e.g., Intellectual Disability). This model is also the least expensive, yet is actually more defensible from a theoretical and research standpoint than other options. Although the proposed rules include this approach, the guidelines are not clear and is significantly more complicated than necessary.

We finish our concerns by highlighting the fact that a committee of K-12 educators and representatives from institutes of higher education worked for 2 years to develop rules that integrate our current research knowledge of SLD identification. This group reviewed state rules throughout the country and produced clear guidelines districts in California are still using today. We are disheartened to not see any aspects of this work integrated into the proposed rules.

The individuals listed on the next page endorse this letter [please see names listed above] and encourage the Board of Education to revise the proposed rules for SLD identification to address our concerns about increased costs and lack of connection to current high quality research.

**No response required because these comments were received after the close of the 45-day public comment period.**

On July 22, 2013, the CDE received from the Learning Rights Law Center a form letter from the following parents.

|---------------------|----------------------|---------------------------|------------------|
The content of the form letter is provided below:

I am a parent of a student with a disability. I am writing you because I [have] concerns about the California Department of Education ("CDE") proposed amendment to the California Code of Regulations, Title 5, Regarding the Special Education Regulations (the "Proposed Title 5 Amendment").

Specifically, I have an overall concern that several of the proposed changes will create confusion and result in a potential loss of necessary educational supports and services that my child currently benefits from.

I. THE AGENCY ERRED IN NOT HOLDING A PUBLIC DISCUSSION OF THE PROPOSED TITLE 5 AMENDMENT

I am formally requesting a “public discussion” with parents of students, special education attorneys, and advocates to discuss the impact of the Proposed Title 5 Amendment, pursuant to Cal. Govt Code Section 11346.5(a) in order to evaluate the significant costs some of the proposed changes would have for school districts, families and other public systems.

II. I DISAGREE WITH THE REMOVAL OF CREDENTIALING REQUIREMENTS FOR RELATED SERVICES UNDER 3051

I am extremely concerned about removing the requirements for certification of professionals providing related services, and replacing this term with the word qualification.

The word qualification is left undefined. I am extremely concerned that this may lead to persons who are not certified or licensed in the specific related services providing vital and necessary educational supports to my student. This is very concerning and may lead to a negative change in the quality of services my student receives at school.

My child has an IEP as a qualifying student with a disability and receives the following related services: [place for parent to list services].

I know that the professionals providing services to my student are a [sic] certified and my student has benefited from the services. As a parent, I am able to readily look up
certification requirements, and this allows me to actively participate in the IEP process by understanding the background of the persons working with my son or daughter. The currently proposed removal of the certification requirement and the use of the undefined term “qualified,” make it more difficult to participate in the process and may compromise services to my child.

[The form letter includes three additional blank lines for parents to volunteer comments.]

As this issue is critical and vital to my student’s future, I would appreciate the opportunity to express my concerns on this specific issue and other concerns with the proposed regulation changes in a public forum meeting.

If you have any questions about my concerns and comments, please do not hesitate to contact me at [space for parent to provide contact information].

No response required because these comments were received after the close of the 45-day public comment period.

AFTER THE 45-DAY COMMENT PERIOD, THE FOLLOWING CHANGES WERE MADE TO THE PROPOSED TEXT OF THE REGULATIONS AND SENT OUT FOR A 15-DAY COMMENT PERIOD.

SECTION 3001 is amended to delete subdivisions (d), (e), (f), (g), and (ab) pursuant to AB 86.

SECTION 3001(g) (formerly k) is amended to capitalize the term Pupil Personnel Services, which is the name of a kind of credential.

SECTION 3001(r) (formerly v) is amended to provide an additional clarification to the definition of “Qualified.”

SECTION 3030(b)(10)(C)(5) is amended to include an exception noted in 34 C.F.R. section 300.310(c) concerning the observation of a child when determining the existence of a specific learning disability.

SECTIONS 3031(a)(2)(A) and (B) are amended to more closely align with the language in California Government Code section 95014(a), pertaining to the eligibility criteria for qualifying for Early Start services and the definition of “developmental delay” for children aged birth to younger than three years, including children under 24 months of age.

Section 3031(a)(2)(A) is also amended so that it lists the five developmental areas pertaining to developmental delay exactly as these areas appear in Government Code section 95014(a).

SECTION 3031(b) is amended to include a reference to both Education Code section 56001(c) and (d) to additionally clarify the protections of the California Early Intervention Services Act.
SECTION 3040(a) (formerly b) is maintained and amended with the following language. “The LEA shall give the parent or guardian a copy of the IEP in his or her primary language at his or her request.”

SECTION 3040(b) (formerly c) is maintained to ensure that the requirement is explicit.

SECTION 3043(d) is amended to delete reference to an obsolete reimbursement formula for LEAs providing extended school year services.

SECTIONS 3051 through 3051.24 are being changed significantly by merging subdivisions pertaining to detailed staff qualifications from section 6035 into these sections. The purpose of this merger is to create one section of regulations containing both the definitions and standards of related services and the qualifications of personnel who are permitted to provide these services. Specifically, the amendments to the pertinent sections are as follows:

SECTION 3051 is amended to add references to section 3001(r) (formerly v), which defines “Qualified,” and all the relevant portions of sections 3051, et seq. These amendments are added to emphasize that all entities providing related services shall be qualified, as defined by the regulations, and shall meet the requirements of 3051, et seq. In addition, new subsection (4) pertaining to nonpublic schools and nonpublic agencies is added and repeats the language found in section 3065(a) to clarify that the requirements of section 3051, et seq. pertain to nonpublic school and nonpublic agency settings. Similarly, subdivision (5) is added to clarify how persons providing related services to California students who are placed in out-of-state settings must be certified. A reference citation from federal regulations, 34 C.F.R. Section 300.18, is added to substantiate that the need for highly qualified special education teachers pertains to nonpublic schools and nonpublic agencies as well as to general education settings.

SECTION 3051.1(c) is amended to incorporate from section 3065(k) the qualifications of persons who can provide language, speech and hearing development and remediation.

SECTION 3051.1(d) is added to incorporate language from proposed section 3065(k)(2)(A) that references Business and Professions Code section 2530.2(i) and former section 3051.1(c), and to clarify that the assistants referred to by the regulations are speech-language pathology assistants. Education Code section 56366.1 is added to the authority section in the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Business and Professions Code section 2530 is added to the reference pertinent to qualifications of speech-language pathologists.

SECTION 3051.2(b) is amended to incorporate from section 3065(c) the qualifications of persons who can provide audiological services. Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies
seeking certification from the CDE must meet the requirements of this section.

Education Code section 49422 is added to the references because it contains
information about the credentialing of audiologists. Business and Professions Code
section 2530 is added to the reference pertinent to qualifications of audiologists.

SECTION 3051.3(b) is amended to incorporate from section 3065(n) the qualifications
of persons who can provide orientation and mobility instruction. Education Code section
56366.1 is added to the note to substantiate that nonpublic schools and nonpublic
agencies seeking certification from the CDE must meet the requirements of this section.

SECTION 3051.4 AUTHORITY AND REFERENCE is amended as follows: Education
Code section 56366.1 is added to the note to substantiate that nonpublic schools and
nonpublic agencies seeking certification from the CDE must meet the requirements of
this section. Citations from federal regulations–34 CFR 300.34, pertaining to related
services, and 300.156(b)(1), pertaining to the qualifications of persons providing related
services–are added to the references to provide additional substantiation and to provide
consistency among the sections in 3051 et seq.

SECTION 3051.5(b) is amended to incorporate from section 3065(a) the qualifications
of persons who can provide adapted physical education. Education Code section
56366.1 is added to the note to substantiate that nonpublic schools and nonpublic
agencies seeking certification from the CDE must meet the requirements of this section.
Citations from federal regulations–34 CFR 300.34, pertaining to related services, and
300.156(b)(1), pertaining to the qualifications of persons providing related services–are
added to the references to provide additional substantiation and to provide consistency
among the sections in 3051 et seq.

SECTION 3051.6(b) is amended to incorporate from section 3065(p) and 3065(m) the
qualifications of persons who can provide physical therapy and occupational therapy,
respectively. Education Code section 56366.1 is added to the note to substantiate that
nonpublic schools and nonpublic agencies seeking certification from the CDE must
meet the requirements of this section. Business and Professions Code sections 2570.2
and 2630 are added to the reference pertinent to qualifications of occupational
therapists and physical therapists, respectively.

SECTION 3051.7(e) is amended to incorporate from section 3065(x) the qualifications
of persons who can provide vision services. Education Code section 56366.1 is added
to the note to substantiate that nonpublic schools and nonpublic agencies seeking
certification from the CDE must meet the requirements of this section. Education Code
section 49422 is added to the references because it contains information about the
credentialing of optometrists. Citations from federal regulations–34 CFR 300.34,
pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of
persons providing related services–are added to the references to provide additional
substantiation and to provide consistency among the sections in 3051 et seq.
SECTION 3051.7.5 NOTE is amended as follows: Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. The reference to 20 U.S.C. Section 1414(c)(2)(B) is deleted because it now refers to evaluation procedures, and the reference to 34 C.F.R. 300.600 is deleted because it now refers to state monitoring and enforcement. Citations from federal regulations–34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services–are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3051.8 NOTE is amended as follows: Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Citations from federal regulations–34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services–are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3051.9(c) is amended to incorporate from section 3065(f) the qualifications of persons who can provide counseling and guidance services. This section is also amended to include the correct title of those who are registered with the Board of Behavioral Sciences as interns; to update the list of people who are qualified to supervise a Marriage and Family Therapist Registered Intern by adding a reference to “Licensed Professional Clinical Counselors”; and to add two new qualifications, “Licensed Professional Clinical Counselor” and “Professional Clinical Counselor Registered Interns” to the list of persons qualified to provide counseling and guidance services.

Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Education Code section 49422 is added to the references because it contains information about the credentialing of psychologists. Business and Professions Code sections 2903, 2905, 4980.02, 4980.14, and 4996.9 are added to the reference pertinent to qualifications of the practice of psychology, marriage and family therapy, educational psychology, and clinical social work. Citations from federal regulations–34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services–are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3015.10 is amended to reinstate former subdivision (a), which reads “Counseling provided to an individual with exceptional needs by a credentialed or licensed psychologist or other qualified personnel.” This amendment clarifies that “counseling” falls under the category of “psychological services” and can, therefore, be provided by a psychologist.
Subdivision (a)(4) is added to bring this section into closer alignment with 34 CFR 300.34(c)(10) regarding the development of positive behavioral intervention strategies.

Subdivision (a)(5) is incorporated from former 3065(q)(1)(B) to ensure proper clarification that the term “psychological services” does not include assessment services and the development of an IEP, as specified in Education Code section 56363(b)(10).

Subdivision (b) is amended to incorporate from section 3065(q)(2) the qualifications of persons who can provide psychological services and to update professional titles by adding the word “Licensed” to Educational Psychologist and Marriage and Family Therapist.

Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section.

SECTION 3051.11(b) is amended to incorporate from section 3065(o) the qualifications of persons who can provide parent counseling and training. This section is also amended to include the correct title of those who are registered with the Board of Behavioral Sciences as interns; to update the list of people who are qualified to supervise a Marriage and Family Therapist Registered Intern by adding a reference to “Licensed Professional Clinical Counselors”; and to add two new qualifications, “Licensed Professional Clinical Counselor” and “Professional Clinical Counselor Registered Interns” to the list of persons qualified to provide counseling and guidance services.

Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Education Code section 49422 is added to the references because it contains information about the credentialing of psychologists. Business and Professions Code sections 2903, 2905, 4980.02, 4980.14, and 4996.9 are added to the reference pertinent to qualifications of the practice of psychology, marriage and family therapy, educational psychology, and clinical social work.

SECTION 3051.12(a)(5) is amended to clarify that care is being provided to individuals “with disabilities.” Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Education Code section 49422 is added to the references because it contains information about the credentialing of nurses.

SECTION 3051.13(a) is amended to delete the requirement that persons providing social worker services “be qualified.”
SECTION 3051.13(b) is amended to incorporate from section 3065(s) the qualifications of persons who can provide social worker services. Subdivision (b) is also amended to include the correct title of those who are registered with the Board of Behavioral Sciences as interns; to update the list of people who are qualified to supervise a Marriage and Family Therapist Registered Intern by adding a reference to “Licensed Professional Clinical Counselors”; and to add two new qualifications, “Licensed Professional Clinical Counselor” and “Professional Clinical Counselor Registered Interns” to the list of persons qualified to provide counseling and guidance services.

Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Education Code section 49422 is added to the references because it contains information about the credentialing of persons providing social worker services. Business and Professions Code sections 2903, 2905, 4980.02, 4980.14, and 4996.9 are added to the reference pertinent to qualifications of the practice of psychology, marriage and family therapy, educational psychology, and clinical social work.

SECTION 3051.14(b) is amended to delete the requirement that persons providing specially designed vocational education and career development services “be qualified.” Subdivision (b) is further amended to incorporate from section 3065(u) the qualifications of persons who can provide specially designed vocational education and career development services.

Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section.

SECTION 3051.15(b) (formerly d) is amended to delete the requirement that persons providing recreation services shall “be qualified.” Subdivision (d) is further amended to incorporate from section 3065(r) the qualifications of persons who can provide recreation services. Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Citations from federal regulations—34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services—are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3051.16(d) is added to incorporate language from section 3065(v) pertaining to the qualifications of persons who can provide specialized services for low-incidence disabilities. Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section.
SECTION 3051.17 NOTE is amended as follows: Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section. Citations from federal regulations—34 CFR 300.34, pertaining to related services, and 300.156(b)(1), pertaining to the qualifications of persons providing related services—are added to the references to provide additional substantiation and to provide consistency among the sections in 3051 et seq.

SECTION 3051.18 NOTE is amended as follows: Education Code section 56366.1 is added to the note to substantiate that nonpublic schools and nonpublic agencies seeking certification from the CDE must meet the requirements of this section.

SECTION 3051.19 is added to incorporate from section 3065(b) language pertaining to the provision of assistive technology services.

SECTION 3051.20 is added to incorporate from section 3065(g) language pertaining to the provision of early education programs.

SECTION 3051.21 is added to incorporate from proposed section 3065(l) language pertaining to the qualifications of persons who can provide music therapy. This section is also amended to include a definition of music therapy obtained from the Certification Board for Music Therapy.

SECTION 3051.22 is added to incorporate from section 3065(w) language pertaining to the qualifications of persons who can provide transcription services.

SECTION 3051.23 is added to incorporate from section 3065(d) and (e) language pertaining to the qualifications of persons who can provide behavior interventions.

SECTION 3051.24 is added to incorporate from section 3065(y) language pertaining to the qualifications of persons who can provide other related services.

SECTION 3060(d)(7) is amended to delete reference to section 3052, which was repealed by AB 86 and pertained to positive behavior interventions, and to add references to Education Code sections 56520 through 56525, which where amended by AB 86 to address positive behavioral interventions in the absence of section 3052.

SECTION 3065 is being amended significantly as follows: All of the subsections have been moved in whole or in part to sections in 3051, et seq. The purpose of this merger of section 3065 into section 3051, et seq., is to create one section of regulations containing both the definitions and standards of related services and the qualifications of personnel who are permitted to provide these services. Specifically, the amendments to the pertinent sections are as follows:

Subdivision (a) is amended to clarify that the requirements of section 3051, et seq. must be met in nonpublic school and nonpublic agency settings. Similarly, subdivision
(b) is added to clarify how persons providing related services to California students who are placed in out-of-state settings must be certified.

Former subdivision (a), pertinent to adapted physical education, is incorporated into section 3051.5(b).

Former subdivision (b), pertinent to assistive technology services, is now section 3051.19

Former subdivision (c), pertinent to audiological services, is incorporated into section 3051.2(b).

Former subdivisions (d) and (e), pertinent to behavior intervention, are now section 3051.23.

Former subdivision (f), pertinent to counseling and guidance, is incorporated into section 3051.9(c).

Former subdivision (g), pertinent to early education programs, is now section 3051.20.

Former subdivision (h), pertinent to educational interpreters, is deleted because it is redundant to section 3051.16.

Former subdivision (i), pertinent to health and nursing services, is deleted. This subdivision is redundant or duplicative of the staff qualifications enumerated in section 3051.12.

Former subdivision (j), pertinent to home and hospital instruction, is deleted because this subdivision is too restrictive. Requirements pertinent to home or hospital instruction can be found in section 3051.4.

Former subdivision (k), pertinent to language and speech development and remediation, is incorporated into section 3051.1(c).

Former subdivision (l), pertinent to music therapy, is incorporated into section 3051.21.

Former subdivision (m), pertinent to occupational therapy, is incorporated into section 3051.6(b).

Former subdivision (n), pertinent to orientation and mobility instruction, is incorporated into section 3051.3(b).

Former subdivision (o), pertinent to parent counseling and training, is incorporated into section 3051.11(c).
Former subdivision (p), pertinent to physical therapy, is incorporated into section 3051.6(b).

Former subdivision (q)(1), pertinent to psychological services, is deleted; section 3051.10(a) provides a list, which is not exhaustive, of psychological services.

Former subdivision (q)(2) is incorporated into section 3051.10(b).

Former subdivision (r), pertinent to recreation services, is incorporated into section 3051.15(b).

Former subdivision (s), pertinent to social worker services, is incorporated into section 3051.13(b).

Former subdivision (t), pertinent to specialized driver training, is deleted because it is redundant to section 3051.8. Further, section 3051.8 cites the pertinent sections of Education Code regarding service provider qualifications.

Former subdivision (u), pertinent to specially designed vocational education and career development, is incorporated into section 3051.14(b).

Former subdivision (v), pertinent to specialized services for pupils with low-incidence disabilities, is incorporated into section 3051.16(d).

Former subdivision (w), pertinent to transcription services, is now section 3051.22.

Former subdivision (x), pertinent to vision services, is incorporated into section 3051.7(e).

Former subdivision (y), pertinent to other related services, is now section 3051.24.

SECTIONS 3083, 3084, and 3088 are amended to delete the word “public” before the word “agency” and to insert the words “or nonprofit organization or entity” to ensure that reference to the entity providing due process hearings and mediations reflects legislative language in Education Code section 56504.5.

ALTERNATIVES DETERMINATION

The SBE has determined that no alternative would be more effective in carrying out the purpose for which the regulation is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.
LOCAL MANDATE DETERMINATION

The proposed regulations do not impose any mandate on local agencies or school districts.

9-12-13 [California Department of Education]
California Department of Education
Executive Office
SBE-007 Federal (REV. 04/2013)

CALIFORNIA STATE BOARD OF EDUCATION

NOVEMBER 2013 AGENDA

Federal Waiver

**SUBJECT**

Request by five districts for a waiver of Section 131(c)(1) of the Carl D. Perkins Career and Technical Education Improvement Act of 2006 (Public Law 109-270).

Waiver Numbers:
- Biggs Unified School District Fed-09-2013
- Cloverdale Unified School District Fed-05-2013
- Golden Valley Unified School District Fed-08-2013
- Laton Joint Unified School District Fed-07-2013
- Templeton Unified School District Fed-06-2013

**SUMMARY OF THE ISSUES**

The California Department of Education recommends approval to waive the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins Act), Public Law 109-270 Section 131 (c)(1), which requires local educational agencies (LEAs) whose allocations are less than $15,000 to enter into a consortium with other agencies. If they are unable to do so, under Section 131(c)(2), they may waive the consortium requirement if the LEA is in a rural, sparsely populated area, thus allowing the districts to meet the needs of their students.

**Authority for Waiver:** Federal Waiver Authority (Public Law 109-270) Section 131(c)(2).

**RECOMMENDATION**

- Approval
- Approval with conditions
- Denial

**SUMMARY OF KEY ISSUES**

The criterion for qualifying for this waiver is demonstration that the LEAs cannot form or join a consortium that handles the Perkins funds. There are no other districts in the local area willing to join in a consortium. Districts are located in various rural counties, and have student populations ranging from 175 to 726. Districts are seeking waivers to function independently in order to meet the needs of the students in the district.

**Local board approval date(s):** Various.
SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

Section 131(c)(1) of the Perkins Act requires LEAs whose allocations are less than $15,000 to enter into a consortium with other LEAs for the purpose of meeting the $15,000 minimum grant requirement. Section 131(c)(2) of the Perkins Act permits states to waive the consortium agreement if the LEA is in a rural, sparsely populated area and is unable to join a consortium.


The SBE has approved all waivers of this statute that have been presented to it to date.

Demographic Information:
Biggs Unified School District has a high school student population of 175 and is located in a rural: distant (42) area in Butte County.

Cloverdale Unified School District has a high school student population of 453 and is located in a town: distant (32) area in Sonoma County.

Golden Valley Unified School District has a high school student population of 588 and is located in a rural: fringe (41) area in Madera County.

Laton Joint Unified School District has a high school student population of 196 and is located in a rural: fringe (41) area in Fresno County.

Templeton Unified School District has a high school student population of 726 and is located in suburb: small (23) area in San Luis Obispo County.

FISCAL ANALYSIS (AS APPROPRIATE)

Approval will enable these districts to receive an annual Perkins Act allocation that is listed on Attachment 1. The waivers have no significant effect on the distribution of Perkins Act funds statewide.

ATTACHMENT(S)

Attachment 1: List of Districts (1 page)

Attachment 2: Federal Waiver Request Fed-09-2013 Biggs Unified School District for Biggs High School (1 page) (Original waiver request is signed and on file in the Waiver Office.)

for Cloverdale High School (1 page) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 4: Federal Waiver Request Fed-08-2013 Golden Valley Unified School District for Liberty High School (1 page) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 5: Federal Waiver Request Fed-07-2013 Laton Joint Unified School District for Laton High School (1 page) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 6: Federal Waiver Request Fed-06-2013 Templeton Unified School District for Templeton High School (2 pages) (Original waiver request is signed and on file in the Waiver Office.)
# Districts Requesting Carl D. Perkins Career and Technical Education Waivers

<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>District</th>
<th>Period of Request</th>
<th>SBE Streamlined Waiver Policy</th>
<th>NCES Locale Code</th>
<th>Demographic Information</th>
<th>Perkins Act Allocation</th>
</tr>
</thead>
</table>
| Fed-09-2013   | Biggs Unified School District for Biggs High School | **Requested:**
  July 1, 2013 to June 30, 2017

**Recommended:**
  July 1, 2013 to June 30, 2017 | No | 42 | Student population of 175 located in Butte County | $5,629.00 |
| Fed-05-2013   | Cloverdale Unified School District for Cloverdale High School | **Requested:**
  October 1, 2013 to June 30, 2017

**Recommended:**
  July 1, 2013 to June 30, 2017 | No | 32 | Student population of 453 located in Sonoma County | $8,045.00 |
| Fed-08-2013   | Golden Valley Unified School District for Liberty High School | **Requested:**
  July 1, 2013 to June 30, 2017

**Recommended:**
  July 1, 2013 to June 30, 2017 | No | 41 | Student population of 588 located in Madera County | $9,456.00 |
| Fed-07-2013   | Laton Joint Unified School District for Laton High School | **Requested:**
  May 1, 2013 to June 30, 2017

**Recommended:**
  July 1, 2013 to June 30, 2017 | No | 41 | Student population of 196 located in Fresno County | $6,480.00 |
| Fed-06-2013   | Templeton Unified School District for Templeton High School | **Requested:**
  July 1, 2013 to June 30, 2017

**Recommended:**
  July 1, 2013 to June 30, 2017 | No | 23 | Student population of 726 located in San Luis Obispo County | $7,886.00 |

Prepared by the California Department of Education
September 5, 2013
California Department of Education
WAIVER SUBMISSION - Federal

CD Code: 0461408 Waiver Number: Fed-9-2013 Active Year: 2013

Date In: 8/21/2013 11:27:30 AM

Local Education Agency: Biggs Unified School District
Address: 300 B St.
Biggs, CA 95917

Start: 7/1/2013 End: 6/30/2017

Waiver Renewal: Y
Previous Waiver Number: Fed-15-2009-WC-3 Previous SBE Approval Date: 11/18/2009

Waiver Topic: Federal Program Waiver
Ed Code Title: Carl D. Perkins Voc and Tech Ed Act
Ed Code Section: PL 109-270 Section 131(c)(1)
Ed Code Authority: PL 109-270 Section 131(c)(2)

Ed Code or CCR to Waive: Federal Code Section to be waived: Carl D. Perkins Career and Technical Education Improvement Act of 2006, Public Law 109-270 Section 131(d)(1), that requires local agencies whose allocations are less than $15,000 to enter into a consortium with other agencies for the purpose of meeting the $15,000 minimum grant requirement.

Section 131(d)(1) of the Career and Technical Education and Improvement Act of 2006 permits states to waive the consortium requirement in any case in which the local agency (a) is in a rural, sparsely populated area, or is a public charter school operating secondary vocational and technical education programs; and (b) demonstrates it is unable to enter into a consortium to participate in the Perkins funding.

Biggs Unified is in a rural, sparsely populated area and has not been part of a consortium since 2009. This is a renewal request.

Student Population: 530
City Type: Rural
NCES Code: 43
Local Board Approval Date: 8/14/2013

Submitted by: Ms. PAMELA RAGAN
Position: FINANCIAL OFFICER
E-mail: pragan@biggs.org
Telephone: 530-868-1281 x252
Fax: 530-868-1615

Revised: 10/30/2013 11:13 AM
California Department of Education
WAIVER SUBMISSION - Federal

CD Code: 4970656  Waiver Number: Fed-5-2013  Active Year: 2013

Date In: 7/8/2013 5:15:35 PM

LEA Name: Cloverdale Unified School District
Address: 97 School St.
Cloverdale, CA 95425

Start: 10/1/2013  End: 6/30/2017

Waiver Renewal: Y  Previous Waiver Number: Fed-9-2009  Previous SBE Approval Date: 9/17/2009

Waiver Topic: Federal Program Waiver
Ed Code Title: Carl D. Perkins Voc and Tech Ed Act
Ed Code Section: PL 109-270 Section 131(c)(1)
Ed Code Authority: PL 109-270 Section 131(c)(2)

Ed Code or CCR to Waive: (Carl Perkins Career & Technical Education Improvement Act of 2006, Public Law 109-270 Section 131 (c) (i), that requires local agencies whose allocations are less than $15,000 to enter into a consortium with other agencies for the purpose of meeting the $15,000 minimum grant requirement.)

Outcome Rationale: Prior to the original waiver Cloverdale was in a consortium with Healdsburg Unified. In 2009 a waiver was sought as the new rules surrounding Carl Perkins funding made it difficult to align program goals with the other District. The current situation has worked well and the District would like to continue to function outside of a consortium in order to meet the needs of our students.

Student Population: 1428 (HS 436)

City Type: Small

NCES Code: 32

Local Board Approval Date: 6/26/2013

Submitted by: Ms. Lois Standring
Position: Chief Business Official
E-mail: standringl@cusd.org
Telephone: 707-894-1970
Fax: 707-894-1922

Revised: 10/30/2013 11:13 AM
California Department of Education
WAIVER SUBMISSION - Federal

CD Code: 2075580  Waiver Number: Fed-8-2013  Active Year: 2013

Date In: 8/20/2013 2:51:19 PM

Local Education Agency: Golden Valley Unified School District
Address: 37479 Avenue 12
Madera, CA 93636


Waiver Renewal: Y  Previous Waiver Number: Fed-3-2009-WC-7  Previous SBE Approval Date: 9/17/2009

Waiver Topic: Federal Program Waiver
Ed Code Title: Carl D. Perkins Voc and Tech Ed Act
Ed Code Section: PL 109-270 Section 131(c)(1)
Ed Code Authority: PL 109-270 Section 131(c)(2)

Ed Code or CCR to Waive: Carl D. Perkins Career and Technical Education Improvement Act of 2006, Public Law 109-270 Section 131(d)(1), that requires local agencies whose allocations are less than $15,000 to enter into a consortium with other agencies for the purpose of meeting the $15,000 minimum grant requirement.

Outcome Rationale: Golden Valley Unified is a small school district with an NCES Code 31, town fringe.

Student Population: 1968

City Type: Rural

NCES Code: 31

Local Board Approval Date: 8/13/2013

Submitted by: Ms. Diana Forshee
Position: Coordinator of Special Programs
E-mail: dforshee@gvusd.k12.ca.us
Telephone: 559-645-7533
Fax: 559-645-7144

Revised: 10/30/2013 11:13 AM
CD Code: 1062281  Waiver Number: Fed-7-2013  Active Year: 2013

Date In: 7/26/2013 10:39:08 AM

Local Education Agency: Laton Joint Unified School District
Address: 6259 DeWoody
Laton, CA 93242

Start: 5/2/2013  End: 6/30/2017

Waiver Renewal: Y  Previous Waiver Number: Fed-4-2009-WC-8  Previous SBE Approval Date: 9/17/2009

Waiver Topic: Federal Program Waiver
Ed Code Title: Carl D. Perkins Voc and Tech Ed Act
Ed Code Section: PL 109-270 Section 131(c)(1)
Ed Code Authority: PL 109-270 Section 131(c)(2)


PL 109-270 Section 131(c)(2).

Outcome Rationale: We are too small of a school district and there is not another district near us to form a consortium with.

Student Population: 190

City Type: Rural

NCES Code: 41

Local Board Approval Date: 7/25/2013

Submitted by: Mr. Jim Reed
Position: Principal/Perkins coordinator
E-mail: jreed@laton.k12.ca.us
Telephone: 559-922-4080
Fax: 559-923-4791

Revised: 10/30/2013 11:13 AM
California Department of Education
WAIVER SUBMISSION - Federal

CD Code: 4068841  Waiver Number: Fed-6-2013  Active Year: 2013

Date In: 7/23/2013 2:51:35 PM

Local Education Agency: Templeton Unified School District
Address: 960 Old County Rd.
Templeton, CA 93465

Start: 7/1/2013  End: 6/30/2017
Waiver Renewal: Y
Previous Waiver Number: Fed-16-2009-WC-4  Previous SBE Approval Date: 3/11/2010

Waiver Topic: Federal Program Waiver
Ed Code Title: Carl D. Perkins Voc and Tech Ed Act
Ed Code Section: PL 109-270 Section 131(c)(1)
Ed Code Authority: PL 109-270 Section 131(c)(2)

Ed Code or CCR to Waive: Carl D. Perkins Career and Technical Education Improvement Act of 2006, Public Law 109-270 Section 131(d)(1), that requires local agencies whose allocations are less than $15,000 to enter into a consortium with other agencies for the purpose of meeting the $15,000 minimum grant requirement.

Outcome Rationale: Templeton High School is seeking a waiver based upon Section 131(d)(2) of the Career Technical Education and Improvement Act of 2006 that permits states to waive the consortium requirement in any case in which the local education agency (a) is in a rural, sparsely populated area, or is a public charter school operating a secondary vocational and technical education programs; and (b) demonstrates is it unable to enter into a consortium to participate in the Perkins funding.

Neither of the two neighboring urban districts are interested in a consortium with us, because they do need us to attain their grant. Furthermore, our curriculum is not similar due to our rural nature.

The closest rural district is 35 miles away. A consortium was attempted in the past, but it failed due to the large distance between making articulation and joint participation nearly impossible.

Because of these two reasons, we seek to extend our waiver.

Student Population: 738
City Type: Rural
NCES Code: 42
Local Board Approval Date: 7/11/2013

Revised: 10/30/2013 11:13 AM
California State Board of Education
Meeting Agenda Items for November 6-7, 2013

WAIVER ITEM W-02
CALIFORNIA STATE BOARD OF EDUCATION

NOVEMBER 2013 AGENDA

General Waiver

SUBJECT

Request by the Capistrano Unified School District to waive portions of California Education Code Section 51745.6, and California Code of Regulations, Title 5, Section 11704, and portions of Section 11963.4(a)(3), related to charter school independent study pupil-to-teacher ratio to allow an increase from 25:1 to a 27.5:1 pupil-to-teacher ratio for Oxford Preparatory Academy.

Waiver Number: 6-7-2013

RECOMMENDATION

☐ Approval  ☒ Approval with conditions  ☐ Denial

The California Department of Education (CDE) recommends approval of this waiver request. The school meets the criteria for the SBE Streamlined Waiver Policy available at http://www.cde.ca.gov/re/lr/wr/documents/sbestreamlined.doc, Oxford Preparatory Academy Charter School—South Orange County (OPA) has a 2013 API of 990. The CDE recommends the approval with conditions listed in Attachment 1 for a period of two years less one day. Therefore, California Education Code (EC) 33051(b) will not apply, and the district will need to reapply if they wish to renew the waiver.

Additionally, Capistrano Unified School District (USD) will spend all excess funds generated by the increased pupil-to-certificated-employee ratio on students enrolled in the OPA.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

This is the first time the State Board of Education (SBE) will be hearing a pupil-to-teacher ratio waiver for the OPA in the Capistrano USD.

The requested waiver falls within the SBE Independent Study: average daily attendance (ADA)-to-teacher ratio. The SBE Policy #01-03 (April 2001, http://www.cde.ca.gov/be/ms/po/policy01-03-apr2001.asp) states that a waiver shall not be greater than 10 percent above the ratio that would be applicable absent the waiver, and this agreed-upon new maximum ratio will be maintained in all future years of the waiver.
EC Section 51745.6 and California Code of Regulations, Title 5, Section 11704, and portions of Section 11963.4(A)(3), establish minimum requirements for pupil-to-teacher ratios in independent study that apply to non-classroom based charter schools. In essence, these sections require that the ratio meet the following criteria:

- The ratio cannot exceed the equivalent ratio of pupil to full-time certificated employees for all other educational programs operated by the high school or unified school district with the largest ADA of pupils in that county.
- In a charter school, the ratio may be calculated by using a fixed pupil-to-certificated-employee ratio of 25:1, or by a ratio of less than 25 pupils per certificated employee.

The rationale provided by the Capistrano USD for raising the pupil-to-certificated employee ratio is as follows:

This waiver is being requested to enable the OPA to provide a quality educational program which is reasonably comparable to that provided to other students within Capistrano USD attending similar programs. Currently, the OPA maintains a student-teacher ratio under 25:1, in compliance with statute. The OPA is requesting an increase to a 27.5:1 ratio, 10 percent higher than that currently allowed. This will allow for additional instructional resources, including, but not limited to, additional instructional technology, to be available for all independent study students attending the OPA.

Because this is a general waiver, if the SBE decides to deny the waiver, it must cite one of the seven reasons in EC Section 33051(a), available at http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053.

FISCAL ANALYSIS (AS APPROPRIATE)

The increased pupil-to-teacher ratio would result in cost savings for the district and increased ADA claims to the state.

ATTACHMENT(S)

Attachment 1: Summary Table of Independent Study School State Board of Education Waivers for November 2013 (1 Page)

Attachment 2: Capistrano Unified School District: General Waiver Request 6-7-2013 (2 Pages) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 3: Capistrano Unified School District: Academic Performance Index Data Table for the Oxford Preparatory Academy (2 Pages)
## Summary Table of Independent Study School State Board of Education Waivers for November 2013

<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>School Name, Size of School and Public Hearing Approval Date</th>
<th>Pupil to Teacher Ratio Requested (if waiver of EC Section 51745.6 and California Code of Regulations, Title 5, Section 11704 and portions of Section 11963.4(a)(3))</th>
<th>Period of Request</th>
<th>Renewal Waiver?</th>
<th>Certificated Bargaining Unit Name and Representative, Position, and Date of Action</th>
<th>Advisory Committee/ School Site Council Name, Date of Review, and any Objections</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-7-2013</td>
<td>Capistrano Unified School District</td>
<td>Increase from 25:1 to 27.5:1. Independent study charter; no teacher will experience 27.5:1 at any given time.</td>
<td><strong>Requested:</strong></td>
<td>No</td>
<td>No Bargaining Unit</td>
<td>OPA Independent Advisory Committee</td>
</tr>
<tr>
<td></td>
<td>700 Total Students</td>
<td></td>
<td><strong>Recommended:</strong></td>
<td></td>
<td></td>
<td>June 5, 2013</td>
</tr>
<tr>
<td></td>
<td>July 10, 2013</td>
<td></td>
<td><strong>Recommended:</strong></td>
<td></td>
<td></td>
<td>No objections</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Request:** July 1, 2013 through June 30, 2014

**Recommended:** July 1, 2013 through June 29, 2015
Date In: 7/12/2013 10:48:47 AM

Local Education Agency: Capistrano Unified School District
Address: 33122 Valle Rd.
San Juan Capistrano, CA 92675

Start: 7/1/2013  End: 6/30/2014

Waiver Renewal: N
Previous Waiver Number:     Previous SBE Approval Date:

Waiver Topic: Charter School Program
Ed Code Title: Pupil Teacher Ratio
Ed Code Section: portions of 51745.6, CCR Title 5, 11704, and portions of 11963.4(a)(3)
Ed Code Authority: 33050

Ed Code or CCR to Waive: The pupils-to-certificated-employee ratio described in subdivision (a) may, in a charter school, be calculated by using a fixed pupils-to-certificated-employee ratio of [25 to one, or by being a ratio of less than 25] pupils per certificated employee.

Outcome Rationale: This waiver is being requested to enable Oxford Preparatory Academy – South Orange County to provide a quality educational program which is reasonably comparable to that provided by other students within Capistrano Unified School District attending similar programs. Currently, Oxford Preparatory Academy maintains a student-teacher ratio under 25:1, in compliance with statute. The School is requesting an increase to a 27.5:1 ratio, 10% higher than that currently allowed. This will allow for additional instructional resources, including but not limited to additional instructional technology, to be available for all independent study students attending the Oxford Preparatory Academy program.

Student Population: 700

City Type: Suburban

Public Hearing Date: 7/10/2013
Public Hearing Advertised: Notice posted at each school.

Local Board Approval Date: 7/10/2013

Community Council Reviewed By: OPA Independent Advisory Committee
Community Council Reviewed Date: 6/5/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Dr. Julie Hatchel
Position: Assistant Superintendent, Education Services
E-mail: jhatchel@capousd.org
Telephone: 949-234-9229
Fax: 949-489-0467
### Table 1: Academic Performance Index (API) Data

<table>
<thead>
<tr>
<th>Student Subgroups</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number Of Students</strong></td>
<td>2010</td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>African American or Black</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td>23</td>
<td>998</td>
<td>--</td>
</tr>
<tr>
<td>Filipino</td>
<td>11</td>
<td>1000</td>
<td>--</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>34</td>
<td>991</td>
<td>--</td>
</tr>
<tr>
<td>Native Hawaiian or Pacific Islander</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>248</td>
<td>992</td>
<td>--</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>18</td>
<td>998</td>
<td>--</td>
</tr>
<tr>
<td>Socioeconomically Disadvantaged</td>
<td>60</td>
<td>995</td>
<td>--</td>
</tr>
<tr>
<td>English Learners</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Students with Disabilities</td>
<td>18</td>
<td>922</td>
<td>--</td>
</tr>
<tr>
<td>Schoolwide</td>
<td>342</td>
<td>B</td>
<td>993</td>
</tr>
</tbody>
</table>

**Statewide/Similar Schools Rank**

| | | | | |
| Stateswide | Similar | Schools | Rank | | 10 | 10 |

(Blank) : The API is not displayed when there are less than 11 valid scores.

(--) : Targets are not calculated for subgroups that are not numerically significant.
Statewide/Similar Schools Rank Codes:
I - Invalid Data
B - District or ASAM school
C - Special Education School
S - Schools whose School Characteristics Index (SCI) and similar schools rank also changed.
O - Schools whose SCI changed because of data change, but similar schools rank did not change.

Base, Growth and Target Codes:
A - Met Interim Performance Target of 800.
B - School did not have a valid API Base and there is no Growth or target information.
C - School had significant demographic changes and there is no Growth or target information.
D - There is no growth target for districts, or Special Education schools.
California State Board of Education
Meeting Agenda Items for November 6-7, 2013

WAIVER ITEM W-03
CALIFORNIA STATE BOARD OF EDUCATION
NOVEMBER 2013 AGENDA

General Waiver

SUBJECT
Request by four local educational agencies to waive California Code of Regulations, Title 5, Section 3051.16(b)(3), the requirement that educational interpreters for deaf and hard of hearing pupils meet minimum qualifications as of July 1, 2009, to allow five educational interpreters to continue to provide services to students until June 30, 2014, under a remediation plan to complete those minimum qualifications.

Waiver Number:
Imperial County Office of Education 21-4-2013
Imperial County Office of Education 22-4-2013
Lemoore Union High School District 12-8-2013
Plumas Unified School District 2-7-2013
San Luis Obispo County Office of Education 1-8-2013

RECOMMENDATION

Approval with conditions

The California Department of Education (CDE) recommends approval of the waiver requests for these four interpreters, with the individual conditions noted in the attached spreadsheet. Imperial County office of Education waivers were presented in July 2013 but are being resubmitted due to a typo as to when the test scores need to be submitted to CDE.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

In 2002, the State Board of Education (SBE) approved regulations that required educational interpreters to be certified by the national Registry of Interpreters for the Deaf (RID), or equivalent, by January 1, 2007. As of July 1, 2009, they have been required to be certified by the national RID, or equivalent, or to have achieved a score of 4.0 on specified assessments.

SUMMARY OF KEY ISSUES

The Individuals with Disabilities Education Improvement Act of 2004 (IDEIA 2004) requires that interpreters for pupils who are deaf or hard of hearing meet state-
approved or state-recognized certification, licensing, registration, or other comparable requirements, as defined in Title 34 of the Code of Federal Regulations, Section 300.156(b)(1).

To meet this federal requirement, the California Code of Regulations, Title 5 (5 CCR), Section 3051.16(b)(3) require the following:

By July 1, 2009, and thereafter, an educational interpreter shall be certified by the national Registry of Interpreters for the Deaf (RID), or equivalent; in lieu of RID certification or equivalent, an educational interpreter must have achieved a score of 4.0 or above on the Educational Interpreter Performance Assessment (EIPA), the Educational Sign Skills Evaluation-Interpreter/Receptive (ESSE-I/R), or the National Association of the Deaf/American Consortium of Certified Interpreters (NAD/ACCI) assessment. If providing Cued Language transliteration, a transliterator shall possess Testing/Evaluation and Certification Unit (TEC Unit) certification, or have achieved a score of 4.0 or above on the EIPA – Cued Speech.

Because this is a general waiver, if the SBE decides to deny the waiver, it must cite one of the seven reasons in EC 33051(a), available at http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053.

In November 2009, the SBE approved a policy regarding educational interpreter waiver requests. That policy is on the CDE website at http://www.cde.ca.gov/re/lr/wr/hottopics.asp#Educational.

**Authority for Waiver:** EC Section 33050

**FISCAL ANALYSIS (AS APPROPRIATE)**

There is no statewide fiscal impact of waiver approval.

**ATTACHMENT(S)**

Attachment 1: List of Waivers, Numbers, Interpreters, SBE StreamlinedWaiver Policy, Period of Request, Local Board Approval, Date of Public Hearing, and New or Renewal (2 pages)

Attachment 2: List of Waiver Numbers, Districts, Collective Bargaining Unit Information, Public Hearing Requirement, and Advisory Committee Information (2 pages)

Attachment 3: List of Waiver Numbers, Districts, and Information Regarding Each Waiver (1 page)
Attachment 4: List of Waiver Conditions (2 pages)

Attachment 5: Imperial County Office of Education General Waiver Request 21-4-2013 (4 pages) (Original waiver request is signed and on file in Waiver Office.)

Attachment 6: Imperial County Office of Education General Waiver Request 22-4-2013 (4 pages) (Original waiver request is signed and on file in Waiver Office.)

Attachment 7: Lemoore Union High School District General Waiver Request 12-8-2013 (3 pages) (Original waiver request is signed and on file in Waiver Office.)

Attachment 8: Plumas Unified School District General Waiver Request 2-7-2013 (3 pages) (Original waiver request is signed and on file in Waiver Office.)

Attachment 9: San Luis Obispo County Office of Education General Waiver Request 1-8-2013 (3 pages) (Original waiver request is signed and on file in the Waiver Office.)
<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>LEA</th>
<th>Interpreter</th>
<th>Period of Request</th>
<th>Local Board Approval Date</th>
<th>Date of Public Hearing</th>
<th>New or Renewal</th>
</tr>
</thead>
</table>
| 21-4-2013     | Imperial County Office of Education | Deneen Hitch | **Period of Request:**
August 1, 2013, to June 30, 2014  
(from LEA)  
**Period Recommended:**
August 1, 2013, to June 30, 2014  
(from CDE) | April 8, 2013 | April 8, 2013 | Renewal This will be Ms. Hitch’s 3rd and final waiver |
| 22-4-2013     | Imperial County Office of Education | Josefina Berrelleza | **Period of Request:**
August 1, 2013, to June 30, 2014  
(from LEA)  
**Period Recommended:**
August 1, 2013, to June 30, 2014  
(from CDE) | April 8, 2013 | April 8, 2013 | New Since Ms. Berrelleza was hired in December, 2012, and it took six months to get the waiver request before the State Board, the CDE recommends this waiver be permitted through June 30, 2014. |
<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>LEA</th>
<th>Interpreter</th>
<th>Period of Request</th>
<th>Local Board Approval Date</th>
<th>Date of Public Hearing</th>
<th>New or Renewal</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-8-2013</td>
<td>Lemoore Union High School District</td>
<td>Stephanie Skidmore</td>
<td><strong>Period of Request:</strong> August 14, 2013, to June 30, 2014 (from LEA)</td>
<td>August 22, 2013</td>
<td>August 22, 2013</td>
<td>New</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Period Recommended:</strong> August 14, 2013, to June 30, 2014 (from CDE)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-7-2013</td>
<td>Plumas USD</td>
<td>Stephanie Metzger</td>
<td><strong>Period of Request:</strong> July 1, 2013, to June 30, 2014 (from LEA)</td>
<td>June 11, 2013</td>
<td>June 11, 2013</td>
<td>Renewal</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Period Recommended:</strong> July 2, 2013, to June 30, 2014 (from CDE)</td>
<td></td>
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</tr>
<tr>
<td>1-8-2013</td>
<td>San Luis Obispo COE</td>
<td>Caitlin Bresnahan</td>
<td><strong>Period of Request:</strong> August 19, 2013, to July 1, 2014 (from LEA)</td>
<td>July 30, 2013</td>
<td>July 30, 2013</td>
<td>Renewal</td>
</tr>
</tbody>
</table>
List of Waiver Numbers, Districts, Collective Bargaining Unit Information, Public Hearing Requirement, and Advisory Committee Information

<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>LEA</th>
<th>Date Bargaining Unit Consulted</th>
<th>Name of Bargaining Unit and Representative</th>
<th>Bargaining Unit Position</th>
<th>Public Hearing Requirement</th>
<th>Advisory Committee Consulted</th>
<th>Date Committee Reviewed Request</th>
<th>Were there any objections?</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-4-2013</td>
<td>Imperial County Office of Education</td>
<td>March 14, 2013</td>
<td>California School employees Association Ruby Tagaban, President</td>
<td>Support</td>
<td>Notice in the newspaper</td>
<td>Schoolsite Council</td>
<td>March 14, 2013</td>
<td>No</td>
</tr>
<tr>
<td>22-4-2013</td>
<td>Imperial County Office of Education</td>
<td>March 14, 2013</td>
<td>California School employees Association Ruby Tagaban, President</td>
<td>Support</td>
<td>Notice in the newspaper</td>
<td>Schoolsite Council</td>
<td>March 14, 2013</td>
<td>No</td>
</tr>
<tr>
<td>Waiver Number</td>
<td>LEA</td>
<td>Date Bargaining Unit Consulted</td>
<td>Name of Bargaining Unit and Representative</td>
<td>Bargaining Unit Position</td>
<td>Public Hearing Requirement</td>
<td>Advisory Committee Consulted</td>
<td>Date Committee Reviewed Request</td>
<td>Were there any objections?</td>
</tr>
<tr>
<td>---------------</td>
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<td>-----------------------------</td>
</tr>
<tr>
<td>12-8-2013</td>
<td>Lemoore Union High School District</td>
<td>August 20, 2013</td>
<td>Federation of Classified Employees; Manuel Dias, President</td>
<td>Support</td>
<td>District site bulletin boards, public offices, library, community colleges, city offices, etc.</td>
<td>Schoolsite Council</td>
<td>August 20, 2013</td>
<td>No</td>
</tr>
<tr>
<td>2-7-2013</td>
<td>Plumas USD</td>
<td>May 17, 2013</td>
<td>California School Employees Association, Chapter 193; Judith Yocum, President</td>
<td>Support</td>
<td>Notice posted at each school</td>
<td>Chester Elementary Schoolsite Council</td>
<td>June 11, 2013</td>
<td>No</td>
</tr>
<tr>
<td>1-8-2013</td>
<td>San Luis Obispo COE</td>
<td>July 10, 2013</td>
<td>California School Employees Association (CSEA), Chapter 444; Jacki Siebert, President</td>
<td>Support</td>
<td>Notice in a newspaper</td>
<td>Personnel Commission</td>
<td>July 24, 2013</td>
<td>No</td>
</tr>
</tbody>
</table>
## List of Waiver Numbers, Districts, and Information Regarding Each Waiver

<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>LEA</th>
<th>Interpreter</th>
<th>Name, Date, and Score of Most Recent Evaluation</th>
<th>Name, Dates, and Scores of Previous Evaluations</th>
<th>Date of Hire</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-4-2013</td>
<td>Imperial County Office of Education</td>
<td>Deneen Hitch</td>
<td>ESSE December 2012 3.3 Expressive 4.0 Receptive</td>
<td>ESSE September 2011 2.0 Expressive 3.5 Receptive</td>
<td>September 12, 2011</td>
</tr>
<tr>
<td>22-4-2013</td>
<td>Imperial County Office of Education</td>
<td>Josefina Berrelleza</td>
<td>EIPA Pre-Hire Screen November 29, 2012 “OK to Hire/Hire with Caution”</td>
<td>N/A</td>
<td>December 3, 2012</td>
</tr>
<tr>
<td>12-8-2013</td>
<td>Lemoore Union High School</td>
<td>Stephanie Skidmore</td>
<td>EIPA 5/4/2013 3.0 (60%)</td>
<td>N/A</td>
<td>August 14, 2013</td>
</tr>
<tr>
<td>2-7-2013</td>
<td>Plumas USD</td>
<td>Stephanie Metzger</td>
<td>EIPA 6/8/2013 Scores pending.</td>
<td>EIPA 9/15/2012 3.2 (64%)</td>
<td>September 4, 2012</td>
</tr>
<tr>
<td>1-8-2013</td>
<td>San Luis Obispo COE</td>
<td>Caitlan Bresnahan</td>
<td>Took the RID assessment August 2013. Score pending. Took the EIPA 7/16/2012, but the assessment tapes were lost by Boys Town Hospital.</td>
<td>EIPA 9/16/2011 3.2 (64%)</td>
<td>August 13, 2012</td>
</tr>
</tbody>
</table>
## November 2013 Educational Interpreter Conditions

<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>LEA</th>
<th>Interpreter</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-4-2013</td>
<td>Imperial County Office of Education</td>
<td>Deneen Hitch</td>
<td>1. The Imperial County Office of Education must provide Ms. Hitch with weekly one-on-one mentorship, based on an individualized professional development plan, by a qualified interpreter.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. By June 2014, the County Office of Education must provide CDE with new assessment scores for Ms. Hitch.</td>
</tr>
<tr>
<td>22-4-2013</td>
<td>Imperial County Office of Education</td>
<td>Josefina Berrelleza</td>
<td>3. The Imperial County Office of Education must provide Ms. Berrelleza with weekly one-on-one mentorship, based on an individualized professional development plan, by a qualified interpreter.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. By June 2014, the County Office of Education must provide CDE with new assessment scores for Ms. Berrelleza.</td>
</tr>
<tr>
<td>12-8-2013</td>
<td>Lemoore Union High School District</td>
<td>Stephanie Skidmore</td>
<td>5. The Lemoore USD must provide Ms. Skidmore with weekly one-on-one mentorship, based on an individualized professional development plan, by a qualified interpreter.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6. By June 2014, the Lemoore USD must provide CDE with new assessment scores for Ms. Skidmore. The scores must be from one of the assessments named in 5 CCR, Section 3051.16(b)(3).</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7. Ms. Skidmore must demonstrate growth on the assessment in order to be considered a candidate for an educational interpreter waiver for the 2014-15 school year.</td>
</tr>
<tr>
<td>Waiver Number</td>
<td>LEA</td>
<td>Interpreter</td>
<td>Conditions</td>
</tr>
<tr>
<td>---------------</td>
<td>-------------------</td>
<td>-------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 2-7-2013      | Plumas USD        | Stephanie Metzger | 1. The Plumas USD must provide Ms. Metzger with weekly one-on-one mentorship, based on an individualized professional development plan, by a qualified interpreter.  
2. By June 2014, the Plumas USD must provide CDE with new assessment scores for Ms. Metzger. The scores must be from one of the assessments named in 5 CCR, Section 3051.16(b)(3).  
3. Ms. Metzger must demonstrate growth on the assessment in order to be considered a candidate for an educational interpreter waiver for the 2014-15 school year. |
| 1-8-2013      | San Luis Obispo COE | Caitlan Bresnahan | 1. The San Luis Obispo COE must provide Ms. Bresnahan with weekly one-on-one mentorship, based on an individualized professional development plan, by a qualified interpreter.  
2. By June 2014, the San Luis Obispo COE must provide CDE with new assessment scores for Ms. Bresnahan. The scores must be from one of the assessments named in 5 CCR, Section 3051.16(b)(3).  
3. Ms. Bresnahan must demonstrate growth on the assessment in order to be considered a candidate for an educational interpreter waiver for the 2014-15 school year. |
California Department of Education
WAIVER SUBMISSION - General

CD Code: 1310132  Waiver Number: 21-4-2013  Active Year: 2013

Date In: 4/18/2013 10:49:29 AM

Local Education Agency: Imperial County Office of Education
Address: 1398 Sperber Rd.
El Centro, CA 92243

Start: 8/1/2013  End: 6/30/2014
Waiver Renewal: Y
Previous Waiver Number: 40-04-2012-W-07  Previous SBE Approval Date: 7/10/2012

Waiver Topic: Special Education Program
Ed Code Title: Educational Interpreter for Deaf and Hard of Hearing
Ed Code Section: CCR, Title 5 Section 3051.16(b)(3)
Ed Code Authority: 33050-33053

Ed Code or CCR to Waive: 5 CCR3051.16 (b)(3) Specialized Services for Low-Incidence Disabilities

Outcome Rationale: This waiver is neccessary due to the lack of qualified candidates in out area. In order to meet student need for Educational Sign Language Interpreters it is neccessary to hire individuals who have been tested by Boys Town National Research Hospital's pre-hire screening and have been deemed appropriate for hire.

Student Population: 3

City Type: Rural

Public Hearing Date: 4/8/2013
Public Hearing Advertised: Newspaper

Local Board Approval Date: 4/8/2012

Committee/Council Reviewed By: School Site Council
Committee/Council Reviewed Date: 3/14/2013
Committee/Council Objection: N
Committee/Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N
March 13, 2013

TO: Deneen Hitch, Educational Sign Language Interpreter position
FROM: Spencer Wavra, Senior Director, Special Education


Dear Mrs. Hitch,

In accordance with: Title 5. EDUCATION regulation section 3051.16 (b)(3), “By July 1, 2009, and thereafter, an educational interpreter shall be certified by the national RID, or equivalent; in lieu of RID certification or equivalent, an educational interpreter must have achieved a score of 4.0 or above on the EIPA, the ESSE-I/R, or the NAD/ACCI assessment…”. Therefore, this letter is to inform you that the ICOE will be submitting a waiver request in relation to this aforementioned Title 5 Education Code on your behalf. A state requirement of the waiver request is that a Remediation Plan be developed and included with the waiver request. A waiver, if granted, would allow you to work as an Educational Sign Language Interpreter for the 2013-2014 school year. You were hired by ICOE due to your Pre-hire Screening results (“hire with caution/ok to hire”), and you received a waiver for the 2012-2013 school year allowing you to continue to work in this capacity. A 4.0 score on an acceptable sign language assessment is the state requirement, as stated above in the Title 5 Education Code, thus all Educational Sign Language Interpreters employed in the K-12 public school system must meet this requirement.

We have received the results of the ESSE taken by you in December, 2012 where you obtained a score of 3.3 expressive and 4.0 receptive, (Attachment 1) this score has increased from your previous score on the September 2011 testing of 2.0 expressive and 3.5 receptive however; you still need to pass the expressive portion of the test. (Attachment 2) Therefore the Remediation Plan below will be followed by you to assist you in meeting qualification requirements of an Educational Sign Language Interpreter in the area of receptive and expressive language.

Remediation Plan:

- The Imperial County Office of Education (ICOE) must provide CDE with your assessment scores (ESSE or EIPA); therefore, you are required to take the ESSE or EIPA exam before the end of the 2013-2014 school year. You are required to attend and take one of the exams at least one time during the 2013-2014 school year. The Special Education Department will assist you with making the arrangements to take an exam and will provide reimbursement for one exam taken during the 2013-14 school year.
- You are required to take advantage of the opportunities and resources available from ICOE to maximize your assessment score. Proof of participation in these opportunities will strengthen the waiver application request when CDE determines whether to grant or deny your waiver. Opportunities are listed below.

The ICOE is offering opportunities to support you in and to help you meet your goal of 4.0 test score on the ESSE or EIPA. ICOE is offering the following opportunities for professional growth.
- Reimbursement for unit cost of Cypress College coursework (provided through video conferencing)
- Access to DVD library
- Reimbursement for one EIPA or ESSE assessment during 2013-2014 school year
- Access to sign language vocabulary books with previously non-accessible vocabulary
- Encouragement of all interpreters to meet regularly with colleagues to work on developing their Sign language skills; ICOE to provide location
- One-to-one mentorship from a skilled (4.0 level) Educational Sign Language Interpreter for one hour one time per week in order to continue to meet your goal of obtaining a 4.0 test score on the ESSE or EIPA. A Professional Development Plan has been written to take into account your current test scores to further guide your mentorship experience (Attachment 3).

The ICOE expects your full cooperation in this remediation plan. A third Waiver Request for the 2013-2014 school year will be submitted for the California State Board of Education's review during the July 8-9 Board of Education meeting. Your continued employment for the 2013-2014 school year will be contingent upon CDE Board of Education approval. There is no guarantee that the CDE will grant another waiver when requested.

Should you have any questions and/or concerns please contact Lynda Schoonover, ICOE Special Education Program Manager at (760) 312-6582 or Spencer Wavra, ICOE Senior Director of Special Education/Support Services at (760) 312-6428.

Thank you in advance for your attention and cooperation in this matter. We look forward to your successful obtainment of a passing score on the ESSE or EIPA in the near future.

______________________________  ____________________________
Ruby Pacheco- CSEA Chapter 614 President  Lynda Schoonover -ICOE Program Administrator
Employee- Deneen Hitch

Attachments:
1. December 2012 ESSE Scores
2. September 2011 ESSE Scores
3. 2013-14 School Year Professional Development Plan
California Department of Education
WAIVER SUBMISSION - General

CD Code: 1310132  Waiver Number: 22-4-2013  Active Year: 2013

Date In: 4/18/2013 11:04:43 AM

Local Education Agency: Imperial County Office of Education
Address: 1398 Sperber Rd.
El Centro, CA 92243

Start: 12/3/2012  End: 6/30/2013

Waiver Renewal: N
Previous Waiver Number: Previous SBE Approval Date:

Waiver Topic: Special Education Program
Ed Code Title: Educational Interpreter for Deaf and Hard of Hearing
Ed Code Section: CCR, Title 5 Section 3051.16(b)(3)
Ed Code Authority: 33050-33053

Ed Code or CCR to Waive: 5 CCR 3051.16 (b)(3) specialized Services for Low-Incidence Disabilities
Educational Interpreter not Meeting State and Federal Qualifications

Outcome Rationale: This waiver is necessary due to the lack of qualified candidates in our area. In order to meet student needs for Educational Sign Language Interpreters it is necessary to hire individuals who have been tested by Boy's Town national Research Hospital's pre-hire screening and been deemed appropriate for hire.

Student Population: 8

City Type: Rural

Public Hearing Date: 4/8/2013
Public Hearing Advertised: Newspaper

Local Board Approval Date: 4/8/2013

Committee/Council Reviewed By: School Site Council
Committee/Council Reviewed Date: 3/14/2013
Committee/Council Objection: N
Committee/Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N
March 13, 2013

TO: Josefina Berrelleza, candidate for Educational Sign Language Interpreter position
FROM: Spencer Wavra, Senior Director, Special Education


Dear Ms. Berrelleza,

In accordance with: Title 5. EDUCATION regulation section 3051.16 (b)(3), “By July 1, 2009, and thereafter, an educational interpreter shall be certified by the national RID, or equivalent; in lieu of RID certification or equivalent, an educational interpreter must have achieved a score of 4.0 or above on the EIPA, the ESSE-I/R, or the NAD/ACCI assessment...”. Therefore, this letter is to inform you that the ICOE will be submitting a waiver request in relation to this aforementioned Title 5 Education Code on your behalf. A state requirement of the waiver request is that a Remediation Plan be developed and included with the waiver request. A waiver, if granted, would allow you to work as an Educational Sign Language Interpreter for the 2013-2014 school year. You are eligible to be hired by ICOE due to your Pre-hire Screening results (“hire with caution/ok to hire”). A 4.0 score on an acceptable sign language assessment is the state requirement, as stated above in the Title 5 Education Code, thus all Educational Sign Language Interpreters employed in the K-12 public school system must meet this requirement.

Although you do not have current scores on any of the aforementioned assessments, we do have your results from the Boy’s Town Pre-assessment results (ok to hire/hire with caution.) Therefore the Remediation Plan below will be followed by you to assist you in meeting qualification requirements of an Educational Sign Language Interpreter.

Remediation Plan:

- The Imperial County Office of Education (ICOE) must provide CDE with your assessment scores (ESSE or EIPA); therefore, you are required to take the ESSE or EIPA exam before the end of the 2012-2013 school year.
- You are required to take advantage of the opportunities and resources available from ICOE to maximize your assessment score. Proof of participation in these opportunities will strengthen the waiver application request when CDE determines whether to grant or deny your waiver. Opportunities are listed below.

The ICOE is offering opportunities to support you in the above remediation plan and to help you meet your goal of 4.0 test score on the ESSE or EIPA. ICOE is offering the following opportunities for professional growth:

- Reimbursement for unit cost of Cypress College coursework (provided through video conferencing)
- Access to DVD library
- Reimbursement for one EIPA or ESSE assessment during 2012-2013 school year
- Access to sign language vocabulary books with previously non-accessible vocabulary
- Encouragement of all interpreters to meet regularly with colleagues to work on developing their Sign language skills.
The ICOE expects your full cooperation in this remediation plan. A Waiver Request for the 2013-2014 school year will be submitted for the California State Board of Education's review during the July 09 and 10 CDE Board of Education meeting. Your continued employment for the 2013-2014 school year will be contingent upon CDE Board of Education approval or passage of the ESSE that you took in February 2013. There is no guarantee that the CDE will grant a waiver when requested.

Should you have any questions and/or concerns please contact Lynda Schoonover at (760) 312-6428. Thank you in advance for your attention and cooperation in this matter. We look forward to your successful obtainment of a passing score on the ESSE or EIPA in the near future.

_______________________________  ______________________________  ________________________
Ruby Pacheco- CSEA Chapter 614 President  Lynda Schoonover -ICOE Program Manager  Employee-
Josefina Berrelleza
CD Code: 1663982  Waiver Number: 12-8-2013  Active Year: 2013
Date In: 8/23/2013 10:47:25 AM

Local Education Agency: Lemoore Union High School District
Address: 5 Powell Ave.
Lemoore, CA 93245

Start: 8/14/2013  End: 6/30/2014
Waiver Renewal: N
Previous Waiver Number:      Previous SBE Approval Date:

Waiver Topic: Special Education Program
Ed Code Title: Educational Interpreter for Deaf and Hard of Hearing
Ed Code Section: CCR, Title 5, Section 3051.16(b)(3)
Ed Code Authority: 33050

Ed Code or CCR to Waive: [By July 1, 2009, and thereafter, an educational interpreter shall be certified by the national RID, or equivalent; in lieu of RID certification or equivalent, an educational interpreter must have achieved a score of 4.0 or above on the EIPA, the ESSE-I/R, or the NAD/ACCI assessment. If providing Cued Language transliteration, a transliterator shall possess TEC Unit certification, or have achieved a score of 4.0 or above on the EIPA - Cued Speech.]

Outcome Rationale: The district currently has one student enrolled for the 2013-2014 school year that is in need of an Educational Interpreter. The student had originally planned to relocate following her 2012-2013 school year, however their plans changed mid-summer. This has left the district without a certified interpreter as our previous certified interpreter sought other employment with another school district. The district humbly requests a waiver be granted for Stephanie Skidmore to interpret for the DHH student. Ms. Skidmore was the only applicant that applied for the position and the first day of school was quickly approaching leaving us no choice as the student needed these services. Ms. Skidmore has recently taken the EIPA assessment with a score of 3.0 and plans to retake the exam in the spring following some additional training.

Student Population: 2281

City Type: Rural

Public Hearing Date: 8/22/2013
Public Hearing Advertised: District Site Bulletin Boards, Public Offices, Library, Community Colleges, City Offices, etc.

Local Board Approval Date: 8/22/2013
Community Council Reviewed By: School Site Council
Community Council Reviewed Date: 8/20/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Ms. Susan Mattos
Position: Human Resources Technician
E-mail: smattos@luhsd.k12.ca.us
Telephone: 559-924-6610 x 353
Fax: 559-924-9212

Bargaining Unit Date: 08/20/2013
Name: Federation of Classified Employees
Representative: Manuel Dias
Title: Union President
Position: Support
Comments:
NAME: Stephanie Skidmore-Remediation Plan
POSITION TITLE: Educational Interpreter-Lemoore Union High School District

Effective July 1, 2009, as required by California Code of Regulations, Sections 3051.16 and 3065, regulations specify the following qualification standards for educational interpreters:

By July 1, 2009, and thereafter, an educational interpreter shall be certified by the National RID; or in lieu of RID certification or equivalent, an educational interpreter must have achieved a score of 4.0 or above on the EIPA, the ESSE, or the NAD assessment.

If an educational interpreter has not met the standard, the district may apply for a one year waiver on his/her behalf. Waiver requests would include this training plan. To receive a waiver an interpreter would need to provide evidence to the Human Resources Department that he/she is taking a class, going to trainings and/or taking one of the required assessments to prove that he/she is working toward the required certification.

I understand that I have not yet met the qualification standards for the educational interpreters.

To become a certificated educational interpreter, I must meet one of the following options:

(Check Assessment you plan on taking)
□ Become Certified by National RID or
Score 4.0 or above on one of the following assessments:
    X EIPA
    □ ESSE
    □ NAD

Actions I will take to complete the above requirements: (Describe your plan)
□ Take on-line opportunities for Interpreting training:
    Date: _September 2013_ w/Central Coast Sign
    Language(EIPA) _______________________________

□ Meet with mentor on a regular basis:
    Name(s) Title(s)______Diana Skidmore(Certified Teacher/Mentor)

□ Took EIPA assessment on May 4, 2013. EIPA recommends that individuals wait at least one year before re-testing.

______________________________  ______________________________
Stephanie Skidmore   Date  District Designee   Date

______________________________  ______________________________
Manuel Dias     Date
Classified Union President
California Department of Education
WAIVER SUBMISSION - General

CD Code: 3266969  Waiver Number: 2-7-2013  Active Year: 2013

Date In: 7/2/2013 12:11:27 PM

Local Education Agency: Plumas Unified School District
Address: 50 Church St.
Quincy, CA 95971

Start: 7/1/2013  End: 6/30/2014

Waiver Renewal: Y  Previous Waiver Number: 37-2-2013-W-05  Previous SBE Approval Date: 5/8/2013

Waiver Topic: Special Education Program
Ed Code Title: Educational Interpreter for Deaf and Hard of Hearing
Ed Code Section: CCR, Title 5, Section 3051.16(b)(3)
Ed Code Authority: 33050

Ed Code or CCR to Waive: "By July 1, 2009 and thereafter an educational interpreter shall be certified by the national RID or equivalent; in lieu of RID certification or equivalent, an educational interpreter must have achieved a score of 4.0 or above on the EIPA, the ESSE-I/R, or the NAD/ACCI assessment"

Outcome Rationale: PUSD has a 10 year old who is Deaf, she uses ASL to communicate. She spends 90% of her day in a mainstream 3rd grade class, she is a valued member of that class achieving at near grade level in all areas except reading, she is reading at a 2.1 grade level currently. Interpreter Stephanie Metzger took the EIPA last Sept. receiving a score of 3.2. This year she has been working with an Interpreter Mentor from the Sacramento area. Stephanie took another EIPA last month, June 8 2013, but we will not have her score for a while. Her student's academic, social and emotional success over the past year testifies to Stephanie's ability to continue to be her interpreter for this school year. Stephanie is committed to continue her mentorship program with the certified interpreter. We live in a very rural, isolated mountain community, therefore it is very difficult to find skilled interpreters.

Student Population: 1600

City Type: Rural

Public Hearing Date: 6/11/2013
Public Hearing Advertised: Notice posted at each school

Local Board Approval Date: 6/11/2013

Community Council Reviewed By: Plumas Unified School District School Board; Chester Elementary School Site Council
Community Council Reviewed Date: 6/11/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Ms. Lynne Koeller
Position: SELPA Program Specialist- D/HH
E-mail: lkoeller@pcoe.k12.ca.us
Telephone: 530-283-6500 x275
Fax: 530-283-6509

Bargaining Unit Date: 05/17/2013
Name: CSEA Chapter 193
Representative: Judith Yocum
Title: CSEA Chapter 193 President
Position: Support
Comments:
TO: Stephanie Metzger  
FROM: Tori Willits  
DATE: May 17, 2013

SUBJECT: Interpreter Remediation Plan

The State Board of Education has amended two sections of Title 5 of the California Code of Regulations Sections 3051.16 and 3065, to ensure that interpreters for pupils who are deaf or hard of hearing meet state approved or stated-recognized requirements for certification, licensing and registration or other comparable requirements.

“By July 1, 2009 and thereafter an educational interpreter shall be certified by the national RID or equivalent; in lieu of RID certification or equivalent, an educational interpret must have achieved a score of 4.0 or above on the EIPA, the ESSE-I/R, or the NAD/ACCI assessment.”

PUSD has provided the following training for you:

EIPA (Educational Interpreter Performance Assessment) for you on 9/15/2012. This assessment included a written report containing strengths, weaknesses and suggestions for improvement of skills. PUSD has received your EIPA and score of 3.2 for this assessment. During the current school year, PUSD has provided 35 hours of one-on-one mentoring with a Certified, ASL Interpreter. You have another EIPA scheduled for June 8, 2013.

If you do not obtain a score of 4.0 or greater, PUSD is offering to provide and fund an Interpreter Training Program for you that consists of 35 hours of mentoring with an RID Certified Interpreter and weekly one-on-one mentorship with an ASL Instructor. The offering of this Interpreter Training program, during the 2013-2014 school year, is to assist you with the compliance requirement of a score of 4.0 on the EIPA. PUSD is in the process of applying for a waiver on your behalf with the Department of Education. If a waiver is granted, it will only be for the current school year, ending June 30, 2014.
California Department of Education
WAIVER SUBMISSION - General

CD Code: 4010405  Waiver Number: 1-8-2013  Active Year: 2013

Date In: 8/1/2013 2:56:10 PM

Local Education Agency: San Luis Obispo County Office of Education
Address: 3350 Education Dr.
San Luis Obispo, CA 93405

Start: 8/19/2013  End: 7/1/2014

Waiver Renewal: Y
Previous Waiver Number: 25-7-2012-w-03     Previous SBE Approval Date: 11/8/2012

Waiver Topic: Special Education Program
Ed Code Title: Educational Interpreter for Deaf and Hard of Hearing
Ed Code Section: CCR, Title 5, Section 3051.16(b)(3)
Ed Code Authority: 33050

Ed Code or CCR to Waive: EC 3051.16. Specialized Services for Low-Incidence Disabilities.
(b) Certification requirements for educational interpreters for deaf and hard of hearing pupils.
[(3) By July 1, 2009, and thereafter, an educational interpreter shall be certified by the national
RID, or equivalent; in lieu of RID certification or equivalent, an educational interpreter must have
achieved a score of 4.0 or above on the EIPA, the ESSE-I/R, or the NAD/ACCI assessment. If
providing Cued Language transliteration, a transliterator shall possess TECUnit certification, or
have achieved a score of 4.0 or above on the EIPA - Cued Speech.]

Outcome Rationale: Caitlin Bresnahan is an Interpreter for the Deaf for the San Luis Obispo
County Office of Education. Her hire date was August 13, 2012. Prior to this promotion, she
worked for us as an Instructional Assistant with Signing Skills in a DHOH classroom. She took
the EIPA exam on September 16, 2011, and scored a 3.2. She retook the EIPA exam on July
16, 2012. Unfortunately, the exam scores/records were lost. She will be taking the RID exam
eyear in August, 2013.

As per her remediation plan, she has been meeting with her mentor weekly during the 12-13
school year, and has also had regular observations weekly observations and feedback.
We appreciate your review of this waiver renewal request.

Student Population: 132

City Type: Rural

Public Hearing Date: 7/30/2013
Public Hearing Advertised: newspaper

Local Board Approval Date: 7/30/2013
Community Council Reviewed By: Personnel Commission
Community Council Reviewed Date: 7/24/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N
Categorical Program Monitoring: N

Submitted by: Ms. Cynthia Mauch
Position: Human Resources Specialist
E-mail: cmauch@slocoe.org
Telephone: 805-782-7221
Fax:

Bargaining Unit Date: 07/10/2013
Name: CSEA Chapter 444
Representative: Jacki Seibert
Title: President
Position: Support
Comments:
REMEDIATION PLAN FOR CAITLYNN BRESNAHAN

August 1, 2013

Caitlin will continue to work with Abby Kopp, a certified Interpreter for the Deaf, up to one hour per week to mentor and help her continue to improve her sign language skills. In addition, Caitlin and Abby will work together as colleagues to support students during student lunchtimes, breaks, and special events, and Abby will provide feedback to Caitlin about her performance as an interpreter during these times.

By signing below, Caitlin understands that if she fails to pass the required interpreter examination or if a waiver is not granted, she may not be able to continue in the position.

Signed,

______________________________
Chris Ungar (Executive Director, Special Education)

______________________________
Caitlin Bresnahan

______________________________
Jacki Seibert (CSEA President)
California State Board of Education
Meeting Agenda Items for November 6-7, 2013

WAIVER ITEM W-04
California Department of Education
Executive Office
SBE-005 General (REV. 08/2011)

California State Board of Education
November 2013 Agenda

General Waiver

SUBJECT
Request by two local educational agencies under the authority of California Education Code Section 33050. One is to waive portions of California Education Code Section 48661(a), relating to the colocation of a community day school with other types of schools and/or portions of California Education Code sections 48660 and 48916.1(d), relating to the allowable grade spans for community day schools. The other is to waive portions of California Education Code Section 48663(a), relating to community day school minimum instructional minutes.

Waiver Numbers:
Exeter Unified School District 12-7-2013
Red Bluff Joint Union High School District 15-8-2013

RECOMMENDATION

☐ Approval  ☒ Approval with conditions  ☐ Denial

The California Department of Education (CDE) recommends approval of the waiver requests for these two community day schools (CDSs), with the individual conditions noted in the Attachment 1.

The Exeter Unified School District (USD) is requesting a dual purpose waiver (Waiver Number 12-7-2013) of California Education Code (EC) Section 48661(a) to permit the continued location of its CDS on the same site with this small district’s other alternative education programs (a continuation high school, independent study school, and virtual school), upon an annual two-thirds vote of the local board. The Exeter USD is also requesting that this waiver apply to the grade span limitations of EC sections 48660 and 48916.1(d), to permit the establishment of a CDS for students in grades one through twelve.

The Red Bluff Joint Union High School District (JUHSD) is requesting a waiver (Waiver Number 15-8-2013) of the requirement of EC Section 48663(a) to provide a daily minimum of 360 minutes of instructional time. The Red Bluff JUHSD proposes to provide 300 minutes of instruction and dismiss one hour early one day each week (Monday) to allow time for teachers, specialists, and administrators to meet to analyze student data and collaborate on lesson design. The district would provide an additional 20 minutes of instruction on the other days (Tuesday through Friday), for a net total of an additional 20 minutes of instructional time each week as compared to the statutory requirement (see Attachment 4).
SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

The State Board of Education (SBE) has approved several similar requests in the past to allow the colocation of a CDS with another school when the CDS could not be located separately and the district has been able to provide for the separation of students from the other schools. The SBE has also approved previous waiver requests to expand the allowable grade span for a CDS to best serve its students when it was not feasible for the district to operate two separate schools. Additionally, the SBE has approved previous waiver requests of the minimum instructional day in a CDS where the district agreed that, if instructional minutes were reduced during one day of the week, other days would be extended so that the total instructional minutes provided to students during the week would equal or exceed the total as normally provided under statute.

SUMMARY OF KEY ISSUES

EC Section 48916.1(a) requires school districts to ensure that each of their expelled students be provided an educational program during the period of expulsion. EC Section 48661(a) states that a CDS shall not be situated on the same site as a comprehensive elementary, middle, or high school, continuation high school, or an opportunity school. EC Section 48661(a) authorizes a small school district with 2,500 or fewer students to waive the separation requirement based on an annual certification by at least two-thirds of the local board that separate alternative facilities are not available.

EC Section 48660 provides for the allowable grade spans of CDSs. EC Section 48916.1(d) provides for the allowable grade spans of educational services for expelled students. EC Section 48660 provides that a CDS may serve pupils in any of kindergarten and grades one to six, inclusive, or any of grades seven to twelve, inclusive, or the same or lesser included range of grades as may be found in any individual middle or junior high school operated by the district. It further provides that if a school district is organized as a district that serves kindergarten through grade eight (K–8), inclusive, but no higher grades, the governing board of the school district may establish a CDS for any students in K–8, inclusive.

The Exeter USD was recently formed through the combination of the former Exeter Union Elementary and Exeter Union High School Districts. Each district had been operating a small CDS under the small district statutory framework. The enrollment of the USD now totals 2,984 students, making it necessary to request authorization from the SBE to continue the existing practices. Additionally, the district is requesting authorization to consolidate the two CDSs into a single school.

Given the extremely challenging fiscal environment presently facing all California schools, some districts, including Exeter USD, are finding that they do not have the resources to operate a CDS at a fully separate location. The district selected this site to avoid any interaction with students on traditional school campuses. Separation is maintained through means that include combinations of the use of fencing, open space between the schools through which any student transit would be observed, different arrival and departure times, different break and lunch times, and the presence of
campus monitors. The two CDSs have been housed at this facility for more than three years, with no major incidents or problems with the other schools.

The Red Bluff JUHSD proposes to provide an additional 20 minutes of instruction Tuesday through Friday in response to shortening the day (Monday) to provide staff an opportunity to analyze student data and collaborate on lesson design. This ultimately provides an additional 20 minutes of instructional time each week, which is above the statutory requirement.

Because these are general waivers, if the SBE decides to deny the waiver, it must cite one of the seven reasons in EC Section 33051(a), available at http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053

Demographic Information: See Attachment 1

Authority for Waiver: EC Section 33050

Period of request: See Attachment 1

Local board approval date(s): See Attachment 1

Public hearing held on date(s): See Attachment 1

Bargaining unit(s) consulted on date(s): See Attachment 1

Name of bargaining unit/representative(s) consulted: See Attachment 1

Position of bargaining unit(s) (choose only one): See Attachment 1
☐ Neutral ☐ Support ☐ Oppose:

Advisory committee(s) consulted: See Attachment 1

Objections raised (choose one): See Attachment 1
☐ None ☐ Objections are as follows:

Date(s) consulted: See Attachment 1

FISCAL ANALYSIS (AS APPROPRIATE)

There is no statewide fiscal impact of Waiver approval.
ATTACHMENT(S)

Attachment 1: Summary Table of Community Day School State Board of Education Waivers for November 2013 (1 page)

Attachment 2: Exeter Unified School District: General Waiver Request 12-07-2013 (3 pages) (Original Waiver request is signed and on file in the Waiver Office.)

Attachment 3: Red Bluff Joint Union High School District: General Waiver Request 15-8-2013 (2 pages) (Original Waiver request is signed and on file in the Waiver Office.)

Attachment 4: Red Bluff Joint Union High School District: Proposed Community Day School Schedule (1 page)
<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>District Name, Size of District, and Approval Date</th>
<th>Grade Span Requested (if waiver of California Education Code [EC] sections 48660 and 48916.1[d])</th>
<th>Type(s) of School(s) with which CDS will be Collocated (if waiver of EC Section 48661[a])</th>
<th>Period of Request</th>
<th>Renewal Waiver?</th>
<th>If granted, this waiver will be &quot;permanent&quot; per EC Section 33501(b)</th>
<th>Certificated Bargaining Unit Name and Representative, Date of Action, and Position</th>
<th>Public Hearing and Local Board Approval Date</th>
<th>Public Hearing Advertisement</th>
<th>Advisory Committee/School Site Council Name, Date of Review and any Objections</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-7-2013</td>
<td>Exeter Unified School District (USD) 2,984 Total Students Range of 1–15 students in Community Day School (CDS) June 12, 2013 7–0 Vote</td>
<td>Grades one through twelve</td>
<td>Continuation High School, Independent Study School, Virtual School</td>
<td>Requested: July 1, 2013 through June 30, 2014</td>
<td>NO</td>
<td>NO</td>
<td>Exeter USD Teachers Association Nora Alstedt June 3, 2013 Support California School Employees Association Margie Reid June 11, 2013 Support</td>
<td>6/12/2013 Per the Brown Act requirements to include the agenda posted at all sites</td>
<td>Districtwide Site Council June 11, 2013</td>
<td>No objections</td>
</tr>
<tr>
<td></td>
<td>Conditions:</td>
<td></td>
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<tr>
<td></td>
<td>1. This waiver provides for the CDS operated by the Exeter USD to serve students in grades one through twelve.</td>
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<td>2. This waiver provides for the CDS operated by the Exeter USD to be located on the same campus as the district’s continuation high school, independent study school, and virtual school, on the basis of a two-thirds annual vote of the local governing board, certifying that satisfactory alternative facilities are not available for a CDS, in accordance with EC Section 48661(b).</td>
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<td>Conditions:</td>
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<td></td>
<td>1. This waiver provides for the CDS operated by the Red Bluff JUSD to reduce instructional time by one hour on one day each week to allow time for teachers, specialists, and administrators to meet to analyze student data and collaborate on lesson design, with other school days increased by 20 minutes so that total instructional time is not reduced.</td>
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</tr>
</tbody>
</table>
Waiver Topic: Community Day Schools (CDS)
Ed Code Title: Colocate Facilities and Commingle Grade Levels
Ed Code Section: 48916.1(d) and portions of 48660 and 48661(a)
Ed Code Authority: 33050

Ed Code or CCR to Waive: 48660. The governing board of a school district may establish one or more community day schools for pupils who meet one or more of the conditions described in subdivision (b) of Section 48662. A community day school may serve pupils in any of [kindergarten and] grades 1 to [6, inclusive, or any of grades 7 to] 12, inclusive, or the same or lesser included range of grades as may be found in any individual middle or junior high school operated by the district. If a school district is organized as a district that serves kindergarten and grades 1 to 8, inclusive, but no higher grades, the governing board of the school district may establish a community day school for any [of] kindergarten and grades 1 to 8, inclusive, upon a two-thirds vote of the board. It is the intent of the Legislature, that to the extent possible, the governing board of a school district operating a community day school for any of kindergarten and grades 1 to 8, inclusive, separate younger pupils from older pupils within that community day school. Except as provided in Section 47634, a charter school may not receive funding as a community day school unless it meets all the conditions of apportionment set forth in this article.

48916.1. (d) If the pupil who is subject to the expulsion order was expelled from any of kindergarten or grades 1 to 6, inclusive, the educational program provided pursuant to subdivision (b) shall not be combined or merged with educational programs offered to pupils in any of grades 7 to 12, inclusive. The district or county program is the only program required to be provided to expelled pupils as determined by the governing board of the school district. This subdivision, as it relates to the separation of pupils by grade levels, does not apply to community day schools offering instruction in any of kindergarten and grades 1 to 8, inclusive, and established in accordance with Section 48660.]

48661. (a) A community day school shall not be situated on the same site as an elementary, middle, junior high, comprehensive senior high, opportunity, or continuation school, except as follows:

(1) When the governing board of a school district with [2,500 or fewer units of average daily attendance reported for the most recent second principal apportionment] certifies by a two-thirds
vote of its membership that satisfactory alternative facilities are not available for a community day school.

(b) A certification made pursuant to this section is valid for not more than one school year and may be renewed by a subsequent two-thirds vote of the governing board.

Outcome Rationale: Our two districts unified effective July 1, 2013 and we are requesting that our CDS program be allowed to remain unchanged from how we have organized it in the past. Our CDS program is on property colocated with our other Alternative Education programs to include the commingling of grades. It has been very successful in the past and we anticipate a successful future. In the past, if the individuals were such that the commingling of grades would not be conducive to success, another program was chosen for the individual. It is highly unlikely that we would enroll students below grade 5 but given our geographic isolation with no other placement options available elsewhere, we wish to keep this option open. Our CDS classrooms are separate and as our grade spans increase, the classroom teacher will receive mentoring support of highly qualified teachers as well as classroom aides as deemed appropriate. Our largest class size was 9 and is often much less. This allows the teacher to provide highly focused support and oversight to each student and it is not economically feasible to support a second classroom for this level of enrollment. We have separate bell schedules, different arrival, departure and break times to minimize contact between the programs. We have a high adult to student ratio. The District did a due diligence for other satisfactory sites but there were no other satisfactory sites, this was deemed the safest. Satisfactory and alternative facilities are not available. The Board of Education voted unanimously (7 to 0) to support this waiver. The two bargaining units also voted unanimously in support of this waiver. The District wide school site council meeting held also voted unanimously in support of this waiver. The Kaweah Alternative Education site was given a six year WASC accreditation which is the maximum awarded.

Student Population: 2984

City Type: Small

Public Hearing Date: 6/12/2013
Public Hearing Advertised: Per the Brown Act requirements to include the agenda posted at all sites.

Local Board Approval Date: 6/12/2013

Community Council Reviewed By: The Board of Education, the District-wide Site Council meeting, an ETA negotiations meeting
Community Council Reviewed Date: 6/11/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N
Submitted by: Ms. Dawn Riccoboni  
Position: Chief Business Official  
E-mail: driccoboni@exeter.k12.ca.us  
Telephone: 559-592-9421 x215  
Fax: 559-592-9445  

Bargaining Unit Date: 06/11/2013  
Name: CSEA  
Representative: Margie Reed  
Title: President  
Position: Support  
Comments:  

Bargaining Unit Date: 06/03/2013  
Name: ETA  
Representative: Nora Alstedt  
Title: President  
Position: Support  
Comments:
### California Department of Education

**WAIVER SUBMISSION - General**

<table>
<thead>
<tr>
<th>CD Code: 5271639</th>
<th>Waiver Number: 15-8-2013</th>
<th>Active Year: 2013</th>
</tr>
</thead>
</table>

Date In: 8/27/2013 7:43:14 AM

Local Education Agency: Red Bluff Joint Union High School District
Address: 1525 Douglass St.
Red Bluff, CA 96080


Waiver Renewal: N
Previous Waiver Number: Previous SBE Approval Date:

Waiver Topic: Community Day Schools (CDS)
Ed Code Title: Minimum School Day
Ed Code Section: 48663(a)
Ed Code Authority: 33050

Ed Code or CCR to Waive: [48663. (a) The minimum schoolday in a community day school is 360 minutes of classroom instruction provided by a certificated employee of the district reporting the attendance of the pupils for apportionment funding.]

Outcome Rationale: Red Bluff High School District has PDM (Professional Development Mondays) each week. The district is implementing Professional Learning Communities this year and feel it’s important that the CDS teacher be part of this professional development each Monday. This will improve instruction at the CDS, learning for the students, and help build collaboration. The instructional minutes missed each Monday will be made up throughout the remainder of the week. There are currently 6 students at CDS.

Student Population: 1500

City Type: Rural

Public Hearing Date: 8/21/2013
Public Hearing Advertised: Notices placed at several school sites and community locations around Red Bluff

Local Board Approval Date: 8/21/2013

Community Council Reviewed By: Alternative Education Advisory Board
Community Council Reviewed Date: 8/20/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N
Categorical Program Monitoring: N

Submitted by: Ms. Lisa Escobar
Position: Superintendent
E-mail: lescobar@rbhsd.org
Telephone: 530-529-8700
Fax: 530-529-8840

Bargaining Unit Date: 08/26/2013
Name: Red Bluff Union High School Teachers Association
Representative: Steve Piffero
Title: President
Position: Neutral
Comments:
## Proposed CDS schedule 2013/2014

<table>
<thead>
<tr>
<th>Monday</th>
<th>Instructional Minutes (360 in statute)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>7:45–8 a.m.</td>
</tr>
<tr>
<td>Class</td>
<td>8–10 a.m.</td>
</tr>
<tr>
<td>Break</td>
<td>10–10:10 a.m.</td>
</tr>
<tr>
<td>Class</td>
<td>10:10–12:00 p.m.</td>
</tr>
<tr>
<td>Lunch</td>
<td>12:00–12:20 p.m.</td>
</tr>
<tr>
<td>Class</td>
<td>12:20–1:30 p.m.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tuesday–Friday</th>
<th>Instructional Minutes (360 in statute)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>7:45–8 a.m.</td>
</tr>
<tr>
<td>Class</td>
<td>8–10 a.m.</td>
</tr>
<tr>
<td>Break</td>
<td>10–10:10 a.m.</td>
</tr>
<tr>
<td>Class</td>
<td>10:10–12:00 p.m.</td>
</tr>
<tr>
<td>Lunch</td>
<td>12:00–12:20 p.m.</td>
</tr>
<tr>
<td>Class</td>
<td>12:20–2:00 p.m.</td>
</tr>
<tr>
<td>Break</td>
<td>2:00–2:10 p.m.</td>
</tr>
<tr>
<td>Class</td>
<td>2:10–3:00 p.m.</td>
</tr>
</tbody>
</table>

X 4 days extra 80 minutes

Net for week = extra 20 minutes
California State Board of Education
Meeting Agenda Items for November 6-7, 2013

WAIVER ITEM W-05
**CALIFORNIA STATE BOARD OF EDUCATION**

**NOVEMBER 2013 AGENDA**

### General Waiver

**SUBJECT**

Request by *Tracy Joint Unified School District* for a renewal to waive *Education Code* Section 37202, the equity length of time requirement for Gladys Poet-Christian Magnet School for students in grades one through three to facilitate enriched music and physical education instruction.

Waiver Number: 5-8-2013

### SUMMARY OF THE ISSUES

Tracy Joint Unified School District is requesting a waiver of *Education Code* Section 37202, which requires districts to maintain an equal length of time for all of its schools. The district would like to increase instructional time for all students in grades one through three at Gladys Poet-Christian Magnet School by extending the instructional day. The extended instructional day at Gladys Poet-Christian Magnet School is intended to facilitate enriched art and physical education (dance) instruction.

**Authority for Waiver:** *EC* Section 33050

### RECOMMENDATION

- Approval
- Approval with conditions
- Denial

### SUMMARY OF KEY ISSUES

At the end of 2010, five out of six Arts classes were eliminated due to district-wide budget cuts. A full-time art teacher was added back to Gladys Poet-Christian Magnet School for the 2012–13 school year. If the regular school day is extended, all students in first through third grade will be able to participate in dance and art classes. Also, Gladys Poet-Christian Magnet School reports that these classes will support their efforts in helping students grow academically, artistically, culturally, and socially, and their attendance may improve too.

**Include Demographic Information:** Tracy Joint Unified School District has a student population of 605 and is located in a small city in San Joaquin County.

**Because this is a general waiver, if the SBE decides to deny the waiver, it must cite one of the seven reasons in *EC* 33051(a), available at [http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053).**
SUMMARY OF PREVIOUS STATEBOARD OF EDUCATION DISCUSSION AND ACTION

In September 2012, the State Board of Education (SBE) approved a similar waiver for equity length of time by Tracy Joint Unified School District to waive Education Code Section 37202, the equity length of time requirement for South/West Park School and Gladys Poet-Christian Magnet School.

FISCAL ANALYSIS (AS APPROPRIATE)

There is no apportionment significant consequence to increasing the instructional day beyond that required by statute or beyond that offered to other school sites within a district. CDE therefore recommends approval of this waiver.

