

**Categorical Programs Directors' Meeting
AGENDA**

**Friday, December 10, 2010
California Department of Education
1430 N Street, Room 1101
Sacramento, California
9:30 a.m. to Noon**

9:30 a.m.	Welcome	Jorge Cuevas-Antillon, Supervisor State and Federal Programs San Francisco USD/COE
9:35 a.m.	Consolidated Application Update	Ernie Thornberg, Consultant Education Data Office ethronbe@cde.ca.gov 916-319-0294
9:50 a.m.	California Longitudinal Pupil Achievement Data System	Keric Ashley, Director Data Management Division kashley@cde.ca.gov 916-323-5007
10:00 a.m.	Categorical Program Monitoring (CPM) Update	Keric Ashley, Director
10:10 a.m.	CPM Fiscal Monitoring	Paula Flores, Consultant Fiscal Monitoring pflores@cde.ca.gov 916-319-0715
10:55 a.m.	Break	
11:05 a.m.	Budget Update	Amy Tang-Paterno, Consultant Fiscal Policy Division atangpaterno@cde.ca.gov 916-322-6630
11:10 a.m.	Highly-Qualified Teacher Requirements	Ron Taylor, Manager Title II Leadership rtaylor@cde.ca.gov 916-323-4819

Continued next page

11:20 a.m. English Language
Acquisition Program Funds

Richard Graham, Consultant
Regional Coordination and Support
rgraham@cde.ca.gov
916-319-0303

Mark Klinesteker, Consultant
English Learner Accountability Unit
319-0420
mklinesteker@cde.ca.gov

Ross Valentine, Fiscal Consultant
Categorical Allocation & Audit Resolution
916-327-4405
rvalentine@cde.ca.gov

11:35 a.m. Open Enrollment Update

Patricia Terry, Manager
Educational Options
pterry@cde.ca.gov
916-323-5015

Noon Adjourn

The next meeting of the Categorical Program Directors is a co-host meeting at the California Department of Education, Room 1101 on Friday, January 21, 2011.

2010-11 ConApp Change from Part I
COE and Economic Impact Aid and Juvenile Court Schools
For December 10, 2010 Categorical Program Directors Meeting
Ernie Thornberg

1. County Offices of Education (COEs) are now eligible for EIA funding to serve Juvenile Court Schools.
2. If you represent such a COE and you wish to accept the funds you will need to go to page 2 and check Yes for participation in EIA.
3. You will then need to go to page 5 (EIA/SCE Ranking Decisions) and make any changes needed to the EIA/SCE ranking decisions and to the low income measure.
4. Next, you will go to page 6 (EIA Ranking of Public Schools) and complete the page for all of your schools. You may, however, check only your JCS(s) for funding.
5. If you chose Title I ranking method on page 5, you will then have to go to page 8 (Title I, Part A, Ranking of Public Schools) and complete that page. Once again, you may only check funding for your JCS(s).
6. The next step is to complete page 30 (EIA District Allocation).
7. Finally, you go to page 31 (EIA School Allocations) and complete it for your JCS(s). Only the JCS(s) will show up on that page. The eligibility and funding columns are filled in for you from either page 6 or page 8 depending on the ranking method you selected on page 5. Those columns are read-only and can only be changed from the page 6 or 8.
8. If you have any questions about this, please refer to the instructions for pages or contact Richard Graham or Mark Klinesteker; their phone numbers and e-mail addresses are on page 31.

2010-10 ConApp Part II

Listserv (Email distribution list)

This list is used to distribute information about the Consolidated Application (ConApp), the release cover letter, the ConApp Data System (CADS), hints about anything tricky for LEAS, etc. Since we generally no longer mail things to LEAs, it's very important that people involved with the ConApp be on the Listserv. You may do so by going to

<http://www.cde.ca.gov/fg/aa/co/>

and, under "ConApp e-mail List," clicking on

join-consolidated-application@mlist.cde.ca.gov

Time Lines

Start of LEA testing.....	December 3, 2010
Release of CADS	December 15, 2010
ConApp submission to CDE due	January 31, 2011

Blank ConApp

Because of the workload required to place the blank ConApp on the Web, it is no longer available from our website. Linda Parker, administrator of the listserv, sent the blank ConApp to the entire mailing list. She did this to enable LEAs to make copies of the school-level pages, so that they may give those pages to the schools to gather their information and have it back to the LEA in time for key entry and ready to take it to their local governing board if that is in keeping with the local protocol. If you would like a copy, contact Linda at LParker@cde.ca.gov.

Page 20 Enrollment Update

Page 20 is the “2009-10 School Reporting Form for UMIRS Data.” It has the October 2009 CBEDS Enrollment on it. For Part I, the enrollment was supplied from the prior year’s data and the LEA was allowed to change it. For Part II, the data is now coming from one of these sources.

1. Certified CALPADS enrollments. This includes the vast majority of LEAs.
2. Uncertified CALPADS enrollments that have been verified by the Special Education Office for use calculating the IDEA (Individuals with Disabilities Education Act) 611 and 619 grants.
3. Part I of the ConApp.

A message informing you of whether you have certified CALPADS enrollments will be displayed when you select your LEA and the first time you go into page 20. All enrollments will be read-only although they may be modified via the “Change Supplied Read-Only Data” routine found on the main screen of (CADS).

2010-11 Major Changes to Part II of the ConApp as Compared with 2009-10

(Unless otherwise noted, all page numbers refer to the 2010-11 ConApp)

- These pages from the 2009-10 ConApp have been removed.
 - Page 40: Title II Expenditure
 - Page 44: District Title IV, Part A
- These pages have been added.
 - Page 42: Title III Immigrant Expenditures
 - Page 43: Title III LEP Expenditures
- Page 33 (Title I, Part A, Carryover) has had ARRA entitlement (supplied) and carryover added and the reason for carryover in excess of 15% removed.
- Page 34 (District Allocation of Title I, Part A, Funds) has had Basic Grant and Neglected entitlements folded into one entitlement. This leaves somewhat of a contradiction with page 2 where Basic Grant and Neglected are still listed separately but it is not likely to cause a significant problem.
- Page 45 (TUPE Annual Fiscal Report and Carryover Calculation) has had several fields marked as N/A because the page is only for carryover this year.



CALPADS Update

December 2010
Categorical Programs Directors

CALIFORNIA DEPARTMENT OF EDUCATION
Jack O'Connell, State Superintendent of Public Instruction



JACK O'CONNELL
State Superintendent
of Public Instruction

2009-10 CALPADS Complete

- 2009-10 ended with 99% of LEAs certifying, and 99% of enrollment
- 2008-09 graduation and dropout data posted on DataQuest



JACK O'CONNELL
State Superintendent
of Public Instruction

2010-11 CALPADS Started

- Fall 1 – enrollment, grads and drops with January 7 due date
- Fall 2 – teacher data and course enrollment data released on December 6 with February 10 due date
- Amendment windows available after these deadlines



JACK O'CONNELL
State Superintendent
of Public Instruction

2010-11 CALPADS To Be Implemented

- Loading Assessment Data for CAHSEE, CELDT and STAR in January-February
- Spring - Language Census
- End-of-Year – course completion and program participation data



JACK O'CONNELL
State Superintendent
of Public Instruction

The Veto

- Governor vetoed a total of \$6.8 million, including:
 - \$3.9 million for CSIS
 - \$2.9 million for CDE
- Legislative action needed to restore funding and authorization
- All federal funds and no impact on the state's fiscal crisis



JACK O'CONNELL
State Superintendent
of Public Instruction

Contact Information

- **California School Information Services (CSIS) Support**
 - Phone 916-325-9260 or
 - E-mail: ssid@csis.k12.ca.us (Outside Source)
 - Web site: <http://www.csis.k12.ca.us>
- **CDE CALPADS**
 - Web page: <http://www.cde.ca.gov/ds/sp/cl/>
- **CALPADS Operations Office** (Randy Bonnell, Administrator, Keric Ashley, Director)
 - E-mail: calpads@cde.ca.gov

Categorical Program Monitoring Update

Categorical Programs Directors' Meeting
California Department of Education
Friday, December 10, 2010

1. 61 LEAs will receive a CPM review (CAIS + on-site) January 18 through June, 2011.
2. Cycle A notification letter and enclosure containing selection criteria, selected LEAs, scope of review and list of instruments located at:
<http://www.cde.ca.gov/ta/cr/cc/cycleareviews.asp>
3. School site and program selection process expected to be completed before the end of next week. Communication with LEAs on this is underway.
4. Orientation webinar for selected Cycle A LEAs conducted on November 30. Webinar and PowerPoint available at:
<http://www.cacompcenter.org/cs/cpm/print/htdocs/cpm/home.htm>
5. CAIS training for selected Cycle A LEAs offered December 8, 10, 14 (10-11 am), 17 (1-2 pm). To be posted at
<http://www.cacompcenter.org/cs/cpm/print/htdocs/cpm/home.htm>
6. Training on CPM Program Instrument to be offered via webinar/videoconference on January 6, 2011. Possible additional sessions on January 7th TBD. Sessions will be posted at <http://www.cacompcenter.org/cs/cpm/print/htdocs/cpm/home.htm>

Tentative Agenda:

9:00-9:30:	Welcome/Overview/CPM Updates
9:30-12:00:	Compensatory Education Instrument
12:00-1:00:	Lunch Break
1:00-2:30:	English Learner Instrument
2:45-3:45:	Fiscal Instruments (SFSF, Ed Jobs, Fiscal Monitoring)
4:00-5:30:	Uniform Complaint Procedures Instrument

7. Cycle C online-only reviews will take place spring 2011. Selection of LEAs and notification to take place January-February 2011.
8. CISC via COEs will help support selected Cycle A and Cycle C LEAs
9. CDE CAIS Support mailbox: caishelp@cde.ca.gov
10. CPM Redesign input mailbox: cpmredesign@cde.ca.gov
11. Congratulations to Patrick McMEnamin on his retirement and a big thank you for his 24 years of service to the students and families of California.