ATTACHMENT(S)

Attachment 1: Summary Table (1 page)

Attachment 2: Tracy Joint Unified School District, Gladys Poet-Christian Magnet School General Waiver Request 5-8-2013 (2 pages) (Original waiver request is signed and on file in the Waiver Office.)
# Summary Table

<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>District</th>
<th>Period of Request</th>
<th>Bargaining Unit, Representatives Consulted, Date, and Position</th>
<th>Public Hearing and Board Approval Date</th>
<th>Public Hearing Advertisement</th>
<th>SSC/Advisory Committee Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-8-2013</td>
<td>Tracy Joint Unified School District</td>
<td><strong>Requested:</strong> 7/1/2013 to 6/30/2015</td>
<td>TEA, John Anderson President 8/13/2013 <strong>Support</strong></td>
<td>6/25/2013</td>
<td>Newspaper Tracy Press</td>
<td>Gladys Poet-Christian Magnet Schoolsite Council <strong>No objection</strong></td>
</tr>
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<td><strong>Recommended:</strong> 7/1/2013 to 6/29/2015</td>
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</tbody>
</table>

Created by California Department of Education 9/20/2013

Revised: 10/30/2013 11:13 AM
CD Code: 3975499 Waiver Number: 5-8-2013 Active Year: 2013

Date In: 8/14/2013 12:54:32 PM

Local Education Agency: Tracy Joint Unified School District
Address: 1875 West Lowell Ave. Tracy, CA 95376

Start: 7/1/2013 End: 6/30/2015

Waiver Renewal: Y Previous Waiver Number: 31-6-2012-W-07 Previous SBE Approval Date: 9/13/2012

Waiver Topic: Equity Length of Time
Ed Code Title: Equity Length of Time
Ed Code Section: 37202
Ed Code Authority: 33050

Ed Code or CCR to Waive: Gladys Poet-Christian Magnet School is requesting to extend the 1st - 3rd grade instructional minutes by 4,004 minutes and dismissing students at 3:05 p.m. instead of 2:30 p.m. Tuesday - Friday of each week. This will allow all students to participate in an enriched curriculum in both dance and art by a qualified certificated teacher. Extending the day of the 1st - 3rd grades will allow us to offer dance and art of all students every day during the school year.

Outcome Rationale: Gladys Poet-Christian has been an Arts Magnet School since the spring of 1997. The Arts program was cut from the district budget at the end of 2010. Five out of six Arts classes were subsequently cut. Dance remains as a function of physical education. A full time art teacher was added back to the school for the 2012-13 school year. By extending the school day, all students in 1st-3rd grade will be able to participate in dance and art classes during the regular school day. These classes support our efforts in helping student grow academically, culturally, and socially. The art and dance classes will also provide an outlet for students to express themselves artistically. When students are excited about school and the activities going on at school, they are more likely to maintain excellent attendance.

Student Population: 605

City Type: Small

Public Hearing Date: 6/25/2013
Public Hearing Advertised: Tracy Press

Local Board Approval Date: 6/25/2013
Community Council Reviewed By: Gladys Poet-Christian Magnet School Site Council
Community Council Reviewed Date: 5/15/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N
California State Board of Education
Meeting Agenda Items for November 6-7, 2013

WAIVER ITEM W-06
General Waiver

SUBJECT
Request by Sanger Unified School District to waive California Education Code Section 45134(c), to allow the employment of a State Teachers Retirement System retiree as a classified school bus driver.

Waiver Number: 9-8-2013

SUMMARY OF THE ISSUES

The Sanger Unified School District is requesting a waiver of California Education Code (EC) Section 45134(c), to allow a State Teachers Retirement System (STRS) retiree, Mr. Ramon Magana, to be employed as a substitute bus driver for the district.

Authority for Waiver: EC Section 33050

RECOMMENDATION

☐ Approval  ☒ Approval with conditions  ☐ Denial

The California Department of Education recommends that the waiver be approved for the individual named for the 2013–14 school year only.

SUMMARY OF KEY ISSUES

An employee may continue to receive a retirement allowance while collecting a salary for work in classified service if EC Section 45134(c) is waived. The Sanger Unified School District is requesting a waiver to allow a retired individual, Mr. Ramon Magana, to be employed as a substitute bus driver for the district. He previously worked in this position from August 1999 to September 2009 and the district was happy with his performance. He also worked as a teacher for the district. The district has an ongoing need for substitute bus drivers and since this individual is available and has a good record with the district, they are requesting a waiver to employ him again.

Demographic Information: Sanger Unified School District has a student population of 10,916 and is located in Fresno County serving the city of Sanger, and the communities of Centerville, Del Rey, Fairmont, Lone Star, Tivy Valley, and portions of the Sunnyside area of metropolitan Fresno.
Because this is a general waiver, if the SBE decides to deny the waiver, it must cite one of the seven reasons in EC Section 33051(a), available at http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053.

SUMMARY OF PREVIOUS STATEBOARD OF EDUCATION DISCUSSION AND ACTION

The State Board of Education (SBE) has approved several similar waivers for EC Section 45134(c) to allow STRS employees to work as janitors, bus drivers, food service workers, and staff assistants.

FISCAL ANALYSIS (AS APPROPRIATE)

There is no statewide fiscal impact of waiver approval.

ATTACHMENT(S)

Attachment 1: Summary Table (1 page)

Attachment 2: Sanger Unified School District General Waiver Request 9-8-2013 (2 pages) (Original waiver request is signed and on file in the Waiver Office)
# Summary Table

<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>District</th>
<th>Period of Request</th>
<th>Bargaining Unit, Representatives Consulted, Date, and Position</th>
<th>Public Hearing and Board Approval Date</th>
<th>Public Hearing Advertisement</th>
<th>SSC/Advisory Committee Position</th>
</tr>
</thead>
</table>

Created by California Department of Education
9/20/2013
California Department of Education
WAIVER SUBMISSION - General

CD Code: 1062414     Waiver Number: 9-8-2013     Active Year: 2013

Date In: 8/21/2013 6:59:11 AM

Local Education Agency: Sanger Unified School District
Address: 1905 Seventh St.
Sanger, CA 93657

Start: 7/1/2013     End: 6/30/2014

Waiver Renewal: N
Previous Waiver Number: 
Previous SBE Approval Date:

Waiver Topic: Other Waivers
Ed Code Title: Employment – Retirement System
Ed Code Section: 45134(c)
Ed Code Authority: 33050

Ed Code or CCR to Waive: Topic of the waiver: Employment after retirement (STRS)

Outcome Rationale: The retiree wishes to continue working as substitute bus driver for the district, a position he has worked from 8/1999 – 9/2009.

Student Population: 10900

City Type: Small

Public Hearing Date: 8/13/2013
Public Hearing Advertised: Newspaper

Local Board Approval Date: 8/13/2013

Community Council Reviewed By: Superintendent Cabinet Council
Community Council Reviewed Date: 8/5/2013
Community Council Objection: N
Community Council Objection Explanation: 
Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. Richard Sepulveda
Position: Chief Operations Officer
E-mail: richard_sepulveda@sanger.k12.ca.us
Telephone: 559-524-6521 x6530
Fax: 559-875-4071
Bargaining Unit Date: 07/25/2013
Name: CSEA
Representative: Karen Deaver
Title: Chapter President
Position: Support
Comments:
California State Board of Education
Meeting Agenda Items for November 6-7, 2013

WAIVER ITEM W-07
General Waiver

SUBJECT
Request by Mendocino Unified School District to waive portions of California Education Code Section 17545(a), specific statutory provisions for the sale of personal property. Approval of the waiver would allow the district to sell a piece of personal property using a “request for proposal” process, thereby maximizing the proceeds from the sale. The personal property for which the waiver is requested is the Mendocino Community Network.

Waiver Number: 7-8-2013

SUMMARY OF THE ISSUES

The California Department of Education recommends approval to waive Section 17545(a) of the Education Code (EC) regarding the sale of personal property with the following conditions: the proposal the governing board determines to be most desirable shall be selected within 30 to 60 days of the public meeting when the proposals are received and the reasons for those determinations shall be identified in public sessions and included in the minutes of the meetings. This waiver will allow the district the flexibility to achieve the best value possible for the Mendocino Community Network (MCN).

Authority for Waiver: EC Section 33050

RECOMMENDATION

☐ Approval ☒ Approval with conditions ☐ Denial

SUMMARY OF KEY ISSUES

Under the provisions of EC sections 33050 through 33053, the district is requesting a specific portion of the EC relating to the sale of personal property be waived. The district is requesting the requirement that the sale of personal property must be sold to the “highest responsible bidder” be waived allowing for a Request for Proposal (RFP) process. The district would like to offer the MCN for sale through a specially tailored RFP process followed by further negotiations to ensure the best value, terms, and conditions possible for the district and the community it serves. It is believed that the RFP process will maximize the returns on the sale of the property to the greatest extent possible.
The MCN was originally formed by the district for the primary purpose of providing internet service, e-mail, and other related services to the district and its facilities/programs. The MCN is owned and operated by the district. It also provides these internet services to private customers in the district area. The MCN is no longer necessary for the district’s facilities and programs due to such services being provided by the local county office of education and other sources.

**Because this is a general waiver, if the SBE decides to deny the waiver, it must cite one of the seven reasons in EC 33051(a), available at**

**SUMMARY OF PREVIOUS STATEBOARD OF EDUCATION DISCUSSION AND ACTION**

The State Board of Education has never approved a waiver regarding the sale of surplus personal property. The district is requesting to waive a portion of Section 17545(a).

The district has achieved API scores of 800 or above in the current scoring cycle.

**FISCAL ANALYSIS (AS APPROPRIATE)**

The flexibility in property disposition requested herein will allow the district to maximize revenue. The applicant district will financially benefit from the sale of the property.

**ATTACHMENT(S)**

Attachment 1: Summary Table (1 page)

Attachment 2: Mendocino Unified School District General Waiver Request 7-8-2013, Mendocino Community Network (2 pages) (Original Waiver Request is signed and on file in the Waiver Office.)
<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>School District</th>
<th>Property</th>
<th>Period of Request</th>
<th>Local Board Approval Date</th>
<th>Public Hearing Date</th>
<th>Bargaining Unit Consulted – Date</th>
<th>Position of Bargaining Unit</th>
<th>Advisory Committee Consulted</th>
<th>Streamlined Waiver Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-8-2013</td>
<td>Mendocino Unified School District</td>
<td>Mendocino Community Network</td>
<td><strong>Requested:</strong> August 16, 2013 – August 16, 2015</td>
<td>August 15, 2013</td>
<td>August 15, 2013</td>
<td>Classified Employees of Mendocino Unified Schools (CEMUS) – August 12, 2013 Jeanne Sullivan, James Wroble, Negotiators <strong>Support</strong> Mendocino Teachers Association (MTA) – August 9, 2013 Jenny Otter, President <strong>Support</strong></td>
<td><strong>CEMUS – Support</strong> MTA - <strong>Support</strong></td>
<td>Counsel for Mendocino Unified School District has stated there is no district council or committee to review, however as noted, there was a local board meeting which was held on August 15, 2013 where the board authorized staff to submit this waiver.</td>
<td><strong>Yes - API</strong></td>
</tr>
</tbody>
</table>
California Department of Education
WAIVER SUBMISSION - General

CD Code: 2365581                      Waiver Number: 7-8-2013                      Active Year: 2013

Date In: 8/16/2013 5:21:17 PM

Local Education Agency: Mendocino Unified School District
Address: 44141 Little Lake Rd.
Mendocino, CA 95460

Start: 8/16/2013                      End: 8/16/2015

Waiver Renewal: N
Previous Waiver Number:                Previous SBE Approval Date:

Waiver Topic: Sale or Lease of Surplus Property
Ed Code Title: Sale of Surplus Property
Ed Code Section: Ed. Code Section 17545-17555
Ed Code Authority: 33050

Ed Code or CCR to Waive: Education Code Section 17545(a)

(a) The governing board of any school district may sell for cash any personal property belonging to the district if the property is not required for school purposes, or if it should be disposed of for the purpose of replacement, or if it is unsatisfactory or not suitable for school use. There shall be no sale until notice has been given by posting in at least three public places in the district for not less than two weeks, or by publication for at least once a week for a period of not less than two weeks in a newspaper published in the district and having a general circulation there. If there is no such newspaper, then in a newspaper having a general circulation in the district; or if there is no newspaper, then in a newspaper having a general circulation in a county in which the district or any part thereof is situated. [The board shall sell the property to the highest responsible bidder, or shall reject all bids.]

Outcome Rationale: The Mendocino Unified School District requests the specified Education Code provisions stricken out above be waived in order to allow the District to achieve the best value possible on the potential sale of the District’s Mendocino Community Network, (“MCN”) as well as be protective of MCN’s value to the District’s community, including but not limited to, District staff, parents, families, and private companies. The language of Education Code Section 17545(a) stating that the sale of personal property must be sold to the “highest responsible bidder” is inconsistent with the waiver the District is seeking and the District’s proposed Request for Proposal (“RFP”) process.

The District would like to offer the MCN for sale or lease through a specially tailored RFP process followed by further negotiations to ensure the best value, terms, and conditions possible for the District and the community it serves. The District intends to make the RFP process fair, open and competitive, including publication in accordance with the statute, in order to achieve this result. All proposals will be fully and fairly evaluated by the District and a designated evaluation panel before any recommendation for a potential sale/sale agreement is considered by the governing board.

Revised: 10/30/2013 11:14 AM
Student Population: 547

City Type: Rural

Public Hearing Date: 8/15/2013
Public Hearing Advertised: Posted at District Facilities on 8/6 and Published in Mendocino Beacon on 8/8 and 8/15

Local Board Approval Date: 8/15/2013

Community Council Reviewed By: No specific applicable committee to consult, Board reviewed/approved.
Community Council Reviewed Date: 8/15/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. Ty Dorward
Position: District Legal Counsel
E-mail: tyree.dorward@bbklaw.com
Telephone: 619-525-1338
Fax:

Bargaining Unit Date: August 12, 2013
Name: Classified Employees of Mendocino Unified Schools
Representative: Jeanne Sullivan, James Wroble
Title: Negotiators
Position: Support
Comments:

Bargaining Unit Date: August 9, 2013
Name: Mendocino Teachers Association
Representative: Jenny Otter
Title: President
Position: Support
Comments:
California State Board of Education
Meeting Agenda Items for November 6-7, 2013

WAIVER ITEM W-08
### Subject
Request by Alvord Unified School District to waive California Education Code Section 15270(a), related to bonded indebtedness limits. Total bonded indebtedness may not exceed 2.5 percent of the taxable assessed valuation of property for unified school districts. Proposition 39 bonds limit the tax rate levy authorized in each election to $60 per $100,000 of assessed value for unified school districts. The district is requesting 3.67 percent bonded indebtedness limit.

Waiver Number: 2-8-2013

### Summary of the Issues
The Alvord Unified School District’s (district) bonded indebtedness ratio is 2.45 percent and is unable to issue the $79 million bonds reauthorized in November 2012. The district is requesting to increase the limit to 3.67 percent. The California Department of Education (CDE) recommends that the State Board of Education (SBE) approve the district’s request to increase its limit not to exceed 3.67 percent with the conditions noted below.

**Authority for Waiver:** EC Section 33050

### Recommendation
- [x] Approval
- [x] Approval with conditions
- [ ] Denial

The CDE recommends that the bonded indebtedness limits be waived with the following conditions: (1) the period of request does not exceed the recommended period on Attachment 1, (2) the total bonded indebtedness limit does not exceed the recommended new maximum shown on Attachment 1, (3) the district does not exceed the statutory tax rate, and (4) the waiver is limited to the sale of bonds approved by the voters on the measure noted on Attachment 1.

### Summary of Key Issues
To raise funds to build or renovate school facilities, with voter authorization, school districts may issue general obligation (G.O.) bonds. Prior to 2001, districts needed a two-thirds approval. In November 2000, districts were given another option for authorizing and issuing bonds when California voters passed Proposition 39, which allows school bonds to be approved with a 55 percent majority vote if the district abides...
by several administrative requirements, such as establishing an independent Citizens’ Oversight Committee to oversee the use of the funds. Once G.O. bonds are authorized, school districts issue the bonds in increments needed to fund their facility projects. When the voters authorize a local G.O. bond, they are simultaneously authorizing a property tax increase to pay the principal and interest on the bond. For Proposition 39 bonds, California Education Code (EC) sections 15268 and 15270(a) limit the tax rate levy authorized in each election to $30 per $100,000 of taxable property for high school and elementary school districts, and $60 per $100,000 for unified school districts. The EC does not provide tax rate levy limits for non-Proposition 39 bonds; however, an estimate of the tax rate levy required to repay the bonds is included in the voter pamphlet.

The EC also provides limits related to a district’s total bonded indebtedness. EC sections 15102 and 15268 limit an elementary or high school district’s total G.O. bond indebtedness to 1.25 percent of the total assessed valuation of the district’s taxable property, whereas EC sections 15106 and 15270(a) limit a unified school district’s to 2.5 percent.

Because the limits are based on assessed valuation, it can have disparate effects on districts of similar types. For example, a district with high assessed valuation can issue more in G.O. bonds before reaching the limit than a district with a similar number of students and facility needs, but a lower assessed valuation. Similarly, in the current time of declining property values, districts are seeing a decline in their bonding capacity.

Without a waiver, school districts that are close to their bonding capacity must issue fewer bonds, delay the issuance of bonds until their assessed valuation increases, or obtain other, more expensive, non-bond financing to complete their projects, the costs of which could be paid from district general funds. Therefore, the CDE has historically recommended that the SBE approve related waiver requests. However, because it is the CDE’s assumption that the average voter is unaware tax rate levy limits could be changed by the SBE through a waiver process, to ensure that a waiver approval does not have an adverse effect on local approval of future bond measures, the CDE has always recommended that the waiver be approved on the condition that the statutory tax rate levies are not exceeded at the time the bonds are issued.

The Alvord Unified School District is requesting a waiver of the EC sections pertaining to the district’s total bonded indebtedness limit in order to issue reauthorized Proposition 39 bonds approved by the voters on November 6, 2012. In November 2007, the district’s voters approved a $196 million bond. The district has issued approximately $117 million of the November 2007 bonds, leaving $79 million unissued. The district is unable to issue the remaining $79 million due to the tax rate limit and the debt ratio limit. Therefore, the district went back to the voters on November 2012 to reauthorize the remaining unissued bonding authority from the November 2007 election, thereby, authorizing a new tax rate limit. The bonds are to be used for construction and repayment of Bond Anticipation Notes.

However, the district is unable to issue the bonds due to the debt limit of 2.5 percent. The district’s current debt ratio is 2.45 percent of the assessed valuation of taxable property; therefore the district may only issue up to $3 million before it reaches the debt
ratio limit. According to the district, if the waiver is approved as requested, an increased limit on debt to assessed value of up to 3.26 percent would allow the district to issue the full $79 million in 30-year current interest bonds and remain within the tax rate limit of $60 per $100,000 of taxable property. The district’s waiver request meets the parameters as outlined in AB 182.

The CDE has reviewed the waiver and the district’s schedule of assessed valuation and principal reduction to estimate the period of time that the district will be above the 2.5 percent statutory requirement as noted on Attachment 1. The CDE recommends that the bonded indebtedness limits be waived with the following conditions: (1) the period of request does not exceed the recommended period on Attachment 1, (2) the total bonded indebtedness limit does not exceed the recommended new maximum shown on Attachment 1, (3) the district does not exceed the statutory tax rate, and (4) the waiver is limited to the sale of bonds approved by the voters on the measure noted on Attachment 1.

**Demographic Information:** Alvord Unified School District has a student population of 19,634 and is located in an urban area in Riverside County.

**Because this is a general waiver, if the SBE decides to deny the waiver, it must cite one of the seven reasons in EC 33051(a),** available at [http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053).

**SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION**

The SBE has approved all bond limit waiver requests limited to the sale of already authorized bonds and at the tax rate levy stated on the bond measure.

Note, the SBE has never approved a waiver that would allow the district to exceed the statutory tax rate levy.

**FISCAL ANALYSIS (AS APPROPRIATE)**

Approval of the waiver would allow the district to accelerate the issuance of voter approved bonds to avoid serious financial stress to the district’s general fund.

**ATTACHMENT(S)**

Attachment 1: List of Waiver Number(s), District(s), and Information Regarding Each Waiver. (1 page)

Attachment 2: Alvord Unified School District General Waiver Request 2-8-2013 (4 pages) (Original waiver request is signed and on file in the Waiver Office.)
District(s) Requesting Increase in Bond Indebtedness Limits

California *Education Code* (EC) sections 15102 and 15268 prohibit elementary and high school districts from issuing bonds in excess of 1.25 percent of the assessed valuation of a district’s taxable property. *EC* sections 15106 and 15270(a) prohibit unified school districts from issuing bonds in excess of 2.5 percent of the assessed valuation of a district’s taxable property. *EC* sections 15268 and 15270(a) limit bonds authorized by a 55 percent majority in elementary and high school districts to $30 per $100,000 of taxable property per election and unified school districts to $60 per $100,000.

<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>District County/District Code</th>
<th>Period of Request</th>
<th>Total Bonded Indebtedness Limit and Tax Rate per $100,000 Assessed Valuation Allowed by Law or Noted on Voter Pamphlet</th>
<th>District’s Request</th>
<th>CDE Recommended (New Maximum)</th>
<th>Bargaining Unit, Representatives Consulted, Date/Position</th>
<th>Public Hearing and Local Board Approval Date</th>
<th>Advisory Committee Consulted, Date/Position</th>
<th>Previous Waivers?</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-8-2013</td>
<td>Alvord Unified School District 33-66977</td>
<td><strong>Requested:</strong> November 1, 2013 to November 1, 2015</td>
<td>Debt Limit 2.5% Tax Rate $60.00 Voter Pamphlet $51.28</td>
<td>Tax Rate $60.00</td>
<td>Debt Limit 3.76% Limited to Sale of Bonds Approved by Voters on the November 2012 Election</td>
<td>Alvord Educators Association, Leigh Hawkinson, President 4/17/13 Support</td>
<td>3/7/13</td>
<td>Newspaper notice, Notice posted at each school, Notice posted at District Office, Business Division and Instructional Support Services locations</td>
<td>Citizens’ Bond Oversight Committee 6/11/13 No Objections</td>
</tr>
</tbody>
</table>

Created by Department of Education
August 28, 2013
California Department of Education
WAIVER SUBMISSION - General

CD Code: 3366977  Waiver Number: 2-8-2013  Active Year: 2013

Date In: 8/2/2013 2:27:25 PM

Local Education Agency: Alvord Unified School District
Address: 10365 Keller Ave.
Riverside, CA 92505

Start: 11/1/2013  End: 11/1/2015

Waiver Renewal: N
Previous Waiver Number:      Previous SBE Approval Date:

Waiver Topic: School Construction Bonds
Ed Code Title: Bond Indebtedness Limit - Unified S.D.
Ed Code Section: 15270(a)
Ed Code Authority: 33050

Ed Code or CCR to Waive: Education Code 15270. [(a) Notwithstanding Sections 15102 and 15268, any unified school district may issue bonds pursuant to this article that, in aggregation with bonds issued pursuant to Chapter 1 (commencing with Section 15100), may not exceed 2.5 percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located.] The bonds may only be issued if the tax rate levied to meet the requirements of Section 18 of Article XVI of the California Constitution in the case of indebtedness incurred pursuant to this chapter at a single election, by a unified school district, would not exceed sixty dollars ($60) per year per one hundred thousand dollars ($100,000) of taxable property when assessed valuation is projected by the district to increase in accordance with Article XIII A of the California Constitution.

Outcome Rationale: The granting of this waiver will permit the Alvord Unified School District (the “District”) to issue up to $79,000,000 in general obligation bonds (as reauthorized by the voters within the District on November 6, 2012) in September 2013 rather than delaying until 2023.

Rationale

A. Background

The District was formally established in 1960 as a unified successor district tracing its original formation history to 1896. The District currently encompasses an area of approximately 26 square miles, is located in the County of Riverside, California (the “County”), and includes territory located both within and around the cities of Riverside and Corona. The County is located in Southern California and is bordered on the north by the County of San Bernardino, on the south by the County of San Diego and the County of Imperial, on the west by the County of Orange and on the east by the Colorado River, which forms the boundary between the states of California and Arizona.
The District provides public education services for grades K-12 and continuing education and adult education services programs. The District, with a current average enrollment of 18,696, operates 14 elementary schools, 4 middle schools, 3 high schools, 1 continuation high school and 1 Alternative Education Center. The District currently employs 913 certificated employees (representing 864 teachers and 49 administrators) and 716 classified employees (including 20 classified managers and supervisors). The District operates under the jurisdiction of the Riverside County Superintendent of Schools.

In November 2007, District voters approved a general obligation bond measure in the amount of $196,000,000 (the “2007 Authorization”). The District subsequently issued two series of bonds and one series of Bond Anticipation Notes (the “2010 BAN”). The 2010 BAN matures in 2015 and was to be repaid by the District’s third general obligation bond issuance under the 2007 authorization. There is approximately $79.06 million of remaining, unissued 2007 Authorization.

Since 2010, the District’s assessed valuation has decreased by over 12% which has made the debt service for the bonds approved at the 2007 Election close to or at the Proposition 39 tax rate cap of $60 per $100,000 of assessed valuation. Since the District is near or at their Proposition 39 tax rate cap, it is unable to issue additional bonds under the 2007 Authorization without resorting to issuing expensive capital appreciation bonds. Even with an expensive capital appreciation bond issuance in 2015, the District would not be able to issue enough funds to fully repay the 2010 BAN, leaving a significant portion to be repaid by the District’s general fund.

In order to be able to fully repay the 2010 BAN from general obligation bond funds and to continue with the voter approved projects, the District returned to the voters in November 2012 to obtain approval to reauthorize $79,000,000 of the remaining, unissued 2007 Authorization. On November 6, 2012, District voters approved a general obligation reauthorization bond measure in the amount of $79 million (the “2012 Authorization”). The 2012 Authorization will allow the District to issue bonds under a new tax rate cap while saving taxpayers millions of dollars in interest and without increasing the 2007 Authorization.

Currently, the District may only issue up to $3 million in general obligation bonds under the 2012 Authorization without exceeding its statutory bonding capacity under the California Education Code. However, the District’s current financing needs require the full use of the remaining $79 million in unissued authorization.

The District wishes to issue general obligation bonds under its 2012 Authorization in one or more series to provide financing for the repayment of the 2010 BAN, and for the construction, rehabilitation, repair and/or equipping of public school facilities.

1. Projects to be Completed include, but are not limited to:

These are the projects still pending to be completed:

- Terrace ES – Administration Office
- Foothill ES – Administration Office & new library
- Arlanza ES – Administration Office & new library
- Orrenmaa ES – Administration Office & new library
- Collett ES – Administration Office
- McAuliffe ES – Administration Office, library expansion, new restrooms
- Promenade ES – Administration office
• Loma Vista MS – Administration office, new gym, fine arts/music building
• Arizona MS – Administration office, new library, new gym
• Villegas MS – New gym
• Alvord HS – New classroom building, MPR building, administration office, new restrooms
• La Sierra HS – front parking/drop off expansion, additional staff parking

B. Financial Information

1. We estimate that issuing $79,000,000 of bonds under the 2012 Authorization would raise the District’s total indebtedness to approximately 3.76% of its assessed valuation. We further estimate that by 2022-23, the indebtedness would be reduced to 2.41%.

2. The assessed valuation within the District declined by 12.2%, between fiscal year 2008-09 and 2012-13. As a result, the District’s bonding capacity has declined, thereby increasing the need for the requested waiver.

3. The attached Bonding Capacity Analysis shows the assessed valuation, projected tax rates and existing and proposed debt service requirements.

C. Reasons to approve this waiver

1. Approval will permit the District to fully repay the 2010 BAN without using the general fund, saving essential education programs. Furthermore, the waiver will also allow the district to continue its general obligation bond funding program, providing essential learning and recreational facilities to its students now, rather than waiting until fiscal year 2023 when the bond indebtedness of the District is expected to fall sufficiently below the limit set forth in the California Education Code.

2. Approval will allow the District to capitalize on lower construction costs.

3. Approval will allow the District to take advantage of near historic low interest rates.

4. Approval will satisfy the will of District voters who, at the November 6, 2012 election, reviewed and approved the reauthorization of $79,000,000 of the 2007 Authorization. The voters approved issuing these new bonds under a new tax rate cap so that needed District projects can be completed now, instead of years from now.

D. Who supports this waiver

1. California School Employees Association, Chapter 339 (CSEA)
2. Alvord Educators Association (STA)
3. Citizens’ Oversight Committee
5. Jones Hall, a Professional Corporation, Bond and Disclosure Counsel
6. County Office of Education

E. Who opposes this waiver

At a duly noticed public hearing on March 7, 2013, there was not any opposition from the public or staff.
F. Summary

The Alvord Unified School District (the “District”) has a current need to repay its 2010 BAN and to construct, repair and renovate District facilities, yet historical assessed valuation in the District, coupled with negative assessed valuation growth due to the weak housing market in Riverside, California for the past several years, prohibit the District from issuing its voter-authorized and re-authorized general obligation bonds. The District desires to continue to carry out the physical improvements necessary to improve services and facilities. These improvements are necessary to provide a safe, healthy and productive educational environment for our students. Approving this request for a waiver of the District’s bonding capacity limitation will allow for the continuation of an already efficient capital improvement program at the District, and permit the District to make necessary construction, repairs and upgrades to essential facilities.

Student Population: 18753

City Type: Urban

Public Hearing Date: 3/7/2013
Public Hearing Advertised: Newspaper notice, Notice posted at each school, Notice posted at District Office, Business Division and Instructional Support Services locations

Local Board Approval Date: 3/7/2013

Community Council Reviewed By: Citizens' Bond Oversight Committee
Community Council Reviewed Date: 6/11/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. Herb Calderon
Position: Assistant Superintendent of Business Services
E-mail: herb.calderon@alvord.k12.ca.us
Telephone: 951-509-5095
Fax: 951-351-9306

Bargaining Unit Date: 04/17/2013
Name: Alvord Educators Association
Representative: Leigh Hawkinson
Title: President
Position: Support
Comments:

Bargaining Unit Date: 06/06/2013
Name: California School Employees Association Ch. 339
Representative: Irma Mendez
Title: President
Position: Support
Comments:
CALEIFORNIA STATE BOARD OF EDUCATION

NOVEMBER 2013 AGENDA

General Waiver

SUBJECT
Request by three school districts to waive California Education Code Section 5020, and portions of sections 5019, 5021, and 5030, that require a district-wide election to establish new trustee areas.

Waiver Numbers:
- Hughson Unified School District 8-8-2013
- Lincoln Unified School District 7-7-2013
- Pixley Union Elementary School District 10-7-2013

SUMMARY OF THE ISSUE(S)

School districts that elect governing board members at-large are facing existing or potential litigation under the California Voting Rights Act of 2001 (CVRA). Pursuant to the California Education Code (EC), a district can change from at-large elections to trustee-area elections only if the change is approved by both the County Committee on School District Organization (County Committee) and voters at a district-wide election. To reduce the potential for litigation and to establish trustee-area elections as expeditiously as possible, the three school districts request that the California State Board of Education (SBE) waive the requirement that trustee-area elections be approved at a district-wide election—allowing trustee-area elections to be adopted upon review and approval of the County Committee.

Authority for Waiver: EC Section 33050

RECOMMENDATION

☑ Approval ☐ Approval with conditions ☐ Denial

The California Department of Education (CDE) recommends that the SBE approve the requests by the listed districts to waive EC Section 5020, and portions of EC sections 5019, 5021, and 5030, which require that trustee-area elections be approved at a district-wide election.

SUMMARY OF KEY ISSUES

Approval of this waiver request would eliminate the election requirement for approval of trustee areas and a trustee-area method of election for future governing board elections in the three school districts. Voters in the districts will continue to elect all board members—however, if the waiver requests are approved, all board members will be elected by trustee areas, beginning with the next board election.
The county committee has the authority to approve or disapprove the adoption of trustee areas and methods of election for school district governing board elections. Pursuant to EC Section 5020, county committee approval of trustee areas and election methods constitutes an order of election; thus, voters in the district have final approval.

Many districts in California are facing existing or potential litigation under the CVRA over their at-large election methods. To help avoid potential litigation, the three districts are taking action to establish trustee areas and adopt trustee-area election methods. In order to establish these trustee areas and the methods of election as expeditiously as possible, the districts are requesting that the SBE waive the requirement that the trustee areas and the election methods be approved at district-wide elections.

Only the election to establish trustee areas and election method will be eliminated by approval of the waiver request—voters in the school districts will continue to elect all governing board members. Moreover, approval of the waivers will not eliminate any existing legal rights of currently seated board members.

These waiver requests have been reviewed by CDE staff and a determination has been made that there was no significant public opposition to the waivers at the public hearings held by the governing boards. The CDE finds that none of the grounds specified in EC Section 33051, which authorize denial of a waiver, exist. The CDE recommends that the SBE approve the request by the three school districts to waive EC Section 5020 in its entirety and portions of EC sections 5019, 5021, and 5030.

**Demographic Information:**

The Lincoln Unified School District (SD) has a student population of 9,037 and is located in a suburban area of San Joaquin County.

The Pixley Union Elementary SD has a student population of 1,139 and is located in a rural area of Tulare County.

The Hughson Unified SD has a student population of 2,149 and is located in a rural area of Stanislaus County.

Because this is a general waiver, if the SBE decides to deny the waiver, it must cite one of the seven reasons in EC 33051(a), available at http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053.

**SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION**

The SBE has approved numerous similar waiver requests—the most recent was for the Lodi USD at the September 2013 SBE meeting.

**FISCAL ANALYSIS (AS APPROPRIATE)**

Approval of the waiver requests will not have negative fiscal effects on any local or state agency. Failure to approve the waiver request will result in the additional costs to the districts for district-wide elections.
Attachment 1: Districts Requesting Waivers of Elections to Establish Trustee Areas (1 page)

Attachment 2: California Education Code Sections to be waived (4 pages)

Attachment 3: Lincoln Unified School District General Waiver Request 7-7-2013 (6 pages) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 4: Pixley Union Elementary School District General Waiver Request 10-7-2013 (7 pages) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 5: Hughson Unified School District General Waiver Request 8-8-2013 (6 pages) (Original waiver request is signed and on file in the Waiver Office.)
## Districts Requesting Waivers of Elections to Establish Trustee Areas

*California Education Code* Section 5020 and portions of sections 5019, 5021 and 5030

<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>District</th>
<th>Period of Request</th>
<th>Bargaining Unit, Representatives Consulted, Date, and Position</th>
<th>Public Hearing and Board Approval Date</th>
<th>Public Hearing Advertisement</th>
<th>SSC/Advisory Committee Position</th>
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</thead>
<tbody>
<tr>
<td>7-7-2013</td>
<td>Lincoln Unified School District</td>
<td>Requested: January 1, 2013 to December 31, 2014</td>
<td>Lincoln Unified Teachers’ Association, Janet Olmstead, President, 5/21/13: Neutral; California School Employees’ Association, Dorsey McCowan, President, 5/16/13: Support</td>
<td>6/26/13</td>
<td>Notice in newspaper; notice posted at each school and 3 district facilities, on Facebook; emailed to all staff and approximately 90 community members</td>
<td>Reviewed by all school site councils and District English Learners’ Advisory Committee (DELAC) on 6/17/13: No objections</td>
</tr>
<tr>
<td>8-8-2013</td>
<td>Hughson Unified School District</td>
<td>Requested: January 1, 2013 to December 31, 2014</td>
<td>Hughson Educators’ Association, Jeff Clayton, President, 7/10/13: Neutral; California School Employees’ Association, Randy Robinson, President, 7/10/13: Neutral</td>
<td>8/13/13</td>
<td>Notice in newspaper and posted at school sites, feeder schools, district website, city hall, post office, and library</td>
<td>Reviewed by all school site councils and DELAC on 7/10/13: No objections</td>
</tr>
</tbody>
</table>
California Education Code sections to be waived

Request to waive the following sections and portions of the Education Code lined out below:

§ 5019. Trustee areas and size of school district governing boards; powers of county committee; proposal and hearing

(a) Except in a school district governed by a board of education provided for in the charter of a city or city and county, in any school district or community college district, the county committee on school district organization may establish trustee areas, rearrange the boundaries of trustee areas, abolish trustee areas, and increase to seven or decrease to five the number of members of the governing board, or adopt one of the alternative methods of electing governing board members specified in Section 5030.

(b) The county committee on school district organization may establish or abolish a common governing board for a high school district and an elementary school district within the boundaries of the high school district. The resolution of the county committee on school district organization approving the establishment or abolition of a common governing board shall be presented to the electors of the school districts as specified in Section 5020.

(c) (1) A proposal to make the changes described in subdivision (a) or (b) may be initiated by the county committee on school district organization or made to the county committee on school district organization either by a petition signed by 5 percent or 50, whichever is less, of the qualified registered voters residing in a district in which there are 2,500 or fewer qualified registered voters, by 3 percent or 100, whichever is less, of the qualified registered voters residing in a district in which there are 2,501 to 10,000 qualified registered voters, by 1 percent or 250, whichever is less, of the qualified registered voters residing in a district in which there are 10,001 to 50,000 qualified registered voters, by 500 or more of the qualified registered voters residing in a district in which there are 50,001 to 100,000 qualified registered voters, by 750 or more of the qualified registered voters residing in a district in which there are 100,001 to 250,000 qualified registered voters, or by 1,000 or more of the qualified registered voters residing in a district in which there are 250,001 or more qualified registered voters or by resolution of the governing board of the district. For this purpose, the necessary signatures for a petition shall be obtained within a period of 180 days before the submission of the petition to the county committee on school district organization and the number of qualified registered voters in the district shall be determined pursuant to the most recent report submitted by the county elections official to the Secretary of State under Section 2187 of the Elections Code.

(2) When a proposal is made pursuant to paragraph (1), the county committee on school district organization shall call and conduct at least one hearing in the district on the matter. At the conclusion of the hearing, the county committee on school district organization shall approve or disapprove the proposal.

(d) If the county committee on school district organization approves pursuant to subdivision (a) the rearrangement of the boundaries of trustee areas for a particular
district, then the rearrangement of the trustee areas shall be effectuated for the next district election occurring at least 120 days after its approval, unless at least 5 percent of the registered voters of the district sign a petition requesting an election on the proposed rearrangement of trustee area boundaries. The petition for an election shall be submitted to the county elections official within 60 days of the proposal's adoption by the county committee on school district organization. If the qualified registered voters approve pursuant to subdivision (b) or (c) the rearrangement of the boundaries to the trustee areas for a particular district, the rearrangement of the trustee areas shall be effective for the next district election occurring at least 120 days after its approval by the voters.

§ 5020. Presentation of proposal to electors

(a) The resolution of the county committee approving a proposal to establish or abolish trustee areas, to adopt one of the alternative methods of electing governing board members specified in Section 5030, or to increase or decrease the number of members of the governing board shall constitute an order of election, and the proposal shall be presented to the electors of the district not later than the next succeeding election for members of the governing board.

(b) If a petition requesting an election on a proposal to rearrange trustee area boundaries is filed, containing at least 5 percent of the signatures of the district's registered voters as determined by the elections official, the proposal shall be presented to the electors of the district, at the next succeeding election for the members of the governing board, at the next succeeding statewide primary or general election, or at the next succeeding regularly scheduled election at which the electors of the district are otherwise entitled to vote, provided that there is sufficient time to place the issue on the ballot.

(c) If a petition requesting an election on a proposal to establish or abolish trustee areas, to increase or decrease the number of members of the board, or to adopt one of the alternative methods of electing governing board members specified in Section 5030 is filed, containing at least 10 percent of the signatures of the district's registered voters as determined by the elections official, the proposal shall be presented to the electors of the district, at the next succeeding election for the members of the governing board, at the next succeeding statewide primary or general election, or at the next succeeding regularly scheduled election at which the electors of the district are otherwise entitled to vote, provided that there is sufficient time to place the issue on the ballot. Before the proposal is presented to the electors, the county committee on school district organization may call and conduct one or more public hearings on the proposal.

(d) The resolution of the county committee approving a proposal to establish or abolish a common governing board for a high school and an elementary school district within the boundaries of the high school district shall constitute an order of election. The proposal shall be presented to the electors of the district at the next succeeding statewide primary or general election, or at the next succeeding regularly scheduled election at which the electors of the district are otherwise entitled to vote, provided that there is sufficient time to place the issue on the ballot.
(e) For each proposal there shall be a separate proposition on the ballot. The ballot shall contain the following words:

"For the establishment (or abolition or rearrangement) of trustee areas in ____ (insert name) School District --Yes" and "For the establishment (or abolition or rearrangement) of trustee areas in ____ (insert name) School District--No."

"For increasing the number of members of the governing board of ____ (insert name) School District from five to seven--Yes" and "For increasing the number of members of the governing board of ____ (insert name) School District from five to seven--No."

"For decreasing the number of members of the governing board of ____ (insert name) School District from seven to five--Yes" and "For decreasing the number of members of the governing board of ____ (insert name) School District from seven to five--No."

"For the election of each member of the governing board of the ____ (insert name) School District by the registered voters of the entire ____ (insert name) School District--Yes" and "For the election of each member of the governing board of the ____ (insert name) School District by the registered voters of the entire ____ (insert name) School District--No."

"For the election of one member of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters in that trustee area--Yes" and "For the election of one member of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters in that trustee area--No."

"For the election of one member, or more than one member for one or more trustee areas, of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters of the entire ____ (insert name) School District--Yes" and "For the election of one member, or more than one member for one or more trustee areas, of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters of the entire ____ (insert name) School District--No."

"For the establishment (or abolition) of a common governing board in the ____ (insert name) School District and the ____ (insert name) School District--Yes" and "For the establishment (or abolition) of a common governing board in the ____ (insert name) School District and the ____ (insert name) School District--No."

If more than one proposal appears on the ballot, all must carry in order for any to become effective, except that a proposal to adopt one of the methods of election of board members specified in Section 5030 which is approved by the voters shall become effective unless a proposal which is inconsistent with that proposal has been approved by a greater number of voters. An inconsistent proposal approved by a lesser number of voters than the number which have approved a proposal to adopt one of the methods of election of board members specified in Section 5030 shall not be effective.

§ 5021. Incumbents to serve out terms despite approval of change

(a) If a proposal for the establishment of trustee areas formulated under Sections 5019
and 5020 is approved by a majority of the voters voting at the election, any affected incumbent board member shall serve out his or her term of office and succeeding board members shall be nominated and elected in accordance with Section 5030. In the event two or more trustee areas are established at such election which are not represented in the membership of the governing board of the school district, or community college district the county committee shall determine by lot the trustee area from which the nomination and election for the next vacancy on the governing board shall be made.

(b) If a proposal for rearrangement of boundaries is approved by a majority of the voters voting on the measure, or by the county committee on school district organization when no election is required, and if the boundary changes affect the board membership, any affected incumbent board member shall serve out his or her term of office and succeeding board members shall be nominated and elected in accordance with Section 5030.

(c) If a proposal for abolishing trustee areas is approved by a majority of the voters voting at the election, the incumbent board members shall serve out their terms of office and succeeding board members shall be nominated and elected at large from the district.

§ 5030. Alternate method of election

Except as provided in Sections 5027 and 5028, in any school district or community college district having trustee areas, the county committee on school district organization and the registered voters of a district, pursuant to Sections 5019 and 5020, respectively, may at any time recommend one of the following alternate methods of electing governing board members:

(a) That each member of the governing board be elected by the registered voters of the entire district.

(b) That one or more members residing in each trustee area be elected by the registered voters of that particular trustee area.

(c) That each governing board member be elected by the registered voters of the entire school district or community college district, but reside in the trustee area which he or she represents.

The recommendation shall provide that any affected incumbent member shall serve out his or her term of office and that succeeding board members shall be nominated and elected in accordance with the method recommended by the county committee.

Whenever trustee areas are established in a district, provision shall be made for one of the alternative methods of electing governing board members.

In counties with a population of less than 25,000, the county committee on school district organization or the county board of education, if it has succeeded to the duties of the county committee, may at any time, by resolution, with respect to trustee areas established for any school district, other than a community college district, amend the provision required by this section without additional approval by the electors, to require one of the alternate methods for electing board members to be utilized.
Ed Code Title: Elimination of election requirement
Ed Code Section: Portions of 5019, 5021, 5030 and all of 5020
Ed Code Authority: 33050

Ed Code or CCR to Waive: The Lincoln Unified School District desires to waive the following sections and portions of the *Education Code* lined out below:

§ 5019. Trustee areas and size of school district governing boards; powers of county committee; proposal and hearing

(d) If the county committee on school district organization approves pursuant to subdivision (a) [the rearrangement of the] boundaries of trustee areas for a particular district, then the rearrangement of the trustee areas shall be effectuated for the next district election occurring at least 120 days after its approval, [unless at least 5 percent of the registered voters of the district sign a petition requesting an election on the proposed rearrangement of trustee area boundaries. The petition for an election shall be submitted to the county elections official within 60 days of the proposal's adoption by the county committee on school district organization. If the qualified registered voters approve pursuant to subdivision (b) or (c) the rearrangement of the boundaries to the trustee areas for a particular district, the rearrangement of the trustee areas shall be effective for the next district election occurring at least 120 days after its approval by the voters.]

§ 5020. Presentation of proposal to electors

[(a) The resolution of the county committee approving a proposal to establish or abolish trustee areas, to adopt one of the alternative methods of electing governing board members specified in Section 5030, or to increase or decrease the number of members of the governing board shall constitute an order of election, and the proposal shall be presented to the electors of the district not later than the next succeeding election for members of the governing board.]

[(b) If a petition requesting an election on a proposal to rearrange trustee area boundaries is filed, containing at least 5 percent of the signatures of the district's registered voters as]
determined by the elections official, the proposal shall be presented to the electors of the district, at the next succeeding election for the members of the governing board, at the next succeeding statewide primary or general election, or at the next succeeding regularly scheduled election at which the electors of the district are otherwise entitled to vote, provided that there is sufficient time to place the issue on the ballot.]

[(c) If a petition requesting an election on a proposal to establish or abolish trustee areas, to increase or decrease the number of members of the board, or to adopt one of the alternative methods of electing governing board members specified in Section 5030 is filed, containing at least 10 percent of the signatures of the district's registered voters as determined by the elections official, the proposal shall be presented to the electors of the district, at the next succeeding election for the members of the governing board, at the next succeeding statewide primary or general election, or at the next succeeding regularly scheduled election at which the electors of the district are otherwise entitled to vote, provided that there is sufficient time to place the issue on the ballot. Before the proposal is presented to the electors, the county committee on school district organization may call and conduct one or more public hearings on the proposal.]

[(d) The resolution of the county committee approving a proposal to establish or abolish a common governing board for a high school and an elementary school district within the boundaries of the high school district shall constitute an order of election. The proposal shall be presented to the electors of the district at the next succeeding statewide primary or general election, or at the next succeeding regularly scheduled election at which the electors of the district are otherwise entitled to vote, provided that there is sufficient time to place the issue on the ballot.]

[(e) For each proposal there shall be a separate proposition on the ballot. The ballot shall contain the following words:

“For the establishment (or abolition or rearrangement) of trustee areas in ____ (insert name) School District --Yes” and “For the establishment (or abolition or rearrangement) of trustee areas in ____ (insert name) School District--No.”

“For increasing the number of members of the governing board of ____ (insert name) School District from five to seven--Yes” and “For increasing the number of members of the governing board of ____ (insert name) School District from five to seven--No.”

“For decreasing the number of members of the governing board of ____ (insert name) School District from seven to five--Yes” and “For decreasing the number of members of the governing board of ____ (insert name) School District from seven to five--No.”

“For the election of each member of the governing board of the ____ (insert name) School District by the registered voters of the entire ____ (insert name) School District--Yes” and “For the election of each member of the governing board of the ____ (insert name) School District by the registered voters of the entire ____ (insert name) School District--No.”

“For the election of one member of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters in that trustee area--Yes” and “For the election of one member of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters in that trustee area--No.”
"For the election of one member, or more than one member for one or more trustee areas, of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters of the entire ____ (insert name) School District--Yes" and "For the election of one member, or more than one member for one or more trustee areas, of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters of the entire ____ (insert name) School District--No."

"For the establishment (or abolition) of a common governing board in the ____ (insert name) School District and the ____ (insert name) School District--Yes" and "For the establishment (or abolition) of a common governing board in the ____ (insert name) School District and the ____ (insert name) School District--No."

[If more than one proposal appears on the ballot, all must carry in order for any to become effective, except that a proposal to adopt one of the methods of election of board members specified in Section 5030 which is approved by the voters shall become effective unless a proposal which is inconsistent with that proposal has been approved by a greater number of voters. An inconsistent proposal approved by a lesser number of voters than the number which have approved a proposal to adopt one of the methods of election of board members specified in Section 5030 shall not be effective.]

§ 5021. Incumbents to serve out terms despite approval of change

(a) If a proposal for the establishment of trustee areas formulated under Sections 5019 and 5020 is approved by a majority of the voters voting at the election, any affected incumbent board member shall serve out his or her term of office and succeeding board members shall be nominated and elected in accordance with Section 5030. In the event two or more trustee areas are established at such election which are not represented in the membership of the governing board of the school district, or community college district the county committee shall determine by lot the trustee area from which the nomination and election for the next vacancy on the governing board shall be made.

(b) If a proposal for rearrangement of boundaries is approved by a majority of the voters voting on the measure, or by by the county committee on school district organization when no election is required, and if the boundary changes affect the board membership, any affected incumbent board member shall serve out his or her term of office and succeeding board members shall be nominated and elected in accordance with Section 5030.

(c) If a proposal for abolishing trustee areas is approved by a majority of the voters voting at the election, the incumbent board members shall serve out their terms of office and succeeding board members shall be nominated and elected at large from the district.

§ 5030. Alternate method of election

Except as provided in Sections 5027 and 5028, in any school district or community college district having trustee areas, the county committee on school district organization and the registered voters of a district, pursuant to Sections 5019 and 5020, respectively, may at any time recommend one of the following alternate methods of electing governing board members:

(a) That each member of the governing board be elected by the registered voters of the entire district.
(b) That one or more members residing in each trustee area be elected by the registered voters of that particular trustee area.

(c) That each governing board member be elected by the registered voters of the entire school district or community college district, but reside in the trustee area which he or she represents.

The recommendation shall provide that any affected incumbent member shall serve out his or her term of office and that succeeding board members shall be nominated and elected in accordance with the method recommended by the county committee.

Whenever trustee areas are established in a district, provision shall be made for one of the alternative methods of electing governing board members.

[In counties with a population of less than 25,000,] the county committee on school district organization or the county board of education, if it has succeeded to the duties of the county committee, may at any time, by resolution, with respect to trustee areas established for any school district, other than a community college district, amend the provision required by this section without additional approval by the electors, to require one of the alternate methods for electing board members to be utilized.

Outcome Rationale: Desired Outcome/ Rationale

The Lincoln Unified School District desires to have the requested Education Code sections waived because the waiver of these sections will allow the District to successfully adopt trustee areas and establish a by-trustee election process as expeditiously as possible, thereby enabling the District to avoid litigation resulting out of its current at-large election process for electing its governing board members.

It is imperative that the District adopt these areas and establish this process without delay and without interference because like many of the school districts that have been threatened with lawsuits under the California Voting Rights Act of 2001 (“CVRA”), the District currently utilizes an at-large election process to elect its governing board members. The District’s failure to successfully adopt and implement trustee areas and a by-trustee area election process leaves it vulnerable to such litigation in which the District would be exposed to potentially having to pay significant attorneys’ fees to plaintiffs, which would pose an undue hardship and extreme detriment to the District and its students.

CVRA History

The California Legislature enacted the California Voting Rights Act of 2001. (See California Elections Code §§ 14025-14032). This legislation makes all at-large election systems in California for cities, school districts and special districts vulnerable to legal attack, largely on proof of racially polarized voting, regardless of whether a majority district can be formed and, under the interpretation adopted by plaintiffs in other pending CVRA cases, without regard to the electoral success of minority candidates or the need to prove actual racial injury exists.

The CVRA purports to alter several requirements that plaintiffs would have to prove under the Federal Voting Rights Act, thereby making it easier to challenge at-large election systems.

The first suit under the CVRA was filed against the City of Modesto in 2004. Modesto challenged the facial constitutionality of the CVRA on the basis that, by using race as the sole criterion of liability, the CVRA contains a suspect racial classification that California was required to justify under equal protection strict scrutiny standards. The trial court struck down the statute but the California Court of Appeal reversed. (Sanchez v. City of Modesto (2006) 145
The City of Modesto ultimately settled the litigation, but not before paying plaintiffs $3 million dollars in attorneys’ fees to plaintiffs’ attorneys (the prevailing party [other than a public agency] is entitled to an award of their attorneys’ fees and costs under the CVRA) and another $1.7 million to its own attorneys.

Similarly, the Hanford Joint Union High School District was sued under the CVRA and after adopting trustee areas and establishing by-trustee area elections (and requesting and receiving the same waiver from the State Board of Education that is being requested here), paid plaintiffs in that lawsuit the sum of $110,000 pursuant to a settlement agreement. Most recently, the Madera Unified School District has been sued under the CVRA and their November 2008 governing board member election was enjoined by the court. The Plaintiffs in that case demanded $1.8 million in attorneys’ fees from that District, though that amount was subsequently reduced by the trial court and upheld on appeal.

Normally, under Education Code section 5020, the County Committee on School District organization, after conducting its own public hearing on the recommended plans, would call for an election and put the matter to a vote of the District’s electors. However, going through an election process would prevent the District from electing successor trustees in a timely manner and leaves the District vulnerable to a lawsuit and injunction.

The requested waiver will allow the District to complete its transition to a by-trustee area election process in time to for the next governing board member election which will reduce the District’s liability under the CVRA going forward.

Student Population: 9037
City Type: Suburban
Public Hearing Date: 5/22/2013
Public Hearing Advertised: Notice in newspaper, notice posted at each school, 3 district facilities, city library, on Facebook, emailed to all staff and approximately 90 community members
Local Board Approval Date: 5/8/2013
Community Council Reviewed By: All school site councils and DELAC (District English Learners Advisory Committee)
Community Council Reviewed Date: 6/17/2013
Community Council Objection: N
Community Council Objection Explanation:
Audit Penalty YN: N
Categorical Program Monitoring: N
Submitted by: Ms. Lisa Walker
Position: Executive Assistant
E-mail: lwalker@lusd.net
Telephone: 209-953-8712
Fax: 209-951-5195

Bargaining Unit Date: 05/21/2013
Name: Lincoln Unified Teachers Association
Representative: Janet Olmstead
Title: President
Position: Neutral
Comments:

Bargaining Unit Date: 05/16/2013
Name: California School Employees Association
Representative: Dorsey McCowan
Title: President
Position: Support
Comments:

We consulted with both units multiple times:

1. LUTA: 5/21/13, 5/23/13, 6/2/13, 6/5/13
2. CSEA: 5/16/13, 6/6/13, 6/19/13
Waiver Topic: School District Reorganization
Ed Code Title: Elimination of Election Requirement
Ed Code Section: Portions of 5019, 5021, 5030 and all of 5020
Ed Code Authority: 33050

Ed Code or CCR to Waive: § 5019. Trustee areas and size of school district governing boards; powers of county committee; proposal and hearing

(a) Except in a school district governed by a board of education provided for in the charter of a city or city and county, in any school district or community college district, the county committee on school district organization may establish trustee areas, rearrange the boundaries of trustee areas, abolish trustee areas, and increase to seven or decrease to five the number of members of the governing board, or adopt one of the alternative methods of electing governing board members specified in Section 5030.

(b) The county committee on school district organization may establish or abolish a common governing board for a high school district and an elementary school district within the boundaries of the high school district. The resolution of the county committee on school district organization approving the establishment or abolition of a common governing board shall be presented to the electors of the school districts as specified in Section 5020.

(c) (1) A proposal to make the changes described in subdivision (a) or (b) may be initiated by the county committee on school district organization or made to the county committee on school district organization either by a petition signed by 5 percent or 50, whichever is less, of the qualified registered voters residing in a district in which there are 2,500 or fewer qualified registered voters, by 3 percent or 100, whichever is less, of the qualified registered voters residing in a district in which there are 2,501 to 10,000 qualified registered voters, by 1 percent or 250, whichever is less, of the qualified registered voters residing in a district in which there are 10,001 to 50,000 qualified registered voters, by 500 or more of the qualified registered voters residing in a district in which there are 50,001 to 100,000 qualified registered voters, by 750 or more of the qualified registered voters residing in a district in which there are 100,001 to 250,000 qualified registered voters, or by 1,000 or more of the qualified registered voters residing in a district in which there are 250,001 or more qualified registered voters or by
resolution of the governing board of the district. For this purpose, the necessary signatures for a petition shall be obtained within a period of 180 days before the submission of the petition to the county committee on school district organization and the number of qualified registered voters in the district shall be determined pursuant to the most recent report submitted by the county elections official to the Secretary of State under Section 2187 of the Elections Code.

(2) When a proposal is made pursuant to paragraph (1), the county committee on school district organization shall call and conduct at least one hearing in the district on the matter. At the conclusion of the hearing, the county committee on school district organization shall approve or disapprove the proposal.

(d) If the county committee on school district organization approves pursuant to subdivision (a) [the rearrangement of the] boundaries of trustee areas for a particular district, then the [rearrangement of the] trustee areas shall be effectuated for the next district election [occurring at least 120 days after its approval, unless at least 5 percent of the registered voters of the district sign a petition requesting an election on the proposed rearrangement of trustee area boundaries. The petition for an election shall be submitted to the county elections official within 60 days of the proposal's adoption by the county committee on school district organization. If the qualified registered voters approve pursuant to subdivision (b) or (c) the rearrangement of the boundaries to the trustee areas for a particular district, the rearrangement of the trustee areas shall be effective for the next district election occurring at least 120 days after its approval by the voters].

[§ 5020. Presentation of proposal to electors

(a) The resolution of the county committee approving a proposal to establish or abolish trustee areas, to adopt one of the alternative methods of electing governing board members specified in Section 5030, or to increase or decrease the number of members of the governing board shall constitute an order of election, and the proposal shall be presented to the electors of the district not later than the next succeeding election for members of the governing board.

(b) If a petition requesting an election on a proposal to rearrange trustee area boundaries is filed, containing at least 5 percent of the signatures of the district's registered voters as determined by the elections official, the proposal shall be presented to the electors of the district, at the next succeeding election for the members of the governing board, at the next succeeding statewide primary or general election, or at the next succeeding regularly scheduled election at which the electors of the district are otherwise entitled to vote, provided that there is sufficient time to place the issue on the ballot.

(c) If a petition requesting an election on a proposal to establish or abolish trustee areas, to increase or decrease the number of members of the board, or to adopt one of the alternative methods of electing governing board members specified in Section 5030 is filed, containing at least 10 percent of the signatures of the district's registered voters as determined by the elections official, the proposal shall be presented to the electors of the district, at the next succeeding election for the members of the governing board, at the next succeeding statewide primary or general election, or at the next succeeding regularly scheduled election at which the electors of the district are otherwise entitled to vote, provided that there is sufficient time to place the issue on the ballot. Before the proposal is presented to the electors, the county committee on school district organization may call and conduct one or more public hearings on the proposal.
(d) The resolution of the county committee approving a proposal to establish or abolish a common governing board for a high school and an elementary school district within the boundaries of the high school district shall constitute an order of election. The proposal shall be presented to the electors of the district at the next succeeding statewide primary or general election, or at the next succeeding regularly scheduled election at which the electors of the district are otherwise entitled to vote, provided that there is sufficient time to place the issue on the ballot.

(e) For each proposal there shall be a separate proposition on the ballot. The ballot shall contain the following words:

"For the establishment (or abolition or rearrangement) of trustee areas in ____ (insert name) School District --Yes" and "For the establishment (or abolition or rearrangement) of trustee areas in ____ (insert name) School District--No."

"For increasing the number of members of the governing board of ____ (insert name) School District from five to seven--Yes" and "For increasing the number of members of the governing board of ____ (insert name) School District from five to seven--No."

"For decreasing the number of members of the governing board of ____ (insert name) School District from seven to five--Yes" and "For decreasing the number of members of the governing board of ____ (insert name) School District from seven to five--No."

"For the election of each member of the governing board of the ____ (insert name) School District by the registered voters of the entire ____ (insert name) School District--Yes" and "For the election of each member of the governing board of the ____ (insert name) School District by the registered voters of the entire ____ (insert name) School District--No."

"For the election of one member of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters in that trustee area--Yes" and "For the election of one member of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters in that trustee area--No."

"For the election of one member, or more than one member for one or more trustee areas, of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters of the entire ____ (insert name) School District--Yes" and "For the election of one member, or more than one member for one or more trustee areas, of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters of the entire ____ (insert name) School District--No."

"For the establishment (or abolition) of a common governing board in the ____ (insert name) School District and the ____ (insert name) School District--Yes" and "For the establishment (or abolition) of a common governing board in the ____ (insert name) School District and the ____ (insert name) School District--No."

If more than one proposal appears on the ballot, all must carry in order for any to become effective, except that a proposal to adopt one of the methods of election of board members specified in Section 5030 which is approved by the voters shall become effective unless a proposal which is inconsistent with that proposal has been approved by a greater number of voters. An inconsistent proposal approved by a lesser number of voters than the number which have approved a proposal to adopt one of the methods of election of board members specified
§ 5021. Incumbents to serve out terms despite approval of change

(a) If a proposal for the establishment of trustee areas formulated under Section[s] 5019 [and 5020] is approved [by a majority of the voters voting at the election], any affected incumbent board member shall serve out his or her term of office and succeeding board members shall be nominated and elected in accordance with Section 5030. In the event two or more trustee areas are established [at such election] which are not represented in the membership of the governing board of the school district, or community college district the county committee shall determine by lot the trustee area from which the nomination and election for the next vacancy on the governing board shall be made.

(b) If a proposal for rearrangement of boundaries is approved by [a majority of the voters voting on the measure, or by] the county committee on school district organization [when no election is required], and if the boundary changes affect the board membership, any affected incumbent board member shall serve out his or her term of office and succeeding board members shall be nominated and elected in accordance with Section 5030.

(c) If a proposal for abolishing trustee areas is approved [by a majority of the voters voting at the election], the incumbent board members shall serve out their terms of office and succeeding board members shall be nominated and elected at large from the district.

§ 5030. Alternate method of election

Except as provided in Sections 5027 and 5028, in any school district or community college district having trustee areas, the county committee on school district organization and the registered voters of a district, pursuant to Sections 5019 [and 5020], respectively, may at any time recommend one of the following alternate methods of electing governing board members:

(a) That each member of the governing board be elected by the registered voters of the entire district.

(b) That one or more members residing in each trustee area be elected by the registered voters of that particular trustee area.

(c) That each governing board member be elected by the registered voters of the entire school district or community college district, but reside in the trustee area which he or she represents.

The recommendation shall provide that any affected incumbent member shall serve out his or her term of office and that succeeding board members shall be nominated and elected in accordance with the method recommended by the county committee.

Whenever trustee areas are established in a district, provision shall be made for one of the alternative methods of electing governing board members.

[ In counties with a population of less than 25,000,] the county committee on school district organization or the county board of education, if it has succeeded to the duties of the county committee, may at any time, by resolution, with respect to trustee areas established for any school district[, other than a community college district,] amend the provision required by this section without additional approval by the electors, to require one of the alternate methods for electing board members to be utilized.

Outcome Rationale: Pursuant to EC § 5019(a), the Tulare County Committee on School District Organization ("County Committee") has the authority to approve or disapprove Pixley Union School District's adoption of by-trustee area elections. PUSD adopted a resolution applying to the County Committee to authorize a change of election for the November 2014 election. This
waiver is sought contingent on the County Committee’s approval of the change to the District’s electoral system and approval of a specific trustee area plan. The approval of by-trustee area elections by the County Committee would normally constitute an order of election (EC § 5020); however, a waiver of the election requirement by SBE would allow for the adoption and subsequent implementation of by-trustee area elections without a local election. Also, the subsequent approval of a specific trustee area plan would normally be subject to a referendum period, but if qualified such a referendum would preclude by-trustee area elections in 2014. [See Attachment C and Pixley Union School District Resolution 13-15, attached hereto [approving the waiver application].]

Student Population: 1139

City Type: Rural

Public Hearing Date: 6/11/2013
Public Hearing Advertised: Newspaper and posted at each school

Local Board Approval Date: 6/11/2013

Community Council Reviewed By: School Site Council
Community Council Reviewed Date: 6/5/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. Christopher Skinnell
Position: Special Counsel
E-mail: cskinnell@nmgovlaw.com
Telephone: 415-389-6800
Fax:

Bargaining Unit Date: 06/05/2013
Name: Associated Teachers of Pixley School
Representative: Kathy Masters
Title: President
Position: Neutral
Comments:

Bargaining Unit Date: 06/05/2013
Name: California School Employees Association
Representative: Pam Dodd
Title: President
Position: Neutral
Comments:
Desired Outcome/Rationale

The waiver of the election requirements in 5019(d) and 5020 will enable the Pixley Union School District (“PUSD” or “District”) to implement a new “by-trustee area” electoral system for its November 2014 elections, will ensure that the District proceeds in the most efficient and cost-effective manner, and will help protect the District from legal challenges. Approval of the waiver request will not remove the requirement that any future District governing board member be elected by voters in the District. The waiver only eliminates the requirement that an election be held to determine the method by which future board members will be elected.

The Central Valley has recently become an epicenter of potential litigation under the California Voting Rights Act of 2002, codified at sections 14025–14032 of the California Elections Code (“CVRA”). The CVRA enables voters to challenge “at-large” electoral systems in which elections are characterized by “racially-polarized voting.” As importantly, it authorizes mandatory attorneys’ fee and expert fee awards to successful plaintiffs.

Recent litigation under the Act has resulted in fee awards as high as 7 figures: The City of Modesto defended against a suit under the CVRA and ended up paying $3 million to plaintiffs’ attorneys, in addition to $1.7 million to its own attorneys. While that case involved an appeal and (unsuccessful) petitions for review and certiorari to the California and U.S. Supreme Courts, the $4.7 million did not include any costs for an actual trial, as the case never reached that state, settling before that time. And then in 2008, Madera Unified was sued under the CVRA, and after six weeks of uncontested litigation was served with a fee demand of $1.2 million. Though that number was significantly reduced by the courts, the suit nevertheless resulted in a six-figure payout to the plaintiffs’ attorneys, in addition to whatever amounts the District paid to its own counsel for defense of the action and fee motion. See Rey v. Madera Unified School District, 203 Cal. App. 4th 1223 (2012). Other districts throughout the State have likewise continued to pay substantial fee awards as well.

In recent years, two nearby jurisdictions have been sued under the CVRA—the Tulare Local Healthcare District settled a suit for $500,000 in 2010, and agreed to put the question of changing its electoral system to the voters; the City of Tulare likewise settled a suit, agreeing to put a similar question to its voters, and to pay plaintiffs' attorneys' fees (rumored to be in the range of $250,000). Faced with this spate of litigation, several of PUSD’s neighboring districts have adopted by-trustee elections under Education Code § 5030(b). In a by-trustee area system of election, candidates for a district’s governing board must reside within a specific geographic subarea of the district called a “trustee area” and candidates are elected only by the voters of that trustee area. They have done so under threat of litigation under the CVRA. We also understand that the same organization that brought the Modesto and Madera suits has made further inquiries regarding other Central Valley districts.

PUSD currently elects its five-member board in “at-large” elections (i.e., elections in which each candidate for the Board is elected by all voters in the District) pursuant to Education Code § 5030(a), and is therefore potentially vulnerable to suit under the CVRA.1

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1 This does not represent a concession by the District that such a suit would be meritorious. There is presently not any formal allegation of racially-polarized voting in District elections. But no case has yet definitively construed the Act’s many ambiguous provisions, and there are outstanding questions
On November 13, 2012, the Board adopted Resolution No. 13-05, initiating an application to the Tulare County Committee on School District Organization (“County Committee”) to change the District’s method of election to “by-trustee area” elections, i.e., elections in which “one or more members residing in each trustee area [is] elected by the registered voters of that particular trustee area[,]” Cal. Elec. Code § 5030(b).

On June 11, 2013, the PUSD Board adopted a trustee area plan for submission to, and approval by, the County Committee. Action is expected on that proposal in the next few months.

In the normal course, the County Committee’s approval of a change to the District’s electoral system would act as an order of election, submitting the change to the District’s voters at the November 2014 election. That, however, will preclude the District from implementing the new system in time for that election. Accordingly, the Board consulted with its advisory committees, school site councils and bargaining units, and held a duly-noticed public hearing, and on June 11, 2013, approved submission of a waiver of the electoral requirement.

If the waiver is approved, a local election would not be held: the system for electing trustees would change pursuant to the Resolution adopted by the PUSD Board in November 2012, and the approval of the County Committee. This waiver application is submitted contingent upon approval of the application by the County Committee.

The District is also proposing a trustee area boundary plan for the County Committee’s consideration and approval, following an extensive public process. Though that plan will not be subject to an automatic vote of the people, it is subject to the possibility of a referendum under § 5019(d). Such a referendum, if qualified, would defeat the District’s ability to implement by-trustee area elections in 2014.

There has been no public opposition to the waiver application. The PUSD Board has therefore determined that the public interest would be better served if trustees were elected by-trustee areas and makes the following points in support of the waiver:

1. Questions have been raised about the current electoral system’s legality under the California Voting Rights Act. If not waived and if a measure to institute by-trustee area elections is defeated, the District would continue to be vulnerable to a legal challenge regarding the establishing of by-trustee area elections. Though the District does not concede that the current system would violate the CVRA, and has not itself been directly threatened with litigation, it has no desire to risk costly litigation under the Act.
2. The request for waiver is contingent upon the County Committee’s approval of by-trustee area elections. The SBE can therefore grant this waiver with the assurance that the District’s proposal will nevertheless be subjected to independent review by the County Committee, composed of disinterested officials familiar with local circumstances.
3. No member of the public spoke against the waiver at the duly-noticed public hearings.
4. There has been no opposition to the plan.

About what a plaintiff must prove to prevail under the Act. That uncertainty, coupled with the potential for massive fee awards, creates a significant disincentive to contest such a suit.
The Hughson Unified School District desires to waive the following sections and portions of the Education Code lined out below:

§ 5019. Trustee areas and size of school district governing boards; powers of county committee; proposal and hearing

(a) Except in a school district governed by a board of education provided for in the charter of a city or city and county, in any school district or community college district, the county committee on school district organization may establish trustee areas, rearrange the boundaries of trustee areas, abolish trustee areas, and increase to seven or decrease to five the number of members of the governing board, or adopt one of the alternative methods of electing governing board members specified in Section 5030.

(b) The county committee on school district organization may establish or abolish a common governing board for a high school district and an elementary school district within the boundaries of the high school district. The resolution of the county committee on school district organization approving the establishment or abolition of a common governing board shall be presented to the electors of the school districts as specified in Section 5020.

(c) (1) A proposal to make the changes described in subdivision (a) or (b) may be initiated by the county committee on school district organization or made to the county committee on school district organization either by a petition signed by 5 percent or 50, whichever is less, of the qualified registered voters residing in a district in which there are 2,500 or fewer qualified registered voters, by 3 percent or 100, whichever is less, of the qualified registered voters residing in a district in which there are 2,501 to 10,000 qualified registered voters, by 1 percent or 250, whichever is less, of the qualified registered voters residing in a district in which there are...
are 10,001 to 50,000 qualified registered voters, by 500 or more of the qualified registered voters residing in a district in which there are 50,001 to 100,000 qualified registered voters, by 750 or more of the qualified registered voters residing in a district in which there are 100,001 to 250,000 qualified registered voters, or by 1,000 or more of the qualified registered voters residing in a district in which there are 250,001 or more qualified registered voters or by resolution of the governing board of the district. For this purpose, the necessary signatures for a petition shall be obtained within a period of 180 days before the submission of the petition to the county committee on school district organization and the number of qualified registered voters in the district shall be determined pursuant to the most recent report submitted by the county elections official to the Secretary of State under Section 2187 of the Elections Code.

(2) When a proposal is made pursuant to paragraph (1), the county committee on school district organization shall call and conduct at least one hearing in the district on the matter. At the conclusion of the hearing, the county committee on school district organization shall approve or disapprove the proposal.

(d) If the county committee on school district organization approves pursuant to subdivision (a) the rearrangement of the boundaries of trustee areas for a particular district, then the rearrangement of the trustee areas shall be effectuated for the next district election occurring at least 120 days after its approval, unless at least 5 percent of the registered voters of the district sign a petition requesting an election on the proposed rearrangement of trustee area boundaries. The petition for an election shall be submitted to the county elections official within 60 days of the proposal's adoption by the county committee on school district organization. If the qualified registered voters approve pursuant to subdivision (b) or (c) the rearrangement of the boundaries to the trustee areas for a particular district, the rearrangement of the trustee areas shall be effective for the next district election occurring at least 120 days after its approval by the voters.

§ 5020. Presentation of proposal to electors

(a) The resolution of the county committee approving a proposal to establish or abolish trustee areas, to adopt one of the alternative methods of electing governing board members specified in Section 5030, or to increase or decrease the number of members of the board shall constitute an order of election, and the proposal shall be presented to the electors of the district not later than the next succeeding election for members of the governing board.

(b) If a petition requesting an election on a proposal to rearrange trustee area boundaries is filed, containing at least 5 percent of the signatures of the district's registered voters as determined by the elections official, the proposal shall be presented to the electors of the district, at the next succeeding election for the members of the governing board, at the next succeeding statewide primary or general election, or at the next succeeding regularly scheduled election at which the electors of the district are otherwise entitled to vote, provided that there is sufficient time to place the issue on the ballot.

(c) If a petition requesting an election on a proposal to establish or abolish trustee areas, to increase or decrease the number of members of the board, or to adopt one of the alternative methods of electing governing board members specified in Section 5030 is filed, containing at least 10 percent of the signatures of the district's registered voters as determined by the elections official, the proposal shall be presented to the electors of the district, at the next succeeding election for the members of the governing board, at the next succeeding statewide primary or general election, or at the next succeeding regularly scheduled election at which the
electors of the district are otherwise entitled to vote, provided that there is sufficient time to place the issue on the ballot. Before the proposal is presented to the electors, the county committee on school district organization may call and conduct one or more public hearings on the proposal.

(d) The resolution of the county committee approving a proposal to establish or abolish a common governing board for a high school and an elementary school district within the boundaries of the high school district shall constitute an order of election. The proposal shall be presented to the electors of the district at the next succeeding statewide primary or general election, or at the next succeeding regularly scheduled election at which the electors of the district are otherwise entitled to vote, provided that there is sufficient time to place the issue on the ballot.

(e) For each proposal there shall be a separate proposition on the ballot. The ballot shall contain the following words:

“For the establishment (or abolition or rearrangement) of trustee areas in ____ (insert name) School District --Yes” and “For the establishment (or abolition or rearrangement) of trustee areas in ____ (insert name) School District--No.”

"For increasing the number of members of the governing board of ____ (insert name) School District from five to seven--Yes" and "For increasing the number of members of the governing board of ____ (insert name) School District from five to seven--No."

"For decreasing the number of members of the governing board of ____ (insert name) School District from seven to five--Yes" and "For decreasing the number of members of the governing board of ____ (insert name) School District from seven to five--No."

"For the election of each member of the governing board of the ____ (insert name) School District by the registered voters of the entire ____ (insert name) School District--Yes" and "For the election of each member of the governing board of the ____ (insert name) School District by the registered voters of the entire ____ (insert name) School District--No."

"For the election of one member of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters in that trustee area--Yes" and "For the election of one member of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters in that trustee area--No."

"For the election of one member, or more than one member for one or more trustee areas, of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters of the entire ____ (insert name) School District--Yes" and "For the election of one member, or more than one member for one or more trustee areas, of the governing board of the ____ (insert name) School District residing in each trustee area elected by the registered voters of the entire ____ (insert name) School District--No."

"For the establishment (or abolition) of a common governing board in the ____ (insert name) School District and the ____ (insert name) School District--Yes" and "For the establishment (or abolition) of a common governing board in the ____ (insert name) School District and the ____ (insert name) School District--No."

If more than one proposal appears on the ballot, all must carry in order for any to become
effective, except that a proposal to adopt one of the methods of election of board members
specified in Section 5030 which is approved by the voters shall become effective unless a
proposal which is inconsistent with that proposal has been approved by a greater number of
voters. An inconsistent proposal approved by a lesser number of voters than the number which
have approved a proposal to adopt one of the methods of election of board members specified
in Section 5030 shall not be effective.

§ 5021. Incumbents to serve out terms despite approval of change

(a) If a proposal for the establishment of trustee areas formulated under Sections 5019 and
5020 is approved by a majority of the voters voting at the election, any affected incumbent
board member shall serve out his or her term of office and succeeding board members shall be
nominated and elected in accordance with Section 5030. In the event two or more trustee areas
are established at such election which are not represented in the membership of the governing
board of the school district, or community college district the county committee shall determine
by lot the trustee area from which the nomination and election for the next vacancy on the
governing board shall be made.

(b) If a proposal for rearrangement of boundaries is approved by a majority of the voters voting
on the measure, or by the county committee on school district organization when no election is
required, and if the boundary changes affect the board membership, any affected incumbent
board member shall serve out his or her term of office and succeeding board members shall be
nominated and elected in accordance with Section 5030.

(c) If a proposal for abolishing trustee areas is approved by a majority of the voters voting at the
election, the incumbent board members shall serve out their terms of office and succeeding
board members shall be nominated and elected at large from the district.

§ 5030. Alternate method of election

Except as provided in Sections 5027 and 5028, in any school district or community college
district having trustee areas, the county committee on school district organization and the
registered voters of a district, pursuant to Sections 5019 and 5020, respectively, may at any
time recommend one of the following alternate methods of electing governing board members:

(a) That each member of the governing board be elected by the registered voters of the entire
district.

(b) That one or more members residing in each trustee area be elected by the registered
voters of that particular trustee area.

(c) That each governing board member be elected by the registered voters of the entire school
district or community college district, but reside in the trustee area which he or she represents.

The recommendation shall provide that any affected incumbent member shall serve out his or
her term of office and that succeeding board members shall be nominated and elected in
accordance with the method recommended by the county committee.

Whenever trustee areas are established in a district, provision shall be made for one of the
alternative methods of electing governing board members.

In counties with a population of less than 25,000, the county committee on school district
organization or the county board of education, if it has succeeded to the duties of the county
committee, may at any time, by resolution, with respect to trustee areas established for any
school district, other than a community college district, amend the provision required by this
section without additional approval by the electors, to require one of the alternate methods for
electing board members to be utilized.
Desired Outcome/ Rationale

The Hughson Unified School District desires to have the requested *Education Code* sections waived because the waiver of these sections will allow the District to successfully adopt trustee areas and establish a by-trustee election process as expeditiously as possible, thereby enabling the District to avoid litigation resulting out of its current at-large election process for electing its governing board members.

It is imperative that the District adopt these areas and establish this process without delay and without interference because the District has been presented with a demand letter under the California Voting Rights Act of 2001 ("CVRA"), threatening to sue the District if it does not convert to by-trustee area elections. The District currently utilizes an at-large election process to elect its governing board members. The District’s failure to successfully adopt and implement trustee areas and a by-trustee area election process leaves it vulnerable to litigation in which the District would be exposed to potentially having to pay significant attorneys’ fees to plaintiffs, which would pose an undue hardship and extreme detriment to the District and its students.

CVRA History

The California Legislature enacted the California Voting Rights Act of 2001. (See California Elections Code §§ 14025-14032). This legislation makes all at-large election systems in California for cities, school districts and special districts vulnerable to legal attack, largely on proof of racially polarized voting, regardless of whether a majority district can be formed and, under the interpretation adopted by plaintiffs in other pending CVRA cases, without regard to the electoral success of minority candidates or the need to prove actual racial injury exists.

The CVRA purports to alter several requirements that plaintiffs would have to prove under the Federal Voting Rights Act, thereby making it easier to challenge at-large election systems.

The first suit under the CVRA was filed against the City of Modesto in 2004. Modesto challenged the facial constitutionality of the CVRA on the basis that, by using race as the sole criterion of liability, the CVRA contains a suspect racial classification that California was required to justify under equal protection strict scrutiny standards. The trial court struck down the statute but the California Court of Appeal reversed. (Sanchez v. City of Modesto (2006) 145 Cal.App.4th 660).

The City of Modesto ultimately settled the litigation, but not before paying plaintiffs $3 million dollars in attorneys’ fees to plaintiffs’ attorneys (the prevailing party [other than a public agency] is entitled to an award of their attorneys’ fees and costs under the CVRA) and another $1.7 million to its own attorneys.

Similarly, the Hanford Joint Union High School District was sued under the CVRA and after adopting trustee areas and establishing by-trustee area elections (and requesting and receiving the same waiver from the State Board of Education that is being requested here), paid plaintiffs in that lawsuit the sum of $110,000 pursuant to a settlement agreement. Most recently, the Madera Unified School District has been sued under the CVRA and their November 2008 governing board member election was enjoined by the court. The Plaintiffs in that case demanded $1.8 million in attorneys’ fees from that District, though that amount was subsequently reduced by the trial court and upheld on appeal.
Normally, under *Education Code* section 5020, the County Committee on School District organization, after conducting its own public hearing on the recommended plans, would call for an election and put the matter to a vote of the District’s electors. However, going through an election process would prevent the District from electing successor trustees in a timely manner and leaves the District vulnerable to a lawsuit and injunction.

The requested waiver will allow the District to complete its transition to a by-trustee area election process in time to for the next governing board member election which will reduce the District’s liability under the CVRA going forward.

Student Population: 2149

City Type: Rural

Public Hearing Date: 8/13/2013
Public Hearing Advertised: School sites, feeder schools, newspaper, website, city hall, post office, library

Local Board Approval Date: 8/13/2013

Community Council Reviewed By: Bargaining Units, School Site Councils, DELAC
Community Council Reviewed Date: 7/10/2013
Community Council Objection: N
Community Council Objection Explanation:
Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. Brian Beck
Position: Superintendent
E-mail: bbeck@hughson.k12.ca.us
Telephone: 209-883-4428 x4
Fax: 209-883-4639

Bargaining Unit Date: 07/10/2013
Name: Classified School Employees Association
Representative: Randy Robinson
Title: President
Position: Neutral
Comments:

Bargaining Unit Date: 07/10/2013
Name: Hughson Educators Association
Representative: Jeff Clayton
Title: President
Position: Neutral
Comments:
WAIVER ITEM W-10
## Specific Waiver

### SUBJECT

Request by eight local educational agencies, under the authority of California *Education Code* Section 52863 for waivers of *Education Code* Section 52852, relating to schoolsite councils regarding changes in shared, composition, or shared and composition members.

### Waiver Numbers:

- Caliente Union Elementary School District 13-8-2013
- Fairfield-Suisun Unified School District 8-7-2013
- Igo, Ono, Platina Union Elementary School District 4-7-2013
- Kernville Union Elementary School District 14-7-2013
- Peninsula Union School District 24-11-2012
- Surprise Valley Joint Unified School District 1-7-2013
- Trona Joint Unified School District 11-7-2013
- Waugh Elementary School District 3-8-2013

### SUMMARY OF THE ISSUE(S)

Specific authority is provided in California *Education Code* (EC) Section 52863 to allow the State Board of Education (SBE) to waive the Schoolsite Council (SSC) requirements contained in EC 52852 of the School-Based Coordination Program (SBCP) Act that would hinder the success of the program implementation. These waivers must be renewed every two years.

### Authority for Waiver: EC Section 52863

### RECOMMENDATION

- **Approval**
- **Approval with conditions**
- **Denial**

The California Department of Education recommends approval with the following conditions: See Attachment 1.

### SUMMARY OF KEY ISSUES

Caliente Union Elementary School District is requesting a shared SSC for two small schools: Caliente Elementary School and Piute Mountain School (a total of 5 teachers serving 58 students in kindergarten through grade eight). The two schools are located in a rural area.
Fairfield-Suisun Unified School District is requesting a shared SSC with composition change for two schools with three programs: Fairfield-Suisun Elementary Community Day School (1 teacher serving 1 student in grades one through six), and H. Glenn Richardson Education Complex with two programs, one of which is Dynamic Education Link to Achievement (4 teachers serving 18 students in kindergarten through adult) and the other is Successful Individuals Generating Maximum Achievements (3 teachers serving 21 students in kindergarten through grade twelve). All three programs are small and serve unique populations. They are located on one campus in an urban area.

Igo, Ono, Platina Union Elementary School District is requesting a shared SSC for two small schools: Igo-Ono Elementary School (3 teachers serving 68 students in kindergarten through grade eight) and Platina Elementary School (1 teacher serving 12 students in kindergarten through grade eight). The schools are located in a rural area.

Kernville Union Elementary School District is requesting a shared SSC for its only two elementary schools: Kernville Elementary School (4 teachers serving 98 students in kindergarten through grade three) and Woodrow W. Wallace Elementary School (13 teachers serving 325 students in kindergarten through grade four). The schools share a principal, common curriculum, and professional learning communities. In addition, they share special education services, a psychologist, and maintenance and transportation services. They are located in close proximity in a small city.

Peninsula Union School District is requesting an SSC composition change for Peninsula Union Elementary School (3 teachers serving 33 students in kindergarten through grade eight). Peninsula Union School District is a single-school district, located in a rural area with 23 families.

Surprise Valley Joint Unified School District is requesting a shared SSC for two schools: Surprise Valley Elementary School (6 teachers serving 81 students in kindergarten through grade eight) and Surprise Valley High School (5 teachers serving 38 students in grades nine through twelve). The two principals are also teachers and the two schools share some teaching staff. Both schools are located in a remote rural area.

Trona Joint Unified School District is requesting a shared SSC with composition change for two small schools: Trona Elementary School (9 teachers serving 150 students in kindergarten through grade six) and Trona High School (9 full-time and 2 half-time teachers serving 100 students in grades seven through twelve). These two schools are located on the same campus in a rural area.

Waugh Elementary School District is requesting a shared SSC for its only two schools: Corona Creek Elementary School (19 teachers serving 470 students in kindergarten through grade six) and Meadow Elementary School (19 teachers serving 454 students in kindergarten through grade six). The two schools serve similar student and parent populations, and share a common Parent Teacher Association, English Learning Advisory Committee, and education foundation. In addition, curriculum for both schools is identical and teachers join together in planning and training. The schools are located less than a mile apart from each other in a suburban area.
SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

The CDE Waiver Office has previously presented requests from local educational agencies (LEAs) to waive some of the SSC requirements in EC 52863 or to allow one shared schoolsite council for multiple schools. All of these requests have been granted with conditions. The conditions take into consideration the rationale provided by the LEAs, a majority of which are due to the size, type, location, or other capacities of the schools.

FISCAL ANALYSIS (AS APPROPRIATE)

There is no statewide fiscal impact of waiver approval.

ATTACHMENT(S)

Attachment 1: Local Educational Agencies Requesting a Schoolsite Council Waiver (4 Pages)

Attachment 2: Caliente Union Elementary School District Specific Waiver Request 13-8-2013 (1 Page) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 3: Fairfield-Suisun Unified School District Specific Waiver Request 8-7-2013 (2 Pages) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 4: Igo, Ono, Platina Union Elementary School District Specific Waiver Request 4-7-2013 (2 Pages) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 5: Kernville Union Elementary School District Specific Waiver Request 14-7-2013 (2 Pages) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 6: Peninsula Union School District Specific Waiver Request 24-11-2012 (2 Pages) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 7: Surprise Valley Joint Unified School District Specific Waiver Request 1-7-2013 (2 Pages) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 8: Trona Joint Unified School District Specific Waiver Request 11-7-2013 (2 Pages) (Original waiver request is signed and on file in the Waiver Office.)
Attachment 9: Waugh Elementary School District Specific Waiver Request 3-8-2013 (2 Pages) (Original waiver request is signed and on file in the Waiver Office.)
<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>LEA for School(s) (CDS Code[s])</th>
<th>LEAs Request</th>
<th>CDE Recommendation</th>
<th>Previous Waiver Yes or No</th>
<th>Period of Request/Period Recommended</th>
<th>Collective Bargaining Unit Position/Current Agreement</th>
<th>SSC/Advisory Committee Position</th>
<th>Local Board Approval Date</th>
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<tbody>
<tr>
<td>13-8-2013</td>
<td>Caliente Union Elementary School for Caliente Elementary School (1563388 6009286) and Piute Mountain Elementary School (1563388 6104772)</td>
<td>Shared SSC</td>
<td>Approval with conditions; the SSC must consist of one principal, three classroom teachers (selected by peers), one other school representative (selected by peers), and five parents/community members (selected by parents).</td>
<td>Yes</td>
<td>Requested: 08/13/2013 To 08/01/2015</td>
<td>Recommended: 08/13/2013 To 08/01/2015</td>
<td>None indicated</td>
<td>Reviewed by three parents and two staff members. 09/12/2013 Approve</td>
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<td>8-7-2013</td>
<td>Fairfield-Suisun Unified School District for Fairfield-Suisun Elementary Community Day School (4870540 0112912) and H. Glenn Richardson Education Complex (4870540 0122093)</td>
<td>Shared SSC and Composition Change</td>
<td>Approval with conditions; the SSC must consist of one principal, two classroom teachers (selected by peers), and three parents/community members (selected by parents).</td>
<td>No</td>
<td>Requested: 09/01/2013 To 09/01/2015</td>
<td>Recommended: 09/01/2013 To 08/31/2015</td>
<td>Fairfield-Suisun Unified Teachers Association Laurel Salerno-White, President 06/27/2013 Support</td>
<td>Reviewed by LEA staff, SSC not formed yet 01/28/2013 Approve</td>
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<td>Waiver Number</td>
<td>LEA for School(s) (CDS Code[s])</td>
<td>LEAs Request</td>
<td>CDE Recommendation</td>
<td>Previous Waiver Yes or No Period of Request/Period Recommended</td>
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<td>4-7-2013</td>
<td>Igo, Ono, Platina Union Elementary School District for Igo-Ono Elementary School (4570029 6050355) and Platina Elementary School (4570029 6050371)</td>
<td>Shared SSC</td>
<td>Approval with conditions; the SSC must consist of one principal, three classroom teachers (selected by peers), one other school representative (selected by peers), and five parents/community members (selected by parents).</td>
<td>No Requested: 08/31/2013 To 08/31/2015</td>
<td>California Teachers Association Lenny Ehn, President 06/13/2013</td>
<td>SSC 06/13/2013</td>
<td>Approve 06/13/2013</td>
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<td>14-7-2013</td>
<td>Kernville Union Elementary School District for Kernville Elementary School (1563545 6009641) and Woodrow W. Wallace Elementary School (1563545 6009658)</td>
<td>Shared SSC</td>
<td>Approval with conditions; the SSC must consist of one principal, three classroom teachers (selected by peers), one other school representative (selected by peers), and five parents/community members (selected by parents).</td>
<td>Yes Requested: 07/01/2013 To 06/30/2014</td>
<td>Kernville Union School Teacher’s Association Stephen Brucker, President 06/24/2013</td>
<td>Neutral 04/12/2013</td>
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<td>24-11-2012</td>
<td>Peninsula Union School District for Peninsula Elementary School (12 62984 6008106)</td>
<td>SSC Composition Change</td>
<td>Approval with conditions; the SSC must consist of one principal, one classroom teacher (selected by peers), one other school representative (selected by peers), and three parents/community members (selected by parents).</td>
<td>Yes</td>
<td>Requested: 01/01/2013 To 01/01/2015</td>
<td>NHTA Linda Stewart, President 10/29/2012</td>
<td>Support</td>
<td>Peninsula Schoolsite Council 11/13/2012</td>
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<td>1-7-2013</td>
<td>Surprise Valley Joint Unified School District for Surprise Valley Elementary School (2565896 6025902) and Surprise Valley High School (2565896 2537702)</td>
<td>Shared SSC</td>
<td>Approval with conditions; the SSC must consist of one principal, four classroom teachers (selected by peers), one other school representative (selected by peers), three parents/community members (selected by parents), and three students (selected by peers).</td>
<td>Yes</td>
<td>Requested: 08/30/2013 To 08/30/2015</td>
<td>None indicated</td>
<td>SSC 05/06/2013</td>
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<td>11-7-2013</td>
<td>Trona Joint Unified School District for Trona Elementary School (3667892 6037188), and Trona High School (3667892 3636487)</td>
<td>Shared SSC and Composition Change</td>
<td>Approval with conditions; the SSC must consist of one principal, three classroom teachers (selected by peers), one other school representative (selected by peers), four parents/community members (selected by parents), and one student (selected by peers).</td>
<td>No</td>
<td>Requested: 08/01/2013 To 08/01/2015 Recommended: 08/01/2013 To 07/31/2015</td>
<td>Trona Teachers Association Sherry Brubaker, President 05/22/2013 Support Trona Classified Employees Association Jamie Gossett, President 05/22/2013</td>
<td>SSC 05/06/2013</td>
<td>Approve 08/08/2013</td>
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<td>3-8-2013</td>
<td>Waugh Elementary School District for Corona Creek Elementary School (4970995 6114409) and Meadow Elementary School (4970995 6110324)</td>
<td>Shared SSC</td>
<td>Approval with conditions; the SSC must consist of one principal, three classroom teachers (selected by peers), one other school representative (selected by peers), and five parents/community members (selected by parents).</td>
<td>Yes</td>
<td>Requested: 08/31/2013 To 09/01/2015 Recommended: 08/31/2013 To 08/30/2015</td>
<td>None indicated</td>
<td>SSC 10/01/2012</td>
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</table>
California Department of Education
WAIVER SUBMISSION - Specific

CD Code: 1563388  Waiver Number: 13-8-2013  Active Year: 2013

Date In: 8/26/2013 2:43:57 PM

Local Education Agency: Caliente Union Elementary School District
Address: 12400 Caliente Creek Rd.
Caliente, CA 93518

Start: 8/13/2013  End: 8/1/2015

Waiver Renewal: Y
Previous Waiver Number: 35-11-2011-W-20  Previous SBE Approval Date: 8/1/2011

Waiver Topic: Schoolsite Council Statute
Ed Code Title: Shared Schoolsite Council
Ed Code Section: 52852
Ed Code Authority: 52863

Ed Code or CCR to Waive: Ed Code 52852 allows one joint school site council for function for
two small rural schools

Outcome Rationale: There are two schools within the Caliente School District. Caliente
Elementary =1 student, and Piute Mountain School =57 students.
There are 4 gen ed teachers and 1 RSP teacher = 5 teachers

Student Population: 58

City Type: Rural

Local Board Approval Date: 8/13/2013

Council Reviewed By: 3 parents and 2 staff
Council Reviewed Date: 8/12/2013
Council Objection: N
Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Ms. Kathleen Hansen
Position: Superintendent/Principal
E-mail: khansen@calienteschooldistrict.org
Telephone: 661-867-2301
Fax: 661-867-6902
California Department of Education
WAIVER SUBMISSION - Specific

CD Code: 4870540          Waiver Number: 8-7-2013          Active Year: 2013

Date In: 7/16/2013 3:36:10 PM

Local Education Agency: Fairfield-Suisun Unified School District
Address: 2490 Hilborn Rd.
Fairfield, CA 94534

Start: 9/1/2013          End: 9/1/2015

Waiver Renewal: N
Previous Waiver Number:   Previous SBE Approval Date:

Waiver Topic: Schoolsite Council Statute
Ed Code Title: Shared Schoolsite Council with Reduced Number and Composition
Ed Code Section: 52852
Ed Code Authority: 52863

Ed Code or CCR to Waive: EC 52852: A schoolsite council shall be established at each school which participates in school-based program coordination. The council shall be composed of the principal and representatives of: teachers selected by teachers at the school; other school personnel selected by other school personnel at the school; parents of pupils attending the school selected by such parents; and, in secondary schools, pupils selected by pupils attending the school.

Outcome Rationale: In the 2013-2014 school year, the H. Glenn Richardson Educational Complex campus houses three programs: 1) Fairfield-Suisun Elementary Community Day School, 2) SIGMA, and 3) DELTA. Fairfield-Suisun Elementary Community Day School is a school with its own CDS code. SIGMA and DELTA are combined under the H. Glenn Richardson CDS Code. The DELTA program is new to the H. Glenn Richardson site beginning with the 2013-2014 school year.

Each of the programs is a small, unique program. Fairfield-Suisun Elementary Community Day School has one teacher and one student currently enrolled. The program serves expelled elementary school students. DELTA has four teachers and eighteen students. The program serves developmentally delayed students ranging from kindergarten to adult with significant behavioral needs. SIGMA has three teachers and twenty-two students. The program serves high school students with significant behavioral and social-emotional needs.

Given the extremely small staff and student population at each of the programs and the location of the programs on the same campus, Fairfield-Suisun Unified School District is requesting to combine the three programs with one schoolsite council. The district is also requesting that the composition of the joint schoolsite council be waived due to the staff and student population. Additionally, it has been very difficult to establish the required number of parents needed on a traditional schoolsite council. We propose a schoolsite council composition of one principal, two teachers (from different programs), and three parents/community members.

Revised: 10/30/2013 11:14 AM
Student Population: 41

City Type: Urban

Local Board Approval Date: 7/11/2013

Council Reviewed By: Waiver request was reviewed by District staff. No schoolsite council was established in 2012-13.
Council Reviewed Date: 1/28/2013
Council Objection: N
Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Ms. Roxane Liu
Position: Director, Instructional Support Services
E-mail: roxanel@fsusd.org
Telephone: 707-399-5052
Fax: 707-399-5152

Bargaining Unit Date: 06/27/2013
Name: Fairfield-Suisun Unified Teachers Association
Representative: Laurel Salerno-White
Title: President
Position: Support
Comments:
<table>
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<th>California Department of Education</th>
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</tr>
</tbody>
</table>

CD Code: 4570029  Waiver Number: 4-7-2013  Active Year: 2013

Date In: 7/9/2013 9:31:24 AM

Local Education Agency: Igo, Ono, Platina Union Elementary School District
Address: 6429 Placer St.
Igo, CA 96047

Start: 8/31/2013  End: 8/31/2015

Waiver Renewal: N  Previous Waiver Number:  
Previous SBE Approval Date:

Waiver Topic: Schoolsite Council Statute
Ed Code Title: Shared Schoolsite Council
Ed Code Section: 52852
Ed Code Authority: 52863

Ed Code or CCR to Waive: Schoolsite councils for small schools sharing common services or attendance areas, administration and other characteristics

Outcome Rationale: In the Igo-Ono-Platina School District, there shall be one site council for grades K-8. The council shall represent both school sites in the district: Igo-Ono School and Platina Elementary. The site council shall be composed of one administrator, teachers elected by teachers, other school personnel selected by other school representatives from each school, plus one administrator who will represent both schools. Parent/community members shall represent, as equally as possible, both schools.

One K-8 school site council facilities better parent participation and eliminates many duplicate efforts in a small district, which draws from a common attendance area.

Student Population: 79

City Type: Rural

Local Board Approval Date: 6/13/2013

Council Reviewed By: Bargaining Unit and school site council
Council Reviewed Date: 6/13/2013
Council Objection: N
Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Revised: 10/30/2013 11:14 AM
California Department of Education
WAIVER SUBMISSION - Specific

CD Code: 1563545    Waiver Number: 14-7-2013    Active Year: 2013

Date In: 7/30/2013 11:36:05 AM

Local Education Agency: Kernville Union Elementary School District
Address: 3240 Erskine Creek Rd.
Lake Isabella, CA 93240

Start: 7/1/2013    End: 6/30/2014

Waiver Renewal: Y
Previous Waiver Number: 18-10-2011-W-9    Previous SBE Approval Date: 1/12/2013

Waiver Topic: Schoolsite Council Statute
Ed Code Title: Shared Schoolsite Council
Ed Code Section: 52852
Ed Code Authority: 52863

Ed Code or CCR to Waive: EC 52852 School Site councils for small schools sharing common services or attendance areas, administration and other characteristics.

EC 52863 Any governing board, on behalf of a school site council, may request the State Board of Education (SBE) to grant a waiver of any provision of this article. The State Board of Education may grant a request when it finds that the failure to do so would hinder the implementation or maintenance of a successful school-based coordinated program. (Effective for 2 years only, may be renewed)

Outcome Rationale: The Kernville Elementary School (KES), grades K-3, has an enrollment of 98 students and Woodrow Wallace Elementary School (WES), grades K-4 with an enrollment of 325 students, share a principal. KES has 4 teachers and WES has 13 teachers. The school share a common curriculum, special education services, psychologist, MOT and Professional Learning Communities. KES is in close proximity to WES with 14.2 miles separating the two campuses. The only two elementary schools in the small Kernville Union School District meet the criteria of a School Site Council waiver through its shared services of curriculum, administration, and close proximity. The stretched staff at KES will have more time to work with students while the interest of the school is held through a representative from KES and WES on the School Site Council.

Student Population: 100

City Type: Small

Local Board Approval Date: 6/26/2013

Council Reviewed By: School Site Council
Council Reviewed Date: 4/12/2013
Council Objection: N
Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. Steven Martinez
Position: Principal
E-mail: smartinez@kernvilleusd.org
Telephone: 760-379-2621x395
Fax: 760-379-1322

Bargaining Unit Date: 06/24/2013
Name: Kernville Union School Teacher's Association
Representative: Stephen Brucker
Title: President
Position: Neutral
Comments:
California Department of Education
WAIVER SUBMISSION - Specific

CD Code: 1262984  Waiver Number: 24-11-2012  Active Year: 2012

Date In: 11/26/2012 3:26:39 PM

Local Education Agency: Peninsula Union School District
Address: 909 Vance Ave.
Samoa, CA 95564
Fax: 707-443-3685

Start: 1/1/2013  End: 1/1/2015

Waiver Renewal: Y
Previous Waiver Number: 75-12-2011-W-20  Previous SBE Approval Date: 3/8/2012

Waiver Topic: Schoolsite Council Statute
Ed Code Title: Number and Composition of Members
Ed Code Section: 52852
Ed Code Authority: 52863

Ed Code or CCR to Waive: EC 52852 A school site council shall be established at each school which participates in school-based program coordination. Statute required 10 members for an elementary school. The council shall be composed of the principal and representatives of: teachers selected by teachers at the school; other school personnel selected by other school personnel at the school; parents of pupils attending the school selected by such parents; and, in secondary schools, pupils selected by pupils attending the school.

Outcome Rationale: The desired outcome is for the district to be in compliance and have a workable School Site Council. The waiver is necessary due to the small size of our district (under 35 ADA). Currently, our staff size is 3 FTE. It is not possible for all three teachers to serve in this capacity due to their adjunct responsibilities. The council shall be composed of one administrator, one teacher, one classified staff member and three community members. The waiver has approval by both the site council and the board of trustees.

A waiver was submitted and approved last year but the composition of membership was not clearly stated (a classified member was not listed). The waiver was approved with conditions that added additional members and increased membership from the requested 6 to 8. A council of 8 is not possible in a school with 3 teachers, 33 students and only 23 families.

Student Population: 33

City Type: Rural

Local Board Approval Date: 11/13/2012

Community Council Reviewed By: Peninsula School Site Council
Community Council Reviewed Date: 11/13/2012
Community Council Objection: N
Community Council Objection Explanation:
Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Ms. Kim Blanc
Position: Superintendent
E-mail: kblanc@humboldt.k12.ca.us
Telephone: 707-443-2731
Fax: 707-443-3685

Bargaining Unit: Date: 10/29/2012
Name: NHTA
Representative: Linda Stewart
Title: Head of Bargaining Unit
Position: Support
Comments:
California Department of Education
WAIVER SUBMISSION - Specific

CD Code: 2565896 Waiver Number: 1-7-2013 Active Year: 2013

Date In: 7/1/2013 11:41:16 AM

Local Education Agency: Surprise Valley Joint Unified School District
Address: 470 Lincoln St.
Cedarville, CA 96104

Start: 8/30/2013 End: 8/30/2015

Waiver Renewal: Y Previous Waiver Number: 37-5-2011-W-31 Previous SBE Approval Date: 9/8/2011

Waiver Topic: Schoolsite Council Statute
Ed Code Title: Shared Schoolsite Council
Ed Code Section: 52852
Ed Code Authority: 52863

Ed Code or CCR to Waive: EC 52863
EC 52852 A schoolsite council shall be established at [each] school which participates in school-based program coordination. The council shall be composed of the principal and representatives of: teachers selected by teachers at the school; other school personnel selected by other school personnel at the school; parents of pupils attending the school selected by such parents; and, in secondary schools, pupils selected by pupils attending the school.

Outcome Rationale: The surprise Valley Joint Unified School district is located in a remote rural area of Modoc County in the far northeastern region of the state. The district is comprised of two school facilities that include Surprise Valley Elementary School and Surprise Valley High School.

The elementary school has a teaching principal and and five additional teachers, one of which is shared with the high school, serving grades K-8. The high school has a teaching principal and five additional teachers that include a teacher shared with the elementary school, serving grades 9-12. The total enrollment for the two school sites is currently 118 students. Due to the size of the district and the number of students served, we are seeking a Site Council Waiver to allow one site council to serve the district.

Student Population: 118

City Type: Rural

Local Board Approval Date: 5/10/2013

Council Reviewed By: School Site Council
Council Reviewed Date: 5/6/2013
Council Objection: N
Council Objection Explanation:
Audit Penalty YN: N
Categorical Program Monitoring: N

Submitted by: Mr. Michael Ray
Position: High School Principal
E-mail: mray@svjusd.org
Telephone: 530-279-6141 x23
Fax: 530-279-2210
California Department of Education
WAIVER SUBMISSION - Specific

CD Code: 3667892 Waiver Number: 11-7-2013 Active Year: 2013

Date In: 7/24/2013 1:09:50 PM

Local Education Agency: Trona Joint Unified School District
Address: 83600 Trona Rd.
Trona, CA 93562

Start: 8/1/2013 End: 8/1/2015

Waiver Renewal: Y Previous Waiver Number: 59-3-2009-W-51 Previous SBE Approval Date: 7/1/2009

Waiver Topic: Schoolsite Council Statute
Ed Code Title: Shared Schoolsite Council with Reduced Number and Composition
Ed Code Section: 52852
Ed Code Authority: 52863

Ed Code or CCR to Waive: 52852. A schoolsite council shall be established at each school which participates in school-based program coordination. The council shall be composed of the principal and representatives of teachers selected by teachers at the school; other school personnel selected by other school personnel at the school; parents of pupils attending the school selected by such parents; and, in secondary schools, pupils selected by pupils attending the school. At the elementary level the council shall be constituted to ensure parity between (a) the principal, classroom teachers and other school personnel; and (b) parents or other community members selected by parents. At the secondary level the council shall be constituted to ensure parity between (a) the principal, classroom teachers and other school personnel; and (b) equal numbers of parents, or other community members selected by parents, and pupils. At both the elementary and secondary levels, classroom teacher shall comprise the majority of persons represented under category (a). Existing schoolwide advisory groups or school support groups maybe utilized as the schoolsite council if those groups conform to this section. The Superintendent of Public Instruction shall provide several examples of selection and replacement procedures that may be considered by schoolsite councils. An employee of a school who is also a parent or guardian of a pupil who attends a school other than the school of the parent's or guardian's employment, is not disqualified by virtue of this employment from serving as a parent representative on the schoolsite council established for the school that his or her child or ward attends.

Education Code Section 52863 for a waiver of Education Code Section 52852, allowing one joint schoolsite council to function for three schools: Trona Elementary School, Trona High School and Trona Community Day School.

Outcome Rationale: Trona Elementary School (K-6) has a student population of approximately 160, Trona High School (7-12) has about 95 students, and Trona Community Day School currently has zero expelled students, but does have 4 students that requested to attended but not expelled.
The district was under the impression that the waiver did not need to be renewed through the CDE. It has been operating only one Schoolsite Council since 2009 as the student population continues to decline even today.

Student Population: 260

City Type: Rural

Local Board Approval Date: 1/8/2009

Council Reviewed By: Schoolsite Council
Council Reviewed Date: 4/15/2008
Council Objection: N
Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. Alan Tsubota
Position: principal
E-mail: alan_tsubota@trona.k12.ca.us
Telephone: 760-372-2868
Fax: 760-372-5519

Bargaining Unit Date: 01/05/2008
Name: Trona Teachers Association
Representative: Alfred Zahn
Title: Association President
Position: Support
Comments:
California Department of Education
WAIVER SUBMISSION - Specific

CD Code: 4970995       Waiver Number: 3-8-2013       Active Year: 2013

Date In: 8/6/2013 12:53:16 PM

Local Education Agency: Waugh Elementary School District
Address: 1851 Hartman Ln.
Petaluma, CA 94954

Start: 8/31/2013       End: 9/1/2015

Waiver Renewal: Y
Previous Waiver Number: 5-11-2010-WC-9       Previous SBE Approval Date: 10/19/2010

Waiver Topic: Schoolsite Council Statute
Ed Code Title: Shared Schoolsite Council
Ed Code Section: 52852
Ed Code Authority: 52863

Ed Code or CCR to Waive: EC 52852 School site councils for small school sharing common services or attendance areas, administration and other characteristics.

Outcome Rationale: The Waugh School District has two small elementary schools located less than a mile apart and serve similar student and parent populations. The district has successfully utilized a common SSC for the 15 years that there have been two schools. There is a common PTA, a common ELAC, and a common educational foundation. All curriculum is identical, all district teachers meet together for planning and staff development purposes, and the facilities are essentially identical. The district perceives itself as one body. Both schools are California Distinguished Schools, and enjoy API scores over 910, both of which attest to the effectiveness of remaining together in our planning and training efforts. Since the primary purpose of SSC is to advise on instructional improvement, it makes sense to jointly address issues. To have separate site councils would serve to duplicate effort and fractionalize employee, parent and student constituencies.

Student Population: 927

City Type: Suburban

Local Board Approval Date: 10/19/2010

Council Reviewed By: School Board
Council Reviewed Date: 8/5/2013
Council Objection: N
Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Revised: 10/30/2013 11:14 AM
California State Board of Education
Meeting Agenda Items for November 6-7, 2013

WAIVER ITEM W-11
Specific Waiver

SUBJECT
Request by the El Dorado County Office of Education under authority of California Education Code Section 56101 to waive Education Code Section 56366.1(h), the August through October 31 timeline for an annual certification renewal application, for Pinnacle Educational Services, a nonpublic agency.

Waiver Number: 3-7-2013

RECOMMENDATION

☐ Approval  ☐ Approval with conditions  ☒ Denial

The California Department of Education (CDE) recommends denial of the waiver request by the El Dorado County Office of Education because the facts do not “indicate that failure to do so would hinder implementation of the pupil’s individualized education program or compliance by local educational agency (LEA) with federal mandates for a free appropriate public education for children or youth with disabilities” pursuant to California Education Code (EC) 56101(b).

However, if the State Board of Education (SBE) decides to approve the waiver, the CDE recommends the following condition be placed on the approval: Within 30 days of SBE approval, the El Dorado Charter Special Education Local Plan Area (SELPA), on behalf of its member LEAs, must send notification to the parent(s) of each student served by Pinnacle Educational Services (Pinnacle), from January 1, 2013, to April 9, 2013, that states for the time period of January 1, 2013, to April 9, 2013, services were provided by an agency that was not certified in accordance with law.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

The SBE has received and approved 26 waivers under this authority. However, each of those waivers has been necessary to meet one or both requirements of EC 56101. These requirements state, in part, that “the waiver is necessary or beneficial to the content and implementation of the pupil’s individualized education program” [EC 56101(a)] and “the facts indicate that failure to do so would hinder implementation of the pupil’s individualized education program” [EC 56101(b)]. This is the first use of this waiver authority for another purpose.
SUMMARY OF KEY ISSUES

The California *Education Code* Section 56366.1 (h) requires that the Superintendent annually review the certification of each nonpublic, nonsectarian school and agency. For this purpose, each school or agency shall annually update its application between August 1 and October 31, unless the board grants a waiver pursuant to *EC* Section 56101.

Pinnacle Educational Services (Pinnacle) has a history of failure to submit certification requests within the statutory timeline to become a certified Non Public Agency (NPA). In the past, because the requests were received before the lapse of the current certification, they were allowed by the CDE.

Pinnacle history:

- **July 22, 2010:** Pinnacle received its original certification, expiration date December 31, 2010.
- **November 1, 2010:** Pinnacle submitted a late renewal application that was approved by the CDE, extending their certification until December 31, 2011.
- **August 1, 2011, to October 31, 2011:** Pinnacle failed to submit a renewal application to extend their certification, causing their certification to expire on December 31, 2011.
- **January 1, 2012, to May 2, 2012:** Pinnacle was not a certified NPA. LEAs were not authorized to expend restricted state or federal special education funds on Pinnacle services during this time period.
- **May 2, 2012:** Pinnacle submitted an application to become certified as a “new” NPA.
- **July 31, 2012:** The Interagency Nonpublic Schools/Agencies (IA-NPS/A) unit sent notifications to all agencies in the California Accountability and Information System (CAIS) Web site to inform them that the renewal period is August 1, 2012, to October 31, 2012.
- **August 9, 2012:** Pinnacle received certification as a new NPA starting May 2, 2012, expiring December 31, 2012. Included in its certification notice was a statement that certification “beyond December 31, 2012, is dependent upon the receipt and approval of a 2013 Renewal Application due between August 1 and October 31, 2012.”
- **November 2, 2012:** Notification was sent to all NPAs informing them that the submission deadline was extended to November 30, 2012, in order to allow all
NPAs adequate time to submit their renewal applications in the CAIS Web site. Pinnacle failed to submit a renewal NPA application to extend its certification, causing its certification to expire on December 31, 2012, as previously noticed.

- January 1, 2013, to April 9, 2013: Pinnacle was not a certified NPA, but continued to serve students during this time.

- April 12, 2013: Pinnacle submitted an application as a “new” NPA.


This waiver request is to permit local educational agencies (LEAs) that contracted with Pinnacle during the time they were not certified to use federal funds rather than local funds to pay for the services. Pursuant to EC 56836.04(a) and (b), Special Education funds are restricted and cannot be used to pay for services that an agency is not certified to provide [EC 56836.20(a)(8)], and can only be allocated to agencies that meet the master contract requirements (EC 56366). Pinnacle cannot be paid with Special Education funds for January 1, 2013, through April 11, 2013, because Pinnacle was not a certified NPA during this timeframe. Pinnacle did not notify its contracting entities that they were not certified and continued to provide related services to students contracted through the El Dorado County Office of Education. Further, it is the responsibility of each public agency, including the El Dorado County Office of Education, contracting with NPAs to verify an agency’s certification before contracting with it for services.

The effect of granting this waiver is solely to allow LEAs and Charter LEAs (represented by El Dorado County Office of Education) to expend federal or state special education funds that are restricted under EC 56836(a) and (b) for this Non-Public agency, when it was not a certified NPA during the period from January 1, 2013, to April 12, 2013.

**Demographic Information:** Pinnacle Educational Services is a Non-Public Agency that contracts with the El Dorado County Office of Education to provide services to 227 students.

**Authority for Waiver:** EC Section 56101

**Period of request:** January 1, 2013, to April 11, 2013

**Local board approval date(s):** July 2, 2013

**Public hearing held on date(s):** July 2, 2013

**Bargaining unit(s) consulted on date(s):** No bargaining units applicable

**Position of bargaining unit(s) (choose only one):**
Neutral ☐ Support ☐ Oppose: ☐

Name of bargaining unit/representative(s) consulted: No bargaining units applicable

Comments (if appropriate):

Public hearing advertised by (choose one or more):
☐ posting in a newspaper ☐ posting at each school ☑ other (specify) Web site and meeting posting

Advisory committee(s) consulted: Community Council

Objections raised (choose one): ☑ None ☐ Objections are as follows:

Date(s) consulted: July 2, 2013

FISCAL ANALYSIS (AS APPROPRIATE)

There is no statewide fiscal impact of waiver approval.

ATTACHMENT(S)

Attachment 1: El Dorado COE Specific Waiver Request 3-7-2013 (1 page). (Original waiver request is signed and on file in the Waiver Office.)

Attachment 2: Certification Notice (1 page)

Attachment 3: Cover Letter (1 page)

Attachment 4: Renewal Reminder (2 pages)

Attachment 5: Deadline Extension Notice (1 page)
California Department of Education  
WAIVER SUBMISSION - Specific  

CD Code:  Waiver Number: 3-7-2013  Active Year: 2013

Date In: 7/3/2013 6:06:41 AM

Local Education Agency: El Dorado County Office of Education  
Address: 6767 Green Valley Rd.  
Placerville, CA 95667

Start: 1/1/2013  End: 4/12/2013

Waiver Renewal: N  Previous Waiver Number:  
Previous SBE Approval Date:  

Waiver Topic: Special Education Program  
Ed Code Title: Non Public Agency (NPA or School (NPS) Annual Renewal of Certification  
Ed Code Section: 56366.1(h)  
Ed Code Authority: 56101

Ed Code or CCR to Waive: For this purpose, a certified school or agency annually shall update its application between August 1 and October 31, unless the board grants a waiver pursuant to Section 56101.

Outcome Rationale: Due to a clerical oversight, Pinnacle Educational Services, did not submit their renewal application to CDE by the October 2012 deadline; rather the request for renewal was not submitted until March 9, 2013.

Student Population: 227

City Type: Urban

Public Hearing Date: 7/2/2013  
Public Hearing Advertised: Website and meeting posting

Local Board Approval Date: 7/2/2013

Community Council Reviewed By: NA  
Community Council Reviewed Date: 7/2/2013  
Community Council Objection: N  
Community Council Objection Explanation:  
Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. David M. Toston  
Position: Executive Director, SELPA/Charter SELPA  
E-mail: dtoston@edcoe.org  
Telephone: 530-957-0710
NOTICE OF
NONPUBLIC AGENCY CERTIFICATION

DATE: August 9, 2012

ADMINISTRATOR: Abigail Robinson

AGENCY: Pinnacle Educational Services, Inc.

NPA CODE: 1A-41-054

MAILING ADDRESS: 644 Menlo Avenue, Suite 101
Menlo Park, CA 94025

SITE: PUBLIC AND NONPUBLIC SCHOOL SITES ONLY

CERTIFICATION STATUS:
APPROVED

EFFECTIVE DATES:
May 2, 2012–December 31, 2012

SERVICES AUTHORIZED: Adapted Physical Education, Assistive Technology Services, Behavior Intervention-Design or Planning, Behavior Intervention – Implementation, Counseling and Guidance Services, Language and Speech Development and Remediation, Orientation and Mobility Instruction, Occupational Therapy Services, Parent Counseling and Training, Psychological Services Other Than Assessment and IEP Development, Social Worker Services, Specialized Services for Low Incidence, and Vision Services to be provided as stated in the individualized education program.

This certification authorizes the NPA to serve a maximum of 76+ students.

Marjorie Evans, Analyst
Interagency-Nonpublic Schools/Agencies Unit
Special Education Division

NOTE: Certification is not an endorsement of the services offered by the Nonpublic Agency (NPA) but states only that the NPA meets minimum standards. Certification is subject to timely submission of an annual application and accompanying fee.

Certification that is “Approved” or “Conditional” authorizes the nonpublic school or agency to contract with local educational agencies under Section 56366 et seq. of the Education Code.
August 9, 2012

Abigail Robinson, Administrator  
Pinnacle Educational Services, Inc.  
644 Menlo Avenue, Suite 101  
Menlo Park, CA 94025

Dear Ms. Robinson:

A review of your application for nonpublic, nonsectarian agency certification has been completed. It is my pleasure to notify you that you have been certified to provide nonpublic agency services to special education students in the State of California. Enclosed please find your “Notice of Nonpublic Agency Certification”.

With respect to your certification, please be advised that failure to notify the California Department of Education of any changes in: (1) credentialed/licensed staff; (2) ownership; (3) management and/or control of the agency; (4) major modification or relocation of facilities; or (5) significant modification of the program may result in the suspension or revocation of this certification.

Your certification is effective through December 31, 2012. Please remember the continued approval beyond December 31, 2012 is dependent upon the receipt and approval of a 2013 Renewal Application due between August 1 and October 31, 2012.

If you have any questions regarding this subject, please contact me by phone at 916-327-3691 or by e-mail at mevans@cde.ca.gov.

Sincerely,

Marjorie Evans, Analyst  
Interagency-Nonpublic Schools/Agencies Unit  
Special Education Division  
Enclosure
Attention Renewing Nonpublic Agencies:

The California Department of Education, Special Education Division, Interagency-Nonpublic School and Agencies Unit has finalized the Certification Renewal process for the 2013 Certification Renewal Cycle, which begins on August 1, 2012 and ends on October 31, 2012.

To complete the certification application as a new or renewing Nonpublic, Nonsectarian Agency (NPA) through the California Accountability and Improvement System (CAIS) online system, NPA applicants must follow the steps below:

<table>
<thead>
<tr>
<th>Step</th>
<th>Certification Process for NPA</th>
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<tr>
<td>1</td>
<td>Open and complete the <strong>NPA Request for Certification Application</strong> (Attached form). If applying as a renewing NPA check the “Renewal” box.</td>
</tr>
<tr>
<td>2</td>
<td>No later than October 31, mail the completed NPA Request for Certification Application and a check to cover the certification fee, made payable to the California Department of Education (CDE), to: California Department of Education, Special Education Division Interagency-Nonpublic Schools/Agencies Unit 1430 N Street, Suite 2401 Sacramento, CA 95814  Note: Fee requirements are listed on the NPA Request for Certification Application.</td>
</tr>
<tr>
<td>3</td>
<td>The entire 2013 NPA Certification Application will automatically be added to the CAIS profile of all renewing NPA applicants on August 1. The 2013 NPA Certification Application will be located in the &quot;2012-2013 school year&quot; section of the CAIS system. This ensures that renewing NPA applicants can begin working on the NPA Certification Application at the start of the renewal period which begins August 1 and ends on October 31. Although the NPA Certification Application will be available for completion, renewing NPA applicants must pay their certification fee by October 31 or the NPA certification application cannot be accepted.</td>
</tr>
<tr>
<td>4</td>
<td>Upon entering the CAIS online system, the applicant should thoroughly review the NPA Certification Application Instructions, prior to completing the NPA Certification Application. These instructions are located in the CAIS online system in the ‘Application Instructions’ section of the NPA Certification Application.</td>
</tr>
<tr>
<td>5</td>
<td>Once the NPA Certification Application is complete, the applicant must notify the Special Education Local Plan Area (SELPA) in which the NPA is located that the NPA Certification Application is available for SELPA review. Once the SELPA is notified and has an opportunity to review the NPA Certification Application, the applicant will submit the NPA Certification Application to the CDE by selecting the ‘Submit to State’ button in the CAIS online system. Please note: If the SELPA is unresponsive, the applicant should submit the NPA Certification Application through the CAIS online system.</td>
</tr>
<tr>
<td>6</td>
<td>Upon receipt of the NPA Certification Application, the CDE will review and provide feedback in the CAIS online system. Attachment of additional documentation to the CAIS online system may be required.</td>
</tr>
<tr>
<td>7</td>
<td>When the NPA Certification Application is complete and meets all of the requirements, the status of the NPA Certification Application will change to ‘Accepted’ and the CDE will issue and attach the NPA certification to the CAIS online system.</td>
</tr>
</tbody>
</table>

Completion of the NPA Certification Application through the CAIS online system is required for private agencies applying for certification to serve individuals with exceptional needs under California Education Code (EC) Section 56366.1. It is strongly recommended that EC sections 56365 through 56366.12 and the California Code of Regulations, Title 5, Section 3065 be reviewed for qualification standards.
required for a NPA to provide services to students with exceptional needs. Renewing NPA applicants must complete the entire NPA Certification Application by no later than October 31, 2012. Failure to submit a completed NPA Certification Application within the appropriate time frame will result in the denial of the application.

No refunds will be provided, pursuant to EC Section 56366.1(m).

**Please note:** On August 1, 2012, all renewing nonpublic agencies will have the 2013 NPA Certification Application added to their CAIS profile. All of the documents contained in the 2013 NPA Certification Application will be current. Conversely, the CDE Web site has not been updated to reflect the 2013 Certification Renewal cycle information. For this reason, we are asking that nonpublic agencies use this email as the sole source of information until the CDE Web site is updated. The CDE will notify all nonpublic agencies once the CDE Web site is updated with most current information.
NPA Application - Renewal

Hello Nonpublic Agencies and Schools:

The California Department of Education (CDE), Special Education Division, Nonpublic Schools and Agencies (NPS/A) Unit has extended the 2012–13 NPS/A Certification Renewal Application deadline to November 30, 2012. This extension is provided based on feedback we have received from the field regarding changes made to the California Accountability and Improvement System (CAIS) Web site for this renewal period. Several of these changes significantly impact the document attachment process in the online application system. The CDE has developed an online tutorial that guides applicants through the process of attaching documents/evidence to the newly updated CAIS system to address this issue. The tutorial is located at the following address:

[https://wested.webex.com/wested/lsr.php?AT=pb&SP=MC&rID=71013052&rKey=c066b0eb25cce959](https://wested.webex.com/wested/lsr.php?AT=pb&SP=MC&rID=71013052&rKey=c066b0eb25cce959)

The NPS/A Unit has also provided a webinar to assist users with completing the newly redesigned forms. This webinar addresses how NPS/As can fulfill the new Custodian of Records (COR) verification, which requires an Electronic signature at the top of the staff list. The California Department of Justice (DOJ) has required a designated COR in the past; however, CDE has not previously requested proof of compliance. The DOJ now requires the COR to participate in a certification process, which has resulted in a delay for NPS/A’s to complete the renewal application. The webinar is located at the following address:

[https://wested.webex.com/wested/lsr.php?AT=pb&SP=MC&rID=71056222&rKey=2dc0c5d48d7449be](https://wested.webex.com/wested/lsr.php?AT=pb&SP=MC&rID=71056222&rKey=2dc0c5d48d7449be)

This 30-day extension should provide additional time to fulfill the new requirement by the November 30, 2012 deadline.

Sincerely,

Karen Allen, Administrator
Interagency-Nonpublic Schools and Agencies Unit
Special Education Division
California Department of Education
WAIVER ITEM W-12
California Department of Education  
Executive Office  
SBE-006 Specific (REV. 07/2013)  

ITEM #W-12

CALIFORNIA STATE BOARD OF EDUCATION  
NOVEMBER 2013 AGENDA

Specific Waiver

<table>
<thead>
<tr>
<th>SUBJECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Request by six districts, under the authority of California Education Code Section 41382, to waive portions of Education Code sections 41376(a), (c), and (d) and/or 41378(a) through (e), relating to class size penalties for kindergarten through grade three. For kindergarten, the overall class size average is 31 to one with no class larger than 33. For grades one through three, the overall class size average is 30 to one with no class larger than 32.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Waiver Numbers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fillmore Unified School District 4-8-2013</td>
</tr>
<tr>
<td>Fountain Valley Elementary School District 3-9-2013</td>
</tr>
<tr>
<td>Fountain Valley Elementary School District 1-9-2013</td>
</tr>
<tr>
<td>Lynwood Unified School District 13-7-2013</td>
</tr>
<tr>
<td>Redding Elementary School District 5-7-2013</td>
</tr>
<tr>
<td>Scotts Valley Unified School District 9-7-2013</td>
</tr>
<tr>
<td>Vallejo City Unified School District 11-8-2013</td>
</tr>
</tbody>
</table>

SUMMARY OF THE ISSUE(S)

Request by six districts, under the authority of California Education Code Section 41382, to waive portions of Education Code sections 41376(a), (c), and (d) and/or 41378(a) through (e), relating to class size penalties for kindergarten through grade three. The California Department of Education (CDE), recommends that the class size penalties for kindergarten through grade three be waived provided that the overall average and individual class size average is not greater than the CDE recommended class size noted on Attachment 1.

Authority for Waiver: EC Section 33050

RECOMMENDATION

☐ Approval  ☒ Approval with conditions  ☐ Denial

The CDE, based on the finding below, recommends that the class size penalties for kindergarten through grade three be waived provided that the overall average and individual class size average is not greater than the CDE recommended class size for the fiscal year(s) noted on Attachment 1.

The CDE also recommends that the State Board of Education (SBE) find that the class size penalty provisions of Education Code (EC) sections 41376 and/or 41378 will, if not
waived, prevent the districts from developing more effective educational programs to improve instruction in reading and mathematics for students in the classes specified in the districts’ applications.

**SUMMARY OF KEY ISSUES**

*Education Code* Section 41382 allows the SBE to approve an exemption to the class size penalties assessed for kindergarten through grade three if the associated statutory class size requirements prevent the school and school district from developing more effective educational programs to improve instruction in reading and mathematics. Under this authority, these districts are requesting a waiver of subdivisions (a) through (e) of *EC* Section 41378, which provide for a penalty if the average class size on a district-wide basis for kindergarten exceeds 31 students or individual class levels exceed 33, and/or subdivisions (a), (c), and (d) of *EC* Section 41376, which provide for a penalty if the average class size on a district-wide basis for grades one through three exceeds 30 students, or individual class levels exceed 32. Since this particular statute regarding class size limits was written in 1964, given the current fiscal environment in school districts statewide, consideration of these and similar waivers is warranted.

Beginning in 2013–14, school districts must either maintain an average class enrollment at their school sites of not more than 24 or begin making progress towards 24 if they were above that level in 2012–13. Unless a district agrees to an alternative ratio through the collective bargaining process, this requirement is a condition of receiving a grade span adjustment for kindergarten through grade three pupils, which is equal to 10.4 percent of the Local Control Funding Formula (LCFF) base grant for these grade levels. The new requirement is in addition to the class size penalty requirement, which is the subject of this waiver.

The districts listed on Attachment 1 request flexibility to temporarily increase class sizes in kindergarten and/or grades one through three to reduce expenditures in light of the statewide budget crisis and the associated reductions in revenue limit funds provided by the state. Since fiscal year 2008–09, most districts have experienced at least a 10 percent reduction in revenue limit funding in addition to the elimination of statutory cost of living adjustments. In fiscal year 2012–13 school district revenue limits were reduced by 23 percent, which is used to establish base funding under the Local Control Funding Formula (LCFF). Furthermore, payments for over one-fifth of what they are due have been deferred until the next fiscal year. Based on the 2013–14 Budget Act, the deferrals will not be eliminated until 2016–17 and it will take several years to restore the revenue limit reductions through the LCFF. Therefore, at this time, the CDE is recommending approval of the waivers through fiscal year 2013–14 only.

A positive certification is assigned to a school district that will meet its financial obligations in the current and two subsequent fiscal years. A qualified certification is assigned when a district may not meet its financial obligations for the current or two subsequent fiscal years. A negative certification is assigned when a district will be unable to meet its financial obligations for the remainder of the current year or for the subsequent fiscal year. Each district’s most recent status is identified on Attachment 1.
To address funding reductions, districts are using various options in addition to increasing class size, including categorical program spending flexibility, reducing the number of days in the school year, employee furloughs, salary reductions, layoffs, or school closures. Each district states that without the waiver, the core reading and math programs will be compromised by the fiscal penalties incurred. For the 2012–13 waivers, six of the seven requests were due to one or two additional students that caused the district to exceed the average individual class size limits in one or two classes, which resulted in the penalties being applied to the district’s 2012–13 revenue limits. The actual and/or estimated annual penalty, should the district increase the class size average without a waiver, is provided on Attachment 1.

The Department recommends, based on the finding above, that the class size penalties for kindergarten and/or grades one through three be waived, provided the overall average and the individual class size average is not greater than the CDE recommended level for the fiscal year(s) shown on Attachment 1. Should any district exceed this new limit, the class size penalty would be applied per statute.

**SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION**

Since September 2009, the SBE has approved all kindergarten through grade three class size penalty waiver requests as proposed by the CDE through fiscal year 2013–14. Before the September 2009 board meeting, no waivers had been submitted since 1999.

**FISCAL ANALYSIS (AS APPROPRIATE)**

See Attachment 1 for estimated penalty amounts for each district without the waiver approval.

**ATTACHMENT(S)**

- **Attachment 1:** List of Waiver Numbers, Districts, and Information Regarding Each Waiver. (2 pages)
- **Attachment 2:** Fillmore Unified School District Specific Waiver 4-8-2013 (2 pages) (Original waiver request is signed and on file in the Waiver Office.)
- **Attachment 3:** Fountain Valley Elementary School District Waiver Request 3-9-2013 (2 pages) (Original waiver request is signed and on file in the Waiver Office.)
- **Attachment 4:** Fountain Valley Elementary School District Waiver Request 1-9-2013 (2 pages) (Original waiver request is signed and on file in the Waiver Office.)
- **Attachment 5:** Lynwood Unified School District Specific Waiver Request 13-7-2013 (2 pages) (Original waiver request is signed and on file in the Waiver Office.)
Attachment 6: Redding Elementary School District Specific Waiver Request 5-7-2013 (3 pages) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 7: Scotts Valley Unified School District Specific Waiver Request 9-7-2013 (2 pages) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 8: Vallejo City Unified School District Specific Waiver Request 11-8-2013 (2 pages) (Original waiver request is signed and on file in the Waiver Office.)
### Districts Requesting Kindergarten and/or Grades one through 3 Class Size Penalty Waivers

**Education Code** sections 41376 and 41378:

For Kindergarten: Overall average 31; no class larger than 33.

For Grades 1-3: Overall average 30; no class larger than 32.

<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>District/County and District Code</th>
<th>Period of Request</th>
<th>District’s Request</th>
<th>CDE Recommended (New Maximum)</th>
<th>Local Board Approval Date</th>
<th>*Bargaining Unit, Representative(s) Consulted, Date, and Position</th>
<th>Potential Annual Penalty Without Waiver</th>
<th>Fiscal Status</th>
<th>Previous Waivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-8-2013</td>
<td>Fillmore Unified School District 56-72454</td>
<td>Requested: July 2, 2012 to June 30, 2014</td>
<td>For 1-3: Overall average 31; no class size larger than 33</td>
<td>For 1-3: Overall average 31; no class size larger than 33</td>
<td>8/6/13</td>
<td>Not Required</td>
<td>$255,109 each year</td>
<td>Positive</td>
<td>No</td>
</tr>
<tr>
<td>3-9-2013</td>
<td>Fountain Valley Elementary School District 30-66498</td>
<td>Requested: July 1, 2012 to June 30, 2014</td>
<td>For K: Overall average 32; no class size larger than 33</td>
<td>For K: Overall average 32; no class size larger than 33</td>
<td>8/15/13</td>
<td>Not Required</td>
<td>$60,000 each year</td>
<td>Positive</td>
<td>Yes</td>
</tr>
<tr>
<td>1-9-2013</td>
<td>Fountain Valley Elementary School District 30-66498</td>
<td>Requested: July 1, 2012 to June 30, 2014</td>
<td>For 1-3: Overall average 33; no class size larger than 33</td>
<td>For 1-3: Overall average 33; no class size larger than 33</td>
<td>8/15/13</td>
<td>Not Required</td>
<td>$282,381 each year</td>
<td>Positive</td>
<td>Yes</td>
</tr>
<tr>
<td>13-7-2013</td>
<td>Lynwood Unified School District 19-64774</td>
<td>Requested: July 1, 2012 to June 30, 2013</td>
<td>For 1-3: Overall average 30; no class size larger than 36</td>
<td>For 1-3: Overall average 30; no class size larger than 36</td>
<td>5/28/13</td>
<td>Not Required</td>
<td>$289,980 FY 2012–13</td>
<td>Positive</td>
<td>No</td>
</tr>
<tr>
<td>5-7-2013</td>
<td>Redding Elementary School District 45-70110</td>
<td>Requested: July 1, 2012 to June 30, 2014</td>
<td>For 1-3: Overall average 30; no class size larger than 35</td>
<td>For 1-3: Overall average 30; no class size larger than 35</td>
<td>6/25/13</td>
<td>Not Required</td>
<td>$110,553 each year</td>
<td>Positive</td>
<td>No</td>
</tr>
</tbody>
</table>
# Districts Requesting Kindergarten and/or Grades one through 3 Class Size Penalty Waivers

*Education Code* sections 41376 and 41378:
- For Kindergarten: Overall average 31; no class larger than 33.
- For Grades 1-3: Overall average 30; no class larger than 32.

<table>
<thead>
<tr>
<th>Waiver Number</th>
<th>District/County and District Code</th>
<th>Period of Request</th>
<th>District’s Request</th>
<th>CDE Recommended (New Maximum)</th>
<th>Local Board Approval Date</th>
<th><em>Bargaining Unit, Representative(s) Consulted, Date, and Position</em></th>
<th>Potential Annual Penalty Without Waiver</th>
<th>Fiscal Status</th>
<th>Previous Waivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-7-2013</td>
<td>Scotts Valley Unified School District 44-75432</td>
<td>Requested: July 1, 2012 to June 30, 2013</td>
<td>For 1-3: Overall average 31; no class size larger than 33</td>
<td>For 1-3: Overall average 31; no class size larger than 33</td>
<td>10/3/12</td>
<td>Scotts Valley Education Association, Michael Hanson, Teacher 10/3/2012 Support</td>
<td>$87,456 FY 2012–13</td>
<td>Positive</td>
<td>No</td>
</tr>
<tr>
<td>11-8-2013</td>
<td>Vallejo City Unified School District 48-70581</td>
<td>Requested: July 1, 2012 to June 30, 2013</td>
<td>For 1-3: Overall average 33 no class size larger than 33</td>
<td>For 1-3: Overall average 33; no class size larger than 33</td>
<td>8/21/13</td>
<td>Not Required</td>
<td>$396,924 FY 2012–13</td>
<td>Positive</td>
<td>No</td>
</tr>
</tbody>
</table>

*For specific waivers bargaining unit consultation is not required.

Created by California Department of Education
September 4, 2013
Waiver Topic: Class Size Penalties
Ed Code Title: Over Limit on Grades 1-3
Ed Code Section: portions of 41376 (a) (c) and (d)
Ed Code Authority: 41382

Ed Code or CCR to Waive: EC 41376 (a)(c) and (d) The Superintendent of Public Instruction, in computing apportionments and allowances from the State School Fund for the second principal apportionment, shall determine the following for the regular day classes of the elementary schools maintained by each school district: [(a) For grades 1 to 3, inclusive, he shall determine the number of classes, the number of pupils enrolled in each class, the total enrollment in all such classes, the average number of pupils enrolled per class, and the total of the numbers of pupils which are in excess of thirty (30) in each class. For those districts which do not have any classes with an enrollment in excess of 32 and whose average size for all the classes is 30.0 or less, there shall be no excess declared. For those districts which have one or more classes in excess of an enrollment of 32 or whose average size for all the classes is more than 30, the excess shall be the total of the number of pupils which are in excess of 30 in each class having an enrollment of more than 30.] (b) For grades 4 to 8, inclusive, he shall determine the total number of pupils enrolled, the number of full-time equivalent classroom teachers, and the average number of pupils per each full-time equivalent classroom teacher. He shall also determine the excess if any, of pupils enrolled in such grades in the following manner: (1) Determine the number of pupils by which the average number of pupils per each full-time equivalent classroom teacher for the current fiscal year exceeds the greater of the average number of pupils per each full-time equivalent classroom teacher in all the appropriate districts of the state, as determined by the Superintendent of Public Instruction, for October 30, 1964, or the average number of pupils per each full-time equivalent classroom teacher which existed in the district on either October 30, 1964 or March 30, 1964, as selected by the governing board. (2) Multiply the number determined in (1) above by the number of full-time equivalent classroom teachers of the current fiscal year. (3) Reduce the number determined in (2) above by the remainder which results from dividing such number by the average number of pupils per each full-time equivalent teacher for October 30, 1964, as determined by the Superintendent of Public Instruction in (1) above. [(c) He shall compute the product obtained by multiplying the excess number of pupils, if any, under the provisions of subdivision (a) of this section by ninety-seven hundredths (0.97), and shall multiply the product so obtained by the ratio of statewide change in average daily attendance to district change in average daily attendance. Change in average attendance shall include only the change in average daily attendance in the base year and the change in average daily attendance in the second principal apportionment year, and shall be expressed as a percentage. The result of such computation shall be added to or subtracted from the regular apportionment and allowance otherwise determined for the elementary schools maintained by the school district for the regular day classes of grades 1 to 3, inclusive, in the manner provided in subdivision (a) of this section, for the second principal apportionment of the current fiscal year.]
daily attendance shall be determined by dividing average daily attendance in grades 1, 2 and 3 reported for purposes of the first principal apportionment of the current year by that reported for purposes of the first principal apportionment of the preceding year. (d) If the school district reports that it has maintained, during the current fiscal year, any classes in which there were enrolled pupils in excess of thirty (30) per class pursuant to subdivision (a) of this section, and there is no excess number of pupils computed pursuant to subdivision (b) of this section, he shall decrease the average daily attendance reported under the provisions of Section 41601 by the product determined under subdivision (c) of this section.] 

Outcome Rationale: In the 2012-13 school year, the maximum class size for Grade 1-3 is 32. The district exceeded the maximum by one student in two of twenty eight Grade 1-3 classes. The resulting penalty of approximately $250,000 will adversely affect core curriculum programs such as Math and English. Therefore, the district requests a waiver to increase the maximum class size in Grades 1-3 from 32 to 33 and increase the average class size in Grades 1-3 from 30 to 31.

Yes. A principal may recommend to the governing board or the governing board of the school district may adopt a resolution determining that an exemption should be granted from any of the provisions of Section 41376 and 41378, with respect to such core classes on the basis that such provisions prevent the school and school district from developing more effective education programs to improve instruction in reading and mathematics. (Required see EC 41382) A potential penalty of $250000 could be incurred by the district without this waiver.

Student Population: 3800

City Type: Small

Local Board Approval Date: 8/6/2013

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Dr. Alan Nishino
Position: Superintendent
E-mail: anishino@fillmore.k12.ca.us
Telephone: 805-524-6000
Fax: 805-524-6060
CD Code: 3066498  Waiver Number: 3-9-2013  Active Year: 2013

Date In: 9/3/2013 12:52:56 PM

Local Education Agency: Fountain Valley Elementary School District
Address: 10055 Slater Ave.
Fountain Valley, CA 92708

Start: 7/1/2012  End: 6/30/2014

Waiver Renewal: Y
Previous Waiver Number: 6-11-2010  Previous SBE Approval Date: 2/11/2011

Waiver Topic: Class Size Penalties
Ed Code Title: Over Limit on Kindergarten
Ed Code Section: portions of 41378 (a) through (e)
Ed Code Authority: 41382

Ed Code or CCR to Waive: EC 41378. The Superintendent of Public Instruction, in computing apportionments and allowances from the State School Fund for the second principal apportionment, shall determine the following for the kindergarten classes maintained by each school district maintaining kindergarten classes. (a) The number of pupils enrolled in each kindergarten class, the total enrollment in all such classes, and the average number of pupils enrolled per class. (b) The total number of pupils which are in excess of thirty-three (33) in each class having an enrollment of more than thirty-three (33). (c) The total number of pupils by which the average class size in the district exceeds 31. (d) The greater number of pupils as determined in (b) or (c) above. (e) He shall compute the product obtained by multiplying the excess number of pupils computed pursuant to subdivision (d) of this section by ninety-seven hundredths (0.97). He shall decrease the average daily attendance reported under the provisions of Section 41601 by the resulting product.

Outcome Rationale: Because of recent budgetary restraints, the district has attempted to keep classroom enrollments at or near maximum allowed. We taken this step in addition to many budget and staff reductions including five furlough days and a reduced school year, in order to remain fiscally sound. We required a class size penalty waiver previously and would like to request a renewal for the years 2012-2013 and 2013-2014. We are starting to see improvement financially and anticipate that we will be well below maximums by 2014.

Yes. A principal may recommend to the governing board or the governing board of the school district may adopt a resolution determining that an exemption should be granted from any of the provisions of Section 41376 and 41378, with respect to such core classes on the basis that such provisions prevent the school and school district from developing more effective education programs to improve instruction in reading and mathematics. (Required see EC 41382)

A potential penalty of $60,000 could be incurred by the district without this waiver.

Student Population: 6142
City Type: Suburban

Local Board Approval Date: 8/15/2013

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. Stephen McMahon
Position: Assistant Superintendent - Business
E-mail: mcmahons@fvsd.us
Telephone: 714-843-3251
Fax: 714-843-3252
**California Department of Education**  
**WAIVER SUBMISSION - Specific**

<table>
<thead>
<tr>
<th>CD Code: 3066498</th>
<th>Waiver Number: 1-9-2013</th>
<th>Active Year: 2013</th>
</tr>
</thead>
</table>

**Date In:** 9/3/2013 12:29:43 PM

**Local Education Agency:** Fountain Valley Elementary School District  
**Address:** 10055 Slater Ave.  
Fountain Valley, CA 92708

**Start:** 7/1/2012  
**End:** 6/30/2014

**Waiver Renewal:** Y  
**Previous Waiver Number:** 6-11-2010  
**Previous SBE Approval Date:** 2/11/2011

**Waiver Topic:** Class Size Penalties  
**Ed Code Title:** Over Limit on Grades 1-3  
**Ed Code Section:** portions of 41376 (a), (c), and (d)  
**Ed Code Authority:** 41382

**Ed Code or CCR to Waive:** *EC 41376 (a)(c) and (d)* The Superintendent of Public Instruction, in computing apportionments and allowances from the State School Fund for the second principal apportionment, shall determine the following for the regular day classes of the elementary schools maintained by each school district:  
(a) For grades 1 to 3, inclusive, he shall determine the number of classes, the number of pupils enrolled in each class, the total enrollment in all such classes, the average number of pupils enrolled per class, and the total of the numbers of pupils which are in excess of thirty (30) in each class. For those districts which do not have any classes with an enrollment in excess of 32 and whose average size for all the classes is 30.0 or less, there shall be no excess declared. For those districts which have one or more classes in excess of an enrollment of 32 or whose average size for all the classes is more than 30, the excess shall be the total of the number of pupils which are in excess of 30 in each class having an enrollment of more than 30.  
(b) For grades 4 to 8, inclusive, he shall determine the total number of pupils enrolled, the number of full-time equivalent classroom teachers, and the average number of pupils per each full-time equivalent classroom teacher. He shall also determine the excess if any, of pupils enrolled in such grades in the following manner:  
(1) Determine the number of pupils by which the average number of pupils per each full-time equivalent classroom teacher for the current fiscal year exceeds the greater of the average number of pupils per each full-time equivalent classroom teacher in all the appropriate districts of the state, as determined by the Superintendent of Public Instruction, for October 30, 1964, or the average number of pupils per each full-time equivalent classroom teacher which existed in the district on either October 30, 1964 or March 30, 1964, as selected by the governing board.  
(2) Multiply the number determined in (1) above by the number of full-time equivalent classroom teachers of the current fiscal year.  
(3) Reduce the number determined in (2) above by the remainder which results from dividing such number by the average number of pupils per each full-time equivalent teacher for October 30, 1964, as determined by the Superintendent of Public Instruction in (1) above.  
(c) He shall compute the product obtained by multiplying the excess number of pupils, if any, under the provisions of subdivision (a) of this section by ninety-seven hundredths (0.97), and shall multiply the product so obtained by the ratio of statewide change in

**Revised:** 10/30/2013 11:14 AM
average daily attendance to district change in average daily attendance. Change in average daily attendance shall be determined by dividing average daily attendance in grades 1, 2 and 3 reported for purposes of the first principal apportionment of the current year by that reported for purposes of the first principal apportionment of the preceding year. (d) If the school district reports that it has maintained, during the current fiscal year, any classes in which there were enrolled pupils in excess of thirty (30) per class pursuant to subdivision (a) of this section, and there is no excess number of pupils computed pursuant to subdivision (b) of this section, he shall decrease the average daily attendance reported under the provisions of Section 41601 by the product determined under subdivision (c) of this section.

Outcome Rationale: With the budgetary challenges of the last several years we have tried to keep our classroom enrollments right at or near the maximum allowed to be remain fiscally sound. Additionally, we have made numerous reductions in all others areas of our district and have needed five furlough days for all employees plus shortening of the school year to remain solvent. We required a waiver of class size penalties in 2010-2011 and 2011-2012 to increase class sizes up to 33 and are requesting for a continuance for 2012-2013 and 2013-2014. We expect to be below penalty levels by the end of the 2014 school year as our financial situation begins to improve. Without the class size penalty waiver, our district would lose $282,381 in funding for the 2012-2013 year and a similar amount although lower for 2013-2014. These level of reductions would severely reduce the district's ability to provide the required academic programs.

Yes. A principal may recommend to the governing board or the governing board of the school district may adopt a resolution determining that an exemption should be granted from any of the provisions of Section 41376 and 41378, with respect to such core classes on the basis that such provisions prevent the school and school district from developing more effective education programs to improve instruction in reading and mathematics. (Required see EC 41382)

A potential penalty of $282,381 could be incurred by the district without this waiver.

Student Population: 6142

City Type: Suburban

Local Board Approval Date: 8/15/2013

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. Stephen McMahon
Position: Assistant Superintendent - Business
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Telephone: 714-843-3251
Fax: 714-843-3252
Ed Code or CCR to Waive: EC 41376 (a)(c) and (d) The Superintendent of Public Instruction, in computing apportionments and allowances from the State School Fund for the second principal apportionment, shall determine the following for the regular day classes of the elementary schools maintained by each school district: [(a) For grades 1 to 3, inclusive, he shall determine the number of classes, the number of pupils enrolled in each class, the total enrollment in all such classes, the average number of pupils enrolled per class, and the total of the numbers of pupils which are in excess of thirty (30) in each class. For those districts which do not have any classes with an enrollment in excess of 32 and whose average size for all the classes is 30.0 or less, there shall be no excess declared. For those districts which have one or more classes in excess of an enrollment of 32 or whose average size for all the classes is more than 30, the excess shall be the total of the number of pupils which are in excess of 30 in each class having an enrollment of more than 30.] (b) For grades 4 to 8, inclusive, he shall determine the total number of pupils enrolled, the number of full-time equivalent classroom teachers, and the average number of pupils per each full-time equivalent classroom teacher. He shall also determine the excess if any, of pupils enrolled in such grades in the following manner: (1) Determine the number of pupils by which the average number of pupils per each full-time equivalent classroom teacher for the current fiscal year exceeds the greater of the average number of pupils per each full-time equivalent classroom teacher in all the appropriate districts of the state, as determined by the Superintendent of Public Instruction, for October 30, 1964, or the average number of pupils per each full-time equivalent classroom teacher which existed in the district on either October 30, 1964 or March 30, 1964, as selected by the governing board. (2) Multiply the number determined in (1) above by the number of full-time equivalent classroom teachers of the current fiscal year. (3) Reduce the number determined in (2) above by the remainder which results from dividing such number by the average number of pupils per each full-time equivalent teacher for October 30, 1964, as determined by the Superintendent of Public Instruction in (1) above.[ (c) He shall compute the product obtained by multiplying the excess number of pupils, if any, under the provisions of subdivision (a) of this section by ninety-seven hundredths (0.97), and shall multiply the product so obtained by the ratio of statewide change in average daily attendance to district change in average daily attendance. Change in average
daily attendance shall be determined by dividing average daily attendance in grades 1, 2 and 3 reported for purposes of the first principal apportionment of the current year by that reported for purposes of the first principal apportionment of the preceding year. (d) If the school district reports that it has maintained, during the current fiscal year, any classes in which there were enrolled pupils in excess of thirty (30) per class pursuant to subdivision (a) of this section, and there is no excess number of pupils computed pursuant to subdivision (b) of this section, he shall decrease the average daily attendance reported under the provisions of Section 41601 by the product determined under subdivision (c) of this section.

Outcome Rationale: The District has been staffing the 1-3 classes using a 30:1 ratio since the beginning of the 2008-09. Due to changes in personnel, the District failed to monitor the class size of those grade levels insuring compliance. The potential penalty, if assessed, will have a significant negative impact in the District's operations.

Yes. A principal may recommend to the governing board or the governing board of the school district may adopt a resolution determining that an exemption should be granted from any of the provisions of Section 41376 and 41378, with respect to such core classes on the basis that such provisions prevent the school and school district from developing more effective education programs to improve instruction in reading and mathematics. (Required see EC 41382)

A potential penalty of $293,884 could be incurred by the district without this waiver.

Student Population: 15029

City Type: Urban

Local Board Approval Date: 5/28/2013

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. Peter Wong
Position: Chief Business Official
E-mail: pwong@lynwood.k12.ca.us
Telephone: 310-886-1403
Fax:
Ed Code or CCR to Waive: EC 41376 (a)(c) and (d) The Superintendent of Public Instruction, in computing apportionments and allowances from the State School Fund for the second principal apportionment, shall determine the following for the regular day classes of the elementary schools maintained by each school district:[ (a) For grades 1 to 3, inclusive, he shall determine the number of classes, the number of pupils enrolled in each class, the total enrollment in all such classes, the average number of pupils enrolled per class, and the total of the numbers of pupils which are in excess of thirty (30) in each class. For those districts which do not have any classes with an enrollment in excess of 32 and whose average size for all the classes is 30.0 or less, there shall be no excess declared. For those districts which have one or more classes in excess of an enrollment of 32 or whose average size for all the classes is more than 30, the excess shall be the total of the number of pupils which are in excess of 30 in each class having an enrollment of more than 30.] (b) For grades 4 to 8, inclusive, he shall determine the total number of pupils enrolled, the number of full-time equivalent classroom teachers, and the average number of pupils per each full-time equivalent classroom teacher. He shall also determine the excess if any, of pupils enrolled in such grades in the following manner: (1) Determine the number of pupils by which the average number of pupils per each full-time equivalent classroom teacher for the current fiscal year exceeds the greater of the average number of pupils per each full-time equivalent classroom teacher in all the appropriate districts of the state, as determined by the Superintendent of Public Instruction, for October 30, 1964, or the average number of pupils per each full-time equivalent classroom teacher which existed in the district on either October 30, 1964 or March 30, 1964, as selected by the governing board. (2) Multiply the number determined in (1) above by the number of full-time equivalent classroom teachers of the current fiscal year. (3) Reduce the number determined in (2) above by the remainder which results from dividing such number by the average number of pupils per each full-time equivalent teacher for October 30, 1964, as determined by the Superintendent of Public Instruction in (1) above.[ (c) He shall compute the product obtained by multiplying the excess number of pupils, if any, under the provisions of subdivision (a) of this section by ninety-seven hundredths (0.97), and shall multiply the product so obtained by the ratio of statewide change in average daily attendance to district change in average daily attendance. Change in average
daily attendance shall be determined by dividing average daily attendance in grades 1, 2 and 3 reported for purposes of the first principal apportionment of the current year by that reported for purposes of the first principal apportionment of the preceding year. (d) If the school district reports that it has maintained, during the current fiscal year, any classes in which there were enrolled pupils in excess of thirty (30) per class pursuant to subdivision (a) of this section, and there is no excess number of pupils computed pursuant to subdivision (b) of this section, he shall decrease the average daily attendance reported under the provisions of Section 41601 by the product determined under subdivision (c) of this section.

Outcome Rationale: Redding Elementary School District is a K-8 district located in Northern California’s Shasta County with a current population of approximately 3,100 students.

The District has been experiencing significant declining enrollment over the past several years and has been operating under a structural deficit during that same period. The District has implemented a variety of cost saving measures in an attempt to maintain fiscal solvency while continuing to maintain high educational standards.

Due to budget constraints it has become necessary to maintain student to teacher ratios at maximum levels while at the same time avoiding as many combination classes as possible. Sometime after the commencement of the school year, the District experienced growth in grades 1 through 3. Since the year was well underway in order to maintain classes below the maximum class size of 32 students, it would have been necessary to either create new combination classes or hire additional teaching staff. Creating an additional combination class would necessitate disrupting at least two classrooms of students and requiring the teaching staff to re-create lesson plans for a new group of students. The number of students in excess of 32 did not equate to a full class, which would necessitate disrupting at least two classrooms in order to re-structure and level out class sizes as well as incurring the cost of additional staff. Due to the current fiscal environment the District believed it was not prudent to disrupt and displace a number of students to accommodate a few newly enrolled students.

The District has been able to maintain class size averages below the ratio of 30:1 and believes it can maintain that level going forward. The District further believes it can maintain class sizes in grades 1-3 at or below a maximum of 32 students by creating additional combination classes at the beginning of the year in anticipation of additional students. The District is requesting the waiver so as to not incur a financial penalty from the previous year as well as for the upcoming year in the event that unforeseen circumstances limit its ability to react to unexpected growth in a timely manner.

Yes. A principal may recommend to the governing board or the governing board of the school district may adopt a resolution determining that an exemption should be granted from any of the provisions of Section 41376 and 41378, with respect to such core classes on the basis that such provisions prevent the school and school district from developing more effective education programs to improve instruction in reading and mathematics. (Required see EC 41382)

A potential penalty of $118,000 could be incurred by the district without this waiver.

Student Population: 3100

City Type: Small

Local Board Approval Date: 6/25/2013
Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. Robert Fellinger
Position: Chief Business Official
E-mail: rfellinger@rsdnmp.org
Telephone: 530-225-0011 x1200
Fax:
CD Code: 4475432  Waiver Number: 9-7-2013  Active Year: 2013

Date In: 7/18/2013 3:52:48 PM

Local Education Agency: Scotts Valley Unified School District
Address: 4444 Scotts Valley Dr., Ste. 5B
Scotts Valley, CA 95066

Start: 7/1/2012   End: 6/30/2013

Waiver Renewal: N  Previous Waiver Number:        Previous SBE Approval Date:

Waiver Topic: Class Size Penalties  
Ed Code Title: Over Limit on Grades 1-3  
Ed Code Section: portions of 41376 (a), (c), and (d)  
Ed Code Authority: 41382

Ed Code or CCR to Waive: EC 41376 (a)(c) and (d) The Superintendent of Public Instruction, in computing apportionments and allowances from the State School Fund for the second principal apportionment, shall determine the following for the regular day classes of the elementary schools maintained by each school district: [(a) For grades 1 to 3, inclusive, he shall determine the number of classes, the number of pupils enrolled in each class, the total enrollment in all such classes, the average number of pupils enrolled per class, and the total of the numbers of pupils which are in excess of thirty (30) in each class. For those districts which do not have any classes with an enrollment in excess of 32 and whose average size for all the classes is 30.0 or less, there shall be no excess declared. For those districts which have one or more classes in excess of an enrollment of 32 or whose average size for all the classes is more than 30, the excess shall be the total of the number of pupils which are in excess of 30 in each class having an enrollment of more than 30.] (b) For grades 4 to 8, inclusive, he shall determine the total number of pupils enrolled, the number of full-time equivalent classroom teachers, and the average number of pupils per each full-time equivalent classroom teacher. He shall also determine the excess if any, of pupils enrolled in such grades in the following manner: (1) Determine the number of pupils by which the average number of pupils per each full-time equivalent classroom teacher for the current fiscal year exceeds the greater of the average number of pupils per each full-time equivalent classroom teacher in all the appropriate districts of the state, as determined by the Superintendent of Public Instruction, for October 30, 1964, or the average number of pupils per each full-time equivalent classroom teacher which existed in the district on either October 30, 1964 or March 30, 1964, as selected by the governing board. (2) Multiply the number determined in (1) above by the number of full-time equivalent classroom teachers of the current fiscal year. (3) Reduce the number determined in (2) above by the remainder which results from dividing such number by the average number of pupils per each full-time equivalent teacher for October 30, 1964, as determined by the Superintendent of Public Instruction in (1) above. [(c) He shall compute the product obtained by multiplying the excess number of pupils, if any, under the provisions of subdivision (a) of this section by ninety-seven hundredths (0.97), and shall multiply the product so obtained by the ratio of statewide change in average daily attendance to district change in average daily attendance. Change in average
daily attendance shall be determined by dividing average daily attendance in grades 1, 2 and 3 reported for purposes of the first principal apportionment of the current year by that reported for purposes of the first principal apportionment of the preceding year. (d) If the school district reports that it has maintained, during the current fiscal year, any classes in which there were enrolled pupils in excess of thirty (30) per class pursuant to subdivision (a) of this section, and there is no excess number of pupils computed pursuant to subdivision (b) of this section, he shall decrease the average daily attendance reported under the provisions of Section 41601 by the product determined under subdivision (c) of this section.]

Outcome Rationale: The District had a goal of a class size ratio in Grades 1-3 of 29:1. The year began with 547 students in these grades (includes some kindergarteners in K-1 combos) which led to 18 full classes ranging from 28 to 33 students. Class sizes were balanced in each grade level and could not be further reduced due to the distribution of students across grade levels. There were not sufficient students to hire an additional teacher without reducing math and reading intervention programs. The class sizes requested below accomodate the largest class (33 students) and the largest population average (30.6 students per class).

Yes. A principal may recommend to the governing board or the governing board of the school district may adopt a resolution determining that an exemption should be granted from any of the provisions of Section 41376 and 41378, with respect to such core classes on the basis that such provisions prevent the school and school district from developing more effective education programs to improve instruction in reading and mathematics. (Required see EC 41382)

A potential penalty of $73,197 could be incurred by the district without this waiver.

Student Population: 2480

City Type: Suburban

Local Board Approval Date: 5/28/2013

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Ms. Vickie Clark
Position: Chief Business Official
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Telephone: 831-438-1820 x107
Fax: 831-438-2314

Bargaining Unit Date: 10/03/2012
Name: Scotts Valley Education Association
Representative: Michael Hanson
Title: Teacher
Position: Support
Comments:
Waiver Topic: Class Size Penalties  
Ed Code Title: Over Limit on Grades 1-3  
Ed Code Section: portions of 41376(a), (c), and (d)  
Ed Code Authority: 41382

Ed Code or CCR to Waive: 41376(a) For grades 1 to 3, inclusive, he shall determine the number of classes, the number of pupils enrolled in each class, the total enrollment in all such classes, the average number of pupils enrolled per class, and the total of the numbers of pupils which are in excess of thirty (30) in each class.

For those districts which do not have any classes with an enrollment in excess of 32 and whose average size for all the classes is 30.0 or less, there shall be no excess declared. For those districts which have one or more classes in excess of an enrollment of 32 or whose average size for all the classes is more than 30, the excess shall be the total of the number of pupils which are in excess of 30 in each class having an enrollment of more than 30.

(c) He shall compute the product obtained by multiplying the excess number of pupils, if any, under the provisions of subdivision (a) of this section by ninety-seven hundredths (0.97), and shall multiply the product so obtained by the ratio of statewide change in average daily attendance to district change in average daily attendance. Change in average daily attendance shall be determined by dividing average daily attendance in grades 1, 2 and 3 reported for purposes of the first principal apportionment of the current year by that reported for purposes of the first principal apportionment of the preceding year.

(d) If the school district reports that it has maintained, during the current fiscal year, any classes in which there were enrolled pupils in excess of thirty (30) per class pursuant to subdivision (a) of this section, and there is no excess number of pupils computed pursuant to subdivision (b) of this section, he shall decrease the average daily attendance reported under the provisions of Section 41601 by the product determined under subdivision (c) of this section.

Outcome Rationale: The district migrated to a 1:32 ration in 2012-13 after maintaining to 1:28, 1:26, 1:24, and prior to 2009-10 class sizes of 1:20. The migration to the maximum class sizes and the balance of students in classes higher than 32 while space in other classes or schools presented a challenge at these grade levels.
Yes. A principal may recommend to the governing board or the governing board of the school district may adopt a resolution determining that an exemption should be granted from any of the provisions of Section 41376 and 41378, with respect to such core classes on the basis that such provisions prevent the school and school district from developing more effective education programs to improve instruction in reading and mathematics. (Required see EC 41382)

A potential penalty of $400,000 could be incurred by the district without this waiver.

Student Population: 12837

City Type: Urban

Local Board Approval Date: 8/21/2013

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Mr. James Arcala
Position: Director of Business Services
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California State Board of Education
Meeting Agenda Items for November 6-7, 2013

WAIVER ITEM W-13
CALIFORNIA STATE BOARD OF EDUCATION

NOVEMBER 2013 AGENDA

General Waiver

SUBJECT
Request by Coachella Valley Unified School District to waive portions of California Education Code Section 52055.740(a), regarding class size reduction requirements under the Quality Education Investment Act.

Waiver Numbers: 23-6-2013
24-6-2013

SUMMARY OF THE ISSUES

See Attachments 1 and 3 for details.

Authority for Waiver: Education Code (EC) Section 33050

RECOMMENDATION

☐ Approval ☑ Approval with conditions ☐ Denial

See Attachments 1 and 3 for details.

SUMMARY OF KEY ISSUES

Class Size Reduction

Schools participating in the Quality Education Investment Act (QEIA) program were monitored by their county offices of education for compliance with program requirements for the first time at the end of the 2008–09 school year. At that time, local educational agencies (LEAs) were required to demonstrate one-third progress toward full implementation of program requirements. Monitoring for compliance with second-year program requirements was completed to ensure that schools made two-thirds progress toward full implementation in the 2009–10 school year. QEIA schools were required to demonstrate full compliance with all program requirements at the end of the 2010–11 school year.

QEIA schools are required to reduce class sizes by 5 students compared to class sizes in the base year (either 2005–06 or 2006–07), or to an average of 25 students per classroom, whichever is lower, with no more than 27 students per classroom regardless of the average classroom size. The calculation is done by grade level, as each grade level has a target average class size based on QEIA class size reduction (CSR) rules. For small schools with a single classroom at each grade level, some grade level targets
may be very low. If, for example, a school had a single grade four classroom of 15 students in 2005–06, the school’s target QEIA class size for grade four is 10 students. Absent a waiver, an unusually low grade level target may result in a greater number of combination classes at the school, or very small classes at the grade level, which is prohibitively costly and may result in withdrawal or termination from the program.

QEIA schools are required to not increase any other (non-core) class sizes in the school above the size used during the 2005–06 school year.

**Because this is a general waiver, if the SBE decides to deny the waiver, it must cite one of the seven reasons in EC 33051(a), available at [http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053).**

**SUMMARY OF PREVIOUS STATEBOARD OF EDUCATION DISCUSSION AND ACTION**

The California Department of Education (CDE) Waiver Office has previously presented requests to the State Board of Education (SBE) to waive the CSR target as defined by QEIA. Over 90 percent of CSR waiver requests previously presented have requested adjusted class size averages of 25.0 or lower, and have indicated a commitment to meeting that target for the life of the grant; because of the current fiscal climate, these have been approved by the SBE. A small number of CSR waiver requests have proposed CSR targets above 25.0; these have been denied. However, it is noted that QEIA is supplemental funding. Therefore, the CDE will continue to weigh QEIA CSR in the context of fiscal changes. If class sizes are generally decreased in the coming year, the CDE would expect proportional decreases in QEIA class sizes.

**FISCAL ANALYSIS (AS APPROPRIATE)**

There are no statewide costs as a result of waiver approval. If the waiver is denied, the school must implement the CSR targets based on statute requirements to stay in the program. Any school in the program not meeting those targets will risk the loss of future funding. The QEIA statute calls for any undistributed annual QEIA funding to be redistributed to other schools currently in the program (no new schools are funded).

**ATTACHMENT(S)**

Attachment 1: Coachella Valley Unified School District Request 23-6-2013 for a Quality Education Investment Act Class Size Reduction Waiver (2 Pages)

Attachment 2: Coachella Valley Unified School District General Waiver 23-6-2013 (2 Pages) (Original waiver request is signed and on file in the Waiver Office.)

Attachment 3: Coachella Valley Unified School District Request 24-6-2013 for a Quality Education Investment Act Class Size Reduction Waiver (2 Pages)
Attachment 4: Coachella Valley Unified School District General Waiver 24-6-2013 (2 Pages) (Original waiver request is signed and on file in the Waiver Office.)
Waiver Number: 23-6-2013  
Period of Request: July 1, 2013, to June 30, 2015  
Period Recommended: July 1, 2013, to June 29, 2014  
CDS Code: 33 73676 6032254

Mecca Elementary School  
Coachella Valley Unified School District

Local Educational Agency Request:

Coachella Valley Unified School District (USD) is an urban district located in Riverside County with a student population of approximately 18,409 students. Mecca Elementary School (ES) serves 845 students in kindergarten and grades one through six. Monitoring performed by the Riverside County Office of Education indicates that the class size reduction (CSR) requirements of the Quality Education Investment Act (QEIA) were fully met by Mecca ES in school year 2011–12, but the district is asking for an alternative QEIA CSR target for school years 2013–14 and 2014–15. The school’s current QEIA CSR targets for core classes of English, mathematics, history-social science, and science are 20.44 in kindergarten and grades one through three, and an average of 21.5, 24.5, and 23.8 in grades four through six, respectively.

Coachella Valley USD states that QEIA funds for Mecca ES have been used solely to support the additional teachers necessary to maintain the QEIA CSR targets. The district further states that Mecca ES is expected to have a revenue shortfall for the QEIA program of over $479,026 for the 2012–13 school year, placing significant pressures on an already strained unrestricted general fund budget. Lastly, the district states that approval of this waiver for Mecca ES will result in the school meeting the intent of the QEIA program while continuing to make academic gains.

Coachella Valley USD requests a waiver of the QEIA CSR targets for kindergarten and grades one through six at Mecca ES for school years 2013–14 and 2014–15, and the establishment of alternative CSR targets of 25.0 students per class in core classes in kindergarten and grades one through three, and 25.0 students on average in core classes in grades four through six.

California Department of Education Recommendation and Conditions:

The California Department of Education (CDE) supports Coachella Valley USD’s request to increase its CSR targets for kindergarten and grades one through six at Mecca ES for school year 2013–14.

The CDE recommends approval with the following conditions: (1) Applies only to kindergarten and grades one through six at Mecca ES for school year 2013–14; (2) Mecca ES increases enrollment to 25.0 students per class in core classes in kindergarten and grades one through three, and 25.0 students on average in core classes in grades four through six; (3) No core class in grades four through six may exceed 27 students per classroom regardless of the average classroom size; and (4) Within 30 days of approval of this waiver, Coachella Valley USD must provide to the CDE a description, including costs covered by QEIA funds, of professional development activities and any other school improvement activities added to the school improvement plan as a result of the additional funding now available, if any, through this waiver of the CSR requirement.

Supported by Coachella Valley Teachers Association, April 25, 2013.

**Local Board Approval:** May 23, 2013.
Ed Code or CCR to Waive: 52055.740. (a) For each funded school, the county superintendent of schools for the county in which the school is located shall annually review the school and its data to determine if the school has met all of the following program requirements by the school by the end of the third full year of funding:
   (1) Meet all of the following class size requirements:
       (A) For kindergarten and grades 1 to 3, inclusive, no more than 20 pupils per class, as set forth in the Class Size Reduction Program (Chapter 6.10 (commencing with Section 52120)).
       (B) For self-contained classrooms in grades 4 to 8, inclusive, an average classroom size that is the lesser of clause (i) or (ii), as follows:
           (i) At least five pupils fewer per classroom than was the average in 2006-07.
           (ii) An average of 25 pupils per classroom.
       (iii) For purposes of this subparagraph, average classroom size shall be calculated at the grade level based on the number of self-contained classrooms in that grade at the schoolsite. If the self-contained classrooms at the school averaged fewer than 25 pupils per classroom during the 2005-06 school year, that lower average shall be used as the "average in 2006-07" for purposes of this subparagraph. A school that receives funding under this article shall not have a self-contained classroom in grades 4 to 8, inclusive, with more than 27 pupils regardless of its average classroom size.

Outcome Rationale: QEIA funds for Mecca Elementary School have been used solely to support the additional teachers necessary to maintain the QEIA CSR targets. Mecca Elementary School is expected to have a revenue shortfall for the QEIA program of over $479,026 for the 2012-2013 school year, placing significant pressures on an already strained unrestricted general fund budget.

CVUSD requests that the QEIA CSR targets for all grades at Mecca Elementary School be 25:1 for 2013-2014 and 2014-2015. Approval of this waiver for Mecca Elementary School will result in the school meeting the intent of the QEIA program while continuing to make academic gains.
Student Population: 695

City Type: Rural

Public Hearing Date: 5/23/2013
Public Hearing Advertised: district posting, school site posting, website, post office, local stores

Local Board Approval Date: 5/23/2013

Community Council Reviewed By: Mecca Elementary School Site Council
Community Council Reviewed Date: 5/14/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Ms. Lorelei Ceja
Position: Director, State & Federal Projects
E-mail: lceja@cvusd.us
Telephone: 760-848-1189
Fax: 760-399-8818

Bargaining Unit Date: 04/25/2013
Name: Coachella Valley Teachers Association
Representative: Richard Razo
Title: President
Position: Support
Comments:
Waiver Number: 24-6-2013  Period of Request: July 1, 2012, to June 30, 2014  Period Recommended: July 1, 2012, to June 29, 2014  CDS Code: 33 73676 6032361

Oasis Elementary School  Coachella Valley Unified School District

Local Educational Agency Request:

Coachella Valley Unified School District (USD) is an urban district located in Riverside County with a student population of approximately 18,409 students. Oasis Elementary School (ES) serves 695 students in kindergarten and grades one through six. Monitoring performed by the Riverside County Office of Education indicates that the class size reduction (CSR) requirements of the Quality Education Investment Act (QEIA) were fully met by Oasis ES in school year 2011–12, but the district is asking for an alternative QEIA CSR target for school years 2012–13 and 2013–14. The school’s current QEIA CSR targets for core classes of English, mathematics, history-social science, and science are 20.44 in kindergarten and grades one through three, and an average of 24.5, 25.0, and 22.0 in grades four through six, respectively.

Coachella Valley USD states that QEIA funds for Oasis ES have been used solely to support the additional teachers necessary to maintain the QEIA CSR targets. The district further states that Oasis ES is expected to have a revenue shortfall for the QEIA program of over $276,141 for the 2012–13 school year, placing significant pressures on an already strained unrestricted general fund budget. Lastly, the district states that approval of this waiver for Oasis ES will result in the school meeting the intent of the QEIA program while continuing to make academic gains.

Coachella Valley USD requests a waiver of the QEIA CSR targets for kindergarten and grades one through three, and grades four and six at Oasis ES for school years 2012–13 and 2013–14, and the establishment of alternative CSR targets of 25.0 students per class in core classes in kindergarten and grades one through three, and 25.0 students on average in core classes in grades four and six.

California Department of Education Recommendation and Conditions:

The California Department of Education (CDE) supports Coachella Valley USD’s request to increase its CSR targets for kindergarten and grades one through three, and grades four and six at Oasis ES for school years 2012–13 and 2013–14.

The CDE recommends approval with the following conditions: (1) Applies only to kindergarten and grades one through three, and grades four and six at Oasis ES for school years 2012–13 and 2013–14; (2) Oasis ES increases enrollment to 25.0 students per class in core classes in kindergarten and grades one through three, and 25.0 students on average in core classes in grades four and six; (3) No core class in grades four through six may exceed 27 students per classroom regardless of the average classroom size; and (4) Within 30 days of approval of this waiver, Coachella Valley USD must provide to the CDE a description, including costs covered by QEIA funds, of professional development activities and any other school improvement activities added to the school improvement plan as a result of the additional funding now available, if any, through this waiver of the CSR requirement.
Reviewed by Oasis ES Schoolsite Council on April 25, 2013.

Supported by Coachella Valley Teachers Association, April 25, 2013.

**Local Board Approval:** May 23, 2013.
California Department of Education
WAIVER SUBMISSION - General

CD Code: 3373676 Waiver Number: 24-6-2013 Active Year: 2013

Date In: 6/27/2013 5:13:52 AM

Local Education Agency: Coachella Valley Unified School District
Address: 87-225 Church St.
Thermal, CA 92274

Start: 7/1/2012 End: 6/30/2014

Waiver Renewal: N
Previous Waiver Number:
Previous SBE Approval Date:

Waiver Topic: Quality Education Investment Act
Ed Code Title: Class Size Reduction Requirements
Ed Code Section: 52055.740(a)
Ed Code Authority: 33050

Ed Code or CCR to Waive: 52055.740. (a) For each funded school, the county superintendent of schools for the county in which the school is located shall annually review the school and its data to determine if the school has met all of the following program requirements by the school by the end of the third full year of funding:

1. Meet all of the following class size requirements:
   (A) For kindergarten and grades 1 to 3, inclusive, [no more than 20 pupils per class, as set forth in the Class Size Reduction Program (Chapter 6.10 (commencing with Section 52120)).]
   (B) For self-contained classrooms in grades 4 to 8, inclusive, [an average classroom size that is the lesser of clause (i) or (ii), as follows:
      (i) At least five pupils fewer per classroom than was the average in 2006-07.]
      (ii) An average of 25 pupils per classroom.
   (iii) For purposes of this subparagraph, average classroom size shall be calculated at the grade level based on the number of self-contained classrooms in that grade at the schoolsite. If the self-contained classrooms at the school averaged fewer than 25 pupils per classroom during the 2005-06 school year, that lower average shall be used as the "average in 2006-07" for purposes of this subparagraph. A school that receives funding under this article shall not have a self-contained classroom in grades 4 to 8, inclusive, with more than 27 pupils regardless of its average classroom size.

Outcome Rationale: QEIA funds for Oasis Elementary School have been used solely to support the additional teachers necessary to maintain the QEIA CSR targets. Oasis Elementary School is expected to have a revenue shortfall for the QEIA program of over $276,141 for the 2012-2013 school year, placing significant pressures on an already strained unrestricted general fund budget.

CVUSD requests that the QEIA CSR targets for all grades at Oasis Elementary School be 25:1 for 2012-2013 and 2013-2014. Approval of this waiver for Oasis Elementary School will result in the school meeting the intent of the QEIA program while continuing to make academic gains.

Revised: 10/30/2013 11:15 AM
Student Population: 695

City Type: Rural

Public Hearing Date: 5/23/2013
Public Hearing Advertised: district posting, school site posting, website, post office, local stores

Local Board Approval Date: 5/23/2013

Community Council Reviewed By: Oasis Elementary School Site Council
Community Council Reviewed Date: 4/25/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Ms. Lorelei Ceja
Position: Director, State & Federal Projects
E-mail: lceja@cvusd.us
Telephone: 760-848-1189
Fax: 760-399-8818

Bargaining Unit Date: 04/25/2013
Name: Coachella Valley Teachers Association
Representative: Richard Razo
Title: President
Position: Support
Comments:
General Waiver

SUBJECT
Request by Anaheim Union High School District to waive portions of California Education Code Section 52055.740(a)(1)(C)(iii), regarding class size reduction requirements under the Quality Education Investment Act.

Waiver Number: 14-8-3013

SUMMARY OF THE ISSUES
See Attachment 1 for details.

Authority for Waiver: Education Code (EC) Section 33050

RECOMMENDATION
☐ Approval  ☑ Approval with conditions  ☐ Denial
See Attachment 1 for details.

SUMMARY OF KEY ISSUES

Class Size Reduction

Schools participating in the Quality Education Investment Act (QEIA) program were monitored by their county offices of education for compliance with program requirements for the first time at the end of the 2008–09 school year. At that time, local educational agencies (LEAs) were required to demonstrate one-third progress toward full implementation of program requirements. Monitoring for compliance with second-year program requirements was completed to ensure that schools made two-thirds progress toward full implementation in the 2009–10 school year. QEIA schools were required to demonstrate full compliance with all program requirements at the end of the 2010–11 school year.

QEIA schools are required to reduce class sizes by 5 students compared to class sizes in the base year (either 2005–06 or 2006–07), or to an average of 25 students per classroom, whichever is lower, with no more than 27 students per classroom regardless of the average classroom size. The calculation is done by grade level, as each grade level has a target average class size based on QEIA class size reduction (CSR) rules. For small schools with a single classroom at each grade level, some grade level targets may be very low. If, for example, a school had a single grade four classroom of 15
students in 2005–06, the school’s target QEIA class size for grade four is 10 students. Absent a waiver, an unusually low grade level target may result in a greater number of combination classes at the school, or very small classes at the grade level, which is prohibitively costly and may result in withdrawal or termination from the program.

QEIA schools are required to not increase any other (non-core) class sizes in the school above the size used during the 2005–06 school year.

**Because this is a general waiver, if the SBE decides to deny the waiver, it must cite one of the seven reasons in EC 33051(a), available at [http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053](http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=33001-34000&file=33050-33053).**

**SUMMARY OF PREVIOUS STATEBOARD OF EDUCATION DISCUSSION AND ACTION**

The California Department of Education (CDE) Waiver Office has previously presented requests to the State Board of Education (SBE) to waive the CSR target as defined by QEIA. Over 90 percent of CSR waiver requests previously presented have requested adjusted class size averages of 25.0 or lower, and have indicated a commitment to meeting that target for the life of the grant; because of the current fiscal climate, these have been approved by the SBE. A small number of CSR waiver requests have proposed CSR targets above 25.0; these have been denied. However, it is noted that QEIA is supplemental funding. Therefore, the CDE will continue to weigh QEIA CSR in the context of fiscal changes. If class sizes are generally decreased in the coming year, the CDE would expect proportional decreases in QEIA class sizes.

**FISCAL ANALYSIS (AS APPROPRIATE)**

There are no statewide costs as a result of waiver approval. If the waiver is denied, the school must implement the CSR targets based on statute requirements to stay in the program. Any school in the program not meeting those targets will risk the loss of future funding. The QEIA statute calls for any undistributed annual QEIA funding to be redistributed to other schools currently in the program (no new schools are funded).

**ATTACHMENT(S)**

Attachment 1: Anaheim Union High School District Request 14-8-2013 for a Quality Education Investment Act Class Size Reduction Waiver (1 Page)

Attachment 2: Anaheim Union High School District General Waiver 14-8-2013 (2 Pages) (Original waiver request is signed and on file in the Waiver Office.)
Waiver Number: 14-8-2013  
Period of Request: July 1, 2012, to June 30, 2013  
Period Recommended: July 1, 2012, to June 30, 2013  
CDS Code: 41 68999 6044366

Anaheim High School  
Anaheim Union High School District

Local Educational Agency Request:

Anaheim Union High School District (UHSD) is an urban district located in Orange County with a student population of approximately 32,085 students. Anaheim High School (HS) serves 3,232 students in grades nine through twelve. Monitoring performed by the Orange County Office of Education indicates that the class size reduction (CSR) requirements of the Quality Education Investment Act (QEIA) were not fully met by Anaheim HS in one grade ten class and two grade twelve classes that exceeded the QEIA 27-student cap per classroom requirement in school year 2012–13. The school’s current QEIA CSR targets for core classes of English, mathematics, history-social science, and science are an average of 25.0 in grades nine through twelve.

Anaheim UHSD states that two sections of two classes were out of compliance for a brief period of time as a result of scheduling errors. There were 28 students enrolled in Human Anatomy/Physiology from October 9–29, 2012, and 28 students enrolled in Algebra Core Concepts 2 from May 8, 2013, through June 12, 2013. Anaheim UHSD has addressed this issue and has put systems in place to prevent this type of error from occurring again.

Anaheim UHSD requests a waiver of the QEIA 27-student cap per core classroom requirement for grades ten and twelve at Anaheim HS for school year 2012–13, and the establishment of an alternative CSR target of 28.0 students on average in two core classes—Algebra Core Concepts 2 and Human Anatomy/Physiology—in grades ten and twelve.

California Department of Education Recommendation and Conditions:

The California Department of Education (CDE) supports Anaheim UHSD’s request to waive the QEIA 27-student cap per core classroom CSR requirement for grades ten and twelve for school year 2012–13 at Anaheim HS.

The CDE recommends approval with the following conditions: (1) Applies only to grades ten and twelve at Anaheim HS for school year 2012–13; (2) In all subsequent years the district receives QEIA funds, no core class in grades nine through twelve may exceed 27 students per classroom regardless of the average classroom size; and (3) Within 30 days of approval of this waiver, Anaheim UHSD must provide to the CDE a description, including costs covered by QEIA funds, of professional development activities and any other school improvement activities added to the school improvement plan as a result of the additional funding now available, if any, through this waiver of the CSR requirement.

Reviewed by Anaheim Personnel and Guidance Association on August 9, 2013.

Supported by Anaheim Secondary Teachers Association, August 9, 2013.

Local Board Approval: August 22, 2013.
Waiver Topic: Quality Education Investment Act
Ed Code Title: Rule of 27
Ed Code Section: 52055.740 (a)(1)(C)(iii)
Ed Code Authority: 33050-33053

Ed Code or CCR to Waive: EC 52055.740 (a) For each funded school, the county superintendent of schools for the county in which the school is located shall annually review the school and its data to determine if the school has met all of the following program requirements by the school by the end of the third full year of funding:
(1) Meet all of the following class size requirements:
(C)(iii) For purposes of this subparagraph, average classroom size shall be calculated at the grade level based on the number of subject-specific classrooms in that grade at the schoolsite. If the subject-specific classrooms at the school averaged fewer than 25 pupils per classroom during the 2005–06 school year, that lower average shall be used as the “average in 2006–07” for purposes of this subparagraph. [A school that receives funding under this article shall not have a class in English language arts, reading, mathematics, science, or history and social science in grades 4 to 12, inclusive, with more than 27 pupils regardless of its average classroom size.] The Waiver is requested for the 2012-13 year only.

Outcome Rationale: As a result of scheduling errors: (1) Twenty-eight students were enrolled in Section 5430-552, Human Anatomy/Physiology from October 9, 2012, through October 29, 2012; and, (2) Twenty-eight students were enrolled in Section 3665-5107, Algebra Core Concepts 2 from May 8, 2013, through June12, 2013. Anaheim High School had 517 core classes during the 2012-13 year. Two sections were out of compliance for a brief period of time, as a result of scheduling errors. The District has addressed this issue and has put systems in place to prevent this type of error from occurring again.