Pilot Redesigned CPM 4x2 Model

	2010/2011	2011/2012	2012/2013	2013/2014
Cohort A	<ul style="list-style-type: none"> On-site reviews of 61 Cohort A LEAs (via selection process) 	Follow-up reviews on-site only as needed	<ul style="list-style-type: none"> Online reviews of 60-65 Cohort A LEAs (via selection process) Follow-up reviews on-site only as needed 	Follow-up reviews on-site only as needed
Cohort B	Follow-up reviews on-site only as needed	<ul style="list-style-type: none"> On-site reviews of 60-65 Cohort B LEAs (via selection process) 	Follow-up reviews on-site only as needed	<ul style="list-style-type: none"> Online reviews of 60-65 Cohort B LEAs (via selection process) Follow-up reviews on-site only as needed
Cohort C	<ul style="list-style-type: none"> Online reviews of 60-65 Cohort C LEAs (via selection process) Follow-up reviews on-site only as needed 	Follow-up reviews on-site only as needed	<ul style="list-style-type: none"> On-site reviews of 60-65 Cohort C LEAs (via selection process) 	Follow-up reviews on-site only as needed
Cohort D	Follow-up reviews on-site only as needed	<ul style="list-style-type: none"> Online reviews of 60-65 Cohort D LEAs (via selection process) Follow-up reviews on-site only as needed 	Follow-up reviews on-site only as needed	<ul style="list-style-type: none"> On-site reviews of 60-65 Cohort D LEAs (via selection process)
	120-130*=Total LEAs Monitored	120-130*=Total LEAs Monitored	120-130*=Total LEAs Monitored	120-130*=Total LEAs Monitored

*Note: Final number of LEAs to receive on-site or online reviews TBD

CDE Program Contacts		
English Learner (EL)	Mgr – Jeanette Ganahal	319-0938
Uniform Complaint Procedures (UCP)	Interim Mgr – Celina Arias	319-0325
State Fiscal Stabilization Funds (SFSF)	Mgr – Tami Bowman	319-0946
Fiscal Monitoring (FM)		
Education Jobs Fund (EJ)		
Compensatory Education (CE)	Mgr – Keith Coppage	319-0380
	Mgr – Jeff Breshears	319-0946
Neglected or Delinquent (NorD)	Mgr – Jeff Breshears	319-0946
	Prgm – Lorene Euerle	319-0728
Homeless Education (HE)	Mgr – Jeff Breshears	319-0946
	Prgm – Leanne Wheeler	319-0383
Improving Teacher Quality (ITQ)	Mgr – Ron Taylor	323-4819
Migrant Education (ME)	Mgr – Brian Centeno	319-0190
	Prgm – Marcos Sanchez	319-0391
Physical Education (PE)	Mgr – Jim Greco	323-6189
	Prgm – Doug Jann	323-5798
Career Technical Education (CTE)	Mgr – Russ Weikle	324-5676
Before and After School Programs (BASP)	Mgr – Onda Johnson	322-9398
	Prgm – Susie Morikawa	319-0537
HIV/AIDS Prevention (HIV)	Mgr – Tom Herman	319-0277
	Prgm – Sharla Smith	319-0914
Child Development (CD)	Mgr – Greg Hudson	323-1300
Educational Equality (EE)	Mgr – Sharon Felix-Rochon	445-9174

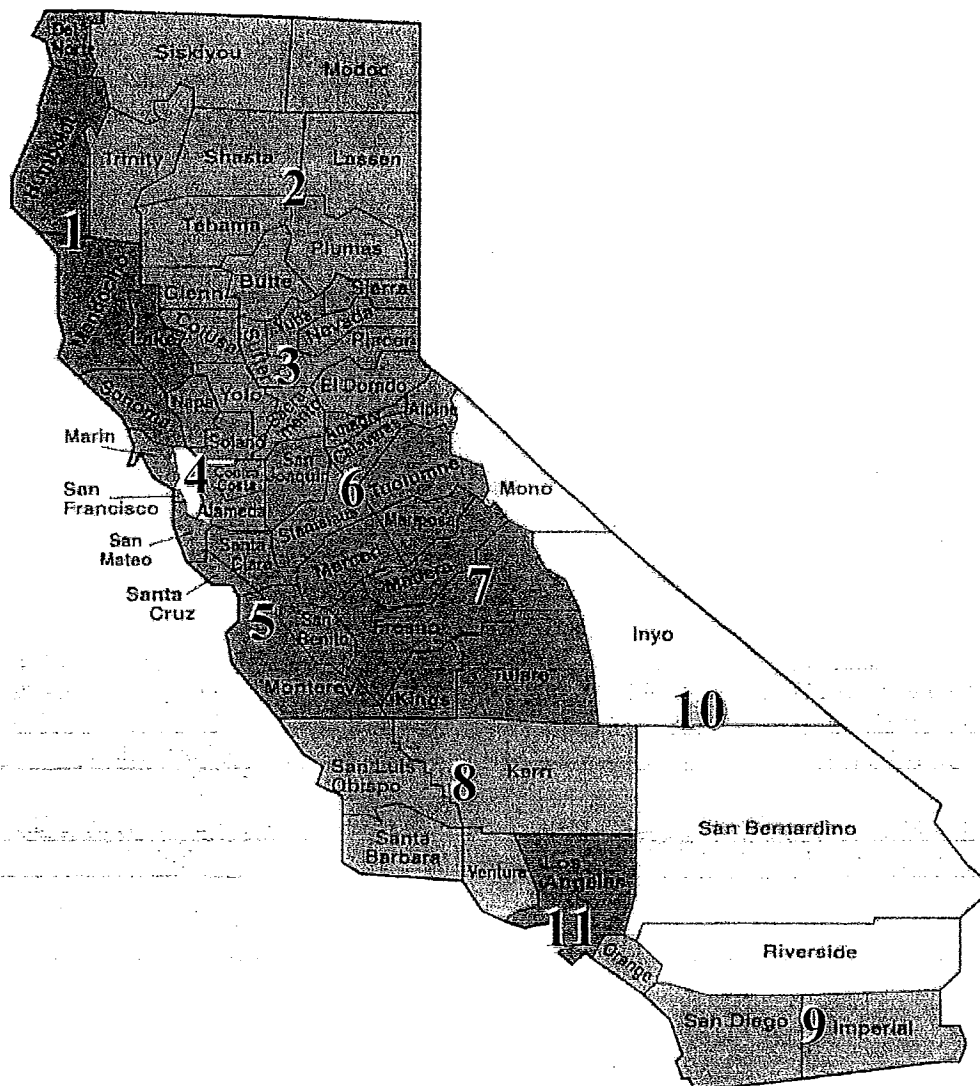
Cycle A COE CPM-CAIS Leads			
Calaveras	TBD		
Colusa	Ben Flores	530-458-0330 ext 10310	bflores@ccoe.net
Kings	Alice Patterson	559-589-7075	apatterson@kingscoe.org
Lassen	James Hall	530-257-2196	jdall@lassencoe.org
Marin	Judith Arrow	415-499-5815	jarrow@marin.k12.ca.us
Riverside	Melissa Bazanos	951-826-6517	mbazanos@rcoe.us
Sacramento – Yolo Area	Melissa Hilleby	916-228-2553	mhilleby@scoe.net
	Edgar Lampkin	530-668-3769	edgar.lampkin@ycoe.org
San Benito	Kim Dryden	831-637-5393 ext 113	kdryden@sbcoe.org
San Diego	Paula Jameson Whitney	858-569-5301	pjwhitney@sdcoe.net
Santa Cruz	Adam Wade	831-466-5812	awade@santacruz.k12.ca.us
Siskiyou	Martie Hagarty	530 842 8415	mhagarty@siskiyoucoe.net
Solano	Lisette Estrella-Henderson	707-399-4406	Pramelosolanocoe.net
	Karen Tedesco	707-522-3287	ktedesco@scoe.org
Sonoma	Imelda Padilla	707-522-3039	ipadilla@scoe.org
Tulare	Glenn Williams	559-651-3047	glennw@ers.tcoe.org
Tuolumne	Chris Lancaster	209 536-2005	clancaster@tuolcoe.k12.ca.us
Ventura	Staci Block	805 437-1349	sblock@vcoe.org


Categorical Program Monitoring Office
Patrick McMenam, Administrator – 916-319-0935

2010-11 CDE CPM Team Leads

Region	Team Lead	Phone (916)	E-mail
1 & 5	Pilo Salas	319-0955	psalas@cde.ca.gov
2 & 3	Lynn Bartlett	319-0958	lbartlet@cde.ca.gov
4 & 9	Ted Hawthorne	319-0321	thawthorne@cde.ca.gov
6 & 10	Eleanor Clark-Thomas	319-0945	eclarkthomas@cde.ca.gov
7	Carmela Kelly	319-0300	ckelly@cde.ca.gov
8	Ramiro Nava	319-0375	rnava@cde.ca.gov
11	Robert Gomez	319-0954	rgomez@cde.ca.gov

Regional Map for Categorical Program Monitoring






Categorical Program Monitoring (CPM) Fiscal Issues

**Presented by: Paula Flores
December 10, 2010**

CALIFORNIA DEPARTMENT OF EDUCATION
Jack O'Connell, State Superintendent of Public Instruction




CPM Fiscal Instrument

The Fiscal Monitoring Unit (FMU) has developed fiscal monitoring instruments to conduct on-site and on-line reviews of local educational agencies (LEAs).

- 2010-11 State Fiscal Stabilization Funds (SFSF) Instrument for Categorical Program Monitoring (CPM)
- 2010-11 Education Jobs Fund (EJF) Program Instrument for Categorical Program Monitoring (CPM)
- 2010-11 Fiscal Monitoring (FM) Instrument for Categorical Program Monitoring (CPM)

You may find the three monitoring instruments at:
<http://www.cde.ca.gov/ta/ta/cf/cc/ccscpmsspsr1011.asp>

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SFSF, Ed Jobs Fund & FM Instruments

III. Funding

State Fiscal Stabilization Funds (SFSF) Instrument

- III-SFSF 1. Timekeeping Requirements
- III-SFSF 2. Allowable Costs
- III-SFSF 3. Accounting of Funds
- III-SFSF 4. Cash Management
- III-SFSF 5. Reporting

Education Jobs Fund (EJF) Program Instrument

- III-EJF 1. Timekeeping Requirements
- III-EJF 2. Allowable Costs
- III-EJF 3. Accounting of Funds
- III-EJF 4. Cash Management
- III-EJF 5. Reporting


Fiscal Monitoring (FM) Instrument

Title I, Part A; Title I, Part C; Title II, Part A; Title III & Title IV

- III-FM 1. Timekeeping Requirements*
- III-FM 2. Allowable Costs
- III-FM 3. Supplement, Not Supplant*
- III-FM 4. Cash Management
- III-FM 5. Funding*
- III-FM 6. American Recovery and Reinvestment Act (ARRA)
- III-FM 7. Reporting

*FOR ON-SITE REVIEW ONLY

3

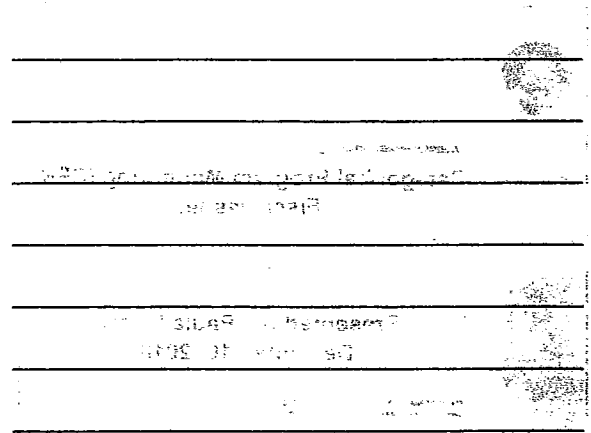



SFSF & Ed Jobs Fund Instruments

- State Fiscal Stabilization Funds (SFSF) Instrument**
- III-SFSF 1. Timekeeping Requirements
- III-SFSF 2. Allowable Costs
- III-SFSF 3. Accounting of Funds
- III-SFSF 4. Cash Management
- III-SFSF 5. Reporting

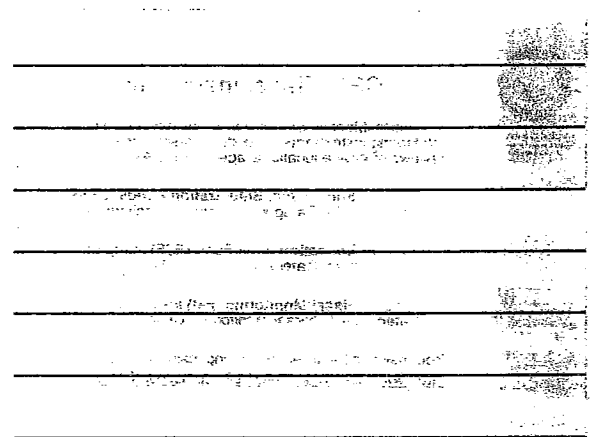

- Education Jobs Fund (EJF) Program Instrument**
- III-EJF 1. Timekeeping Requirements
- III-EJF 2. Allowable Costs – The LEA must use funds only for compensation & benefits
- III-EJF 3. Accounting of Funds
- III-EJF 4. Cash Management
- III-EJF 6. Reporting – Includes the number of personnel impacted by the program

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State Fiscal Stabilization Funds (SFSF) Instrument

CALIFORNIA DEPARTMENT OF EDUCATION
Jack O'Connell, State Superintendent of Public Instruction

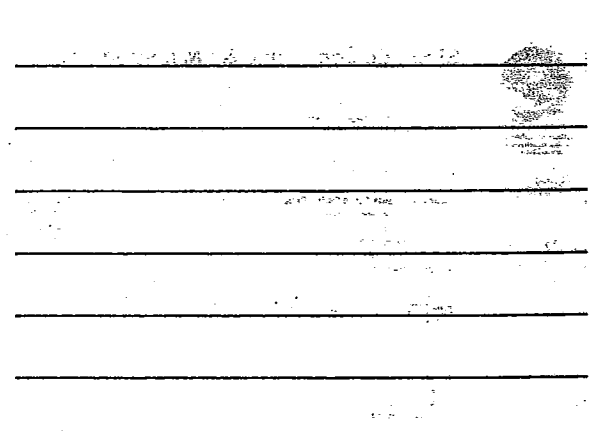




SFSF Instrument III-SFSF 1. FEDERAL TIMEKEEPING REQUIREMENTS

Ensure the LEA properly charges salaries and wages to SFSF that are reasonable and necessary.

Title 20, USC, Section 1232(f); Title 34, CFR, Part 80.22

6






To show “necessary and reasonable”...

Contemporaneous records to show that SFSF-paid individuals:

- Worked sufficient hours to justify salary
- Level of salary was similar to other employees performing similar work
- Not paid more than once for same work
- Costs were reasonable
- Service actually provided
- No other funds were paid for the same service


7



Time and Effort Records?

- No federal requirement to keep time and effort records for employees paid with SFSF (and Ed Jobs)
- Same rules as those paid with non-federal

8




Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger – Resource Code 3200
- Payroll Records
- Position Duty Statements/ Job Descriptions
- Semi-annual Certification, if applicable
- Personnel Activity Reports (Timesheets)
- Other items, as needed

Interviews with staff

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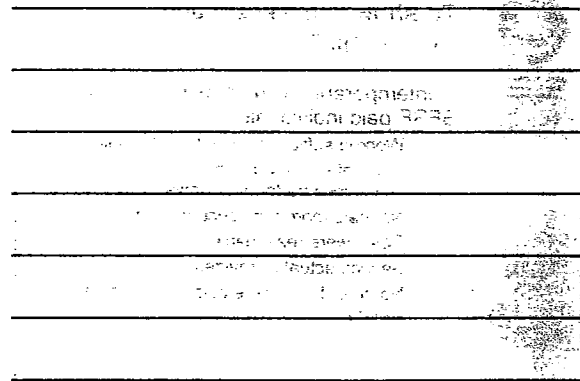



III-SFSF 2. ALLOWABLE COSTS

Ensure the LEA charges costs to SFSF that are reasonable, necessary, and properly supported in accordance with applicable statutes, regulations, and program plans.

Public Law 111-5, Section 14003

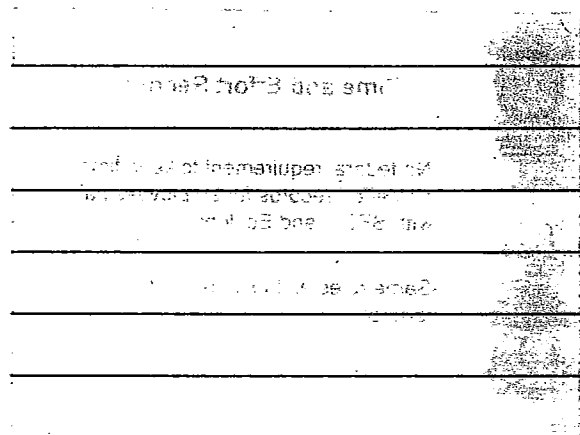

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For example... LEA uses of funds...

An LEA may not use SFSFs to supplement or restore its local "rainy day" fund because such a transfer would not constitute an obligation of the funds. An LEA may use SFSFs to pay down past debt for expenditures that would be allowable under the program. However, an LEA may not pay down past debt incurred for otherwise unallowable SFSF expenditures.

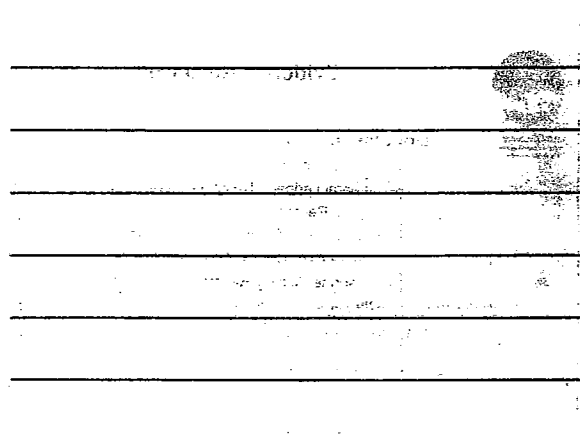
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An LEA may not use SFSFs for...

- Payment of maintenance costs;
- Stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public;
- Purchase or upgrade of vehicles;
- Improvement of stand-alone facilities whose purpose is not the education of children, including central office administration or operations or logistical support facilities;
- Financial assistance for students to attend private elementary or secondary schools, unless the funds are used to provide special education and related services to students with disabilities, as authorized by the IDEA; or
- School modernization, renovation, or repair that is inconsistent with state law.

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Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger -- Resource Code 3200
- Invoices, Purchase Orders, etc.
- Other items, as needed

Interviews with staff

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III-SFSF 3. ACCOUNTING OF FUNDS

Ensure the LEA maintains records that separately track and properly account for SFSF funds, including how the funds were used.

Title 20 USC, Section 1232f(a)

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Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger -- Resource Code 3200
- Invoices, Purchase Orders, etc.
- Other items, as needed

Interviews with staff

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III-SFSF 4. CASH MANAGEMENT

Verify that the LEA is properly calculating, reporting, and remitting interest earned on unspent SFSF advances.

Title 34, CFR, Section 80.21(i)


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Guidance

On January 25, 2010, the California Department of Education (CDE) issued guidance to assist LEAs in calculating and remitting federal interest. For your reference, CDE's guidelines for calculating interest on federal funds can be accessed on the CDE Web page at: <http://www.cde.ca.gov/fg/ac/co/interestearnedltr.asp>

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Guidelines for Calculating Interest on Federal Funds

The following guidelines were designed to assist the California Department of Education (CDE) federal program grantees and sub-grantees (collectively referred to as grantees) in calculating interest on unspent federal program cash advances.

Calculating Interest on Federal Funds
 Calculating interest on federal funds is the responsibility of the grantee. Grantees should determine the amount of federal cash advances for a calendar period (at least monthly) that is the longest amount that should be reported and remitted to the CDE. The interest due on federal cash advances should reflect the actual amount of interest earned on the reported program cash advances. Therefore, interest calculations should be based on applicable interest rates applied to actual federal cash held in the grantee's bank or County Treasury.

Calculating Interest When Federal Cash is Pooled with Non-Federal Funds
 If federal funds are pooled with non-federal funds in the grantee's bank or County Treasury, then the grantee must accurately determine the federal portion of total cash held in the bank. Since the interest on federal cash is payable for program cash advances only, the grantee should report applicable interest to the reporting period's average daily federal cash balance. Average daily federal cash balance can be determined by combining all federal program cash advances received for any day in the reporting period, adding total cash resources (not including non-federal cash) at the end of the reporting period, and dividing the sum by the number of days in the reporting period. The grantee should record the average daily federal cash balance as paid to avoid redundancy for any reporting period. An example of the formula for an average daily federal cash balance for federal program cash is the example calculation methodology on page 8 of this document for an example of this situation.

If the grantee includes non-federal assets held in the bank of program resource cashes, the grantee may include the daily federal cash balances by the corresponding proportionate share of federal cash within for each program. For example, if federal program cash 15% has a 20 percent match requirement and the grantee accounts for the 40% federal match in the TIDE CDE reporting system reference code, then the 20 percent proportionate share of match may be excluded from the calculated daily and average daily balances.

Reporting and Remitting Federal Interest
 CDE federal program officers are required to report and remit interest to the CDE at least quarterly. Although grantees are allowed to vary interest amounts up to \$500 per year for administrative purposes, the TIDE is built for all flow of programs, and for each federal program. When reporting and remitting interest to the CDE, grantees should specify the flow period of interest earnings and the federal program resource codes. Use of an ledger of cash balances should be sent to the CDE at the following address:

California Department of Education
 P.O. Box 915000
 Sacramento, CA 95811
 Attention: Cashier's Office

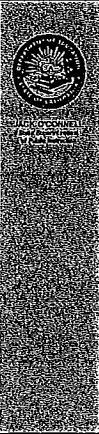
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Cash Management Interest Earned on Federal Funds

Code of Federal Regulations, Title 34 - Education, Part 80 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Subpart C - Post Award Requirements, Section 80.221 Payment, requires grantees and sub-grantees to promptly, but at least quarterly, remit interest earned on advances to the federal agency. The grantee or sub-grantee may keep interest amounts up to \$100 per year for administrative expenses.

Although CFR, Title 34 - Education, Part 74, Section 22.1(i), allows recipients to retain up to \$250 of interest earned on U.S. Department of Health and Human Services funds (e.g., child development program funding) to pay for related administrative costs, this allowance pertains to institutions of higher education, hospitals, and other non-profit organizations.

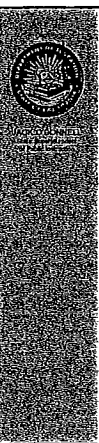


Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger - Resource Code 3200
- Cash Balance Report
- Bank Statements
- LEA Interest Calculation
- LEA Interest Calculation Methodology
- Interest Remittances (date and amount)
- Other items, as needed


Interviews with staff



III-SFSF 5. REPORTING


Ensure the LEA complied with all of the accountability and reporting requirements that apply to the SFSF, including information required under Section 1512 of the ARRA.

Public Law 111-5, Section 1512(c)



**Education Jobs Fund (EJF)
Program Instrument**

CALIFORNIA DEPARTMENT OF EDUCATION
Jack O'Connell, State Superintendent of Public Instruction




**Ed Jobs Fund Program Instrument
III-EJF 1. FEDERAL TIMEKEEPING
REQUIREMENTS**

Ensure the LEA properly charges salaries and wages to Ed Jobs that are reasonable and necessary.

Title 20, USC, Section 1232(f); Title 34, CFR, Part 80.22

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Evidence Reviewed

Documents include:

- General Ledger -- Resource Code 3205
- Payroll Records
- Position Duty Statements/ Job Descriptions
- Semi-annual Certification, if applicable
- Personnel Activity Reports
- Other items, as needed

Interviews with staff

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


III-EJF 2. ALLOWABLE COSTS

Ensure that the LEA used the Ed Job funds only for compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees.


Public Law 111-226, Section 101(5)

28



Education Jobs Fund (EJF)
Program Instrument

U.S. DEPARTMENT OF EDUCATION




Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger - Resource Code 3205
- Other items, as needed

Interviews with staff


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Ed Jobs Fund Program Instrument

U.S. DEPARTMENT OF EDUCATION

Ensure the LEA properly charges salaries and wages to Ed Jobs Fund accounts and benefits




III-EJF 3. ACCOUNTING OF FUNDS

Ensure the LEA maintains records that separately track and properly account for the Ed Jobs Funds, including how the funds were used.