Student Population: 3232
City Type: Urban

Public Hearing Date: 8/22/2013
Public Hearing Advertised: Notice in newspaper; notice posted at the school; notice posted on the District website; notice posted in the District Office lobby;
Local Board Approval Date: 8/22/2013

Community Council Reviewed By: Anaheim High School's School Site Council
Community Council Reviewed Date: 8/12/2013
Community Council Objection: N
Community Council Objection Explanation:

Audit Penalty YN: N

Categorical Program Monitoring: N

Submitted by: Dr. Susan Stocks
Position: Director, Special Programs
E-mail: stocks_s@auhsd.k12.ca.us
Telephone: 714-999-3579
Fax: 714-520-9754

Bargaining Unit Date: 08/09/2013
Name: Anaheim Personnel and Guidance Association (APGA)
Representative: Brian Bannon
Title: APGA President
Position: Support
Comments:

Bargaining Unit Date: 08/09/2013
Name: Anaheim Secondary Teachers Association (ASTA)
Representative: Joanne Fawley
Title: ASTA President
Position: Support
Comments:
ITEM 17
CALIFORNIA STATE BOARD OF EDUCATION
NOVEMBER 2013 AGENDA

SUBJECT
PUBLIC COMMENT.
Public Comment is invited on any matter not included on the printed agenda. Depending on the number of individuals wishing to address the State Board, the presiding officer may establish specific time limits on presentations.

SUMMARY OF THE ISSUE(S)
This is a standing item on the agenda, which allows the members of the public to address the board on any matter that is not included in this meeting’s agenda.

RECOMMENDATION
Listen to public comment on matters not included on the agenda.

BRIEF HISTORY OF KEY ISSUES
Not applicable.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION
Not applicable.

FISCAL ANALYSIS (AS APPROPRIATE)
Not applicable.

ATTACHMENT(S)
Not applicable.
ITEM 18
SUBJECT


 SUMMARY OF THE ISSUE(S)

Per state law, the California Department of Education (CDE) withholds 10 percent from progress payments invoiced for each component task in the Standardized Testing and Reporting (STAR) Program contract with Educational Testing Service (ETS).

The STAR contract establishes the process and criteria by which the CDE recommends, and the State Board of Education (SBE) approves the annual release of the 10 percent withheld from progress payments.

The STAR contract component tasks are listed in Attachment 1, and the approved contract provisions regarding the annual determination of successful completion of component tasks are outlined in Attachment 2.

RECOMMENDATION

The CDE recommends that the SBE release progress payment withholdings (10 percent) for all contract component tasks for all tests as part of the 2012–13 STAR Program contract with ETS, pending completion of all contract component tasks for the 2013 STAR Program test administration through December 2013.

BRIEF HISTORY OF KEY ISSUES

The CDE has performed an evaluation and determined that ETS has satisfactorily performed all the contract component tasks during the 2013 test administration to date, pending completion of all contract requirements through December 2013 and, as such, is recommending approval of the 10 percent release. If ETS fails to satisfactorily perform any component tasks, the CDE will recommend further action to the SBE at its next regular meeting regarding releasing the 10 percent of funds.
SUMMAR OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

In 2012, the SBE approved the release of the 10 percent of funds withheld from the progress payments to ETS for all contract component tasks for all STAR Program tests.

At the November 2011 meeting, the SBE did not approve the release of a total of $7,233.70 from the 10 percent of funds withheld from the progress payments to ETS.

In 2010 and 2008, the SBE approved the release of the 10 percent of funds withheld from the progress payments to ETS for all contract component tasks for all STAR Program tests.

At the November 2009 meeting, the SBE did not approve the release of a total of $107,992.91 from the 10 percent of funds withheld from the progress payments to ETS.

At the November 2007 meeting, the SBE did not approve the release of a total of $1,101,814.60 from the 10 percent of funds withheld from the progress payments to ETS.

FISCAL ANALYSIS (AS APPROPRIATE)

The funds to be released were withheld during 2012–13 from invoices paid with existing STAR Program contract funding, shown in Attachment 3. The CDE recommends the release of $5,343,711.10. Any portion of the funds withheld during 2012–13 that are not released will revert back to the state General Fund.

ATTACHMENT(S)

Attachment 1: Completion Criteria (4 Pages)

Attachment 2: Standardized Testing and Reporting Program, Process for Determination of Successful Completion of Component Tasks (1 Page)

Attachment 3: Standardized Testing and Reporting Contract, 2013 Test Administration Component Task Budget (1 Page)
Completion Criteria

The criteria by which the California Department of Education (CDE) recommends and the State Board of Education (SBE) will determine successful completion of each component task for payment of the final 10 percent is set forth in the following table.

**Standardized Testing and Reporting (STAR) Program**

**CRITERIA FOR SUCCESSFUL COMPLETION OF COMPONENT TASKS**

2007 through 2013 Test Administrations

<table>
<thead>
<tr>
<th>COMPONENT TASK</th>
<th>CRITERIA</th>
<th>COMPLETION DATE SPECIFIED IN AGREEMENT</th>
</tr>
</thead>
</table>
| 3.1 Component Task 1 Comprehensive Plan and Schedule for Project Deliverables and Activities | - CDE received written results of the quality control audit.  
Delivered all electronic data files, documentation, and materials developed for the STAR Program to the bidder designated by the SBE in 2013. | • December 31, 2007 and each subsequent year  
• December 31, 2013                                                                                                           |
| 3.2 Component Task 2 Program Support Services                                   | - All materials specified were developed and distributed to local educational agencies (LEAs) within the specified timelines.  
- The California Technical Assistance Center processed all district orders as specified and responded to district requests for assistance.  
- CDE received electronic files and other reports as specified. | • July 30, 2007 and each subsequent year  
• December 31 of each year  
• December 31 of each year                                           |
| 3.3 Component Task 3 Test Security Measures                                      | - Completed on-site visits of schools before, during, and after testing (for the 2007 through 2009 administrations only).  
- All test items, test materials, electronic files, and data were developed, used, transferred, delivered, and maintained in a secure manner. | • October 15, 2007 and each subsequent (for the 2007 through 2009 administrations only).  
• October 15, 2007 and each subsequent year                        |
<table>
<thead>
<tr>
<th>COMPONENT TASK</th>
<th>CRITERIA</th>
<th>COMPLETION DATE SPECIFIED IN AGREEMENT</th>
</tr>
</thead>
</table>
| 3.3 Component Task 3 Test Security Measures (cont.) | • Provided the CDE with summary reports of the results of each security breach investigation.  
• Provided the CDE with a complete report of each investigation. | • Within 10 working days of a security breach being reported  
• September 1 of each year |
| 3.4 Component Task 4 Norm-referenced Test | • Norm-referenced test was administered to students in grades 3 and 7 only (for 2007 and 2008 administrations only). | Within the California Standards Tests (CST) testing window each year for 2007 and 2008 administrations only |
| 3.5 Component Task 5 Electronic Item Bank, Data Management, and Documentation | • Delivered to the CDE all test items in the item bank, including existing items as well those newly developed. | December 31 of each year |
| 3.6 Component Task 6 Item and Task Development | • Developed for all grades and subjects the number of test items agreed upon under the contract.  
• The minimum number of items developed were field-tested and have adequate technical characteristics, as defined in the contract, to be used on operational tests.  
• A review of the scaling and equating processes showed them to meet or exceed industry standards.  
• The performance level settings generated results for all content areas and performance levels were reported to schools, districts, counties, and the state. | December 31 of each year  
December 31 of each year |
| 3.7 Component Task 7 Test Form, Test Booklet, and Answer Document Construction | • Test forms conformed to industry standards and Universal Design principles.  
• Answer documents allowed for demographic and identification data required by statute and regulations. | March 31 of each year  
March 31 of each year |
<table>
<thead>
<tr>
<th>COMPONENT TASK</th>
<th>CRITERIA</th>
<th>COMPLETION DATE SPECIFIED IN AGREEMENT</th>
</tr>
</thead>
</table>
| 3.8 Component Task 8 Pre-Identification and Ordering | • Pre-identification data were processed in a timely manner to LEAs.  
  • All orders were processed and were processed in a timely manner.                                                                                                                                     | • December 31 of each year  
  • December 31 of each year |
| 3.9 Component Task 9 Test Materials Production and Packaging | • All test materials required for the program were produced on time in quantities sufficient for conducting the annual STAR testing in all districts, with no more than 0.5 percent printing or collating errors reported.  
  • The CDE received copies of all tests materials.                                                                                                                                                    | • September 30, 2007 and each subsequent year  
  • February 15 of each year |
| 3.10 Component Task 10 Delivery and Collection of Test Materials | • Test materials were delivered to and retrieved from districts within the regulatory time and by the statutory limit.                                                                                                                                                  | • September 30, 2007 and each subsequent year |
| 3.11 Component Task 11 Test Processing, Scoring, and Analysis | • All tests were correctly processed and scored within timelines specified in this scope of work.  
  • Data analysis was completed as specified.  
  • Mark Discrimination Report delivered to CDE (for 2007 and 2008 administrations only).  
  • Returned materials reports were delivered to the CDE.  
  • Demographic edit reports were delivered to the CDE.                                                                                                                                                  | • August 31, 2007 and each subsequent year  
  • August 31, 2007 and each subsequent year  
  • August 31, 2007 and each subsequent year (for 2007 and 2008 administrations only).  
  • September 30, 2007 and each subsequent year  
  • Biweekly June through September of each year |
<p>| 3.12 Component Task 12 Reporting Test Results to LEAs | • Accurate and complete reports of test results as required in statute were provided to all LEAs.                                                                                                                                                                     | • No later than August 8 of each year or within five weeks of receipt of processable answer documents or |</p>
<table>
<thead>
<tr>
<th>COMPONENT TASK</th>
<th>CRITERIA</th>
<th>COMPLETION DATE SPECIFIED IN AGREEMENT</th>
</tr>
</thead>
</table>
| 3.13 Component Task 13 Reporting Test Results to CDE | • Accurate state-level reports of test results were provided to the CDE.  
• Complete and accurate Internet files were posted within statutory timelines, including results for all students and all subgroups. | • Preliminary complete files by August 8 of each year  
• Final files by November 8 of each year |
| 3.14 Component Task 14                 | • Annual Technical Report was received by the CDE.  
• Data files to use for apportionment purposes were received by the CDE. | • December 31 of each year  
• September 1 of each year |
Standardized Testing and Reporting Program
Process for Determination of Successful Completion
of Component Tasks

California *Education Code* Section 60643 requires:

- The California Department of Education (CDE) to withhold no less than 10 percent of the amount budgeted for each separate and distinct component task provided for in the Standardized Testing and Reporting (STAR) Program contract pending final completion of all component tasks.

- The STAR contract to establish the process and criteria by which the successful completion of each component task will be recommended by the CDE and approved by the State Board of Education (SBE).

The approved STAR contract is the result of a collaborative process involving SBE staff, the SBE testing liaisons, the CDE, and Educational Testing Service (ETS). It includes the following contract provisions regarding the annual determination of successful completion of component tasks:

- On or before the annual November SBE meeting, the CDE shall present to the SBE for its consideration a recommendation regarding the performance of ETS for the SBE’s initial determination as to whether ETS has substantially complied with the terms and conditions of the agreement with the CDE.

- The criteria by which the CDE will recommend SBE adoption to determine successful completion of each component task for payment of the final 10 percent are set forth in Attachment 1.

- Once the SBE has determined that ETS has successfully completed a component task, the 10 percent withheld from invoices for the component task for the prior fiscal year may be released by the CDE.

- In the event that the SBE determines that ETS has not substantially complied with the terms and conditions of the agreement with the CDE, the SBE shall, within ten days of its determination, notify ETS and the CDE, in writing, of which component tasks the SBE has determined that ETS allegedly has failed to substantially perform; and a description of the failure shall be included. ETS shall submit an invoice for all tasks that are not set forth in the notice, and the invoice shall be paid within 30 days of receipt. ETS shall have ten days from receipt of the notice to respond in writing, and the response shall be promptly circulated to the CDE and each member of the SBE.

- At its next scheduled meeting, the SBE shall offer the CDE and ETS an opportunity to make any final oral presentation to the SBE regarding the alleged failures. At the same meeting, the SBE shall decide which component tasks, if any, ETS has failed to complete. ETS shall invoice the CDE for the remaining amount due to ETS, and the invoice shall be paid within 30 days of receipt.
The California Department of Education (CDE) recommends releasing a total of $5,343,711.10 from funds withheld during the 2013 test administration.

<table>
<thead>
<tr>
<th>Component Task</th>
<th>Total 2013 Administration Budget</th>
<th>Amount Paid/To Be Paid from Progress Payments*</th>
<th>10 Percent Withhold Pending Release</th>
<th>Recommend Release</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Comprehensive Plan</td>
<td>$929,629</td>
<td>$836,666.10</td>
<td>$92,962.90</td>
<td>$92,962.90</td>
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<tr>
<td>2 Program Support</td>
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<td>$3,527,917.20</td>
<td>$391,990.80</td>
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<td>3 Test Security Measures</td>
<td>$55,000</td>
<td>$49,500.00</td>
<td>$5,500.00</td>
<td>$5,500.00</td>
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<tr>
<td>4 Norm-referenced Test (eliminated in 2009)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>5 Item Bank/Data Management/Documentation</td>
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<td>$396,819.00</td>
<td>$44,091.00</td>
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<td>6 Item and Task Development</td>
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<td>$2,805,190.20</td>
<td>$311,687.80</td>
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<tr>
<td>7 Test Form/Test Booklet/Answer Document</td>
<td>$4,401,925</td>
<td>$3,961,732.50</td>
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<td>$1,441,897.20</td>
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<td>$160,210.80</td>
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<td>12 Reporting Results to Local Educational Agencies (LEAs)</td>
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<td>14 Technical Report/Other Reports/Analyses</td>
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<td>$231,439.50</td>
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<tr>
<td>Totals</td>
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<td>$48,093,399.90</td>
<td>$5,343,711.10</td>
<td>$5,343,711.10</td>
</tr>
</tbody>
</table>

*Pending completion of all contract component tasks for the 2013 test administration through December 2013.
ITEM 19
CALIFORNIA STATE BOARD OF EDUCATION

NOVEMBER 2013 AGENDA

SUBJECT

Approval of the Charter School Numbers Assigned to Newly Established Charter Schools.

SUMMARY OF THE ISSUE(S)

The State Board of Education (SBE) is responsible for assigning a number to each approved charter petition. The California Department of Education (CDE) staff presents this routine request for assignment of charter numbers as a standard action item.

RECOMMENDATION

The California Department of Education (CDE) recommends that the State Board of Education (SBE) assign charter numbers to the charter schools identified on the attached list.

BRIEF HISTORY OF KEY ISSUES

Since the charter school law was enacted in 1992, the SBE has assigned numbers to 1,603 charter schools, including some approved by the SBE after denial by local educational agencies. Separate from that numbering system, eight all-charter districts that currently serve a total of 18 school sites, have been jointly approved by the State Superintendent of Public Instruction and the SBE.

California Education Code (EC) Section 47602 requires the SBE to assign a number to each charter school that has been approved by a local entity in the chronological order in which it was received. This numbering ensures that the state stays within a statutory cap on the total number of charter schools authorized to operate. The cumulative statutory cap of the fiscal year 2012–13 is 1,650. The statutory cap is not subject to waiver.

The charter schools listed in Attachment 1 were recently approved by local boards of education as noted. Copies of the charter petitions are on file in the Charter Schools Division.
SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

The SBE is responsible for assigning a number to each approved charter petition. CDE staff presents this routine request for assignment of charter numbers as a standard action item.

FISCAL ANALYSIS (AS APPROPRIATE)

There is no fiscal impact to the state resulting from the assignment of numbers to recently authorized charter schools.

ATTACHMENT(S)

Attachment 1: Assignment of Numbers for Charter School Petitions (1 page)
<table>
<thead>
<tr>
<th>Number</th>
<th>Charter Name</th>
<th>County</th>
<th>Authorizing Entity</th>
<th>Charter School Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1605</td>
<td>Fenton STEM Academy: Elementary Center for Science, Technology, Engineering and Math</td>
<td>Los Angeles</td>
<td>Los Angeles Unified School District</td>
<td>Stacy Carroll Hutter 11828 Gian Street Lake View Terrace, CA 91342</td>
</tr>
<tr>
<td>1606</td>
<td>California Virtual Academy @ Sutter</td>
<td>Sutter</td>
<td>Meridian Elementary School District</td>
<td>Katrina Abston 2360 Shasta Way, Suite A Simi Valley, CA 93065</td>
</tr>
<tr>
<td>1607</td>
<td>Stanislaus Alternative Charter School</td>
<td>Stanislaus</td>
<td>Stanislaus County Office of Education</td>
<td>Scott Kuykendall 1100 H Street Modesto, CA 95354</td>
</tr>
<tr>
<td>1608</td>
<td>KIPP Heritage Academy</td>
<td>Santa Clara</td>
<td>Franklin-McKinley School District</td>
<td>Amy Tran 1250 South King Road San Jose, CA 95122</td>
</tr>
<tr>
<td>1609</td>
<td>KIPP Prize Preparatory Academy</td>
<td>Santa Clara</td>
<td>Alum Rock Union Elementary School District</td>
<td>Autumn Zangrilli 1250 South King Road San Jose, CA 95122</td>
</tr>
<tr>
<td>1610</td>
<td>Yosemite-Wawona Elementary Charter School</td>
<td>Mariposa</td>
<td>Bass Lake Joint Union Elementary School District</td>
<td>Michelle Stauffer P.O. Box 2068 Wawona, CA 95389</td>
</tr>
<tr>
<td>1611</td>
<td>Rowland Heights Charter Academy</td>
<td>Los Angeles</td>
<td>Rowland Unified School District</td>
<td>Carl Christoff 1127 Otterbein Avenue Rowland Heights, CA 91748</td>
</tr>
<tr>
<td>1612</td>
<td>Grace Hopper STEM Academy</td>
<td>Los Angeles</td>
<td>Inglewood Unified School District</td>
<td>Dr. Gale L. Pauley 601 Grace Avenue Inglewood, CA 90301</td>
</tr>
</tbody>
</table>
ITEM 20
SUBJECT

Approval of 2013–14 Consolidated Applications.

SUMMARY OF THE ISSUE(S)

Each local educational agency (LEA) must submit a complete and accurate Consolidated Application for Funding (ConApp) each fiscal year in order for the California Department of Education (CDE) to send funding to LEAs for any or all of the categorical funds contained in the ConApp for which they are eligible. The ConApp is the annual fiscal companion to the LEA Plan. The State Board of Education (SBE) is asked to annually approve ConApps for approximately 1,600 school districts, county offices of education, and direct-funded charter schools.

RECOMMENDATION

The CDE recommends that the SBE approve the 2013–14 ConApps submitted by LEAs in Attachment 1.

BRIEF HISTORY OF KEY ISSUES

Each year, the CDE, in compliance with California Code of Regulations, Title 5, Section 3920, recommends that the SBE approve applications for funding Consolidated Categorical Aid Programs submitted by LEAs. Prior to receiving funding, the LEA must also have a SBE-approved LEA Plan that satisfies the SBE’s and CDE’s criteria for utilizing federal and state categorical funds.

Approximately $2.9 billion of state and federal funding is distributed annually through the ConApp process. The 2013–14 ConApp consists of six federal-funded programs and only one state-funded program. The state funding source is Economic Impact Aid carryover (which is used for State Compensatory Education and/or English learners). The federal funding sources include:
• Title I, Part A Basic Grant (Low Income);
• Title I, Part D (Delinquent);
• Title II, Part A (Teacher Quality);
• Title III, Part A (Immigrant);
• Title III, Part A (Limited English Proficient Students); and
• Title VI, Part B (Rural, Low-Income).

The CDE recommends regular approval of the 2013–14 ConApp for the 5 LEAs in Attachment 1. Attachment 1 also includes ConApp entitlement figures from school year 2012–13 because the figures for 2013–14 have not yet been determined. Fiscal data are absent if an LEA is new or is applying for direct funding for the first time.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

To date, the SBE has approved 2013–14 ConApps for 1,567 LEAs. Attachment 1 represents the second set of 2013–14 ConApps presented to the SBE for approval.

FISCAL ANALYSIS (AS APPROPRIATE)

The CDE provides resources to track the SBE approval status of the ConApps for approximately 1,600 LEAs. The cost to track the noncompliant status of LEAs related to programs within the ConApp is covered through a cost pool of federal funds and Economic Impact Aid carryover funds. CDE staff communicates with LEA staff on an ongoing basis to determine the evidence needed to resolve issues, reviews the evidence provided by LEA staff, and maintains a tracking system to document the resolution process.

ATTACHMENT(S)

Attachment 1: Consolidated Applications List (2013–14) - Regular Approvals (1 page)
**Consolidated Applications List (2013–14) – Regular Approvals**

The following local educational agencies have submitted a correct and complete Consolidated Application (ConApp), Spring Release, and have no compliance issues or are making satisfactory progress toward resolving one or two noncompliant issues that are less than 365 days. The California Department of Education (CDE) recommends regular approval of these applications.

<table>
<thead>
<tr>
<th>CDS Code</th>
<th>Local Educational Agency Name</th>
<th>Total 2012–13 ConApp Entitlement</th>
<th>2012–13 Total Entitlement Per Student</th>
<th>Total 2012–13 Title I Entitlement</th>
<th>2012–13 Entitlement Per Free and Reduced Lunch K-12 Student</th>
<th>2012–13 Percent At or Above Proficiency - Language Arts (APR)</th>
<th>2012–13 Percent At or Above Proficiency – Math (APR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3166779000000</td>
<td>Alta-Dutch Flat Union Elementary</td>
<td>$42,397</td>
<td>$451</td>
<td>$26,568</td>
<td>$902</td>
<td>66.2</td>
<td>64.1</td>
</tr>
<tr>
<td>5476836000000</td>
<td>Exeter Unified</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1964584000000</td>
<td>Gorman Elementary</td>
<td>$10,326</td>
<td>$103</td>
<td>$0</td>
<td>$169</td>
<td>36.8</td>
<td>51.3</td>
</tr>
<tr>
<td>4970847000000</td>
<td>Old Adobe Union</td>
<td>$442,507</td>
<td>$262</td>
<td>$156,048</td>
<td>$593</td>
<td>57.5</td>
<td>57.3</td>
</tr>
<tr>
<td>4168981000000</td>
<td>Portola Valley Elementary</td>
<td>$54,157</td>
<td>$79</td>
<td>$14,201</td>
<td>$1,388</td>
<td>85.4</td>
<td>84.8</td>
</tr>
</tbody>
</table>

Total Number of LEAs in the report: 5
Total ConApp entitlement funds for districts receiving regular approval: $549,387
ITEM 21
California Department of Education
Executive Office
SBE-003 (REV. 09/2011)
dsisb-iad-nov13item01

California State Board of Education
November 2013 Agenda

Subject

Elementary and Secondary Education Act: Approval of Local Educational Agency Plans, Title I, Section 1112.

☐ Action
☐ Information
☐ Public Hearing

Summary of the Issue(s)

The Elementary and Secondary Education Act (ESEA) provides federal funding that may be available to local educational agencies (LEAs) (defined as districts, county offices of education, and direct-funded charter schools) for a variety of programs. Currently, four direct-funded charter schools submitted an LEA Plan as part of the application for ESEA funding. California Department of Education (CDE) program staff review LEA Plans for compliance with the requirements of ESEA before recommending approval to the State Board of Education (SBE).

Recommendation

The CDE recommends that the SBE approve four direct-funded charter school LEA Plans, listed in Attachment 1.

Brief History of Key Issues

The federal ESEA Section 1112(e)(2) states that the state educational agency (SEA) shall approve an LEA’s Plan if the SEA determines that the LEA’s Plan is designed to enable its schools to substantially help children meet the academic standards expected for all children. As a requirement for receiving federal funding sub-grants for ESEA programs, the local school board and the SBE must approve the original LEA Plan. Subsequent approval of revisions to LEA Plans is made by the local school board and kept on file with the original LEA Plan. The LEA Plan includes specific descriptions and assurances as outlined in the provisions included in ESEA.

The purpose of the LEA Plan is to develop an integrated, coordinated set of actions that LEAs will take to ensure that they meet certain programmatic requirements, including student academic services designed to increase student achievement and performance, coordination of services, needs assessments, consultations, school choice, supplemental services, services to homeless students, and others as required.
CDE program staff review LEA Plans for compliance with the requirements of the ESEA including evaluation of goals and activities designed to improve student performance in reading and mathematics; improve programs for English learner students; improve professional development and ensure the provision of highly qualified teachers; ensure that school environments are safe, drug-free, and conducive to learning; and promote efforts regarding graduation rates, dropout prevention, and advanced placement. If an LEA Plan lacks the required information, CDE program staff works with the LEA to ensure the necessary information is included in the LEA Plan before recommending approval.

Following initial CDE review and SBE approval, all LEAs are expected to annually review their Plans and update them as necessary. Any changes to the LEA Plan must be approved by an LEA’s local governing board.

**SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION**

Since the current LEA Plan process was developed in July 2003 as a requirement of the ESEA, the SBE has approved 1,701 LEA Plans.

**FISCAL ANALYSIS (AS APPROPRIATE)**

There is no fiscal impact to state operations.

**ATTACHMENT(S)**

Attachment 1: Direct-Funded Charter Schools Recommended for State Board of Education Approval (1 Page)

Attachment 2: Academic Performance for Direct-Funded Charter Schools Recommended for State Board of Education Approval of Local Educational Agency Plans (3 Pages)
Direct-Funded Charter Schools Recommended for State Board of Education Approval

<table>
<thead>
<tr>
<th>Local Educational Agency Name</th>
<th>County-District-School Code</th>
<th>Academic Performance Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelante Charter School of Santa Barbara</td>
<td>42-76786-6118202</td>
<td>See Attachment 2</td>
</tr>
<tr>
<td>Community School for Creative Education</td>
<td>01-10017-0123968</td>
<td>See Attachment 2</td>
</tr>
<tr>
<td>Peabody Charter School</td>
<td>42-76786-6045918</td>
<td>See Attachment 2</td>
</tr>
<tr>
<td>Valor Academy Charter High School</td>
<td>19-64733-0127894</td>
<td>None available, opened in September 2013</td>
</tr>
</tbody>
</table>
## Academic Performance for Direct-Funded Charter Schools Recommended for State Board of Education Approval of Local Educational Agency Plans

<table>
<thead>
<tr>
<th>LEA Name: Adelante Charter School of Santa Barbara</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDS CODE: 42-76786-6118202</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Metric</th>
<th>Schoolwide</th>
<th>African American or Black (not of Hispanic origin)</th>
<th>American Indian or Alaska Native</th>
<th>Asian</th>
<th>Filipino</th>
<th>Hispanic or Latino</th>
<th>Native Hawaiian or Pacific Islander</th>
<th>White (not of Hispanic origin)</th>
<th>Two or More Races</th>
<th>Socioeconomically Disadvantaged</th>
<th>English Learners</th>
<th>Students with Disabilities</th>
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</thead>
<tbody>
<tr>
<td>Met All Adequate Yearly Progress (AYP) Criteria</td>
<td>No, met 15 of 17</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>32.6</td>
<td>--</td>
<td>**</td>
<td>--</td>
<td>28.7</td>
<td>23.3</td>
<td>18.2</td>
</tr>
<tr>
<td>English-Language Arts</td>
<td>36.4</td>
<td>Yes (SH)</td>
<td>57.9</td>
<td>Yes (SH)</td>
<td>734</td>
<td>761</td>
<td>Yes (SH)</td>
<td>55.8</td>
<td>Yes (SH)</td>
<td>Yes (SH)</td>
<td>53.3</td>
<td>45.5</td>
</tr>
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<td>Met 2013 AYP Criteria?</td>
<td>Yes (SH)</td>
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<td>--</td>
<td>--</td>
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<td>--</td>
</tr>
<tr>
<td>Percent At or Above Proficient (89.2%)</td>
<td>--</td>
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<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Mathematics</td>
<td>36.4</td>
<td>Yes (SH)</td>
<td>57.9</td>
<td>Yes (SH)</td>
<td>734</td>
<td>761</td>
<td>Yes (SH)</td>
<td>55.8</td>
<td>Yes (SH)</td>
<td>Yes (SH)</td>
<td>53.3</td>
<td>45.5</td>
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<td>Met 2013 AYP Criteria?</td>
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<td>--</td>
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<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Percent At or Above Proficient (89.5%)</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
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<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Academic Performance Index (API)</td>
<td>734</td>
<td>761</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Indicates no data are available.**

**Indicates AYP criteria are not applied because there are too few students in this subgroup to be numerically significant.**

***Growth targets are 5 percent difference between the Base API and statewide target of 800. The 2013 API criteria for meeting federal AYP: a minimum “2013 Growth API” score of 740 OR “2012–13 Growth” of at least one point. SH = Passed by safe harbor: The school, LEA, or student group met the criteria for safe harbor, which is an alternate method of meeting the percent proficient (AMO) if a school, an LEA, or a student group shows progress in moving students from scoring at the below proficient level to the proficient level.
## Academic Performance for Direct-Funded Charter Schools Recommended for State Board of Education Approval
of Local Educational Agency Plans

| LEA Name: Community School for Creative Education  
CDS CODE: 01-10017-0123968 | Met All Adequate Yearly Progress (AYP) Criteria | English-Language Arts | Mathematics | Academic Performance Index (API) |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
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<td></td>
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<td>2013 Growth API</td>
<td>Met 2013 AYP Criteria?</td>
<td>Percent At or Above Proficient (89.5%)</td>
</tr>
<tr>
<td>Schoolwide</td>
<td>No, met 2 of 4</td>
<td></td>
<td>No</td>
<td>31.9</td>
</tr>
<tr>
<td>African American or Black</td>
<td>27.3</td>
<td>**</td>
<td>**</td>
<td>*</td>
</tr>
<tr>
<td>(not of Hispanic origin)</td>
<td>**</td>
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<tr>
<td>American Indian or Alaska</td>
<td>--</td>
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<td>**</td>
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<td>**</td>
<td>**</td>
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<td>**</td>
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<td>Hispanic or Latino</td>
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<td>White (not of Hispanic origin)</td>
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<td>**</td>
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<tr>
<td>Socioeconomically Disadvantaged</td>
<td>**</td>
<td>**</td>
<td>**</td>
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</tr>
<tr>
<td>Two or More Races</td>
<td>**</td>
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<td>**</td>
<td>**</td>
</tr>
<tr>
<td>English Learners</td>
<td>**</td>
<td>**</td>
<td>**</td>
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<tr>
<td>Students with Disabilities</td>
<td>**</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
</tbody>
</table>

-- Indicates no data are available.  
** Indicates AYP criteria are not applied because there are too few students in this subgroup to be numerically significant.  
***Growth targets are 5 percent difference between the Base API and statewide target of 800. The 2013 API criteria for meeting federal AYP: a minimum "2013 Growth API" score of 740 OR "2012–13 Growth" of at least one point.  
+ N/A means the data were not applicable, i.e., the school or LEA had fewer than 50 valid scores.
## Academic Performance for Direct-Funded Charter Schools Recommended for State Board of Education Approval of Local Educational Agency Plans

<table>
<thead>
<tr>
<th>LEA Name: Peabody Charter School</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDS CODE: 42-76786-6045918</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Met All Adequate Yearly Progress (AYP) Criteria</th>
<th>English-Language Arts</th>
<th>Mathematics</th>
<th>Academic Performance Index (API)</th>
</tr>
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<tr>
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<td>Percent At or Above Proficient (89.2%)</td>
<td>Met 2013 AYP Criteria?</td>
<td>Percent At or Above Proficient (89.5%)</td>
</tr>
<tr>
<td>Schoolwide</td>
<td>No, met 12 of 21</td>
<td>68.8</td>
<td>No</td>
</tr>
<tr>
<td>African American or Black (not of Hispanic origin)</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Asian</td>
<td>100.0</td>
<td>**</td>
<td>94.4</td>
</tr>
<tr>
<td>Filipino</td>
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<td>**</td>
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</tr>
<tr>
<td>Hispanic or Latino</td>
<td>46.0</td>
<td>No</td>
<td>59.1</td>
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<tr>
<td>Native Hawaiian or Pacific Islander</td>
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<td>White (not of Hispanic origin)</td>
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<td>90.0</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>**</td>
<td>**</td>
<td>**</td>
</tr>
<tr>
<td>Socioeconomically Disadvantaged</td>
<td>42.6</td>
<td>No</td>
<td>54.6</td>
</tr>
<tr>
<td>English Learners</td>
<td>36.7</td>
<td>No</td>
<td>49.4</td>
</tr>
<tr>
<td>Students with Disabilities</td>
<td>37.0</td>
<td>**</td>
<td>58.7</td>
</tr>
</tbody>
</table>

-- Indicates no data are available.

** Indicates AYP criteria are not applied because there are too few students in this subgroup to be numerically significant.

***Growth targets are 5 percent difference between the Base API and statewide target of 800. The 2013 API criteria for meeting federal AYP: a minimum “2013 Growth API” score of 740 OR “2012–13 Growth” of at least one point.
ITEM 22
SUMMARY OF THE ISSUE(S)

The state of California seeks to submit a waiver to the U.S. Department of Education (ED) to allow California and its School Improvement Grant (SIG) local educational agencies (LEAs) to carry over 100 percent of its fiscal year (FY) 2012 allocation until September 30, 2015. The FY 2012 allocation will be used for continuation grants in the 2014–15 school year (SY) as awarded through the FY 2010 competition conducted in the 2011–12 SY. Additionally, the state of California seeks to waive Section 421(b) of the General Education Provisions Act (GEPA) (the “Tydings Amendment”) as it affects the authority of California and its sub-recipients to obligate federal FY 2012 SIG funds until September 30, 2016.

RECOMMENDATION

The California Department of Education (CDE) recommends that the State Board of Education (SBE) authorize SBE President Michael W. Kirst, in consultation with State Superintendent of Public Instruction Tom Torlakson, to approve California’s request to the ED for a waiver to allow California and its SIG LEAs to carry over 100 percent of FY 2012 funds until September 30, 2015. The carry-over funds may be used for SIG Cohort 2, Year 3 continuation grants awarded through competition to begin implementation in the 2011–12 SY. The draft letter to Deborah Delisle, Assistant Secretary, is provided as Attachment 1. The letter also includes a request to waive Section 421(b) of the GEPA as it affects the authority of California and its sub-recipients to obligate federal FY 2012 SIG funds until September 30, 2016.

BRIEF HISTORY OF KEY ISSUES

On September 20, 2011, the ED approved California’s request to carry over FY 2010 SIG funds and to award those funds to Cohort 2 LEAs through a competition conducted during the 2011–12 SY. In particular, pursuant to Section 9401 of the Elementary and Secondary Education Act, the ED granted a waiver of Section 421(b) of the GEPA (20
United States Code Section 1225[b]) to extend the period of availability of California's FY 2010 SIG funds to September 30, 2013, with the following conditions:

1. After receiving its FY 2011 and FY 2012 SIG funds, respectively, California will request waivers to extend the periods of availability of those funds until September 30, 2014, and September 30, 2015, respectively, so that those funds may be used for continuation grants for the FY 2010 funds awarded through the competition conducted in the 2011–12 SY.

2. California will not combine its FY 2012 SIG funds with its FY 2011 to make larger awards, or to award grants to a greater number of LEAs for a greater number of schools, through the competition conducted in the 2011–12 SY.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

At its July 2012 meeting, the SBE took action to approve a waiver request to carry over 100 percent of the FY 2011 SIG allocation for awards beginning in the 2013–14 SY. A copy of the ED’s approval of the SIG Waiver and its conditions is provided as Attachment 2.

FISCAL ANALYSIS (AS APPROPRIATE)

The SIG funds were anticipated to provide LEAs with grants ranging from $50,000 to $2 million per school per year. A maximum of $69 million is available under Section 1003(g) for FY 2010. If the waiver is approved, the $63 million in FY 2011 funds will be used to make Year 2 only awards of a three-year grant, with the continuation award in Year 3 coming from the FY 2012 appropriation.

ATTACHMENT(S)

Attachment 1: DRAFT November 7, 2013, letter from Tom Torlakson, State Superintendent of Public Instruction, California Department of Education, and Michal W. Kirst, President, California State Board of Education, regarding California’s School Improvement Grant Waiver to carry over 100 percent of FY 2012 SIG Allocation and its conditions (2 pages)

Attachment 2: December 19, 2012, letter from Deborah Delisle, Assistant Secretary, Office of Elementary and Secondary Education, U.S. Department of Education, approving the California Department of Education waiver to extend period of availability for California’s fiscal year 2011 School Improvement Grant (1 Page)
Dear Assistant Secretary Delisle:

The state of California hereby submits for your consideration a waiver to allow California and its School Improvement Grant (SIG) local educational agencies (LEAs) to carry over 100 percent of its fiscal year (FY) 2012 allocation until September 30, 2015. The FY 2012 allocation will be used for continuation grants in the 2014–15 school year (SY) as awarded through the FY 2010 competition conducted in the 2011–12 SY. Additionally, the state of California requests to waive Section 421(b) of the General Education Provisions Act (the “Tydings Amendment”) as it affects the authority of California and its sub-recipients to obligate federal FY 2012 SIG funds until September 30, 2016.

The State is requesting this waiver as a result of the delayed implementation of California’s SIG Cohort 2. SIG Cohort 2 started pre-implementation in the 2011–12 SY, with full implementation beginning in the 2012–13 SY. The FY 2012 funds, which are intended to fund Year 3 of this cohort, expire on September 30, 2013. The extended authority to carry-over and obligate these funds would enable the State to award Year 3 continuation awards to its sub-recipients as well as provide the additional period of 12 months for obligation under the “Tydings Amendment.”

Prior to submitting this waiver request, California provided all schools in the state that are eligible to receive a SIG grant, as well as the public, with notice and a reasonable opportunity to comment on this request. California provided such notice by posting a public item on the November 2013 Agenda for the California State Board of Education (SBE). Refer to Item 22 on the SBE Agenda for November 2013 Web page at http://www.cde.ca.gov/be/ag/ag/yr13/agenda201311.asp. The State received __ public comments regarding this issue.
If you have any questions regarding this subject, please contact Deborah V.H. Sigman, Deputy Superintendent, District, School, and Innovation Branch, by phone at 916-319-0812 or by e-mail at dsigman@cde.ca.gov.

Sincerely,

Tom Torlakson
State Superintendent of Public Instruction
California Department of Education

Michael W. Kirst
President
California State Board of Education

TT/MK:mm
The Honorable Tom Torlakson  
State Superintendent of Public Instruction  
California State Board of Education  
1430 N Street  
Sacramento, CA 95814-5901

Dear Superintendent Torlakson:

I am writing in response to California’s request for a waiver to extend the period of availability of fiscal year (FY) 2011 School Improvement Grants (SIG) program funds authorized under Section 1003(g) of the Elementary and Secondary Education Act of 1965 (ESEA) and made available under Public Law 111-161, the Department of Education Appropriations Act, 2010. Under Section 421(b) of the General Education Provisions Act (GEPA) (20 U.S.C. § 1225(b)) (also known as the “Tydings Amendment”), whereby FY 2011 SIG funds must be obligated by September 30, 2013.

After reviewing the information provided by California in support of its waiver request, I am granting a waiver of Section 421(b) of GEPA to extend the period of availability for California’s FY 2011 SIG allocation until September 30, 2014. I am approving this waiver because it will allow California to use its FY 2011 funds as continuation grants for the local education agencies (LEAs) funded during the competition conducted in 2011-12 school year.

This waiver is granted on the following conditions:

- California will require each local education agency (LEA) that receives the SIG FY 2011 funds to expend them in accordance with the final requirements for the SIG program (75 Fed. Reg. 66363 (Oct. 28, 2010));
- California will not combine its FY 2011 SIG funds with its FY 2010 SIG funds to make larger awards, and will use FY 2011 funds for second year awards to schools that received FY 2010 SIG funds for the first year of implementation; and
- After receiving its FY 2012 SIG funds, California will request a waiver to extend the period of availability of those funds until September 30, 2015.

I appreciate the work you are doing to improve California’s lowest-performing schools and to provide a high-quality education for all of its students. If you have any questions, please contact Janine Rudder at janine.rudder@ed.gov or Carlas McCauley at carlas.mccauley@ed.gov.

Sincerely,

Deborah S. Delisle

cc: Christine Swenson

www.ed.gov

400 MARYLAND AVE., SW, WASHINGTON, DC 20202

The Department of Education’s mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.
Dear Superintendent Torlakson,

I am writing in response to California’s request for a waiver to extend the period of availability of fiscal year (FY) 2011 School Improvement Grants (SIG) programs funds authorized under Section 1003(g) of the Elementary and Secondary Education Act of 1965 (ESEA) and made available under Public Law 111-161, the Department of Education Appropriations Act, 2010. Under Section 421(b) of the General Education Provisions Act (GEPA) (20 U.S.C. § 1225(b)) (also known as the “Tydings Amendment”), whereby FY 2011 SIG funds must be obligated by September 30, 2013.

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Sincerely,

/s/

Deborah S. Delisle

cc: Christine Swenson

Questions: State Board of Education | 916-319-0827

Last Reviewed: Friday, October 25, 2013
ITEM 23
### SUBJECT

Revisions to the *California School Accounting Manual*

| ☒ Action |
| ☒ Information |
| ☐ Public Hearing |

### SUMMARY OF THE ISSUE(s)

California *Education Code* Section 41010 provides that the accounting system used to record the financial affairs of school districts shall be in accordance with the *California School Accounting Manual* (CSAM) as approved by the State Board of Education (SBE). The California Department of Education (CDE) updates CSAM periodically to reflect changes such as new accounting pronouncements or legislative actions. Since CSAM was last updated, there have been several important changes affecting school district accounting and financial reporting. These have been disseminated to users through meetings and by letter, and must now be incorporated into the manual.

Changes to the accounting manual relating to the new Local Control Funding Formula (LCFF) have not yet been established and are not reflected in these revisions. Changes relating to the LCFF will be determined subsequent to the SBE’s adoption of regulations and templates as required by the LCFF, and will be brought separately to the SBE as a future item.

### RECOMMENDATION

The CDE requests that the SBE approve the proposed revisions to the CSAM.

### BRIEF HISTORY OF KEY ISSUES

The CDE is responsible for providing clear, consistent, and current advice and direction to local educational agencies (LEAs) on matters relating to budgeting, accounting, financial reporting, and fiscal solvency.
Changes necessitating revisions to CSAM include modifications to the standardized account code structure (SACS) codes, recent Governmental Accounting Standards Board (GASB) pronouncements, and legislative actions affecting administration of federal and state educational programs.

This update of the CSAM includes changes and additions relating to:

1) Recent accounting pronouncements, primarily GASB Statements 63 and 65.
2) Changes in federal and state program requirements.
3) Clarification of guidance in response to inquiries from LEAs.

The CDE formulates its guidance with input from school district and county office of education representatives including the External Services Subcommittee, a subcommittee of the California County Superintendents Educational Services Association; the SACS Forum, a group of LEA staff and auditors with whom the CDE meets periodically; and smaller working groups of subject-matter experts. All of the significant updates in the proposed revisions have been disseminated previously through meetings and by letter.

The CSAM has 61 procedures, of which 22 were updated along with Appendix B and the Glossary. A summary of the proposed changes is provided as Attachment 1. The CSAM procedures containing the changes are provided as Attachments 2-25.

Note that italics in the attached documents indicate optional codes or emphasized items; they do not indicate changes. Also note that due to the inclusion of board agenda headers, some formatting or page breaks appear differently in the attachments than they will appear in the published manual. Any editing changes made subsequent to the SBE’s approval will be non-substantive.

SUMMARY OF PREVIOUS STATE BOARD OF EDUCATION DISCUSSION AND ACTION

The SBE last approved revisions to the CSAM in September 2011.

FISCAL ANALYSIS (AS APPROPRIATE)

The updated CSAM sections, as well as the complete CSAM, will be available for download from the CDE’s Web site at no charge.

ATTACHMENT(S)

Attachment 1: Summary of Proposed Changes (5 pages)
Attachment 2: Procedure 101, Governmental Accounting (6 pages)
Attachment 3: Procedure 205, The Accounting Cycle (10 pages)
Attachment 4: Procedure 215, Audit Adjustments (14 pages)
Attachment 5: Procedure 305, Fund Classification (22 pages)
Attachment 6: Procedure 310, Resource (Project/Reporting) Classification (20 pages)
Attachment 7: Procedure 315, Project Year Classification (2 pages)
Attachment 8: Procedure 330, Object Classification (58 pages)
Attachment 9: Procedure 340, Valid Account Code Combinations (6 pages)
Attachment 10: Procedure 345, Illustrations Using the Account Code Structure (6 pages)
Attachment 11: Procedure 420, Prepaid Expenditures (4 pages)
Attachment 12: Procedure 430, Capital Assets (8 pages)
Attachment 13: Procedure 465, Liability for Compensated Absences in Governmental Funds (2 pages)
Attachment 14: Procedure 510, Recognition of Common Revenue Sources (4 pages)
Attachment 15: Procedure 605, Balance Sheet Accounts – Coding Examples (4 pages)
Attachment 16: Procedure 620, Forest Reserve Funds – Coding Examples (4 pages)
Attachment 17: Procedure 630, Technology – Coding Examples (8 pages)
Attachment 18: Procedure 710, Capital Leases (4 pages)
Attachment 19: Procedure 750, Pass-Through Grants and Cooperative Projects (10 pages)
Attachment 20: Procedure 765, Recognition of Legal Obligations in Reporting for Federal Grants (2 pages)
Attachment 21: Procedure 780, Consolidation of NCLB Administrative Funds (6 pages)
Attachment 22: Procedure 810, Charter Schools (12 pages)
Attachment 23: Procedure 905, Documenting Salaries and Wages (28 pages)
Attachment 24: Appendix B, Normal Balances of Balance Sheet Accounts (3 pages)
Attachment 25: Glossary (18 pages)
<table>
<thead>
<tr>
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| Various procedures | • Non-substantive edits for punctuation, clarity, or consistency.  
| | • Note: Changes relating to the new Local Control Funding Formula have not yet been established and are not reflected in these revisions. |
| 101 – Governmental Accounting | • Changed “net assets” to “net position” in accordance with GASB Statement 63. |
| 205 – The Accounting Cycle | • Changed “deferred revenue” to “unearned revenue” in accordance with GASB Statement 65. |
| 215 – Audit Adjustments | • Changed “deferred revenue” to “unearned revenue” in accordance with GASB Statement 65. |
| 305 – Fund Classification | • Deleted reference to a reserve for cafeteria equipment per Education Code Section 38102 which was repealed because it conflicted with federal program regulations. |
| 310 – Resource (Project/Reporting) Classification | • Changed “deferred revenue” to “unearned revenue” in accordance with GASB Statement 65.  
| | • Revised the designation used to indicate whether carryover in a resource is classified as unearned revenue, rather than fund balance, from “D” to “U” to reflect the change of terminology from “deferred revenue” to “unearned revenue.”  
| | • Added new resource codes established since the last time the manual was published.  
| | • Added ending dates for newly obsolete resource codes indicating the final year for which funds were available.  
| | • Deleted outdated resource codes.  
| | • Corrected typographical error in the Revenue Object used with Resource 3318.  
| | • Deleted unnecessary alpha characters in some CFDA codes. |
| 315 – Project Year Classification | • Changed “deferred revenue” to “unearned revenue” in accordance with GASB Statement 65.  
| | • Changed type of grant used in example to make example more generic.  
| | • Updated project years used in example to make example more current. |
| 330 – Object Classification | • Modified range of Asset accounts from 9100—9499 to 9100—9489.  
| | • Modified range of Capital Asset accounts from 9400—9499 to 9400—9489, and added notation that capital asset accounts are not used in governmental funds.  
| | • Added new range of Deferred Outflows of Resources accounts |
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<table>
<thead>
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<tr>
<td>9490—9499</td>
<td>9490—9499 in accordance with GASB Statement 63.</td>
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<tr>
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<td>• Modified range of Liability accounts from 9500—9699 to 9500—9689.</td>
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<td>• Added new range of Deferred Inflows of Resources accounts 9690—9699 in accordance with GASB Statement 63.</td>
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<td>• Changed title of account range Fund Balance/Net Assets 9700—9799 to Fund Balance/Net Position in accordance with GASB Statement 63.</td>
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<td>• Object 6400, Equipment – Modified definition to clarify that training is not included in the acquisition cost of computer software to be capitalized, in accordance with GASB Statement 51.</td>
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<td>• Object 8012, Education Protection Account State Aid—Current Year – Added new object code.</td>
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<td>• Object 8019, Revenue Limit State Aid—Prior Years – expanded definition to include prior year amounts for the new Education Protection Account State Aid.</td>
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<td>• Object 8047, Community Redevelopment Funds – clarified and expanded definition to include new residual distributions and other revenues from redevelopment agency asset liquidation.</td>
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<tr>
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<td>• Object 8625, Community Redevelopment Funds Not Subject to Revenue Limit Deduction – updated Education Code citation and made minor edits to definition for clarity.</td>
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<td>• Object 9490, Deferred Outflows of Resources – Added new object code in accordance with GASB Statement 65, and added new object range 9491–9499, Deferred Outflows of Resources—Locally Defined.</td>
</tr>
<tr>
<td></td>
<td>• Object 9650, Deferred Revenue – Changed title to Unearned Revenue in accordance with GASB Statement 65, and revised definition for clarity.</td>
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<tr>
<td></td>
<td>• Object 9690, Deferred Inflows of Resources – Added new object code in accordance with GASB Statement 65, and added new object range 9691–9699, Deferred Inflows of Resources—Locally Defined.</td>
</tr>
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<td>• Object 9790, Unassigned / Unappropriated – Changed title to Unassigned / Unappropriated / Unrestricted Net Position in accordance with GASB Statement 63, and expanded definition to describe how Unrestricted Net Position is used in proprietary</td>
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## California School Accounting Manual
### Summary of Changes
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**Object 9797, Restricted Net Assets** – Changed title to Restricted Net Position in accordance with GASB Statement 63, and expanded definition for clarity. |
| **340 – Valid Account Code Combinations** | Changed “deferred revenue” to “unearned revenue” in accordance with GASB Statement 65. |
| **345 – Illustrations Using the Account Code Structure** | Changed “deferred revenue” to “unearned revenue” in accordance with GASB Statement 65. |
| **420 – Prepaid Expenditures** | Changed “deferred revenue” to “unearned revenue” in accordance with GASB Statement 65. |
| **430 – Capital Assets** | Changed “net assets” to “net position” in accordance with GASB Statement 63. |
| **465 – Liability for Compensated Absences in Governmental Funds** | Changed “net assets” to “net position” in accordance with GASB Statement 63. |
| **510 – Recognition of Common Revenue Sources** | Changed “deferred revenue” to “unearned revenue” in accordance with GASB Statement 65.  
Modified discussion of carryover balances in categorical funds to clarify that the discussion is in the context of restricted funding. Modified discussion of categorical funds subject to fund balance to emphasize the principle that revenue is recognized in the period in which all eligibility requirements are met, one of which might be when a particular service is provided. |
| **605 – Balance Sheet Accounts—Coding Examples** | Changed “deferred revenue” to “unearned revenue” in accordance with GASB Statement 65. |
| **620 – Forest Reserve Funds** | Changed “buy” to “but” to correct typographical error. |
| **630 – Technology – Coding Examples** | Modified guidance to clarify that training is not included in the acquisition cost of computer software to be capitalized, in accordance with GASB Statement 51. |
| **710 – Capital Leases** | Changed “net assets” to “net position” in accordance with GASB Statement 63. |
| **750 – Pass-Through Grants and Cooperative Projects** | Changed “deferred revenue” to “unearned revenue” in accordance with GASB Statement 65. |
## Summary of Changes

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| **765 – Recognition of Legal Obligations in Reporting for Federal Grants** | • Changed “deferred revenue” to “unearned revenue” in accordance with GASB Statement 65, and modified related text consistent with that change.  
• Modified text to clarify that the guidance is based on federal regulations but is not a verbatim quote. |
| **780 – Consolidation of NCLB Administrative Funds** | • Deleted obsolete reference to Part II of the Consolidated Application.  
• Clarified language relating to administrative cost caps in response to questions from LEAs. |
| **810 – Charter Schools**                       | • Object 8012, Education Protection Account State Aid—Current Year – Added new object code.  
• Object 8480, Charter School Categorical Block Grant – inactivated pursuant to categorical program flexibility.  
• Object 8435, Class Size Reduction, Grade Nine – inactivated pursuant to categorical program flexibility.  
• Object 8540, Deferred Maintenance Allowance – inactivated pursuant to categorical program flexibility.  
• Object 8995, Categorical Education Block Grant Transfers – inactivated pursuant to categorical program flexibility.  
• Object 8998, Categorical Flexibility Transfers per Budget Act Section 12.40 – inactivated pursuant to categorical program flexibility.  
• Changed title of account range Fund Balance, Reserves 9700—9799 to Fund Balance / Net Position in accordance with GASB Statement 63.  
• Object 9790, Undesignated / Unappropriated Amount – Changed title to Unassigned / Unappropriated / Unrestricted Net Position in accordance with GASB Statement 63.  
• Object 9797, Restricted Net Assets – Changed title to Restricted Net Position in accordance with GASB Statement 63.  
• Object 9650, Deferred Revenue – Changed title to Unearned Revenue in accordance with GASB Statement 65. |
| **905 – Documenting Salaries and Wages**        | • Incorporated guidance contained in CDE’s April 9, 2013 letter to LEAs on the new substitute system for time accounting based on an employee’s predetermined schedule, as authorized by the United States Department of Education in |
### Summary of Changes

#### November 2013

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<tr>
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<td>addition to the substitute system based on sampling methods approved since 1998.</td>
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<td>• Replaced references to “semi-annual certification” with “periodic (semi-annual) certification” to address misconception that a periodic certification must necessarily be semi-annual. Federal guidance specifies that a periodic certification must be “at least semi-annual.”</td>
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<td>• Added a new sample certification form with sample employee schedule to illustrate the new guidance, and made minor wording changes to the previous sample certification forms.</td>
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<tr>
<td>Appendix B – Normal Balances of Balance Sheet Accounts</td>
<td>• Added Object 9490, Deferred Outflows of Resources, in accordance with GASB Statement 63.</td>
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<td>• Added Object 9690, Deferred Inflows of Resources, in accordance with GASB Statement 63.</td>
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<td>• Replaced “Improvements of Sites” with “Land Improvements” consistent with Procedure 330.</td>
</tr>
<tr>
<td>Glossary</td>
<td>• Changed “Deferred revenue to “Unearned revenue” in accordance with GASB Statement 65, and revised definition for clarity.</td>
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Procedure 101  Governmental Accounting

The accounting principles discussed in this section apply to school districts, county offices of education, joint powers agencies, and those charter schools that are governmental entities. Charter schools that are organized as not-for-profit public benefit corporations normally apply the accounting principles for not-for-profit entities, discussed in Procedure 810.

Generally Accepted Accounting Principles

The term generally accepted accounting principles refers to the standards, rules, and procedures that serve as the norm for the fair presentation of financial statements. Conformity with generally accepted accounting principles (GAAP) is essential for consistency and comparability in financial reporting.

The Governmental Accounting Standards Board (GASB) is the standard-setting body for accounting and financial reporting by state and local governments, including local educational agencies (LEAs). GASB establishes GAAP for governments in its authoritative statements, interpretations, and technical bulletins.

In cases for which no GASB pronouncement is applicable, other sources of GAAP include industry audit guides, Financial Accounting Standards Board (FASB) pronouncements that have been made specifically applicable to governments, practice bulletins, implementation guides, and accepted practices that are not addressed in authoritative standards but for which a degree of consensus exists among accounting professionals. In the authoritative hierarchy of GAAP, these other sources rank below GASB statements and interpretations.

Generally accepted accounting principles evolve continually in response to changes in the operating and reporting environments.

Governmental Accounting Principles

Principles for governmental accounting and financial reporting have evolved differently from principles for private-sector accounting and financial reporting because of the underlying differences between the governmental and private sector environments. These differences include the following:
Governmental Accounting

- Governments receive significant amounts of their resources from taxes, a process in which there is normally no direct relationship between the amount a taxpayer pays and the services that taxpayer receives, or from transfers from other levels of government, with no expectation of repayment or of economic benefit proportionate to the resources provided. By contrast, private-sector companies derive most of their revenues through essentially voluntary payments from customers in approximate proportion to the amount of goods or services the customer receives.
- The primary objective of most governmental activities is service to the public, not profit. The primary objective of private-sector companies is maximization of profits for owners or shareholders.
- Governments have a duty to demonstrate that they have complied with budgetary and other legal restrictions on the use of their resources. This duty is referred to as fiscal accountability.

There are three characteristics unique to governmental accounting and financial reporting:

- A special measurement focus and basis of accounting for governmental activities
- The use of fund accounting
- Budgetary reporting

These characteristics are discussed further in this and subsequent procedures.

Measurement Focus

Measurement focus refers to the types of transactions and events that are reported in an operating statement.

Accounting in governmental funds focuses on inflows and outflows of current financial resources. It emphasizes near-term increases and decreases of spendable resources consistent with the focus of the annual operating budget. The operating statement of a governmental fund, therefore, includes transactions and events that affect the fund's current financial resources, even though these transactions and events may have no effect on net position. Such transactions include the issuance of debt, repayment of debt, and capital outlay expenditures.

Accounting in proprietary and fiduciary funds focuses on increases and decreases in economic resources, much like accounting in private-sector businesses. It emphasizes the long-term effects of operations on the fund's
Procedure 101  Governmental Accounting

overall resources (i.e., its total assets and total liabilities). The operating statement of a proprietary fund includes only transactions and events that increase or decrease the fund's net position. The operating statement therefore does not include the issuance of debt, repayment of debt, or capital outlay expenditures because these do not increase or decrease net position. Changes to asset and liability accounts resulting from these transactions are, however, reflected in the proprietary fund's statement of net position.

Basis of Accounting

*Basis of Accounting* refers to the timing of when transactions and events are recognized in the accounting records and reported in the financial statements.

Cash Basis: Revenues are recorded when cash is received, and expenditures (or expenses) are recorded when cash is disbursed. LEAs never use the cash basis of accounting.

Modified Accrual Basis: Revenues are recognized in the period when they become available and measurable, and expenditures are recognized when a liability is incurred, regardless of when the receipt or payment of cash takes place. An exception is unmatured interest on general long-term debt, which is recorded when it is due. LEAs use the modified accrual basis in governmental funds.

Accrual Basis: Revenues are recorded when earned, and expenditures (or expenses) are recorded when a liability is incurred, regardless of when the receipt or payment of cash takes place. LEAs use the accrual basis in proprietary and fiduciary funds.

Revenue Recognition

In the modified accrual basis of accounting used for governmental funds, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. The term *available* means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period.

Generally, *available* is defined as collectible within 45, 60, or 90 days. However, to achieve comparability of reporting among California LEAs and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined *available* for LEAs as
collectible within one year. (Revenue recognition for specific revenue sources is discussed in Procedure 510.)

In the accrual basis of accounting used for proprietary funds, revenues are recognized as soon as they are earned.

LEAs receive revenue in one of two ways: (1) through exchange transactions, in which both parties exchange equal value, such as a contract for services; or (2) through nonexchange transactions, in which the LEA receives value without directly giving equal value in return, such as receipt of state apportionments, state or federal categorical grants, and local property taxes. Most revenues received by LEAs are the result of nonexchange transactions.

In governmental funds, recognition of revenues from exchange and exchange-like transactions occurs as soon as the exchange has occurred and the revenues become available.

Recognition of revenues from nonexchange transactions varies depending on the characteristics of the nonexchange transaction. GASB Statement 33, Accounting and Financial Reporting for Nonexchange Transactions, defines four classes of nonexchange transactions:

- **Derived tax revenue** results from assessments imposed by governments on exchange transactions. Examples include sales tax or income tax. Derived tax revenues are recognized in the period when the underlying exchange transaction occurs and the resources are available. Typically, LEAs do not assess taxes or directly receive derived tax revenues.

- **Imposed nonexchange revenue** results from assessments by governments on nongovernmental entities, including individuals, other than assessments on exchange transactions. Examples include ad valorem property taxes and fines. Generally, in modified accrual accounting, property tax revenues are recognized in the period for which they are assessed and become available. However, California's unique “Revenue Limit” funding formula for LEAs, in which property taxes are only a part, necessitates an exception to this rule. (See Procedure 510 for a discussion of the recognition of property taxes by California LEAs.)

- **Government-mandated nonexchange revenue** results from a government at one level providing resources to a government at another level, requiring the recipient to use the resources for a specific purpose. An example is the state apportionment for providing required educational services. Under modified accrual, government-mandated nonexchange revenue is recognized when...
Procedure 101  Governmental Accounting

all applicable eligibility requirements have been met and the resources are available.

- Voluntary nonexchange revenue results from legislative or contractual agreements, other than exchange transactions, entered into willingly by two or more parties. Examples are donations, grants, or entitlements entered into by an LEA through an application process. Under modified accrual accounting, voluntary nonexchange revenue is recognized when all applicable eligibility requirements have been met and the resources are available.

Generally accepted accounting principles (GAAP) require that when both parties to a nonexchange transaction are governments, recognition generally should be symmetrical. That is, until the provider government is required to recognize an expenditure or a liability, the recipient government should not recognize revenue or an asset. GAAP further requires that when the provider is a government, an appropriation is essential to make enabling legislation effective for a particular period of time. A government does not have a liability to transmit resources under a particular program, and a recipient does not have a receivable, unless an appropriation exists for that program.

Where statute allows or requires revenue recognition on a basis inconsistent with GAAP, LEAs should consult with their independent auditors. Depending on the materiality of the departure from GAAP, recognition of revenue on a basis inconsistent with GAAP could result in an audit adjustment or impact the opinion rendered by the auditor on the LEA's financial statements.

Policies for recognition of specific sources of revenue common to California LEAs are discussed in Procedure 510.

Financial Reporting

Traditionally, governmental financial reporting has focused on governmental fund financial statements, prepared on the modified accrual basis of accounting for governmental activities and the accrual basis of accounting for business-type activities. GASB Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, established a new governmental financial reporting model that integrates the traditional fund statements with a new set of consolidated government-wide financial statements prepared on the accrual basis of accounting.
**Procedure 101  Governmental Accounting**

Fund statements address fiscal accountability, and the government-wide statements address operational accountability. The two levels of financial reporting are intended to achieve greater accountability by governments and to enhance the understandability and usefulness of financial reports to allow users to make more informed economic, social, and political decisions.

The new GASB Statement 34 reporting model requires the following financial statements and related information:

- Management Discussion & Analysis (MD&A) as Required Supplementary Information
- Basic Financial Statements:
  - Government-wide Financial Statements
  - Fund Financial Statements
  - Notes to the Financial Statements
- Required Supplementary Information Other Than MD&A

The MD&A, Basic Financial Statements, and Required Supplementary Information other than MD&A represent the minimum standard for governmental financial reporting in conformity with GAAP.

California LEAs may, but are not required to, go beyond these minimum requirements and present a comprehensive annual financial report (CAFR). A CAFR has three sections. The introductory section provides general information on the LEA’s structure, services, and environment. The financial section includes the basic financial statements and required supplementary information described previously, together with information on individual funds and discretely presented component units not reported separately in the financial statements. The financial section may also be used to provide other supplementary information not required by GAAP. The statistical section contains trend and nonfinancial data useful in interpreting the basic financial statements.
Procedure 205 The Accounting Cycle

The accounting cycle is a set of procedures performed to keep track of and report the financial effects of economic transactions and events directly affecting the LEA’s operations and financial condition. The accounting cycle is also known as the accounting process.

Sequence of the Accounting Cycle

The accounting cycle consists of three phases: the recording phase, the summarizing and reporting phase, and the closing phase. This process is referred to as a cycle because the sequence is perpetually repeated. It consists of the following steps:

**Recording phase**—These steps are done throughout the year:

1. A source document is prepared or received for a transaction or event that has occurred. Source documents include items such as purchase orders, invoices, vouchers, checks, and receipts.

2. The transaction is analyzed to determine the fund to which it relates and to which it will be posted.

3. The transaction is analyzed to determine which object accounts within the fund are affected (e.g., cash, accounts receivable, accounts payable, revenue, expenditure) and its other identifying characteristics, such as the resource, goal, and function. The transaction will be double-entry and will result in an increase or a decrease in the balance of each account involved.

4. The transaction is recorded in the appropriate journal.

5. From the journal, the entries are posted to the appropriate accounts in the general ledger and, where applicable, in the subsidiary ledgers. At this point, the transactions are separated by fund as well as classified according to the different components of the standardized account code structure.

**Summarizing and reporting phase**—These steps are done periodically during the year and at the end of the year:

6. Account balances are computed, and a trial balance is prepared.

7. Adjusting entries are prepared in the journals and posted in the general ledger and, where applicable, in the subsidiary ledgers.
**Procedure 205**  
**The Accounting Cycle**

8. An adjusted trial balance is prepared.

9. Financial statements and other reports are prepared.

**Closing Phase**—These steps are done at the end of the year:

10. Nominal accounts are closed, and a post-closing trial balance is prepared.

11. As an optional step, reversing entries may be prepared at the beginning of the following year. Reversing entries are discussed later in this procedure.

**Budgetary Accounting**

In an LEA operation, as in any governmental operation, part of the cycle will include recording the adopted budget at the beginning of the year, modifying that budget during the year, and encumbering appropriations during the year. (Budgetary accounting entries are discussed in Procedure 210.)

**Source Documents**

Generally, a source document is generated when a transaction occurs. These documents are the original records of financial transactions. They provide detailed information about the transactions, such as the nature, date, and amount of the transaction and the parties involved. They are an integral part of the accounting system as they provide a means of verifying the data recorded in the books of accounts. No entry should be made in the books without a supporting source document.

Examples of source documents are the following:

- Adopted budget—the basis for recording the budget
- Checks and check stubs—the basis for cash disbursements
- Purchase invoices and receiving receipts—support for purchases
- Cash logs or similar records—support for cash receipts

**Analyzing Transactions**
Procedure 205  The Accounting Cycle

Before a transaction is recorded in the books, it must first be analyzed to determine which funds and accounts are affected by the transaction and how they are affected. Analyzing a transaction involves the following steps:

1. Identify which fund or funds are affected by the transaction.

2. Identify the accounts in the other five standardized account code structure (SACS) fields (resource, goal, project year, function, and object) that are involved in the transaction.

3. Determine whether each account combination increased or decreased to determine what will be debited and what will be credited.

4. Determine the amount by which each account combination was affected.

After this analysis, the accounting entry can be determined. To illustrate, assume the following three September transactions for a school district:

1. On September 15, the district received $100,000.00 from the California Department of Education for a No Child Left Behind (NCLB) grant under Title I, Part A, Basic Grants Low-Income and Neglected.

2. On September 23, it purchased $510.00 in office supplies.

3. On September 30, it paid teacher salaries of $15,000.00.

All these transactions affect Cash in County Treasury, as a result of receiving grant revenue and paying for office supplies and teachers’ salaries.

The following are three sample entries. For simplicity, only the object account is illustrated here; use of the full SACS account string is discussed in Procedure 301.
## Procedure 205  The Accounting Cycle

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>Object Code</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-15-xx</td>
<td>Cash in County Treasury</td>
<td>9110</td>
<td>100,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>All Other Federal Revenue</td>
<td>8290</td>
<td></td>
<td>100,000.00</td>
</tr>
</tbody>
</table>

To record the receipt of NCLB grant from CDE.

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>Object Code</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-23-xx</td>
<td>Materials and Supplies</td>
<td>4300</td>
<td>510.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash in County Treasury</td>
<td>9110</td>
<td></td>
<td>510.00</td>
</tr>
</tbody>
</table>

To record the purchase of office supplies.

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>Object Code</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-30-xx</td>
<td>Certificated Teachers' Salaries</td>
<td>1100</td>
<td>15,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash in County Treasury</td>
<td>9110</td>
<td></td>
<td>15,000.00</td>
</tr>
</tbody>
</table>

To record payment of teachers salaries for Sept. xxxx.

Note that Cash in County Treasury, an asset account, is debited for an increase and credited for a decrease; the revenue account is credited for an increase; and the expenditure accounts are debited for an increase. The table below shows how accounts are increased or decreased by debit and credit entries:

<table>
<thead>
<tr>
<th>To increase the account</th>
<th>Assets</th>
<th>Liabilities</th>
<th>Fund Balance</th>
<th>Revenues</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Debit</td>
<td>Credit</td>
<td>Credit</td>
<td>Credit</td>
<td>Debit</td>
</tr>
<tr>
<td>To decrease the account</td>
<td>Credit</td>
<td>Debit</td>
<td>Debit</td>
<td>Debit</td>
<td>Credit</td>
</tr>
</tbody>
</table>

The “To increase the account” row in this table shows the “normal” balance for an account (e.g., assets normally have a debit balance). A starting point to tell if an account balance is correct is to check if it has a normal balance.

### Recording Transactions in Journals

The entry determined from the analysis of a transaction will be recorded in the journals. The entries shown previously are in the form of a general journal entry, which shows the debit, credit, and explanation for each entry in addition to the date and amount. In actual practice, the entries may be entered in special journals, such as the cash receipts journal, the cash...
Procedure 205  The Accounting Cycle

disbursements journal, and the payroll journal. The entries made in the special journals will still have the debit and credit sides of the entries, although the formats of the journals vary.

In computerized systems, the data entered in the journals by the user may be just one side of the entry rather than both a debit and a credit because the system will automatically complete the opposite side of the entry. For example, in the cash receipts journal, the only data entered for a transaction might be the revenue received (the credit) and not the increase in cash (the debit). In posting the transactions to the ledger, the system automatically debits the cash account, either for each individual entry made in the journal or for the total of the entries in a batch. Therefore, there is no need to enter the debit to cash for every journal entry since the system follows the double-entry method of recording transactions.

Posting to the Ledger

The next step in the accounting cycle is posting the journal entries to the general ledger and, where applicable, to the subsidiary ledger(s). The term posting means transferring to the general ledger and, where applicable, to the subsidiary ledger(s), the individual amounts or summary totals of accounts entered in the journals.

Each amount or total is posted to the proper account in the ledger as either a debit or a credit. In the previous examples, the amounts affecting Cash in County Treasury will be posted in the general ledger as follows:

<table>
<thead>
<tr>
<th>Account 9110</th>
<th>Cash in County Treasury</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Ref #</td>
</tr>
<tr>
<td>7-01-xx</td>
<td>Beg. Bal.</td>
</tr>
<tr>
<td>9-15-xx</td>
<td>J1</td>
</tr>
<tr>
<td>9-23-xx</td>
<td>J2</td>
</tr>
<tr>
<td>9-30-xx</td>
<td>J3</td>
</tr>
</tbody>
</table>

Note that an entry is made in either the debit or credit column, and its result is reflected in the balance column. Since this is an asset account, the balance increases with a debit entry and decreases with a credit entry. An entry is also made in the last column to show that the new balance of the account is a debit (Dr).

Part of the posting process is calculating the balances of the general ledger accounts. An account balance is simply the difference between the debit and credit entries posted in an account; it will be either a debit or a credit a
Procedure 205 The Accounting Cycle

mount. Computerized accounting systems automatically calculate the account balances as entries are posted to the general ledger.

The “Reference” column is used to show the page number or other reference for the source of the entry. In this illustration, “J1” was entered for the September 15 transaction to indicate that the information for this posting came from the general journal (abbreviated as “J”) and that it was entry number 1. Other references will be used depending on the actual journal from which the postings came. Through this method, any item in the general ledger can be traced easily to its origin.

In manual systems, posting of transactions to the general ledger is done periodically, usually once a month. In most computerized accounting systems, there is no need for a special posting process to be run at specified intervals; entries made in the journals are simultaneously posted by the system to the general ledger, and the account balances are automatically computed. Regardless of the recordkeeping method used, the basic principles of posting remain the same.

Trial Balance and Adjustments

The next step in the accounting cycle is the preparation of a trial balance. A trial balance is a listing of all the general ledger accounts and their balances. It is prepared periodically to verify that accounts are in balance. It is also helpful in verifying the accuracy of account balances and in preparing financial statements. If the account balances are correct, the total of the debits in the trial balance will equal the total of the credits, but the reverse is not necessarily true. The fact that the total debits equal the total credits does not necessarily mean that the account balances are correct.

After the trial balance has been prepared, the LEA can determine what adjustments, if any, are needed in the accounts. This does not mean that adjustments to the accounts are ascertained only after a trial balance has been prepared; adjustments needed to correct an account balance can be identified without preparing a trial balance. Using a trial balance facilitates the overall review of the accounts. Year-end adjustments include recording unearned revenue, prepaid expenditures, and accrued liabilities and making any necessary correcting entries. Adjustments are entered in the journal(s) and posted in the general ledger and, where applicable, in the subsidiary ledgers.
Procedure 205  

The Accounting Cycle

Adjustments of Prior Year’s Accruals

Adjustments are sometimes necessary for differences between amounts accrued as receivable or payable in the prior year and amounts actually received or paid during the current year. Differences could result when accruals are estimated because the exact amounts are not available at the time of the accrual or amounts accrued do not materialize. In such cases, the adjustments should be made to the current year’s revenue or expenditure accounts, not to the fund balance account.

For example, assume that the LEA overestimated its revenue accounts receivable in the prior year by the following amounts:

<table>
<thead>
<tr>
<th>Revenue source</th>
<th>Prior year’s accrual</th>
<th>Actually received</th>
<th>Difference (adjustment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational Program</td>
<td>$20,000.00</td>
<td>$18,000.00</td>
<td>-$2,000.00</td>
</tr>
<tr>
<td>Adult Education</td>
<td>15,000.00</td>
<td>14,000.00</td>
<td>-$1,000.00</td>
</tr>
<tr>
<td>Total Adjustment</td>
<td></td>
<td></td>
<td>-$3,000.00</td>
</tr>
</tbody>
</table>

The $3,000.00 difference will be recorded as a reduction (debit) to the current year’s revenue rather than as a restatement (reduction) of the beginning fund balance.

If the differences between the accrued and the actual amounts were caused by errors and are material, such as accruing significant liabilities for expenditures that were not actually incurred, they should be recorded as a restatement of the beginning fund balance.

Financial Statements

After the adjustments have been posted and the new balances calculated, an adjusted trial balance can be prepared to verify that accounts are still in balance and to check if the account balances are now accurate. This process can be repeated until the LEA has ascertained the account balances are correct, at which time the financial statements can be prepared.

LEA financial statements and reporting are discussed in Procedure 101.
Procedure 205  The Accounting Cycle

Closing the General Ledger

At the end of each fiscal year, after the LEA has prepared the financial statements, the books are “closed.” Closing the books is the accounting process in which the budgetary accounts (estimated revenues, appropriations, and encumbrances) are zeroed out and the actual “temporary” or “nominal” accounts (revenue and expenditure accounts) are closed out to the fund balance. Any excess of revenues over expenditures is added to the fund balance; any excess of expenditures over revenues is deducted from the fund balance. Closing the books separates financial transactions by year and measures the results of operations of a fund for the year.

The following closing journal entries will be necessary at the end of year:

To Close Estimated Revenue and Appropriations:

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>Object Code</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-30-xx</td>
<td>Appropriations</td>
<td>9820</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td></td>
<td>Unassigned/Unappropriated Fund Balance</td>
<td>9790</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td></td>
<td>Estimated Revenue</td>
<td>9810</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
</tbody>
</table>

To close the estimated revenue and appropriation accounts.

To Close Encumbrances:

All of the encumbrances that are outstanding at the end of the year are disencumbered as follows.

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>Object Code</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-30-xx</td>
<td>Reserve for Encumbrances</td>
<td>9720</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td></td>
<td>Encumbrances</td>
<td>9830</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
</tbody>
</table>

To close the encumbrance account.

To Close Revenues and Expenditures:

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>Object Code</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>06-30-xx</td>
<td>Revenue accounts</td>
<td>(Various)</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td></td>
<td>Other financing sources accounts</td>
<td>(Various)</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td></td>
<td>Expenditure accounts</td>
<td>(Various)</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td></td>
<td>Other financing uses accounts</td>
<td>(Various)</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td></td>
<td>Unassigned/Unappropriated Fund Balance</td>
<td>9790</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
</tbody>
</table>

To close the revenue and expenditure accounts.
The Accounting Cycle

Note that the Unassigned/Unappropriated Fund Balance would be debited if the total of the revenues and other financing sources were less than the total of the expenditure and other financing uses.

After the books have been closed, a post-closing trial balance can be prepared. If the closing entries were done and posted correctly, only the “real” or “permanent” accounts (balance sheet accounts) will have balances in the post-closing trial balance. These are the account balances that will be carried forward as beginning balances in the new fiscal year.

Reversing Entries

If an LEA uses the reversal method, entries are made at the start of a fiscal year to reverse the adjusting entries that established unearned revenues, prepaid expenditures, and accrued liabilities at the end of the prior year. Reversing entries are not required but are often used to facilitate the recording of transactions in the new year. When transactions are being recorded in the new year, there is then no need to identify those that pertained to the prior year. For example, if a reversing entry was made for liabilities accrued in the prior year, there is no need to identify which of the expenditure disbursements being recorded in the new year pertained to the liability accruals; all disbursements can be charged to the expenditure accounts. On the other hand, if a reversing entry was not made, current year payments relating to prior year's accruals will have to be charged to the payable accounts rather than to expenditure accounts. Note that the reversal method does not eliminate the need for the LEA to monitor whether amounts accrued in the prior year are actually received and paid in the new year.
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**Procedure 215 Audit Adjustments**

Audit adjustments, as used in this section, are those adjustments made to the financial statements as a result of the LEA’s independent audit. They are made after the general ledger is closed but before the audited financial statements are issued. Audit adjustments relating to revenues or expenditures are posted to the general ledger in the fiscal year subsequent to the audit year; they are posted as adjustments to the beginning fund balance using Object 9793, Audit Adjustments.

**Reaching Agreement on Audit Adjustments**

At the conclusion of the audit, the auditors must meet with the management of the LEA to discuss any proposed audit adjustments. It is the responsibility of the LEA to prepare all of the financial statements, notes, and schedules that are the subject of the audit. Even if these are prepared for the LEA by the auditors, they remain the responsibility of the LEA. *Therefore, the LEA must agree to any adjustments identified by the auditors before the adjustments are made to the financial statements.*

One of the main factors in determining whether a proposed audit adjustment should be made is the materiality of the amount. Materiality has been defined in accounting literature as “of substantial importance, of great consequence, pertinent or essential to, likely to influence.” However, there is no definitive rule for determining whether a given item is material. An item material to one LEA may not be material to another. Determining materiality requires informed judgment based on the particular facts in each set of circumstances.

One way of determining materiality is by comparing the amount of the adjustment with the fund balance, revenues, or expenditures. The following example illustrates this point:
Procedure 215    Audit Adjustments

Assume that in the general fund, the fund balance on 6-30-xx is $600,000, as follows:

<table>
<thead>
<tr>
<th>Fund Balance</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted Fund Balance</td>
<td>440,000</td>
</tr>
<tr>
<td>Unassigned Fund Balance</td>
<td>160,000</td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>600,000</td>
</tr>
</tbody>
</table>

A. If the auditors find that accounts payable has been understated by $80,000, they will propose the following entry be made to the financial statements:

DR Expenditures $80,000
CR Accounts Payable $80,000

This is clearly a material adjustment because it will reduce the unassigned fund balance by 50 percent.

B. If the auditors find that accounts receivable has been overstated by $3,000, this adjustment would not be made to the financial statements because in this instance it does not significantly affect the unassigned fund balance.

If there is disagreement about whether an item is material, it is reasonable to expect the auditors to explain why they believe the adjustment is significant. If the LEA’s management is not convinced that the item meets the definition of materiality or other criteria for adjustments, it does not have to agree to the adjustment to the financial statements.

If, in the opinion of the auditors, an adjustment item is material but the management of the LEA does not agree that it should be posted to the financial statements, the auditors may modify their opinion on the financial statements to a “qualified” or an “adverse” opinion, depending on the significance of the item as determined by the auditors.

After agreement has been reached on the adjustments to be incorporated into the financial statements, the auditors or the LEA will prepare the audited financial statements. One of the schedules in the annual audit report is the “Reconciliation of Annual Financial and Budget Report with Audited Financial Statements.”

A sample of this schedule is shown on page 215-4. This schedule shows the impact of the audit adjustments on the fund balance.

The LEA and the auditors have the following responsibilities in relation to the audit adjustments:
Procedure 215 Audit Adjustments

The LEA

1. Review all audit adjustments proposed by the auditors.
2. Reach agreement with the auditors on the adjustments to be made to the financial statements.
3. Record in the following year’s general ledger the audit adjustments agreed on.
4. Provide information to the auditors on the disposition of the audit adjustments.

The Auditors

1. Discuss all proposed audit adjustments with the management of the LEA.
2. Reach agreement with the management of the LEA on the adjustments that will be made to the financial statements.
3. Provide the LEA with a complete set of entries that support the “Reconciliation of Annual Financial and Budget Report with Audited Financial Statements.”

Suggested Steps for Booking Audit Adjustments

Once the audit adjustments are agreed on and the financial statements are prepared, the LEA can book the audit adjustments. To facilitate the process of booking the audit adjustments, the California Department of Education has developed a worksheet, “Schedule of Audit Adjustments to the ________ Fund.” (The instructions for using this schedule are shown on page 215-12.)

The following steps should be followed by the LEA in booking the audit adjustments:

1. Obtain from the auditors a copy of the “Reconciliation of Annual Financial and Budget Report with Audited Financial Statements.” This schedule, a required component of an LEA’s audit report pursuant to Section 19815, Title 5, of the California Code of Regulations, shows in summary form the impact of the audit adjustments on the fund balance in each fund. (See the example at the end of these suggested steps. Notice that the schedule shows audit adjustments in only two funds—the general fund and the cafeteria fund.)

2. Obtain from the auditors the detailed entries that support the summary entries on the “Reconciliation of Annual Financial and Budget Report with Audited Financial Statements.” The detailed entries should show the account numbers. They are shown from the viewpoint that they are being made in the audit year, even though by the time they are made the books have already been closed.

3. Review each detailed adjusting entry and determine whether any of the transactions or corrections for which the adjustments
Procedure 215  Audit Adjustments

were made have already been booked in the current fiscal year. (See the “Common Audit Adjustments” table on pages 215-7 through 215-11.)

4. Determine the entries needed in the current year’s books to record the audit adjustments. Prepare a “Schedule of Audit Adjustments to the ________ Fund” for each fund with adjustments.

5. Post the entries to the books.

6. At the beginning of the audit of the current year’s financial statements, provide to the auditors a copy of the “Schedule of Audit Adjustments to the ________ Fund” from the prior year’s audit.

The following illustrates a sample reconciliation:

<table>
<thead>
<tr>
<th>Reconciliation of Annual Financial and Budget Report with Audited Financial Statements for Year Ended June 30, xxxx</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund</strong></td>
</tr>
<tr>
<td>Fund balances per annual financial and budget report</td>
</tr>
<tr>
<td>Adjustments increasing (decreasing) fund balances:</td>
</tr>
<tr>
<td>Unaccrued salaries</td>
</tr>
<tr>
<td>Underaccrued accounts payable</td>
</tr>
<tr>
<td>Overaccrued accounts receivable</td>
</tr>
<tr>
<td>Fund balances per audited financial statement</td>
</tr>
</tbody>
</table>

There were no adjustments to fund balances for funds not presented above.

Audit Adjustments and Other Restatements of Fund Balance

As stated previously, audit adjustments affecting revenues and expenditures are recorded in Object 9793, Audit Adjustments. This account is an adjustment to the beginning fund balance. The prior year’s adjustments are not made directly to Beginning Fund Balance, Object 9791, because this account must always equal the ending fund balance in the prior year.

Adjustments to the beginning fund balance other than those identified by the auditors must be recorded in Object 9795, Other Restatements. This account is used to correct material errors reported in a prior year’s financial statements discovered after the completion of the audit. Any
Procedure 215  Audit Adjustments

errors discovered by the LEA during the audit should be reported to the auditors for correction in the audited financial statements. Before posting any items to Object 9795, LEAs should consult with their independent auditors.

Object 9793 and Object 9795 are not used to record audit adjustments or restatements in standardized account code structure (SACS) resource codes that are subject to the unearned revenue method of revenue recognition, as there is no beginning fund balance to adjust. Rather, these adjustments are recorded to the appropriate asset, liability, revenue, or expenditure accounts in offsetting amounts that have no effect on fund balance.

Common Audit Adjustments

The “Common Audit Adjustments” table on pages 215-7 through 215-11 provides examples of common audit adjustments and the entries that should be made on the books of the LEA to record the adjustments. It is assumed that the books have been closed for the audit period and that the correcting entries shown in the third column are being made in the current fiscal year.

The following is a description of the three columns in the table of “Common Audit Adjustments”:

1. Audit Adjustments
   This column shows the audit adjustments that have been proposed by the auditors, agreed to by the LEA, and reflected on the audited financial statements. Notice that the adjustments made by the auditors are made as if the books were still open.

2. Processed Transactions
   This column shows the transactions related to the audit adjustments, which have been posted to the books (processed) by the LEA since the beginning of the current fiscal year, before the LEA agreed to the audit adjustments.

The processed transactions must be taken into account when preparing the entries needed on the books in the current year. For example:
**Procedure 215  Audit Adjustments**

Assume that the auditors determined that $10,000 in federal revenue should have been accrued but was not. The LEA agreed to the audit adjustment, and the following adjustment was made to the LEA’s financial statements:

<table>
<thead>
<tr>
<th>DR</th>
<th>Accounts Receivable</th>
<th>$10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>Revenue</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

When the LEA was ready to book the audit adjustment on October 1, it determined that it received the $10,000 on September 1. Since this revenue was not on the accounts receivable list, the LEA recorded it at that date as follows:

<table>
<thead>
<tr>
<th>DR</th>
<th>Cash</th>
<th>$10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>Revenue</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

If this processed transaction was not considered before booking the audit adjustment, the revenue would be recorded twice in the current year: once as an audit adjustment affecting the beginning fund balance and once as a credit to the current year’s revenue.

*Note:* For purposes of the entries made in the “Processed Transactions” column, it is assumed that the reversal method is not used in the current year for accounts receivable and accounts payable accrued in the prior year and that the LEA credits and debits Accounts Receivable and Accounts Payable when these accruals are collected and paid, respectively, in the current year.

3. **Entries Needed on the LEA’s Books**

This column shows the entries that are needed on the LEA’s books to record the audit adjustment.

Notice in this column that when the audit adjustment affects a revenue or expenditure account, the LEA will post the adjustment to Object 9793, Audit Adjustments (which adjusts beginning fund balance) because the books for the year under audit have already been closed. Notice also that the entries made in this column take into account any processed transactions.
### Procedure 215  Audit Adjustments

#### Common Audit Adjustments

<table>
<thead>
<tr>
<th>Audit Adjustments (made to the audited financial statements after the books for the audit year have been closed)</th>
<th>Processed Transactions (made in the current fiscal year)*</th>
<th>Entries Needed on the LEA’s Books (made in the current fiscal year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The auditors determine that a receivable was not set up for a material amount ($15,000) of revenue earned as of 6/30/xx.</td>
<td>Assumption A: The revenue is received before the audit adjustment is booked. The LEA makes the following entry: <strong>DR</strong> Cash $15,000 <strong>CR</strong> Revenue $15,000</td>
<td>Assumption A: To book the audit adjustment: <strong>DR</strong> Accounts Receivable $15,000 <strong>CR</strong> Audit Adjustments $15,000</td>
</tr>
<tr>
<td><strong>DR</strong> Accounts Receivable $15,000</td>
<td>Assumption B: The revenue is not received before the audit adjustment is booked. –No Entry–</td>
<td>To correct the processed transaction: <strong>DR</strong> Revenue $15,000 <strong>CR</strong> Accounts Receivable $15,000</td>
</tr>
<tr>
<td><strong>CR</strong> Revenue $15,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Entries made in this column assume that the reversal method is not used in the current year for accounts receivable and accounts payable accrued in the prior year and that the LEA credits and debits Accounts Receivable and Accounts Payable when these accruals are collected and paid, respectively, in the current year.*
## Procedure 215  Audit Adjustments

### Common Audit Adjustments

<table>
<thead>
<tr>
<th>Audit Adjustments</th>
<th>Processed Transactions</th>
<th>Entries Needed on the LEA’s Books</th>
</tr>
</thead>
<tbody>
<tr>
<td>(made to the audited financial statements after the books for the audit year have been closed)</td>
<td>(made in the current fiscal year)*</td>
<td>(made in the current fiscal year)</td>
</tr>
<tr>
<td>2. The auditors determine that a receivable ($39,000) was overstated by $14,000 as of 6/30/xx.</td>
<td>Assumption A: The revenue is received before the audit adjustment is booked. The LEA makes the following entry:</td>
<td>Assumption A:</td>
</tr>
<tr>
<td>DR Revenue $14,000</td>
<td>DR Cash $25,000</td>
<td>To book the audit adjustment:</td>
</tr>
<tr>
<td>CR Accounts Receivable $14,000</td>
<td>DR Revenue 14,000</td>
<td>DR Audit Adjustments $14,000</td>
</tr>
<tr>
<td></td>
<td>CR Accounts Receivable 39,000</td>
<td>CR Accounts Receivable $14,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CR Revenue $14,000</td>
</tr>
<tr>
<td></td>
<td>Assumption B: The revenue is not received before the audit adjustment is booked.</td>
<td>Assumption B:</td>
</tr>
<tr>
<td></td>
<td>–No Entry–</td>
<td>DR Audit Adjustments $14,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CR Accounts Receivable $14,000</td>
</tr>
</tbody>
</table>

*Entries made in this column assume that the reversal method is not used in the current year for accounts receivable and accounts payable accrued in the prior year and that the LEA credits and debits Accounts Receivable and Accounts Payable when these accruals are collected and paid, respectively, in the current year.*
### Procedure 215  Audit Adjustments

**Common Audit Adjustments**

<table>
<thead>
<tr>
<th>Audit Adjustments</th>
<th>Processed Transactions</th>
<th>Entries Needed on the LEA’s Books</th>
</tr>
</thead>
<tbody>
<tr>
<td>(made to the audited financial statements after the books for the audit year have been closed)</td>
<td>(made in the current fiscal year)*</td>
<td>(made in the current fiscal year)</td>
</tr>
<tr>
<td>3. The auditors determine that accounts payable ($10,000) was understated by $18,000.</td>
<td>Assumption A: The payable is liquidated before the audit adjustment is booked. The LEA makes the following entry:</td>
<td>Assumption A:</td>
</tr>
<tr>
<td></td>
<td>DR  Expenditures  $18,000</td>
<td>To book the audit adjustment:</td>
</tr>
<tr>
<td></td>
<td>CR  Accounts Payable  $18,000</td>
<td>DR  Audit Adjustments  $18,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CR  Accounts Payable  $18,000</td>
</tr>
<tr>
<td></td>
<td>Assumption B: The payable is not liquidated before the audit adjustment is booked.</td>
<td>To correct the processed transaction:</td>
</tr>
<tr>
<td></td>
<td>-No Entry-</td>
<td>DR  Accounts Payable  $18,000</td>
</tr>
<tr>
<td></td>
<td>-No Entry-</td>
<td>CR  Expenditures  $18,000</td>
</tr>
<tr>
<td></td>
<td>-No Entry-</td>
<td>Assumption B:</td>
</tr>
<tr>
<td></td>
<td>-No Entry-</td>
<td>DR  Audit Adjustments  $18,000</td>
</tr>
<tr>
<td></td>
<td>-No Entry-</td>
<td>CR  Accounts Payable  $18,000</td>
</tr>
</tbody>
</table>

*Entries made in this column assume that the reversal method is not used in the current year for accounts receivable and accounts payable accrued in the prior year and that the LEA credits and debits Accounts Receivable and Accounts Payable when these accruals are collected and paid, respectively, in the current year.*
**Procedure 215  Audit Adjustments**

**Common Audit Adjustments**

<table>
<thead>
<tr>
<th>Audit Adjustments</th>
<th>Processed Transactions</th>
<th>Entries Needed on the LEA’s Books</th>
</tr>
</thead>
<tbody>
<tr>
<td>(made to the audited financial statements after the books for the audit year have been closed)</td>
<td>(made in the current fiscal year)*</td>
<td>(made in the current fiscal year)</td>
</tr>
</tbody>
</table>

4. The auditors determine that accounts payable ($20,000) was overstated by $9,000.
   
   **DR** Accounts Payable  **$9,000**  
   **CR** Expenditures  **$9,000**  

   **Assumption A:** The payable is liquidated before the audit adjustment is booked.  
   The LEA makes the following entry:
   
   **DR** Accounts Payable  **$20,000**  
   **CR** Expenditures  **$9,000**  
   **CR** Cash  **$11,000**  

   **Assumption B:** The payable is not liquidated before the audit adjustment is booked.  
   *No Entry*  

5. The auditors determine that revenue ($23,000) was not earned as of 6/30/xx.
   
   **DR** Revenue  **$23,000**  
   **CR** Unearned Revenue  **$23,000**  

   *No Entry*  

   *Entries made in this column assume that the reversal method is not used in the current year for accounts receivable and accounts payable accrued in the prior year and that the LEA credits and debits Accounts Receivable and Accounts Payable when these accruals are collected and paid, respectively, in the current year.*  

   **To book the audit adjustment:**
   
   **DR** Audit Adjustments  **$23,000**  
   **CR** Unearned Revenue  **$23,000**  

   **To correct the processed transaction:**
   
   **DR** Expenditures  **$9,000**  
   **CR** Accounts Payable  **$9,000**
## Procedure 215  Audit Adjustments
### Common Audit Adjustments

<table>
<thead>
<tr>
<th>Audit Adjustments (made to the audited financial statements after the books for the audit year have been closed)</th>
<th>Processed Transactions (made in the current fiscal year)*</th>
<th>Entries Needed on the LEA’s Books (made in the current fiscal year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. The auditors determine that $50,000 in cash recorded on the books of the LEA on 6/30/xx was actually not received until 7/2/xx.</td>
<td>–No Entry–</td>
<td>To book the audit adjustment:</td>
</tr>
<tr>
<td>DR Revenue $50,000</td>
<td></td>
<td>DR Audit Adjustments $50,000</td>
</tr>
<tr>
<td>CR Cash $50,000</td>
<td></td>
<td>CR Revenue $50,000</td>
</tr>
</tbody>
</table>

*Entries made in this column assume that the reversal method is not used in the current year for accounts receivable and accounts payable accrued in the prior year and that the LEA credits and debits Accounts Receivable and Accounts Payable when these accruals are collected and paid, respectively, in the current year.*
Procedure 215  Audit Adjustments

Schedule of Audit Adjustments

The following instructions correspond to the sample schedule beginning on page 215-13. Prepare one schedule for each fund that shows audit adjustments in the “Reconciliation of Annual Financial and Budget Report with Audited Financial Statements” included in the audit report.

**Line 1**—Record the audited financial statement’s fund balance according to the “Reconciliation of Annual Financial and Budget Report with Audited Financial Statements.”

**Line 2**—Record the fund balance according to the LEA’s books (should be the same amount shown for that line in the “Reconciliation of Annual Financial and Budget Report with Audited Financial Statements”).

**Line 3**—Subtract line 2 from line 1.

**Line 4**—Ask the auditors to provide the detailed adjusting entries that support the summary entries in the “Reconciliation of Annual Financial and Budget Report with Audited Financial Statements.” Note that the entries provided by the auditors will show adjustments affecting revenue and expenditure accounts, rather than fund balance, because adjustments are made as if the books were still open. Record each of these adjusting entries in the first three columns of line 4 and show the impact on fund balance in the column “Increase (Decrease) to Fund Balance.”

**Line 5**—Sum the total of the column “Increase (Decrease) to Fund Balance.” This total must agree with the total on line 3.

**Line 6**—Research each audit adjustment recorded by the auditors (shown in the section for line 4) to determine whether any portion of the transaction related to the audit adjustment has been posted to the books in the current year. See “Common Audit Adjustments,” pages 215-7 through 215-11. Record any processed transactions in the space provided.

**Line 7**—Record the entries that are needed on the books of the LEA.

*Reminder:* Provide a copy of this schedule to the auditors of the current year's financial statements.
### Schedule of Audit Adjustments to the ___________________ Fund

1. June 30, 20xx, fund balance from audited financial statement  $__________
2. Less: Fund balance per LEA’s annual financial report  $__________
3. Computed difference (increase [decrease] in fund balance) =  $__________

<table>
<thead>
<tr>
<th></th>
<th>Account Number</th>
<th>Description</th>
<th>Increase (Decrease) to Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>___________</td>
<td>DR __________</td>
<td>$ ______________</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CR __________</td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>___________</td>
<td>DR __________</td>
<td>$ ______________</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CR __________</td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>___________</td>
<td>DR __________</td>
<td>$ ______________</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CR __________</td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>___________</td>
<td>DR __________</td>
<td>$ ______________</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CR __________</td>
<td></td>
</tr>
<tr>
<td>e.</td>
<td>___________</td>
<td>DR __________</td>
<td>$ ______________</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CR __________</td>
<td></td>
</tr>
<tr>
<td>f.</td>
<td>___________</td>
<td>DR __________</td>
<td>$ ______________</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CR __________</td>
<td></td>
</tr>
<tr>
<td>g.</td>
<td>___________</td>
<td>DR __________</td>
<td>$ ______________</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CR __________</td>
<td></td>
</tr>
<tr>
<td>h.</td>
<td>___________</td>
<td>DR __________</td>
<td>$ ______________</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CR __________</td>
<td></td>
</tr>
</tbody>
</table>

5. Total increase (decrease) to fund balance*  $__________
   (Sum of lines 4a–4h; must agree with line 3)

Date on which copy of worksheet was provided to independent auditor: ______________

*This figure will agree with the amount of Object 9793, Audit Adjustments.
## Procedure 215  Audit Adjustments

**Schedule of Audit Adjustments to the _______________Fund (Continued)**

6. Processed transactions

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Description</th>
<th>Amount</th>
<th>Account Number</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>DR</td>
<td>$_____</td>
<td>a.</td>
<td>DR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td>b.</td>
<td>DR</td>
<td>$_____</td>
<td>b.</td>
<td>DR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td>c.</td>
<td>DR</td>
<td>$_____</td>
<td>c.</td>
<td>DR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td>d.</td>
<td>DR</td>
<td>$_____</td>
<td>d.</td>
<td>DR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td>e.</td>
<td>DR</td>
<td>$_____</td>
<td>e.</td>
<td>DR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td>f.</td>
<td>DR</td>
<td>$_____</td>
<td>f.</td>
<td>DR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td>g.</td>
<td>DR</td>
<td>$_____</td>
<td>g.</td>
<td>DR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td>h.</td>
<td>DR</td>
<td>$_____</td>
<td>h.</td>
<td>DR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>DR</td>
<td>$_____</td>
<td></td>
<td>DR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
<tr>
<td></td>
<td>CR</td>
<td>$_____</td>
<td></td>
<td>CR</td>
<td>$_____</td>
</tr>
</tbody>
</table>
Procedure 305    Fund Classification

The following guidance may include some information that is temporarily superseded by the categorical flexibility provisions of Senate Bill (SB) 4 of the 2009–10 Third Extraordinary Session (SBX3 4) (Chapter 12, Statutes of 2009) as amended by SB 70 (Chapter 7, Statutes of 2011), effective 2008–09 through 2014–15. For additional information and guidance, refer to the California Department of Education (CDE) letter “Fiscal Issues Relating to Budget Reductions and Flexibility Provisions” located on the CDE accounting correspondence Web page at http://www.cde.ca.gov/fg/ac/co/.

The accounting systems of local educational agencies (LEAs) are organized and operated on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording financial resources and liabilities. It is established to carry on specific activities or to attain certain objectives of an LEA in accordance with special regulations, restrictions, or limitations. Fund accounting theory and principles are discussed in procedures 101 and 105.

How the Fund Field Is Used

The funds in this procedure are authorized for use by LEAs. Certain funds are required when an LEA conducts certain activities that meet the criteria for using those funds. Other funds are optional and may be used at the LEA’s discretion.

Only the minimum number of funds consistent with legal and operating requirements should be established; using unnecessary funds results in inflexibility, undue complexity, and inefficient financial administration.

The fund field is used when any accounting transaction is recorded. It applies to all accounts: revenue, expenditure, and balance sheet accounts.

Flexibility of the Fund Field

LEAs are required to code their transactions to at least the minimum fund level required by CDE. However, LEAs may also use more detailed CDE-defined optional fund codes (indicated by italics in the fund code listing) or create their own locally defined fund codes. Required and optional codes are reported to CDE; locally defined codes must be rolled up by the LEA when reporting data to CDE. For example, if an LEA were to use fund numbers 68, 69, and 70 to establish separate funds for each of its self-insurance activities, these funds must be rolled
Procedure 305  Fund Classification

up by the LEA to Fund 67 when reporting to CDE. For further information, see “Optional and Locally Defined Codes” and “Reporting Data to the State,” beginning on page 301-4.
**Procedure 305  Fund Classification**

**List of Fund Codes**

*(Italicized codes are optional; if used, they must be reported to CDE.)*

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>01–60</td>
<td>GOVERNMENTAL FUNDS</td>
</tr>
<tr>
<td>01</td>
<td>General Fund/County School Service Fund*</td>
</tr>
<tr>
<td>03</td>
<td>General Fund Unrestricted (Valid through 2008–09)</td>
</tr>
<tr>
<td>06</td>
<td>General Fund Restricted (Valid through 2008–09)</td>
</tr>
</tbody>
</table>

*The general fund for a county office of education is called the County School Service Fund (Education Code Section 1600). All references to the general fund in this manual also apply to the County School Service Fund.*

| 09–20 | Special Revenue Funds |
| 09 | Charter Schools Special Revenue Fund |
| 10 | Special Education Pass-Through Fund |
| 11 | Adult Education Fund |
| 12 | Child Development Fund |
| 13 | Cafeteria Special Revenue Fund |
| 14 | Deferred Maintenance Fund |
| 15 | Pupil Transportation Equipment Fund |
| 16 | Forest Reserve Fund |
| 17 | Special Reserve Fund for Other Than Capital Outlay Projects |
| 18 | School Bus Emissions Reduction Fund |
| 19 | Foundation Special Revenue Fund |
| 20 | Special Reserve Fund for Postemployment Benefits |

| 21–50 | Capital Projects Funds |
| 21 | Building Fund |
| 25 | Capital Facilities Fund |
| 30 | State School Building Lease-Purchase Fund |
| 35 | County School Facilities Fund |
| 40 | Special Reserve Fund for Capital Outlay Projects |
| 49 | Capital Projects Fund for Blended Component Units |

| 51–56 | Debt Service Funds |
| 51 | Bond Interest and Redemption Fund |
| 52 | Debt Service Fund for Blended Component Units |
| 53 | Tax Override Fund |
| 56 | Debt Service Fund |
## Procedure 305  Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>57–60</td>
<td>Permanent Funds</td>
</tr>
<tr>
<td>57</td>
<td>Foundation Permanent Fund</td>
</tr>
<tr>
<td>61–70</td>
<td>PROPRIETARY FUNDS</td>
</tr>
<tr>
<td>61–65</td>
<td>Enterprise Funds</td>
</tr>
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</table>

*Not required to be reported to CDE; however, these funds must be included in the audited financial statements to meet GAAP reporting requirements.
### Procedure 305  Fund Classification

#### Fund Code Definitions

*(Italicized codes are optional; if used, they must be reported to CDE.)*

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>01–60</td>
<td>GOVERNMENTAL FUNDS</td>
</tr>
</tbody>
</table>
| 01   | **General Fund.** This is the chief operating fund for all LEAs. It is used to account for the ordinary operations of an LEA. All transactions except those accounted for in another fund are accounted for in this fund.  

A charter school that reports separately from its authorizing LEA and that uses the governmental accounting model will use this fund as its chief operating fund. For charter schools operated as or by a not-for-profit public benefit corporation, see Fund 62.  

The general fund for a county office of education is called the **County School Service Fund** *(Education Code Section 1600)*. All references to the general fund in this manual also apply to the County School Service Fund.  

Restricted projects or activities within the general fund must be identified and reported separately from unrestricted projects or activities. This is done by using codes in the resource field that identify whether the resources used are restricted or unrestricted. |
| 03   | **General Fund Unrestricted (Optional) (Valid through 2008–09).** This fund may be used to account for those projects and activities that are funded with unrestricted revenues (resources 0000–1999). |
| 06   | **General Fund Restricted (Optional) (Valid through 2008–09).** This fund may be used to account for those projects and activities that are funded by external revenue sources that are legally restricted or restricted by the donor to specific purposes (resources 2000–9999). |
| 09–20 | **Special Revenue Funds.** Special revenue funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund. |
## Procedure 305  Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
</table>
| 09   | **Charter Schools Special Revenue Fund.** This fund may be used by authorizing LEAs to account separately for the activities of LEA-operated charter schools that would otherwise be reported in the authorizing LEA’s general fund. If an LEA uses this fund for any of a charter school’s operating activities, it should use this fund for all of the charter school’s operating activities.  
Transactions of an authorizing or sponsoring LEA on behalf of a non-LEA-operated charter school, such as the receipt and subsequent pass-through of funds to the charter school, should be reported in the authorizing LEA’s general fund.  
Charter schools that report separately from their authorizing LEAs and that use the governmental accounting model should use Fund 01 as their chief operating fund.  
For charter schools operated as or by not-for-profit public benefit corporations, see Fund 62 for additional information.  
The principal revenues in this fund are:  
Charter Schools General Purpose Entitlement—State Aid  
Charter Schools Categorical Block Grant  
Transfers from Sponsoring LEAs to Charter Schools in Lieu of Property Taxes  
Lottery  
Interest  
All Other Local Revenue  
See Procedure 810 for further information on charter school reporting. |

| 10   | **Special Education Pass-Through Fund.** This fund is used by the Administrative Unit (AU) of a multi-LEA Special Education Local Plan Area (SELPA) to account for Special Education revenue passed through to other member LEAs.  
Special Education revenues that are not passed through to other member LEAs, but rather are retained for use by the SELPA AU in accordance with the local plan, are not accounted for in this fund. These revenues and the related expenditures are operational in nature and are properly accounted for in the AU’s own general fund.  
Revenues typically reported in this fund include state special education apportionments, federal local assistance under the Individuals with Disabilities Education Act, federal preschool funding, state mental health funding, and the |
### Procedure 305  Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>portion of a county office of education’s local property taxes restricted to special education. See Procedure 755 for appropriate recording of transactions in this fund.</td>
</tr>
<tr>
<td>11</td>
<td><strong>Adult Education Fund.</strong> This fund is used to account separately for federal, state, and local revenues for adult education programs. The principal revenues in this fund are:</td>
</tr>
<tr>
<td></td>
<td>Adult Education Block Entitlement</td>
</tr>
<tr>
<td></td>
<td>Apprentice Transfer from the General Fund</td>
</tr>
<tr>
<td></td>
<td>Workforce Investment Act (WIA)</td>
</tr>
<tr>
<td></td>
<td>Other Federal Revenue (e.g., Adult Basic Education)</td>
</tr>
<tr>
<td></td>
<td>All Other State Revenue</td>
</tr>
<tr>
<td></td>
<td>Interest</td>
</tr>
<tr>
<td></td>
<td>Adult Education Fees</td>
</tr>
<tr>
<td></td>
<td>All Other Local Revenue</td>
</tr>
<tr>
<td></td>
<td>Money in this fund shall be expended for adult education purposes only. Moneys received for programs other than adult education shall not be expended for adult education (<em>Education Code</em> sections 52616[b] and 52501.5[a]). Expenditures in this fund may be made only for direct instructional costs, direct support costs, and indirect costs as specified in <em>Education Code</em> Section 52616.4. Other educational programs and activities that are administered by adult education staff but do not specifically serve adults should be expended in the LEA’s general fund.</td>
</tr>
<tr>
<td>12</td>
<td><strong>Child Development Fund.</strong> This fund is used to account separately for federal, state, and local revenues to operate child development programs. The principal revenues in this fund are:</td>
</tr>
<tr>
<td></td>
<td>Child Nutrition Programs (Federal)</td>
</tr>
<tr>
<td></td>
<td>State Preschool</td>
</tr>
<tr>
<td></td>
<td>Child Nutrition Programs (State)</td>
</tr>
<tr>
<td></td>
<td>Child Development Apportionments</td>
</tr>
<tr>
<td></td>
<td>All Other State Revenue</td>
</tr>
<tr>
<td></td>
<td>Food Service Sales</td>
</tr>
<tr>
<td></td>
<td>Interest</td>
</tr>
<tr>
<td></td>
<td>Child Development Parent Fees</td>
</tr>
</tbody>
</table>
## Procedure 305  Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Cafeteria Special Revenue Fund. This fund is used to account separately for federal, state, and local resources to operate the food service program (Education Code sections 38090–38093). The principal revenues in this fund are: Child Nutrition Programs (Federal) Child Nutrition Programs (State) Food Service Sales Interest All Other Local Revenue The Cafeteria Special Revenue Fund (Fund 13) shall be used only for those expenditures authorized by the governing board as necessary for the operation of the LEA's food service program (Education Code sections 38091 and 38100). See Procedure 635 for appropriate recording of transactions in this fund.</td>
</tr>
<tr>
<td>14</td>
<td>Deferred Maintenance Fund. This fund is used to account separately for state apportionments and the LEA’s contributions for deferred maintenance purposes (Education Code sections 17582–17587). The principal revenues in this fund are: Deferred Maintenance Allowance Interest Interfund Transfers In</td>
</tr>
</tbody>
</table>
Procedure 305   Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Moneys in this fund may be expended only for the following purposes:</td>
</tr>
<tr>
<td></td>
<td>a. Major repair or replacement of plumbing, heating, air-conditioning, electrical, roofing, and floor systems</td>
</tr>
<tr>
<td></td>
<td>b. Exterior and interior painting of school buildings, including a facility that a county office of education is authorized to use pursuant to Education Code sections 17280–17317</td>
</tr>
<tr>
<td></td>
<td>c. The inspection, sampling, and analysis of building materials</td>
</tr>
<tr>
<td></td>
<td>d. The encapsulation or removal of materials containing asbestos</td>
</tr>
<tr>
<td></td>
<td>e. The inspection, identification, sampling, and analysis of building materials to determine the presence of materials containing lead</td>
</tr>
<tr>
<td></td>
<td>f. Any other maintenance items approved by the State Allocation Board</td>
</tr>
</tbody>
</table>

In addition, whenever the state funds provided pursuant to Education Code sections 17584 and 17585 (apportionments from the State Allocation Board) are insufficient to fully match the local funds deposited in this fund, the governing board of a school district may transfer the excess local funds deposited in this fund to any other expenditure classifications in other funds of the district (Education Code sections 17582 and 17583).

See Procedure 650 for appropriate recording of transactions in this fund.

15  Pupil Transportation Equipment Fund. This fund is used to account separately for state and local revenues specifically for the acquisition, rehabilitation, or replacement of equipment used to transport students (Education Code Section 41852[b]).

Typical expenditures in this fund are items charged to Object 4400, Noncapitalized Equipment; Object 6400, Equipment; and Object 6500, Equipment Replacement.

16  Forest Reserve Fund (county offices). This fund exists to account separately for federal forest reserve funds received by offices of county superintendents for distribution to school districts and community college districts (Education Code Section 2300; Government Code Section 29484).

See Procedure 620 for appropriate recording of transactions in this fund.

17  Special Reserve Fund for Other Than Capital Outlay Projects. This fund is used primarily to provide for the accumulation of general fund moneys for general operating purposes other than for capital outlay (Education Code Section 42840). Amounts from this special reserve fund must first be transferred into the general
### Procedure 305  Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>fund or other appropriate fund before expenditures may be made (Education Code Section 42842).</td>
</tr>
<tr>
<td></td>
<td>Although this fund is authorized by statute, it does not meet the GAAP definition of a special revenue fund; it functions effectively as an extension of the general fund. For presentation in the audited financial statements, this fund can either be combined with the general fund, or it can be reported separately and the departure from GAAP explained.</td>
</tr>
<tr>
<td>18</td>
<td><strong>School Bus Emissions Reduction Fund.</strong> This fund is used to accumulate money for the purchase or lease of new low- or zero-emission school buses or for the retrofitting of existing school buses (Education Code sections 17920–17926). The money may come from private parties as payment for the right to use emission reduction credits or from air pollution control district and air quality management district grants. Resource 7236, School Bus Emissions Reduction, may be deposited to the general fund as well as to Fund 18. More than 50 percent of the money deposited in the School Bus Emissions Reduction Fund must come from local LEA revenues. The LEA’s contribution may be from local sources or unrestricted general fund money but cannot be money from the existing Small School District Bus Replacement Program. This restriction also applies to any new money that the state appropriates for the purchase or lease of new low- or zero-emission school buses or for the retrofitting of existing school buses.</td>
</tr>
<tr>
<td>19</td>
<td><strong>Foundation Special Revenue Fund.</strong> This fund is used to account for resources received from gifts or bequests pursuant to Education Code Section 41031 under which both earnings and principal may be used for purposes that support the LEA's own programs and where there is a formal trust agreement with the donor. Gifts or bequests not covered by a formal trust agreement should be accounted for in the general fund. Amounts in the Foundation Special Revenue Fund (Fund 19) shall be expended only for the specific purposes of the gift or bequest (Education Code Section 41032).</td>
</tr>
<tr>
<td>20</td>
<td><strong>Special Reserve Fund for Postemployment Benefits.</strong> This fund may be used pursuant to Education Code Section 42840 to account for amounts the LEA has earmarked for the future cost of postemployment benefits but has not contributed irrevocably to a separate trust for the postemployment benefit plan. Amounts accumulated in this fund must be transferred back to the general fund for expenditure (Education Code Section 42842).</td>
</tr>
</tbody>
</table>
## Procedure 305  Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Use of this fund is optional. The LEA may account for amounts earmarked for postemployment benefits in the General Fund (Fund 01) or the Special Reserve Fund for Other Than Capital Outlay Projects (Fund 17) instead.</td>
</tr>
</tbody>
</table>

If the LEA pays for its postemployment benefit costs entirely on a pay-as-you-go basis, there is no need to use this fund. If the LEA makes irrevocable contributions to a separate trust for the postemployment benefit plan and the plan assets are in the LEA’s custody, the LEA should use Fund 71, Retiree Benefit Fund.

Although this fund is authorized by statute, it does not meet the GAAP definition of a special revenue fund; it functions effectively as an extension of the general fund. For presentation in the audited financial statements, this fund can either be combined with the general fund, or it can be reported separately and the departure from GAAP explained.

### 21–50 Capital Projects Funds
Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

Capital facilities project expenditures are coded to Function 8500, Facilities Acquisition and Construction. Generally, Function 1000, Instruction; Function 2420, Instructional Library, Media and Technology; Function 7200, Other General Administration; and other operational functions are not used in a capital projects fund.

### 21 Building Fund
This fund exists primarily to account separately for proceeds from the sale of bonds (Education Code Section 15146) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund (Fund 21) are proceeds from the sale or lease-with-option-to-purchase of real property (Education Code Section 17462) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (Education Code Section 41003).

The principal revenues and other sources in this fund are:

- Rentals and Leases
- Interest
- Proceeds from the Sale of Bonds
- Proceeds from the Sale/Lease–Purchase of Land and Buildings
**Procedure 305  Fund Classification**

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>6000</td>
<td>Expenditures in Fund 21, Building Fund, are most commonly made against the 6000 object codes for capital outlay. Another example of an authorized expenditure in Fund 21 is repayment of State School Building Aid out of proceeds from the sale of bonds (<em>Education Code</em> Section 16058).</td>
</tr>
</tbody>
</table>

25  
**Capital Facilities Fund.** This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code* sections 17620–17626). The authority for these levies may be county/city ordinances (*Government Code* sections 65970–65981) or private agreements between the LEA and the developer. Interest earned in the Capital Facilities Fund (Fund 25) is restricted to that fund (*Government Code* Section 66006).

The principal revenues in this fund are the following:  

- Interest  
- Mitigation/Developer Fees

Expenditures in Fund 25, Capital Facilities Fund, are restricted to the purposes specified in *Government Code* sections 65970–65981 or to the items specified in agreements with the developer (*Government Code* Section 66006). Expenditures incurred in another fund may be reimbursed to that fund by means of an interfund transfer.

30  
**State School Building Lease–Purchase Fund.** This fund is used primarily to account separately for state apportionments for the reconstruction, remodeling, or replacement of existing school buildings or the acquisition of new school sites and buildings, as provided in the Leroy F. Greene State School Building Lease–Purchase Law of 1976 (*Education Code* Section 17000 et seq.). The LEA may be required to transfer to this fund any available moneys from other funds as the LEA's contribution to a particular project.

The principal revenues and other sources in this fund are:  

- Interest  
- Interfund Transfers In  
- School Facilities Apportionments

Typical expenditures in this fund are items charged to Object 6200, Buildings and Improvement of Buildings, and Object 6300, Books and Media for New School Libraries or Major Expansion of School Libraries.
Procedure 305 Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
</table>
| 35   | **County School Facilities Fund.** This fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), or the 2006 State School Facilities Fund (Proposition 1D) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.). The principal revenues and other sources in this fund are:

  - School Facilities Apportionments
  - Interest
  - Interfund Transfers In

  Funding provided by the State Allocation Board for reconstruction of facilities after disasters such as flooding may be deposited to Fund 35. Typical expenditures in this fund are payments for the costs of sites, site improvements, buildings, building improvements, and furniture and fixtures capitalized as a part of the construction project. |
| 40   | **Special Reserve Fund for Capital Outlay Projects.** This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code* Section 42840). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to funds 21, 25, 30, 35, or 49. Other authorized resources that may be transferred to the Special Reserve Fund for Capital Outlay Projects (Fund 40) are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code* Section 17462) and rentals and leases of real property specifically authorized for deposit to the fund by the governing board (*Education Code* Section 41003). The principal revenues and other sources in this fund are:

  - Federal, State, or Local Revenues
  - Rentals and Leases
  - Interest
  - Other Authorized Interfund Transfers In
  - Proceeds from Sale/Lease-Purchase of Land and Buildings
  - Federal Emergency Management Act (FEMA)

  Transfers from the general fund to Fund 40 authorized by the governing board must be expended for capital outlay purposes. Proceeds from the sale or lease-with-option-to-purchase may be spent for capital outlay purposes, costs of |
### Procedure 305  Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
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<tbody>
<tr>
<td></td>
<td>maintenance of the LEA’s property, and future maintenance and renovation of school sites (Education Code Section 17462). Expenditures for capital outlay are most commonly made against the 6000 object codes for capital outlay. Salaries of school district employees whose work is directly related to projects financed by Fund 40 revenues are capitalized as a part of the capital facilities project.</td>
</tr>
<tr>
<td>49</td>
<td><strong>Capital Projects Fund for Blended Component Units.</strong> This fund is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the LEA under generally accepted accounting principles (GAAP). The Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et seq.) allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, a “Community Facilities District” (CFD) for the purpose of selling tax-exempt bonds to finance public improvements and services. Mello-Roos tax receipts collected by the LEA should be recorded in Object 8622, Other Non-Ad Valorem Taxes. Mello-Roos proceeds collected by another agency’s community facility district, of which the LEA is only a beneficiary, should be reported in Object 8799, Transfers In From All Others.</td>
</tr>
<tr>
<td>51–56</td>
<td><strong>Debt Service Funds.</strong> Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.</td>
</tr>
<tr>
<td>51</td>
<td><strong>Bond Interest and Redemption Fund.</strong> This fund is used for the repayment of bonds issued for an LEA (Education Code sections 15125–15262). Typically, the board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund (Fund 21) of the LEA. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund (Fund 51) of the LEA. The county auditor maintains control over the LEA’s Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller. The principal revenues in this fund are:</td>
</tr>
<tr>
<td></td>
<td>State Subventions for Homeowners' Exemptions</td>
</tr>
<tr>
<td></td>
<td>Other Subventions/In-lieu Taxes</td>
</tr>
<tr>
<td></td>
<td>Secured Roll Taxes</td>
</tr>
</tbody>
</table>
 Procedure 305 Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unsecured Roll Taxes</td>
</tr>
<tr>
<td></td>
<td>Prior Years' Taxes</td>
</tr>
<tr>
<td></td>
<td>Interest</td>
</tr>
</tbody>
</table>

Expenditures in this fund are limited to bond interest, redemption, and related costs. Any money remaining in this fund after the payment of all bonds and coupons payable from the fund, or any money in excess of an amount sufficient to pay all unpaid bonds and coupons payable from the fund, shall be transferred to the general fund upon order of the county auditor (Education Code Section 15234).

52 Debt Service Fund for Blended Component Units. This fund is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the LEA under generally accepted accounting principles (GAAP). The Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et seq.) allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, a “Community Facilities District” (CFD) for the purpose of selling tax-exempt bonds to finance public improvements and services.

53 Tax Override Fund. This fund is used for the repayment of voted indebtedness (other than Bond Interest and Redemption Fund repayments) to be financed from ad valorem tax levies. An example is a public school building loan repayment.

Interest earned in the Tax Override Fund (Fund 53) is credited to the general fund of the LEA.

The principal revenues in this fund are:

- State Subventions for Homeowners’ Exemptions
- Other Subventions/In-Lieu Taxes
- Secured Roll Taxes
- Unsecured Roll Taxes
- Prior Years’ Taxes
- Supplemental Taxes

The principal expenditure accounts in this fund are:

<table>
<thead>
<tr>
<th>Purpose for which levy was authorized</th>
<th>Object Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>State school building loan repayments</td>
<td>7432</td>
</tr>
</tbody>
</table>

(Education Code Section 16090)
Procedure 305  Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
</table>
| Payment to original district for acquisition of property  
*Education Code* Section 35576 | 7436 |
| Compensatory education housing repayments  
*Education Code* Section 16214 | 7439 |
| Lease–purchase payments  
*Education Code* Section 17409 | 7439 |
| Construction of exceptional children's facilities repayments  
*Education Code* Section 16196 | 7439 |
| Other voter-approved debt service | 7439 |
| Debt Service—Interest | 7438 |

56 **Debt Service Fund.** This fund is used for the accumulation of resources for and the retirement of principal and interest on general long-term debt.

The principal source in this fund is Other Authorized Interfund Transfers In.

Expenditures are most commonly made in the 7400 object codes for debt service.

57–60 **Permanent Funds.** Permanent funds were introduced as part of the governmental financial reporting model established by GASB Statement 34 to account for permanent foundations that benefit an LEA.

57 **Foundation Permanent Fund.** This fund is used to account for resources received from gifts or bequests pursuant to *Education Code* Section 41031 that are restricted to the extent that earnings, but not principal, may be used for purposes that support the LEA’s own programs and where there is a formal trust agreement with the donor. Gifts or bequests not covered by a formal trust agreement should be accounted for in the general fund.

Amounts in Fund 57, Foundation Permanent Fund, shall be expended only for the specific purposes of the gift or bequest (*Education Code* Section 41032).

61–70 **Proprietary Funds**

61–65 **Enterprise Funds.** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. An enterprise fund
## Procedure 305  Fund Classification

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<thead>
<tr>
<th>Code</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>must be used to report any activity whose principal revenue sources meet any of the following criteria:</td>
</tr>
<tr>
<td></td>
<td>1. The LEA has issued debt backed solely by fees and charges from that activity.</td>
</tr>
<tr>
<td></td>
<td>2. There is a legal requirement that the cost of providing services, including capital costs such as depreciation or debt service, must be recovered through fees or charges.</td>
</tr>
<tr>
<td></td>
<td>3. The LEA’s policy is to establish activity fees or charges designed to recover the cost of providing services, including capital costs such as depreciation or debt service.</td>
</tr>
</tbody>
</table>

An enterprise fund is accounted for on the accrual basis. Capital assets and long-term debt (including all long-term debt obligations such as vacation pay and capital leases) are recorded in the fund. All revenues and expenses (rather than expenditures) are recorded, regardless of when they are received or paid. Depreciation of capital assets is recorded.

An enterprise fund may be used to account for any activity that an LEA accounted for in an enterprise fund prior to the issuance of GASB Statement 34, even if the activity does not otherwise meet the criteria for using an enterprise fund.

Generally, use Goal 0000, Undistributed, with an enterprise fund.

### Cafeteria Enterprise Fund

The cafeteria program may be accounted for using an enterprise fund rather than a special revenue fund (Fund 13) even though its primary source of financing comes from federal and state child nutrition program revenues rather than through the price paid for meals by the students. CDE recommends that an LEA use an enterprise fund to account for its cafeteria operations only if the LEA’s governing board intends to operate its cafeteria program in a manner similar to that employed by private business enterprises and to fully recover all costs of providing services, including depreciation of capital assets.

Use Function 3700 for cafeteria program operations. Use Function 6000 for noncafeatera enterprise activities such as catering.

### Charter Schools Enterprise Fund

This fund may be used to report the activities of LEA-operated not-for-profit public benefit charter schools that use the accrual basis of accounting. It may also be used to report the activities of separately operated not-for-profit public benefit charter schools that report separately from their authorizing LEAs. Since fund accounting is inconsistent with the not-for-
### Procedure 305  Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>profit financial reporting model, in this case Fund 62 serves not as a fund but rather as a financial statement for purposes of reporting to CDE.</td>
</tr>
<tr>
<td></td>
<td>If Fund 62 is used for any of a charter school’s activities, it should be used for all of the charter school’s activities.</td>
</tr>
<tr>
<td></td>
<td>Costs reported in Fund 62 should include the function most descriptive of the activity being performed (e.g., instruction, pupil services, enterprise, plant services) rather than charging all costs to Function 6000, Enterprise, which is normally done in an enterprise fund.</td>
</tr>
<tr>
<td></td>
<td>Transactions of an authorizing or sponsoring LEA on behalf of a non-LEA-operated charter school, such as the receipt and subsequent pass-through of funds to the charter school, should be reported in the authorizing LEA’s general fund.</td>
</tr>
<tr>
<td></td>
<td>See Procedure 810 for further information on charter school reporting.</td>
</tr>
<tr>
<td>63</td>
<td><strong>Other Enterprise Fund.</strong> This fund may be used to account for other business activities.</td>
</tr>
<tr>
<td></td>
<td>Only Function 6000, Enterprise, is applicable to Fund 63.</td>
</tr>
<tr>
<td>66–70</td>
<td><strong>Internal Service Funds.</strong> Internal service funds are created principally to render services to other organizational units of the LEA on a cost-reimbursement basis. These funds are designed to be self-supporting with the intent of full recovery of costs, including some measure of the cost of capital assets, through user fees and charges.</td>
</tr>
<tr>
<td></td>
<td>An internal service fund should be used only if the LEA is the primary participant. If services are provided on a cost-reimbursement basis primarily to other LEAs and/or entities, use an enterprise fund.</td>
</tr>
<tr>
<td></td>
<td>An internal service fund is accounted for on the accrual basis. Capital assets and long-term debt (including all long-term debt obligations such as vacation pay and capital leases) are recorded in the fund. All revenues and expenses (rather than expenditures) are recorded, regardless of when they are received or paid. Depreciation of capital assets is recorded.</td>
</tr>
<tr>
<td></td>
<td>For more information on internal service funds, see Procedure 775.</td>
</tr>
<tr>
<td>66</td>
<td><strong>Warehouse Revolving Fund.</strong> This fund is used primarily to maintain budget control and stock accounting of merchandise for an LEA’s use (Education Code).</td>
</tr>
</tbody>
</table>
Procedure 305  Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Section 42830). The Warehouse Revolving Fund (Fund 66) is reimbursed from various funds of the LEA for amounts consumed by these user funds.</td>
</tr>
<tr>
<td></td>
<td>Expenses in Fund 66, Warehouse Revolving Fund, may include the purchase of stores to be placed in stock and the costs of receiving, storing, and delivering stores (Education Code Section 42832).</td>
</tr>
<tr>
<td></td>
<td>See Procedure 775 for appropriate recording of transactions in this fund.</td>
</tr>
<tr>
<td>67</td>
<td><strong>Self-Insurance Fund.</strong> Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds of an LEA. Separate funds may be established for each type of self-insurance activity, such as workers’ compensation, health and welfare, and deductible property loss (Education Code Section 17566).</td>
</tr>
<tr>
<td></td>
<td>The principal revenues in this fund are the following:</td>
</tr>
<tr>
<td></td>
<td>Interest</td>
</tr>
<tr>
<td></td>
<td>In-District Premiums/Contributions</td>
</tr>
<tr>
<td></td>
<td>Interagency Revenues</td>
</tr>
<tr>
<td></td>
<td>All Other Local Revenue</td>
</tr>
<tr>
<td></td>
<td>Expense transactions in the Self-Insurance Fund (Fund 67) shall be recorded for the payment of claims, estimates of costs relating to incurred-but-not-reported (IBNR) claims, administrative costs, deductible insurance amounts, cost of excess insurance, and other related costs. Most of the activities of Fund 67 should be coded to Function 6000, Enterprise.</td>
</tr>
<tr>
<td></td>
<td>Amounts contributed to Fund 67, Self-Insurance Fund, are lawfully restricted for insurance purposes (Education Code Section 17566 and Government Code Section 53205).</td>
</tr>
<tr>
<td></td>
<td>See Procedure 775 for accounting guidance and restrictions relating to this fund.</td>
</tr>
<tr>
<td>71–95</td>
<td><strong>FIDUCIARY FUNDS</strong></td>
</tr>
<tr>
<td></td>
<td>Fiduciary funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the LEA’s own programs.</td>
</tr>
<tr>
<td></td>
<td>The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.</td>
</tr>
</tbody>
</table>
## Procedure 305  Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>71–75</td>
<td><strong>Pension (and Other Employee Benefit) Trust Funds</strong> and <strong>Private-Purpose Trust Funds</strong>. Pension (and other employee benefit) trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. For a state-administered pension system such as STRS or PERS, the state, not the LEA, maintains the pension (and other employee benefit) trust funds. Private-purpose trust funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.</td>
</tr>
</tbody>
</table>
| 71 | **Retiree Benefit Fund**. This fund exists to account separately for amounts held in trust from salary reduction agreements, other irrevocable contributions for employees’ retirement benefit payments, or both. This fund should be used only to account for an LEA’s irrevocable contributions to a postemployment benefit plan for which a formal trust exists. Amounts earmarked for postemployment benefits but not contributed irrevocably to a trust should be accounted for in the general fund or a special reserve fund. Moneys may be contributed to the Retiree Benefit Fund (Fund 71) from other funds by periodic expense charges to those funds in amounts based on existing and future obligation requirements. Payments may be made from the fund for insurance, annuities, administrative costs, or any other authorized purpose (Education Code Section 42850). The principal revenues in this fund are the following:  
   - Interest  
   - In-District Premiums/Contributions  
   - All Other Local Revenue  

Expenditures in Fund 71, Retiree Benefit Fund, are made using Object 5800, Professional/Consulting Services and Operating Expenditures. Use with Function 6000, Enterprise. |
| 73 | **Foundation Private-Purpose Trust Fund**. This fund is used to account separately for gifts or bequests per Education Code Section 41031 that benefit individuals, private organizations, or other governments and under which neither principal nor income may be used for purposes that support the LEA’s own programs. |
Procedure 305  Fund Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This fund should be used when there is a formal trust agreement with the donor. Donations not covered by a formal trust agreement should be accounted for in the general fund. Amounts in the Foundation Private-Purpose Trust Fund shall be expended only for the specific purposes of the gift or bequest (Education Code Section 41032).</td>
</tr>
</tbody>
</table>

76–95  Agency Funds

76  **Warrant/Pass-Through Fund.** (Reporting of this fund to CDE is not required; however, it must be included in the audited financial statements to meet GAAP reporting requirements.) This fund exists primarily to account separately for amounts collected from employees for federal taxes, state taxes, transfers to credit unions, and other contributions. It is also used to account for those receipts for transfer to agencies for which the LEA is acting simply as a “cash conduit.” For more information on the cash conduit accounting model, see Procedure 750.

It is recommended that two agency funds be used at a local level: one for clearing payroll withholdings and another for the pass-through of resources. If the LEA chooses to report this information to CDE, the funds would combine into one Fund 76.

95  **Student Body Fund.** (Reporting of this fund to CDE is not required; however, it must be included in the audited financial statements to meet GAAP reporting requirements.) In the financial reports of the LEA, the Student Body Fund (Fund 95) is an agency fund and, therefore, consists only of accounts such as Cash and balancing liability accounts, such as Due to Student Groups. The student body itself maintains its own general fund, which accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (Education Code sections 48930–48938). Sources of receipts include, but are not limited to, fund-raising ventures, student store merchandise sales, athletic and student body performances, concessions, publications, gifts, grants, and interest. Unorganized student body funds are governed by the same principles of student body accounting that govern organized student body funds (Education Code Section 48938).

Disbursements from the student body’s bank account may be made for merchandise, student body activities, food, hospitality, and student awards (California Code of Regulations, Title 5, Education, sections 15500 and 15501).
Procedure 305  Fund Classification

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**Procedure 310 Resource (Project/Reporting) Classification**

The resource code is used to classify revenues and resulting expenditures in accordance with restrictions or special reporting requirements placed on either of these aspects of LEA financial activities by law or regulation. Further, because such revenues frequently are not fully expended within a fiscal year and related liabilities are not completely liquidated, the resource code is also used to reflect restrictions and special reporting obligations on balance sheet accounts.

**How the Resource Field Is Used**

**Resource and Revenue Object Accounts**

The resource field allows LEAs to account separately for activities funded with revenues that have restrictions on how the funds are spent (e.g., NCLB, Title I) and for activities funded with revenues that have financial reporting or special accounting requirements (e.g., State Lottery).

Restricted revenues are those funds received from external sources that are legally restricted or that are restricted by the donor to specific purposes. Unrestricted revenues are those funds whose uses are not subject to specific constraints and that may be used for any purposes not prohibited by law. Programs funded by a combination of restricted and unrestricted sources are accounted for and reported as restricted.

Funds or activities that are not restricted by the donor, but rather are earmarked for particular purposes by the LEA’s governing board, are accounted for and reported as unrestricted. LEAs need to review local revenues received from external sources to determine whether legal or donor restrictions apply for purposes of accounting for them as restricted or unrestricted.

Restricted revenues are accounted for in resource codes in the 2000–9999 range. Revenues whose use is unrestricted in nature but that still have reporting requirements are accounted for in unrestricted resource codes in the 1000–1999 range. Those activities using unrestricted revenues that do not have financial reporting or special accounting requirements are accounted for in Resource 0000, Unrestricted.

In combination with the resource code, the revenue object code further classifies revenues by source: revenue limit, federal, state, and local. This identification is useful because an activity or project may be funded with revenues from federal, state, and local sources. For example, a restricted
**Procedure 310  Resource (Project/Reporting) Classification**

A federal program could also have revenues from state and/or local sources. The resource code allows related expenditures to be grouped for reporting and information purposes.

A single source of revenue that must link to expenditures will have:

- A unique resource code
- A generic revenue object code (such as Object 8290, Other Federal Revenues)

For example:

<table>
<thead>
<tr>
<th>Resource</th>
<th>Object</th>
</tr>
</thead>
<tbody>
<tr>
<td>3010</td>
<td>8290</td>
</tr>
<tr>
<td>NCLB, Title I</td>
<td>Other Federal Revenues</td>
</tr>
</tbody>
</table>

Two or more specific sources of revenues, which must link to expenditures in the aggregate, will have:

- A unique resource code
- A separate revenue object code for each type of revenue associated with that resource

For example:

<table>
<thead>
<tr>
<th>Resource</th>
<th>Object</th>
</tr>
</thead>
<tbody>
<tr>
<td>5310</td>
<td>8220, Federal Child Nutrition School Programs</td>
</tr>
<tr>
<td>8520</td>
<td>State Child Nutrition</td>
</tr>
<tr>
<td>8634</td>
<td>Local Food Service Sales</td>
</tr>
</tbody>
</table>

Many revenue object codes may be used with more than one resource code. For example, Revenue Object 8281, FEMA, uses Resource 5652 and Resource 5650 for FEMA revenues for which reports to the federal government are required.

**Resource and Balance Sheet Accounts**

The resource field also applies to balance sheet accounts. At year-end the resource field will identify the ending balance of restricted resources (e.g., Special Education, ROC/P, Instructional Materials, County...
Procedure 310  Resource (Project/Reporting) Classification

Community Schools, Juvenile Court). This field will also identify unearned revenues and the amounts due to other governmental agencies (e.g., NCLB, Title I, Vocational Education, Special Education discretionary grants).

Depending on how the LEA’s financial system is programmed, balance sheet accounts such as Cash and Accounts Payable may include the resource field at the time of the transaction or may be identified as a part of year-end closing procedures. However, when year-end data are submitted to the California Department of Education (CDE), the balance sheet accounts must be identified by resource because at the state level, the resource field is used to separate the unrestricted portion of the general fund from the restricted portion of the general fund. If the balance sheet accounts have not been posted with the resource field during the year, the unrestricted and restricted accounts will be out of balance, and an additional closing entry will be needed before the information is submitted to CDE.

For example, when the accounts payable staff pays the LEA’s bills, the detailed expenditure transaction (the debit) is entered into the financial system by the accounts payable staff; however, the entry to the cash account (the credit) is usually an automatic entry made by the financial system.

Most financial systems have been programmed to post any automatic balance sheet entries to the resource field. LEAs using these systems will automatically have all balance sheet transactions posted to the resource field, and no additional entry is needed at year-end.

Some financial systems may not be programmed to post automatic balance sheet entries to the resource field. In these LEAs, for state reporting purposes, the unrestricted and restricted general funds will be out of balance and an entry must be made to cash to balance the restricted and unrestricted resources. (Example 3 in Procedure 605 illustrates how an LEA would prepare this entry.)

Table of Resource Codes

The Table of Resource Codes contains the resources in numerical order with the most commonly associated revenue object codes, their number from the Catalog of Federal Domestic Assistance (CFDA), and a U/F designation. Depending on the conditions placed on the receipt or expenditure of certain restricted funds, the revenue of a restricted program is recognized in the period in which it is received, and at year-end the unspent balance, or carryover, is reflected as ending balance.
Procedure 310  Resource (Project/Reporting) Classification

These resources are indicated with an F (fund balance). The revenue of other restricted resources is recognized in the period when expended, and carryover is recorded as unearned revenue. These resources are indicated with a U (unearned revenue).

CDE maintains a standardized account code structure (SACS) query that provides the most current information regarding resources, including new resources established subsequent to the release of this manual. In addition, a comprehensive list of the program cost accounts (PCAs) assigned by the CDE Budget Office and associated with the resources is maintained and updated periodically with the SACS validation table updates. The reference tools are located on the SACS Web page under “Program Codes” at:

http://www.cde.ca.gov/fg/ac/ac/

Obsolete Resource Codes

If a resource becomes obsolete, it will appear in the Table of Resource Codes for one year with its final fiscal year in parentheses next to the title. For example, a resource with “(09–10)” in the California School Accounting Manual indicates that the last year that funding was available for this resource was fiscal year 2009–10. This resource code would then be eliminated in the subsequent edition of the manual. LEAs may need to maintain this resource code in their general ledger to track carryover of balances for a longer period. Therefore, the resource code will remain in the matrix of valid combinations for a period of three years subsequent to the fiscal year in which funds were available for that resource. In the previous example, the resource would remain in the matrix for fiscal years 2010–11, 2011–12, and 2012–13 to allow for expenditure of carryover balances.

Flexibility of the Resource Field

LEAs are required to code their transactions to at least the minimum resource level required by CDE. However, LEAs may also use more detailed CDE-defined optional resource codes (indicated by italics in the resource code listing). LEAs may create locally defined resource codes but only within the specific ranges shown on page 310-5. Required and optional codes are reported to CDE; locally defined codes must be rolled up by the LEA when reporting data to CDE. For further information, see “Optional and Locally Defined Codes” and “Reporting Data to the State,” beginning on page 301-4.
Procedure 310  Resource (Project/Reporting) Classification

Resource codes are assigned by CDE just as PCA codes are assigned by CDE’s Budget Office. Generally, CDE assigns resource codes only to funding sources administered by CDE. Thus, an LEA receiving program funding directly from the United States Department of Education will establish a locally defined federal resource in the Other Federal: Locally Defined range (5800–5999).

The LEA may not create its own locally defined resource codes except within the following specified ranges:

- 0001–0999  Unrestricted: Locally Defined
- 4230–4250  Bilingual Education, Discretionary Grants
- 4410–4430  Educational Technology
- 4710–4730  Gifted and Talented Education (federal)
- 5210–5240  Head Start
- 5800–5999  Other Restricted Federal: Locally Defined
- 7701–7799  State School Facilities Funds
- 7800–7999  Other Restricted State: Locally Defined
- 9000–9999  Other Restricted Local: Locally Defined

Note: The range 9000–9999, Other Restricted Local: Locally Defined, including Resource 9010, Other Restricted Local, is used only for local revenue that is restricted by the donor or by law for specific purposes. Unrestricted local revenue, including those amounts “restricted” to or earmarked for a particular purpose by the LEA governing board, should be reported using the range 0001–0999, Unrestricted: Locally Defined.

When data are submitted to CDE, LEAs must roll up all resources within these ranges to the specific resource code indicated for each in the Table of Resource Codes.
# Procedure 310 Resource (Project/Reporting) Classification

Table of Resource Codes

*Italicized codes are optional; if used, they must be reported to CDE.*

(See previous section for explanation of table references.)

<table>
<thead>
<tr>
<th>Resource Code</th>
<th>Resource Description</th>
<th>Revenue Object</th>
<th>U/F</th>
<th>CFDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>0000–1999</td>
<td>UNRESTRICTED RESOURCES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0000</td>
<td>Unrestricted</td>
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<td></td>
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<td>8010–8099</td>
<td>8110</td>
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<td>8260</td>
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<td>8699</td>
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<td>8910–8919</td>
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<td></td>
<td></td>
<td></td>
<td>8980</td>
<td></td>
</tr>
<tr>
<td>0001–0999</td>
<td>Unrestricted: Locally defined These codes are used at the</td>
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<tr>
<td></td>
<td>option of the LEA to track unrestricted revenues that do</td>
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<tr>
<td></td>
<td>not have reporting requirements. When reporting to CDE,</td>
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<tr>
<td></td>
<td>LEAs must roll up these resources to Resource 0000.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1000–1999</td>
<td>**Unrestricted Resources: Reporting or Special Accounting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Required**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1100</td>
<td>Lottery: Unrestricted</td>
<td></td>
<td>8560</td>
<td>F</td>
</tr>
</tbody>
</table>

Note: Resource codes temporarily inactive pursuant to statutory categorical program flexibility are shown in strikeout.

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### Procedure 310 Resource (Project/Reporting) Classification

<table>
<thead>
<tr>
<th>Resource Code</th>
<th>Resource Description</th>
<th>Revenue Object</th>
<th>U/F</th>
<th>CFDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1200</td>
<td>Class Size Reduction, Grade Nine</td>
<td>8435 8990 8990</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>1300</td>
<td>Class Size Reduction, Grades K–3</td>
<td>8434 8990 8990</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>1400</td>
<td>Education Protection Account</td>
<td>8012</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>2000–9999</td>
<td><strong>RESTRICTED RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2200</td>
<td>Continuation Education (<em>Education Code</em> sections 42244 and 48438)</td>
<td>8091</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>2400</td>
<td>Juvenile Court/County Community Schools</td>
<td>8091</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>2410</td>
<td>Juvenile Court (<em>Education Code Section 1982.5</em>)</td>
<td>8091</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>2420</td>
<td>County Community Schools (<em>Education Code sections 1980–1982.3</em>)</td>
<td>8091</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>2430</td>
<td>Community Day Schools (<em>Education Code sections 48660–48667</em>)</td>
<td>8091 8311</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>2900</td>
<td>Other Restricted Revenue Limit Sources</td>
<td>8091</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>3000–5999</td>
<td><strong>Federal Resources Restricted</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3010</td>
<td>NCLB: Title I, Part A, Basic Grants, Low-Income, and Neglected</td>
<td>8290</td>
<td>U</td>
<td>84.010</td>
</tr>
<tr>
<td>3011</td>
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## Procedure 310  Resource (Project/Reporting) Classification

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<td>Gifted &amp; Talented Education (GATE)</td>
<td>8311</td>
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<td>7156</td>
<td>Instructional Materials Realignment, IMFRP (AB 1781)</td>
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<td>7170</td>
<td>Instructional Material: Braille &amp; Large Print</td>
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<td>7210</td>
<td>American Indian Early Childhood Education</td>
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<td>Partnership Academies Program</td>
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<td>7230</td>
<td>Transportation: Home to School</td>
<td>8311 8675 8677 8980 8990</td>
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<td>Transportation: School Bus Replacement</td>
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<td>7236</td>
<td>School Bus Emissions Reduction Funds</td>
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<td>7240</td>
<td>Transportation: Special Education (Severely Disabled/Orthopedically Impaired) Education Code sections 41850–41851.2</td>
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<td>School Based Coordination Program (SBCP)</td>
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<td>High Priority Schools: Grants Program</td>
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<td>7268</td>
<td>High Priority Schools: SAIT and Corrective Action</td>
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<td>California Peer Assistance &amp; Review Program for Teachers (CPARP)</td>
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<td>Staff Development: Bilingual Teacher Training (BTTP)</td>
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<td>Certificated Staff Mentoring Program</td>
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<td>International Baccalaureate (IB) Program: Staff Development &amp; Startup</td>
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<td>7294</td>
<td>Staff Development: Mathematics and Reading (AB 466)</td>
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<td>7295</td>
<td>Staff Development: Reading Services for Blind Teachers</td>
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Note: Resource codes temporarily inactive pursuant to statutory categorical program flexibility are shown in strikeout.

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### Procedure 310 Resource (Project/Reporting) Classification

<table>
<thead>
<tr>
<th>Resource Code</th>
<th>Resource Description</th>
<th>Revenue Object</th>
<th>U/F</th>
<th>CFDA</th>
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<tr>
<td>7296</td>
<td>Staff Development: Teachers of English Language Learners</td>
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<td>7325</td>
<td>Staff Development: Administrator Training (AB 75)</td>
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<td>7340</td>
<td>Staff Development: Intersegmental Advancement Via Individual Determination (AVID)</td>
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<td>7360</td>
<td>Student Organizations Vocational Education</td>
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<td>7365</td>
<td>Supplementary Programs: Foster Youth</td>
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<td>7366</td>
<td>Supplementary Programs: Foster Youth in Licensed Foster Homes</td>
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<tr>
<td>7370</td>
<td>Supplementary Programs: Specialized Secondary</td>
<td>8590</td>
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<td>7385</td>
<td>County Oversight, Williams Case</td>
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<td>7386</td>
<td>Fiscal Solvency Plans</td>
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<td>7390</td>
<td>Pupil Retention Block Grant</td>
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<td>7391</td>
<td>School Community Violence Prevention Grant (11–12)</td>
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<td>7392</td>
<td>Teacher Credentialing Block Grant</td>
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<td>Professional Development Block Grant</td>
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<td>7394</td>
<td>Targeted Instructional Improvement Block Grant</td>
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<td>7395</td>
<td>School and Library Improvement Block Grant</td>
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<td>F</td>
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<td>7400</td>
<td>Quality Education Investment Act</td>
<td>8590</td>
<td>F</td>
<td></td>
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<tr>
<td>7701–7799</td>
<td>State School Facilities Projects</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>These codes are used to track capital projects funded by the Office of Public School Construction. When reporting to CDE, LEAs must roll up these resources to Resource 7710.</td>
<td></td>
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<tr>
<td>7710</td>
<td>State School Facilities Projects</td>
<td>8545</td>
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<tr>
<td>7800–7999</td>
<td>Other Restricted State: Locally defined</td>
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<tr>
<td></td>
<td>These codes are used, at the option of the LEA, to track all other restricted state revenues not defined elsewhere. When reporting to CDE, LEAs must roll up these resources to Resource 7810.</td>
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<tr>
<td>7810</td>
<td>Other Restricted State</td>
<td>8590</td>
<td>U/F</td>
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<tr>
<td><strong>8000–9999</strong></td>
<td><strong>Local Resources Restricted</strong></td>
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<tr>
<td>8100</td>
<td>Routine Repair and Maintenance (RRRMF: Education Code Section 17014)</td>
<td>8980</td>
<td>F</td>
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<tr>
<td>8150</td>
<td>Ongoing and Major Maintenance Account (RMA: Education Code Section 17070.75)</td>
<td>8980</td>
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</tbody>
</table>

Note: Resource codes temporarily inactive pursuant to statutory categorical program flexibility are shown in strikeout.

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## Procedure 310  Resource (Project/Reporting) Classification

<table>
<thead>
<tr>
<th>Resource Code</th>
<th>Resource Description</th>
<th>Revenue Object</th>
<th>U/F</th>
<th>CFDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>9000–9999</td>
<td>Other Restricted Local: Locally defined These codes are used, at the option of the LEA, to track all other local revenues or other financing sources that are not defined elsewhere and that are restricted to specific purposes by the donor or by law. (Refer to pages 310-1 and 310-5 for additional discussion of restricted programs and activities.) When reporting to CDE, LEAs must roll up these resources to Resource 9010.</td>
<td></td>
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<tr>
<td>9010</td>
<td>Other Restricted Local</td>
<td>8610–8699, 8931–8979</td>
<td>U/F</td>
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</tbody>
</table>

Note: Resource codes temporarily inactive pursuant to statutory categorical program flexibility are shown in strikeout.
Procedure 310  Resource (Project/Reporting) Classification

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Procedure 315  Project Year Classification

The project year field is used to distinguish the activities of grants with different project years within the same fiscal year. In most cases, the grants are federal; however, in some instances, state grants have different project years.

How the Project Year Field Is Used

If a project's reporting year is the same throughout the LEA's fiscal year, the project year code is 0 (zero). For those projects that cross the LEA reporting fiscal year, the project year code is the last digit of the federal fiscal year in which the project terminates; for example, a project year ending in 2013 is represented by a “3.” Once the project year is assigned to a project, revenues and expenditures reflect that number for the entire duration of the project, even though the grantor may extend it.

For example, an LEA may have a federal grant operating from October 1, 2012, through September 30, 2013, and another one operating from October 1, 2013, through September 30, 2014. The grant activities during the reporting state fiscal year 2013–14 would include three months of expenditures for the federal project year October 1, 2012, through September 30, 2013, and nine months of expenditures for the federal project year October 1, 2013, through September 30, 2014.

If used, the project year field applies to revenues and expenditures. Its use is optional for balance sheet accounts.

Examples of Project Year Codes

The following are examples of project year codes:

<table>
<thead>
<tr>
<th>Code</th>
<th>Federal Project Year</th>
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<tbody>
<tr>
<td>5</td>
<td>2004–05</td>
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<tr>
<td>6</td>
<td>2005–06</td>
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<tr>
<td>7</td>
<td>2006–07</td>
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<tr>
<td>8</td>
<td>2007–08</td>
</tr>
<tr>
<td>9</td>
<td>2008–09</td>
</tr>
<tr>
<td>0</td>
<td>2009–10</td>
</tr>
<tr>
<td>1</td>
<td>2010–11</td>
</tr>
<tr>
<td>2</td>
<td>2011–12</td>
</tr>
<tr>
<td>3</td>
<td>2012–13</td>
</tr>
<tr>
<td>4</td>
<td>2013–14</td>
</tr>
</tbody>
</table>
Procedure 315  Project Year Classification

Flexibility of the Project Year Field

The project year field may be used by an LEA to label other state or local projects. For example, an LEA may choose to use this field to identify unearned revenue from one year to the next but is not required to do so by CDE.
Procedure 330  Object Classification

The following guidance may include some information that is temporarily superseded by the categorical flexibility provisions of Senate Bill (SB) 4 of the 2009–10 Third Extraordinary Session (SBX3 4) (Chapter 12, Statutes of 2009) as amended by SB 70 (Chapter 7, Statutes of 2011), effective 2008–09 through 2014–15. For additional information and guidance, refer to the California Department of Education (CDE) letter “Fiscal Issues Relating to Budget Reductions and Flexibility Provisions” located on the CDE accounting correspondence Web page at http://www.cde.ca.gov/fg/ac/co/.

The object field classifies expenditures according to the types of items purchased or services obtained. It classifies revenues by the general source and type of revenue. It also classifies balance sheet accounts as assets, liabilities, or fund balance.

How the Object Field Is Used

The object field applies to expenditures, revenues, and balance sheet accounts.

Flexibility of the Object Field

LEAs are required to code their transactions to at least the minimum object level required by CDE. However, LEAs may also use more detailed CDE-defined optional object codes (indicated by italics in the object code listing) or create their own locally defined object codes. Required and optional codes are reported to CDE; locally defined codes must be rolled up by the LEA when reporting data to CDE. For further information, see “Optional and Locally Defined Codes” and “Reporting Data to the State,” beginning on page 301-4.

The fourth digit of objects 3000–3999 has been restricted by CDE to a specific definition. The third digit is available for LEA use if it is rolled up to zero when submitted to CDE. For example:

3401  Health and Welfare Benefits, certificated positions
3411  Health and Welfare Benefits, certificated positions, instructional
3421  Health and Welfare Benefits, certificated positions, administrative

In this example, the LEA has used locally defined objects using the third digit. These must be rolled up to Object 3401, Health and Welfare Benefits, certificated positions, when data are reported to CDE.
### Procedure 330  Object Classification

**List of Object Codes**

*Italicized codes are optional; if used, they must be reported to CDE.*

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
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<tbody>
<tr>
<td>1000–7999</td>
<td><strong>EXPENDITURES AND OTHER FINANCING USES</strong></td>
</tr>
<tr>
<td>1000–7499</td>
<td><strong>Expenditures</strong></td>
</tr>
<tr>
<td>1000–1999</td>
<td>Certificated Personnel Salaries</td>
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<tr>
<td>1100</td>
<td>Certificated Teachers’ Salaries</td>
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<tr>
<td>1200</td>
<td>Certificated Pupil Support Salaries</td>
</tr>
<tr>
<td>1300</td>
<td>Certificated Supervisors’ and Administrators’ Salaries</td>
</tr>
<tr>
<td>1900</td>
<td>Other Certificated Salaries</td>
</tr>
<tr>
<td>2000–2999</td>
<td>Classified Personnel Salaries</td>
</tr>
<tr>
<td>2100</td>
<td>Classified Instructional Salaries</td>
</tr>
<tr>
<td>2200</td>
<td>Classified Support Salaries</td>
</tr>
<tr>
<td>2300</td>
<td>Classified Supervisors’ and Administrators’ Salaries</td>
</tr>
<tr>
<td>2400</td>
<td>Clerical, Technical, and Office Staff Salaries</td>
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<tr>
<td>2900</td>
<td>Other Classified Salaries</td>
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<tr>
<td>3000–3999</td>
<td><strong>Employee Benefits</strong></td>
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<tr>
<td>3101</td>
<td>State Teachers’ Retirement System, certificated positions</td>
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<tr>
<td>3102</td>
<td>State Teachers’ Retirement System, classified positions</td>
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<tr>
<td>3201</td>
<td>Public Employees’ Retirement System, certificated positions</td>
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<tr>
<td>3202</td>
<td>Public Employees’ Retirement System, classified positions</td>
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<td>3301</td>
<td>OASDI/Medicare/Alternative, certificated positions</td>
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<tr>
<td>3302</td>
<td>OASDI/Medicare/Alternative, classified positions</td>
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<td>3401</td>
<td>Health and Welfare Benefits, certificated positions</td>
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<td>3402</td>
<td>Health and Welfare Benefits, classified positions</td>
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<tr>
<td>3501</td>
<td>State Unemployment Insurance, certificated positions</td>
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<tr>
<td>3502</td>
<td>State Unemployment Insurance, classified positions</td>
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<tr>
<td>3601</td>
<td>Workers’ Compensation Insurance, certificated positions</td>
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<tr>
<td>3602</td>
<td>Workers’ Compensation Insurance, classified positions</td>
</tr>
<tr>
<td>3701</td>
<td>OPEB, Allocated, certificated positions</td>
</tr>
<tr>
<td>3702</td>
<td>OPEB, Allocated, classified positions</td>
</tr>
<tr>
<td>3751</td>
<td>OPEB, Active Employees, certificated positions</td>
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<tr>
<td>3752</td>
<td>OPEB, Active Employees, classified positions</td>
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<tr>
<td>3801</td>
<td>PERS Reduction, certificated positions</td>
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<tr>
<td>3802</td>
<td>PERS Reduction, classified positions</td>
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<td>3901</td>
<td>Other Benefits, certificated positions</td>
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<td>3902</td>
<td>Other Benefits, classified positions</td>
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<tr>
<td>4000–4999</td>
<td><strong>Books and Supplies</strong></td>
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<tr>
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<td>Approved Textbooks and Core Curricula Materials</td>
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## Procedure 330  Object Classification

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<th>Title</th>
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<td>4300</td>
<td>Materials and Supplies</td>
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<td>4400</td>
<td>Noncapitalized Equipment</td>
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<td>4700</td>
<td>Food</td>
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<td>5000–5999</td>
<td>Services and Other Operating Expenditures</td>
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<tr>
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<td>Subagreements for Services</td>
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<td>Travel and Conferences</td>
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<td>Dues and Memberships</td>
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<td>Insurance</td>
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<td>Pupil Insurance</td>
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<td>Other Insurance</td>
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<td>Operations and Housekeeping Services</td>
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<td>Rentals, Leases, Repairs, and Noncapitalized Improvements</td>
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<td>5700–5799</td>
<td>Transfers of Direct Costs</td>
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<td>Transfers of Direct Costs—Interfund</td>
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<td>Professional/Consulting Services and Operating Expenditures</td>
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<td>Communications</td>
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<td>6000–6999</td>
<td>Capital Outlay</td>
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<td>Buildings and Improvements of Buildings</td>
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<td>6300</td>
<td>Books and Media for New School Libraries or Major Expansion of School Libraries</td>
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<td>6400</td>
<td>Equipment</td>
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<td>Equipment Replacement</td>
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<td>Depreciation Expense (for proprietary and fiduciary funds only)</td>
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<td>7000–7499</td>
<td>Other Outgo</td>
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<td>7100–7199</td>
<td>Tuition</td>
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<td>Tuition for Instruction Under Interdistrict Attendance Agreements</td>
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<td>Other Tuition, Excess Costs, and/or Deficit Payments to Districts or Charter Schools</td>
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<td>Other Tuition, Excess Costs, and/or Deficit Payments to County Offices</td>
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<td>7143</td>
<td>Other Tuition, Excess Costs, and/or Deficit Payments to JPAs</td>
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## Procedure 330    Object Classification

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<tr>
<th>Code</th>
<th>Title</th>
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<td>7200–7299</td>
<td>Interagency Transfers Out</td>
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<td>7211</td>
<td>Transfers of Pass-Through Revenues to Districts or Charter Schools</td>
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<tr>
<td>7212</td>
<td>Transfers of Pass-Through Revenues to County Offices</td>
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<tr>
<td>7213</td>
<td>Transfers of Pass-Through Revenues to JPAs</td>
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<td>Transfers of Apportionments to Districts or Charter Schools</td>
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<tr>
<td>7222</td>
<td>Transfers of Apportionments to County Offices</td>
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<tr>
<td>7223</td>
<td>Transfers of Apportionments to JPAs</td>
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<tr>
<td>7280</td>
<td>Transfers to Charter Schools in Lieu of Property Taxes (Valid through 2006–07)</td>
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<td>7281</td>
<td>All Other Transfers to Districts or Charter Schools</td>
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<tr>
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<td>All Other Transfers to County Offices</td>
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<td>All Other Transfers to JPAs</td>
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<td>7299</td>
<td>All Other Transfers Out to All Others</td>
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<tr>
<td>7300–7399</td>
<td>Transfers of Indirect Costs</td>
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<td>Transfers of Indirect Costs—Interfund</td>
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<td>7430–7439</td>
<td>Debt Service</td>
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<tr>
<td>7432</td>
<td>State School Building Repayments</td>
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<td>7433</td>
<td>Bond Redemptions</td>
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<td>7434</td>
<td>Bond Interest and Other Service Charges</td>
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<td>7435</td>
<td>Repayment of State School Building Fund Aid—Proceeds from Bonds</td>
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<td>Payments to Original District for Acquisition of Property</td>
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### 7600–7699    Other Financing Uses

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**9000–9999**

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#### 9700–9799 Fund Balance/Net Position

(The following codes and titles for 9700–9790 were valid through 2010–11.)

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<td>9719</td>
<td>All Other Nonspendable Assets</td>
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<tr>
<td>9720</td>
<td>Reserve for Encumbrances (Budgetary account) (This account is not reported to CDE.)</td>
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<tr>
<td>9730–9749</td>
<td>Fund Balance, Restricted</td>
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<tr>
<td>9740</td>
<td>Restricted Balance</td>
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<tr>
<td>9750–9769</td>
<td>Fund Balance, Committed</td>
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<td>9750</td>
<td>Stabilization Arrangements</td>
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<td>9760</td>
<td>Other Commitments</td>
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<td>9770–9788</td>
<td>Fund Balance, Assigned</td>
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<tr>
<td>9780</td>
<td>Other Assignments</td>
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<tr>
<td>9789–9790</td>
<td>Fund Balance, Unassigned</td>
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<tr>
<td>9789</td>
<td>Reserve for Economic Uncertainties</td>
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<tr>
<td>9790</td>
<td>Unassigned/Unappropriated/Unrestricted Net Position</td>
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<td>9791</td>
<td>Beginning Fund Balance</td>
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<td>9793</td>
<td>Audit Adjustments</td>
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<td>9795</td>
<td>Other Restatements</td>
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<td>9796</td>
<td>Net Investment in Capital Assets</td>
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<tr>
<td>9797</td>
<td>Restricted Net Position</td>
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<tr>
<td>9800–9839</td>
<td>Budgetary Accounts (These accounts are not reported to CDE.)</td>
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<tr>
<td>9810</td>
<td>Estimated Revenue</td>
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<td>9815</td>
<td>Estimated Other Financing Sources</td>
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<td>9820</td>
<td>Appropriations</td>
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<td>9825</td>
<td>Estimated Other Financing Uses</td>
</tr>
<tr>
<td>9830</td>
<td>Encumbrances</td>
</tr>
<tr>
<td>9840–9899</td>
<td>Control Accounts (These accounts are not reported to CDE.)</td>
</tr>
<tr>
<td>9840</td>
<td>Revenue</td>
</tr>
<tr>
<td>9845</td>
<td>Other Financing Sources</td>
</tr>
<tr>
<td>9850</td>
<td>Expenditures</td>
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<tr>
<td>9855</td>
<td>Other Financing Uses</td>
</tr>
<tr>
<td>9910–9979</td>
<td>Nonoperating Accounts (These accounts are not reported to CDE.)</td>
</tr>
<tr>
<td>9910</td>
<td>Suspense Clearing</td>
</tr>
</tbody>
</table>
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Object Code Definitions
(Italicized codes are optional; if used, they must be reported to CDE.)

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>1000–7999</td>
<td>EXPENDITURES AND OTHER FINANCING USES</td>
</tr>
<tr>
<td></td>
<td>Note: Also see Appendix A, “Analysis of Salaries,” for common function/object</td>
</tr>
<tr>
<td></td>
<td>relationships found in salary expenditures.</td>
</tr>
<tr>
<td>1000–1999</td>
<td><strong>Certificated Personnel Salaries.</strong> Certificated salaries are salaries for</td>
</tr>
<tr>
<td></td>
<td>positions that require a credential or permit issued by the Commission on</td>
</tr>
<tr>
<td></td>
<td>Teacher Credentialing. Salaries paid to an employee on leave of absence</td>
</tr>
<tr>
<td></td>
<td>continue to be charged in the same manner and to the same account</td>
</tr>
<tr>
<td></td>
<td>classification that was applicable while the employee was in active service</td>
</tr>
<tr>
<td></td>
<td>of the LEA.</td>
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<tr>
<td></td>
<td>For compensated time off, a substitute for a position recorded in objects 1000–</td>
</tr>
<tr>
<td></td>
<td>1999 should be charged to the same goal and function as the absent employee.</td>
</tr>
<tr>
<td></td>
<td>For other than compensated time off, such as release time for negotiations,</td>
</tr>
<tr>
<td></td>
<td>the substitute should be charged to the applicable goal and function.</td>
</tr>
<tr>
<td>1100</td>
<td><strong>Certificated Teachers’ Salaries.</strong> Record the full-time, part-time, and</td>
</tr>
<tr>
<td></td>
<td>prorated portions of salaries for all certificated personnel employed to</td>
</tr>
<tr>
<td></td>
<td>teach the pupils of the district or pupils in schools maintained by a county</td>
</tr>
<tr>
<td></td>
<td>superintendent of schools. Include salaries for teachers of children in</td>
</tr>
<tr>
<td></td>
<td>homes or hospitals, all special education resource specialists and teachers,</td>
</tr>
<tr>
<td></td>
<td>substitute teachers, and instructional television teachers. Include salaries</td>
</tr>
<tr>
<td></td>
<td>of teachers who provide instruction to students on a pullout basis.</td>
</tr>
<tr>
<td></td>
<td>The separate recording of teachers’ salaries is required by Education Code</td>
</tr>
<tr>
<td></td>
<td>Section 41011 and is limited to salaries of certificated employees paid to</td>
</tr>
<tr>
<td></td>
<td>teach the pupils of the district or pupils in schools maintained by a county</td>
</tr>
<tr>
<td></td>
<td>superintendent.</td>
</tr>
<tr>
<td></td>
<td>The following comments, interpretations, and definitions are included to guide</td>
</tr>
<tr>
<td></td>
<td>school officials in determining whether the total salary or a portion of the</td>
</tr>
<tr>
<td></td>
<td>salary would be charged to Object 1100.</td>
</tr>
<tr>
<td></td>
<td>The total salary is recorded in Object 1100 under the following conditions:</td>
</tr>
<tr>
<td></td>
<td>The teacher is an employee of the district or office of the county superintendent in a position requiring</td>
</tr>
</tbody>
</table>
|            | certification qualifications. The teacher’s duties require him or her to teach pupils of the district for at least one full instructional period on each school day for which he or she is employed, and he or she is assigned no duties other than those that are connected with, or extensions of, classroom teaching. Such activities are limited to the following:
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<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
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<tbody>
<tr>
<td></td>
<td>Preparation for and evaluation of classroom work</td>
</tr>
<tr>
<td></td>
<td>Extracurricular activities that arise from classroom work and are extensions of it (e.g., class or club sponsorship or supervision at school functions)</td>
</tr>
<tr>
<td></td>
<td>Management of and instruction in a study hall</td>
</tr>
<tr>
<td></td>
<td>Duties that are ordinarily assigned to certificated personnel in connection with the custody and control of pupils at recess or lunchtime, after school, or at other times</td>
</tr>
</tbody>
</table>

If a certificated employee teaches at least one instructional period each day that he or she is employed to teach and is also assigned other duties neither in connection with nor as an extension of classroom teaching, his or her salary must be prorated and recorded in Object 1100 and in the other objects that provide for recording of expenditures for the other assignment(s). The amount recorded in Object 1100 is the product of the employee’s complete salary and the fraction of the full-time school day that the employee spent as a classroom teacher performing duties that are in connection with, or an extension of, classroom teaching as limited herein. The remaining portion is then charged to the object(s) in which expenditures for the other assignments are recorded. Some of the other assignments may pertain to work outside the field of teaching. If a teacher performs such assignments, it will be necessary to prorate a portion of the teacher’s salary to classifications other than Object 1100.

The term *other assignments* that must be recorded or prorated to other object codes includes, but is not limited to, assignments usually and specifically assigned to persons employed in the following types of positions:

**Certificated:**
- General supervisors, coordinators, directors, specialists, consultants, supervisors of special subjects or grades, and certificated assistants (use Function 2100, Instructional Supervision and Administration, with Object 1300, Certificated Supervisors’ and Administrators’ Salaries)
- Chairperson of academic department (use Function 2700, School Administration, with Object 1300, Certificated Supervisors’ and Administrators’ Salaries)
- Principals, vice principals, assistant principals, deans, and assistant deans in individual schools (use Function 2700, School Administration, with Object 1300, Certificated Supervisors’ and Administrators’ Salaries)
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<table>
<thead>
<tr>
<th>Code</th>
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<tbody>
<tr>
<td></td>
<td>Librarians, assistant librarians, and audiovisual personnel (use Function 2420, Instructional Library, Media, and Technology, with Object 1200, Certificated Pupil Support Salaries)</td>
</tr>
<tr>
<td></td>
<td>Counselors, nurses, psychologists, psychometrists, audiometrists, and guidance and attendance personnel (use Pupil Service functions 3110–3150 with Object 1200, Certificated Pupil Support Salaries)</td>
</tr>
</tbody>
</table>

Classified:

- School bus driver, custodian, secretary to the governing board, and supervisor of transportation

1200 Certificated Pupil Support Salaries. Record the full-time, part-time, and prorated portions of salaries of all certificated personnel performing services of librarian, social worker, or certificated personnel doing pupil personnel work; psychologists and psychometrists; counselors; as well as health services rendered by physicians, oculists, dentists, dental hygienists, nurses, optometrists, school audiometrists, psychiatrists, otologists, and other personnel as authorized in the field of physical and mental health and who are on the payroll of the LEA. Health services personnel must possess a services credential (Education Code sections 44872–44879 and 49422–49427).

1300 Certificated Supervisors’ and Administrators’ Salaries. Record the full-time, part-time, and prorated portions of salaries of principals, vice principals, administrative deans in individual schools, and other personnel performing similar duties; certificated personnel engaged in instructional supervision, including general supervisors, coordinators, directors, consultants, and supervisors of special subjects or grades and their certificated assistants (whether or not they supervise staff); superintendents and/or deputy, associate, area, and assistant superintendents in districts and offices of county superintendents of schools (Education Code sections 35028, 35029, 35030, 44065, 44066, and 44069).

Note: The term supervision is used to designate those activities having as their purpose the actual improvement of instruction under the direction of supervisors and assistants. Such activities include (1) personal conferences with teachers on instructional problems; (2) classroom visitation; (3) group conferences with teachers; and (4) demonstration teaching.

1900 Other Certificated Salaries. Record the full-time, part-time, and prorated portions of salaries for all certificated personnel who do not fall within one of the categories previously specified. Examples of such personnel are special education and/or other program specialists, certificated civic center employees, or resource
## Procedure 330 Object Classification

| Code   | Definition                                                                atti

|        | teachers not performing duties as a classroom teacher. Object 1900 is not open to instructional functions. |

| 2000–2999 | **Classified Personnel Salaries.** Classified salaries are salaries for positions that do not require a credential or permit issued by the Commission on Teacher Credentialing. Salaries paid to an employee on leave of absence will continue to be charged in the same manner and to the same account classification as was applicable while the employee was in active service for the LEA. |

For compensated time off, a substitute for a position recorded in objects 2000–2999 should be charged to the same goal and function as the absent employee. For other than compensated time off, such as release time for negotiations, the substitute should be charged to the applicable goal and function.

Student employees are to be coded to the goal, function, and object that represent the position they are filling. However, if the student is being paid as part of an educational program such as work experience, use Function 1000, Instruction, and Object 2900, Other Classified Salaries.

| 2100 | **Classified Instructional Salaries.** Record total salaries paid to instructional aides who are required to perform any portion of their duty under the supervision of a classroom teacher or that of a special education resource specialist teacher (Education Code Section 41011). This code also includes salaries of noncertificated charter school teachers and other noncertificated instructional personnel, such as classified coaches, tutors, and drug/alcohol program mentors. |

| 2200 | **Classified Support Salaries.** This code is used to record the full-time, part-time, and prorated portions of salaries of classified employees not defined elsewhere who are working in the instructional media and library, student support, pupil transportation, food services, and maintenance and operations functions. |

Salaries for the instructional media and library function include the salaries of library and media aides.

Salaries for the student support function include the salaries of counselor aides and health aides.

Salaries for the pupil transportation function include the salaries of bus drivers, mechanics, field coordinators, gasoline-pump attendants, and all other personnel whose assignments are related to the transportation of students.

Salaries for the food service function include the salaries of nutritionists, cooks, helpers, and all other food service personnel except those engaged in the management of the food service program on a districtwide basis. The salary of a
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<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>classified director of food services, if districtwide, is recorded in Object 2300, Classified Supervisors’ and Administrators’ Salaries. The salary of a certificated director of food services, if districtwide, is recorded in Object 1300, Certificated Supervisors’ and Administrators’ Salaries. Salaries for the maintenance function include the salaries of carpenters, painters, plumbers, electricians, and other similar positions. The salaries for the operations function include the salaries of custodians, matrons, general utility workers, firefighters, dairy workers, guards, gardeners, elevator operators, warehouse workers, delivery personnel, truck drivers, and other similar positions.</td>
</tr>
<tr>
<td>2300</td>
<td><strong>Classified Supervisors’ and Administrators’ Salaries.</strong> Record the full-time, part-time, and prorated portions of salaries of supervisory personnel who are business managers, controllers, directors, chief accountants, accounting supervisors, purchasing agents, site administrators, assistant superintendents, and superintendents. Include stipends for governing board members and personnel commission members. (For assistant superintendents and superintendents, see Education Code sections 35028, 35029, 35030, 44065, 44066, and 44069.)</td>
</tr>
<tr>
<td>2400</td>
<td><strong>Clerical, Technical, and Office Staff Salaries.</strong> Record the full-time, part-time, and prorated portions of salaries paid to clerks, secretaries, accountants, bookkeepers, programmers and computer technical support, machine and computer operators, and others in similar positions.</td>
</tr>
<tr>
<td>2900</td>
<td><strong>Other Classified Salaries.</strong> Record the full-time, part-time, and prorated portions of salaries not identifiable with objects 2100 through 2400 (e.g., noon supervision personnel, students employed for work experience, civic center aides, and building inspectors). Students employed as part of a work–study curriculum or job-training grant are coded to Function 1000, Instruction.</td>
</tr>
<tr>
<td>3000–3999</td>
<td><strong>Employee Benefits.</strong> Record employers’ contributions to retirement plans and health and welfare benefits, including cash in lieu of benefits, for employees, their dependents, retired employees, and board members. Benefits are separated into two categories. A code that ends in 1 indicates benefits paid for personnel in certificated positions, and a code that ends in 2 indicates those paid for personnel in classified positions. Except for allocated costs of OPEB (objects 3701–3702) and retirement incentives (objects 3901–3902), employee benefits are charged to the program(s) to which the benefit-eligible employee’s salary is charged.</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>3101–3102</td>
<td><strong>State Teachers’ Retirement System.</strong> Record expenditures to provide personnel with retirement benefits under the State Teachers’ Retirement System (STRS). This excludes employee contributions. Object 3101 is certificated personnel in STRS; Object 3102 includes those individuals who hold classified positions but are enrolled in STRS.</td>
</tr>
<tr>
<td>3201–3202</td>
<td><strong>Public Employees’ Retirement System.</strong> Record expenditures to provide personnel with retirement benefits under the Public Employees’ Retirement System (PERS). This excludes employee contributions, although it does include the employer's payment of an employee’s contribution. Object 3201 indicates those employees in certificated positions and enrolled in PERS; Object 3202 indicates employees in classified positions and enrolled in PERS.</td>
</tr>
<tr>
<td>3301–3302</td>
<td><strong>OASDI/Medicare/Alternative.</strong> Record expenditures to provide employee benefits under the federal Social Security system. Include expenditures to qualifying alternative retirement plans for employees not covered under the Social Security system, STRS, or PERS. This excludes employee contributions. Object 3301 indicates that the Social Security benefits cover certificated positions; Object 3302 indicates that these benefits cover classified positions.</td>
</tr>
<tr>
<td>3401–3402</td>
<td><strong>Health and Welfare Benefits.</strong> Record expenditures made to provide personnel with health and welfare insurance benefits. This excludes employee contributions but includes health and welfare benefit premiums paid to a self-insurance fund. Object 3401 indicates that the benefits cover certificated positions; Object 3402 indicates that the benefits cover classified positions.</td>
</tr>
<tr>
<td>3501–3502</td>
<td><strong>State Unemployment Insurance.</strong> Record expenditures made to provide personnel with unemployment compensation. Object 3501 indicates that the state unemployment insurance covers certificated positions; Object 3502 indicates that the state unemployment insurance covers classified positions.</td>
</tr>
<tr>
<td>3601–3602</td>
<td><strong>Workers’ Compensation Insurance.</strong> Record expenditures made to provide personnel with workers' compensation benefits. This includes workers’ compensation insurance premiums paid to a self-insurance fund. Object 3601 covers certificated positions; Object 3602 covers classified positions.</td>
</tr>
<tr>
<td>3701–3702</td>
<td><strong>OPEB, Allocated.</strong> Record expenditures for postemployment benefits other than pensions (OPEB) for retirees and other former employees, whether for current-year benefit costs financed on a pay-as-you-go basis or for amortization of the past unfunded liability relating to retirees and other former employees. Record expenditures for amortization of the past unfunded liability relating to active employees, if such costs are not direct-charged (see objects 3751–3752).</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
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<tbody>
<tr>
<td></td>
<td>Do not include expenditures for normal costs for active employees; these must be direct-charged using objects 3751–3752.</td>
</tr>
<tr>
<td></td>
<td>Expenditures in objects 3701–3702 must be allocated to all activities in proportion to total salaries or total full-time equivalents (FTEs) in those activities. Object 3701 relates to certificated positions; Object 3702 relates to classified positions.</td>
</tr>
<tr>
<td>3751–3752</td>
<td><strong>OPEB, Active Employees.</strong> Record expenditures for actuarially determined normal costs for postemployment benefits other than pensions (OPEB) for OPEB-eligible active employees.</td>
</tr>
<tr>
<td></td>
<td>Record expenditures for amortization of the past unfunded liability relating to OPEB-eligible active employees to the extent that amortization costs are not unduly burdensome or distorting to programs. Where such costs would be unduly burdensome or distorting to programs, they should be allocated to all activities using objects 3701–3702.</td>
</tr>
<tr>
<td></td>
<td>Do not include expenditures for retirees and other former employees; these must be allocated using objects 3701–3702.</td>
</tr>
<tr>
<td></td>
<td>Expenditures in objects 3751–3752 must be direct-charged on a per-eligible-FTE basis to the same resource, goal, and function as the OPEB-eligible active employee’s salary. Object 3751 relates to certificated positions; Object 3752 relates to classified positions.</td>
</tr>
<tr>
<td>3801–3802</td>
<td><strong>PERS Reduction.</strong> Report the transfers of funds from the LEA to the state. Object 3801 covers certificated positions; Object 3802 covers classified positions. The charge for PERS Reduction should follow the function of the related salary. Function 9200, Transfers Between Agencies, may be used instead of identifying specific functions, but either method must be used exclusively, not together. Amounts reported in objects 3801–3802 must equal the amount reported in Object 8092, PERS Reduction Transfer.</td>
</tr>
<tr>
<td>3901–3902</td>
<td><strong>Other Benefits.</strong> Record the payment for tax-sheltered annuities, deferred compensation, cash-in-lieu, retirement incentives such as Golden Handshake, and other employee benefits not specified above. With the exception of retirement incentives, expenditures reported in objects 3901–3902 are charged to the program(s) to which the benefit-eligible employee’s salary is charged. For direction on charging retirement incentives, see Procedure 655. Object 3901 is used for certificated positions; Object 3902 is used for classified positions.</td>
</tr>
<tr>
<td>Code</td>
<td>Definition</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>4000–4999</td>
<td><strong>Books and Supplies.</strong> Record expenditures for books and supplies, including any associated sales tax or use tax and freight and handling charges.</td>
</tr>
<tr>
<td>4100</td>
<td><strong>Approved Textbooks and Core Curricula Materials.</strong> Record expenditures for classroom instructional materials designed for use by pupils and their teachers as the basic curriculum adopted by the State Board of Education or the district board for required subject matter. Instructional materials may be printed or appear in some other form and may consist of textbooks, technology-based materials, and other educational materials, such as manipulatives (Education Code Section 60010[h]). The cost includes all consumable materials available in the approved series, such as kits, audiovisual materials, or workbooks. Teachers' manuals and editions relate to specific, basic, or supplementary textbooks and are intended for teachers' use rather than for pupils’ use. They are part of the approved curriculum used in the classroom and so are part of Object 4100. Single issues of state-approved textbooks for review by research committees or curriculum directors would be coded to this object with an instruction-related service function, such as Function 2130, Curriculum Development.</td>
</tr>
<tr>
<td>4200</td>
<td><strong>Books and Other Reference Materials.</strong> Record expenditures for books and other reference materials used by district personnel. Books used for reference are further identified by the appropriate function. For example, reference books for use in the nurse’s office, in the district business office, or in the cafeteria would be coded to Function 3140, Health Services; Function 7200, Other General Administration; or Function 3700, Food Services, respectively. Function 1000, Instruction, would include (1) books that have not been adopted by the proper authority for use as basic curricula; (2) books, such as reference books, that are available for general use by students even though such books may be used solely in the classroom; and (3) all other materials used for reference purposes. Generally, the purchase of library books or other reference materials is coded to Object 4200. However, expenditures for library books to stock a new school library or for material expansion are recorded in Object 6300, Books and Media for New School Libraries or Major Expansion of School Libraries. Consumable materials other than those directly related to adopted curricula (Object 4100) have a limited shelf life of less than one year. Materials such as periodicals, magazines, workbooks, drill books, exercise pads, and the like are recorded in Object 4300, Materials and Supplies.</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Code</th>
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<tbody>
<tr>
<td>4300</td>
<td><strong>Materials and Supplies.</strong> Record expenditures for consumable materials and supplies and nonconsumable items that do not meet the LEA’s inventory threshold to be used by students, teachers, and other LEA personnel. Instructional materials and supplies are those used in the classroom by students and teachers. Other materials and supplies included in Object 4300 are those used in services and auxiliary programs, such as food service supplies; custodial supplies; gardening and maintenance supplies; supplies for operations; transportation supplies, including gasoline; supplies for repair and upkeep of equipment or buildings and grounds; and medical and office supplies.</td>
</tr>
<tr>
<td></td>
<td>Expenditures for rentals of materials are coded to Object 5600, Rentals, Leases, Repairs, and Noncapitalized Improvements.</td>
</tr>
<tr>
<td></td>
<td>Incidental materials and supplies included in payments to outside vendors for repair and maintenance services are coded to Object 5600, Rentals, Leases, Repairs, and Noncapitalized Improvements.</td>
</tr>
<tr>
<td></td>
<td>Payments to outside vendors for duplication services should be coded to Object 5800, Professional/Consulting Services and Operating Expenditures.</td>
</tr>
<tr>
<td>4400</td>
<td><strong>Noncapitalized Equipment.</strong> Record expenditures for movable personal property of a relatively permanent nature that has an estimated useful life greater than one year and an acquisition cost less than the LEA’s capitalization threshold but greater than the LEA’s inventory threshold pursuant to Education Code Section 35168 or local policy. For information on the capitalization threshold, refer to Procedure 770.</td>
</tr>
<tr>
<td>4700</td>
<td><strong>Food.</strong> Record expenditures for food used in food-service activities for which the purpose is nourishment or nutrition (i.e., breakfast, snacks, lunch, and other similar items). Include food purchased by the food service program for student meals on field trips even if not reimbursed through the school lunch program.</td>
</tr>
<tr>
<td></td>
<td>Object 4700, Food, is used only with Function 3700, Food Services.</td>
</tr>
<tr>
<td></td>
<td>Expenditures for food used for instruction in a regular classroom (e.g., in a cooking class or as an instructional reward) are recorded in Object 4300, Materials and Supplies, with an instructional function. Expenditures for food for staff meetings and similar situations are recorded in Object 4300 with the appropriate function.</td>
</tr>
<tr>
<td>5000–5999</td>
<td><strong>Services and Other Operating Expenditures.</strong> Record expenditures for services, rentals, leases, maintenance contracts, dues, travel, insurance, utilities, and legal</td>
</tr>
</tbody>
</table>
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<tr>
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<tbody>
<tr>
<td>5100</td>
<td><strong>Subagreements for Services.</strong> Record expenditures for subagreements and subawards pursuant to certain contracts, subcontracts, and subgrants. Subagreements for Services may be formal or informal, written or verbal, and are indicated when a part or all of an instructional or support activity for which the LEA is responsible is conducted by a third party rather than by the LEA (see page 910-2, Categories of Costs, for definitions of instructional and support activities). The LEA’s responsibility for the activity may originate from any grant, award, or entitlement, including general purpose entitlements. Following are general indicators of subagreements for services:</td>
</tr>
<tr>
<td></td>
<td>• Subagreements are, by definition, subordinate to something—typically to a grant, award, or entitlement, but at least to some expectation that an LEA has a responsibility for some activity.</td>
</tr>
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<td>• Subagreements are typically in functions 1000–3999 (and possibly 4000), but this is not the determining factor. Not every contract or agreement in these functions is necessarily a subagreement.</td>
</tr>
<tr>
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<td>• Contracts for services between LEAs are subagreements if they have the characteristics of the “Subagreements for Services” model described in Procedure 750.</td>
</tr>
<tr>
<td></td>
<td>• Subcontracted expenditures generally do not generate or benefit from an LEA’s administrative services (indirect costs) to the same extent that other expenditures do because the services provided under the subagreement are carried out by the other entity.</td>
</tr>
<tr>
<td></td>
<td>Some examples of subagreements for services include:</td>
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<td>• Contracts with a third party to provide services required by a grant, such as the emergency services required by an Emergency Response Safety Grant</td>
</tr>
<tr>
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<td>• Contracts with other entities to provide home-to-school transportation for the LEA’s students</td>
</tr>
<tr>
<td></td>
<td>• Contracts with nonpublic schools for services to the LEA’s special education students</td>
</tr>
<tr>
<td></td>
<td>• Contracts between charter schools and management companies to provide instruction to the charter school’s students</td>
</tr>
</tbody>
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<tr>
<td></td>
<td>- Cooperative projects and pass-through grants in which LEAs have both administrative and direct financial involvement (refer to Procedure 750)</td>
</tr>
</tbody>
</table>

Subagreements for services generally exclude:

- Pass-through grants in which LEAs have only administrative involvement (refer to Procedure 750)
- Contracts for central administrative or “other” services (see page 910-2, Categories of Costs, for definitions of these services)
- Routine purchases of standard commercial goods or services from a vendor (refer to Object 5800, Professional/Consulting Services and Operating Expenditures)

When a distinction must be made between a subagreement and a routine purchase from a vendor, the substance of the transaction is more important than the form. For example, a contract with a vendor to provide home-to-school transportation to the LEA’s students would be a subagreement, but a contract with the same vendor to rent buses for the LEA to transport its own students would be a routine purchase from a vendor. The form of the written agreements might be identical in that both might be contracts with a transportation vendor, yet the substance of the transactions is different.