Title 20 USC, Section 1232(e); GEPA, Section 443(a)


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Ed Jobs Fund Program Instrument

U.S. DEPARTMENT OF EDUCATION

Ensure the LEA maintains records that separately track and properly account for the Ed Jobs Funds, including how the funds were used.




Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger – Resource Code 3205
- Single Plan for Student Achievement (SPSA)
- Invoices, Purchase Orders, etc.
- Other items, as needed

Interviews with staff

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III-EJF 4. CASH MANAGEMENT

Verify that the LEA is properly calculating, reporting, and remitting interest earned on unspent Ed Jobs Fund advances.

Title 34, CFR, Section 80.21(i)

32




Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger – Resource Code 3205
- Cash Balance Report
- Bank Statements
- LEA Interest Calculation
- LEA Interest Calculation Methodology
- Interest Remittances (date and amount)
- Other items, as needed

Interviews with staff

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III-EJF 5. REPORTING

Ensure that the LEA complied with all of the reporting requirements that apply to the Ed Jobs Fund, including information required under Section 1512 of the ARRA.

Public Law 111-226, Section 101

34






Evidence Reviewed


Documents include:

- 1512 ARRA Report
- General Ledger – Resource Code 3200
- LEA Spending Plan
- Number of Jobs Created or Retained - Calculations
- Number of Jobs Created or Retained - Calculation Methodology
- Number of Personnel Impacted by the Program
- Other items, as needed

Interviews with staff


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Fiscal Monitoring (FM) Instrument

CALIFORNIA DEPARTMENT OF EDUCATION
Jack O'Connell, State Superintendent of Public Instruction






Fiscal Monitoring (FM) Instrument
Title I, Part A; Title I, Part C; Title II, Part A; Title III & Title IV

- III-FM 1. Timekeeping Requirements*
- III-FM 2. Allowable Costs
- III-FM 3. Supplement; Not Supplant*
- III-FM 4. Cash Management
- III-FM 5. Funding*
- III-FM 6. American Recovery and Reinvestment Act (ARRA)
- III-FM 7. Reporting

***FOR ON-SITE REVIEW ONLY**

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Fiscal Monitoring (FM) Instrument
III-FM 1. FEDERAL TIMEKEEPING REQUIREMENTS


Ensure the LEA properly charges salaries and wages in proportion to an allowable quantity and duties of the employee for the following programs:

- Title I, Part A - Resource Code 3010 & 3011
- Title I, Part C - Resource Code 3060 & 3061
- Title II, Part A* - Resource Code 4035
- Title III - Resource Code 4203
- Title IV* - Resource Code 4124

*Specific to the fiscal monitoring instrument
FOR ON-SITE REVIEW ONLY

OMB Circular A-87, Attachment B, 8(b); OMB Circular A-133, ED Cross-Cutting Section, III.B.2; California School Accounting Manual; 20 USC, 6625(b)

38




Timekeeping Requirements for Federal Funds Program

Compensation for Personnel Services:

- If federal funds are used for salaries, then "time distribution records" are required.
- Must demonstrate: If employee paid with federal funds, then employee worked on that specific federal program/cost objective.


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What level of documentation will be necessary is based on:

- How an employee is funded (i.e., federal vs. state)?
- How many "cost objectives" the employee worked on (i.e., single objective vs. multiple cost objectives?)

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Fiscal Monitoring (FM) Instrument
 III - FEDERAL INSTRUMENTS
 PROGRAMS




What is a "cost objective"?

OMB Circular A-87 defines a cost objective as a function, contract, grant award, or other category of costs that requires the grantee to track specific cost information.

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Fiscal Monitoring (FM) Instrument
 III - FEDERAL INSTRUMENTS
 PROGRAMS




Who must participate?

- Any employee working on a federal program
- All employees paid with federal funds, even if they were paid with \$1 of federal funds
- Some employees paid with non-federal funds (i.e., matching or cost sharing)

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Fiscal Monitoring (FM) Instrument
 III - FEDERAL INSTRUMENTS
 PROGRAMS




Time Requirements

Time distribution records for federal funded programs include:

- **Periodic Personnel Certification**
(single cost objective = at least semi-annually)
- **Personnel Activity Report (PAR) or equivalent documentation**
(multiple cost objectives = monthly report)
- **Other option**
(i.e., federal approved substitute system)

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Periodic Personnel Certification
Single Cost Objective

Periodic Personnel Certification is required when:

- An employee works solely on one federal program
- An employee works solely on a School-wide Program (SWP) in which the LEA/school consolidates only federal funds.
- A school-site employee works on a SWP and School-Based Coordinate Programs (SBCP) assuming those are the only two funding sources
- An employee works on one cost objective

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To meet documentation requirements the Periodic Personnel Certification must:

Include a statement certifying that the employee worked solely (100%) on the identified program

- Be completed at least semi-annually and cover the entire period of the certification
- Be signed by employee or the employees' supervisor (with direct knowledge of the work performed by the employee)

OMB Circular A-87, Attachment B, Section 8(h)(3) & CSAM, Procedure 905

45

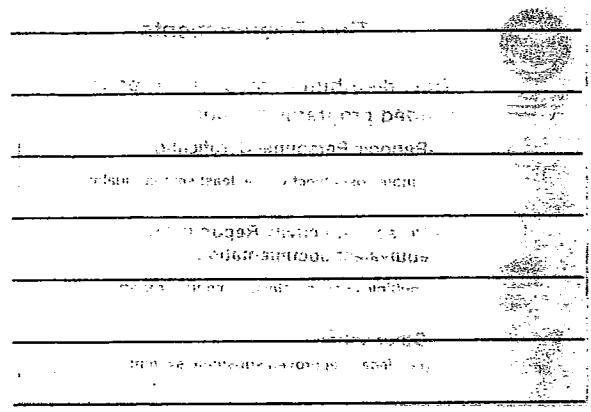



Multiple Cost Objectives

If an employee works on **multiple activities or cost objectives**, a distribution of their salaries or wages must be supported by personnel activity reports, unless the employee is covered under the federal approved substitute system.

OMB Circular A-87, Attachment B, Section 8(h)(4), (5) and (7)

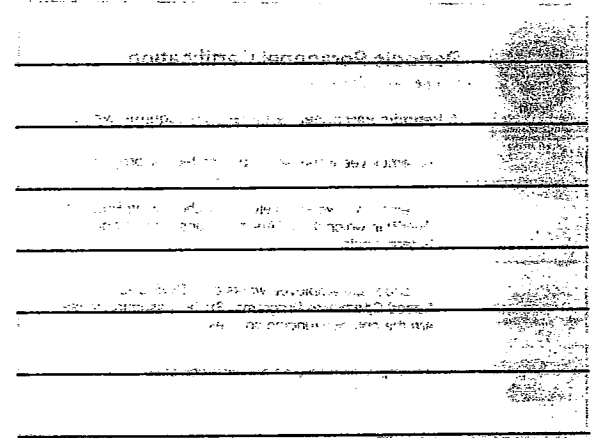

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OMB Circular A-87 Rules

According to the OMB, Circular A-87, when employees work on multiple programs, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation, such as timesheets.

47

Personnel Activity Reports (PAR) Multiple Cost Objectives

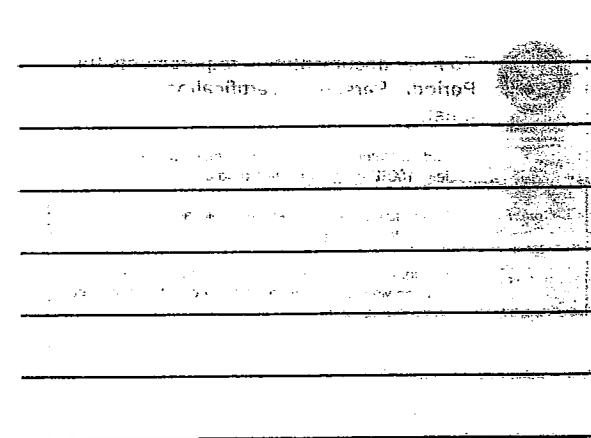
Personnel Activity Reports or equivalent documentation must meet the following standards:

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 must coincide with one or more pay periods, and
- Be signed every month by employee

OMB, Circular A-87, Attachment B, Section 8(h)(5)

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Substitute System

Another option for documenting federal salaries and wages is the **substitute system**:

- A simplified recordkeeping system for LEAs that must substantiate salary and wage charges to federal programs through the use of PARs or equivalent documentation
- Allows LEAs to collect PARs from employees every fourth month and estimate the percentage of time employees spend on federal programs during the next three months based on that information.

OMB Circular A-87, Attachment B, Section 8(h)(6) and the CSAM, Procedure 905-7

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How does it work?

- All multi-funded employees keep PARs for the full month of July to account for 100% of their time
- Based on the PARs, July's labor distribution reports are generated to provide the basis for salary and benefit allocations for August, September, and October
- In November, and again in March, employees keep PARs to support salaries incurred and provide a basis for the next three months
- The process continues for a full year, and starts over in July after a full year, LEAs may shift from collecting PARs three times a year to two times a year if the deviation between their total estimated and total actual time charges is constantly less than 10%

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Frequently Asked Questions

If my salary is not charged to a federal program, do I need to complete a detailed timesheet?

- Although you do not need to meet OMB Circular A-87 requirements, your payroll should be adequately supported, and you are required to meet state requirements.


I am a salaried professional and I work on several programs throughout the day; how do I keep track of all my time?

- If you directly charge your time to two or more federal programs, then you are required to maintain a detailed timesheet supporting your time worked on each program activity.

What is a program "activity"?

- A function or duty performed by employees.

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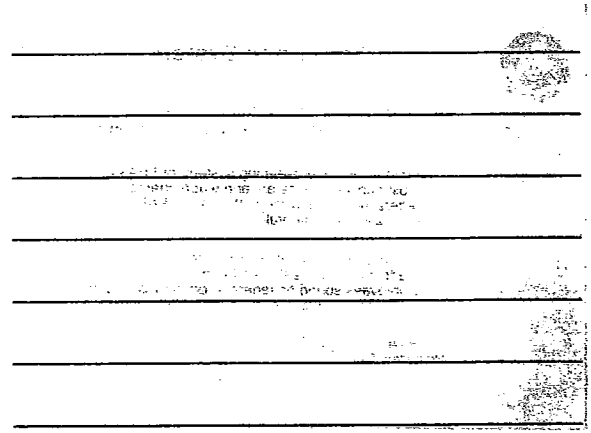

Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger
- Payroll Records
- Single Plan for Student Achievement (SPSA)
- Job Announcements
- Duty Statements/Job Descriptions
- Semi-annual Certification
- Personnel Activity Reports (Timesheets)
- Other items, as needed

Interviews with staff

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III-FM2. ALLOWABLE COSTS

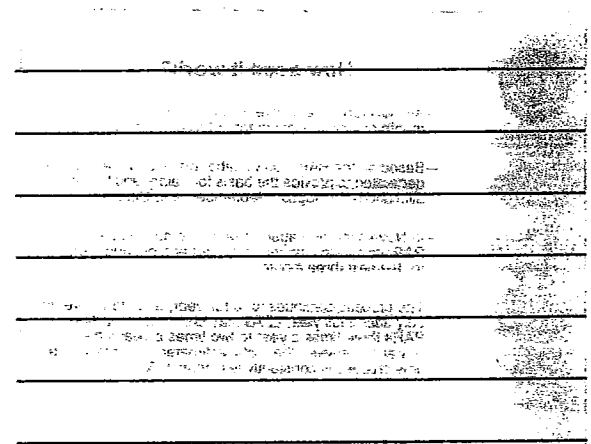

Ensure the LEA charges costs to the program that are reasonable, necessary, and properly supported in accordance with applicable statutes, regulations, and program plans for the following programs:

- Title I, Part A* - Resource Code 3010 & 3011
- Title I, Part C (20 USC 6394(c)(1)(A))
 - Resource Code 3060 & 3061
- Title II, Part A* - Resource Code 4035
- Title III* - Resource Code 4203
- Title IV* - Resource Code 4124

*Specific to the fiscal monitoring instrument

OMB A-87, Attachment A; OMB Circular A-133; ED Cross-Cutting Section, III.B

53

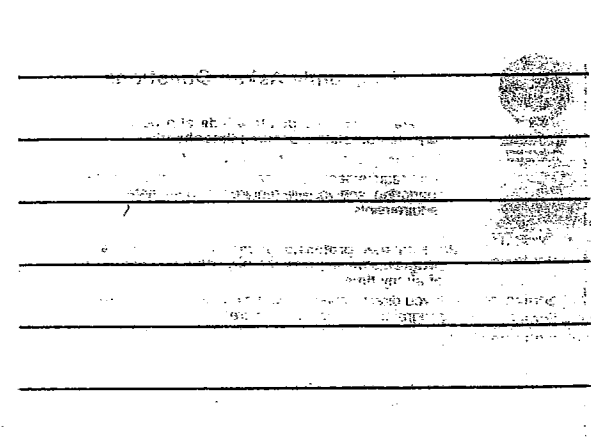
Cost Principles: Basic Guidelines


To be allowable under federal awards, all costs must be:

1. Necessary to program goals
2. Reasonable
3. Allocable to federal awards
4. Legal under state and local law and/or regulations
5. Conform with federal law and grant requirements
6. Consistently treated
7. In accordance with GAAP
8. Not included as match
9. Net of applicable credits
10. Adequately documented

OMB Circular A-87, Attachment A, Section C(1); OMB Circular A-133

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Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger
- Single Plan for Student Achievement (SPSA)
- Invoices, Purchase Orders, etc.
- Other items, as needed

Interviews with staff

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III-FM 3: SUPPLEMENT, NOT SUPPLANT


Ensure the LEA uses categorical funds only to supplement, and not supplant state and local funds for the following programs:

- Title I, Part A (20 USC 6321(b))
Resource Code 3010 & 3011
- Title I, Part C (20 USC 6321(b) and 6394(c)(2))
Resource Code 3060 & 3061
- Title II, Part A (20 USC 6321)
Resource Code 4035
- Title III (20 USC 6825(g); 5 CCR 4320(a); EC 52168(b) & [c]; EC 64025(c)) - Resource Code 4203
- Title IV (EC 8483.5(e); 20 USC 7174(b)(2)(G))
Resource Code 4124

*Specific to the fiscal monitoring instrument

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III-FM3. SUPPLEMENT, NOT SUPPLANT

Federal funds should be used to supplement, not supplant existing state and local fiscal efforts and schools which receive the funds shall have base expenditures comparable to nonparticipating schools

U.S. Code, Section 6321(b) and Ed Code Section 52852.5(c)

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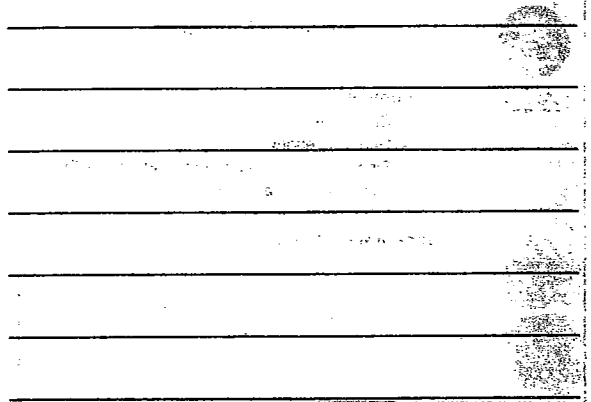

Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger
- Single Plan for Student Achievement (SPSA)
- Invoices, Purchase Orders, etc.
- Payroll Records
- Semi-annual Certifications
- Personnel Activity Reports
- Duty Statements/Job Descriptions
- Other Items, as needed

Interviews with staff

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III-FM 4. CASH MANAGEMENT

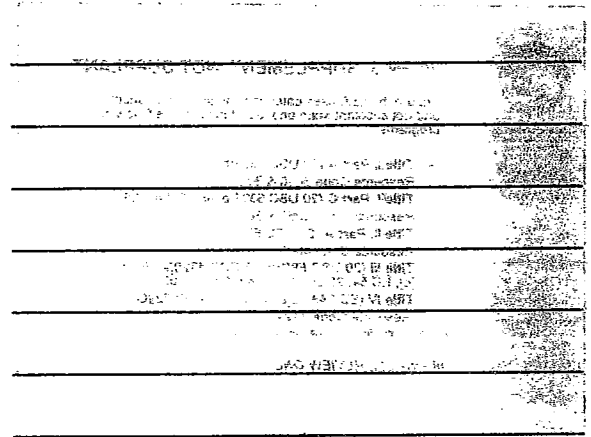

Verify that the LEA is properly calculating and remitting interest earned on unspent federal advances for the following programs:

- Title I, Part A* - Resource Code 3010 & 3011
- Title I, Part C* - Resource Code 3060 & 3061
- Title II, Part A* - Resource Code 4035
- Title III* - Resource Code 4203
- Title IV* - Resource Code 4124

*Specific to the fiscal monitoring instrument

Title 34, CFR, Section 80.21

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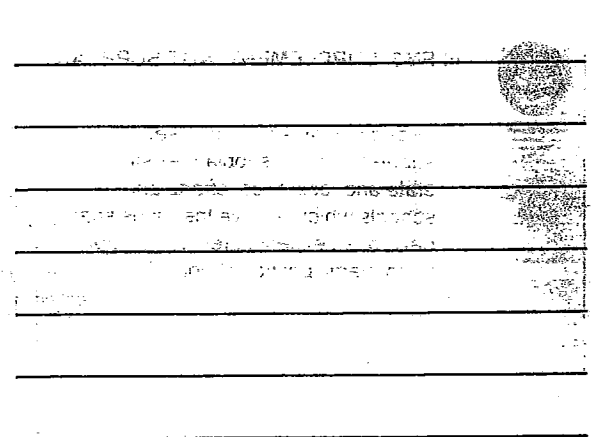
Evidence Reviewed


Documents include:

- Chart of Accounts
- General Ledger
- Cash Balance Report
- Bank Statements
- LEA Interest Calculation
- LEA Interest Calculation Methodology
- Interest Remittances (date and amount)
- Other items, as needed

Interviews with staff

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III-FM 5. FUNDING


Ensure that the LEA allocates categorical funds to school sites in accordance with the approved allocation formulas for the following programs:

- Title I, Part A - Resource Code 3010 & 3011
- Title III - Resource Code 4203

FOR ON-SITE REVIEW ONLY

Education Code 64001(g), 62002, 64000(b) & (c)

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Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger
- Consolidated Application
- Single Plan for Student Achievement (SPSA)
- School Funding Notification Letters
- Other items, as needed

Interviews with staff

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III-FM-6. ARRA
American Recovery and Reinvestment Act (ARRA)

Verify that the LEA charges costs to **Title I, Part A, ARRA**, which are reasonable, necessary, and properly supported in accordance with applicable statutes, regulations and program plans.

OMB A-87, Attachment A; OMB Circular A-133, ED Cross-Cutting Section, III.B; ARRA Section 14003

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Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger
- Single Plan for Student Achievement (SPSA)
- Invoices, Purchase Orders, etc.
- 1512 ARRA Report
- Other items, as needed

Interviews with staff

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III-FM 7. REPORTING

Ensure that the LEA complied with all of the accountability and reporting requirements for the following programs:

- Title I, Part A - Resource Code 3010 & 3011
- Title IV - Resource Code 4124

Public Law 111-5, Section 1512(c) & EC 8482.3(f) (5) and 8484.8(b) (3) & (4)

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Evidence Reviewed

Documents include:

- Chart of Accounts
- General Ledger
- Single Plan for Student Achievement (SPSA)
- 1512 ARRA Report
- Number of Jobs Created or Retained - Calculation
- Number of Jobs Created or Retained - Calculation Methodology
- Other items, as needed

Interviews with staff

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Guidelines for Calculating Interest on Federal Funds

The following guidelines are designed to assist the California Department of Education (CDE) federal program grantees and sub-grantees (referred to below as grantee or grantees) in calculating interest on unspent federal program cash advances.

Calculating Interest When Federal Cash is or can be segregated from Other Grantee Resources

If federal funds are maintained in a manner in which the County Treasurer or County Office of Education can specifically determine the amount of interest earned on federal funds for a particular period (at least quarterly), then that is the interest amount that should be reported and remitted to the CDE. The interest due on federal cash balances should reflect the actual amount of interest earned on the unspent federal program funding advances. Therefore, interest calculations should be based on applicable interest rates applied to actual federal cash held in the grantee's bank or County Treasury.

Calculating Interest When Federal Cash is Pooled with Non-Federal Funds

If federal funds are pooled with non-federal funds in the grantee's bank or County Treasurer, then the grantee must reasonably determine the federal portion of total earned interest for the period. Since the amount of federal cash available for program costs can change daily, the grantee should apply applicable interest rates to the reporting period's average daily federal cash balances. Average daily federal cash balances can be calculated by combining all federal program cash, both negative and positive, for each day of the reporting period, using federal program resource codes, then dividing by the actual number of days in the reporting period. If the combined federal cash available under this approach is negative for any day during the period, the grantee must record the average daily federal cash balance as zero to avoid reducing or offsetting federal interest earnings for the temporary use of non-federal cash resources for federal programs (see the sample calculation methodology on page 2 of this enclosure for an example of this situation).

If the grantee includes non-federal match funding in the federal program resource codes, the grantee may reduce the daily federal cash balances by the corresponding proportionate share of required cash match for each program. For example, if federal program Title XYZ has a 20 percent match requirement and the grantee accounts for the non-federal match in the Title XYZ federal program resource code, then the 20 percent proportionate share of match may be excluded from the calculated daily and average daily balances.