Unlike other costs in objects 5000–5999, Object 5100 costs are excluded from the calculation of the indirect cost rate and from eligible program expenditures on which indirect costs are charged (see Procedure 915). However, in recognition that some general administration is necessary to process a subagreement, indirect cost guidelines allow that up to $25,000 of each individual subagreement may be coded to Object 5800, Professional/Consulting Services and Operating Expenditures, with the remainder charged to Object 5100. The amount charged to Object 5800 is included in the calculation of the indirect cost rate and in eligible program expenditures on which indirect costs are charged. The $25,000 limit per subagreement applies each year throughout the duration of the subagreement.

5200  Travel and Conferences. Record actual and necessary expenditures incurred by and/or for employees and other representatives of the LEA for travel and conferences (Education Code sections 35044 and 44032). Included in this object are fees paid for those individuals to attend conferences or training classes. Expenditures for employee conferences charged to this object should follow the goal and function of the employee.

Expenditures for conferences sponsored by the LEA are not coded to this object but are coded to the appropriate object for specific services purchased, such as
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<tr>
<td>4300</td>
<td>for food, Object 5800 for caterers, Object 5600 for room rentals, and Object 2400 for staff time to prepare for the conference, in combination with Function 2140, In-house Instructional Staff Development, or Function 7410, Staff Development. (The use of Object 4700, Food, is restricted to Function 3700, Food Services.)</td>
</tr>
</tbody>
</table>

Expenditures for college tuition paid on behalf of employees are recorded to Object 5800, Professional/Consulting Services and Operating Expenditures.

5300  **Dues and Memberships.** Record the fee for LEA membership in any society, association, or organization as authorized by Education Code Section 35172. Object 5300 may be used for the dues of an employee, such as a chief business official or a superintendent, if it is deemed that the LEA is represented and benefits from the membership. Use objects 3901–3902 for employee dues if it is deemed that the dues are a benefit for only the employee.

5400  **Insurance.** Record expenditures for all forms of insurance other than employee benefits. Use Function 9100, Debt Service, for bond insurance costs when issuing new bonds.

5440  **Pupil Insurance (Optional).** Record expenditures for accidental death insurance and medical and hospital insurance for pupils. Use Function 1000, Instruction.

5450  **Other Insurance (Optional).** Record expenditures for all forms of insurance other than employee health insurance and pupil insurance. For fire and theft liability and fidelity bond premiums, use Function 7200, Other General Administration; for school buses, use Function 3600, Pupil Transportation; for food service vehicles, use Function 3700, Food Services.

5500  **Operations and Housekeeping Services.** Record expenditures for water, heating fuel, light, power, waste disposal, pest control, laundry and dry cleaning (such as laundering of curtains and cleaning of drapes), and so forth. Include contracts for these services. Object 5500 is used only with the maintenance and operation functions 8100–8500 and Function 6000, Enterprise.

Cleaning of uniforms, such as band or custodial uniforms, is charged to the appropriate function and Object 5800, Professional/Consulting Services and Operating Expenditures. Fuel for pupil transportation is coded to Object 4300, Materials and Supplies.

5600  **Rentals, Leases, Repairs, and Noncapitalized Improvements.** Record expenditures for rentals, leases without option to purchase, and repairs or
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<tr>
<td></td>
<td>maintenance (including maintenance agreements) of sites, buildings, and equipment by outside vendors. Include incidental materials and supplies included in the cost of repairs. Include expenditures for site or building improvements that do not meet the LEA’s threshold for capitalization.</td>
</tr>
</tbody>
</table>

Capital leases should be recorded according to the accounting procedures for lease/purchase agreements in Procedure 710.

Rental of facilities is normally charged to Function 8700, Facilities Rents and Leases. The temporary rental of facilities incidental to a particular activity, such as the hourly or daily rental of a hall for a staff development workshop or the rental of an auditorium for a school graduation, is charged to the function of the benefiting activity.

**5700–5799** Transfers of Direct Costs. Record the transfer of costs for services, other than indirect costs, between resources, goals, functions, and/or funds.

Typical transfers of direct costs between functions include services provided or products developed by the LEA, such as maintenance and repair of duplicating, audiovisual, or other equipment; photocopying expenses; field trips; district vehicle use; and information technology expenses. These types of costs may be accumulated in a particular function for ease of accounting and then transferred to the benefiting function(s) based on supporting documentation. For example, costs of field trips initially recorded in Function 3600, Pupil Transportation, are instructional costs and therefore are transferred to Function 1000, Instruction (see Example 1 in Procedure 640).

Typical transfers of direct costs between goals include the distribution of support costs to benefiting goals. For example, expenditures initially recorded to Function 8100, Plant Maintenance and Operations, with Goal 0000, Undistributed, may be transferred to the benefiting goal(s) on the basis of documentation or standardized allocation factors.

This account is also used to record transfers of administrative costs on any basis other than the indirect cost rate, such as administrative costs incurred in the general fund to calculate and collect developer fees.

**5710** Transfers of Direct Costs. Record transfers within a fund for direct costs of services provided, as described above. This account must net to zero at the fund level.

**5750** Transfers of Direct Costs—Interfund. Record transfers between funds for direct costs of services provided, as described above. This account will reflect a balance.
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<tr>
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<tbody>
<tr>
<td>5800</td>
<td><strong>Professional/Consulting Services and Operating Expenditures.</strong> Record expenditures for personal services rendered by personnel who are not on the payroll of the LEA. Professional/consulting services are delivered by an independent contractor (individual, entity, or firm) that offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short term in nature, normally in areas that supplement the expertise of the LEA. This includes all related expenditures covered by the personal services contract.</td>
</tr>
<tr>
<td></td>
<td>Record expenditures for services such as printing, engraving, and so forth performed by an outside agency. This includes but is not limited to copies made from masters provided by the LEA.</td>
</tr>
<tr>
<td></td>
<td>Record expenditures for catering services provided by an outside vendor.</td>
</tr>
<tr>
<td></td>
<td>Record expenditures for college tuition paid on behalf of employees.</td>
</tr>
<tr>
<td></td>
<td>Record expenditures for lodging and admission tickets for students and staff on field trips.</td>
</tr>
<tr>
<td></td>
<td>Record expenditures for all advertising, including advertising for items such as bond sales, contract bidding, and personnel vacancies. Record expenditures for judgments, penalties, legal advice, attorneys, hearing officers, elections, audits, and other similar costs. Record expenditures for services provided, such as administration, bus transportation, audiovisual, and library.</td>
</tr>
<tr>
<td></td>
<td>Record assessments for other than capital improvements, including state assessment for nonuse of school sites. Record expenditures for surveys and appraisals of sites that are not purchased. Expenditures for surveys, appraisals, and assessments in connection with site purchases and/or improvements are recorded in Object 6100, Land, and/or Object 6170, Land Improvements.</td>
</tr>
<tr>
<td></td>
<td>Record expenditures for fees charged to LEAs by other local governmental agencies, such as counties, cities, and special districts, for required services. Such fees include those charged for health, building, and operating inspections and permits, plan reviews, and utility connection fees. These charges typically relate to emissions, fuel-tank operations, hazardous waste generation, chemical storage, food safety, water safety, and fire safety. Examples of departments and special districts that assess these fees include Air Pollution Control, Environmental or Public Health Services, Fire Department, and Public Water Control.</td>
</tr>
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<tr>
<td></td>
<td>Record expenditures for Internet-based publications and materials. Record periodic costs of licensing, support, or maintenance agreements for nonequipment items, such as software. Initial licensing and other costs incurred as part of a major system acquisition should be recorded in Object 6400, Equipment.</td>
</tr>
<tr>
<td></td>
<td>Record expenditures not otherwise designated, such as payments of interest on loans repaid within the fiscal year, payments for damages to personal property, expenditures for fingerprints, physical and X-ray examinations required for employment, scholarship payments, and similar items.</td>
</tr>
<tr>
<td></td>
<td>Debt issuance costs, including underwriter discounts and fees, should be recorded here. If long-term debt is issued at a discount, the discount should be recorded in Object 7699, All Other Financing Uses.</td>
</tr>
<tr>
<td></td>
<td>May record up to $25,000 for each individual subagreement as defined in Object 5100, Subagreements for Services. This is optional. The $25,000 limit applies each year throughout the duration of the subagreement. The remainder of the subagreement must be recorded in Object 5100. Examples of subagreements are shown under Object 5100.</td>
</tr>
<tr>
<td></td>
<td>Note: Expenditures to nonpublic, nonsectarian schools for the education of children with exceptional needs should be charged to Object 5100, Subagreements for Services. Expenditures for excess costs and/or deficits in special education programs paid to provider school districts or county offices should be charged to objects 7141–7143, Other Tuition.</td>
</tr>
<tr>
<td>5900</td>
<td><strong>Communications.</strong> Record expenditures for periodic servicing of all methods of communication, including pagers, cell phones, beepers, and telephone service systems. This object also includes the monthly charges for fax lines, TV cable lines, and Internet service and lines. The cost of postage stamps and “refill” of postage meters should be coded to Communications, as should the cost of parcel service or other means used to deliver letters or other outgoing communications. Incoming shipping of purchased goods by parcel service or other means is considered to be part of the cost of goods purchased and should not be charged to Object 5900.</td>
</tr>
<tr>
<td></td>
<td>Generally, communication costs should be charged to either Function 2700, School Administration, or Function 7200, Other General Administration. Communication service fees may be charged to other functions by direct documentation, such as monthly statements. The monthly bills for pagers, cell phones, cable, and Internet services may follow the user if the charges can be documented. For example, Internet fees that are part of classroom instruction may be charged to Function 1000, Instruction.</td>
</tr>
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The cost of communication equipment is normally coded to Object 4400, Noncapitalized Equipment. If the cost of a unit of equipment exceeds the capitalization threshold of the LEA, use Object 6400, Equipment, or Object 6500, Equipment Replacement, as appropriate. However, if the cost is minor and the expected life short, the cost of the equipment should be coded to Object 4300, Materials and Supplies.

The cost of wiring and installing cables for communication equipment that become an integral part of the building or building service system is coded to Object 6200, Buildings and Improvement of Buildings, with Function 8500, Facilities Acquisition and Construction. Repairs to these lines would be coded to Function 8100, Plant Maintenance and Operations, with either Object 5600, Rentals, Leases, Repairs, and Noncapitalized Improvements, or with the salary or supply object codes of the maintenance budget.

6000–6999 **Capital Outlay.** Record expenditures for land, buildings, equipment, capitalized complements of books for new libraries, and other intangible capital assets, such as computer software, including items acquired through leases with option to purchase.

These object codes are not used in proprietary funds, in which capital assets are recorded in objects 9400–9499 and subsequently depreciated.

6100 **Land.** Record the costs of acquisition of land and additions to old sites and adjacent ways. Include incidental expenditures in connection with the acquisition of sites, such as appraisal fees, search and title insurance, surveys, and condemnation proceedings, and fees. If a site is not purchased after the appraisal or survey, record the expenditure in Object 5800, Professional/Consulting Services and Operating Expenditures. Include costs to remove buildings on newly acquired sites. Use with Function 8500, Facilities Acquisition and Construction.

6170 **Land Improvements.** Record expenditures for each of the following with Function 8500, Facilities Acquisition and Construction:

- Improvements of sites (new and old) and adjacent ways that meet the LEA’s threshold for capitalization. Include work such as grading, landscaping, seeding, and planting shrubs and trees; constructing new sidewalks, roadways, retaining walls, sewers, and storm drains; installing hydrants; treating soil and surfacing athletic fields and tennis courts; furnishing and installing fixed playground apparatus, flagpoles, gateways, fences, and underground storage tanks that are not parts of building service systems; and doing demolition work in connection with improvement of sites.
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<td>•</td>
<td>Leasehold improvements to sites. Include costs of site improvements to leased property.</td>
</tr>
<tr>
<td>•</td>
<td>Payment of special assessments. Include assessments against the school district for capital improvements such as streets, curbs, sewers, drains, and pedestrian tunnels, whether on or off school property.</td>
</tr>
</tbody>
</table>

6200  Buildings and Improvements of Buildings. Record costs of construction or purchase of new buildings (including relocatable buildings, such as portable classrooms) and additions and replacements of obsolete buildings, including advertising; architectural and engineering fees; blueprinting; inspection service (departmental or contract); tests and examinations; demolition work in connection with construction of electrical, sprinkling, or warning devices; installation of heating and ventilating fixtures, attachments, and built-in fixtures; and other expenditures directly related to the construction or acquisition of buildings.

Record costs of improvements of buildings, including alterations, remodeling, renovations, and replacement of buildings in whole or in part, that meet the LEA’s threshold for capitalization. Include leasehold improvements.

Use with Function 8500, Facilities Acquisition and Construction.


6400  Equipment. Record expenditures for movable personal property, including equipment such as vehicles, machinery, computer systems, and playground equipment, that have both an estimated useful life over one year and an acquisition cost equal to or greater than the capitalization threshold established by the LEA. Acquisition cost includes tax, freight or other types of delivery charges, and installation costs including labor. (For more detail, refer to Procedure 770.)

Record the initial acquisition of computer software, both downloaded and off-the-shelf, that exceeds the LEA’s capitalization threshold, including research and development costs, licensing, and installation.

Piece-for-piece replacements of equipment are recorded in Object 6500, Equipment Replacement, if the unit cost exceeds the LEA’s capitalization threshold.

Initial built-in fixtures that are integral parts of the building or building service system are recorded in Object 6200, Buildings and Improvement of Buildings.
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<tbody>
<tr>
<td>6500</td>
<td><strong>Equipment Replacement.</strong> Record expenditures for equipment replaced on a piece-for-piece basis. These expenditures must be identified for purposes of the calculation of the current expense of education (Education Code Section 41372).</td>
</tr>
<tr>
<td>6900</td>
<td><strong>Depreciation Expense (for proprietary and fiduciary funds only).</strong> Record the portion of the cost of a capital asset charged as an expense during the fiscal year. In accounting for depreciation, the cost of a capital asset less any anticipated salvage value is prorated over the estimated service life of the asset, and each period is charged with a portion of that cost. Through this process, the cost of the asset less salvage value is ultimately charged as an expense. Note: This object is applicable only for funds 61, 62, 63, 66, 67, and 73.</td>
</tr>
<tr>
<td>7000–7499</td>
<td><strong>Other Outgo</strong></td>
</tr>
<tr>
<td>7100–7199</td>
<td><strong>Tuition</strong></td>
</tr>
<tr>
<td>7110</td>
<td><strong>Tuition for Instruction Under Interdistrict Attendance Agreements.</strong> Record expenditures for tuition under interdistrict attendance agreements incurred as a result of a district’s realizing a reduction of 25 percent or more in PL 81–874 funds if the average daily attendance of pupils residing within the district is credited to the district of attendance (Education Code Section 46607[b]).</td>
</tr>
<tr>
<td>7130</td>
<td><strong>State Special Schools.</strong> Record payments for students placed in state special schools.</td>
</tr>
<tr>
<td>7141</td>
<td><strong>Other Tuition, Excess Costs, and/or Deficit Payments to Districts or Charter Schools.</strong> Record payments for tuition, excess costs, and/or deficits paid to programs operated by other school districts or charter schools. Use Function 9200, Transfers Between Agencies.</td>
</tr>
<tr>
<td>7142</td>
<td><strong>Other Tuition, Excess Costs, and/or Deficit Payments to County Offices.</strong> Record payments for tuition, excess costs, and/or deficits paid to programs operated by county superintendents of schools. Use Function 9200, Transfers Between Agencies.</td>
</tr>
<tr>
<td>7143</td>
<td><strong>Other Tuition, Excess Costs, and/or Deficit Payments to JPAs.</strong> Record payments for tuition, excess costs, and/or deficits paid to programs operated by a joint powers agency (JPA). Use Function 9200, Transfers Between Agencies.</td>
</tr>
<tr>
<td>7200–7299</td>
<td><strong>Interagency Transfers Out</strong></td>
</tr>
</tbody>
</table>
| 7211   | **Transfers of Pass-Through Revenues to Districts or Charter Schools.** Report disbursements of pass-through grants to school districts or charter schools in
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<tbody>
<tr>
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<td>which the recipient LEA has administrative involvement only for the grants. The recipient LEA does not also have a responsibility to operate the project.</td>
</tr>
<tr>
<td>7212</td>
<td><strong>Transfers of Pass-Through Revenues to County Offices.</strong> Report disbursements of pass-through grants to county offices in which the recipient LEA has administrative involvement only for the grants. The recipient LEA does not also have a responsibility to operate the project.</td>
</tr>
<tr>
<td>7213</td>
<td><strong>Transfers of Pass-Through Revenues to JPAs.</strong> Report disbursements of pass-through grants to JPAs in which the recipient LEA has administrative involvement only for the grant. The recipient LEA does not also have a responsibility to operate the project.</td>
</tr>
<tr>
<td>7221</td>
<td><strong>Transfers of Apportionments to Districts or Charter Schools.</strong> Record transfers to school districts or charter schools of apportionments, such as special education and regional occupational centers/programs.</td>
</tr>
<tr>
<td>7222</td>
<td><strong>Transfers of Apportionments to County Offices.</strong> Record transfers to county offices of apportionments, such as special education and regional occupational centers/programs.</td>
</tr>
<tr>
<td>7223</td>
<td><strong>Transfers of Apportionments to JPAs.</strong> Record transfers to JPAs of apportionments, such as special education and regional occupational centers/programs.</td>
</tr>
<tr>
<td>7280</td>
<td>Transfers to Charter Schools in Lieu of Property Taxes (Valid through 2006–07). Formerly used to record funds in lieu of property taxes transferred by the sponsoring LEA to a charter school according to Education Code Section 47635. Use Object 8096, Transfers to Charter Schools in Lieu of Property Taxes, beginning 2007–08.</td>
</tr>
<tr>
<td>7281</td>
<td><strong>All Other Transfers to Districts or Charter Schools.</strong> Record transfers to school districts or charter schools of resources other than apportionments or pass-through revenues. An example is the transfer of funding from a county office of education to a direct service district for health services.</td>
</tr>
<tr>
<td>7282</td>
<td><strong>All Other Transfers to County Offices.</strong> Record transfers to county offices of resources other than apportionments or pass-through revenues.</td>
</tr>
<tr>
<td>7283</td>
<td><strong>All Other Transfers to JPAs.</strong> Record transfers to JPAs of resources other than apportionments or pass-through revenues.</td>
</tr>
<tr>
<td>7299</td>
<td><strong>All Other Transfers Out to All Others.</strong> Record transfers of resources to non-LEAs.</td>
</tr>
</tbody>
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<tr>
<td>7300–7399</td>
<td>Transfers of Indirect Costs. Record transfers of indirect costs between resources, goals, and funds. Use with Function 7210, Indirect Cost Transfers, for both the debit and the credit. Note: Objects 7370 and 7380 are valid through 2007–08. Beginning in 2008–09, use objects 5710 and 5750, Transfers of Direct Costs, to transfer direct costs and administrative costs other than indirect costs.</td>
</tr>
<tr>
<td>7310</td>
<td><strong>Transfers of Indirect Costs.</strong> Record transfers within a fund of indirect costs, as described above. This account must net to zero by function at the fund level.</td>
</tr>
<tr>
<td>7350</td>
<td><strong>Transfers of Indirect Costs—Interfund.</strong> Record transfers between funds of indirect costs, as described above. This account will reflect a balance at the fund level for the amount of between-funds costs; the total between-funds debit and credit transactions must net to zero by object.</td>
</tr>
<tr>
<td>7370</td>
<td><strong>Transfers of Direct Support Costs (Valid through 2007–08).</strong> Record transfers of direct support costs between programs within a fund. This account must net to zero by function at the fund level. The function used may be one of many support functions, such as Function 3110, Guidance and Counseling Services, or Function 8100, Plant Maintenance and Operations. This account may also be used to record transfers of administrative costs other than indirect costs using Function 7210. Use Object 5710, Transfers of Direct Costs, beginning 2008–09.</td>
</tr>
<tr>
<td>7380</td>
<td><strong>Transfers of Direct Support Costs—Interfund (Valid through 2007–08).</strong> Record transfers of direct support costs between funds. This account will reflect a balance at the fund level but only for the amount of between-funds costs. The total between-funds debit and credit transactions must net to zero by object as well as by function. This account may also be used to record transfers of administrative costs other than indirect costs using Function 7210. Use Object 5750, Transfers of Direct Costs—Interfund, beginning in 2008–09.</td>
</tr>
<tr>
<td>7430–7439</td>
<td><strong>Debt Service.</strong> Debt service consists of expenditures for the retirement of debt and for interest on debt, except principal and interest on current or short-term loans (money borrowed and repaid during the same fiscal year). Use with Function 9100, Debt Service.</td>
</tr>
<tr>
<td>7432</td>
<td><strong>State School Building Repayments.</strong> Record expenditures for state school building loan repayments (Education Code Section 16090).</td>
</tr>
<tr>
<td>7433</td>
<td><strong>Bond Redemptions.</strong> Record expenditures to retire the principal of bonds.</td>
</tr>
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<tr>
<td>7434</td>
<td><strong>Bond Interest and Other Service Charges.</strong> Record expenditures to pay interest and other service charges on bonds.</td>
</tr>
<tr>
<td>7435</td>
<td><strong>Repayment of State School Building Fund Aid—Proceeds from Bonds.</strong> Record expenditures for the repayment of the State School Building Aid Fund using the proceeds from the sale of bonds (Education Code Section 16058).</td>
</tr>
<tr>
<td>7436</td>
<td><strong>Payments to Original District for Acquisition of Property.</strong> Record expenditures to cover the liability of a newly organized district to the original district’s proportionate share of the bonded indebtedness of the original district.</td>
</tr>
<tr>
<td>7438</td>
<td><strong>Debt Service—Interest.</strong> Record that portion of a debt service payment that represents the current interest expense due on the long-term debt.</td>
</tr>
<tr>
<td>7439</td>
<td><strong>Other Debt Service—Principal.</strong> Record that portion of the other debt service payment that represents the repayment of principal of long-term debt. Examples of other long-term debt include capital leases and certificates of participation.</td>
</tr>
<tr>
<td>7600–7699</td>
<td><strong>Other Financing Uses.</strong> The following objects are used for the transfer of funds or expenditures for other than general operations. They are used with the Other Outgo functions: Function 9100, Debt Service; Function 9200, Transfers Between Agencies; or Function 9300, Interfund Transfers.</td>
</tr>
<tr>
<td>7600–7629</td>
<td><strong>Interfund Transfers Out</strong></td>
</tr>
<tr>
<td>7611</td>
<td><strong>From General Fund to Child Development Fund.</strong> Record transfers of moneys from the general fund to support the activities in the child development fund (Education Code Section 41013). Use Object 8911 in the fund receiving the transfer.</td>
</tr>
<tr>
<td>7612</td>
<td><strong>Between General Fund and Special Reserve Fund.</strong> Record transfers of moneys between the general fund and the special reserve fund (Education Code sections 42840–42843). Use Object 8912 in the fund receiving the transfer.</td>
</tr>
<tr>
<td>7613</td>
<td><strong>To State School Building Fund/County School Facilities Fund from All Other Funds of the District.</strong> Record transfers of any moneys of the district that are required to be expended for the project for which such apportionment was made. Use Object 8913 in the fund receiving the transfer.</td>
</tr>
<tr>
<td>7614</td>
<td><strong>From Bond Interest and Redemption Fund to General Fund.</strong> Record transfers of moneys from the bond interest and redemption fund to the general fund or to the special reserve fund after all principal and interest payments have been made</td>
</tr>
</tbody>
</table>
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<tr>
<td></td>
<td>(Education Code sections 15234 and 15235). Use Object 8914 in the fund</td>
</tr>
<tr>
<td></td>
<td>receiving the transfer.</td>
</tr>
<tr>
<td>7615</td>
<td><strong>From General, Special Reserve, and Building Funds to Deferred</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Maintenance Fund.</strong> Record transfers of moneys from the general, special</td>
</tr>
<tr>
<td></td>
<td>reserve, and/or building funds to the deferred maintenance fund to support</td>
</tr>
<tr>
<td></td>
<td>state match requirements (Education Code sections 17582–17587). Use Object</td>
</tr>
<tr>
<td></td>
<td>8915 in the fund receiving the transfer.</td>
</tr>
<tr>
<td>7616</td>
<td><strong>From General Fund to Cafeteria Fund.</strong> Record transfers of moneys from</td>
</tr>
<tr>
<td></td>
<td>the general fund to the cafeteria fund. LEAs may record the transfer of</td>
</tr>
<tr>
<td></td>
<td>Meals for Needy Pupils as an interfund transfer rather than as a revenue</td>
</tr>
<tr>
<td></td>
<td>limit transfer. Use Object 8916 in the fund receiving the transfer.</td>
</tr>
<tr>
<td>7619</td>
<td><strong>Other Authorized Interfund Transfers Out.</strong> Record all other authorized</td>
</tr>
<tr>
<td></td>
<td>transfers of moneys to another fund. Use Object 8919 in the fund receiving</td>
</tr>
<tr>
<td></td>
<td>the transfer.</td>
</tr>
<tr>
<td>7630–7699</td>
<td><strong>All Other Financing Uses</strong></td>
</tr>
<tr>
<td>7651</td>
<td><strong>Transfers of Funds from Lapsed/Reorganized LEAs.</strong> Record the disbursement</td>
</tr>
<tr>
<td></td>
<td>of funds identified under Education Code sections 35560 and 35561. Also</td>
</tr>
<tr>
<td></td>
<td>record the disbursement of funds from a defunct charter school or from a</td>
</tr>
<tr>
<td></td>
<td>charter school whose authorizing agency changes.</td>
</tr>
<tr>
<td>7699</td>
<td><strong>All Other Financing Uses.</strong> Record expenditures for other financing uses</td>
</tr>
<tr>
<td></td>
<td>not specified above. If long-term debt is issued at a discount, record the</td>
</tr>
<tr>
<td></td>
<td>discount here. Debt issuance costs such as underwriter discounts and fees</td>
</tr>
<tr>
<td></td>
<td>should be recorded in Object 5800. Do not use Object 7699 for debt service</td>
</tr>
<tr>
<td></td>
<td>payments or for the return of unexpended resources to the grantor agency.</td>
</tr>
<tr>
<td>8000–8999</td>
<td><strong>REVENUES AND OTHER FINANCING SOURCES</strong></td>
</tr>
<tr>
<td>8000–8799</td>
<td><strong>Revenues</strong></td>
</tr>
<tr>
<td>8010–8099</td>
<td><strong>Revenue Limit Sources.</strong> By law, most State School Fund apportionments</td>
</tr>
<tr>
<td></td>
<td>or allowances to an LEA must be deposited in the general fund of the LEA.</td>
</tr>
<tr>
<td></td>
<td>All such amounts must be accounted for in terms of the gross amount</td>
</tr>
<tr>
<td></td>
<td>apportioned. Deductions and withholdings made by the State Controller, as</td>
</tr>
<tr>
<td></td>
<td>required by law, must be accounted for as expenditures just as they would</td>
</tr>
<tr>
<td></td>
<td>if the full apportionment had been received and an LEA warrant had been</td>
</tr>
<tr>
<td></td>
<td>drawn for such purposes.</td>
</tr>
<tr>
<td></td>
<td>Before the gross revenue limit apportionment is determined, the state</td>
</tr>
<tr>
<td></td>
<td>makes the adjustments of special education and county community school</td>
</tr>
</tbody>
</table>
|        |  revenue limit...
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<tbody>
<tr>
<td></td>
<td>funds for county-operated programs transferred from school districts to offices of county superintendents of schools. These adjustments will not be accounted for as expenditures.</td>
</tr>
<tr>
<td></td>
<td>Revenue that was not previously accrued but is the result of the correction of a prior apportionment, or is included in the final state apportionment, should be recorded in the revenue class or classes that define the original apportionment.</td>
</tr>
</tbody>
</table>

### 8010–8019  Principal Apportionment

#### 8011  Revenue Limit State Aid—Current Year

Record amounts allowed for the current year, including amounts accrued at the end of the fiscal year.

For school districts, this primarily includes general purpose funds allocated per regular kindergarten through grade twelve average daily attendance (Education Code Section 42238).

For county offices of education, this primarily includes funds allocated for direct services provided to school districts and for performance of other county school service fund operations (Education Code sections 2550 and 14054), and services statutorily required or otherwise provided pursuant to Education Code sections 1240 through 1281.

#### 8012  Education Protection Account State Aid—Current Year

Record amounts received for the current year from the state Education Protection Account established pursuant to Proposition 30, The Schools and Local Public Safety Protection Act of 2012. Include amounts accrued at the end of the fiscal year.

#### 8015  Charter Schools General Purpose Entitlement—State Aid

Record the state-aid portion of the general purpose entitlement funding for charter schools. Include prior year adjustments. (Direct-funded charter schools use Object 8311 for supplemental instruction revenue.)

#### 8019  Revenue Limit State Aid—Prior Years

Record amounts received but not previously accrued for prior years' revenue limit state aid. Include prior year amounts for Education Protection Account State Aid entitlement.

### 8020–8039  Tax Relief Subventions

#### 8021  Homeowners’ Exemptions

Record amounts received for loss of revenue because of homeowners’ exemptions (Revenue and Taxation Code Section 218).
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<tr>
<td>8022</td>
<td><strong>Timber Yield Tax.</strong> Record the yield tax collected by the State Board of Equalization on timber harvested from private or public land (Government Code Section 27423; Revenue and Taxation Code Section 38905.1).</td>
</tr>
<tr>
<td>8029</td>
<td><strong>Other Subventions/In-Lieu Taxes.</strong> Record amounts received for loss of revenue because of exemptions for motion picture films and wine and brandy products (Revenue and Taxation Code Section 988; Education Code Section 41052) and severance-aid allowances for real property acquired for state highway purposes (Education Code Section 41960).</td>
</tr>
<tr>
<td>8040–8079</td>
<td><strong>County and District Taxes.</strong> Record revenue from local sources in the appropriate subordinate classifications in this major classification. All revenue received from tax sources is to be accounted for when received (cash basis). Credits to the various LEA tax accounts are made on receipt of an apportionment notice from the county superintendent of schools indicating that taxes have been deposited in the county treasury.</td>
</tr>
<tr>
<td>8041</td>
<td><strong>Secured Roll Taxes.</strong> Record revenue from taxes levied on the secured roll (Revenue and Taxation Code sections 2601–2636).</td>
</tr>
<tr>
<td>8042</td>
<td><strong>Unsecured Roll Taxes.</strong> Record revenue from taxes levied on the unsecured roll (Revenue and Taxation Code sections 2901–2928.1).</td>
</tr>
<tr>
<td>8043</td>
<td><strong>Prior Years’ Taxes.</strong> Record revenue from tax levies of prior years. Include secured and unsecured receipts from redemptions and tax sales.</td>
</tr>
<tr>
<td>8044</td>
<td><strong>Supplemental Taxes.</strong> Record taxes resulting from changes in assessed value due to changes in ownership and completion of new construction at the time they occur (Revenue and Taxation Code sections 75–75.9).</td>
</tr>
<tr>
<td>8045</td>
<td><strong>Education Revenue Augmentation Fund (ERAF).</strong> Report the shift of property taxes from local agencies to schools according to SB 617 (Chapter 699, 1992), SB 844 (Chapter 700, 1992) and SB 1559 (Chapter 691, 1992).</td>
</tr>
<tr>
<td>8046</td>
<td><strong>Supplemental Educational Revenue Augmentation Fund (SERAF) (Valid 2009–10 and 2010–11 only).</strong> Record SERAF revenue received by a school district located in a redevelopment area, pursuant to ABX4 26 (Chapter 21, 2009).</td>
</tr>
<tr>
<td>8047</td>
<td><strong>Community Redevelopment Funds.</strong> Report the amount, if any, received pursuant to the Community Redevelopment Law (Part 1 [commencing with Section 33000] of Division 24 of the Health and Safety Code), except for any amount received pursuant to Health and Safety Code Section 33401 or Section 33676 that are used for land acquisition, facility construction, reconstruction or remodeling, or deferred maintenance, and except for any amount received</td>
</tr>
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<td></td>
<td>pursuant to Health and Safety Code sections 33492.15, 33607.5, and 33607.7 that is allocated exclusively for educational facilities (Education Code sections 2558[c] and 42238[h][6]). These exceptions are recorded in Object 8625, Community Redevelopment Funds Not Subject to Revenue Limit Deduction. Report the amount, if any, received from the Redevelopment Property Tax Trust Fund Residual Distributions and other revenues from Redevelopment Agency Asset Liquidation pursuant to Health and Safety Code sections 34177, 34179.5, 34179.6, 34183, and 34188.</td>
</tr>
<tr>
<td>8048</td>
<td><strong>Penalties and Interest from Delinquent Taxes.</strong> Record penalties and interest assessed on objects 8041–8044.</td>
</tr>
<tr>
<td>8070</td>
<td><strong>Receipts from County Board of Supervisors (County School Service Fund [CSSF] only).</strong> Record receipts of taxes levied by county governments for the operations of fiscally dependent county offices of education.</td>
</tr>
<tr>
<td>8080–8089</td>
<td><strong>Miscellaneous Funds.</strong> Include miscellaneous funds received from federal, state, and local sources (Education Code Section 41604).</td>
</tr>
<tr>
<td>8081</td>
<td><strong>Royalties and Bonuses.</strong> Record the total amount of payments of all or a portion of the royalties and bonuses received from the operation of any law under the terms of any agreement. Subsequently, 50 percent of the amounts recorded here should be transferred to Other Local Revenue by debiting Object 8089 and crediting Object 8691.</td>
</tr>
<tr>
<td>8082</td>
<td><strong>Other In-Lieu Taxes.</strong> Record payments received by the school district or county office in lieu of taxes on property or other tax base not subject to taxation on the same basis as privately owned property. Subsequently, 50 percent of the amounts recorded here should be transferred to Other Local Revenue by debiting Object 8089 and crediting Object 8691. Amounts received by a charter school in lieu of property taxes from its sponsoring LEA should be recorded in Object 8096, Transfers to Charter Schools in Lieu of Property Taxes.</td>
</tr>
<tr>
<td>8089</td>
<td><strong>Less: Non-Revenue Limit (50 Percent) Adjustment.</strong> Record the transfer of 50 percent of the amounts in objects 8081 and 8082 from unrestricted Revenue Limit Sources to Other Local Revenue by debiting Object 8089 and crediting Object 8691. Objects 8089 and 8691 must net to zero.</td>
</tr>
<tr>
<td>8090–8099</td>
<td><strong>Revenue Limit Transfers</strong></td>
</tr>
<tr>
<td>Code</td>
<td>Definition</td>
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<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>8091</td>
<td><strong>Revenue Limit Transfers—Current Year.</strong> Record transfers of Revenue Limit</td>
</tr>
<tr>
<td></td>
<td>Sources to applicable restricted resources, such as special education or</td>
</tr>
<tr>
<td></td>
<td>continuation education, in the general fund or other funds. This account</td>
</tr>
<tr>
<td></td>
<td>should net to zero LEA-wide.</td>
</tr>
<tr>
<td>8092</td>
<td><strong>PERS Reduction Transfer.</strong> Record the reduction to the revenue limit as</td>
</tr>
<tr>
<td></td>
<td>a result of the PERS transfer. The amount reported in Object 8092 must</td>
</tr>
<tr>
<td></td>
<td>equal the amounts reported in objects 3801–3802, PERS Reduction.</td>
</tr>
<tr>
<td>8096</td>
<td><strong>Transfers to Charter Schools in Lieu of Property Taxes (Effective 2007–08).</strong></td>
</tr>
<tr>
<td></td>
<td>Record funds transferred in lieu of property taxes by the sponsoring LEA to</td>
</tr>
<tr>
<td></td>
<td>a charter school pursuant to Education Code Section 47635. This account is</td>
</tr>
<tr>
<td></td>
<td>debited by the sponsoring LEA making the payment and credited by the charter</td>
</tr>
<tr>
<td></td>
<td>school receiving the payment. This account should net to zero statewide.</td>
</tr>
<tr>
<td>8097</td>
<td><strong>Property Taxes Transfers.</strong> For county offices, report any transfer of</td>
</tr>
<tr>
<td></td>
<td>taxes within the County School Service Fund, such as excess taxes transferred</td>
</tr>
<tr>
<td></td>
<td>to the ROCP; or the Special Education portion of revenue limit taxes; or</td>
</tr>
<tr>
<td></td>
<td>transfers between LEAs, such as excess special education taxes transferred</td>
</tr>
<tr>
<td></td>
<td>to districts or transfers of special education taxes between counties.</td>
</tr>
<tr>
<td></td>
<td>For school districts, report any excess special education taxes collected by</td>
</tr>
<tr>
<td></td>
<td>the county offices of education and subsequently transferred to the school</td>
</tr>
<tr>
<td></td>
<td>districts. This account should net to zero statewide.</td>
</tr>
<tr>
<td>8099</td>
<td><strong>Revenue Limit Transfers—Prior Years.</strong> Record prior year adjustments of</td>
</tr>
<tr>
<td></td>
<td>revenue limit sources transferred to applicable restricted resources, such</td>
</tr>
<tr>
<td></td>
<td>as special education or continuation education. This account should net to</td>
</tr>
<tr>
<td></td>
<td>zero LEA-wide.</td>
</tr>
<tr>
<td>8100–8299</td>
<td><strong>Federal Revenue.</strong> Record in the appropriate subordinate classifications revenue received from the federal government. Record federal revenue for which the state or any other agency serves as the distributing agency.</td>
</tr>
<tr>
<td>8110</td>
<td><strong>Maintenance and Operations (Public Law 81-874).</strong> Record the amounts</td>
</tr>
<tr>
<td></td>
<td>allowed for maintenance and operations of the district resulting from the</td>
</tr>
<tr>
<td></td>
<td>identification of students or parents in federally impacted areas in accordance with Impact Aid programs. These funds are in lieu of property taxes and, except for the additional funds provided for federally connected children with disabilities, are unrestricted.</td>
</tr>
<tr>
<td>8181</td>
<td><strong>Special Education—Entitlement.</strong> Record the federal Individuals with</td>
</tr>
<tr>
<td></td>
<td>Disabilities Education Act of 2004 (IDEA) entitlement, which is deducted from</td>
</tr>
<tr>
<td></td>
<td>the state apportionment for special education (see Resource 3310).</td>
</tr>
</tbody>
</table>
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<tbody>
<tr>
<td>8182</td>
<td><strong>Special Education—Discretionary Grants.</strong> Record all other federal revenues for special education pursuant to the IDEA.</td>
</tr>
<tr>
<td>8220</td>
<td><strong>Child Nutrition Programs.</strong> Record federal revenues for child nutrition programs.</td>
</tr>
<tr>
<td>8260</td>
<td><strong>Forest Reserve Funds.</strong> Record all revenue from forest reserve funds apportioned by the federal government and distributed to the district by the county superintendent of schools with the approval of the county board of education (Education Code Section 2300).</td>
</tr>
<tr>
<td>8270</td>
<td><strong>Flood Control Funds.</strong> Record all revenue from flood-control funds apportioned by the federal government and distributed to the district by the county superintendent of schools with the approval of the county board of education (Education Code Section 1606).</td>
</tr>
<tr>
<td>8280</td>
<td><strong>U.S. Wildlife Reserve Funds.</strong> Record amounts received from U.S. Wildlife Reserve funds.</td>
</tr>
<tr>
<td>8281</td>
<td><strong>FEMA.</strong> Record revenues received from the Federal Emergency Management Agency.</td>
</tr>
<tr>
<td>8285</td>
<td><strong>Interagency Contracts Between LEAs.</strong> Record federal revenues received from another LEA for providing services on a contractual basis for the other LEA.</td>
</tr>
</tbody>
</table>
| 8287   | **Pass-Through Revenues from Federal Sources.** Record the receipt of those federal pass-through grants in which the recipient LEA has only administrative involvement. Refer to Procedure 750 for information regarding pass-through activities.  

The disbursements of these pass-through grants should be recorded using objects 7211, 7212, and 7213, as appropriate.  

| 8290   | **All Other Federal Revenue.** Record all other federal funds received.                      |
| 8300–8599 | **Other State Revenue**                                                                 |
| 8311   | **Other State Apportionments—Current Year.** Report revenues received under the Principal Apportionment other than the state-aid portion of the revenue limit. Include apportionments for Regional Occupational Centers and Programs, Adult Education, the apprenticeship program, supplemental instruction programs, Community Day School additional hours funding, special education programs, and Gifted and Talented Education. |
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<tr>
<td></td>
<td>Report revenues received under the Special Purpose Apportionment. They include apportionments for Home-to-School Transportation, Special Education Transportation, and Economic Impact Aid. This account is intended to record amounts allowed for the current year, including amounts accrued at the end of the fiscal year.</td>
</tr>
<tr>
<td>8319</td>
<td><strong>Other State Apportionments—Prior Years.</strong> Record the amounts received but not previously accrued for prior years' revenues received under the Principal Apportionment other than the state portion of the revenue limit.</td>
</tr>
<tr>
<td>8425</td>
<td><strong>Year-Round School Incentive.</strong> Record revenues for year-round school pursuant to Education Code Section 42260 et seq.</td>
</tr>
<tr>
<td>8434</td>
<td><strong>Class Size Reduction, Grades K–3.</strong> Record revenues realized for reducing class size in kindergarten and grades one through three, inclusive, pursuant to Education Code sections 52120–52128.</td>
</tr>
<tr>
<td>8435</td>
<td><strong>Class Size Reduction, Grade Nine.</strong> (Inactive effective 2009–10 due to statutory categorical flexibility provisions). Record unrestricted revenues for reducing class size in grade nine pursuant to Education Code sections 52080–52090.</td>
</tr>
<tr>
<td>8480</td>
<td><strong>Charter Schools Categorical Block Grant (Inactive effective 2009–10 due to statutory categorical flexibility provisions).</strong> Record the charter schools block grant amount in lieu of categorical funding.</td>
</tr>
<tr>
<td>8520</td>
<td><strong>Child Nutrition.</strong> Record state revenues for child nutrition programs.</td>
</tr>
<tr>
<td>8530</td>
<td><strong>Child Development Apportionments.</strong> Record revenues for child development programs.</td>
</tr>
<tr>
<td>8540</td>
<td><strong>Deferred Maintenance Allowance.</strong> (Inactive effective 2009–10 due to statutory categorical flexibility provisions.) Record the allocation of State School Deferred Maintenance funds received by the LEA from the State Allocation Board (Education Code sections 17582–17587).</td>
</tr>
<tr>
<td>8545</td>
<td><strong>School Facilities Apportionments.</strong> Record state apportionments received for school facilities projects funded pursuant to the Leroy F. Greene School Facilities Act of 1998 (Education Code sections 17070–17079).</td>
</tr>
<tr>
<td>8550</td>
<td><strong>Mandated Cost Reimbursements.</strong> Record in the year received amounts for reimbursements of costs of legislatively mandated programs (Government Code sections 17500–17617).</td>
</tr>
</tbody>
</table>
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<tbody>
<tr>
<td>8560</td>
<td><strong>State Lottery Revenue.</strong> Record the revenue received under the California State Lottery Act of 1984 (Government Code Section 8880.4). This revenue is recorded in the general fund.</td>
</tr>
<tr>
<td>8571–8579</td>
<td><strong>Tax Relief Subventions</strong></td>
</tr>
<tr>
<td>8571</td>
<td><strong>Voted Indebtedness Levies, Homeowners’ Exemptions.</strong> Record amounts received for loss of revenue because of homeowners' exemptions. These amounts are restricted levies for debt service repayment proceeds.</td>
</tr>
<tr>
<td>8572</td>
<td><strong>Voted Indebtedness Levies, Other Subventions/In-Lieu Taxes.</strong> Record amounts received for loss of revenue because of certain exemptions. These amounts are restricted levies for debt service repayment proceeds.</td>
</tr>
<tr>
<td>8575</td>
<td><strong>Other Restricted Levies, Homeowners’ Exemptions.</strong> Record amounts received for loss of revenue because of homeowners’ exemptions. These amounts are restricted levies for other than debt service repayment proceeds, such as the County Free Library Tax.</td>
</tr>
<tr>
<td>8576</td>
<td><strong>Other Restricted Levies, Other Subventions/In-Lieu Taxes.</strong> Record amounts received for loss of revenue because of certain exemptions. These amounts are restricted levies for other than debt service repayment proceeds, such as the County Free Library Tax.</td>
</tr>
<tr>
<td>8587</td>
<td><strong>Pass-Through Revenues from State Sources.</strong> Record the receipt of those state pass-through grants in which the recipient LEA has only administrative involvement. Refer to Procedure 750 for information regarding pass-through activities. The disbursements of these pass-through grants should be recorded using objects 7211, 7212, and 7213, as appropriate.</td>
</tr>
<tr>
<td>8590</td>
<td><strong>All Other State Revenue.</strong> Record all other state funds received.</td>
</tr>
<tr>
<td>8600–8799</td>
<td><strong>Other Local Revenue.</strong> Record in the appropriate subordinate classifications in this major classification revenue from local sources. All revenue received from tax sources is to be accounted for when it is received (cash basis). Credits to an LEA's various tax accounts are made on receipt of an apportionment notice from the county superintendent of schools indicating that taxes have been deposited in the county treasury.</td>
</tr>
<tr>
<td>8610–8629</td>
<td><strong>County and District Taxes</strong></td>
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<tr>
<td>8611</td>
<td><strong>Voted Indebtedness Levies, Secured Roll.</strong> Record revenue from taxes levied on the secured tax roll for debt service repayment.</td>
</tr>
<tr>
<td>8612</td>
<td><strong>Voted Indebtedness Levies, Unsecured Roll.</strong> Record revenue from taxes levied on the unsecured tax roll for debt service repayment.</td>
</tr>
<tr>
<td>8613</td>
<td><strong>Voted Indebtedness Levies, Prior Years’ Taxes.</strong> Record revenue from tax levies of prior years for debt service repayment. Include secured and unsecured receipts from redemptions and tax sales.</td>
</tr>
<tr>
<td>8614</td>
<td><strong>Voted Indebtedness Levies, Supplemental Taxes.</strong> Record taxes resulting from changes in assessed value because of changes in ownership and completion of new construction at the time they occur. Record in this account those taxes for debt service repayment.</td>
</tr>
<tr>
<td>8615</td>
<td><strong>Other Restricted Levies, Secured Roll.</strong> Record revenue from taxes levied on the secured tax roll in excess of the statutory rates authorized in the Education Code for purposes other than debt service repayment, such as the County Free Library Tax.</td>
</tr>
<tr>
<td>8616</td>
<td><strong>Other Restricted Levies, Unsecured Roll.</strong> Record revenue from taxes levied on the unsecured tax roll in excess of the statutory rates authorized in the Education Code for purposes other than debt service repayment, such as the County Free Library Tax. Include secured and unsecured receipts from redemptions and tax sales.</td>
</tr>
<tr>
<td>8617</td>
<td><strong>Other Restricted Levies, Prior Years’ Taxes.</strong> Record revenue from tax levies of prior years in excess of the statutory rates authorized in the Education Code for purposes other than debt service repayment, such as the County Free Library Tax. Include secured and unsecured receipts from redemptions and tax sales.</td>
</tr>
<tr>
<td>8618</td>
<td><strong>Other Restricted Levies, Supplemental Taxes.</strong> Record taxes resulting from changes in assessed value because of changes in ownership and completion of new construction at the time they occur. Record in this account those restricted levies for purposes other than debt service repayment, such as the County Free Library Tax.</td>
</tr>
<tr>
<td>8621</td>
<td><strong>Parcel Taxes.</strong> Record the special taxes based on other than the value of properties (not ad valorem) levied by the LEA.</td>
</tr>
</tbody>
</table>
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<thead>
<tr>
<th>Code</th>
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</thead>
<tbody>
<tr>
<td>8622</td>
<td><strong>Other Non-Ad Valorem Taxes.</strong> Record all other non-ad valorem taxes, such as sales taxes or maintenance assessment district funds or Mello-Roos special tax receipts.</td>
</tr>
<tr>
<td>8625</td>
<td><strong>Community Redevelopment Funds Not Subject to Revenue Limit Deduction.</strong> Record community redevelopment funds not subject to the revenue limit deduction pursuant to Education Code Section 2558(c) or Section 42238(h)(6). Include amounts received pursuant to Health and Safety Code Section 33401 or Section 33676 that are used for land acquisition, facility construction, reconstruction or remodeling, or deferred maintenance. Include amounts received pursuant to Health and Safety Code sections 33492.15, 33607.5, and 33607.7 that are allocated exclusively for educational facilities.</td>
</tr>
<tr>
<td>8629</td>
<td><strong>Penalties and Interest from Delinquent Non-Revenue Limit Taxes.</strong> Record penalties and interest collected on delinquent non-revenue limit taxes.</td>
</tr>
<tr>
<td>8631–8639</td>
<td><strong>Sales</strong></td>
</tr>
<tr>
<td>8631</td>
<td><strong>Sale of Equipment and Supplies.</strong> Record revenue from the sale of supplies and equipment no longer needed by the LEA. The money received is to be placed to the credit of the fund from which the original expenditure for the purchase of the personal property was made (Education Code Section 17547).</td>
</tr>
<tr>
<td>8632</td>
<td><strong>Sale of Publications.</strong> Record revenue from the sale of publications.</td>
</tr>
<tr>
<td>8634</td>
<td><strong>Food Service Sales.</strong> Record sales of meals and other food items.</td>
</tr>
<tr>
<td>8639</td>
<td><strong>All Other Sales.</strong> Record revenue received from all other sales, such as farm products and printed forms. In the Warehouse Revolving Fund, record revenue received for items requisitioned by site, program, or department staff.</td>
</tr>
<tr>
<td>8650</td>
<td><strong>Leases and Rentals.</strong> Record revenue for the use of school buildings or portions thereof, houses and other real or personal property of the LEA, and fees collected for civic center use, including reimbursements for custodial salaries and other costs.</td>
</tr>
<tr>
<td>8660</td>
<td><strong>Interest.</strong> Record revenue credited or prorated by the county auditor for interest on deposits of the LEA’s funds with the county treasurer and interest earnings. Record any premium on issuance of short-term debt such as Tax and Revenue Anticipation Notes (TRANs).</td>
</tr>
</tbody>
</table>
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<tbody>
<tr>
<td>8662</td>
<td><strong>Net Increase (Decrease) in the Fair Value of Investments.</strong> Report gains and losses on investments, including changes in the fair value of investments that include the realized and unrealized gains and losses. Refer to Procedure 425 for information regarding accounting for and reporting the fair value of investments.</td>
</tr>
<tr>
<td>8670–8689</td>
<td><strong>Fees and Contracts</strong></td>
</tr>
<tr>
<td>8671</td>
<td><strong>Adult Education Fees.</strong> Record revenue received from students enrolled in classes for adults under Education Code Section 52612. This revenue is recorded in the Adult Education Fund.</td>
</tr>
<tr>
<td>8672</td>
<td><strong>Nonresident Student Fees.</strong> Record the revenue received from parents or guardians for the total cost of educating foreign residents in the schools of the LEA (Education Code Section 48052).</td>
</tr>
<tr>
<td>8673</td>
<td><strong>Child Development Parent Fees.</strong> Record revenue received from parents or guardians as fees for the instruction and care of children in child development programs. This revenue is recorded in the Child Development Fund.</td>
</tr>
<tr>
<td>8674</td>
<td><strong>In-District Premiums/Contributions.</strong> Record revenue received by a self-insurance fund from other funds of the district for insurance protection, necessary reserves, or deductible amounts or revenue received by the Retiree Benefit Fund for restricted money from salary-reduction agreements, other contributions for employee retirement benefit payments, or both.</td>
</tr>
<tr>
<td>8675</td>
<td><strong>Transportation Fees from Individuals.</strong> Report fees paid by students to be transported to school. This object may be used only with Resource 7230, Transportation: Home to School.</td>
</tr>
<tr>
<td>8677</td>
<td><strong>Interagency Services Between LEAs.</strong> Record revenue received from another LEA for contract services provided for the other LEA, except for federal moneys. Include amounts received for supervisory oversight or for administrative or other services provided to a charter school by an authorizing LEA pursuant to Education Code Section 47613. To ensure that federal interagency revenues retain their federal identity, they should be reported in Object 8285, Interagency Contracts Between LEAs. Expenditures made by an LEA to fulfill contracts on behalf of another LEA should be coded to Goal 7110, Nonagency—Educational.</td>
</tr>
</tbody>
</table>
### Procedure 330  Object Classification

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<tr>
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<tbody>
<tr>
<td>8681</td>
<td><strong>Mitigation/Developer Fees.</strong> Report, in the general fund, only those fees collected by agreement between the school district and the developer that are not imposed as a condition for approving a residential development. Any fees that are collected as a condition to approving a development must be deposited in the Capital Facilities Fund (Fund 25).</td>
</tr>
<tr>
<td>8689</td>
<td><strong>All Other Fees and Contracts.</strong> Record revenue received for all other fees and contract services from entities other than LEAs.</td>
</tr>
<tr>
<td>8690–8719</td>
<td><strong>Other Local Revenue</strong></td>
</tr>
<tr>
<td>8691</td>
<td><strong>Plus: Miscellaneous Funds Non-Revenue Limit (50 Percent) Adjustment.</strong> Record the transfer of 50 percent of the amounts in objects 8081 and 8082 from Revenue Limit Sources to Other Local Revenue by debiting Object 8089 and crediting Object 8691. Objects 8089 and 8691 must net to zero.</td>
</tr>
<tr>
<td>8697</td>
<td><strong>Pass-Through Revenue from Local Sources.</strong> Record the receipts of those local pass-through grants in which the recipient LEA has administrative involvement. Refer to Procedure 750 for information regarding pass-through activities. The disbursements of these pass-through grants should be recorded using objects 7211, 7212, and 7213, as appropriate.</td>
</tr>
<tr>
<td>8699</td>
<td><strong>All Other Local Revenue.</strong> Record all other local revenue, except funds defined as “miscellaneous funds” in Education Code Section 41604, received from entities other than LEAs. Examples of revenue recorded in this account are library fines, contributions, gifts, and reimbursement for practice teaching.</td>
</tr>
<tr>
<td>8710</td>
<td><strong>Tuition.</strong> Record tuition payments received from the following sources: Tuition contracts for general or specific instructional services, including transportation for interdistrict attendance agreement (IDAA) pupils (Education Code sections 46600–46611). See Object 8677, Interagency Services Between LEAs, for revenue from contracts for services provided for another LEA's pupils. Payments from governing boards or authorities in other states for the total cost of educating elementary or high school students whose places of residence are in the other states (Education Code Section 48050). No California state aid is apportioned for such students. Revenues received for excess costs and/or deficits for providing services to other LEAs’ pupils.</td>
</tr>
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<tbody>
<tr>
<td></td>
<td>All other tuition payments not identified above.</td>
</tr>
<tr>
<td>8780–8799</td>
<td><strong>Interagency Transfers In</strong></td>
</tr>
<tr>
<td>8780</td>
<td><strong>Transfers from Sponsoring LEAs to Charter Schools in Lieu of Property Taxes (Valid through 2006–07).</strong> Formerly used to record the transfer of local revenues from sponsoring LEAs to charter schools. Use Object 8096, Transfers to Charter Schools in Lieu of Property Taxes, beginning 2007–08.</td>
</tr>
<tr>
<td>8781</td>
<td><strong>All Other Transfers from Districts or Charter Schools.</strong> Record transfers of resources other than apportionments or pass-through revenues from school districts or charter schools.</td>
</tr>
<tr>
<td>8782</td>
<td><strong>All Other Transfers from County Offices.</strong> Record transfers of resources other than apportionments or pass-through revenues from county offices. An example is the transfer of funding from a county office of education to a direct-service district for health services.</td>
</tr>
<tr>
<td>8783</td>
<td><strong>All Other Transfers from JPAs.</strong> Record transfers of resources other than apportionments or pass-through revenues from JPAs.</td>
</tr>
<tr>
<td>8791</td>
<td><strong>Transfers of Apportionments from Districts or Charter Schools.</strong> Record transfers of apportionments of special education or regional occupational centers/programs from school districts or charter schools.</td>
</tr>
<tr>
<td>8792</td>
<td><strong>Transfers of Apportionments from County Offices.</strong> Record transfers of apportionments of special education or regional occupational centers/programs from county offices.</td>
</tr>
<tr>
<td>8793</td>
<td><strong>Transfers of Apportionments from JPAs.</strong> Record transfers of apportionments of special education or regional occupational centers/programs from JPAs.</td>
</tr>
<tr>
<td>8799</td>
<td><strong>Other Transfers In from All Others.</strong> Record transfers of resources from non-LEAs.</td>
</tr>
<tr>
<td>8900–8999</td>
<td><strong>Other Financing Sources</strong></td>
</tr>
<tr>
<td>8910–8929</td>
<td><strong>Interfund Transfers In</strong></td>
</tr>
<tr>
<td>8911</td>
<td><strong>To Child Development Fund from General Fund.</strong> Record transfers of moneys from the general fund to support the activities in the child development fund (Education Code Section 41013). Use Object 7611 in the fund making the transfer.</td>
</tr>
</tbody>
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<tbody>
<tr>
<td>8912</td>
<td><strong>Between General Fund and Special Reserve Fund.</strong> Record transfers of moneys between the general fund and the special reserve fund (Education Code sections 42840–42843). Use Object 7612 in the fund making the transfer.</td>
</tr>
<tr>
<td>8913</td>
<td><strong>To State School Building Fund/County School Facilities Fund from All Other Funds.</strong> Record transfers of any moneys of the district that are required to be expended for the project for which such apportionment was made. Use Object 7613 in the fund making the transfer.</td>
</tr>
<tr>
<td>8914</td>
<td><strong>To General Fund from Bond Interest and Redemption Fund.</strong> Record transfers of moneys from the bond interest and redemption fund, after all principal and interest payments have been made, to the general fund or to the special reserve fund (Education Code sections 15234 and 15235). Use Object 7614 in the fund making the transfer.</td>
</tr>
<tr>
<td>8915</td>
<td><strong>To Deferred Maintenance Fund from General, Special Reserve, and Building Funds.</strong> Record transfers of moneys from the general, special reserve, and/or building funds to the deferred maintenance fund to support state match requirements (Education Code sections 17582–17587). Use Object 7615 in the fund making the transfer.</td>
</tr>
<tr>
<td>8916</td>
<td><strong>To Cafeteria Fund from General Fund.</strong> Record transfers of moneys from the general fund to the cafeteria fund. LEAs may record the transfer of Meals for Needy Pupils as an interfund transfer rather than as a revenue limit transfer. Use Object 7616 in the fund making the transfer.</td>
</tr>
<tr>
<td>8919</td>
<td><strong>Other Authorized Interfund Transfers In.</strong> Record all other authorized transfers of moneys from another fund. Use Object 7619 in the fund making the transfer.</td>
</tr>
<tr>
<td>8930–8979</td>
<td><strong>All Other Financing Sources</strong></td>
</tr>
<tr>
<td>8931</td>
<td><strong>Emergency Apportionments.</strong> Record the amount of emergency apportionments authorized under Education Code sections 41320–41322.</td>
</tr>
<tr>
<td>8951</td>
<td><strong>Proceeds from Sale of Bonds.</strong> Record proceeds from the sale of bonds at par value. The amounts received from the sale of bonds must be deposited in the building fund of the LEA (Education Code Section 15146).</td>
</tr>
<tr>
<td>8953</td>
<td><strong>Proceeds from Sale/Lease Purchase of Land and Buildings.</strong> Record revenue from the sale or lease-purchase of land and buildings. The funds may be used under the provisions of Education Code Section 17462.</td>
</tr>
</tbody>
</table>
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<tr>
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<tbody>
<tr>
<td>8961</td>
<td><strong>County School Building Aid.</strong> Record revenue received for payments required pursuant to School Building Aid laws (Education Code sections 16196, 16202, and 16204).</td>
</tr>
<tr>
<td>8965</td>
<td><strong>Transfers from Funds of Lapsed/Reorganized LEAs.</strong> Record revenue received under Education Code sections 35560 and 35561. Also record revenue received from a defunct charter school or from a charter school whose authorizing LEA changes.</td>
</tr>
<tr>
<td>8971</td>
<td><strong>Proceeds from Certificates of Participation.</strong> Record the proceeds received from the issuance of certificates of participation.</td>
</tr>
<tr>
<td>8972</td>
<td><strong>Proceeds from Capital Leases.</strong> Record the proceeds that result from entering into a capital lease.</td>
</tr>
<tr>
<td>8973</td>
<td><strong>Proceeds from Lease Revenue Bonds.</strong> Record the proceeds from the issuance of lease revenue bonds that are deposited to the general fund or to capital projects funds.</td>
</tr>
<tr>
<td>8979</td>
<td><strong>All Other Financing Sources.</strong> Record the proceeds from other financing sources not specified above. If long-term debt is issued at a premium, record the premium here. Use Object 8979 for charter school loans.</td>
</tr>
<tr>
<td>8980–8999</td>
<td><strong>Contributions</strong></td>
</tr>
<tr>
<td>8980</td>
<td><strong>Contributions from Unrestricted Revenues.</strong> Record the amount of money that must be contributed from unrestricted resources in the general fund when the expenditures incurred for a given restricted resource exceed the amount available for expenditure. This account may also apply to contributions of unrestricted resources to other unrestricted resources. Also record in this account the LEA’s contribution of matching funds (the cash match) if required by a special project. A contribution is recorded by debiting Object 8980 in Resource 0000, Unrestricted, and by crediting Object 8980 in the resource receiving the contribution. This account must net to zero at the fund level.</td>
</tr>
<tr>
<td>8990</td>
<td><strong>Contributions from Restricted Revenues.</strong> Record contributions of restricted revenues to another resource, such as contributions to a School-Based Coordinated Program (SBCP) or a Schoolwide Program (SWP), or No Child Left Behind (NCLB) flexibility transfers. A contribution is recorded by debiting Object 8990 in the resource making the contribution and by crediting Object 8990 in the resource receiving the contribution. This account must net to zero at the fund level.</td>
</tr>
</tbody>
</table>
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<tr>
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<tbody>
<tr>
<td>8995</td>
<td><strong>Categorical Education Block Grant Transfers (Inactive effective 2009–10 due to statutory categorical flexibility provisions).</strong> Record transfers of categorical education block grant apportionments pursuant to Education Code Section 41500, enacted by AB 825. A maximum of 15 percent of these apportionments may be transferred to any other programs for which the school district or county office of education is eligible for state funding, including programs not in the block grants. The total amount of funding for a program to which funds are transferred may not exceed 120 percent of the amount of state funding originally allocated to the school district or county office for that program in a fiscal year. A transfer is recorded by debiting Object 8995 in the resource making the transfer and by crediting Object 8995 in the resource receiving the transfer. This account must net to zero at the fund level. Transfers involving these apportionments other than those transfers specified in Education Code Section 41500, such as the transfer of School and Library Improvement Block Grant (Resource 7395) revenue into School Based Coordinated Programs (Resource 7250), should be recorded using Object 8990.</td>
</tr>
<tr>
<td>8997</td>
<td><strong>Transfers of Restricted Balances (Valid 2003–04, 2008–09 and 2009–10 only).</strong> Record the transfer of restricted account balances pursuant to enacted legislation authorizing such transfers. For example, this account was used in 2003–04 to record transfers of restricted account balances pursuant to AB 1754 and in 2008–09 and 2009–10 to record transfers of June 30, 2008 restricted account balances pursuant to SBX3 4. This legislation authorized LEAs to use certain restricted account balances for general operating purposes to mitigate the effects of state budget reductions. Other transfers between or from restricted programs should be recorded in Object 8990. This account may reflect a balance at the fund level but must net to zero across all funds.</td>
</tr>
<tr>
<td>8998</td>
<td><strong>Categorical Flexibility Transfers (Inactive effective 2009–10).</strong> For 2008–09, record the transfer of unspent restricted account balances for which the funding was made flexible pursuant to SBX3 4. Prior to 2008–09, this object was used to record the reallocation of categorical revenue among categorical programs defined in Section 12.40 of the annual Budget Act (formerly referred to as Mega-Item Transfers and Flexibility Transfers). A transfer is recorded by debiting Object 8998 in the resource making the transfer and by crediting Object 8998 in the resource receiving the transfer. This account may reflect a balance at the fund level but must net to zero across all funds.</td>
</tr>
<tr>
<td>9000–9999</td>
<td><strong>BALANCE SHEET</strong></td>
</tr>
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</table>
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<tr>
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</thead>
<tbody>
<tr>
<td>9100–9489</td>
<td><strong>Assets</strong></td>
</tr>
<tr>
<td>9110</td>
<td><strong>Cash in County Treasury.</strong> Beginning cash balance, plus all moneys deposited in the county treasury less disbursements. Included are all amounts added or deducted at the county level.</td>
</tr>
<tr>
<td>9111</td>
<td><strong>Fair Value Adjustment to Cash in County Treasury.</strong> The difference between the fair value and the reported amount of cash in county treasury.</td>
</tr>
<tr>
<td>9120</td>
<td><strong>Cash in Bank(s).</strong> Indicated balances in separate bank accounts for adult education incidentals, scholarships and loans, school farm accounts, and cafeteria accounts (Education Code sections 35314, 52704, and 38093). This account also includes any money in a bank clearing account awaiting deposit in the county treasury (Education Code Section 41017).</td>
</tr>
<tr>
<td>9130</td>
<td><strong>Revolving Cash Account.</strong> (1) A recording of the establishment and maintenance of a cash account for use of the chief accounting officer or other designated official of the LEA in accordance with Education Code sections 42800–42806, 42810, 42820, and 42821. This account is similar in use and control to accounts known as petty cash funds and includes petty cash funds. Once this account is established, it should be carried indefinitely in the general ledger and shown in all balance sheets and budgets until it is abolished. The amount recorded will vary only through increase or decrease in the total amount approved for the account. The revolving cash account is a reserve of cash in an already established fund and is not to be considered or accounted for as a separate fund or entity. (2) A sum of money, either in the form of currency or a special bank account, set aside for the purpose of making change or immediate payments of small amounts. The invoices for these payments are accumulated, and the account is reimbursed from the LEA’s funds, thus maintaining the account at the predetermined amount. Checks drawn on a prepayment account may not be for more than $1,000, including tax and freight (Education Code Section 42821).</td>
</tr>
<tr>
<td>9135</td>
<td><strong>Cash with a Fiscal Agent/Trustee.</strong> Deposits with a fiscal agent, such as a third-party administrator for self-insurance. This account also includes the proceeds of certificates of participation deposited with a trustee and amounts in an escrow account.</td>
</tr>
<tr>
<td>9140</td>
<td><strong>Cash Collections Awaiting Deposit.</strong> Money received by an LEA and not yet deposited in a bank account or the county treasury (Education Code Section 41001). This account is usually posted on June 30 for those material revenues in the LEA safe/vault.</td>
</tr>
</tbody>
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<tbody>
<tr>
<td>9150</td>
<td><strong>Investments.</strong> Investments authorized by the governing board of the LEA recorded at fair value (GASB Statement 31) (Education Code Section 41015).</td>
</tr>
<tr>
<td>9200</td>
<td><strong>Accounts Receivable.</strong> Amounts due from private persons, firms, or corporations. Accounts receivable will be limited to auditable amounts (usually based on contractual agreements); to amounts billed but not received; and, within provision of law, to amounts that were earned by the close of the fiscal year and that might have been received and deposited in the county treasury by that date except for the lack of time for settlement.</td>
</tr>
<tr>
<td>9290</td>
<td><strong>Due from Grantor Governments.</strong> This account is used to record amounts receivable from state and federal agencies. It represents amounts earned by or allocated to a school district from state sources or earned under a federal financial assistance program in excess of cash receipts during the fiscal year. This account is also used if the grantors are other governmental entities, including counties, cities, and other school districts.</td>
</tr>
<tr>
<td>9310</td>
<td><strong>Due from Other Funds.</strong> Amounts due from other funds of the LEA.</td>
</tr>
<tr>
<td>9320</td>
<td><strong>Stores.</strong> Amounts of materials, supplies, and possibly certain equipment kept in a central warehouse and subject to requisition and use.</td>
</tr>
<tr>
<td>9330</td>
<td><strong>Prepaid Expenditures (Expenses).</strong> Payments made in advance of the receipt and use of services. Prepaid insurance premiums are illustrative. That portion of the premium paid in advance for coverage beyond the current fiscal year may be charged to Prepaid Expenditures. Adjustments to this account in the succeeding fiscal years apportion the premium over the period covered. In governmental fund accounting, expenditures for insurance and similar services extending over more than one accounting period need not be allocated between or among accounting periods but may be accounted for as expenditures in periods of acquisition.</td>
</tr>
<tr>
<td>9340</td>
<td><strong>Other Current Assets.</strong> Assets that are available or that can be made readily available to meet operating costs or to pay current liabilities.</td>
</tr>
<tr>
<td>9400–9489</td>
<td><strong>Capital Assets.</strong> Accounts used in the proprietary or trust funds to present the assets of the LEA. These assets are of a permanent character and are intended to continue to be held or used.</td>
</tr>
<tr>
<td>9410</td>
<td><strong>Land.</strong> A capital asset account reflecting the cost of land owned by the LEA.</td>
</tr>
</tbody>
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<tr>
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<tbody>
<tr>
<td>9420</td>
<td><strong>Land Improvements.</strong> A capital asset account reflecting the cost of permanent improvements, other than buildings, which add value to land, such as sidewalks, gutters, pavement, and fences.</td>
</tr>
<tr>
<td>9425</td>
<td><strong>Accumulated Depreciation—Land Improvements.</strong> A contra-asset account used to report the accumulation of systematic and rational allocations of the estimated cost of using land improvements on a historical cost basis over the useful life of the improvement. The depreciation expense is reported in Object 6900, Depreciation Expense, in proprietary and fiduciary funds only.</td>
</tr>
<tr>
<td>9430</td>
<td><strong>Buildings.</strong> A capital asset account reflecting the cost of permanent structures owned or held by the LEA.</td>
</tr>
<tr>
<td>9435</td>
<td><strong>Accumulated Depreciation—Buildings.</strong> A contra-asset account used to report the accumulation of systematic and rational allocations of the estimated cost of using buildings on a historical cost basis over the useful life of the building. The depreciation expense is reported in Object 6900, Depreciation Expense, in proprietary and fiduciary funds only.</td>
</tr>
<tr>
<td>9440</td>
<td><strong>Equipment.</strong> A capital asset account reflecting the cost of properties that do not lose their identity when removed from their location and are not changed materially or consumed immediately (e.g., within one year) by use. Equipment has relatively permanent value, and its purchase increases the total value of an LEA’s physical properties. Examples include furniture, vehicles, machinery, motion-picture films, videotapes, furnishings that are not an integral part of the building or building system, and certain intangible assets, such as major software programs.</td>
</tr>
<tr>
<td>9445</td>
<td><strong>Accumulated Depreciation—Equipment.</strong> A contra-asset account used to report the accumulation of systematic and rational allocations of the estimated cost of using equipment on a historical cost basis over the useful life of the equipment. The depreciation expense is reported in Object 6900, Depreciation Expense, in the proprietary and fiduciary funds only.</td>
</tr>
<tr>
<td>9450</td>
<td><strong>Work in Progress.</strong> An asset account representing the value of partially completed work.</td>
</tr>
<tr>
<td>9490–9499</td>
<td><strong>Deferred Outflows of Resources</strong></td>
</tr>
<tr>
<td>9490</td>
<td><strong>Deferred Outflows of Resources.</strong> A consumption of net assets that is applicable to a future reporting period.</td>
</tr>
<tr>
<td>9491–9499</td>
<td><strong>Deferred Outflows of Resources—Locally Defined.</strong> These accounts are used at the option of LEAs to track specific types of deferred outflows of resources.</td>
</tr>
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<tbody>
<tr>
<td></td>
<td>When data are reported to CDE, these objects must be rolled up by the LEA to Object 9490.</td>
</tr>
<tr>
<td>9500–9689</td>
<td>Liabilities</td>
</tr>
<tr>
<td>9500</td>
<td>Accounts Payable (Current Liabilities). Amounts due to private persons, firms, or corporations for services rendered and goods received on or before the close of the fiscal year. Do not include encumbrances represented by purchase orders or contracts, or portions thereof, for services or goods to be furnished after the close of the fiscal year. Include salaries earned but not paid until after June 30, amounts owed to other LEAs for tuition payments, that portion of construction contracts represented by work done by the close of the fiscal period, invoices for materials or equipment received prior to June 30, and so forth. Use Object 9620, Due to Student Groups/Other Agencies, for the liabilities of a trust or agency fund.</td>
</tr>
<tr>
<td>9590</td>
<td>Due to Grantor Governments. This account is used to record amounts owed to state entities and federal agencies. The account represents cash received from state sources or under a federal financial assistance program that exceeds the amounts earned and which must be returned to the grantors. This account would also be used if the grantors are other governmental entities, including counties, cities, and other school districts.</td>
</tr>
<tr>
<td>9501–9589</td>
<td>Accounts Payable—Locally Defined. These accounts are used at the option of LEAs to track current liabilities, such as payroll withholdings and deductions. When data are reported to CDE, these objects must be rolled up by the LEA to Object 9500.</td>
</tr>
<tr>
<td>9610</td>
<td>Due to Other Funds. Amounts due to other funds within the LEA.</td>
</tr>
<tr>
<td>9620</td>
<td>Due to Student Groups/Other Agencies. This account is used to record amounts owed to student groups or other agencies within agency funds. Amounts recorded as Due to Student Groups/Other Agencies equal the difference between amounts recorded as assets and any recorded liabilities of student groups/other agencies, such as accounts payable. The assets held should equal the net assets and liabilities of the agencies, and there is no ending fund balance. Do not use Object 9500, Accounts Payable, in a trust or agency fund. Other general receivables from students in the general fund should be coded to Object 9200, Accounts Receivable.</td>
</tr>
</tbody>
</table>

There is no fund balance in an agency fund. Assets held equal the liability to the other agency.
## Procedure 330  Object Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>9640</td>
<td><strong>Current Loans.</strong> Short-term obligations representing amounts borrowed for short periods of time and usually evidenced by notes payable. Such loans may be unsecured or secured by specific revenues to be collected, such as tax-anticipation notes.</td>
</tr>
<tr>
<td>9650</td>
<td><strong>Unearned Revenue.</strong> Resources received prior to revenue recognition.</td>
</tr>
<tr>
<td>9660–9669</td>
<td><strong>Long-Term Liabilities.</strong> An account set up to reflect long-term liabilities in the proprietary or trust funds (not used in governmental funds).</td>
</tr>
<tr>
<td>9661</td>
<td><strong>General Obligation Bonds Payable.</strong> The liability account reflecting the outstanding balance of general obligation bonds.</td>
</tr>
<tr>
<td>9662</td>
<td><strong>State School Building Loans Payable.</strong> A liability account reflecting the outstanding principal balance of State School Building Loans. State School Building Loans were granted in the past to facilitate school construction. These loans are no longer being offered under this program; however, some LEAs still have outstanding balances that are being repaid.</td>
</tr>
<tr>
<td>9664</td>
<td><strong>Net OPEB Obligation.</strong> The cumulative difference, following the effective date of GASB Statement 45, between an LEA’s annual postemployment benefits other than pensions (OPEB) cost (in relation to its Annual Required Contribution) and the LEA’s actual contributions to its OPEB plan, including any net OPEB obligation (or asset) at transition. The Net OPEB Obligation is reported only in the LEA’s accrual-basis financial statements.</td>
</tr>
<tr>
<td>9665</td>
<td><strong>Compensated Absences Payable.</strong> A liability account reflecting accumulated unpaid benefits that are provided to employees. These benefits include vacation and sick leave and sabbatical leaves that are paid to employees upon termination or retirement. However, this liability account does not include sick-leave balances for which employees receive only additional service time for pension benefit purposes.</td>
</tr>
<tr>
<td>9666</td>
<td><strong>Certificates of Participation (COPs) Payable.</strong> The liability account reflecting the outstanding principal balance of COPs.</td>
</tr>
<tr>
<td>9667</td>
<td><strong>Capital Leases Payable.</strong> A liability account reflecting the noncurrent portion of the discounted present value of total future stipulated payments on lease agreements that are capitalized.</td>
</tr>
<tr>
<td>9668</td>
<td><strong>Lease Revenue Bonds Payable.</strong> A liability account reflecting the outstanding balance of lease revenue bonds.</td>
</tr>
</tbody>
</table>
## Procedure 330  
**Object Classification**

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>9669</td>
<td><strong>Other General Long-Term Debt.</strong> A liability account reflecting other long-term liabilities such as the noncurrent portions of liabilities for termination benefits paid over time, unfunded pension obligations, and other similar items.</td>
</tr>
<tr>
<td>9690–9699</td>
<td><strong>Deferred Inflows of Resources</strong></td>
</tr>
<tr>
<td>9690</td>
<td><strong>Deferred Inflows of Resources.</strong> An acquisition of net assets that is applicable to a future reporting period.</td>
</tr>
<tr>
<td>9691–9699</td>
<td><strong>Deferred Inflows of Resources—Locally Defined.</strong> These accounts are used at the option of LEAs to track specific types of deferred inflows of resources. When data are reported to CDE, these objects must be rolled up by the LEA to Object 9690.</td>
</tr>
<tr>
<td>9700–9799</td>
<td><strong>Fund Balance/Net Position.</strong> Fund balance represents the difference between the assets and liabilities of a governmental fund. Net position represents the difference between the assets and liabilities of a proprietary or fiduciary fund.</td>
</tr>
</tbody>
</table>

(The following codes and definitions for 9700–9790 were valid through 2010–11.)

| 9700–9759 | **Fund Balance, Reserved (Valid through 2010–11)** |
| 9710–9720 | **Reserve for Nonexpendable Assets (Valid through 2010–11).** An account set up to reflect the value of nonexpendable asset accounts. At the beginning of the fiscal year, this account is credited with the same amounts that are set up as debits to the previously described asset accounts. |
| 9711  | **Reserve for Revolving Cash (Valid through 2010–11).** The portion of fund balance reflecting the value of the revolving cash account. |
| 9712  | **Reserve for Stores (Valid through 2010–11).** The portion of fund balance reflecting the value of stores. |
| 9713  | **Reserve for Prepaid Expenditures (Expenses) (Valid through 2010–11).** The portion of fund balance reflecting the value of prepaid expenditures/expenses. |
| 9719  | **Reserve for All Others (Valid through 2010–11).** The portion of fund balance reflecting the value not specified above. For example, this object is used for the legal reserve required for Certificates of Participation. |
| 9720  | **Reserve for Encumbrances (Budgetary account) (Valid through 2010–11).** (This account is not reported to CDE.) An amount set aside to provide for encumbrances. Generally, encumbrances are closed at the end of the fiscal year, |
# Procedure 330 Object Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>and new purchase orders or contracts are opened for the subsequent year.</td>
</tr>
<tr>
<td></td>
<td>However, an LEA may disclose outstanding purchase orders or contracts that</td>
</tr>
<tr>
<td></td>
<td>will be included in the budget either as a footnote to the financial</td>
</tr>
<tr>
<td></td>
<td>statements or in the Reserve for Encumbrances.</td>
</tr>
<tr>
<td>9730</td>
<td><strong>General Reserve (Valid through 2010–11).</strong> The amount set aside by the</td>
</tr>
<tr>
<td></td>
<td>governing board to meet cash requirements in the succeeding fiscal year</td>
</tr>
<tr>
<td></td>
<td>until adequate proceeds from the taxes levied or from the apportionment of</td>
</tr>
<tr>
<td></td>
<td>state funds are available (Education Code Section 42124).</td>
</tr>
<tr>
<td>9740</td>
<td><strong>Legally Restricted Balance (Valid through 2010–11).</strong> Segregation of a</td>
</tr>
<tr>
<td></td>
<td>portion of a fund balance for legally restricted funds, such as unspent</td>
</tr>
<tr>
<td></td>
<td>instructional material funds or unspent proceeds from Certificates of</td>
</tr>
<tr>
<td></td>
<td>Participation.</td>
</tr>
<tr>
<td>9760–9799</td>
<td><strong>Fund Balance, Unreserved (Valid through 2010–11)</strong></td>
</tr>
<tr>
<td>9770</td>
<td><strong>Designated for Economic Uncertainties (Valid through 2010–11).</strong> The</td>
</tr>
<tr>
<td></td>
<td>portion of the fund balance that has been designated (set aside) by the</td>
</tr>
<tr>
<td></td>
<td>governing board to provide for emergencies or economic events, such as</td>
</tr>
<tr>
<td></td>
<td>revenue shortfalls, that could not be anticipated.</td>
</tr>
<tr>
<td>9775</td>
<td>**Designated for the Unrealized Gains of Investments and Cash in County</td>
</tr>
<tr>
<td></td>
<td>Treasury (Valid through 2010–11). The portion of the fund balance</td>
</tr>
<tr>
<td></td>
<td>attributable to an increase in the fair value of investments or cash in</td>
</tr>
<tr>
<td></td>
<td>the county treasury, an unrealized gain that is not available for spending.</td>
</tr>
<tr>
<td>9780</td>
<td><strong>Other Designations (Valid through 2010–11).</strong> The portion of the fund</td>
</tr>
<tr>
<td></td>
<td>balance that has been set aside by the governing board for specific</td>
</tr>
<tr>
<td></td>
<td>purposes.</td>
</tr>
<tr>
<td>9790</td>
<td><strong>Undesignated/Unappropriated (Valid through 2010–11).</strong> This account</td>
</tr>
<tr>
<td></td>
<td>represents the excess of the fund’s assets over its liabilities and may</td>
</tr>
<tr>
<td></td>
<td>include a budgetary element: the excess of estimated revenue (and estimated</td>
</tr>
<tr>
<td></td>
<td>other financing sources) over appropriations (and estimated other</td>
</tr>
<tr>
<td></td>
<td>financing uses).</td>
</tr>
<tr>
<td></td>
<td>(The following codes and definitions for 9700–9790 are valid effective</td>
</tr>
<tr>
<td></td>
<td>2011–12.)</td>
</tr>
<tr>
<td>9710–9719</td>
<td><strong>Fund Balance, Nonspendable.</strong> The portion of fund balance reflecting</td>
</tr>
<tr>
<td></td>
<td>assets not in spendable form, either because they will never convert to</td>
</tr>
<tr>
<td></td>
<td>cash (such as prepaid items) or must remain intact pursuant to legal or</td>
</tr>
<tr>
<td></td>
<td>contractual requirements (such as the principal of a permanent endowment).</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the fiscal year, these accounts are credited with the</td>
</tr>
<tr>
<td></td>
<td>same amounts that are set up as debits to the previously described asset</td>
</tr>
<tr>
<td></td>
<td>accounts.</td>
</tr>
<tr>
<td>Code</td>
<td>Definition</td>
</tr>
<tr>
<td>------</td>
<td>------------</td>
</tr>
<tr>
<td>9711</td>
<td><strong>Nonspendable Revolving Cash.</strong> The portion of fund balance reflecting the value of the revolving cash account.</td>
</tr>
<tr>
<td>9712</td>
<td><strong>Nonspendable Stores.</strong> The portion of fund balance reflecting the value of stores.</td>
</tr>
<tr>
<td>9713</td>
<td><strong>Nonspendable Prepaid Items.</strong> The portion of fund balance reflecting the value of prepaid items.</td>
</tr>
<tr>
<td>9719</td>
<td><strong>All Other Nonspendable Assets.</strong> The portion of fund balance reflecting the value of nonspendable assets not specified above. For example, this object is used for the legal reserve required for Certificates of Participation, the long-term portion of notes receivable, or the principal of a permanent endowment.</td>
</tr>
<tr>
<td>9720</td>
<td><strong>Reserve for Encumbrances (Budgetary account).</strong> (This account is not reported to CDE.) An amount set aside to provide for encumbrances. Generally, encumbrances are closed at the end of the fiscal year, and new purchase orders or contracts are opened for the subsequent year. However, an LEA should disclose in a footnote to the financial statements significant encumbrances that are included in the subsequent year’s budget.</td>
</tr>
<tr>
<td>9730–9749</td>
<td><strong>Fund Balance, Restricted</strong></td>
</tr>
<tr>
<td>9740</td>
<td><strong>Restricted Balance.</strong> The portion of fund balance representing resources subject to externally imposed and legally enforceable constraints imposed either by external resource providers, e.g., grantors or creditors, or by law through constitutional provisions or enabling legislation. Examples include unspent balances of restricted state and federal grants and unspent proceeds of general obligation bonds. All positive balances of SACS restricted resources 2000 through 9999 are reported using Object 9740.</td>
</tr>
<tr>
<td>9750–9769</td>
<td><strong>Fund Balance, Committed.</strong> The portion of fund balance representing resources whose use is constrained by limitations self-imposed by the LEA through formal action of its highest level of decision-making authority. The constraints can be modified or removed only through the same process by which they were imposed. The action imposing the constraint must be made by the end of the reporting period. The actual amounts may be determined at a later date, prior to the issuance of the financial statements.</td>
</tr>
<tr>
<td>9750</td>
<td><strong>Stabilization Arrangements.</strong> The portion of fund balance set aside pursuant to a stabilization arrangement more formal than the reserve for economic uncertainties recommended by the Criteria and Standards for Fiscal Solvency or other minimum fund balance policy. The level of constraint must meet the criteria to be reported as committed, and the circumstances in which the resources are used</td>
</tr>
</tbody>
</table>
## Procedure 330  Object Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>must be specific and nonroutine. The formal action imposing the constraint should identify and describe in sufficient detail the circumstances in which the amounts may be used. Minimum fund balance policies and other stabilization arrangements that do not meet the criteria to be reported as committed are reported as unassigned. Also see Object 9789, Reserve for Economic Uncertainties.</td>
</tr>
<tr>
<td>9760</td>
<td><strong>Other Commitments.</strong> The portion of fund balance representing commitments other than stabilization arrangements.</td>
</tr>
<tr>
<td>9770–9788</td>
<td><strong>Fund Balance, Assigned.</strong> The portion of fund balance representing resources that are intended to be used for specific purposes but for which the constraints do not meet the criteria to be reported as restricted or committed. Intent may be established either by the LEA’s highest level of decision-making authority or by a designated body or official. Constraints giving rise to assigned fund balance may be imposed at any time before the financial statements are issued. The constraints may be modified or removed by a process less formal than is required to remove constraints that give rise to committed fund balance. In governmental fund types other than the general fund, this is the residual fund balance classification.</td>
</tr>
<tr>
<td>9780</td>
<td><strong>Other Assignments.</strong> The portion of fund balance representing assignments.</td>
</tr>
<tr>
<td>9789–9790</td>
<td><strong>Fund Balance, Unassigned.</strong> The portion of fund balance not classified as nonspendable, restricted, committed, or assigned.</td>
</tr>
<tr>
<td>9789</td>
<td><strong>Reserve for Economic Uncertainties.</strong> The portion of unassigned fund balance set aside pursuant to a minimum fund balance policy. This amount includes the reserve recommended by the Criteria and Standards for Fiscal Solvency, as well as additional reserve amounts established pursuant to local policy. Object 9789 is available in Fund 01 and Fund 17.</td>
</tr>
<tr>
<td>9790</td>
<td><strong>Unassigned/Unappropriated/Unrestricted Net Position.</strong> In the general fund, residual fund balance in excess of amounts reported in the nonspendable, restricted, committed, or assigned fund balance classifications and net of Object 9789, Reserve for Economic Uncertainties. In all governmental funds including the general fund, the excess of nonspendable, restricted, and committed fund balance over total fund balance (deficits). Assigned amounts must be reduced or eliminated if a deficit exists. In the proprietary and fiduciary funds, the amount of net position not included in the determination of net investment in capital assets or restricted net position.</td>
</tr>
</tbody>
</table>
### Procedure 330  
#### Object Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>9791</td>
<td><strong>Beginning Fund Balance.</strong> This account represents the difference between the assets and liabilities of a fund at the beginning of the fiscal year. Audit adjustments and other restatements that correct the beginning fund balance are recorded using objects 9793 and 9795, as appropriate.</td>
</tr>
<tr>
<td>9793</td>
<td><strong>Audit Adjustments.</strong> This account is used to record audit adjustments that correct the beginning fund balance.</td>
</tr>
<tr>
<td>9795</td>
<td><strong>Other Restatements.</strong> This account is used to record material corrections of prior-year errors that restate the beginning fund balance.</td>
</tr>
<tr>
<td>9796</td>
<td><strong>Net Investment in Capital Assets.</strong> The portion of net position that represents capital assets, net of accumulated depreciation and less outstanding debt directly related to the capital assets. Includes deferred outflows of resources and deferred inflows of resources associated with the capital assets. This account is used only in funds 61 through 73.</td>
</tr>
<tr>
<td>9797</td>
<td><strong>Restricted Net Position.</strong> The portion of net position representing resources subject to externally imposed and legally enforceable constraints imposed either by external resource providers, e.g., grantors or creditors, or by law through constitutional provisions or enabling legislation. Restricted assets are reduced by liabilities and deferred inflows of resources associated with those assets. Also includes permanent fund principal. This account is used only in funds 61 through 73.</td>
</tr>
<tr>
<td>9800–9839</td>
<td><strong>Budgetary Accounts.</strong> (These accounts are not reported to CDE.) The following budgetary accounts are used by LEAs to record the budget. These accounts are not reported to CDE.</td>
</tr>
<tr>
<td>9810</td>
<td><strong>Estimated Revenue.</strong> The budgetary account that shows all revenue estimated to be received or accrued during the fiscal year. This account is a control account in a fund's general ledger, and it must agree with the subsidiary ledger.</td>
</tr>
<tr>
<td>9815</td>
<td><strong>Estimated Other Financing Sources.</strong> The budgetary account that shows all the other financial resources that are estimated to be received or accrued during the fiscal year. This account is optional; LEAs may use Object 9810 to record both budgeted revenue and other sources.</td>
</tr>
<tr>
<td>9820</td>
<td>** Appropriations.** Authorization granted by the governing board to make expenditures and to incur obligations for specific purposes and amounts within the fiscal year. This account is a control account in the general ledger, and it must agree with the subsidiary ledger.</td>
</tr>
</tbody>
</table>
## Procedure 330 Object Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>9825</td>
<td><strong>Estimated Other Financing Uses.</strong> The budgetary account that shows all of the other financial obligations that will be paid or will accrue during the fiscal year. This account is optional; LEAs may use Object 9820 to record both appropriations and estimated other uses.</td>
</tr>
<tr>
<td>9830</td>
<td><strong>Encumbrances.</strong> Obligations in the form of purchase orders, contracts, salaries, or other commitments that are chargeable to an appropriation and for which part of the appropriation is reserved. Encumbrances are canceled when the obligation is paid or when the actual liability is set up. This control account represents the total amount of the appropriations that has been designated for expenditures for specified purposes. Details of encumbrances by classification or account are recorded in the same subsidiary appropriations ledger in which expenditures are recorded.</td>
</tr>
<tr>
<td>9840–9899</td>
<td><strong>Control Accounts.</strong> (These accounts are not reported to CDE.)</td>
</tr>
<tr>
<td>9840</td>
<td><strong>Revenue.</strong> The control account for all revenue that is received or accrued during the fiscal year.</td>
</tr>
<tr>
<td>9845</td>
<td><strong>Other Financing Sources.</strong> The control account for other financing sources. This account is optional; LEAs may use Object 9840 as the control account for revenue and other financing sources.</td>
</tr>
<tr>
<td>9850</td>
<td><strong>Expenditures.</strong> The control account for all expenditures that are paid or accrued during the fiscal year.</td>
</tr>
<tr>
<td>9855</td>
<td><strong>Other Financing Uses.</strong> The control account for other financing uses. This account is optional; LEAs may use Object 9850 as the control account for expenditures and other financing uses.</td>
</tr>
<tr>
<td>9900–9979</td>
<td><strong>Nonoperating Accounts.</strong> (These accounts are not reported to CDE.)</td>
</tr>
<tr>
<td>9910</td>
<td><strong>Suspense Clearing.</strong> An account that carries charges or credits temporarily pending determination of the proper account or accounts to which they are to be posted and that may be used for posting amounts not yet analyzed to decide whether they should be revenue, expenditure, or abatement. Charges that must be allocated or prorated may be posted in this account until such allocation or proration can be calculated. This account must balance to zero at the close of the fiscal year and should be reviewed monthly.</td>
</tr>
</tbody>
</table>
Procedure 340  

Valid Account Code Combinations

All of the fields used in the standardized account code structure (SACS) must work together to form valid account code strings. Although there are hundreds of individual account codes, many are valid only in combination with certain other codes.

Tables of valid combinations are maintained and updated periodically for validating the appropriateness of the account combinations used in the data LEAs submit to CDE through the use of CDE’s data collection (SACS) software. The tables are also available in an easy-to-reference spreadsheet format. The spreadsheet format provides a useful tool for users to research coding combinations prior to using them in their financial systems. The spreadsheets, available in both Microsoft Excel and PDF, can be downloaded from CDE’s Web site:

http://www.cde.ca.gov/fg/ac/ac/sprvalidcombs.asp

The following tables are abbreviated examples of the seven tables of valid combinations and discussion of the coding principles associated with each. An “x” in a cell indicates the combination is valid; however, it does not indicate that the combination is valid for every type of LEA (districts, county offices of education, and joint powers agencies). LEAs should refer to the complete versions of the tables to determine the LEA types for which a certain combination is valid.

Function by Object Combinations

All expenditure objects (1000–7999) are validated in combination with all functions.

<table>
<thead>
<tr>
<th>Object Codes</th>
<th>Function 1000</th>
<th>Function 2100</th>
<th>Function 3110</th>
<th>Function 4000</th>
<th>Function 5000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1100 Certificated Teachers’ Salaries</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1200 Certificated Pupil Support Salaries</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1300 Certificated Supervisors’ and</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrators’ Salaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2100 Classified Instructional Salaries</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2200 Classified Support Salaries</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2400 Clerical, Technical, and Office Staff Salaries</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
Procedure 340  Valid Account Code Combinations

All expenditures must be coded to a function. Revenue and balance sheet accounts do not require a function and are not included in this table.

Certain expenditures are not appropriate in certain functions. For example, teachers perform instructional activities. Their salaries are appropriately coded to Function 1000, Instruction, but not to Function 3110, Guidance and Counseling Services, which is a pupil support activity.

Fund by Function Combinations

All functions are validated in combination with all funds.

<table>
<thead>
<tr>
<th>Function Codes</th>
<th>Fund 01 General/County School Service Fund</th>
<th>Fund 13 Cafeteria Fund</th>
<th>Fund 21 Building Fund</th>
<th>Fund 51 Bond Interest and Redemption Fund</th>
<th>Fund 63 Other Enterprise Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000 Instruction</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3700 Food Services</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6000 Enterprise</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8500 Facilities Acquisition and Construction</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9100 Debt Service</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>9300 Interfund Transfers</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Certain functions (activities) are not appropriate in certain funds. For example, Function 1000, Instruction, is not valid in combination with Fund 13, Cafeteria Fund, or Fund 21, Building Fund, because the activities accounted for in these funds are not instructional.

Fund by Goal Combinations

All goals are validated in combination with all funds.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Fund 01 General/County School Service Fund</th>
<th>Fund 13 Cafeteria Fund</th>
<th>Fund 21 Building Fund</th>
<th>Fund 51 Bond Interest and Redemption Fund</th>
<th>Fund 63 Other Enterprise Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>0000 Undistributed</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1110 Regular Education, K-12</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4110 Regular Education, Adult</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5001 Special Education—Unspecified</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7110 Nonagency—Educational</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8100 Community Services</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Rev. November 2013  340-2
Procedure 340  Valid Account Code Combinations

Certain goals are not appropriate in certain funds. For example, Goal 1110, Regular Education, K–12, is not valid in Fund 21, Building Fund, or Fund 51, Bond Interest and Redemption Fund, because specific populations of students, such as K–12 students, are not served by the activities of these funds. Rather, the activities of these funds are for the benefit of all student populations and should be coded to Goal 0000, Undistributed.

Fund by Object Combinations

All objects are validated in combination with all funds.

<table>
<thead>
<tr>
<th>Object</th>
<th>Fund 01 General/County School Service Fund</th>
<th>Fund 13 Cafeteria Fund</th>
<th>Fund 21 Building Fund</th>
<th>Fund 51 Bond Interest and Redemption Fund</th>
<th>Fund 63 Other Enterprise Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>1100 Certificated Teachers’ Salaries</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>1200 Certificated Pupil Support Salaries</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>1300 Certificated Supervisors’ and Administrators’ Salaries</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2100 Classified Instructional Salaries</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2200 Classified Support Salaries</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2400 Clerical, Technical, and Office Staff Salaries</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Certain types of revenues, expenditures, assets, and liabilities are not appropriate in certain funds. For example, Object 1100, Certificated Teachers’ Salaries, is not valid in Fund 13, Cafeteria Fund, or Fund 21, Building Fund. Teachers provide instructional services, and the activities accounted for in funds 13 and 21 are not instructional.
Procedure 340  Valid Account Code Combinations

Fund by Resource Combinations

All resources are validated in combination with all funds.

<table>
<thead>
<tr>
<th>Resource</th>
<th>Fund 01</th>
<th>Fund 13</th>
<th>Fund 21</th>
<th>Fund 51</th>
<th>Fund 63</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund 01 General/County School Service Fund</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Fund 13 Cafeteria Fund</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Fund 21 Building Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund 51 Bond Interest and Redemption Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund 63 Other Enterprise Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0000 Unrestricted</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1100 State Lottery</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>3010 NCLB: Title I, Part A, Basic Grants Low-Income and Neglected</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5310 Child Nutrition: School Programs</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6690 Tobacco-Use Prevention Education: Grades Six through Twelve</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9010 Other Local</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Most resources represent restricted sources of revenue that must be spent on specific activities, and most funds exist for the accounting for specific activities. Not all resources will be appropriate with all funds. For example, Resource 5310, Child Nutrition: School Programs, is valid in Fund 13, Cafeteria Fund, because the cafeteria fund exists for the accounting of child nutrition programs, such as provided by Resource 5310. However, Resource 5310 is not valid in Fund 21, Building Fund, because the building fund exists for the accounting of capital projects, not child nutrition programs.
Procedure 340  Valid Account Code Combinations

Goal by Function Combinations

Functions in the 1000, 4000, 5000, and 7000 series (except 7210) are validated in combination with all goals.

<table>
<thead>
<tr>
<th>Function</th>
<th>Goal 0000</th>
<th>Goal 1110</th>
<th>Goal 5750</th>
<th>Goal 7110</th>
<th>Goal 8100</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Undistributed</td>
<td>Regular Education, K–12</td>
<td>Special Ed., Age 5-22 Severely Disabled</td>
<td>Nonagency—Educational</td>
<td>Community Services</td>
</tr>
<tr>
<td>1000 Instruction</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>1110 Special Education: Separate Classes</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>4000 Ancillary Services</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5000 Community Services</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>7200 Other General Administration</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Instructional (1xxx), ancillary services (4xxx) and community services (5xxx) functions must be coded to a specific goal. They may not be coded to Goal 0000, Undistributed, or Goal 5001, Special Education—Unspecified.

General administration functions (7xxx), except Function 7210, General Administration Cost Transfers, should generally be coded only to Goal 0000, Undistributed; Goal 7110, Nonagency—Educational; Goal 7150, Nonagency—Other; and Goal 8600, County Services to Districts.

Noninstructional functions, such as the pupil support function range of 3000–3999, do not require a specific goal. They may be coded to Goal 0000, Undistributed. Therefore, combinations of noninstructional functions with specific goals are not addressed in this table, although most of these combinations are valid.
Procedure 340  Valid Account Code Combinations

Resource by Object Combinations

All resources are validated in combination with all revenue and balance sheet objects.

<table>
<thead>
<tr>
<th>Resource</th>
<th>Object 8290</th>
<th>Object 8590</th>
<th>Object 9110</th>
<th>Object 9650</th>
<th>Object 9790</th>
</tr>
</thead>
<tbody>
<tr>
<td>0000 Unrestricted</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>3010 NCLB: Title I, Part A, Basic Grants Low-Income and Neglected</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5600 Workforce Investment Act (WIA)</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6690 Tobacco-Use Prevention Education: Grades Six through Twelve</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>7090 Economic Impact Aid</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>9010 Other Local</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Restricted resources are generally funded by state or federal revenues. Carryovers of restricted resources are subject either to restricted ending balance or to unearned revenue. Combinations are validated to ensure that LEAs use the correct revenue designation(s) and account for carryover correctly.

The following are examples of valid and invalid combinations:

- **Resource 3010 (Title I, Part A, Basic Grants Low-Income and Neglected)** is federal revenue; therefore, Object 8290, All Other Federal Revenue, is open to this resource. But state objects, such as Object 8590, All Other State Revenue, are not open to this federal resource.

- A carryover balance in this same Resource 3010 is subject to unearned revenue and, therefore, Object 9650, Unearned Revenue, is open to this resource. But Object 9790, Unassigned/ Unappropriated, which is a fund balance object rather than an unearned revenue object, is not.
Procedure 345  Illustrations Using the Account Code Structure

The following are basic examples of entries for recording revenue, expenditure, and balance sheet transactions using the standardized account code structure (SACS). These examples illustrate how the SACS fields are combined to create valid account strings.

More detailed examples of the transactions for specific programs and activities can be found in numerous procedures throughout the manual.

Revenue Transactions

Revenues are classified by source and type in the object field. When revenues are for restricted uses or have reporting requirements, they are identified by the resource field with a specific resource number in the range 1000 through 9999; otherwise they are identified with Resource 0000, Unrestricted. When revenues are for federal projects that cross the LEA reporting fiscal year, they are also coded by the ending year of the project in the project year field.

Revenue Example 1

A school district receives unrestricted lottery funding. The revenue would be recorded as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>1100</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>8560</td>
<td>000</td>
</tr>
</tbody>
</table>

- **Fund 01** is the General Fund.
- **Resource 1100** is Lottery: Unrestricted, which has a special reporting requirement.
- **Project Year** is not necessary in this example.
- **Goal** is generally not required for revenues.
- **Function** is not required for revenues.
- **Object 8560** is State Lottery Revenue.
- **School** is not required.

Revenue Example 2

A school district receives After School Education and Safety (ASES) funding. The revenue would be recorded as follows:
Procedure 345  Illustrations Using the Account Code Structure

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>6010</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>8590</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 6010 is ASES.
- Project Year is not necessary for this resource.
- Goal is generally not required for revenues.
- Function is not required for revenues.
- Object 8590 is All Other State Revenue.
- School is not required.

Revenue Example 3

A school district receives two federal IDEA Preschool Grants. One grant will end in September 2007, and the subsequent grant will begin in October 2007 and end in September 2008. For the 2007–08 fiscal year, the revenue would be recorded as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>3315</td>
<td>7</td>
<td>5001</td>
<td>0000</td>
<td>8182</td>
<td>000</td>
</tr>
<tr>
<td>01</td>
<td>3315</td>
<td>8</td>
<td>5001</td>
<td>0000</td>
<td>8182</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 3315 is the federal Special Ed-IDEA Preschool Grant.
- Project Year is 7 for the first grant, which ends in September 2007 during the LEA fiscal year. Project Year is 8 for the second grant, which begins during the LEA fiscal year and will end in September 2008.
- Goal 5001 is Special Education—Unspecified. Goal is required for special education revenues.
- Function is not required for revenues.
- Object 8182 is Special Education—Discretionary Grants.
- School is not required.

Expenditure Transactions

Expenditures for instructional activities must be classified by goal. Expenditures for support activities may be classified by goal when there is supporting documentation. Otherwise, they are recorded in Goal 0000, Undistributed.
Procedure 345  Illustrations Using the Account Code Structure

Expenditure Example 1

Lottery funds are used to pay for upgrading the equipment in the computer lab. The expenditure would be recorded as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>1100</td>
<td>0</td>
<td>1110</td>
<td>2420</td>
<td>4400</td>
<td>123</td>
</tr>
</tbody>
</table>

- **Fund 01** is the General Fund.
- **Resource 1100** is Lottery: Unrestricted.
- **Project Year** is not necessary in this example.
- **Goal 1110** is Regular Education, K–12. The computer lab is used primarily by the regular K–8 students of the ABC Elementary School.
- **Function 2420** is Instructional Library, Media, and Technology.
- **Object 4400** is Noncapitalized Equipment.
- **School 123** is the ABC Elementary School. Coding to the school field is not required; however, LEAs may wish to code expenditures for local information.

Expenditure Example 2

ASES funds are used to purchase instructional supplies for the after-school program operated at ABC Elementary School. The expenditure would be recorded as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>6010</td>
<td>0</td>
<td>1110</td>
<td>1000</td>
<td>4300</td>
<td>123</td>
</tr>
</tbody>
</table>

- **Fund 01** is the General Fund.
- **Resource 6010** is ASES.
- **Project Year** is not necessary for this resource.
- **Goal 1110** is Regular Education, K–12. A goal is required with an instructional function.
- **Function 1000** is Instruction.
- **Object 4300** is Materials and Supplies.
- **School 123** is the ABC Elementary School. Coding to the school field is not required; however, LEAs may wish to code expenditures for local information.

Expenditure Example 3
**Procedure 345  Illustrations Using the Account Code Structure**

IDEA preschool grant funds are used to hire teachers to work with preschoolers with special needs. The teachers are paid during fiscal year 2007–08 for periods that cover both the first and second grants. The expenditures would be recorded as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>3315</td>
<td>7</td>
<td>5730</td>
<td>1190</td>
<td>1100</td>
<td>456</td>
</tr>
<tr>
<td>01</td>
<td>3315</td>
<td>8</td>
<td>5730</td>
<td>1190</td>
<td>1100</td>
<td>456</td>
</tr>
</tbody>
</table>

- **Fund 01** is the General Fund.
- **Resource 3315** is the federal Special Ed-IDEA Preschool Grant.
- **Project Year** is 7 for the first grant, which ends during the LEA 2007–08 fiscal year and would cover expenditures through September 2007. Project Year is 8 for the second grant, which begins in the LEA fiscal year and would cover expenditures from October 2007 to June 2008.
- **Goal 5730** is Special Education, Preschool Students.
- **Function 1190** is Special Education: Other Specialized Instructional Services.
- **Object 1100** is Certificated Teachers' Salaries.
- **School 456** is the XYZ Elementary School. Coding to the school field is not required; however, LEAs may wish to code expenditures for local information.

**Balance Sheet Transactions**

Balance sheet accounts (i.e., assets, liabilities, and fund balances) are classified in the object field. If the transactions are from restricted revenues, the balance sheet accounts are also coded to the resource field.

**Balance Sheet Example 1**

At year-end an invoice for materials purchased with unrestricted lottery funds has not been paid. The payable would be recorded as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>1100</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>9500</td>
<td>000</td>
</tr>
</tbody>
</table>

- **Fund 01** is the General Fund.
**Procedure 345  Illustrations Using the Account Code Structure**

- Resource 1100 is Lottery: Unrestricted.
- Project Year is not required for balance sheet transactions.
- Goal is not required for balance sheet transactions.
- Function is not required for balance sheet transactions.
- Object 9500 is Accounts Payable.
- School is not required.

**Balance Sheet Example 2**

ASES revenue received for the fiscal year exceeds ASES expenditures for the fiscal year. Deferral of ASES revenue would be recorded as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>6010</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>9650</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 6010 is ASES.
- Project Year is not necessary for this resource.
- Goal is not required for balance sheet transactions.
- Function is not required for balance sheet transactions.
- Object 9650 is Unearned Revenue.
- School is not required.

**Balance Sheet Example 3**

On June 30, 2007, the final payment has not yet been received from the granting agency for the remainder of the first IDEA preschool grant or for the beginning months of the second IDEA preschool grant. The two receivables would be recorded as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>3315</td>
<td>7</td>
<td>0000</td>
<td>0000</td>
<td>9290</td>
<td>000</td>
</tr>
<tr>
<td>01</td>
<td>3315</td>
<td>8</td>
<td>0000</td>
<td>0000</td>
<td>9290</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 3315 is the federal Special Ed-IDEA Preschool Grant.
- Project Year separates the receivables for the two grants. However, its use is optional in balance sheet accounts.
- Goal is not required for balance sheet transactions.
- Function is not required for balance sheet transactions.
- Object 9290 is Due from Grantor Governments.
- School is not required.
**Procedure 420  Prepaid Expenditures**

Local educational agencies (LEAs) often disburse cash for services or materials, a portion or all of which actually applies to a future fiscal period. The most common disbursement of this type is for insurance; the full premium is paid immediately, but the coverage extends into future years. In governmental accounting, expenditures for insurance and similar services extending over more than one accounting period may be accounted for as expenditures of the period of acquisition or allocated to subsequent accounting periods.

Assume, for example, that an LEA purchases a five-year insurance policy on July 1, 2008, for $5,000. If the LEA treats the cost of this insurance policy as an expenditure of the period of acquisition, the following entry will be made:

<table>
<thead>
<tr>
<th>General Ledger</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date</strong></td>
</tr>
<tr>
<td>7-1-08</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

To record the payment for a five-year insurance policy.

If the LEA treats the cost of this insurance policy as a prepaid expenditure and allocates a portion of the cost to subsequent years, the following entry will be made in the year of acquisition:

<table>
<thead>
<tr>
<th>General Ledger</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date</strong></td>
</tr>
<tr>
<td>7-1-08</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

To record the payment for a five-year insurance policy, one year of which applies to the current year.

At the end of the year, when the books are closed, the Prepaid Expenditures asset account is included with other ending balances and becomes a part of the beginning balance for the next year.

After the books are opened for the next year, it is necessary to determine whether all or a portion of Prepaid Expenditures applies to the current year. This amount must be charged to the appropriate expenditure account of the new year, leaving as a remainder in the asset account any amounts not yet applicable. These, in turn, must be carried over as Prepaid...
Procedure 420 Prepaid Expenditures

Expenditures to the next year. A good way to determine the amount to charge to a year other than the year in which the original cash disbursement was made is to prepare a schedule of amounts and periods applicable at the time when the original cash disbursement is made, as shown in the following example:

<table>
<thead>
<tr>
<th>Policy number</th>
<th>Carrier</th>
<th>Overall total</th>
<th>Analysis of total applying to each succeeding year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$4,000.00</td>
<td>First year</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$1,000.00</td>
</tr>
</tbody>
</table>

This schedule is retained for reference at the time of a future year’s charge-off to ensure that the correct amounts are charged to each succeeding year in which a benefit is received. The schedule would be updated at the beginning of each year by reducing the control total by the amount of the first year succeeding, which is charged to expenditure, and by moving each figure in the next several columns one column to the left.

Charging off the portion applicable to a new year at the beginning of that year requires that a journal entry be made, with the debit charged to the appropriate expenditure account and the credit applied to Prepaid Expenditures. This entry should be one of the first entries made.

Another common example of prepaid expenditures is the payment of a fee for a teacher to attend a class that will be held during the next fiscal year. If the fee is paid in May of one year to reserve a place at a conference to be held in the subsequent year, the charge is made to a prepaid account in the first year, to be expensed in the following year when the teacher attends the conference.

This procedure will create a timing problem if the prepayment is recorded in a categorical program subject to unearned revenues. A prepaid expenditure requires a reserve to the fund balance. Because there is not a fund balance for this type of categorical program, the reserve would generate a negative unassigned fund balance. The prepayment should therefore be recorded in an unrestricted resource and later expended against the categorical program at the time the conference is attended.

A prepaid reservation fee for a summer class to be held August 30, 2008, would appear as follows:
### Procedure 420  Prepaid Expenditures

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>SACS Account String</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-01-08</td>
<td>Prepaid Expenditures</td>
<td>01-0000-0-0000-0000-9330</td>
<td>$450.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash in County Treasury</td>
<td>01-0000-0-0000-0000-9110</td>
<td></td>
<td>$450.00</td>
</tr>
</tbody>
</table>

To record payment of August registration for college training session.

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>SACS Account String</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-30-08</td>
<td>Cash in County Treasury</td>
<td>01-0000-0-0000-0000-9110</td>
<td>$450.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prepaid Expenditures</td>
<td>01-0000-0-0000-0000-9330</td>
<td></td>
<td>$450.00</td>
</tr>
<tr>
<td></td>
<td>Travel and Conference</td>
<td>01-3170-0-1110-1000-5200</td>
<td>$450.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash in County Treasury</td>
<td>01-3170-0-0000-0000-9110</td>
<td></td>
<td>$450.00</td>
</tr>
</tbody>
</table>

To charge the prepaid conference expenditure to the NCLB Comprehensive School Reform program.
Procedure 430  Capital Assets

Property and equipment of material value are commonly referred to as fixed or capital assets. These include land and land improvements, buildings and building improvements, equipment, and all other tangible and intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Recordkeeping Requirements for Capital Assets

Since capital assets represent one of the largest investments of an LEA, control and accountability are of significant concern. Generally accepted accounting principles regarding internal controls, Education Code Section 35168, and federal funding agencies require LEAs to maintain records that properly account for capital assets. Capital asset records serve as a management tool and have an important bearing on management decisions, such as long-range acquisition and abandonment projections. The need for data on capital assets is important regardless of the size of the LEA.

The accounting system for capital assets should accomplish the following:

1. Conform with Education Code requirements for inventoring capital assets.
2. Enable the LEA to report capital assets and accumulated depreciation in conformity with generally accepted accounting principles.
3. Enable administrators to account for and control all assets under their care.
4. Assist the site administrator in planning and providing proper equipment for schools by furnishing such data as useful life, location, and condition.
5. Aid LEAs in determining insurable values and in securing insurance appraisals.
6. Aid LEAs in substantiating loss in the event of fire, theft, or other catastrophe.
7. Encourage employees and others to better discharge their responsibilities in the care and use of the LEA's equipment.
Procedure 430  Capital Assets

Education Code Requirements

Education Code Section 35168 requires LEAs to maintain records that properly account for equipment whose market value exceeds $500. To meet this requirement, the LEA must keep records containing the following information about the item:

1. Description
2. Name
3. Identification number
4. Cost
5. Date of acquisition
6. Location of use
7. Time and mode of disposal

Not all items of equipment for which the LEA maintains records pursuant to Education Code Section 35168 should necessarily be reported as capital assets on the LEA’s government-wide statement of net position. The threshold for capitalization is typically higher than the threshold for inventory. (The capitalization threshold is discussed in Procedure 770.)

Accounting for Acquisition of Capital Assets

Capital assets can be acquired permanently, through purchase or capital lease (lease with option to purchase), or temporarily, through rental or operating lease. These acquisitions are accounted for as follows:

The purchase of a capital asset is charged as any other purchase for which title passes on receipt of payment. In governmental funds, capital assets are typically charged to a capital outlay expenditure account in the 6000 range of object codes.

The lease with option to purchase (capital lease) of a capital asset for which title passes to the LEA is charged as described in Procedure 710.

The rental or lease of a capital asset for which title does not pass to the LEA does not increase the assets of the LEA. Rentals are charged to Object 5600, Rentals, Leases, Repairs, and Noncapitalized Improvements. Exception: If equipment is rented for a specific capital outlay project (e.g., a tractor for a major landscaping project), the amount paid should be charged to that
Procedure 430  

**Capital Assets**

Project as a capital expenditure. This is achieved by charging the rental to Function 8500, Facilities Acquisition and Construction, but the rental may also be charged to a capital outlay object, such as Object 6170, Land Improvements.

**Valuation of Property and Equipment**

Generally accepted accounting principles require the use of “historical cost” to measure an entity's investment in property and equipment.

Historical cost simply means actual cost at the time of acquisition. It includes the invoice cost of the item plus any applicable sales tax, freight, or installation charges. Such cost represents the value to be derived over the useful life of the asset through depreciation.

When items are disposed of in any manner, their cost is removed from the capital asset account. Any accumulated depreciation is also removed from the depreciation allowance account.

Valuation of existing inventory of property and equipment can be made on the basis of:

1. Actual historical cost of each item (if records are available to support such costs)
2. Estimated historical cost (based on date of acquisition)

The following guidelines are to be used in determining the method of valuation for inventory purposes:

1. Actual historical cost

The actual cost should include the invoice cost paid by the LEA plus tax, freight charges, or costs of other forms of transportation for delivery to the LEA, whether added to the invoice or paid separately to a carrier. To these costs the LEA should add any labor and other costs of installation. Labor and other costs of installation by the vendor will usually be included in the original invoice price or may be billed separately by the vendor.

2. Estimated historical cost

a. Appraised acquisition cost. When LEAs first establish a capital asset inventory, they may find it desirable to employ an outside
Agency to set up the inventory and/or update it. Appraisal companies have the ability to compute the estimated historical cost on the basis of the estimated date of acquisition of the particular items. Costs developed in this manner would be acceptable in either establishing a new inventory or adding to the inventory items that may have been missed in the establishment of the initial inventory. Use of an appraisal service also has the additional advantage of developing current market values for insurance purposes, either on a replacement-cost basis or a depreciated-replacement-cost basis, although current market values or replacement costs are not used for accounting purposes. Once the inventory listing is established, it is necessary to update it for current-year purchases and disposals of capital assets.

b. Reasonable estimate of acquisition cost. If the original acquisition cost cannot be traced through the LEA's records, a reasonable estimate of original acquisition cost may be used. Methods of determining such reasonable estimates of cost are many and varied. It is important for auditing purposes that the methods employed be carefully documented. While it is not necessary to use the same method for each item, the methods should be designed to produce a consistent result. Care should be exercised in the establishment of each item's cost. Among the methods that may be employed are the following:

- Compare the item with a similar one of more recent acquisition for which you have a price. Adjust that price through a formula that would eliminate the effect of inflation/deflation for the number of years the older item has been in your possession.
- Research bid files for bids on similar items and apply any necessary inflation adjustments.
- Seek assistance from vendors who manufacture or sell items similar to the items you are attempting to price.
- Check with other LEAs that may have purchased similar items.

Any other method that can be shown to reflect a reasonable estimate of the original acquisition cost of the item may also be used.

c. In accepting donated items, the LEA's governing board should approve the valuations based on their fair market values as of the dates of acceptance.
Procedure 430 Capital Assets

Reporting Capital Assets of Governmental Activities

In governmental funds, expenditures for acquisitions of capital assets are accounted for in Objects 6000–6999, Capital Outlay. Consistent with the modified accrual basis of accounting used in governmental funds, the capital assets themselves and their related depreciation are not reported in the funds. Rather, capital assets of governmental activities are reported only in the government-wide financial statements. Capital assets and accumulated depreciation are reported on the statement of net position, and depreciation expense is reported on the statement of activities.

Reporting Capital Assets of Business-Type Activities

Unlike capital assets relating to governmental activities, capital assets of business-type activities accounted for in proprietary funds (enterprise funds and internal service funds) are recorded both in the respective funds and in the government-wide statements. These funds reflect their capital assets for the following reasons:

- Capital assets are used in the production of the funds' services or products.
- Depreciation of the capital assets is an essential element in determining the funds' total expenses, net income, and changes in fund equity.
- Capital assets may serve as security for the issuance of debt by enterprise or internal service funds.

In proprietary funds, capital assets are accounted for in Objects 9400–9499, Capital Assets. Depreciation is accounted for in Object 6900, Depreciation Expense.

Reporting Capital Assets of Fiduciary Activities

Capital assets of fiduciary trust funds are reported in the funds' financial statements but not in the government-wide statements because fiduciary funds are not included in those statements.

This manner of accounting for capital assets by trust funds results in the following benefits:
**Procedure 430  Capital Assets**

- Enhances the likelihood of compliance with trust agreement terms
- Discourages mismanagement of trust assets
- Facilitates the computation of depreciation when the trust corpus must not be spent

In fiduciary funds, capital assets are reported using Objects 9400–9499, Capital Assets.

**Estimated Useful Life**

Estimated useful life means the estimated number of months or years that an asset will be able to be used for the purpose for which it was intended. Estimated useful lives are used to allocate depreciation expense to the appropriate periods.

In estimating an asset's useful life, LEAs should consider the asset's present condition, use, construction type, maintenance policy, and the length of time the asset is expected to meet service demands.

LEAs may depreciate assets either individually or in groups. If the LEA elects to depreciate assets in groups, the estimated life of the group may be based on the weighted average or the simple average of the useful lives of the individual items or on an assessment of the life of the group as a whole.

The following table of estimated useful lives is included for general information only. Estimation of useful lives should be a local decision based on local factors. LEAs are not required to utilize the estimated useful lives suggested in this table.
Procedure 430  Capital Assets

Table of Estimated Useful Lives

The following table is used by permission. It is provided as general guidance regarding reasonable estimated useful lives. In estimating an asset's useful life, LEAs should consider the asset's present condition, use of the asset, construction type, maintenance policy, and other local variables.

<table>
<thead>
<tr>
<th>ASSET CLASS</th>
<th>EXAMPLES</th>
<th>YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Site Improvements</td>
<td>Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting</td>
<td>20</td>
</tr>
<tr>
<td>School Buildings</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>Portable Classrooms</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>HVAC Systems</td>
<td>Heating, ventilation, and air conditioning systems</td>
<td>20</td>
</tr>
<tr>
<td>Roofing</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Interior Construction</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>Carpet Replacement</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Electrical / Plumbing</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Sprinkler / Fire System</td>
<td>Fire-suppression systems</td>
<td>25</td>
</tr>
<tr>
<td>Outdoor Equipment</td>
<td>Playground, radio towers, fuel tanks, pumps</td>
<td>20</td>
</tr>
<tr>
<td>Machinery and Tools</td>
<td>Shop and maintenance equipment, tools</td>
<td>15</td>
</tr>
<tr>
<td>Kitchen Equipment</td>
<td>Appliances</td>
<td>15</td>
</tr>
<tr>
<td>Custodial Equipment</td>
<td>Floor scrubbers, vacuums, other</td>
<td>15</td>
</tr>
<tr>
<td>Science and Engineering</td>
<td>Lab equipment, scientific apparatus</td>
<td>10</td>
</tr>
<tr>
<td>Furniture and Accessories</td>
<td>Classroom and office furniture</td>
<td>20</td>
</tr>
<tr>
<td>Business Machines</td>
<td>Fax, duplicating, and printing equipment</td>
<td>10</td>
</tr>
<tr>
<td>Copiers</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Communications Equipment</td>
<td>Mobile, portable radios, noncomputerized</td>
<td>10</td>
</tr>
<tr>
<td>Computer Hardware</td>
<td>PC's, printers, network hardware</td>
<td>5</td>
</tr>
<tr>
<td>Computer Software</td>
<td>Instructional, other short-term</td>
<td>5 to 10</td>
</tr>
<tr>
<td>Computer Software</td>
<td>Administrative or long-term</td>
<td>10 to 20</td>
</tr>
<tr>
<td>Audiovisual Equipment</td>
<td>Projectors, cameras (still and digital)</td>
<td>10</td>
</tr>
<tr>
<td>Athletic Equipment</td>
<td>Gymnastics, football, weight machines, wrestling mats</td>
<td>10</td>
</tr>
<tr>
<td>Musical Instruments</td>
<td>Pianos, string, brass, percussion</td>
<td>10</td>
</tr>
<tr>
<td>Library Books</td>
<td>Collections</td>
<td>5 to 7</td>
</tr>
<tr>
<td>Licensed Vehicles</td>
<td>Buses, other on-road vehicles</td>
<td>8</td>
</tr>
<tr>
<td>Contractors’ Equipment</td>
<td>Major off-road vehicles, front-end loaders, large tractors, mobile air compressor</td>
<td>10</td>
</tr>
<tr>
<td>Grounds Equipment</td>
<td>Mowers, tractors, attachments</td>
<td>15</td>
</tr>
</tbody>
</table>

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Procedure 465         Liability for Compensated Absences in Governmental Funds

This procedure provides guidance in the accounting and reporting of the liability for compensated absences in accordance with Governmental Accounting Standards Board (GASB) Interpretation 6. The definition of compensated absences includes vacation leave benefits earned but not yet taken by employees, sabbatical leave, and those accumulated unused sick-leave days that will be paid to employees upon their termination or retirement. In most LEAs, because sick-leave days are not normally paid at termination, they are not a liability for purposes of this procedure.

In governmental funds, expenditures or liabilities for compensated absences are recognized only to the extent that they have come due for payment in each period. There is no recognition of either the current or the long-term portions of the unmatured liability. This means that amounts expected to be paid within the next fiscal year are not recognized. Only amounts that have actually become due and payable as of the end of the fiscal year because relevant events have occurred, such as employee resignations and retirements, are recognized.

The calculation of the liability should include certain payments associated with payment for compensated absences, such as the employer's share of Social Security, Medicare taxes, PERS, State Unemployment Insurance, and workers' compensation.

In the government-wide statements, generally accepted accounting principles require that the full expense and liability for compensated absences be recognized as the compensated absences are earned by employees. The entire unmatured portion (the portion that has not yet come due for payment) of the liability for compensated absences is recognized as long-term debt in the statement of net position.

For presentation on that statement, the current portion of the liability may be estimated. The estimate could be based on such factors as historical trends or budgeted amounts, or other factors, including the LEA's policy on whether unused leave balances from prior periods must be used before amounts earned in the current period.
Procedure 465 Liability for Compensated Absences in Governmental Funds

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Procedure 510  Recognition of Common Revenue Sources

This procedure contains specific guidance for recognition of certain revenue sources commonly received by California LEAs. The following revenue sources are explained or illustrated: revenue limit and other state apportionments, prior year corrections to state apportionments, local property taxes, state-mandated cost revenues, deferred maintenance apportionments, local interest, State Lottery revenues, and categorical funds (deferred or fund balance).

General accounting principles relating to revenue recognition are discussed in Procedure 101.

Year-End Corrections for Revenue Limits and Other State Apportionments

Revenue limits and other state apportionments are government-mandated nonexchange transactions and are recognized when all eligibility requirements have been met. Second period to annual corrections for revenue limits and other state apportionments, either positive or negative, should be accrued at the end of the fiscal year.

For example, the annual calculation of the revenue limit (Form K–12 Annual) should be made, and the LEA’s actual tax receipts as reported by the county auditor should be subtracted, to determine the annual state aid to which the LEA is entitled. Any difference between the calculated annual state aid and the state aid received on the second principal apportionment is recorded as follows:

If the adjustment is positive, and more revenue is due than has been received, a receivable is recorded:

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>SACS Account String</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-30-xx</td>
<td>Due from Grantor Governments</td>
<td>01-0000-0-0000-0000-9290</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td></td>
<td>Revenue Limit State Aid—Current Year</td>
<td>01-0000-0-0000-0000-8011</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To record the second period to annual adjustment to the state revenue limit apportionment.
Procedure 510  Recognition of Common Revenue Sources

If the adjustment is negative and less revenue was due than was received, a payable is recorded:

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>SACS Account String</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-30-xx</td>
<td>Revenue Limit State Aid—Current Year</td>
<td>01-0000-0-0000-0000-8011</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td></td>
<td>Due To Grantor Governments</td>
<td>01-0000-0-0000-0000-9590</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
</tbody>
</table>

To record the second period to annual period adjustment to the state revenue limit apportionment.

Under California's apportionment schedule, LEAs do not receive the amounts they accrue for adjustments to state aid until the following February, which is beyond the period normally defined in the modified accrual basis of accounting as “available.” However, adjustments to state aid result from the overcollection or undercollection of annual property taxes compared with the initial estimates on which state-aid apportionments were based. Consequently, one LEA might vary from the next as to whether the accrual for adjustment to state aid is a payable or a receivable. It would be inconsistent for one LEA to accrue a payable for its adjustment to state aid and for the next LEA not to accrue a receivable for its adjustment to state aid. In the interest of comparable revenue reporting among California LEAs, all LEAs should use the CDE definition of available in Procedure 101, “Revenue Recognition,” and should accrue their receivables for adjustments to state aid.

Prior Years' Corrections to State Apportionment

Any corrections to state apportionments from amendments to prior years' state reports are reflected as revenue and accrued as accounts receivable or payable in the year in which the adjustment amounts become known and the amendments are filed, provided that the actual cash adjustments are expected to be made no later than the following fiscal year.

For example, if the LEA filed an amended second-period attendance report for the preceding year, the LEA would accrue the anticipated adjustment at the end of the current fiscal year, even though the adjustment would not be received until the following February. The accrued revenue is recorded in a current year revenue account.

Property Taxes

California LEAs should recognize property tax revenues actually received as reported on CDE's Principal Apportionment Tax Software, used by county offices of education and county auditors to report school district
Procedure 510  Recognition of Common Revenue Sources

and county taxes. LEAs should make no accrual for property taxes receivable as of June 30.

While this guidance may seem contrary to generally accepted accounting principles, it must be remembered that under California's unique Revenue Limit funding formula, an LEA's total Revenue Limit entitlement is funded through a combination of local property taxes and state aid. The amount of property taxes the LEA actually receives by June 30 is applied toward the total entitlement. The difference is funded through state aid. Recognition of only those property taxes received by June 30 is therefore appropriate because accruing additional property taxes receivable as of June 30, unless the LEA were to make an offsetting adjustment to its state-aid accrual, would misstate the LEA's Revenue Limit entitlement. Making an offsetting adjustment to the state-aid accrual would be unnecessarily burdensome for the LEA and would result in the accrual no longer matching the amount actually receivable from the state as reported on apportionment documents.

Mandated Costs Revenue

Mandated costs revenue does not become available until appropriated by the Legislature and approved by the Governor. Therefore, revenue from claims for mandated costs is recorded on a cash basis. However, if a known amount is received within 60 days of the close of the fiscal year, the LEA will accrue the amount as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>SACS Account String</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>x-xx-xx</td>
<td>Due from Grantor Governments</td>
<td>01-0000-0-0000-0000-9290</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td></td>
<td>Mandated Cost Reimbursements</td>
<td>01-0000-0-0000-0000-8550</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
</tbody>
</table>

To accrue the mandated costs revenue due from the state.

Deferred Maintenance Apportionment

The Deferred Maintenance Apportionment is recognized in the year it is appropriated in the state Budget Act and apportioned to LEAs. The LEA's matching transfer to the deferred maintenance fund is recognized in the year that it is made or accrued.

Interest

Interest revenue is accrued so that the amount earned during the four quarters of the fiscal year is reflected as revenue in that fiscal year.

Rev. November 2013
Procedure 510  Recognition of Common Revenue Sources

State Lottery Revenue

The estimated fourth-quarter payment of State Lottery revenue is accrued at the end of the fiscal year. The adjusting payment of lottery revenues from the prior year to current ADA is reflected as revenue in the year in which the adjusting payment is received.

Categorical Funds Subject to Unearned Revenue

LEAs commonly receive restricted grant awards that are “reimbursement type” or “expenditure driven.” These awards may be mandated by the government or may have been accepted voluntarily by the LEA. The eligibility requirements of these awards have not been met until the LEA has made the required expenditures of the grant within the time period specified by the grantor. Revenue is recognized in the period in which the qualifying expenditures are made. Cash received but unspent at the end of the fiscal period is booked as a liability, and revenue is reduced to the amount that has been expended. For example, if a $10,000 federal grant has been received but only $8,125 has been expended by the end of the fiscal year, only $8,125 revenue is recognized:

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>SACS Account String</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-30-xx</td>
<td>All Other Federal Revenue</td>
<td>01-3XXX-0-0000-0000-8290</td>
<td>$1,875.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unearned Revenue</td>
<td>01-3XXX-0-0000-0000-9650</td>
<td></td>
<td>$1,875.00</td>
</tr>
</tbody>
</table>

To reduce $10,000 revenue of the XYZ Grant by the amount not expended.

Categorical Funds Subject to Fund Balance

LEAs commonly receive restricted funds for which they have fulfilled specific eligibility requirements or have provided a particular service. For example, a district may be granted funds to transport students, to provide meals to students, or to offer supplemental classes to at-risk students. Once the LEAs have provided these services, they have met the eligibility requirements and therefore earned the revenue provided. Any unspent money may be carried to the next year to be expended for the same restricted purposes. Revenue is recognized in the period in which the eligibility requirements are met, and any carryover becomes a part of the LEA's ending fund balance.

Labels such as “grants” or “entitlements” are sometimes used for restricted categorical resources. These terms do not necessarily define the characteristics necessary for proper revenue recognition. Care should be taken to understand the characteristics of each resource to determine how revenue should be recognized by the LEA.
The following are examples of the recording of transactions affecting balance sheet accounts in which the standardized account code structure (SACS) is used. Balance sheet accounts are classified in the object field. If the transactions are from restricted revenues, the balance sheet accounts are also coded in the resource field.

**Example 1: Unrestricted Transactions Resulting in Change to Fund Balance**

(a) Cash is deposited in the county treasury for the K–12 revenue limit and expended for various functions and objects. At year-end, closing of the books results in an increase in the unrestricted fund balance.

To record receipt of property taxes:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>9110</td>
<td>000</td>
</tr>
<tr>
<td>Cr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>8011</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not used in this example.
- Goal is generally not required for revenues (required for special education revenues) and is not required for balance sheet accounts.
- Function is not required for revenues or balance sheet accounts.
- Object 8011 is Revenue Limit State Aid—Current Year, and Object 9110 is Cash in County Treasury.
- School is not required.

(b) During the year, many transactions occur (e.g., the payment of teachers’ salaries).
Procedure 605  Balance Sheet Accounts—Coding Examples

To record the payment of salaries:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>1110</td>
<td>1000</td>
<td>1100</td>
</tr>
<tr>
<td>Dr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>1110</td>
<td>1000</td>
<td>3101</td>
</tr>
<tr>
<td>Dr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>1110</td>
<td>1000</td>
<td>3401</td>
</tr>
<tr>
<td>Cr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>9110</td>
</tr>
</tbody>
</table>

- **Fund 01** is the General Fund.
- **Resource 0000** is Unrestricted Resources.
- **Project Year** is not used in this example.
- **Goal 1110** is Regular Education, K–12.
- **Function 1000** is Instruction; a function is not required for balance sheet accounts.
- **Object 1100** is Certificated Teachers’ Salaries; **Object 3101** is State Teachers’ Retirement System, Certificated Positions; **Object 3401** is Health & Welfare Benefits, Certificated Positions; and **Object 9110** is Cash in County Treasury.
- **School** is not required.

(c) At year-end, the books are closed and the ending fund balance has increased, changing the components of ending fund balance. The reserve for economic uncertainties is increased, reducing the unassigned fund balance.

To record fund balance designations at the end of the year:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>9790</td>
</tr>
<tr>
<td>Cx</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>9789</td>
</tr>
</tbody>
</table>

- **Fund 01** is the General Fund.
- **Resource 0000** is Unrestricted Resources.
- **Project Year** is not used in this example.
- **Goal** is not required for balance sheet accounts.
- **Function** is not required for balance sheet accounts.
- **Object 9789** is Reserve for Economic Uncertainties, and **Object 9790** is Unassigned/Unappropriated.
- **School** is not required.
Procedure 605  Balance Sheet Accounts—Coding Examples

Example 2: Recording Components of Ending Fund Balance

At year-end, the district records the components of the ending fund balance when the books are closed (assuming that the excess of revenues over expenditures is automatically posted to Object 9790, Unassigned/Unappropriated Fund Balance):

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>9790</td>
<td>000</td>
</tr>
<tr>
<td>Cr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>9711</td>
<td>000</td>
</tr>
<tr>
<td>Cr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>9712</td>
<td>000</td>
</tr>
<tr>
<td>Cr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>9789</td>
<td>000</td>
</tr>
<tr>
<td>Dr</td>
<td>01</td>
<td>7140</td>
<td>0</td>
<td>0000</td>
<td>9790</td>
<td>000</td>
</tr>
<tr>
<td>Cr</td>
<td>01</td>
<td>7140</td>
<td>0</td>
<td>0000</td>
<td>9740</td>
<td>000</td>
</tr>
<tr>
<td>Dr</td>
<td>01</td>
<td>7156</td>
<td>0</td>
<td>0000</td>
<td>9790</td>
<td>000</td>
</tr>
<tr>
<td>Cr</td>
<td>01</td>
<td>7156</td>
<td>0</td>
<td>0000</td>
<td>9740</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted; Resource 7140 is GATE; and Resource 7156 is Instructional Materials Realignment, (AB 1781).
- Project Year is not used in this example.
- Goal is not required for balance sheet accounts.
- Function is not required for balance sheet accounts.
- Object 9790 is Unassigned/Unappropriated; Object 9711 is Nonspendable Revolving Cash; Object 9712 is Nonspendable Stores; Object 9740 is Restricted Balance; and Object 9789 is Reserve for Economic Uncertainties.
- School is not required.

Example 3: Identifying Cash by Resource

LEAs using financial systems that do not post the resource code to the balance sheet accounts during the year will need to make an additional entry at year-end to balance the restricted and unrestricted resources.

For example, during the year-end closing, the LEA posted unearned revenue to three resources. In addition, the LEA posted restricted ending balance to two resources. The LEA must make the following year-end closing entry to distribute the cash represented by these amounts among the affected resources:
Procedure 605  
Balance Sheet Accounts—Coding Examples

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>01</td>
<td>3010</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>9110</td>
</tr>
<tr>
<td>Dr</td>
<td>01</td>
<td>3326</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>9110</td>
</tr>
<tr>
<td>Dr</td>
<td>01</td>
<td>5600</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>9110</td>
</tr>
<tr>
<td>Dr</td>
<td>01</td>
<td>7140</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>9110</td>
</tr>
<tr>
<td>Dr</td>
<td>01</td>
<td>7156</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>9110</td>
</tr>
<tr>
<td>Cr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>9110</td>
</tr>
</tbody>
</table>

- **Fund 01** is the General Fund.
- **Resource 3010** is NCLB: Title I, Part A, Basic Grants Low Income and Neglected; **Resource 3326** is Special Ed: IDEA Preschool Capacity Building, Part B, Sec 619; **Resource 5600** is Workforce Investment Act; **Resource 7140** is Gifted and Talented Education (GATE); **Resource 7156** is Instructional Materials Realignment, IMFRP (AB 1781); and **Resource 0000** is Unrestricted Resources.
- **Project Year** is not used in this example.
- **Goal** is not required for balance sheet accounts.
- **Function** is not required for balance sheet accounts.
- **Object 9110** is Cash in County Treasury.
- **School** is not required.
Procedure 620  Forest Reserve Funds—Coding Examples

Federal Forest Reserve revenues are a unique type of revenue in that pursuant to Education Code Section 2300 at least 85 percent of the revenue is passed through from county offices of education (COEs) to qualifying school districts and community college districts. Forest Reserve revenues are accounted for in the Forest Reserve Fund and are an example of pass-through revenue.

Example 1: Receipt and Distribution of Funds by the Recipient LEA

In this example, the COE receives the Forest Reserve money from the federal government. It then allocates the Forest Reserve money in a predetermined pattern to the school districts and to its own County School Service Fund (CSSF).

First, the COE deposits $100,000 of federal Forest Reserve money into its Forest Reserve Fund, a special revenue fund. The transaction is coded as follows:

Received $10,000 for COE

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>8260</td>
<td>000</td>
</tr>
</tbody>
</table>

Received $90,000 for LEAs

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>8287</td>
<td>000</td>
</tr>
</tbody>
</table>

- **Fund 16** is the Forest Reserve Fund.
- **Resource 0000** is Unrestricted. The money is restricted by the fund itself.
- **Project Year** is not applicable in this example.
- **Goal 0000** is Undistributed.
- **Function** is not required for revenue.
- **Object 8260** is Forest Reserve Funds, and **Object 8287** is Pass-through Revenues from Federal Sources.
- **School** is not required.

Then the COE allocates the money to all the participating school districts and to the CSSF according to the agreement with the county.
Procedure 620  Forest Reserve Funds—Coding Examples

Transferred $90,000 to districts

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>9200</td>
<td>7211</td>
<td>000</td>
</tr>
</tbody>
</table>

Transferred $10,000 to CSSF

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>9300</td>
<td>7619</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 16 is the Forest Reserve Fund.
- Resource 0000 is Unrestricted. The money is restricted by the fund itself.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 9200, Transfer Between Agencies, is used to transfer the money to the school districts, and Function 9300, Interfund Transfers, is used to transfer the COE portion to its CSSF.
- Object 7211 is Transfer of Pass-through Revenues to Districts, and Object 7619 is Other Authorized Interfund Transfers Out.
- School is not required.

The Forest Reserve Fund now reflects the authorized transaction of splitting the Forest Reserve Funds among participating LEAs. The following entry into the CSSF reflects the receipt of its budgeted share of the Forest Reserve money, which is unrestricted but may have a locally defined resource code to distinguish the source of the money and how it was spent.

Transferred $10,000 from Forest Reserve Fund to CSSF

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0650</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>8919</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the County School Service Fund.
- Resource 0650 is a COE locally defined unrestricted resource used to track the Federal Forest Reserve funds.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function is not required for revenue.
- Object 8919 is Other Authorized Interfund Transfers In.
- School is not required.
Procedure 620  Forest Reserve Funds—Coding Examples

Finally, the COE chooses to spend half its own Forest Reserve Funds to supplement the school districts’ GATE programs. The transaction would be coded as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0650</td>
<td>0</td>
<td>0000</td>
<td>9200</td>
<td>7281</td>
<td>000</td>
</tr>
</tbody>
</table>

- **Fund 01** is the County School Service Fund.
- **Resource 0650** is a locally defined unrestricted resource used by the COE to track its Forest Reserve money.
- **Project Year** is not applicable in this example.
- **Goal 0000** is Undistributed.
- **Function 9200** is Transfers Between Agencies.
- **Object 7281** is All Other Transfers to Districts.
- **School** is not required.

**Example 2: Receipt and Expenditure of Funds by Subrecipient LEA**

First, the school districts receive their share of Forest Reserve money from their COE. They may use the same locally defined unrestricted resource to identify the source of the money as follows:

**Received $90,000 of Forest Reserve from COE**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0650</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>8260</td>
<td>000</td>
</tr>
</tbody>
</table>

- **Fund 01** is the General Fund.
- **Resource 0650** is a locally defined unrestricted resource for Forest Reserve money.
- **Project Year** is not applicable in this example.
- **Goal 0000** is Undistributed.
- **Function** is not required for revenue.
- **Object 8260** is Forest Reserve Funds.
- **School** is not required.
Procedure 620  Forest Reserve Funds—Coding Examples

Second, they receive the COE’s donation toward their GATE program and code it as follows:

Received $5,000 Contribution from COEDistricts will record the COE’s contribution of $5,000 as a transfer toward their GATE program and code it as follows:(a)Transfer from COE is recorded in the unrestricted resource:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>8782</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function is not required for revenue.
- Object 8782 is All Other Transfers from County Offices. Funds are recorded by the district as a transfer and not recognized as federal revenues, as it is not a district entitlement but a transfer from the county office from its share of federal forest funds.
- School is not required.

(b) Contribution is made from the unrestricted resource to GATE:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>8980</td>
<td>000</td>
</tr>
<tr>
<td>Cr</td>
<td>01</td>
<td>7140</td>
<td>0</td>
<td>0000</td>
<td>8980</td>
<td>000</td>
</tr>
</tbody>
</table>
Procedure 630  Technology—Coding Examples

The following examples are offered to illustrate the coding of expenditures for computer hardware, software, and other technological components.

For information on equipment inventory requirements and capitalization thresholds, see Procedure 405, “Accounting for Inventories,” and Procedure 770, “Distinguishing Between Supplies and Equipment.”

Example 1: Purchase of Software

(a) In this example, the software is an integral part of a core curriculum adopted by the State Board of Education and is a part of the approved list of instructional materials.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>7156</td>
<td>0</td>
<td>1110</td>
<td>1000</td>
<td>4100</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 7156 is Instructional Materials Realignment, IMFRP.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, Grades K–12.
- Function 1000 is Instruction.
- Object 4100 is Approved Textbooks and Core Curricula Materials.
- School is not required.

(b) Instructional software is purchased for use as a reference tool for students in the classroom.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>1100</td>
<td>0</td>
<td>1110</td>
<td>1000</td>
<td>4200</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 1100 is Lottery: Unrestricted.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, Grades K–12.
- Function 1000 is Instruction.
- Object 4200 is Books and Other Reference Materials.
- School is not required.
Procedure 630  Technology—Coding Examples

(c) Computer games are purchased for use in the classroom during rainy day recesses.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>1110</td>
<td>1000</td>
<td>4300</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, Grades K–12.
- Function 1000 is Instruction.
- Object 4300 is Materials and Supplies.
- School is not required.

(d) The district's data processing department purchases a new financial accounting software system. This is a major system that handles financial data, personnel data, student attendance, and student grades. The contract includes four costs: a software purchase price of $15,000, a software maintenance agreement of $10,000, a one-time research and development cost of $5,000, and one-time training for $3,000.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>7700</td>
<td>6400</td>
<td>000</td>
<td>$30,000</td>
</tr>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>7700</td>
<td>5800</td>
<td>000</td>
<td>$ 3,000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 7700 is Centralized Data Processing.
- Object 5800 is Professional/Consulting Services and Operating Expenditures, and Object 6400 is Equipment.
- School is not required.

In this example, the initial cost of the software is capitalized; often, a purchase contract does not specify the price for each of these components. The cost includes the research and development fee and the software maintenance agreement, following the capitalization rules that include all costs of acquisition and installation in the cost of the asset. Note that training is not included in the cost of the asset and is coded to Object 5800. If an annual software maintenance fee is paid each year, the subsequent cost should be coded to Object 5800.
Procedure 630 Technology—Coding Examples

(e) The district's business office purchases an off-the-shelf spreadsheet program for use by staff members. Their personal computers are on a network, and the software cost includes an original license fee for multiple users. There is an annual software maintenance agreement included with this program to provide users with help. The total cost of the contract is $18,000.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>7200</td>
<td>6400</td>
<td>000</td>
<td>$18,000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 7200 is Other General Administration.
- Object 6400 is Equipment.
- School is not required.

A purchase is reported as “equipment” and capitalized if it has a life of over one year and if the cost exceeds the LEA’s capitalization threshold.

(f) The district's business office purchases an off-the-shelf spreadsheet program for use by the accountant on a stand-alone personal computer. An annual software maintenance agreement included with this program provides users with help. The total cost is $350.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>7200</td>
<td>4300</td>
<td>000</td>
<td>$350</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 7200 is Other General Administration.
- Object 4300 is Materials and Supplies.
- School is not required.
**Procedure 630  Technology—Coding Examples**

During the following year, the software vendor offers an upgrade of the software.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>7200</td>
<td>4300</td>
<td>$225</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 7200 is Other General Administration.
- Object 4300 is Materials and Supplies.
- School is not required.

A software upgrade is considered a new purchase of materials.

In all of these examples, the initial cost of the software includes the license fee and maintenance agreement. If, during subsequent years, annual software license or maintenance fees were incurred, they would be coded to Object 5800, Professional/Consulting Services and Operating Expenditures.

**Example 2: Purchase of Hardware**

(a) The data processing department purchases a computer system that includes hardware and some software packages for the operating system.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>7700</td>
<td>6400</td>
<td>000</td>
<td>$6,750</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 7700 is Centralized Data Processing.
- Object 6400 is Equipment.
- School is not required.

In this example the entire package has been capitalized; the operating software is considered part of the cost of getting the hardware installed and functioning. Additional software added later would be coded either to
Procedure 630  Technology—Coding Examples

Object 4300, Materials and Supplies, or Object 6400, Equipment, depending on the district's capitalization policy.

Generally, software is a separate and independent item; it is not a part of hardware. A purchase of a software license enables the user to move the software from one piece of equipment to another, and thus the software exists independently of the equipment. Therefore, if hardware and software were purchased at the same time, and if the costs could be distinguished, two items would be entered under Object 6400, Equipment: the cost of the hardware and the cost of the software.

(b) The school nurse buys a personal computer for his desk, with some software. The cost includes (1) the hardware (with operating software) for $5,500, which includes a maintenance agreement; (2) additional software designed for school nurse applications for $1,500; (3) a license fee of $500 for that software; and (4) an annual software maintenance agreement for $350. The district's capitalization threshold is $5,000.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>3140</td>
<td>6400</td>
<td>000</td>
<td>$5,500</td>
</tr>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>3140</td>
<td>4300</td>
<td>000</td>
<td>$2,350</td>
</tr>
</tbody>
</table>

- **Fund 01** is the General Fund.
- **Resource 0000** is Unrestricted Resources.
- **Project Year** is not applicable in this example.
- **Goal 0000** is Undistributed.
- **Function 3140** is Health Services.
- **Object 4300** is Materials and Supplies, and **Object 6400** is Equipment.
- **School** is not required.

The software for school nurses is not a part of the hardware system and may be considered a supply, Object 4300, because of its relatively short useful life, low vulnerability to theft, and difficulty in tagging. The license fee and fee for the first year of software maintenance may be part of the initial cost of the nursing software and therefore may be categorized as a single cost. If either fee is separate from the price of the software and/or is optional in the purchase contract, then the fees would be coded to Object 5800, Professional/Consulting Services and Operating Expenditures. In the following year, any upgrade of the software would be coded to Object 4300, and a renewal of the software license fee or of the software maintenance agreement would be coded to Object 5800.
Procedure 630 Technology—Coding Examples

Example 3: Installation and Maintenance of Technology Systems

(a) XYZ District is ordering a complete workover to wire each classroom for the Internet and other technological advances. False floors with wires in conduits are added to the buildings. Underground wiring has also been installed in the classrooms.

Underground wiring up to a building is a land improvement cost; wiring inside the building is a building cost.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>9010</td>
<td>0</td>
<td>0000</td>
<td>8500</td>
<td>6170</td>
<td>000</td>
</tr>
<tr>
<td>01</td>
<td>9010</td>
<td>0</td>
<td>0000</td>
<td>8500</td>
<td>6200</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 9010 is a locally defined resource representing a restricted donation from a local business.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 8500 is Facilities Acquisition and Construction.
- Object 6170 is Land Improvements, and Object 6200 is Buildings and Improvement of Buildings.
- School is not required.

(b) Two years later there is a wiring problem in Room 23, which is a classroom. The staff electrician locates the problem and repairs the wiring in the cable under the floor. The costs are reported in the salary, benefits, and supplies in Maintenance and Operations as costs of maintaining the facility.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>8100</td>
<td>2200</td>
<td>000</td>
</tr>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>8100</td>
<td>4300</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 8100 is Plant Maintenance and Operations.
- Object 2200 is Classified Support Salaries, and Object 4300 is Materials and Supplies.
- School is not required.

Although the costs are originally charged to the Maintenance and Operation function, they may be transferred through Object 5710,
**Procedure 630  Technology—Coding Examples**

Transfers of Direct Costs, from Goal 0000, Undistributed, to an instructional goal based on a work order or another method of documentation. The function is not changed even though the costs can be directly documented; the essence of the maintenance work does not change to instructional work.

(c) The library has a multimedia area for student use. A work order has been completed for construction of a built-in cabinet to house a television set, a compact disk player, and a videocassette recorder. The resulting cabinet is built into the wall and is an integral part of the building.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>8100</td>
<td>2200</td>
<td>000</td>
</tr>
<tr>
<td>01</td>
<td>0000</td>
<td>0</td>
<td>0000</td>
<td>8100</td>
<td>4300</td>
<td>000</td>
</tr>
</tbody>
</table>

- **Fund 01** is the General Fund.
- **Resource 0000** is Unrestricted Resources.
- **Project Year** is not applicable in this example.
- **Goal 0000** is Undistributed.
- **Function 8100** is Plant Maintenance and Operations.
- **Object 2200** is Classified Support Salaries, and **Object 4300** is Materials and Supplies.
- **School** is not required.

If the LEA wishes to capitalize the cost of the building improvement, the final cost of the addition to the room can be transferred by work order to Function 8500, Facilities Acquisition and Construction. In this case, because the function changes, the correct object is 5710, Transfers of Direct Costs.

If the cabinet were a rolling cabinet instead of a built-in, it would be considered a piece of equipment. The transfer would be to the relevant goals, such as Goal 1110, Regular Education, K–12; and Function 2420, Instructional Library, Media, and Technology.
Procedure 710  Capital Leases

One of the most common ways school districts acquire equipment is through lease-purchase agreements. *Governmental Accounting and Financial Reporting Standards (GASB Codification)* Section L20.109 requires that a lease agreement that meets any one of the following criteria be capitalized:

1. The lease transfers ownership of the property to the lessee by the end of the lease term. This is a common situation in LEAs.
2. The lease contains a bargain purchase option. This is a common situation in LEAs.
3. The lease term is equal to 75 percent or more of the estimated economic life of the leased property.
4. The value at the beginning of the lease's term of the minimum lease payments, excluding that portion of the payments representing executory costs to be prepaid by the lessor but including any profit thereon, equals or exceeds 90 percent of the excess of the fair value of the leased property to the lessor at the inception of the lease.

When an LEA's lease agreements are capitalized, the property rights acquired under the lease are reported in the government-wide statement of net position.

The following rules apply to accounting for capital leases in the governmental funds:

1. At the inception of the lease, record the capital lease in the fund acquiring the asset as a debit to Object 6400, Equipment, for the amount of the entire principal that is due. The credit is to Object 8972, Proceeds from Capital Leases.
2. As lease payments are made, record the payments in the fund acquiring the asset as a debit to Objects 7438, Debt Service—Interest, and 7439, Other Debt Service—Principal.

As an example of accounting for a capital lease, assume that a photocopy machine used in the accounting department is leased for a five-year period, which is the economic life of the equipment. The lease is signed on June 30, 2007, and beginning on this date, five annual payments of $50,000 will be made.

The lease agreement contains the following amortization schedule, which shows the breakdown of the annual payments into the principal and interest components:
Procedure 710  Capital Leases

<table>
<thead>
<tr>
<th>Date</th>
<th>Lease Payment</th>
<th>Interest Expenditure @ 10%</th>
<th>Principal Expenditure</th>
<th>Principal Balance of Long-Term Debt*</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/07</td>
<td>$ 50,000</td>
<td></td>
<td>$ 50,000</td>
<td>158,493</td>
</tr>
<tr>
<td>6/30/07</td>
<td>50,000</td>
<td>$15,849</td>
<td>34,151</td>
<td>124,342</td>
</tr>
<tr>
<td>6/30/08</td>
<td>50,000</td>
<td>12,434</td>
<td>37,566</td>
<td>86,776</td>
</tr>
<tr>
<td>6/30/10</td>
<td>50,000</td>
<td>8,678</td>
<td>41,322</td>
<td>45,454</td>
</tr>
<tr>
<td>6/30/11</td>
<td>50,000</td>
<td>4,546</td>
<td>45,454</td>
<td>-0-</td>
</tr>
<tr>
<td></td>
<td>$250,000</td>
<td>$41,507</td>
<td>$208,493</td>
<td></td>
</tr>
</tbody>
</table>

*This column was computed from the amortization schedule provided in the lease agreement. To compute this column, subtract the amount of principal paid each year from the total principal due at the beginning of the lease.

This amortization schedule is necessary to make the entries that are needed to record the capital lease.

The entries for the photocopy machine lease would be recorded as follows:

**General Fund**

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>SACS Account String</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-30-07</td>
<td>Equipment</td>
<td>01-0000-0-0000-7200-6400</td>
<td>$208,493</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Proceeds from Capital Leases</td>
<td>01-0000-0-0000-0000-8972</td>
<td></td>
<td>$208,493</td>
</tr>
</tbody>
</table>

To record the acquisition of equipment with a capital lease.

**General Fund**

<table>
<thead>
<tr>
<th>Date</th>
<th>Object Title</th>
<th>SACS Account String</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-30-07</td>
<td>Other Debt Service—Principal</td>
<td>01-0000-0-0000-9100-7439*</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash in County Treasury</td>
<td>01-0000-0-0000-0000-9110</td>
<td></td>
<td>$50,000</td>
</tr>
</tbody>
</table>

To record the first lease payment.

*If a restricted resource will be used to make the payments on the capital lease, the appropriate resource and goal would be used.
Procedure 710  Capital Leases

The second lease payment (6/30/08) would be recorded in the following manner:

| Date   | Object Title              | SACS Account String | Debit     | Credit
|--------|---------------------------|---------------------|-----------|--------
| 6-30-08 | Debt Service—Interest     | 01-0000-0-0000-9100-7438* | $15,849  |        |
|        | Other Debt Service—Principal | 01-0000-0-0000-9100-7439* | 34,151    |        |
|        | Cash in County Treasury   | 01-0000-0-0000-0000-9110 | $50,000   |        |

To record the second lease payment.

*If a restricted resource will be used to make the payments on the capital lease, the appropriate resource and goal would be used.

Repayments of debt such as capital leases, which normally do not involve the advance accumulation of resources for repayment of amounts maturing in future years, are normally made from the general fund or a special revenue fund. If the lease payments were to be paid from a debt service fund, the above entry would be recorded in the debt service fund. Any transfers from the general fund to the debt service fund would be treated as operating transfers, not as general fund expenditures.
Procedure 710  Capital Leases

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Frequently, local educational agencies (LEAs) have occasion to pass grant funds through to other LEAs. As examples, school districts and county offices of education often enter into subagreements with other LEAs to operate a program more effectively, or several LEAs may pool their resources to operate certain projects cooperatively (cooperative projects), or an LEA may simply pass funds through to other LEAs (pass-through grants). Three models are commonly used to account for these transactions between LEAs: cash conduits, pass-through grants, and subagreements for services.

Cash Conduit Model

Governmental Accounting Standard Board (GASB) Statement 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance, generally requires the original recipient LEA to report pass-through grants in a governmental fund or (more rarely, for LEAs) in a proprietary or trust fund. However, when the recipient LEA acts only as a cash conduit that transfers money to the subrecipient grantee and has no administrative or direct financial involvement in the program, the recipient LEA should report the grant in an agency fund. Unlike governmental funds, agency funds are custodial, where only the assets held for other agencies and the corresponding amounts due to those agencies are reported. Revenues and expenditures are not recorded in an agency fund.

As a practical matter, it is rare for an LEA to qualify as a pure cash conduit when passing funding through to another LEA. One of the rare circumstances when an LEA does qualify as a pure cash conduit is when an authorizing LEA passes through certain funding sources to a charter school that has elected to be locally funded but that is not otherwise a part of the LEA. These funding sources are the Charter Schools General Purpose Entitlement, the Charter Schools Categorical Block Grant, and the charter school’s State Lottery Revenue. Because the authorizing LEA has

Procedure 750  Pass-Through Grants and Cooperative Projects

The following guidance may include some information that is temporarily superseded by the categorical flexibility provisions of Senate Bill (SB) 4 of the 2009-10 Third Extraordinary Session (SBX3 4) (Chapter 12, Statutes of 2009) as amended by SB 70 (Chapter 7, Statutes of 2011), effective 2008–09 through 2014-15. For additional information and guidance, refer to the California Department of Education (CDE) letter “Fiscal Issues Relating to Budget Reductions and Flexibility Provisions” located on the CDE accounting correspondence Web page at http://www.cde.ca.gov/fg/ac/co/.
Procedure 750 Pass-Through Grants and Cooperative Projects

no administrative or direct financial involvement, the LEA should report the pass-through of these funding sources in an agency fund.

For all other revenue that flows through an LEA, the LEA should consult the guidance in the following paragraphs to determine whether the LEA has administrative involvement or both administrative and financial involvement and to assess whether the pass-through of revenue should be recorded in the LEA’s general fund or in an agency fund.

Pass-Through Grants and Subagreements for Services Models

For recipient LEAs that have either administrative or direct financial involvement in a pass-through grant, the pass-through transactions must be recorded in a governmental fund. The model used to account for the pass-through transactions depends on whether the recipient LEA has (1) only administrative involvement or (2) both administrative and financial involvement. Generally, an LEA with only administrative involvement will use the pass-through grant model. An LEA with both administrative and direct financial involvement will use the subagreement for services model.

1. Administrative Involvement Only: Pass-Through Grant Model

A recipient LEA has only administrative involvement in a pass-through grant if it (a) monitors subrecipient LEAs for compliance with requirements; (b) determines eligibility of subrecipient LEAs, even if using grantor-established criteria; or (c) has the ability to exercise discretion in how the funds are allocated. The accounting for this type of pass-through grant is as follows:

Recipient LEA (administrative involvement only)
The recipient LEA reports the receipt of the grant revenue as a pass-through revenue using object 8287, 8587, or 8697 with the resource code for the grant. The recipient LEA reports the pass-through of funds to the subrecipient LEA as an interagency transfer using object 7211, 7212, or 7213 with Goal 0000, Undistributed, and Function 9200, Transfers Between Agencies.

Subrecipient LEAs
Subrecipient LEAs report receipt of the grant revenues in the normal revenue object for the grant (e.g., 8290, All Other Federal Revenue) with the resource code for the grant. Subrecipient LEAs report their grant expenditures in
**Procedure 750  Pass-Through Grants and Cooperative Projects**

the resource for the grant with the normal goals, functions, and objects.

**Exception for Special Education and ROCP**
Pass-throughs of state apportionments for special education and ROCP are accounted for as “transfers of apportionment” rather than as pass-through grants. For example, a district participating in an ROCP Joint Power Authority or Agreement (JPA) would recognize its ROCP apportionment as other state apportionments (Resource 6350 and Object 8311) and would record the pass-through of funds to the JPA as a transfer of apportionment (Resource 6350, Function 9200, and Object 7223).

2. **Administrative and Direct Financial Involvement:**

**Subagreement for Services Model**
A recipient LEA has direct financial involvement in a pass-through grant if it is liable for disallowed costs or if it funds part of the costs. By having financial involvement in a pass-through grant, a recipient LEA automatically has administrative involvement as well. These types of pass-through grants are commonly referred to as “subagreements for services” between LEAs, that is, transactions in which the recipient LEA to whom the funding was originally awarded contracts with subrecipient LEAs to carry out the terms of the grant under the direction of the recipient LEA. The accounting for this type of pass-through grant is as follows:

**Recipient LEA (administrative and direct financial involvement)**
The recipient LEA reports the receipt of the grant revenue in the normal revenue object for the grant (e.g., 8290, Other Federal Revenue) with the resource code for the grant. The recipient LEA reports the disbursement of funds to subrecipient LEAs in Object 5100, Subagreements for Services, in the normal goals and functions for the grant expenditures.

**Subrecipient LEAs**
Subrecipient LEAs report the receipt of subagreement revenues in Object 8677, Interagency Services Between LEAs (or in Object 8285, Interagency Contracts Between LEAs, if the original grant is of federal origin) and in an applicable resource. Subrecipient LEAs report their
Procedure 750  Pass-Through Grants and Cooperative Projects

subagreement expenditures in Goal 7110, Nonagency—
Educational, in the normal functions and objects.

Cooperative Projects

California school districts and county offices of education often pool their
resources and operate certain federal and state projects cooperatively for
economic efficiency.

Some cooperative projects are formed to meet certain objectives
established by the participants. This approach usually calls for the
participants to pool their resources and for one school district or county
office to serve as the lead and operate the project for the others. Typically
this is a local decision, not a condition of the grant itself, and the
appropriate accounting is the “subagreement for services” model.

Other cooperative projects are formed in order to meet specific federal
grant or entitlement conditions and requirements. This approach usually
requires that one LEA serve as the applicant for purposes of receiving
federal funds and disbursing them to the other participating LEAs that
operate their own projects. Periodic cash advances may be made directly
to the applicant LEA for deposit and disbursement. The appropriate
accounting for this type of cooperative project is the “pass-through”
model.
Procedure 750  Pass-Through Grants and Cooperative Projects

Summary Examples of Pass-Through Transactions

I. Transfer of Apportionment (Special Education and ROCP only)

<table>
<thead>
<tr>
<th>Original Recipient</th>
<th>Subrecipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipt of ROCP apportionment</td>
<td>Receipt of transfer of ROCP apportionment</td>
</tr>
<tr>
<td>Original Recipient</td>
<td>Subrecipient</td>
</tr>
<tr>
<td>01-6350-0-0001-0000-8311</td>
<td>01-6350-0-0000-0000-8791, 2, 3</td>
</tr>
<tr>
<td>Transfer of ROCP apportionment</td>
<td>Expenditure of ROCP funds</td>
</tr>
<tr>
<td>01-6350-0-0001-9200-7221, 2, 3</td>
<td>01-6350-0-6000-XXXX-XXXX</td>
</tr>
</tbody>
</table>

II. Pass-Through of All Other Resources (Federal, State, or Local)

<table>
<thead>
<tr>
<th>Original Recipient</th>
<th>Subrecipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipt of federal revenue to be passed through</td>
<td>Receipt of passed-through federal revenue</td>
</tr>
<tr>
<td>01-3310-0-5001-0000-8287</td>
<td>01-3310-0-5001-0000-8181</td>
</tr>
<tr>
<td>Pass-through of federal revenue</td>
<td>Expenditure of federal program funds</td>
</tr>
<tr>
<td>01-3310-0-5001-9200-7221, 2, 3</td>
<td>01-3310-0-5XXX-XXXX-XXXX</td>
</tr>
<tr>
<td>Receipt of state revenue to be passed through</td>
<td>Receipt of passed-through state revenue</td>
</tr>
<tr>
<td>01-7110-0-0000-0000-8587</td>
<td>01-7110-0-0000-0000-8590</td>
</tr>
<tr>
<td>Pass-through of state revenue</td>
<td>Expenditure of state program funds</td>
</tr>
<tr>
<td>01-7110-0-0000-9200-7221, 2, 3</td>
<td>01-7110-0-XXXX-XXXX-XXXX</td>
</tr>
<tr>
<td>Receipt of local revenue to be passed through</td>
<td>Receipt of passed-through local revenue</td>
</tr>
<tr>
<td>01-9010-0-0000-0000-8697</td>
<td>01-9010-0-0000-0000-8699</td>
</tr>
<tr>
<td>Pass-through of local revenue</td>
<td>Expenditure of local program funds</td>
</tr>
<tr>
<td>01-9010-0-0000-9200-7221, 2, 3</td>
<td>01-9010-0-XXXX-XXXX-XXXX</td>
</tr>
</tbody>
</table>

III. Subagreements for Services

<table>
<thead>
<tr>
<th>Original Recipient</th>
<th>Subrecipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipt of grant revenue</td>
<td>Receipt of payment for subagreement services</td>
</tr>
<tr>
<td>01-6500-0-5001-0000-8311</td>
<td>01-9010-0-7110-0000-8767 (or 8285 if federal)</td>
</tr>
<tr>
<td>Payment to subrecipient for subagreement services</td>
<td>Expenditures for subagreement services</td>
</tr>
<tr>
<td>01-6500-0-5750-1110-5100</td>
<td>01-9010-0-7110-1110-XXXX</td>
</tr>
</tbody>
</table>
Procedure 750  Pass-Through Grants and Cooperative Projects

Sample Journal Entries for a Cooperative Project

Small school districts may find it advantageous to pool their resources to provide programs that could not be financed by one district alone. The following example assumes that five small districts contract with the county office of education (COE) to use Tobacco-Use Prevention Education (TUPE) money to run a program designed to reach students at risk of using tobacco.

Example: COE Receives TUPE Grant Money for Administrative Purposes, and Districts Receive TUPE Money for Program Purposes; Districts and the COE Form a Cooperative Project for TUPE Services

(a) The following entries record the receipt of the TUPE grants:

For the COE:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>6680</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>8590</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the County School Service Fund.
- Resource 6680 is TUPE: COE Administration Grants.
- Project Year is not applicable in this example.
- Goal is not required for revenue.
- Function is not required for revenue.
- Object 8590 is All Other State Revenue.
- School is not required.

For the districts:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>6690</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>8590</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the General Fund.
- Resource 6690 is TUPE: Grades Six Through Twelve.
- Project Year is not applicable in this example.
- Goal is not required for revenues.
- Function is not required for revenues.
- Object 8590 is All Other State Revenue.
- School is not required.
Procedure 750  Pass-Through Grants and Cooperative Projects

(b) According to the contractual agreement, the districts use their TUPE program funds to pay the COE to operate a Friday Night Live program designed for regular education students.

The COE records the revenue received from the districts in a locally defined restricted local resource:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>9150</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>8677</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the County School Service Fund.
- Resource 9150 is a locally defined restricted code for the Friday Night Live contract. Resource 9150 rolls up to Resource 9010, Other Local, when data are submitted to CDE at year-end.
- Project Year is not applicable in this example.
- Goal is not required for revenue.
- Function is not required for revenue.
- Object 8677 is Interagency Services Between LEAs.
- School is not required.

The districts, as the original recipient LEAs, are responsible for reporting their expenditures to CDE; they use the applicable goal and functions, and the object illustrates that they subcontracted with the COE:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>6690</td>
<td>0</td>
<td>1110</td>
<td>4000</td>
<td>5100</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the district’s General Fund.
- Resource 6690 is TUPE: Grades Six Through Twelve.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, K–12 because the Friday Night Live program targets regular education students.
- Function 4000 is Ancillary Services.
- Object 5100 is Subagreements for Services.
- School is not required.
Procedure 750  Pass-Through Grants and Cooperative Projects

(c) The COE operates the Friday Night Live program using the funds received from the districts:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>9150</td>
<td>0</td>
<td>7110</td>
<td>4000</td>
<td>1200</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the County School Service Fund.
- Resource 9150 is a locally defined restricted code for the Friday Night Live contract. Resource 9150 rolls up to Resource 9010, Other Local, when data are submitted to CDE at year-end.
- Project Year is not applicable in this example.
- Goal 7110 is Nonagency—Educational. The money of another entity is used to provide services on behalf of that entity, not on behalf of its own student population.
- Function 4000 is Ancillary Services.
- Object 1200 is Certificated Pupil Support Salaries.
- School is not required.

The districts have no further entries because they have spent their grants.

When the COE spends its own TUPE money administering the districts’ TUPE programs, the TUPE resource is retained.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>6680</td>
<td>0</td>
<td>8600</td>
<td>2100</td>
<td>2400</td>
<td>000</td>
</tr>
</tbody>
</table>

- Fund 01 is the County School Service Fund.
- Resource 6680 is TUPE: COE Administrative Grants.
- Project Year is not applicable in this example.
- Goal 8600 is County Service to Districts.
- Function 2100 is Instructional Supervision and Administration.
- Object 2400 is Clerical, Technical, and Office Staff Salaries.
- School is not required.

(d) At year-end, not all funds have been spent, and the remaining funds are carried over into the next year. The terms of the contract with the districts allow carryover only into the following year; money not spent in the following year must be returned to the districts.
Procedure 750   Pass-Through Grants and Cooperative Projects

The COE books unearned revenue as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Resource</th>
<th>Project Year</th>
<th>Goal</th>
<th>Function</th>
<th>Object</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>9150</td>
<td>0</td>
<td>0000</td>
<td>0000</td>
<td>9650</td>
<td>000</td>
</tr>
</tbody>
</table>

- **Fund 01** is the County School Service Fund.
- **Resource 9150** is a locally defined restricted code for the Friday Night Live contract. Resource 9150 rolls up to Resource 9010, Other Local, when data are submitted to CDE at year-end.
- **Project Year** is not applicable in this example.
- **Goal** is not required for balance sheet accounts.
- **Function** is not required for balance sheet accounts.
- **Object 9650** is Unearned Revenue.
- **School** is not required.
Procedure 765 Recognition of Legal Obligations in Reporting for Federal Grants

Legal obligations are commitments made by an LEA to purchase goods or services immediately or in a future period. Commitments are generally made in the form of a purchase order or a written contract.

For purposes of accounting at year-end, obligations for future periods are not reflected in the current year's books. Rather, the obligated goods or services are recognized in the following year's books, when the goods or services are actually received. But for purposes of grant reporting, federal funding may be claimed under a current-year grant for certain qualifying legal obligations incurred by the end of the grant period, even though the goods or services will not be received until after the grant period ends.

The question of whether or not an obligation is claimable for funding under a current-year grant is determined by what the obligation is for. The following table based on the Education Department General Administrative Regulations (EDGAR) Code of Federal Regulations (CFR), Title 34, Part 76.707, shows when various commitments are considered to be legal obligations:

<table>
<thead>
<tr>
<th>If the obligation is for . . .</th>
<th>The legal obligation is made . . .</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of real or personal property</td>
<td>On the date on which the LEA makes a binding written commitment to acquire the property</td>
</tr>
<tr>
<td>Personal services by an employee of the LEA</td>
<td>When the services are performed</td>
</tr>
<tr>
<td>Personal services by a contractor who is not an employee of the LEA</td>
<td>On the date on which the LEA makes a binding written commitment to obtain the services</td>
</tr>
<tr>
<td>Performance of work other than personal services</td>
<td>On the date on which the LEA makes a binding written commitment to obtain the work</td>
</tr>
<tr>
<td>Public utility services</td>
<td>When the LEA receives the services</td>
</tr>
<tr>
<td>Travel, conferences</td>
<td>When the travel is taken or conference attended</td>
</tr>
<tr>
<td>Rental of real or personal property</td>
<td>When the LEA uses the property</td>
</tr>
</tbody>
</table>

On the basis of the preceding table, an example of a legal obligation that would qualify for funding under a current year grant ending June 30 is the cost of books for which a purchase order was issued in June, even though the books will not be received until July. An example of a legal obligation that would not qualify for funding under a current-year grant ending June 30 is the cost of a conference to be held in July. Regardless of when a
Procedure 765  Recognition of Legal Obligations in Reporting for Federal Grants

When federal grant funds are claimed for legal obligations in one year for expenditures that are recognized in the following year, unexpended federal revenue will remain on the books at year-end and will be deferred for recognition in the following year because the expenditures for the legal obligations will not occur until the following year. The unexpended revenue is deferred by debiting the revenue account and crediting the unearned revenue account. The grant funds claimed for grant reporting purposes, therefore, will exceed the federal grant revenues recognized in the current year's books.

An example follows:

<table>
<thead>
<tr>
<th></th>
<th>Grant Claim (ends 6/30)</th>
<th>Current-Year Books (as of 6/30)</th>
<th>Subsequent-Year Books (begin 7/1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Revenue Received</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Federal Revenue Unearned</td>
<td>(20)</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td><strong>Subtotal, Revenue</strong></td>
<td><strong>100</strong></td>
<td><strong>80</strong></td>
<td><strong>20</strong></td>
</tr>
<tr>
<td>Actual Expenditures</td>
<td>80</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>Legal Obligations</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal, Expenditures/Obligations</strong></td>
<td><strong>100</strong></td>
<td><strong>80</strong></td>
<td><strong>20</strong></td>
</tr>
</tbody>
</table>

This is a normal difference between governmental accounting principles and grant reporting procedures.

When federal grant funds are claimed for legal obligations in one year for expenditures that are recognized in the following year, as described previously, the LEA must be careful not to claim these amounts again the following year. The grant funds claimed for grant reporting purposes in the following year, then, would be less than the federal grant revenues recognized in the following year's books.
Procedure 780  Consolidation of NCLB Administrative Funds

The No Child Left Behind (NCLB) Act allows a local educational agency (LEA), upon approval by the California Department of Education (CDE), to consolidate funds from various NCLB programs for use in the administration of one or more NCLB programs (refer to United States Code, Title 20, Section 7823). LEAs may request permission to consolidate the funds in the Consolidated Application (for further information on the Consolidated Application, refer to CDE's Web site at http://www.cde.ca.gov/fg/aa/co).

Benefits of Consolidation

Consolidation of funds will provide flexibility in charging administrative costs and result in simplified accounting and personnel activity timekeeping. LEAs that consolidate administrative costs will have considerable discretion in how those costs get distributed back to the individual NCLB programs, as discussed later. Further, the consolidated funds may be treated as one cost objective; as such, LEAs are not required to maintain separate records by individual program to account for costs relating to administration, nor maintain personnel activity reports to document the time spent for administrative activities performed exclusively for the programs. (Note: Semiannual certifications are still required. Refer to Procedure 905, Documenting Salaries and Wages.)

Allowable Expenditures

The maximum amount that can be charged for administrative costs may vary by program. For programs with no specified limits, federal cost principles provide that the maximum amount available for administrative costs is what is reasonable and necessary for the proper and efficient administration of the programs.

When an LEA chooses to consolidate administrative funds in a particular fiscal year, it must pay all administrative costs from an administrative cost pool; no additional administrative cost may be charged directly to a participating program. (However, see treatment of indirect costs beginning on page 780-4.)

Consolidated funds may be used for the administration of any program included in the consolidation. The funds may be used at the school district and school levels for activities such as coordination of the NCLB programs with other federal and nonfederal programs, establishment and operation of peer-review mechanisms for NCLB, administration of Title IX of the Elementary and Secondary Education Act (ESEA) (General
Procedure 780  Consolidation of NCLB Administrative Funds

Provisions), dissemination of information regarding model programs and practices, technical assistance for any NCLB program, and training personnel engaged in audit and other monitoring activities.

Accounting for Consolidated Administrative Funds

Accounting for consolidated administrative funds is a three-step process. As costs are incurred, they are recorded in a pooled resource, and then the pooled costs are distributed to the various NCLB programs. Finally, using funds available for the consolidation, indirect costs are charged directly to the programs.

Incurring Costs

Expenditures for administration are initially recorded in Resource 3155, NCLB: Consolidated Administrative Funds, rather than in the resources of the individual participating programs. LEAs should charge administrative costs they incur for participating programs (except for indirect costs, as explained later) to Resource 3155 in combination with the optional Function 2150, Instructional Administration of Special Projects, or the more general Function 2100, Instructional Supervision and Administration:

<table>
<thead>
<tr>
<th>Object Title</th>
<th>SACS Account String</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificated Supervisors' and Administrators’ Salaries</td>
<td>01-3155-0000-2150-1300</td>
<td>$5,500</td>
<td></td>
</tr>
<tr>
<td>Clerical, Technical, and Office Staff Salaries</td>
<td>01-3155-0000-2150-2400</td>
<td>$8,900</td>
<td></td>
</tr>
<tr>
<td>Health and Welfare Benefits, Certificated Positions</td>
<td>01-3155-0000-2150-3401</td>
<td>$2,000</td>
<td></td>
</tr>
<tr>
<td>Health and Welfare Benefits, Classified Positions</td>
<td>01-3155-0000-2150-3402</td>
<td>$2,300</td>
<td></td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>01-3155-0000-2150-4300</td>
<td>$700</td>
<td></td>
</tr>
<tr>
<td>Noncapitalized Equipment</td>
<td>01-3155-0000-2150-4400</td>
<td>$3,000</td>
<td></td>
</tr>
<tr>
<td>Cash in County Treasury</td>
<td>01-3155-0000-2150-9110</td>
<td></td>
<td>$22,400</td>
</tr>
</tbody>
</table>

To record expenditures made from funds available in the NCLB consolidated administrative cost pool.

(Note: After these entries, Resource 3155 has a negative cash balance of $22,400.)

Distributing Accumulated Costs

Because Section 1127 of the ESEA, as amended by the NCLB Act, requires that allowable program carryover be calculated based on total program expenditures, LEAs must distribute the pooled costs (Resource 3155 expenditures) to the programs participating in the consolidation before carryover can be calculated. LEAs may do this at the end of the year or at other intervals they deem appropriate. The costs are distributed
Procedure 780   Consolidation of NCLB Administrative Funds

using Object 5710, Transfers of Direct Costs, and will result in zero net expenditures in Resource 3155 at the end of the year.

LEAs do not have to distribute pooled costs back to the individual programs on the basis of benefits received by each program or in the same ratio that each program contributed to the pool. Rather, LEAs may distribute the costs as they see fit provided that:

- The amount distributed to any program, when combined with the program’s indirect costs, does not exceed any administrative cost cap established by law or regulations.
- The total grant amount is not exceeded after the distribution.

For the following example, assume that the LEA recorded expenditures in Resource 3155 with Function 2150, and it is now ready to distribute the expenditures to the following programs in the following amounts:

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title I, Part A (Resource 3010)</td>
<td>$16,300</td>
</tr>
<tr>
<td>Title I, Part C (Resource 3060)</td>
<td>$3,500</td>
</tr>
<tr>
<td>Title I, Part D (Resource 3025)</td>
<td>$2,300</td>
</tr>
<tr>
<td>Title II, Part A (Resource 4035)</td>
<td>$300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$22,400</strong></td>
</tr>
</tbody>
</table>

The LEA records the distribution using Function 2150 in combination with Object 5710, Transfers of Direct Costs:

<table>
<thead>
<tr>
<th>Object Title</th>
<th>SACS Account String</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers of Direct Costs</td>
<td>01-3010-0000-2150-5710</td>
<td>$16,300</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-3060-0000-2150-5710</td>
<td>$3,500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-3025-0000-2150-5710</td>
<td>$2,300</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-4035-0000-2150-5710</td>
<td>$300</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-3155-0000-2150-5710</td>
<td></td>
<td>$22,400</td>
</tr>
<tr>
<td>Cash in County Treasury</td>
<td>01-3155-0000-0000-9110</td>
<td></td>
<td>$22,400</td>
</tr>
<tr>
<td></td>
<td>01-3010-0000-0000-9110</td>
<td></td>
<td>$16,300</td>
</tr>
<tr>
<td></td>
<td>01-3060-0000-0000-9110</td>
<td></td>
<td>$3,500</td>
</tr>
<tr>
<td></td>
<td>01-3025-0000-0000-9110</td>
<td></td>
<td>$2,300</td>
</tr>
<tr>
<td></td>
<td>01-4035-0000-0000-9110</td>
<td></td>
<td>$300</td>
</tr>
</tbody>
</table>

To distribute costs recorded in Resource 3155 to the various NCLB programs.

(Note: After the distribution, Resource 3155 has zero net expenditures and zero cash balance, but the details of the accumulated costs and distribution are retained.)
Procedure 780  Consolidation of NCLB Administrative Funds

Indirect Costs

Indirect costs are considered administrative costs for purposes of consolidating administrative funds. However, to simplify the necessary accounting entries CDE recommends that, rather than using Resource 3155, LEAs charge indirect costs pertaining to the individual programs directly to those programs after the LEA has distributed all pooled administrative costs.

The process is as follows:

1. At the end of the year, distribute all remaining Resource 3155 costs to the participating programs.

2. Compute indirect costs that may be charged to the programs. Depending on program guidelines, this is usually done by multiplying the direct costs of the program (objects 1000–5999, less object 5100) times the LEA’s approved indirect cost rate.

3. Charge up to the computed indirect cost amounts to the individual programs, making sure to take into account any indirect or administrative cost caps the programs may have.

As shown in the following example, the indirect costs are charged to the programs using Function 7210, General Administration Cost Transfers, and Object 7310, Transfers of Indirect Costs. The corresponding transfer of cash between resources is done at the same time.

<table>
<thead>
<tr>
<th>Object Title</th>
<th>SACS Account String</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers of Indirect Costs</td>
<td>01-3010-0000-7210-7310</td>
<td>$ 5,100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-3060-0000-7210-7310</td>
<td>$ 2,050</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-3025-0000-7210-7310</td>
<td>$ 1,200</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-4035-0000-7210-7310</td>
<td>$ 550</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-0000-0000-7210-7310</td>
<td></td>
<td>$ 8,900</td>
</tr>
<tr>
<td>Cash in County Treasury</td>
<td>01-0000-0000-0000-9110</td>
<td>$ 8,900</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-3010-0000-0000-9110</td>
<td>$ 5,100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-3060-0000-0000-9110</td>
<td>$ 2,050</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-3025-0000-0000-9110</td>
<td>$ 1,200</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-4035-0000-0000-9110</td>
<td>$ 550</td>
<td></td>
</tr>
</tbody>
</table>

To record transfers of indirect costs to programs included in the consolidation of NCLB administrative funds.
Procedure 780  Consolidation of NCLB Administrative Funds

The administrative costs, including indirect costs, charged to each program in the consolidation should be verified to make sure that administrative cost limits have not been exceeded.
Procedure 780    Consolidation of NCLB Administrative Funds

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**Procedure 810  Charter Schools**

The *California School Accounting Manual* provides guidance on generally accepted accounting principles (GAAP) for all local educational agencies (LEAs) as well as specific guidance for LEAs in California. *Title 5, Section 15071 of the California Code of Regulations*, requires that charter schools follow the guidelines in the manual, to the extent the guidelines apply, for reporting of financial data. Much of the guidance in the manual is relevant to charter schools.

**GAAP for Charter Schools**

Governmental agencies such as traditional school districts and county offices of education use the governmental fund accounting model and the modified accrual basis of accounting for their governmental activities. Charter schools that are governmental use this basis of accounting. The authoritative source of GAAP for this model is the Governmental Accounting Standards Board (GASB).

Not-for-profit charter schools approved under *Education Code* Section 47604 that operate as or are operated by a nonprofit public benefit corporation pursuant to Section 501(c) (3) of the *Internal Revenue Code* typically use the not-for-profit accounting model and the accrual basis of accounting. The authoritative source of GAAP for this model is the Financial Accounting Standards Board (FASB).