Reporting and Remitting Federal Interest

CDE federal program grantees are required to report and remit interest to the CDE at least quarterly. Although grantees are allowed to keep interest amounts up to \$100 per year for administrative purposes, the \$100 is in total for all federal programs, not for

each federal program. When reporting and remitting federal interest to the CDE, grantees should specify the time period of interest earning and the federal program resource codes. Interest on federal cash balances should be sent to the CDE at the following address:

California Department of Education
P.O. Box 515006
Sacramento, CA 95851
Attention: Cashier's Office

**Interest on Federal Cash Balances
(Sample Calculation Methodology)**

Date	Federal Program A	Federal Program B	Federal Program C	Federal Program (ARRA) D	Combined Daily Balance
12/01/09	\$500	\$300	\$400	\$200	\$1,400
12/02/09	500	300	400	200	1,400
12/03/09	500	300	400	200	1,400
12/04/09	500	300	*(400)	200	600
12/05/09	500	300	*(400)	200	600
12/06/09	500	300	*(400)	200	600
12/07/09	500	300	*(400)	200	600
12/08/09	500	300	*(400)	200	600
12/09/09	200	300	*(400)	*(200)	**0
12/10/09	200	300	400	*(200)	700
12/11/09	200	300	400	*(200)	700
12/12/09	200	300	400	*(200)	700
12/13/09	200	300	400	*(200)	700
12/14/09	200	300	400	*(200)	700
12/15/09	200	300	400	200	1,100
12/16/09	200	300	400	200	1,100
12/17/09	200	300	400	200	1,100
12/18/09	200	*(200)	400	200	600
12/19/09	200	*(200)	100	200	300
12/20/09	100	*(200)	100	200	200
12/21/09	100	*(200)	100	200	200
12/22/09	100	*(200)	100	200	200
12/23/09	100	*(200)	100	200	200
12/24/09	100	*(200)	100	200	200
12/25/09	100	*(200)	100	200	200
12/26/09	100	*(200)	100	200	200
12/27/09	100	*(200)	100	200	200
12/28/09	100	0	100	200	400
12/29/09	100	0	100	200	400
12/30/09	100	0	100	0	200
12/31/09	100	0	100	0	200

**Total of all Daily Balances in Reporting Period
(December 1 through December 31)**

\$17,700

Step 1: Calculate the Average Daily Balance

Divide the Total of all Daily Balances in Reporting Period by the actual number of days in reporting period.

Total of all Daily Balances in Reporting Period	\$17,700
Actual Number of Days in Reporting Period	31
Average Daily Balance	\$571

Step 2: Calculate the Annual Interest Amount

Multiply the Average Daily Balance by County Treasurer Interest Rate.

Average Daily Balance	\$571
County Treasurer Interest Rate (APR)	2.4267%
Annual Interest Amount	\$14

Step 3: Calculate the Daily Interest Amount

Divide interest amount by number of days in year.

Annual Interest Amount	\$14
Number of days in year	365
Daily Interest Amount	\$0.038

Step 4: Calculate the Total Federal Interest Due

Multiply the Daily Interest Amount by number of days in reporting period.

Daily Interest Amount	\$0.038
Number of days in reporting period	31
Total Federal Interest Due	\$1.18

* In this example, negative federal program cash balances are assumed to be the result of costs paid by cash from other federal programs.

** In this example, the combined cash daily cash balance is negative \$100; however, for federal interest calculation purposes, combined daily cash balances cannot be negative. Negative combined daily balances would reduce or offset federal interest earnings due to the temporary use of non-federal cash resources. Therefore, any negative combined daily balances should be zero in calculating interest on federal cash balances.



CALIFORNIA
DEPARTMENT OF
EDUCATION

JACK O'CONNELL
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

December 1, 2010

Dear County and District Superintendents, Direct-Funded Charter School Administrators, and Chief Business Officers:

2010 BUDGET ACT AND RELATED LEGISLATION

On October 8, 2010, Governor Arnold Schwarzenegger signed Senate Bill 870 (Chapter 712, Statutes of 2010), the Budget Act of 2010. In addition to the Budget Act, the Governor signed various "trailer bills" that amend the California *Education Code* (EC) and other California codes to reflect technical changes necessary to implement the budget. In enacting the 2010 Budget Act, the Governor and the Legislature were obligated to take drastic measures for the third consecutive year to bring the state budget into balance in the worst recession that the state of California has endured since the Great Depression.

Prepared by the California Department of Education (CDE) fiscal policy staff, this letter provides information on budget provisions affecting kindergarten through grade twelve (K–12) education. Copies of this document, as well as other budget-related documents, are available through the CDE Education Budget Web page at <http://www.cde.ca.gov/fq/fr/eb/>. Official state budget documents are available through the Department of Finance Web site at <http://www.dof.ca.gov/> (Outside Source).

Governor's Budget Proposal

On January 8, 2010, Governor Arnold Schwarzenegger released his budget for 2010–11. He projected a deficit of \$19.9 billion for the two-year period including fiscal years 2009–10 and 2010–11. In addition to proposals for 2010–11, the budget included proposals for revising the enacted 2008–09 and 2009–10 budgets to address the state's fiscal crisis.

For education, the Governor's January budget proposed to reduce 2010–11 funding for revenue limits by \$1.5 billion to reflect proposals to cut administrative and contracting costs incurred by local educational agencies (LEAs). The budget also proposed to reduce revenue limits and categorical funding for LEAs by \$206.3 million due to a negative cost-of-living adjustment (COLA).

The January budget proposed suspension of most K–12 education mandates except for \$65 million for mandated behavioral intervention plans, \$7.7 million for mandated costs related to interdistrict and intradistrict transfers, and \$6.8 million for costs related to the California High School Exit Examination.

Governor's May Revision

On May 14, 2010, the Governor released his revised budget plan. The deficit amount was projected at \$19.9 billion.

There were two major changes from the January education proposals. First, the May Revision proposed a reduction of \$1.4 billion to reflect the proposed elimination of General Fund support for child care programs administered through the CDE.

Second, the May Revision continued the Governor's January budget proposal to reduce 2010–11 revenue limits funding by \$1.5 billion, but proposed an unallocated reduction rather than linking the reduction to administrative and contracting savings.

Final Budget Act of 2010

At last, after much controversy, the record 100-day budget standoff ended on October 8, 2010, with a budget agreement.

The 2010–11 budget package authorizes total spending of \$86.6 billion from the General Fund compared to \$86.3 billion in 2009–10. The budget package closes an estimated \$19.3 billion deficit through a combination of \$8.4 billion in spending reductions, \$5.4 billion in additional federal funds, and \$5.5 billion in other solutions.

The budget agreement also includes changes in law intended to help alleviate future budget crises. Specifically, it places before the voters a constitutional amendment intended to build budgetary reserves. If approved, the measure would increase the size of the state's rainy day fund, which was created by Proposition 58 (2004). The measure would require that unanticipated revenues, as defined, be deposited into the fund—unless needed to fund Proposition 98 obligations resulting from the increase in revenues. The measure would also restrict withdrawals from the fund and limit the situations in which required deposits (Proposition 58 requires that 3 percent of annual revenues be deposited into the fund) could be diverted to other purposes.

Other actions include:

- The budget package suspends the net operating loss corporate tax benefit for an additional two years, which results in increased tax revenue of \$1.2 billion in 2010–11 and \$400 million in 2011–12.
- The budget package assumes \$1.2 billion in one-time revenue from the sale of 11 state office buildings as authorized in the 2009–10 budget accord.
- The budget package includes \$2.7 billion of loans, loan repayment extensions, transfers, and shifts from special funds.
- The budget package increases the age from 62 to 65 at which newly hired state employees may obtain full retirement benefits and permanently increases pension contributions for current and new employees. This reform was achieved through collective bargaining and legislation that includes a rollback of SB 400 (Chapter 555, Statutes of 1999).

2009–10 Proposition 98 Changes

For 2009–10, the final Proposition 98 minimum funding level was calculated to be \$51.3 billion. Of this amount, \$49.5 billion was allocated, with a settle-up obligation of \$1.8 billion to be paid in future years. Proposition 98 spending was reduced by \$876 million. The spending reductions consist of \$176 million due to lower-than-expected costs for K–12 revenue limits, \$340 million due to savings in the K–3 Class Size Reduction program, and a savings of \$360 million due to savings in various other K–12 and community college (K–14) programs.

The 2010 Budget Act puts to rest the uncertainties that plagued the Proposition 98 funding levels for 2008–09 and 2009–10. As of the final 2009 Budget Act, the 2008–09 Proposition 98 guarantee was certified in statute at a funding level of \$49.1 billion with an outstanding maintenance factor of \$11.2 billion. This funding level represented a decrease of \$9 billion from the originally enacted 2008–09 funding level. In the proposed budget for 2010–11, the Governor recalculated the Proposition 98 minimum funding level for 2008–09 and asserted the \$11.2 billion obligation to schools was a statutory obligation, not a constitutionally required maintenance factor. This change in proposed methodology resulted in 2009–10 and 2010–11 Proposition 98 minimum funding levels that were lower than levels calculated under the previous methodology.

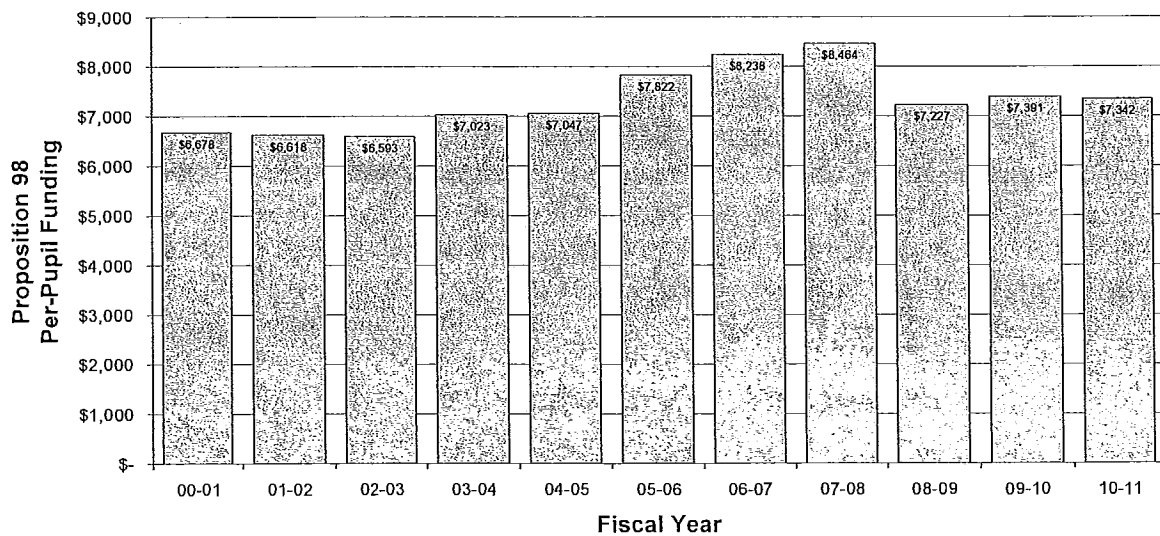
The final 2010 Budget Act settled this issue by retaining the \$49.1 billion Proposition 98 minimum funding level for 2008–09, with an outstanding maintenance factor of \$11.2 billion as approved in the final 2009 Budget Act.

2010–11 Proposition 98 Changes

The minimum funding level required by Proposition 98 is projected to be \$53.8 billion or \$4.3 billion higher than the level provided to K–14 programs under the final 2009–10 budget package. Because the state economy has not fully recovered, the Legislature and the Governor suspended the Proposition 98 guarantee by \$4.1 billion. SB 851 (Chapter 715, Statutes of 2010) declared the minimum funding level for K–14 education is \$49.6 billion. However, the amount actually provided in the 2010 Budget Act is only \$49.4 billion. The difference is a veto of \$256 million in child care funds.

Chart 1 shows the trend in Proposition 98 funding per pupil in K–12 schools from 2000–01 through 2010–11. The chart shows that, under the 2010–11 budget package, schools will receive Proposition 98 funding averaging \$7,342 per pupil in average daily attendance (ADA) compared to \$7,391 for 2009–10.

Chart 1—Proposition 98 Per-pupil Funding



Revenue Limits

The Legislature rejected the Governor’s proposal to implement a negative 0.39 percent cost-of-living adjustment. The deficit factor for school districts is 17.963 percent and for county offices of education 18.25 percent.