The not-for-profit model more closely resembles private-sector (for-profit) accounting than governmental fund accounting. Nongovernmental not-for-profit entities using this model present external financial statements consisting of a statement of financial position, a statement of activities, a statement of cash flows, and notes to the financial statements.

Governmental fund accounting and the differences between the accrual and the modified accrual bases of accounting are discussed in Procedure 101, Governmental Accounting.

**Reporting Charter School Financial Data to CDE**

Pursuant to *Education Code* Section 42100, all LEAs, including charter schools, must report their unaudited actual financial data to the California Department of Education (CDE).

The decision as to whether a charter school should report to CDE as part of its authorizing LEA or separately should be based on whether the charter school is a part of the LEA or a separate reporting entity for
Procedure 810  Charter Schools

purposes of GAAP. Authoritative guidance on the reporting entity is contained in GASB statements 14, 39, and 61. A charter school that is the same reporting entity as its authorizing LEA, as defined by GAAP, will be included in the LEA’s financial statements and will typically report to CDE as part of the LEA. A charter school that is a separate reporting entity, as defined by GAAP, will issue its own financial statements that are separate from those of its authorizing LEA and will typically report separately to CDE as well.

Reporting Formats

Charter data may be reported in either the standardized account code structure (SACS) format or in the alternative format for charter schools approved by the State Board of Education and titled the Charter School Unaudited Actuals Financial Report—Alternative Form (hereafter referred to as the Alternative Form). Charter schools are encouraged to discuss the reporting options with their authorizing agencies and their independent auditors before choosing a format.

Regardless of the format used, the data submitted for each charter school must be a complete report of all of the charter school’s financial operations, including beginning balances, revenues, expenditures (or expenses), and ending balances.

Using SACS for Charter School Financial Reporting

The main operating funds available for charter schools reporting in SACS are:

- General Fund (Fund 01) (modified accrual basis of accounting): For charter schools reporting separately from the authorizing LEA and for charter schools reporting as part of the LEA within the LEA’s general fund.
- Charter Schools Special Revenue Fund (Fund 09) (modified accrual basis of accounting): For charter schools reporting as part of the authorizing LEA but reported outside of the LEA’s general fund.
- Charter Schools Enterprise Fund (Fund 62) (accrual basis of accounting): For charter schools using the not-for-profit reporting model reporting either as part of the authorizing LEA or separately.

Only one main operating fund should be reported.
Procedure 810 Charter Schools

If a charter school reporting in Fund 01 uses additional funds, the charter school must report those funds in addition to its main operating fund.

If Fund 62 is used for any of a charter school’s activities, it should be used for all of the charter school’s activities. Note that fund accounting is inconsistent with the not-for-profit financial reporting model, so in this case Fund 62 serves as a financial statement for purposes of reporting to CDE rather than as a fund.

Costs reported in Fund 62 should include the function most descriptive of the activity being performed (e.g., instruction, school administration, pupil services, and plant services) rather than Function 6000, Enterprise, which is normally used in an enterprise fund.

Regardless of the basis of accounting, charter school financial reporting will typically be simpler than such reporting for traditional school districts because charter schools receive block grant funding in lieu of many individual categorical funds and typically operate fewer instructional programs. As with any other LEA, charter schools need use only what is necessary, required, and applicable to them. For guidance in using SACS, charter schools are encouraged to refer to applicable sections and procedures in this manual.

Using the Alternative Form for Annual Financial Reporting

Charter schools using the Alternative Form for financial reporting are encouraged to set up their accounts to align with the Alternative Form. A list of accounts that correspond to the Alternative Form is presented at the end of this procedure. Written definitions of each of the accounts (objects) can be found in Procedure 330.

Charter schools using the Alternative Form for financial reporting must use the spreadsheet version provided by CDE, and the county office of education must submit the data to CDE electronically. Because of the brevity of the form, additional data necessary for compliance or other calculations may have to be submitted separately.

The Alternative Form allows for either the modified accrual basis of accounting used by governmental agencies or the accrual basis of accounting normally used by not-for-profit entities. Regardless of the basis of accounting, charter schools using the Alternative Form report all financial data on the form, using one basis of accounting or the other. The data submitted for each charter school must be a complete report of the
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charter school’s financial operations, including beginning balances, revenues, expenditures (or expenses), and ending balances.

If a charter school maintains more than one fund in its own accounting system and uses the Alternative Form for reporting to CDE, it should consolidate all the financial data from all its funds on the Alternative Form.

For an Alternative Form, user’s guide, and additional information about financial reporting, visit the following Web site:
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Listing of Codes for the Charter School Alternative Form

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### 1000–7999 EXPENDITURES AND OTHER FINANCING USES

#### 1000–7499 Expenditures

1000–1999 Certificated Personnel Salaries
   (for positions that require a credential or permit)
   1100 Certificated Teachers' Salaries
   1200 Certificated Pupil Support Salaries
   1300 Certificated Supervisors' and Administrators' Salaries
   1900 Other Certificated Salaries

2000–2999 Noncertificated Salaries
   (for positions that do not require a credential or permit)
   2100 Noncertificated Instructional Salaries
   2200 Noncertificated Support Salaries
   2300 Noncertificated Supervisors' and Administrators' Salaries
   2400 Clerical, Technical, and Office Staff Salaries
   2900 Other Noncertificated Salaries

3000–3999 Employee Benefits
   (Employers' contributions to retirement plans and health and welfare benefits.
   Codes ending in 1 indicate benefits paid to personnel in certificated positions, and
   codes ending in 2 indicate those paid to personnel in noncertificated positions.)
   3101–3102 State Teachers’ Retirement System
   3201–3202 Public Employees' Retirement System
   3301–3302 OASDI/Medicare/Alternative
   3401–3402 Health and Welfare Benefits
   3501–3502 Unemployment Insurance
   3601–3602 Workers’ Compensation Insurance
   3701–3702 OPEB, Allocated
   3751–3752 OPEB, Active Employees
   3801–3802 PERS Reduction (for revenue limit funded schools)
   3901–3902 Other Benefits

4000–4999 Books and Supplies
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8990 Contributions from Restricted Revenues
8995 Categorical Education Block Grant Transfers (Inactive)
8997 Transfers of Restricted Balances (Inactive)
8998 Categorical Flexibility Transfers per Budget Act Section 12.40 (Inactive)

9700–9799 FUND BALANCE/NET POSITION

9791 Beginning Fund Balance
9793 Audit Adjustments
9795 Other Restatements

(The following codes and titles for 9700–9790 were valid through 2010–11.)
9711 Reserve for Revolving Cash
9712 Reserve for Stores
9713 Reserve for Prepaid Expenditures (Expenses)
9719 Reserve for All Others
9730 General Reserve
9740 Legally Restricted Balance
9770 Designated for Economic Uncertainties
9775 Designated for the Unrealized Gains of Investments and Cash in County Treasury
9780 Other Designations
9790 Unassigned/Unappropriated/Unrestricted Net Position

(The following codes and titles for 9700–9790 are valid effective 2011–12.)
9711 Nonspendable Revolving Cash
9712 Nonspendable Stores
9713 Nonspendable Prepaid Items
9719 All Other Nonspendable Assets
9740 Restricted Balance
9750 Stabilization Arrangements
9760 Other Commitments
9780 Other Assignments
9789 Reserve for Economic Uncertainties
9790 Unassigned/Unappropriated
9796 Net Investment in Capital Assets (accrual basis of accounting only)
9797 Restricted Net Position (accrual basis of accounting only)

9100–9499 ASSETS

9110 Cash in County Treasury
9111 Fair Value Adjustment to Cash in County Treasury

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Procedure 905  Documenting Salaries and Wages

Documentation of salaries and wages is often necessary to support charges to specific funding sources (resources), instructional settings (goals), and activities (functions). Some level of formalized time documentation is normally needed for all salaries and wages paid from federally funded programs. However, for salaries and wages paid from state funds, formalized documentation is usually necessary only when the funds are restricted, when positions are split between goals or certain functions, or when program guidelines require it.

In reviewing this procedure, local educational agencies (LEAs) should keep in mind that written policies and procedures are essential to implement an effective labor distribution system. LEAs must develop a time documentation process (e.g., forms, employee training, internal controls, and compliance checks) that meets their particular needs.

Salaries and Wages Charged to Restricted Programs

Costs of salaries and wages are usually an allowable charge to programs with a restricted funding source. However, LEAs are normally required to have time documentation to support the charging of their salaries and wages to a restricted source.

Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, is a policy directive affecting which costs are allowable charges to federal programs, which costs are not allowable, and how costs charged to federal programs must be documented. OMB Circular A-87 applies to all LEAs receiving federal funds subject to the cost principles. Attachment B, Section 8(h) of OMB Circular A-87 specifies the standards for documenting salaries and wages charged to federal programs. These standards are in addition to those for payroll documentation.

The time documentation requirements for charging salaries and wages to state programs are based on the OMB Circular A-87 federal time documentation guidelines. However, there is also an alternative method available to document salaries and wages charged to state restricted programs.

1. A few federal funding sources are not subject to the cost principles. Federal Impact Aid is an example.
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Cost Objectives

OMB Circular A-87 defines a cost objective as “a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.” For purposes of supporting salary and wage expenditures, the identification of cost objectives allows funding sources to be pooled for a common objective.

In practical terms, a cost objective is a set of work activities allowable under the terms and conditions of a particular funding source. In the determination of whether an employee works on a single cost objective or on multiple cost objectives, the most significant factor is not the number of funding sources supporting the salary but rather the activity being performed.

Single Cost Objective

A set of work activities may be considered a single cost objective when both the service(s) being performed and the population(s) being served are allowable under any of the programs supporting the cost objective (i.e., the funding sources are homogeneous). Stated another way, costs allocable to that cost objective must be allowable under any of the programs that fund the activities. If these criteria are met, an activity that benefits two or more programs may be considered a single cost objective.

Homogeneous funding sources are the exception rather than the rule. If it is not clear whether the funding sources are in fact homogeneous, the activities should be treated as separate (multiple) cost objectives rather than as a single cost objective.

An example of a single cost objective at its most basic is an employee who works solely on one activity that is funded by a single source. Although this type of one-to-one relationship does occur, it is also possible to have a single cost objective that is funded by multiple sources. For example, if an employee works in a position that is funded by multiple federal programs, but the employee does similar activities all day and the federal programs have the same requirements with regard to allowable costs and eligibility of participants, then that employee may be considered as working on a single cost objective.
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Following are examples of employees working on a single cost objective:

1. **Single Funded Activity**: An employee who works solely (100 percent) on activities of a single federal or state restricted program or on a single nonfederal program used in meeting cost sharing or matching requirements of federal awards.

2. **NCLB Consolidated Administrative Funds**: An employee who works solely on administrative activities of the No Child Left Behind Act (NCLB) where the administrative funds have been consolidated in Resource 3155, NCLB Consolidated Administrative Funds (see Procedure 780).

3. **Schoolwide Program (SWP)**: A school-site employee working solely on an SWP plan approved by CDE. This is a single cost objective because, for an approved SWP plan, the LEA may use NCLB Title I funds in combination with some or all of its other federal funds and state and local general-purpose funds to upgrade the entire educational program in a school (Title I, Part A, Subpart 1, Section 1114).

   Employees working on an SWP plan who are paid in part by federal programs that have not been combined in the SWP, and employees who work on both SWP and non-SWP plan activities, are not considered to be working in a single cost objective.

4. **School-Based Coordinated Programs (SBCPs)**: California’s SBCPs combine several state categorical programs in a manner similar but not identical to an SWP. Under Education Code Section 52853, employees of an SWP at a school site funded from SWP and SBCP funds (assuming those are the only two funding sources) may be considered as funded by a single cost objective.

   Prior to identifying the SWP and SBCP funds as a single cost objective, an LEA must ensure that the SBCP school plan includes the proposed expenditure of NCLB funds available to the school. If NCLB funds are not included, the existing SBCP school plan should be revised to include them. For SWP and SBCP funds to be considered as a single cost objective, the school must operate the state-approved SWP in a manner consistent with the expenditure of funds available to the school under the SBCP, which means that the SWP and SBCP funds must be used for the same purpose.
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Essentially, for a school site to consider its SWP and SBCP funding sources as a single cost objective, the school’s funding sources must be contained in an SBCP and a state-approved Title I SWP. That means that the school would use all the funds available to upgrade the entire educational program in the school. If all the funds are not available for all the students, the SBCP and SWP funding sources may not be considered a single cost objective. There may be individual NCLB funds used at an SBCP school, such as for Title I Targeted Assistance schools; however, those funds may not be considered a single cost objective unless they are included in a state-approved SWP that benefits all the pupils at the school.

5. **Combined Federal and State Awards:** An employee such as a drug prevention counselor or a special education instructional aide who is funded by a mixture of federal and/or state awards, where the services provided and the populations served are eligible and allowable under any of the awards (see the note following item 6).

6. **Combined Federal, State, and Local Awards:** An employee who is funded by a mixture of federal, state, and local resources, where the services provided and the populations served are allowable and eligible under any of the funding sources. For example, the salary of a cook working in a school cafeteria may be funded from a mix of federal funds (free or reduced-price meal reimbursement), state funds (additional reimbursement funds), and local funds (lunch sales). If the cook spends all of his or her time in the preparation and serving of school lunches, and if all of the activities performed by the cook are allowable under any of the funding sources, then the cook’s activities can be considered a single cost objective.

Similarly, an aide working in a child care center is paid from child development funds, which may include federal, state, and local resources. If the aide spends 100 percent of his or her time providing child care to children who could be served under any of the funding sources, the aide’s time may be considered a single cost objective.

*Note:* Items 5 and 6 are simplistic examples and are provided only for explanatory purposes. More complex situations may indicate multiple cost objectives rather than a single cost objective (refer to the discussion on homogeneous funding sources on page 905-2). To ensure that timekeeping efforts comply with OMB Circular A-87, LEAs need to evaluate each situation to determine the proper time documentation requirements.
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Multiple Cost Objectives

When an employee works on more than one award and the activities performed may not be considered a single cost objective, the employee is considered to work on multiple cost objectives.

Following are examples of employees working on multiple cost objectives:

1. An employee provides similar services all day, but his or her position is supported by multiple federal awards that have different rules as to the eligibility of participants or allowable costs.

2. The employee works on dissimilar activities for more than one federal program, and the programs are not combined in an approved SWP.

3. The employee works on dissimilar activities for a mixture of federal and state programs, and those programs are not combined in an approved SWP.

4. The employee works on a mixture of federal and general-purpose activities that have not been combined in an approved SWP.

5. The employee is funded by more than one nonfederal program source, and one of the sources is used in meeting the cost sharing or matching requirements of federal awards.

6. The employee works on both an indirect cost activity (e.g., business services) and a direct cost activity (e.g., special projects administration or an approved SWP plan).

7. The employee works on an unallowable activity (e.g., school board) and an indirect cost activity or a direct cost activity.

Illustrations Showing Single and Multiple Cost Objectives

XYZ School has three federal categorical programs (F1, F2, and F3) that supplement the school’s regular base funding. The following three illustrations show how different time documentation guidelines would apply:
Procedure 905  

Documenting Salaries and Wages

Illustration A

Employees at XYZ School are multifunded, either by more than one federal program or by a federal program and other general-purpose revenues (regular base funding). The services provided and populations served vary by program. The school does not have an approved SWP.

![Diagram of funding sources]

Employees are considered to work on multiple cost objectives because the funding comes from two or more federal programs or from federal programs and general-purpose revenues, and the school does not have an approved SWP plan.

Illustration B

XYZ School has an approved SWP plan. It has the same three federal categorical programs supplementing its regular base funding. In its SWP plan, XYZ School has combined F1, F2, and F3 and its regular base funding.

![Diagram of SWP plan]

Employees who work solely at XYZ School on SWP activities are considered to work on a single cost objective because the school has an approved SWP plan that combines the funds.

Illustration C
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XYZ School has an approved SWP plan and has combined its regular base funding, its three federal categorical programs (F1, F2, and F3), and its SBCP funds from two state categorical programs (S1 and S2).

Similar to Illustration B, Illustration C represents a single cost objective for employees who work solely at XYZ School on SWP or SBCP activities because the funds are combined by the SWP and SBCP.

How to Document Federally Funded Salaries and Wages

The cost objective(s) on which an employee works is the main factor in determining whether federal time documentation requirements can be satisfied by a periodic personnel certification or whether the requirements must be met through the more detailed form of a personnel activity report (PAR) or equivalent documentation.

Salaries and wages used in meeting cost sharing or matching requirements of federal awards must also be supported by one of these methods.

Each LEA needs to determine its time documentation requirements based on its own circumstances, and each LEA must ensure that its timekeeping efforts comply with the requirements of OMB Circular A-87.
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Periodic (Semiannual) Certification

Employees who work solely on a single federal award or cost objective need only complete a periodic certification. Pursuant to OMB Circular A-87, Attachment B, Section 8(h)(3), the periodic certification must:

- Be prepared at least semiannually.
- Be signed by the employee or the supervisory official having firsthand knowledge of the work performed by the employee.
- State that the employee worked solely on that single federal program or cost objective during the period covered by the certification.

Where multiple employees work on the same cost objective, a blanket certification may be used as the documentation for all employees who worked on the cost objective. For example, a school with an approved SWP may choose to prepare a blanket certification that lists all employees who worked solely on the SWP. Because periodic certifications may be signed by either the employee or supervisor and because the purpose of a blanket certification is to simplify the time documentation process, the school may choose to include only the signature of the supervisor, which in this SWP example would be the school principal.

Sample periodic certifications are provided on pages 905-25, 905-26, and 905-27. These sample documents are very basic and may require enhancements to meet time documentation requirements of certain programs.

Note: In accordance with the February 8, 2008 nonregulatory Title I guidance issued by the United States Department of Education, at a school that has consolidated all of the school’s federal, state, and local programs in the SWP plan, an employee who works 100 percent on the SWP is not required to complete a periodic (semiannual) certification because there is effectively no other cost objective at the school. At a school that has even one federal, state, or local program that is not consolidated in the SWP plan, an employee who works 100 percent on the SWP should complete a semi-annual certification.

Personnel Activity Report

Except as provided in “Substitute Systems for Time Accounting” later in this procedure, employees who work on multiple activities or cost objectives of which at least one is federal must complete a personnel
Procedure 905  Documenting Salaries and Wages

activity report (PAR) or equivalent documentation (OMB Circular A-87, Attachment B, Section 8[h][4], [5], and [7]).

A PAR may be as detailed as a document that identifies the employee’s activity daily by hours, or it may be as simple as a report of the total hours or percentage of hours spent in each categorical program or cost objective. The level of detail can generally be determined by the diversity and variation of the employee’s work activities. The safest approach is to provide more documentation rather than less.

OMB Circular A-87 states that PARs or equivalent documentation must:

- Reflect an after-the-fact distribution of the actual activity of each employee.
- Account for the total activity for which each employee is compensated.
- Be prepared at least monthly and coincide with one or more pay periods.
- Be signed by the employee.

Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but these figures may be used for interim accounting purposes provided that:

- The LEA’s system for establishing the estimates produces reasonable approximations of the activities actually performed.
- Comparisons of budgeted distributions with actual costs based on the monthly activity reports are made at least quarterly. If the variances between total budgeted and total actual costs are 10 percent or more, adjustments must be made at least quarterly to the LEA’s financial records, including to billings made to federal grantor agencies. If the variances are less than 10 percent, the adjustments may be recorded annually.
- The budget estimates or other distribution percentages are revised at least quarterly if necessary to reflect changed circumstances.

A sample PAR is provided on page 905-24. Note that the sample document is very basic and may require enhancements to meet time documentation requirements of certain programs.
Substitute Systems for Time Accounting

As an alternative to a PAR, OMB Circular A-87, Attachment B, Section 8(h)(6) allows for substitute systems of time accounting using sampling methods that meet statistical sampling standards for allocating salary and wages. Such substitute systems are subject to prior federal approval. The United States Department of Education has approved two such systems for California’s LEAs to use, at their option, for substantiating federal salary and wage charges for those employees working on multiple-funded activities or cost objectives.

A substitute system is intended to simplify recordkeeping for LEAs that must substantiate salary and wage charges to federal programs through the use of PARs or equivalent documentation. Unless the LEA uses an approved substitute system, PARs must be prepared at least monthly for employees working on multiple cost objectives whenever federal funds are involved.

Substitute System Based on Sampling Method: Under the sampling method substitute system approved for California LEAs in 1998, PARs are required less frequently than monthly. Specifically, this approved substitute system allows LEAs to collect PARs from employees every fourth month (three times a year). The information from these PARs is used both to reconcile the federal timekeeping estimates from the previous three months and to estimate the percentage of time employees will spend on various federal programs in the next three months. This system works best when the composite workload produces an even distribution of salaries to accounts over the full 12-month period.

LEAs may choose any month to begin the cycle for the sampling method substitute system. Because the starting month establishes the recordkeeping cycle for the year, LEAs should choose a starting month that most accurately reflects their annual average labor cost experience.

The following is a description of the sampling method substitute system process. The description assumes that the LEA begins the substitute recordkeeping at the beginning of the fiscal year and the first PARs are collected in July.

- All multiple-cost-objective employees where at least one of the cost objectives is federally funded or is used in meeting cost sharing or matching requirements of federal awards must keep PARs for the full month of July to account for 100 percent of their time spent on activities for which they are compensated. From the
Procedure 905  Documenting Salaries and Wages

PARs, labor distribution reports for July are generated to support effort distribution and charges for costs incurred in July and to provide the basis for employee salary and fringe benefit allocations for August, September, and October.

- In November and March, the multiple-cost-objective employees keep PARs that are used to:
  
  1. Support effort and labor costs incurred in November and March.
  2. Compare with and make any necessary adjustments to the budgeted effort distribution for August through October and December through February.
  3. Project salary and fringe benefit allocations for December through February and April through June.

- The process starts over again the following July to support incurred labor cost allocations for that month and to compare and adjust the budgeted effort distribution for April through June. The July PARs also start another round of labor distribution estimates for the second year.

- After the first full year on the system, LEAs may shift from collecting PARs three times a year (e.g., July, November, March) to two times a year (e.g., July, January) if the deviation between the total estimated time and total actual time charged is consistently less than 10 percent. Thereafter, the twice-yearly PAR collection may be maintained as long as the deviation is consistently less than 10 percent.

Important rules for LEAs choosing to use the sampling method substitute system for time accounting are as follows:

1. All aspects of the substitute system must be implemented in accordance with the guidelines shown in this section. As with any time documentation method, adherence to the substitute system is subject to monitoring.

2. If an LEA elects to use the sampling method substitute system, all multifunded employees who would otherwise be required to complete PARs (i.e., multiple cost objective employees) must participate in that system. They will still complete PARs that cover the entire months being sampled, but the PAR reporting frequency is reduced from every month to only four times (or less) a year.
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3. Employees funded solely (100 percent) from a single federal source or who work on a single cost objective must not participate in the sampling method substitute system because their data would distort the aggregate results of the multifunded data. Those employees must continue to prepare periodic (semiannual) certifications.

Substitute System Based on Employee’s Predetermined Schedule:
Under the predetermined schedule substitute system approved for all LEAs in 2012, an LEA may use alternative documentation—such as a teacher’s course schedule—instead of PARs to document the time and effort of an individual who works on multiple activities or cost objectives but who does so on a predetermined, or fixed, schedule. An individual documenting time and effort under this substitute system is permitted to certify time and effort on a semiannual basis.

CDE is authorized to approve LEAs to use this substitute system for time-and-effort reporting in accordance with the following guidelines. In permitting an LEA to use this substitute system, CDE must obtain from the LEA a management certification certifying that only eligible employees will participate in this substitute system and that the system used to document employee work schedules includes sufficient controls to ensure that the schedules are accurate. Additionally, the certification must include a full disclosure of any known deficiencies with the system or known challenges with implementing the substitute system. This certification may be used by auditors and by CDE oversight personnel when conducting audits and sub-recipient monitoring of the substitute time-and-effort system.

To be eligible to document time and effort under this substitute system, employees must:

- Work on a schedule that includes multiple activities or cost objectives that must otherwise be supported by monthly personnel activity reports.
- Work on specific activities or cost objectives based on a predetermined schedule.
- Not work on multiple activities or cost objectives at the exact same time on their schedule.

Under this predetermined schedule substitute system, in lieu of personnel activity reports, eligible employees may support a distribution of their salaries and wages through documentation of an established work schedule that meets the standards described below. An acceptable work schedule may be in a style and format already used by an LEA.

Employee schedules must:
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- Indicate the specific activity or cost objective that the employee works on for each segment of the employee’s schedule.
- Account for the total hours for which the employee is compensated during the period reflected on the employee’s schedule.
- Be certified at least semiannually and signed by the employee and by a supervisory official having firsthand knowledge of the work performed by the employee.

A sample employee schedule is provided on page 905-28.

Revisions to an employee’s established schedule that will continue for a prolonged period, such as changes relating to the start of a new semester or trimester, must be documented and certified in accordance with the requirements described above. The effective dates of changes to the schedule must be clearly indicated.

Significant deviations from an employee’s established schedule that require the employee to work on multiple activities or cost objectives at the exact same time, including but not limited to lengthy, unanticipated schedule changes, must be documented by the employee using a PAR that covers the period during which the deviations occurred. Significant deviations from an employee’s established schedule that would warrant an individual reverting to a PAR include any deviation from a scheduled activity that represents more than an incidental benefit to the unscheduled activity. To avoid being considered a significant deviation, the time spent on the unscheduled activity must meet each of the following three requirements:

- The time spent on the other activity must not take away from the benefit of the intended beneficiaries of the scheduled activity.
- The time spent on the other activity must not be planned or foreseen at the beginning of the period covered by the schedule.
- The time spent on the other activity must be de minimus.

Unplanned, unforeseen, and infrequent deviations of less than 5% of the predetermined schedule are generally not considered significant. However, even small deviations, if planned or foreseeable at the outset, are considered significant regardless of their size and would warrant a reversion to a PAR. The 5% threshold applies daily.

Approval and Implementation of a Substitute System: LEAs implementing the sampling method substitute system require no further approval from CDE. LEAs implementing the predetermined schedule substitute system require approval from CDE. Approval is automatically granted once the LEA provides certain assurances. The assurances and approval process is administered through the Consolidated Application.
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Note that because the sampling method substitute system requires that all eligible employees must participate, the sampling method system and the predetermined schedule system cannot be implemented in conjunction with one another.

As with all time documentation methods, written policies and procedures are essential to implementing an effective substitute system for time accounting. LEAs should develop forms and provide employee training before implementing the substitute system. It is suggested that a trial run be done before beginning the actual substitute system process.

The following elements should be addressed as an LEA develops and implements a substitute system for time accounting:

1. Proper completion of PARs, including how frequently PAR data must be recorded and what constitutes adequate documentation
2. Required review and approval cycle
3. Handling of completed forms
4. Internal review process to ensure compliance

Generally, this information should provide enough detail to permit an understanding of how the substitute system will operate from the point labor is expended to the point it is recorded in the accounting records and charged to federal awards.

Documentation of Supplemental Employment Contracts

As stated previously, PARs or equivalent documentation must account for the total activity for which an employee is compensated. This would include additional hours worked as part of that activity, such as overtime. However, if an employee has a supplemental contract in addition to a regular position (e.g., a teacher during the school day and a coach after school), then each is evaluated to determine the time documentation needed.

Following are sample scenarios including supplemental employment contracts and the time documentation requirements for each:

1. Regular contract requires time documentation but supplemental contract does not. An employee has a regular contract to work as a Title I teacher during the school day and a supplemental contract to provide athletics coaching after school.
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Time documentation that includes 100 percent of the teacher’s school day is required for the teaching position (either a PAR or periodic (semiannual) certification, depending on the duties). The supplemental coaching position is outside the scope of the employee’s regular position and, if funded from unrestricted moneys, generally would not require time documentation.

2. Both regular contract and supplemental contract require time documentation. An employee has a regular contract to provide both Title I and basic education services during the school day, plus a supplemental contract to work as a tutor for the 21st Century Learning program after school. A PAR or equivalent documentation would be required for the regular contract because it is considered multiple cost objectives. The supplemental tutoring position is outside the teacher’s regular position, but since it is paid for with federal funds, the rules for time documentation apply and a periodic (semiannual) certification would be required.

Salaries and Wages Charged to State Funded Programs

LEAs are required to provide supporting documentation for salaries and wages charged to state restricted programs (resources). Documentation is also required for certain state unrestricted activities, such as when the activity has specific documentation requirements (e.g., state mandated programs), or when salaries and wages are charged to a specific program (goal), or when salaries and wages are split between a direct cost and an indirect cost activity (function).

As with federal programs, the level of documentation needed to charge salaries and wages to a state program or activity is predominantly determined by whether the employee works on a single cost objective or on multiple cost objectives. LEAs must also consider any specific documentation requirements a state program may have, such as if a program requires use of the state documented method (to be discussed next) or if a program has specific limitations or requirements regarding the type(s) of services provided, such as direct services to students.

How to Document State Restricted Salaries and Wages

In the absence of more stringent state program guidelines, when documenting salaries and wages charged to state restricted programs, LEAs may use the documentation methods described in “How to Document Federally Funded Salaries and Wages” beginning on
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page 905–7. These methods include monthly PARs, periodic (semiannual) certifications, and the substitute system for time accounting.

When using federal methods to document state programs, LEAs will follow the single- and multiple-cost objective guidelines to determine the level of time documentation needed. For example, an employee who works on multiple state cost objectives will complete a PAR (or equivalent documentation) or participate in the substitute system for time accounting rather than completing a periodic (semiannual) certification.

In addition to the federal time documentation methods, California has an alternative method that LEAs may use to support salaries and wages charged to state restricted programs. This alternative method is referred to as the state documented method. It is similar to the federal PAR process.

The State Documented Method

Salaries and wages paid from state restricted funds must have supporting documentation conforming to either the federal documentation method or the alternative state documented method. For the state documented method to be used, the following criteria must be met:

1. The specific costs would not occur if the program being documented were discontinued.
2. The costs must be supported by auditable documentation, including time reports and contemporaneous records of activities.
3. All parts of the product or service (e.g., a position or service contract) must be documented.

Unless stated otherwise in the guidance following, personnel whose costs are being documented under the state documented method must complete an activity worksheet. The worksheet must include, as a minimum, the following elements, but additional information may be incorporated to meet local needs:
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Activity Worksheets

- **Reporting frequency.** An employee’s activity worksheet must be completed at least monthly.

- **Information to be reported.** The following basic information must be recorded for each employee being documented:

  1. Name of the LEA
  2. Employee’s name
  3. Employee’s position title
  4. Period covered by the worksheet
  5. Signature of the employee
  6. Signature of the employee’s supervisor
  7. Work activity (e.g., the name/description of the program or cost objective)

The basic activity worksheet generally provides the minimum required documentation when an employee’s assignment is in support of only one program or cost objective. Additional information may be necessary in more complex situations or to meet specific program time documentation requirements.

Employees who are assigned to positions that serve more than one program should also record the following:

  8. Name/description of each program or cost objective
  9. Dates worked
  10. Hours worked

Record only actual hours worked. These hours will be used as the basis for distribution of costs to the programs or cost objectives. Include overtime hours worked, whether paid or unpaid. Exclude time off (vacation, sick leave, and any other time off) or report it as a separate line item. Report to the nearest quarter hour any time worked that is less than one hour. Substantiation of the time spent for each program is to include, at a minimum, a summary time sheet plus contemporaneous records that detail the time spent on each task.

Following are examples of various categories of employees. Under the state documented method, costs documented to single or multiple state restricted programs require at least the following documentation:
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*Program Staff.* An activity worksheet must be completed if the program employee’s time is to be charged to a state restricted program. Use of an activity worksheet to report time spent in various programs means that the employee must be able to substantiate the information that is reported. This substantiation consists of contemporaneous documentation such as appointment calendars, caseload records, and notices of meetings. The LEA must retain such documentation for a minimum of three years after the year of audit.

Employees working in more than one state activity or position whose time is being documented (e.g., an employee working half time as a project director and half time as a psychologist) need to maintain time-accounting records for each activity. Employees working part time in a teaching position and part time in a support position also need to maintain an activity worksheet to record the time spent in the teaching activity and that spent in the support activity.

*Support Service Staff.* Positions providing a support service function that are charged to multiple state activities need to maintain time-accounting records for each activity. When only one program is charged, consistent and verifiable supporting documentation is still needed and may be documented by identification with a position in the personnel/payroll system or an individual’s contract.

*Clerical Staff.* Activity worksheets are normally not needed for clerical staff charged to state restricted programs. The costs of clerical services should be charged in the same manner as the costs of the manager to whom the clerical staff report. An exception is if the clerical duties do not correspond to those of the manager, in which case clerical staff members should document their time by using an activity worksheet.

*Note:* These state time documentation requirements are provided as general guidance and may not be sufficient documentation for all state programs. It is recommended that LEAs obtain specific guidance from the programs to ensure compliance with all requirements.

Documenting State Unrestricted Salaries and Wages

Salaries and wages charged to state unrestricted programs or funding sources generally do not require documentation; however, certain activities may require documentation, such as when:

- The activity has specific documentation requirements. For example, state mandated programs’ parameters and guidelines
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identify documentation requirements applicable to each mandated program.

- An employee’s time is charged to a specific instructional goal or to multiple instructional goals (see “Documenting Salaries and Wages to a Goal,” in the next subsection).

- An employee works on both a direct cost activity and an indirect cost activity (see Procedure 915 for information on indirect cost activities). A monthly PAR or equivalent document is required unless the employee works in a position that fits one of the “in-lieu” distributions provided on page 905-22. Documentation is required because a mixture of direct cost and indirect cost activities is considered multiple cost objectives (OMB Circular A-87, Attachment B, Section 8[h][4]).

- An employee works 100 percent on indirect cost activities. The employee may use the LEA’s regular payroll documentation process to document his or her time as long as the payroll is approved by a responsible LEA official (OMB Circular A-87, Attachment B, Section 8[h][1-2]). The indirect cost activities should be properly identified, such as on a time sheet or in a contract or job description.

**Documenting State Salaries and Wages to a Goal**

As stated previously, documentation is required when salaries and wages are charged to federal funds or state restricted funds. There are also instances when salaries and wages charged to state unrestricted funds must be substantiated, such as when the costs are direct-charged to an instructional goal. When unrestricted salaries and wages charged to a goal are documented, a lesser level of documentation than that required for restricted salaries and wages may be acceptable.

General guidelines and examples of how to document state unrestricted salaries and wages direct-charged to an instructional goal are as follows:

**A. Instructional Salaries and Wages**

Instructional activities must be direct-charged to a specific goal. Generally, the class roster provides sufficient documentation for substantiating the salaries and wages of classroom teachers charged to specific goals.
Procedure 905  Documenting Salaries and Wages

The documentation for instructional aides may be based on their assignment to teachers with class rosters or the category of students to whom they are assigned.

B. Noninstructional Salaries and Wages

Charged to a Single Goal:

When supported by verifiable documentation, noninstructional salaries and wages may be direct-charged to a single goal. Examples of documentation that would be adequate include the contract or job description of a school employee, such as a nurse or counselor, that specifies the category of student they will solely serve, such as special education students; or the contract or job description of a project director that specifies the category of student served, such as Director of Adult Education or ROCP Administrator.

If verifiable documentation does not exist, the costs should be charged to Goal 0000, Undistributed, and subsequently allocated to specific goals during the program cost accounting process (see “Allocating Support Costs Using Allocation Factors,” page 910-5).

Charged to Multiple Goals:

Direct-charging noninstructional salaries and wages to multiple goals requires contemporaneous documentation supporting the amount of time spent on each goal.

The salaries and wages of certificated administrators in instruction-related services (functions 2100 through 2700) or certain pupil services (functions 3100 through 3160 and 3900) that are direct-charged to multiple goals are to be supported by activity worksheets (see page 905-17). In many cases, documentation (e.g., time cards, PARs, or activity worksheets) already provided to substantiate the charging of salaries and wages to federal or state restricted programs is sufficient for documenting to a goal.

The salaries and wages of classified support staff should be distributed usually to the same goals and in the same ratio as the salaries and wages of the certificated personnel to whom the support staff members report.

Noninstructional salaries and wages of personnel other than administrators may be supported by activity worksheets, current
Procedure 905  Documenting Salaries and Wages

job descriptions, or employee contracts. If job descriptions or contracts are used for documentation, they must be regularly reviewed and updated to ensure that they are current and reflect the actual activities of the staff. The charges should be based on actual time spent on specific goals rather than on budgeted figures.

In many situations, instead of noninstructional salaries and wages being charged directly to specific goals, it is appropriate to charge them to Goal 0000, Undistributed, for later allocation to specific goals during the program cost accounting process, using standardized allocation factors (see “Allocating Support Costs Using Allocation Factors,” page 910-5).

**Charged to Multiple Resources and Goals:**

Where salaries and wages are charged to multiple restricted funding sources (resources) and multiple goals, documentation provided to substantiate charging the costs to the resources (e.g., time cards, PARs, or activity worksheets) will also support charging the costs to the goals. For example:

*A counselor, hired to serve all students, is paid with a combination of unrestricted resources, a special education apportionment, and a federal grant for low-income students.* The activities performed by the counselor are varied and serve multiple cost objectives. As stated on page 905-8, because these are multiple cost objectives and part of this funding is federal, the salary split among these three resources must be documented by a PAR or equivalent documentation. This documentation of time by resource will also serve as the documentation between goals.

*A project director’s salary is split among four state restricted funding sources.* As discussed in “Salaries and Wages Charged to State Funded Programs,” page 905-15, the salary split among four state resources must be documented by an activity worksheet, PAR, or equivalent documentation. This documentation of time by resource will also serve as the documentation between goals.

*A school psychologist, under contract to serve all students, spends time doing assessment testing for special education children with existing individualized education programs (IEPs).* If the salary is partially paid with special education money, the documentation of salaries split among resources will also support the split among goals. If the psychologist is paid solely with state unrestricted money but the LEA wishes to direct-charge this cost among goals, then those charges must be supported by time reports, calendars, or
Procedure 905  Documenting Salaries and Wages

other documentation substantiating the actual time spent on the multiple goals.

Distributing Costs of State Programs Based on Activity Worksheets

Monthly time documentation records (PARs, activity worksheets, time cards) for charges to state restricted programs detail the percentage of time employees spend on each activity and become the basis for the distribution of costs. In some instances, the monthly documents support the charging of costs directly to programs during the year; in other instances, the documents are used to distribute costs to programs periodically.

When state funds are involved, the distribution of costs to the specific programs or cost objectives may be done on a schedule that best meets local needs (e.g., monthly, quarterly, at the first or second interim budget reporting periods, or at some other periodic interval). To determine the distribution of costs, record the actual hours worked in each program or cost objective as reported on the time documentation. Determine a proration by computing a ratio of the time spent in each to the total time worked. Distribute the salary and wage costs on the basis of the computed proration. The same proration will be applied to all costs associated with the activity, including the cost of associated clerical staff.

Cost Distributions in Lieu of Time Documentation

The charging of state salaries and wages to more than one goal usually requires documentation of the time spent in each goal. Time documentation is usually also necessary when an employee works on a direct and an indirect activity. However, for salaries and wages paid from state unrestricted funds, certain standardized distributions may be used in lieu of time documentation. These standard time distributions are applicable for use only when the positions are paid from state unrestricted funds.

County Office of Education Services to School Districts. County offices with staff performing similar activities within the areas of County Services to Districts and county office support services may charge costs as follows:

- 50 percent to Goal 8600, County Services to Districts
- 50 percent to Goal 0000, Undistributed

County offices with county board of education staff (Function 7100) performing similar activities within the areas of County Services to
Procedure 905  Documenting Salaries and Wages

Districts and county office general administrative support may charge costs as follows:

- 50 percent to Goal 8600, County Services to Districts
- 50 percent to Goal 0000, Undistributed

**Assistant Superintendents.** The costs of assistant superintendents for instruction or equivalent positions having first-line responsibility for instructional administration and for participation in district/county policy may be charged as follows:

- 50 percent to Function 2100, Instructional Supervision and Administration
- 50 percent to Function 7200, Other General Administration

**Small School Districts and Charter Schools.** Small school districts and charter schools with one person performing the functions of both the principal and the superintendent may charge costs as follows:

- 70 percent to Function 2700, School Administration
- 30 percent to Function 7100, Board and Superintendent

Small school districts and charter schools with staff performing support duties for both school administration and business office administration may charge costs as follows:

- 70 percent to Function 2700, School Administration
- 30 percent to Function 7200, Other General Administration
**Procedure 905  Documenting Salaries and Wages**

**Sample Personnel Activity Report**

<table>
<thead>
<tr>
<th>Cost Objective/Program Title</th>
<th>Account/Resource Code</th>
<th>Hours Worked</th>
<th>Percentage of Hours Worked</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project A</td>
<td>1111</td>
<td>35</td>
<td>21.7% (35÷161)</td>
</tr>
<tr>
<td>Project B</td>
<td>2222</td>
<td>60</td>
<td>37.3% (60÷161)</td>
</tr>
<tr>
<td>Project C</td>
<td>3333</td>
<td>56</td>
<td>34.8% (56÷161)</td>
</tr>
<tr>
<td>Program Administration</td>
<td>4444</td>
<td>10</td>
<td>6.2% (10÷161)</td>
</tr>
<tr>
<td>Total Hours Worked</td>
<td></td>
<td>161</td>
<td>100.0%</td>
</tr>
<tr>
<td>Compensated Time Off</td>
<td></td>
<td>7</td>
<td>n/a</td>
</tr>
<tr>
<td>Total Compensated Time²</td>
<td></td>
<td>168</td>
<td>n/a</td>
</tr>
</tbody>
</table>

I hereby certify that this report is an after-the-fact determination of actual effort expended for the period indicated and that I have full knowledge of 100 percent of these activities.

________________________     _____________
Employee                        Date

---

1. This report must be prepared at least monthly and coincide with one or more pay periods.

2. This report must account for the total activity for which each employee is compensated.

**Caution:**

- This sample form will work well in those situations when an employee’s time spent on programs is fairly predictable and does not vary much during the month. However, for those employees whose time is unpredictable and varies significantly from day to day, a more detailed personnel activity report may be appropriate. Hourly time accounting is the method most accepted by auditors, and the safest approach is always to provide more documentation rather than less.

- This sample form may not include sufficient detail to meet the time documentation requirements of specific programs, such as the requirements related to state mandated costs or the direct services to students and administrative costs under Title I, Part A and Economic Impact Aid.
Procedure 905  Documenting Salaries and Wages

Sample Periodic (Semiannual) Certification for an Individual Employee Working on a Single Cost Objective

Semiannual Certification

<table>
<thead>
<tr>
<th>Period Covered</th>
<th>Fiscal Year</th>
</tr>
</thead>
</table>

Employee Name ______________________________________________________

School/Division/Department ____________________________________________

**Cost Objective/Program Title** | **Account/Resource Code** | **Percentage of Effort**
---|---|---
Program ABC | 1111 | 100%

I hereby certify that this report is an after-the-fact determination of actual effort expended for the period indicated and that I have full knowledge of 100 percent of these activities.

________________________________________      __________________
Employee or Supervisory Official3                                     Date

---

1. This sample certification:
   - Is for employees funded solely (100 percent) from a single cost objective charged to federal or state programs or from a single nonfederal categorical program used in meeting cost-sharing or matching requirements of federal awards.
   - May not meet certain program requirements, such as the direct services to students and administrative costs requirements of Title I, Part A and Economic Impact Aid.

2. Certification must be prepared at least semiannually and cover the entire period of the certification (e.g., six months for a semiannual certification).

3. This certification must be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee. Pursuant to a recommendation by the United States Department of Education and to facilitate good internal control, LEAs may wish to require both signatures.
**Procedure 905   Documenting Salaries and Wages**

Sample Blanket Periodic Certification for Multiple Employees Working on a Single Cost Objective

<table>
<thead>
<tr>
<th>Position</th>
<th>Printed Name</th>
<th>Signature³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teacher B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teacher C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instructional Assistant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tutor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guidance Counselor</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I hereby certify that this report is an after-the-fact determination of actual effort expended for the period indicated and that I have full knowledge of 100 percent of these activities.

___________________________   ____________
Supervisory Official³ (Signature, Printed Name, and Title)                    Date

1. This sample certification:
   - Is for employees funded solely (100 percent) from a single cost objective charged to federal or state programs.
   - May not meet certain program requirements, such as the direct services to students and administrative costs requirements of Title I, Part A and Economic Impact Aid.

2. This certification must be prepared at least semiannually and cover the entire period of the certification (e.g., six months for a semiannual certification).

3. This periodic certification must be signed by the employee or by the supervisory official having firsthand knowledge of the work performed by the employee(s). To maximize the intent of the blanket semiannual time certification, it is acceptable to design it with only the supervisory official’s signature block.
Procedure 905  Documenting Salaries and Wages

Sample Periodic Certification for an Employee Working on Multiple Cost Objectives on a Predetermined Schedule

<table>
<thead>
<tr>
<th>Cost Objective/Program Title</th>
<th>Account/Resource Code</th>
<th>Distribution of Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project A</td>
<td>1111</td>
<td>48.7%</td>
</tr>
<tr>
<td>Project B</td>
<td>2222</td>
<td>11.5%</td>
</tr>
<tr>
<td>Project C</td>
<td>3333</td>
<td>39.8%</td>
</tr>
<tr>
<td>Time</td>
<td></td>
<td>100.0%</td>
</tr>
</tbody>
</table>

I certify that I performed work consistent with the attached schedule(s) and as distributed in the above percentages during the Certification Period.

________________________________________       _________________
Employee                                                     Date

I hereby certify that this report is an after-the-fact determination of actual effort expended for the period indicated and that I have full knowledge of 100 percent of these activities.

_______________________________________________   ____________
Supervisory Official3 (Signature, Printed Name, and Title)        Date

1. This certification must be prepared at least semiannually and cover the entire period of the certification (e.g., six months for a semiannual certification).
2. This report must account for the total activity for which each employee is compensated.
3. This certification must be signed by the employee and by a supervisory official having firsthand knowledge of the work performed by the employee. Both signatures are required.
# Procedure 905  Documenting Salaries and Wages

## Sample Employee Predetermined Schedule

**Employee Name:** _________________________  **Period Covered:** _________________________

**Position:** _________________________  **School/Division/Department:** _________________________

<table>
<thead>
<tr>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:00-8:30</td>
<td>8:00-8:30</td>
<td>8:00-8:30</td>
<td>8:00-8:30</td>
<td>8:00-8:30</td>
</tr>
<tr>
<td>Consult with staff</td>
<td>Consult with staff</td>
<td>Consult with staff</td>
<td>Consult with staff</td>
<td>Consult with staff</td>
</tr>
<tr>
<td>regarding Title I</td>
<td>regarding Title I</td>
<td>regarding Title I</td>
<td>regarding Title I</td>
<td>students/curriculum</td>
</tr>
<tr>
<td>students/curriculum</td>
<td>students/curriculum</td>
<td>students/curriculum</td>
<td>students/curriculum</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8:30-8:45 Break</td>
<td>8:30-8:45 Break</td>
<td>8:30-8:45 Break</td>
<td>8:30-8:45 Break</td>
<td>8:30-8:45 Break</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8:45-9:15 Special ed.</td>
<td>8:45-9:15 Special ed.</td>
<td>8:45-9:15 Special ed.</td>
<td>8:45-9:15 Special ed.</td>
<td>8:45-9:15 Special ed.</td>
</tr>
<tr>
<td>support</td>
<td>support</td>
<td>support</td>
<td>support</td>
<td>support</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9:15-10:00</td>
<td>9:15-10:00</td>
<td>9:15-10:00</td>
<td>9:15-10:00</td>
<td>9:15-10:00</td>
</tr>
<tr>
<td>Small group reading</td>
<td>Small group reading</td>
<td>Small group reading</td>
<td>Small group reading</td>
<td>Small group reading</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10:00-10:30</td>
<td>10:00-11:00</td>
<td>10:00-10:30</td>
<td>10:00-11:00</td>
<td>10:00-10:30</td>
</tr>
<tr>
<td>Small group math</td>
<td>2nd grade Title I</td>
<td>Small group math</td>
<td>2nd grade Title I</td>
<td>Small group math</td>
</tr>
<tr>
<td>reading/math</td>
<td>reading/math</td>
<td></td>
<td>reading/math</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11:00-11:30</td>
<td>11:00-11:30</td>
<td>11:00-11:30</td>
<td>11:00-11:30</td>
<td>11:00-11:30</td>
</tr>
<tr>
<td>Lunch Break</td>
<td>Lunch Break</td>
<td>Lunch Break</td>
<td>Lunch Break</td>
<td>Lunch Break</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11:30-11:45</td>
<td>11:30-11:45</td>
<td>11:30-11:45</td>
<td>11:30-11:45</td>
<td>11:30-11:45</td>
</tr>
<tr>
<td>student catch-up</td>
<td>student catch-up</td>
<td>student catch-up</td>
<td>student catch-up</td>
<td>student catch-up</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11:45-12:35</td>
<td>11:45-12:35</td>
<td>11:45-12:35</td>
<td>11:45-12:35</td>
<td>11:45-12:35</td>
</tr>
<tr>
<td>Small group math</td>
<td>Small group math</td>
<td>Small group math</td>
<td>Small group math</td>
<td>Small group math</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12:35-1:05</td>
<td>12:35-1:05</td>
<td>12:35-1:05</td>
<td>12:35-1:05</td>
<td>12:35-1:05</td>
</tr>
<tr>
<td>Small group writing</td>
<td>Small group writing</td>
<td>Small group writing</td>
<td>Small group writing</td>
<td>Small group writing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1:05-1:20 Break</td>
<td>1:05-1:20 Break</td>
<td>1:05-1:20 Break</td>
<td>1:05-1:20 Break</td>
<td>1:05-1:20 Break</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1:20-1:40 Title I prep</td>
<td>1:20-1:40 Title I prep</td>
<td>1:20-1:40 Title I prep</td>
<td>1:20-1:40 Title I prep</td>
<td>1:20-1:40 Title I prep</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1:40-2:30 First grade</td>
<td>1:40-2:30 First grade</td>
<td>1:40-2:30 First grade</td>
<td>1:40-2:30 First grade</td>
<td>1:40-2:30 First grade</td>
</tr>
<tr>
<td>Title I reading/math</td>
<td>Title I reading/math</td>
<td>Title I reading/math</td>
<td>Title I reading/math</td>
<td>Title I reading/math</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2:30-3:30</td>
<td>2:30-3:30</td>
<td>2:30-3:30</td>
<td>2:30-3:30</td>
<td>2:30-3:30</td>
</tr>
<tr>
<td>Title I lesson planning</td>
<td>Title I lesson planning</td>
<td>Title I lesson planning</td>
<td>Title I lesson planning</td>
<td>Title I lesson planning</td>
</tr>
<tr>
<td>and student learning</td>
<td>and student learning</td>
<td>and student learning</td>
<td>and student learning</td>
<td>and student learning</td>
</tr>
<tr>
<td>plan follow-up</td>
<td>plan follow-up</td>
<td>plan follow-up</td>
<td>plan follow-up</td>
<td>plan follow-up</td>
</tr>
<tr>
<td>3:00-3:30 Bus duty</td>
<td>3:00-3:30 Bus duty</td>
<td>3:00-3:30 Bus duty</td>
<td>3:00-3:30 Bus duty</td>
<td>3:00-3:30 Bus duty</td>
</tr>
</tbody>
</table>

Rev. November 2013
Appendix B  Normal Balances of Balance Sheet Accounts

Chart of Accounts

<table>
<thead>
<tr>
<th>Accounts</th>
<th>Normal Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>9110</td>
<td>Cash in County Treasury .................................................. Dr</td>
</tr>
<tr>
<td>9111</td>
<td>Fair Value Adjustment to Cash in County Treasury .................. Dr</td>
</tr>
<tr>
<td>9120</td>
<td>Cash in Bank(s) .................................................................. Dr</td>
</tr>
<tr>
<td>9130</td>
<td>Revolving Cash Account .................................................. Dr</td>
</tr>
<tr>
<td>9135</td>
<td>Cash with a Fiscal Agent/Trustee ....................................... Dr</td>
</tr>
<tr>
<td>9140</td>
<td>Cash Collections Awaiting Deposit .................................... Dr</td>
</tr>
<tr>
<td>9150</td>
<td>Investments .................................................................. Dr</td>
</tr>
<tr>
<td>9200</td>
<td>Accounts Receivable ............................................................ Dr</td>
</tr>
<tr>
<td>9290</td>
<td>Due from Grantor Governments ........................................... Dr</td>
</tr>
<tr>
<td>9310</td>
<td>Due from Other Funds ............................................................ Dr</td>
</tr>
<tr>
<td>9320</td>
<td>Stores ................................................................... Dr</td>
</tr>
<tr>
<td>9330</td>
<td>Prepaid Expenditures (Expenses) ....................................... Dr</td>
</tr>
<tr>
<td>9340</td>
<td>Other Current Assets .................................................. Dr</td>
</tr>
<tr>
<td>9410</td>
<td>Land .................................................................. Dr</td>
</tr>
<tr>
<td>9420</td>
<td>Land Improvements .................................................. Dr</td>
</tr>
<tr>
<td>9425*</td>
<td>Accumulated Depreciation—Land Improvements .................. Dr</td>
</tr>
<tr>
<td>9430</td>
<td>Buildings ................................................................ Dr</td>
</tr>
<tr>
<td>9435*</td>
<td>Accumulated Depreciation—Buildings .................. Dr</td>
</tr>
<tr>
<td>9440</td>
<td>Equipment ................................................................ Dr</td>
</tr>
<tr>
<td>9445*</td>
<td>Accumulated Depreciation—Equipment .................. Dr</td>
</tr>
<tr>
<td>9450</td>
<td>Work in Progress .................................................. Dr</td>
</tr>
<tr>
<td><strong>Deferred Outflows of Resources</strong></td>
<td></td>
</tr>
<tr>
<td>9490</td>
<td>Deferred Outflows of Resources ........................................ Dr</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>9500</td>
<td>Accounts Payable (Current Liabilities) ........................................ Cr</td>
</tr>
<tr>
<td>9590</td>
<td>Due to Grantor Governments ........................................... Cr</td>
</tr>
<tr>
<td>9610</td>
<td>Due to Other Funds .................................................. Cr</td>
</tr>
<tr>
<td>9620</td>
<td>Due to Student Groups/Other Agencies .................................. Cr</td>
</tr>
<tr>
<td>9640</td>
<td>Current Loans ................................................................ Cr</td>
</tr>
</tbody>
</table>

*Accumulated depreciation accounts are contra-asset accounts that reduce the carrying value of the capital assets to which they relate. Accumulated depreciation accounts may technically be reported either as debit accounts with negative balances or as credit accounts with positive balances. For clarity of presentation and consistency of LEA data statewide, accumulated depreciation accounts shall be reported as debit accounts with their credit balances displayed as negatives.
### Appendix B  Normal Balances of Balance Sheet Accounts

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>9650</td>
<td>Unearned Revenue</td>
<td>Cr</td>
</tr>
<tr>
<td>9661</td>
<td>General Obligation Bonds Payable</td>
<td>Cr</td>
</tr>
<tr>
<td>9662</td>
<td>State School Building Loans Payable</td>
<td>Cr</td>
</tr>
<tr>
<td>9664</td>
<td>Net OPEB Obligation</td>
<td>Cr</td>
</tr>
<tr>
<td>9665</td>
<td>Compensated Absences Payable</td>
<td>Cr</td>
</tr>
<tr>
<td>9666</td>
<td>Certificates of Participation (COPs) Payable</td>
<td>Cr</td>
</tr>
<tr>
<td>9667</td>
<td>Capital Leases Payable</td>
<td>Cr</td>
</tr>
<tr>
<td>9668</td>
<td>Lease Revenue Bonds Payable</td>
<td>Cr</td>
</tr>
<tr>
<td>9669</td>
<td>Other General Long-Term Debt</td>
<td>Cr</td>
</tr>
<tr>
<td>9690</td>
<td>Deferred Inflows of Resources</td>
<td>Cr</td>
</tr>
</tbody>
</table>

### Deferred Inflows of Resources

- 9690  Deferred Inflows of Resources

### Fund Balance

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>9711</td>
<td>Nonspendable Revolving Cash</td>
<td>Cr</td>
</tr>
<tr>
<td>9712</td>
<td>Nonspendable Stores</td>
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</tr>
<tr>
<td>9713</td>
<td>Nonspendable Prepaid Items</td>
<td>Cr</td>
</tr>
<tr>
<td>9719</td>
<td>All Other Nonspendable Assets</td>
<td>Cr</td>
</tr>
<tr>
<td>9720</td>
<td>Reserve for Encumbrances</td>
<td>Cr</td>
</tr>
<tr>
<td>9740</td>
<td>Restricted Balance</td>
<td>Cr</td>
</tr>
<tr>
<td>9750</td>
<td>Stabilization Arrangements</td>
<td>Cr</td>
</tr>
<tr>
<td>9760</td>
<td>Other Commitments</td>
<td>Cr</td>
</tr>
<tr>
<td>9780</td>
<td>Other Assignments</td>
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</tr>
<tr>
<td>9789</td>
<td>Reserve for Economic Uncertainties</td>
<td>Cr</td>
</tr>
<tr>
<td>9790</td>
<td>Unassigned/Unappropriated/Unrestricted Net Position</td>
<td>Cr</td>
</tr>
<tr>
<td>9791</td>
<td>Beginning Fund Balance</td>
<td>Cr</td>
</tr>
<tr>
<td>9793</td>
<td>Audit Adjustments</td>
<td>Cr</td>
</tr>
<tr>
<td>9795</td>
<td>Other Restatements</td>
<td>Cr</td>
</tr>
<tr>
<td>9796</td>
<td>Net Investment in Capital Assets</td>
<td>Cr</td>
</tr>
<tr>
<td>9797</td>
<td>Restricted Net Position</td>
<td>Cr</td>
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### Budgetary Accounts

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>9810</td>
<td>Estimated Revenue</td>
<td>Dr</td>
</tr>
<tr>
<td>9815</td>
<td>Estimated Other Financing Sources (Optional)</td>
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</tr>
<tr>
<td>9820</td>
<td>Appropriations</td>
<td>Cr</td>
</tr>
<tr>
<td>9825</td>
<td>Estimated Other Financing Uses (Optional)</td>
<td>Cr</td>
</tr>
<tr>
<td>9830</td>
<td>Encumbrances</td>
<td>Dr</td>
</tr>
</tbody>
</table>

### Control Accounts

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>9840</td>
<td>Revenue</td>
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<tr>
<td>9845</td>
<td>Other Financing Sources (Optional)</td>
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</tr>
<tr>
<td>9850</td>
<td>Expenditures</td>
<td>Dr</td>
</tr>
<tr>
<td>9855</td>
<td>Other Financing Uses (Optional)</td>
<td>Dr</td>
</tr>
</tbody>
</table>
Appendix B  Normal Balances of Balance Sheet Accounts

Nonoperating Accounts

9910  Suspense Clearing ..................................................................................................................Dr, Cr
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Glossary

A

Abatement. A complete or partial cancelation of an expenditure or revenue.

Abatement of expenditures. Cancelation of part or all of a charge previously made, usually because of refunds, rebates, resale of materials originally purchased by the local educational agency (LEA), or collections for loss or damage to the LEA’s property. An abatement of expenditure applies to current expenditures and capital outlay expenditures from all funds.

Abatement of revenue. The cancelation of all or some part of any specific revenue previously recorded.

Account group. A self-balancing set of accounts that list government's fixed assets and long-term debt and that are not otherwise a part of governmental funds.

Accounting period. A period of time for which records are maintained and at the end of which financial statements are prepared covering the period.

Account numbers or letters. Numbers and/or letters that are assigned to the ordinary titles of accounts for classification of accounts and ease of reference.

Accounts payable. Amounts due and owed to private persons, business firms, governmental units, or others for goods received and/or services rendered prior to the end of the fiscal year. Includes amounts billed but not paid. Does not include amounts due to other funds of the same LEA.

Accounts receivable. Amounts due and owed from private persons, business firms, governmental units, or others for goods received and/or services rendered prior to the end of the fiscal year. Includes amounts billed but not received. Does not include amounts due from other funds of the same LEA.

Accrual basis. Method of accounting in which revenue is recorded when earned, even though it has not yet been collected, and in which expenses are recorded when the liabilities are incurred, even if they have not been paid yet.

Accrued expenditures. Expenditures incurred during the current accounting period that are not paid until a subsequent accounting period.

Accrued revenue. Revenue earned during the current accounting period that is not collected until a subsequent accounting period.

Accumulated depreciation. A contra-asset account used to report the accumulation of depreciation. (See also Depreciation.)

Actuarial basis. A method used in computing the amount of contributions to be made periodically to a fund so that the total contributions plus the compounded earnings thereon will equal the required payments to be made out of the fund. The factors taken into account in arriving at the amount include the length of time over which each collection or payment is to be made and the rate of return compounded on such amounts over its life.

Ad valorem tax. A tax based on a percentage of the value of goods or services.

Agency fund. A fund consisting of resources received and held by an LEA as an agent for others.
Glossary

**Allocation.** Division or distribution in accordance with a predetermined plan.

**Allowable costs.** Costs that meet the specific criteria of a granting agency.

**Allowance.** A provision for valuing an asset at net, such as an allowance for bad debts. The allowance for bad debts would be deducted from accounts receivable to reflect the receivables that are likely to be collectible.

**Apportionment.** Allocation of state or federal aid, district taxes, or other moneys among LEAs or other governmental units.

**Apportionment notice.** A document notifying LEAs when moneys were deposited with the county treasurer.

**Appraisal.** An estimate of property value made by the use of systematic procedures based on physical inspection and inventory, engineering studies, and other economic factors.

**Appropriation.** An authorization, granted by the governing board, to make expenditures and to incur obligations for special purposes. An appropriation is usually limited in purpose, amount, and the time period during which it may be expended.

**Appropriation ledger.** A subsidiary ledger containing an account for each appropriation. Each account usually shows the amount originally appropriated in the budget, budget increases or decreases during the year, expenditures, encumbrances, unencumbered balances, and other related information.

**Arbitrage.** The profit earned (i.e., interest earnings in excess of interest costs) from the investments of the proceeds of lower-interest tax-exempt securities in higher yielding taxable securities.

**Assessed valuation.** Value placed on personal and real property by a governmental unit for purposes of taxation.

**Assets.** Resources that are held or owned by an LEA and that have monetary value.

**Audit.** An examination of documents, records, and accounts for the purpose of (1) determining the propriety of transactions; (2) ascertaining whether all transactions are recorded properly; and (3) determining whether statements that are drawn from accounts reflect an accurate picture of financial operations and financial status for a given period of time.

**Audit finding.** A weakness in internal controls or an instance of noncompliance with applicable laws and regulations that is presented in the audit report.

**Audit program.** A detailed outline of work to be done and the procedures to be followed during an audit.

**Available cash.** Cash that is on hand or on deposit in a given fund and that is unencumbered and can be used for meeting current obligations.

**Average daily attendance (ADA).** Total approved days of attendance in the LEA divided by the number of days the schools in the LEA are in session for at least the required minimum day. (Refer to Education Code Section 46300 and California Code of Regulations, Title 5, Education, sections 400–424.)
Glossary

B

Balance sheet. A statement that shows the assets, liabilities, and fund balance or fund deficit of an entity at a specific date and that is properly classified to exhibit the financial condition of the entity as of that specific date.

Basis of accounting. The time at which revenues, expenditures, transfers, and related liabilities and assets are recognized in the accounts and are reported in the financial statements.

Bond. A certificate containing a written promise to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and specifying interest at a fixed rate, usually payable periodically.

Bond discount. The excess of the face value of a bond over the price for which it is acquired or sold. (The price does not include accrued interest at the date of acquisition or sale.)

Bonded debt. That portion of indebtedness represented by outstanding bonds.

Bonded debt service. Expenditures for interest and redemption of bonds.

Bond premium. The excess of the price at which a bond is acquired or sold over its face value. (The price does not include accrued interest at the date of acquisition or sale.)

Bonds authorized and unissued. Legally authorized bonds that have not been sold and that may be sold without further authorization.

Book value. The cost or stated costs of assets less accumulated depreciation as shown by the books of accounts.

Budget. A plan of financial operation consisting of an estimate of proposed revenue and expenditures for a given period and purpose. The term usually indicates a financial plan for a single fiscal year.

Budgetary accounts. Those accounts that make it possible for a budgetary-type fund (governmental fund) to show how (1) estimated revenue and revenue realized to date compare; and (2) expenditures and encumbrances compare with appropriations during the fiscal period. The budgetary accounts are estimated revenues, appropriations, and encumbrances.

Budgetary control. The management of financial transactions in accord with an approved plan of estimated revenue and expenditures.

Budgeting. The process of allocating the available resources of an organization among potential activities to achieve the objectives of the organization; planning for the use of resources.

Budget revision. Net increases and decreases to the budget. They may include increases due to new grant funds and decreases due to the need to reduce appropriations to keep spending within available revenues.

Budget transfer. Changes among budgeted items. They do not increase or decrease the total budget.

C
Glossary

Capital assets. See Fixed assets.

Capital lease. A lease agreement that meets one or more of the following criteria is classified as a capital lease:

- Ownership is transferred to the lessee at the end of the lease term.
- The agreement contains a “bargain purchase” option.
- The lease agreement is 75 percent or more of the estimated useful life of the property.
- The present value of the minimum lease payment is 90 percent or more of the fair market value of the property.

Capital outlay. Amounts paid for fixed assets or additions to fixed assets, including land or existing buildings, the improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial and additional equipment.

Capital projects funds. Funds established to account for financial resources that are to be used for the acquisition or construction of major capital facilities and other capital assets.

Cash. Currency, checks, postal and express money orders, and bankers’ drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits. Any restriction or limitation as to the availability of cash should be indicated.

Cash advance. Cash apportioned in advance of the usual apportionment period.

Cash basis. Method of accounting in which revenue and expenditures are recorded only when cash is actually received or disbursed. The cash basis is not acceptable for use in LEAs.

Cash collections awaiting deposit. Receipts on hand or moneys in a bank clearing account awaiting deposit in the county treasury.

Cash discount. An allowance made on a purchase if payment is made within a stated period. (This term is not to be confused with trade discount.)

Cash in bank. Balances in separate bank accounts, such as student body accounts, school farm accounts, and cafeteria accounts.

Cash in county treasury. Cash balances on deposit in the county treasury for the various funds of the LEA.

Categorical aid. Funds from state or federal sources that are in addition to the general-purpose funding to serve a specific pupil population or to provide specific services and activities. These funds have varying degrees of fiscal and program compliance requirements.

Certificates of participation (COPs). A financing technique that provides long-term financing through a lease (with an option to purchase or a conditional sale agreement).

Chart of accounts. A systematically arranged list of accounts that are applicable to a specific LEA. All account names and numbers, if any, are listed in numerical order.

Check. A bill of exchange drawn on a bank and payable on demand; a written order on a bank to pay on demand a specific sum of money to a named person, to his or her order, or to a bearer out of money on deposit to the credit of the maker. A check differs from a warrant in that a warrant is not necessarily payable on demand and may not be negotiable; a check differs from a voucher in
Glossary

that a voucher is not an order to pay. A voucher–check combines the distinguishing characteristics of a voucher and a check; it shows the propriety of a payment and is an order to pay.

Classification. The naming or identification of an item or a category, such as the designation of the particular account into which a receipt or an expenditure is to be recorded or the separation of data into acceptable groupings so that financial facts can be stated more clearly.

Classroom unit (CU). The approximate area usually occupied by a classroom, varying from 800 to 1,100 square feet but generally about 960 square feet.

Clearing accounts. Accounts used to accumulate total receipts or expenditures for later distribution among the accounts to which such receipts or expenditures are properly allocable.

Closing entries. Entries recorded at the end of each fiscal period to transfer the balances in the revenue and expenditure (or expense) accounts to the permanent equity accounts (fund balance or retained earnings) of an accounting entity.

Code. (1) A distinguishing reference number or symbol; (2) a statement of the laws of a specific field (e.g., Education Code, Penal Code, Civil Code, and Labor Code).

Compensated absences. Absences for which compensation is paid (e.g., vacation and sick leave).

Component unit. An organization that is legally separate and for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Comprehensive Annual Financial Report (CAFR). Financial reporting consisting of three sections: (1) introductory section (general information on the LEA’s structure, services, and environment); (2) financial section (basic financial statements and required supplementary information, together with information on individual funds and discretely presented component units not reported separately in the financial statements); and (3) statistical section (trend and nonfinancial data useful in interpreting the basic financial statements).

Contingent liabilities. Items that may become liabilities as a result of conditions undetermined at a given date (e.g., guarantees, pending lawsuits, judgments and appeals, and unsettled disputed claims).

Contra account. An account to record offsetting transactions (e.g., abatements).

Contract. An agreement between two or more people or entities to do something. Contracts are usually in writing and are enforceable by law.

Contracted services. Expenditures for services rendered under contract by personnel who are not on the payroll of the LEA, including all related expenditures covered by the contract.

Control account. A summary account, usually maintained in the general ledger, in which is entered the aggregate of the debit and the credit postings to a number of identical, similar, or related accounts called subsidiary accounts. Its balance equals the sum of the balances of the detail accounts.

Cost. The amount of money or its equivalent value paid or agreed to be paid for property or services. Cost may be incurred even before money is paid; that is, as soon as a liability is assumed. Ultimately,
Glossary

however, money or its equivalent must be given in exchange. The cost of some property or service may in turn become part of the cost of another property or service. For example, the cost of materials will be reflected in the cost of articles made from such materials.

County School Service Fund (CSSF). A fund established to control the financial operations of county offices of education.

Credit. The right side of a double-entry posting. Credits will reduce assets and expenditures and increase liabilities, revenue, and fund balance.

Current assets. Assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities.

Current expense of education. The current general fund operating expenditures of an LEA for kindergarten and grades one through twelve, excluding expenditures for food services, community services, nonagency activities, fringe benefits for retired persons, acquisition and construction of facilities, and objects 6000 and 7000.

Current liabilities. Amounts due and payable for goods and services received prior to the end of the fiscal year. Current liabilities should be paid within a relatively short period of time, usually within a year.

Current loans. Loans payable in the same fiscal year in which the money was borrowed.

D

Debit. The left side of a double-entry posting. A debit will increase assets and expenditures and reduce liabilities, revenue, and fund balance.

Debt limit. The maximum amount of legally permitted debt.

Debt service. Expenditures for the retirement of debt and for interest on debt.

Debt service funds. Funds established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Deficit. The amount by which a sum of money falls short of a required amount (e.g., apportionment deficits or budget deficits).

Deficit financing. The amount to be provided when estimated expenditures exceed the estimated revenues.

Deficit fund balance. The excess of liabilities of a fund over its assets.

Deficit spending. The excess of actual expenditures over actual revenues (also referred to as an operating deficit).

Delinquent taxes. Taxes remaining unpaid after the close of the year in which levied. (See also Prior years’ taxes, in most cases the preferred term.)

Depreciation. Estimated loss in value or service life of fixed assets because of wear and tear through use, elapse of time, inadequacy, or obsolescence.
Glossary

Designation for economic uncertainties. See Reserve for economic uncertainties.

Direct expenses or costs. Expenses that can be separately identified and charged as parts of the cost of a product, service, or department.

Direct support charges. Charges for a support program and services that directly benefit other programs.

Disbursements. Payments by currency, check, or warrant. (The term is not synonymous with expenditures.)

Double entry. A system of bookkeeping that requires an amount credited for every corresponding amount debited. Thus, the double-entry ledger maintains equality of debits and credits.

E

Earned interest revenue. A sum of money received or due to be received for the use of money loaned or invested.

EDGAR (Education Department General Administrative Regulations). The regulations of the U.S. Department of Education incorporating certain circulars from the Office of Management and Budget. EDGAR is found in the Code of Federal Regulations, Title 34, parts 74, 75, 76, 77, 79, 80, 81, 82, 85, and 86. It is defined in the Code of Federal Regulations, Title 34, part 77.1.

Employee benefits. Amounts paid by the LEA on behalf of employees. These amounts are not included in the gross salary but are over and above. They are fringe-benefit payments; although not paid directly to employees, they are nevertheless part of the cost of salaries and benefits. Examples are (1) group health or life insurance payments; (2) contributions to employee retirement; (3) OASDI (Social Security) taxes; (4) workers’ compensation payments; and (5) payments made to personnel on sabbatical leave.

Encroachment. The use of unrestricted moneys to support restricted program expenditures.

Encumbrances. Obligations in the form of purchase orders, contracts, salaries, and other commitments chargeable to an appropriation for which a part of the appropriation is reserved.

Enterprise funds. Funds used to account for those ongoing activities of the LEA that because of their income-producing character are similar to those found in the private sector.

Entitlement. An apportionment that is based on specific qualifications or formula defined in statute. (This term should not be used as a basis for determining how to account for unspent balances of categorical aid.)

Equity accounts. These accounts represent the difference between the assets and liabilities of a fund.

Estimated revenues. For revenue accounts kept on the accrual basis, this term designates the amount of revenue estimated to accrue during a given period regardless of whether all of it is to be collected during the period.

Expendable trust fund. A trust fund in which principal and earnings may be expended.
Glossary

Expenditures. The costs of goods delivered or services rendered, whether paid or unpaid, including expenses, provision for debt retirement not reported as a liability of the fund from which retired, and capital outlay.

Expenses. Charges incurred, whether paid or unpaid, for operations, maintenance, interest, and other charges that are presumed to benefit the current fiscal period. Expense accounts are used in certain trust funds and in proprietary-type funds.

F

Face value. As applied to securities, the amount stated in the security document.

Fair value of investments. The amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

Fees. Amounts collected from or paid to individuals or groups for services or for use of a school or other facility.

Fidelity bond. A form of insurance that provides for the indemnification of the LEA or other employer for losses arising from the theft or dishonesty of employees.

Fiscal year. A period of one year, the beginning and the ending dates of which are fixed by statute. For LEAs, it is the period beginning July 1 and ending on June 30.

Fixed assets. Assets of a permanent character having continuing value (e.g., land, buildings, machinery, furniture, and equipment), with a cost over the capitalization threshold set by the LEA.

Full-time-equivalent (FTE). The ratio of time expended in a part-time position to that of a full-time position. The ratio is derived by dividing the amount of time of employment required in the part-time position by the amount of employed time required in a corresponding full-time position.

Function. An act, service, or group of services proper to a person, thing, or institution and aimed at accomplishing a certain end. In SACS, function refers to those activities or services performed to accomplish a goal.

Fund. A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accord with special regulations, restrictions, or limitations.

Fund balance. The difference between assets and liabilities. The fund equity of governmental and trust funds.

G

General fund. The fund used to finance the ordinary operations of the LEA. It is available for any legally authorized purpose.
Glossary

General journal. A book of original entry for all entries of financial transactions that are not recorded in a special journal, such as a cash receipts journal, a voucher register, or a cash disbursements journal.

General ledger. A book, file, or other device that contains the accounts needed to reflect, in summary and in detail, the financial position, the results of financial operations, and the changes in equities of a fund or an account group used by an LEA.

General long-term debt. Long-term debt that is legally payable from general revenue and backed by the full faith and credit of an LEA.

Generally accepted accounting principles (GAAP). Uniform minimum standards of, and guidelines to, financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. These principles encompass the conventions, rules, and procedures necessary to define accepted accounting practices and procedures. Generally accepted accounting principles provide a standard by which to measure financial presentations. The primary authoritative source on the application of these principles to state and local governments is the Governmental Accounting Standards Board (GASB).

Generally accepted auditing standards (GAAS). Measures of the quality of the performance of auditing procedures and the objectives to be attained through their use. The standards are concerned with the auditor’s professional qualities and with the judgment exercised in the performance of an audit. Generally accepted auditing standards are established by the American Institute of Certified Public Accountants (AICPA).

Generally accepted governmental auditing standards (GAGAS). Generally accepted auditing standards for government are established by the U.S. Government Accounting Office in Standards and Procedures for Audits of Governmental Organizations, Programs, Activities, and Functions.

Gift. Anything of value received from any source for which no repayment or service to the contributor is expected.

Goal. In SACS, a goal defines an objective or a set of objectives for the LEA. It is used to account for the cost of instruction and other services by the instructional goals and objectives of an LEA.

Governmental Accounting Standards Board (GASB). The organization established to issue standards of financial accounting and reporting with respect to activities and transactions of state and local governmental entities. It is the successor organization to the National Council on Governmental Accounting (NCGA).

Grade level. Assigned classification of students according to age and school progress (e.g., kindergarten or first grade).

Grant. A contribution, either in money or material goods, made by one governmental entity to another. Grants may be intended for specific or general purposes. (This term should not be used as a basis for determining how to account for unspent balances of categorical aid.)

Grants-in-aid. See Grant.
**Glossary**

_Holding accounts._ Suspense accounts that are used temporarily to accumulate costs that will ultimately be charged to other user programs.

**Income.** A term used in accounting for a proprietary-type fund to represent the excess of revenues earned over the expenses incurred in carrying on the fund’s operations. The term _income_ should not be used in lieu of _revenue_ in governmental-type funds.

**Indirect cost.** Elements of cost necessary in the operation of the LEA or in the performance of a service that are of such nature that the amount applicable to each accounting unit cannot be determined readily and accurately or for which the cost of such determination exceeds the benefit of the determination. It consists of those business and administrative costs that benefit the entire LEA (e.g., accounting, budgeting, personnel, purchasing).

**Indirect cost rate (ICR).** A method for claiming reimbursement of indirect costs from federal and state categorical funds. It is the ratio (expressed as a percentage) of the indirect costs to direct base costs.

**Indirect support charges.** Charges for routine services not performed as a special service for a particular program but allocated to user programs.

**In lieu of taxes.** Revenue to replace the loss of tax revenue resulting from property that is exempted from taxation.

**Interest.** A fee charged to a borrower for the use of money.

**Interfund accounts.** Accounts in which transactions between funds are reflected.

**Interfund transfers.** Money that is taken from one fund under the control of the governing board and added to another fund under the board's control. Interfund transactions other than loans, quasi-external transactions, and reimbursement. Interfund transfers are not revenues or expenditures of the LEA. (See also _Operating transfers_ or _Residual equity transfers._)

**Interim borrowing.** (1) Short-term loans to be repaid from general revenues during the course of a fiscal year; (2) short-term loans in anticipation of tax collections or bond insurance.

**Interim reports.** Reports prepared as of a date or a period during the fiscal year. They include budgetary estimates, financial transactions during current year-to-date, and end-of-year projections.

**Internal audit.** An appraisal activity within an LEA that (1) determines the adequacy of the system of internal control; (2) verifies and safeguards assets; (3) determines the reliability of the accounting and reporting system; (4) ascertains compliance with existing policies and procedures; and (5) appraises the performance of activities and work programs.

**Internal control.** A plan of organization under which employees’ duties are so arranged, and records and procedures so designated, as to provide a system of self-checking, thereby enhancing accounting control over assets, liabilities, revenue, and expenditures. Under such a system, the employees’ work is subdivided so that no single employee performs a complete cycle of operation. Such procedures call for proper authorization by designated officials.
Glossary

*Internal service funds.* Funds created to render services on a cost-reimbursement basis to other organizational units of the LEA. Such funds are generally intended to be self-supporting.

*Inventory.* A detailed list showing the quantities and a description of the property on hand at a given time. It may also include units of measure, unit prices, and values.

*Investments.* Usually, securities and real estate held for the purpose of generating revenues, such as interest, dividends, or rental payments.

*Invoice.* An itemized statement of charges for merchandise sold or services rendered to the purchaser.

J

*Job account.* An account established to record the accumulation of costs of a specific piece of work; work orders showing charges for material and labor used.

*Journal.* Any accounting record in which the financial transactions of an LEA are formally recorded for the first time (e.g., the cash receipts book, check register, and general journal).

*Journal voucher.* A form provided for the recording of certain transactions or information in place of, or supplementary to, the journal or registers.

*Judgments.* Amounts due to be paid or collected by the LEA as the result of court decisions.
Glossary

L

LEA. See Local educational agency.

Lease–purchase agreements. Contractual agreements that are termed “leases” but which, in substance, amount to purchase contracts.

Levy. The imposition of taxes or special assessments for the support of governmental activities; also, the total amount of taxes, special assessments, or service charges imposed by a governmental unit.

Liabilities. Legal obligations (with the exception of encumbrances) that are unpaid.

Line-item budgeting. A budget system emphasizing a “balanced budget” through comparison of estimated revenues with projected expenditures. Budgetary divisions are listed by organizational units, such as departments or activities, and expenditures are divided into major categories of personal services, contracted services and supplies, and capital outlay. For budgetary control, further breakdowns of expenditures are made through detailed object accounts based on the wide range of services, supplies, and equipment.

Local educational agency (LEA). Typically, a local school district, county office of education, or joint powers agency engaged in providing educational services.

Long-term debt. Debt that matures more than one year after the date of issuance.

M

Management's discussion and analysis (MD & A). The narrative introducing the financial statements and providing an analytical overview of the LEA's financial performance for the year. It should contain sufficient information for users of the financial statements to evaluate whether the financial position of the LEA has improved or deteriorated as a result of the year’s activities.

Modified accrual basis. The accrual basis of accounting adapted to the governmental fund type. Under it, revenues are recognized when they become both “measurable” and “available” to finance expenditures of the current period. Most expenditures are recognized (recorded) when the related liability is incurred.

Multiyear financial plan. A plan that presents financial estimates of programs in tabular form for a period of years. These estimates reflect the future financial impact of current decisions. The data in the plan should be organized along the lines of the program structure.

N

Net income. A proprietary fund’s excess of revenues and operating transfers in over expenses and operating transfers out.

Not-for-profit organization (NPO). An entity that meets the definition in the Financial Accounting Standards Board's (FASB) Statement of Financial Accounting Standards No.116, Accounting for
Glossary

Contribution Received and Contribution Made. An entity with the following characteristics that separates it from a business enterprise:

- It receives contributions of significant amounts of resources from providers who do not expect a commensurate or proportionate pecuniary return.
- Its operating purposes are other than to provide goods or services at a profit.
- Unlike business enterprises, it does not have an interest in ownership.

O

Object. As used in an expenditure classification, object applies to the article purchased or to the service obtained.

Obligations. Amounts that the LEA may be legally required to meet from its resources. They include not only actual liabilities but also unliquidated encumbrances.

Operating transfers. All interfund transfers other than residual equity transfers.

Order (for payment). A written demand by the governing board of an LEA requiring the county superintendent of schools to draw his or her requisition on the county auditor for the payment of a claim against the LEA.

Other financing sources. Governmental fund general long-term debt proceeds, operating transfers in, and material proceeds of fixed asset dispositions. Such amounts are classified separately from revenues.

Other financing uses. Governmental funds’ operating transfers out. Such amounts are classified separately from expenditures.

Overdraft. The amount by which checks, drafts, or other demands for payment on the treasury or on a bank account exceed the amount of the balance on which they are drawn; or the amount by which encumbrances and expenditures exceed the appropriation to which they are chargeable.

Overhead. See Indirect cost.

P

Payroll register. A document accompanying one or more orders on a fund of an LEA for the payment of salaries or wages to employees; contains the names of such employees and provides information substantiating such orders.

Payroll warrant. A document used as an order or a requisition on a fund of an LEA for the purpose of paying salaries or wages.

Perpetual inventory. A system whereby the inventory of units of property at any date may be obtained directly from the records without resorting to an actual physical count. A record is provided for each item or group of items to be inventoried and is divided to provide a running record of goods ordered, received, and withdrawn and the balance on hand in units and cost.
Glossary

PERS. Public Employees’ Retirement System. Unless exempted by state law, classified employees, their
district, and the state contribute to this retirement fund.

Personal property. All property except real property. (See also Real property.)

Petty cash. A sum of money set aside for the purpose of making change or immediate payments of small
amounts. (See also Revolving cash fund.)

Physical inventory. The annual physical count of an LEA’s inventory. This count is often taken at the end
of the year and observed by the LEA’s auditors. Periodically, physical inventories are conducted
to test the accuracy of the perpetual inventory records.

Posting. The act of transferring to an account in a ledger the data, either detailed or summarized,
contained in a book of original entry.

Prepaid expenses. Expenditures for which payment has been made but for which benefits have not been
realized as of a certain date (e.g., prepaid rent, prepaid interest, and premiums on unexpired
insurance).

Prior years’ taxes. Taxes collected within the current fiscal year for levies in previous fiscal years.

Program. A group of related activities that operate together to accomplish specific purposes or objectives.

Program cost accounting. A method to identify program costs in a standard manner. In SACS, the goal
field provides the framework for program cost accounting.

Program structure. The hierarchical arrangement of programs that represents the interrelationship of
activities to goals and objectives. The program structure contains categories of activities with
common outputs and objectives. Programs may cut across existing departments and agencies.

Project year. A field in SACS that is used to distinguish the activities of the same grant with different
project years within the fiscal year. In most cases the grant is a federal one; however, in some
instances, state grants have different years.

Prorating. The allocating of expenditures or revenue from a single source to two or more accounts to
show the correct distribution of charges or revenue.

Purchase order. A document issued to a vendor that authorizes the delivery of specified merchandise or
the performance of certain services and the making of a charge for them.

R

Real property. Property consisting of land, buildings, minerals, timber, landscaping, and all
improvements thereto.

Rebate. See Abatement or Refund.

Receipts. Cash received.

Reclassification. Redesignation of the current year’s revenue or expenditure items previously posted to
one account and later determined to be more properly charged to a different account.

Refund. An amount paid back or credit allowed because of an overcollection.
Glossary

Registered warrant. A warrant that is registered by the county treasurer for future payment because of a present lack of funds and that is to be paid with interest in the order of its registration.

Registers. A listing of transactions of like kind that may be totaled and summarized for convenience in posting (e.g., payroll registers, warrant registers, and attendance registers).

Reimbursement. Cash or other assets received as a repayment of the cost of work or services performed; or repayment of expenditures made for or on behalf of another governmental unit, fund, or department.

Requisition. A document submitted initiating a purchase order to secure specified articles, services, or issuance of materials from stores or a warehouse.

Reserve for economic uncertainties. The portion of the fund balance that has been designated (set aside) by the governing board to provide for emergencies or economic events, such as revenue shortfalls, that could not be anticipated.

Reserve for encumbrances. An account used to segregate a portion of a fund balance for outstanding encumbrances.

Residual equity transfers. Nonrecurring or nonroutine transfers of equity between funds of the LEA (e.g., transfers of residual balances of discontinued funds to the general fund or contribution of internal service fund capital by the general fund).

Resource. A field in SACS that is used to classify revenues and resulting expenditures in accord with restrictions or special reporting requirements placed on either aspects of LEA financial activities by law or regulation. Further, because such revenues frequently are not fully expended within a fiscal year, and related liabilities are not completely liquidated, the resource code is also to reflect restrictions and special reporting obligations on balance sheet accounts.

Restricted funds. Money whose use is restricted by legal requirement or by the donor.

Revenues. The increases in a fund's financial resources other than from interfund transfers or debt issue proceeds. Revenues are the primary financial resource of a fund. Revenues are recognized when assets are increased without increasing liabilities or incurring an expenditure reimbursement.

Revolving cash fund. An account used primarily for emergency or small disbursements and reimbursed periodically through properly documented expenditures, which are summarized and charged to proper accounting classifications.

S

Schedules. Explanatory or supplementary statements that accompany the balance sheet or other financial statements.

Secured roll. Assessed value of real property, such as land, buildings, secured personal property, or anything permanently attached to land, as determined by each county assessor.

Securities. Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments.
Glossary

*Serial annuity bonds.* Serial bonds in which the annual installments of bond principal are so arranged that the combined payments for principal and interest are approximately the same each year.

*Serial bonds.* Bonds whose principal is repaid in periodic installments over the life of the issue.

*Shared revenue.* Revenue that is levied by one governmental unit but that is shared, usually in proportion to the amount collected, with another unit of government or class of governments.

*Short-term debt.* Debt with a maturity of one year or less after the date of issuance. Short-term debt usually includes bond anticipation notes payable and tax and revenue anticipation notes (TRANs) payable.

*Source document.* Any voucher, invoice, or other data that support an entry in the accounting records.

*Special revenue funds.* Funds established to account for the proceeds from specific revenue sources that are restricted or committed to finance particular activities other than capital projects or debt service and not held in trust for other individuals or entities.

*Standardized account code structure (SACS).* A uniform, comprehensive, and minimum chart of accounts for classifying the financial activities of California LEAs.

*Statements.* (1) In a general sense, all of those formal written presentations that set forth financial information; (2) in technical accounting, those presentations of financial data that show the financial position and the results of financial operations of a fund, a group of accounts, or an entire LEA for a particular accounting period.

*State School Fund.* A special revenue fund within the State Treasury used for apportionments to school districts and county offices of education on the basis of the revenue limit and certain other special-purpose apportionments. Apportionments are made by the State Controller and are based on certifications from the Department of Education.

*Stores.* Goods that are on hand in storerooms and that are subject to requisition.

*STRS.* State Teachers’ Retirement System. State law requires certificated employees, school districts, and the state to contribute to this retirement fund.

*Student body fund.* An agency fund to control the receipts and the disbursements of student associations’ activities; it consists only of assets and liabilities.

*Subsidiary ledger.* A supporting ledger consisting of a group of accounts, the total of which is in agreement with a control account (e.g., payroll ledger and appropriations ledger).

*Subvention.* Provision of assistance or financial support, usually from a superior governmental unit; a grant.

*Supply.* An item of an expendable nature that is consumed, wears out, or deteriorates in use; or one that loses its identity through fabrication or incorporation into a different or more complex unit or substance.

*Surety bond.* A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through nonperformance or through defalcation (e.g., a surety bond given by a contractor or by an official who handles cash or securities).
Glossary

Suspense account. An account that temporarily carries charges or credits pending the determination of the proper account or accounts.

T

Tax and revenue anticipation notes (TRANs). Notes issued in anticipation of collection of taxes, usually retirable only from tax collections and frequently only from the proceeds of the tax levy whose collection they anticipate.

Tax liens. Claims by governmental units on properties for which taxes levied remain unpaid.

Tax rate. The amount of tax stated in terms of a unit of the tax base.

Tax rate limit. The maximum rate of tax that a governmental unit may levy.

Tax redemption. Proceeds from the sale of tax-delinquent property.

Tax relief subventions. Funds ordinarily paid to compensate for taxes lost because of tax relief measures.

Tax roll. The list showing the amount of taxes levied against each taxpayer or property.

Taxes. Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

Taxes, protested. Tax money paid under protest and held by the county auditor pending settlement of the protest.

Taxes receivable. An asset account representing the uncollected portion of taxes levied.

Term bond. A bond whose entire principal matures on a single date.

Trade discount. A reduction of the list price, usually expressed as a percentage and related to the volume of business transacted. (The term is not to be confused with Cash discount.)

Transfer. Interdistrict or interfund payments or receipts not chargeable to expenditures or credited to revenue. (See also Budget transfer.)

Trial balance. A list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or if their net balances agree with a control account, the ledgers from which the figures are taken are said to be “in balance.”

Trust fund. A fund used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

Tuition. An amount charged for educational services provided to a student.

U

Unaudited actuals. An annual statement reporting the financial activities of the LEA in which the data are not yet audited.

Unearned revenue. A liability for resources received prior to revenue recognition.
Glossary

*Unencumbered balance.* That portion of an appropriation or allotment not yet expended or obligated.

*Unit cost.* The total expenditure for a product, program, or service divided by the total quantity obtained or some other quantitative measure (e.g., the total expenditure for desks divided by the number of desks equals the cost per desk).

*Unrealized revenue.* Estimated revenue less revenue received to date; also, the estimated revenue for the remainder of the fiscal year.

*Unsecured roll.* Assessed value of personal property other than secured property.

**V**

*Voucher.* A written document that evidences the propriety of transactions and usually indicates the amounts that are to be recorded.

**W**

*Warrant.* A written order, drawn by the LEA’s governing board or its authorized officer(s) or employee(s), approved by the county superintendent of schools and allowed by the county auditor, directing the county treasurer to pay a specified amount to a designated payee.

*Warrants payable.* The amount of warrants issued, outstanding, and unpaid.

*Withholding.* The process of deducting from a salary or wage payment an amount, specified by law or regulation, representing the individual's estimated federal or state income tax that the employer must pay to the taxing authority.

*Work in process.* The value of partially completed products manufactured or processed, such as a partially completed printing job.

*Work order.* A written authorization for the performance of a particular job containing a description of the nature and location of the job and specifications for the work that is to be performed. Such authorizations are usually assigned job numbers, and provision is made for accumulating and reporting labor, material, and other costs.

*Workstation.* Computer, personal computers, or work areas assigned for data processing purposes.