Deferrals

The budget package defers \$1.7 billion in revenue limit funds from 2010–11 to 2011–12. This \$1.7 billion consists of (1) increasing the deferral of April and May payments to July by \$1.2 billion and (2) increasing by \$500 million the amount of the June–July deferral counted towards the next fiscal year. The latter does not affect payments but is simply a Proposition 98 accounting maneuver.

The budget package also includes a new intra-year deferral of K–12 funding. Assembly Bill 1627 (Chapter 713, Statutes of 2010) authorized a new deferral of K–12 funding, from October 2010 to November 2010, of most state apportionments to county offices of education, school districts, and charter schools. This deferral was to address an immediate state cash shortfall as a result of the late budget.

Special Education

The Legislature eliminated \$52 million originally proposed to pay county mental health departments for mandated special education mental health (AB 3632, 1984) services. The Governor vetoed \$133 million for prior-year mandate costs (in the Department of Mental Health budget), stating in his veto message that the effect of this action is to eliminate the mandate and thereby require LEAs to assume responsibility for providing mental health services. The Governor's authority to suspend the AB 3632 mandate is being challenged in court.

The Governor also vetoed provisional language that requires the CDE to distribute \$76 million in federal funds to county offices of education, which in turn distribute the funds to county mental health departments for mental health services. The CDE has since distributed the funds as they had been distributed previously.

The budget package provides \$500,000 for an evaluation of the state's approach to providing mental health services to students with disabilities.

The Legislature rejected a proposed settlement agreement on the behavioral intervention plan mandate and instead adopted language providing that existing regulations governing behavior intervention plans are necessary to implement federal law and do not create a higher level of service. The purpose of this language is to eliminate the behavioral intervention mandate beginning in 2010–11. In addition, the Legislature adopted language to provide that the first call on General Fund special education funds appropriated in the Budget Act is to offset the cost of this program if it is deemed to be a reimbursable state mandate.

AB 184 (Chapter 403, Statutes of 2010) continues authority for the special disabilities adjustment for both 2009–10 and 2010–11 and repeals the current formula on July 1, 2011. The budget package provides \$300,000 in federal carryover funds for a study on the distribution of the incidence of severe disabilities.

Child Care and Development

The budget eliminates the California Work Opportunity and Responsibility to Kids (CalWORKs) Stage 3 child care program, via Governor's veto, effective November 1, 2010. Elimination of the CalWORKs Stage 3 program represents a \$256 million funding cut to the child care and development appropriation.

The budget package reduces the regional market rate ceilings for license-exempt providers from 90 percent to 80 percent of the 85th percentile of the Regional Market Rate (RMR). The package also reduces Alternative Payment Program administrative rates from a maximum of 19 percent to a maximum of 17.5 percent of their total contract amount, and places a cap of 5 percent of the contract amount on local child care contractor reserves. The budget captures excess reserve balances, which total \$85 million, to provide child care services.

The budget expands the language requiring the CDE to report on administrative overpayments in state subsidized child care programs to require that the report include additional criteria to distinguish between administrative errors and fraud.

California Longitudinal Pupil Achievement Data System

The Governor vetoed \$6.4 million in federal funds for the administration and implementation of the California Longitudinal Pupil Achievement Data System (CALPADS) and the California Teachers Integrated Data Education System (CALTIDES). An additional \$3.9 million was vetoed for the administration of the California School Information Services (CSIS). The CSIS program assists LEAs with the electronic transfer of student records to allow state reporting from electronic records.

Categorical Flexibility

The budget package incorporates the English Language Acquisition Program into the Economic Impact Aid (EIA) program. The budget package also provides \$3.1 million in EIA funding to county court schools beginning in 2010–11 and approves statutory changes to assure that court school students receive required instructional time.

The budget package provides supplemental categorical block grant funding to any new charter school that began operation during the 2008–09, 2009–10, or 2010–11 fiscal years. The funding amount is \$127 per unit of average daily attendance as determined at the 2010–11 second principal apportionment, and is based on the amount received by pre-existing charter schools for programs affected by the 2008–09 categorical flexibility changes.

State Mandates

The budget package provides \$300 million in Proposition 98 “settle-up” payments to pay for K–14 mandated costs. This amount includes \$90 million for 2010–11 mandated costs (\$80.4 million for K–12). The remaining \$210 million will be distributed on an equal per-student basis and will be applied to school district, county office of education, and community college unpaid prior-year mandate claims.

Figure 1 identifies funded K–12 mandates.

Figure 1
Funded K–12 Mandates

Program	2010–11 Amount
Agency fee arrangements	22,000
AIDS instruction I & AIDS prevention instruction II	1,293,000
California High School Exit Examination	5,776,000
California State Teachers Retirement System services credit	85,000
Caregiver affidavits	502,000
Charter schools I, II & III	1,306,000
Collective bargaining	1,789,000
Comprehensive school safety plans	2,977,000
Consolidation of notification to teachers: pupils subject to suspension or expulsion I & II, & pupil discipline records	6,656,000
Consolidation of annual parent notification/school site discipline rules/alternative schools	8,844,000
County office of education fiscal accountability reporting	282,000
Criminal background checks I	568,000
Criminal background checks II	303,000
Differential pay & re-employment	2,000
Financial & compliance audits	359,000
Habitual truants	1,383,000

Immunization records	3,802,000
Immunization records—hepatitis B	4,626,000
Intradistrict attendance	3,397,000
Juvenile court notices II	1,024,000
Notification of truancy	3,645,000
Physical performance tests	3,485,000
Pupil health screenings	759,000
Pupil promotion & retention	1,074,000
Pupil safety notices	72,000
Pupil suspensions, expulsions, expulsion appeals	5,205,000
School district fiscal accountability reporting	2,668,000
The Stull act	18,451,000

The budget package made changes to several of the funded mandates to reduce costs.

The budget package amends the Notification of Truancy mandate by adding language to require school districts to use “the most cost effective method possible” to notify parents when a student is initially classified as a truant. The budget package also defines “conscientious effort” used in the Habitual Truants mandate language.

The budget package suspends a portion of the Pupil Promotion and Retention mandate until July 1, 2013. School districts will not be required to provide supplemental instruction to pupils who have been retained or recommended for retention.

The budget package also contains language that requests the Department of Finance to file a request with the Commission on State Mandates to seek adoption of a new test claim to supersede the Collective Bargaining mandate.

The budget package eliminates the Teacher Incentive Program mandate, the Behavioral Intervention Plan mandate, and the High School Graduation mandate. The Behavioral Intervention Plan mandate is discussed in the special education section of this letter. For High School Graduation, the legislation requires that costs incurred by a school district or county office of education for salaries and benefits of teachers to provide courses required for high school graduation shall be offset by revenue limit funding.

Figure 2 identifies mandates that are suspended in 2010–11.

**Figure 2
Suspended Mandates**

County treasury withdrawals .
Grand jury proceedings
Health benefits for survivors of peace officers & firefighters

Law enforcement sexual harassment training
Physical education reports
Pupil residency verification & appeals
Removal of chemicals
School bus safety I & II
Scoliosis screening

Figure 3 identifies mandates that are still in effect but are not funded.

**Figure 3
Mandates That Are Not Funded**

Absentee ballots
Consolidation of law enforcement agency notifications (LEAN) & missing children reports
Mandate reimbursement process
Prevailing wage
Public safety officers procedural bill of rights act
School accountability report cards II & III
School district reorganization
Threats against peace officers

Finally, the budget package adds language that directs the Legislative Analyst's Office to convene a working group, in which the CDE will participate, to develop recommendations on mandate reform, including whether to preserve, modify, or eliminate particular mandates.

Federal Funds

The budget package appropriates \$37.7 million from American Recovery and Reinvestment Act (ARRA) of 2009 funds for the Enhancing Education Through Technology (EETT) Competitive Grant Program. The purpose of the program is to provide funding to promote the acquisition, maintenance, and use of data to improve college and career readiness and/or to improve the high school graduation rate in school districts and direct-funded charter schools serving students in grades seven through twelve, inclusive.

Separate legislation, SB 847 (Chapter 220, Statutes of 2010), appropriated \$1.2 billion from the federal Education Jobs Fund to be distributed based on revenue limit formulas. AB 185 (Chapter 221, Statutes of 2010) appropriated \$415 million in federal funds for local improvement plans for low-performing schools participating in the School

Improvement Grant program. The participating schools must implement one of four specified school intervention models.

AB 185 also appropriated \$272 million for the last installment of K–12 funding from the ARRA State Fiscal Stabilization Fund for LEAs.

Other Issues

The budget package eliminates the Alternative Schools Accountability Model (ASAM) for a savings of \$775,000. The ASAM provides school-level supplemental accountability measures for more than 1,000 alternative schools serving 450,000 high-risk students in the state.

The budget package includes language which stipulates that payments from the Charter Schools Facilities Grant program for current-year lease costs must be allocated by October 1 of each fiscal year or 90 days after the enactment of the Budget Act, whichever is later. However, the funding is first to be used to reimburse eligible prior-year unreimbursed costs.

Budget and Trailer Bills

Listed below are the budget and trailer bills that affect education.

Bill	Chapter	Date	Subject
SB 870	712	October 2010	2010 Budget Act
SB 847	220	September 2010	Federal education jobs funding
SB 851	715	October 2010	Proposition 98 suspension
AB184	403	September 2010	Special disabilities adjustment
AB 185	221	September 2010	School improvement grants and State Fiscal Stabilization Fund
AB 1610	724	October 2010	Education trailer bill
AB 1624	713	October 2010	Cash flow provisions
ABX8 5	1	March 2010	Cash flow provisions
ABX8 14	10	March 2010	Cash flow provisions
Assembly Constitutional Amendment 4	174	October 2010	Budget Stabilization Fund

December 1, 2010

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If you have any questions regarding the state education budget, please contact Carol Bingham, Director, Fiscal Policy, by phone at 916-324-4728 or by e-mail at cbingham@cde.ca.gov.

Sincerely,

JACK O'CONNELL

JO:cb

NOTICE: The guidance in this letter is not binding on LEAs or other entities. Except for the statutes, regulations, and court decisions that are referenced herein, this bulletin is exemplary, and compliance with it is not mandatory. (See *EC* Section 33308.5.)



CALIFORNIA
DEPARTMENT OF
EDUCATION

JACK O'CONNELL
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

October 13, 2010

Dear County and District Superintendents and Charter School Administrators:

**U.S. DEPARTMENT OF EDUCATION ISSUES ADVICE REGARDING CALIFORNIA
INTERNS AND HIGHLY QUALIFIED TEACHER STATUS**

On September 27, 2010, the U.S. Court of Appeals for the Ninth Circuit, ruled on *Renee v. Duncan*. The Court ruled that the federal regulation that permits teachers who are participating in an alternative route to achieving full certification conflicts with the statute and does not meet the requirements of the Elementary and Secondary Education Act. The California Department of Education (CDE) has received several inquiries from the field regarding the impact of this decision on California's regulations on this issue.

It is important to note that California was not a party to the *Renee v. Duncan* litigation, and the California regulation was not argued before the Court. In addition, the U.S. Department of Education has recently issued the following statement:

In regards to the *Renee v. Duncan* case, under court rules, the Department has 45 days from September 27, 2010, or until November 10, 2010, in which to seek further court review. During this period (and for longer if the Department appeals), the recent decision of the U.S. Court of Appeals for the Ninth Circuit is not final, and the Department's regulation concerning participants in alternative route programs that meet certain prescribed requirements being considered fully certified remains in effect. Therefore, at this time teachers who participate in such alternative route programs, and who have bachelor degrees and demonstrated subject-matter knowledge, are still highly qualified for purposes of Federal education programs.

The Department strongly favors permitting individuals who participate in high-quality alternative route programs to be eligible under Federal law to teach in our nation's schools, and is considering its legal options during this 45-day period.

Therefore, until the decision is final, local educational agencies are not under any obligation to alter their current practices.

October 13, 2010
Page 2

If you have any questions regarding this subject, please contact Lynda Nichols,
Education Programs Consultant, Title II Leadership Office, by phone at 916-323-5822 or
by e-mail at lnichols@cde.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Jack O'Connell". The signature is written in a cursive style with a large, looped initial "J".

JACK O'CONNELL

JO:rt

ECONOMIC IMPACT AID INFORMATION

Funding, Use, and Target Populations

	LEA	School: EIA/LEP	School: EIA/SCE
PURPOSE	<p>Economic Impact Aid (EIA) is a state categorical program for kindergarten through grade twelve to support:</p> <ul style="list-style-type: none"> (1) additional programs and services for Limited English Proficient (LEP) students and, (2) State Compensatory Education (SCE) services for educationally disadvantaged youth (EDY) as determined by the Local Education Agency. 	<p>To provide supplemental support programs, services, and activities to assure that LEP students achieve proficiency in the English language as rapidly as practicable and to support programs and activities to improve the academic achievement of English learners.</p>	<p>A school shall use EIA/SCE funds to support programs and activities designed to assist EDY achieve state standard proficiency levels.</p>
ELIGIBILITY	<p>EIA funding is open to all public school districts that request participation using Part I of the annual Consolidated Application for funds.</p> <ul style="list-style-type: none"> Charter schools receive "in lieu" EIA funds through their Block grant, not the ConApp. County offices of education operating juvenile court schools are eligible for EIA as of 2010-11. 	<p>EIA/LEP must be allocated to every site enrolling identified LEP students. These funds may not be allocated to sites reporting zero LEP students.</p>	<p>All EDY inclusive of LEP students. Schools are eligible for SCE if they report any one, or more, of the following characteristics:</p> <ul style="list-style-type: none"> 25% low income, or 25% LEP, or 50% EDY
FUNDING PRINCIPLES	<p>Maintenance of effort – Districts maintaining programs under this chapter shall assure that the sums of local and state apportionment resources utilized in programs for participating students have not been reduced.</p> <p>ELAP funds will augment EIA allocations beginning 2010-11.</p>	<p>Nothing contained in Section 52168 of the CA ED Code, shall be interpreted to authorize school districts to reduce per pupil expenditures from local, state, or federal sources for the education of pupils of limited English proficiency.</p>	<p>Funding should be directed to schools with highest concentrations of EDY. Where the EDY includes children who speak English as a second language, programs should include early English language instruction & the use of teachers, aides, or volunteers who are proficient in the child's primary language.</p>
ALLOWABLE EXPENDITURES	<ul style="list-style-type: none"> Funds received by school districts for EIA shall <u>supplement</u>, not <u>supplant</u>, existing resources at the school site. 85 percent of LEA entitlement must be apportioned to school sites, via the ConApp, and used to provide direct services to eligible pupils. 	<ul style="list-style-type: none"> Supplemental teaching materials Paraprofessionals Supplemental LEP professional development for teachers and paraprofessionals Parent involvement Resource teachers Other "reasonable" district expenses 	<ul style="list-style-type: none"> Reduction ratios of pupils to teachers Special efforts in reading instruction Preschool programs After-school tutoring programs Remedial and corrective programs See Ed Code 54422/23 for full description.

California Department of Education Contacts:

Economic Impact Aid for **State Compensatory Education (EIA-SCE)** - Richard Graham, (916) 319-0303, Rgraham@cde.ca.gov

Economic Impact Aid for **Limited English Proficient (EIA-LEP)** - Mark Klinesteker, (916) 319-0420, MKlinesteker@cde.ca.gov

Fiscal Services Division (Questions on EIA formula and allocations) - Ross Valentine, (916) 327-4405, RValenti@cde.ca.gov

Data Management, (Questions on ConApp) - Linda Parker, (916) 319-0297, Lparker@cde.ca.gov

Economic Impact Aid (EIA) 2010-11 General Information

December 10, 2010

The Budget Act for 2010-11 includes **\$942,447,000** for EIA. EIA is authorized in *Education Code* sections 54000 through 54028. Assembly Bill 1610 (Chap. 724 of 2010) added Section 54021 to the California *Education Code*, which makes two changes to the EIA program for 2010-11: 1) English Learner Acquisition Program (ELAP) funding is being added to EIA, and 2) county offices of education (COE) that operate juvenile court schools (JCS) will have the opportunity to support an EIA program in those JCS schools. An amount equal to each district's 2009-10 ELAP entitlement is being added to the district's 2010-11 EIA entitlement. In 2010-11 the district can continue to spend the former ELAP funds for ELAP purposes, or it can spend the funds for EIA purposes. For 2011-12 the funds must be spent for EIA purposes only. ELAP funds will become part of the district's EIA Per Pupil Rate for 2011-12 and beyond.

Economic Impact Aid (EIA) funding in 2010-11 is equal to a school district's prior year EIA per-pupil funding rate multiplied by its 2010-11 EIA eligible pupil count, plus an amount equal to its 2009-10 (ELAP) allocation. County offices of education that received ELAP funding in 2009-10 are not eligible to receive the corresponding EIA funding in 2010-11. The EIA per-pupil funding rate for participating county offices will be equal to the statewide average per eligible pupil rate of \$318.87.

EIA Eligible Pupil Counts are determined from prior year populations for each LEA: 1) the number of economically disadvantaged pupils (ED) (Title I Formula Children counts are used for districts, adjusted Free Meal eligible counts are used for both "small" rural districts and county offices of education); 2) the number of English Learners (EL) as reported by the district or county juvenile court school; and 3) a calculated number for each district or county office that has a combined ED and EL pupil count (or concentration) greater than 50 percent of the district's or county office's pupil enrollment. Only juvenile court school enrollment is used for county offices.

The EIA entitlement for school districts and county offices of education, at a minimum, will be **\$5,749** (for 1 to 10 EIA Eligible Pupils) or **\$8,676** (for 11 or more EIA Eligible Pupils). For districts, this is **before** the ELAP funds are added to the district entitlement.

The first 2010-11 EIA apportionment was paid November 23, 2010. This apportioned 40 percent of each LEA's estimated 2010-11 EIA entitlement, or an amount equal to the sum of: a) each district's 2009-10 EIA entitlement; plus b) each COE juvenile court school estimated 2010-11 entitlement; plus c) each district's 2009-10 ELAP entitlement. EIA 2010-11 entitlements will be announced this month. Subsequent apportionments will be certified in January, March, and May 2011 for approximately 20 percent each of the actual 2010-11 EIA entitlement.

A separate notice of intent to participate was required from county office's with juvenile court schools, in order to receive estimated funding on the first (November) apportionment. The 2010-11 Consolidated Application will serve as the formal application process for county offices of education operating juvenile court schools. The 2010-11 ConApp, Parts I and II have been amended to permit COEs with active JCS's to participate in the EIA program. COEs that intend to participate will need to review and revise their 2010-11 ConApp pages 2, 5, 6, 30, and 31.

There is no restriction on the amount of EIA funds that may be carried over from year to year. For standardized account code structure coding, use Resource Code 7090, Economic Impact Aid (EIA), or Resource Code 7091, Economic Impact Aid: Limited English Proficiency (LEP), and Revenue Object Code 8311, Other State Apportionments-Current Year. The funding increase due to the ELAP transfer can be spent for EIA purposes, using the EIA Resource Codes above, or for 2010-11 only, for ELAP purposes, by transferring funds from the EIA Resource Code to Resource Code 6286, English Language Acquisition Program, Teacher Training & Student Assistance, using Object 8990, Contributions from Restricted Revenue.

EIA expenditures are to be consistent with EIA statute. EIA funds allocated in 2011-12 and beyond are only to be used for EIA purposes. Unused 2009-10 (or 2008-09) ELAP carryover shall be used for the purposes of ELAP. ELAP funds will become part of the district's EIA Per Pupil Rate for 2011-12 and beyond. A minimum of 85 percent of EIA funds are to be spent for direct services to pupils in schools. A maximum of 15 percent is available for Administrative Costs, including EIA Indirect Cost charges that are capped at 3 percent of the district's EIA expenditures (or the district's approved Indirect Cost rate, whichever is less).

For charter schools that receive funding in lieu of EIA as part of the Charter School Categorical Block Grant, this funding is not included in the ConApp. For charter school funding information, contact Byron Fong, Education Fiscal Services Consultant, Charter Schools Fiscal Office, at 916-323-0498 or by e-mail at byfong@cde.ca.gov.

EIA Program & Fiscal questions

SCE-Richard Graham, District & School Improvement Division, Consultant at (916) 319-0303, or by email at RGraham@cde.ca.gov
EL-Mark Klinesteker, Categorical Compliance Division, Consultant at (916) 319-0420, or by email at MKlinesteker@cde.ca.gov
EIA Program information Web site: <http://www.cde.ca.gov/sp/sw/t1/eia.asp>

EIA Fiscal-- Ross Valentine, School Fiscal Services Division, Consultant, at (916) 327-4405, or by email at RValenti@cde.ca.gov
EIA Fiscal Web site: <http://www.cde.ca.gov/fg/aa/ca/eia.asp> 2010-11 Info: <http://www.cde.ca.gov/fg/fo/r14/eia10result.asp>

ELAP Fiscal information Web site: <http://www.cde.ca.gov/fg/aa/ca/englishlang.asp> (see 2009-10 First Apportionment Schedule)
ELAP Program information Web site: <http://www.cde.ca.gov/sp/el/ii/>



Open Enrollment: Update

Categorical Programs Directors' Meeting
Friday, December 10, 2010
California Department of Education
1430 N Street, Room 1101
Sacramento, California

Patricia S. Terry, Administrator
Educational Options Office
pterry@cde.ca.gov

CALIFORNIA DEPARTMENT OF EDUCATION
Jack O'Connell, State Superintendent of Public Instruction



JACK O'CONNELL
State Superintendent
of Public Instruction

Open Enrollment Act

Provides students from 1,000 low achieving schools, also known as "Open Enrollment" schools, the right to leave the school located where they reside and enroll in a higher achieving school in the same district or another district.

Relevant *Education Code* Sections

Sections 48350-48361 in the California *Education Code* describe the provisions of the Open Enrollment Act.



JACK O'CONNELL
State Superintendent
of Public Instruction

Emergency Regulations

- Statute required that the SBE adopt emergency regulations.
- At the direction of the SBE, the emergency regulations are proposed to be effective for the 2010-11 school year.
- The emergency regulations were approved by the Office of Administrative Law (OAL) on August 2, 2010 and are currently in effect.



JACK O'CONNELL
State Superintendent
of Public Instruction

Permanent Regulations

- The SBE directed CDE to commence the rulemaking process at its July, 2010 meeting. The 45-day written comment period began on July 30th, and the public offered statements or arguments relevant to the SBE's proposed adoption of the regulations at a hearing on September 14, 2010, in Sacramento.
- A 15-day comment period to allow comments relevant to amendments to the proposed regulations commenced on September 20th and ended on October 5, 2010.
- The rulemaking package with the proposed permanent regulations was submitted to the OAL on October 26, 2010.
- OAL approved the permanent regulations on December 2, 2010, with the permanent regulations to become effective on 01/01/2010.



JACK O'CONNELL
State Superintendent
of Public Instruction

Key Dates - Legislation

January 7, 2010
Open Enrollment Act (SBX5 4) signed into law by the Governor

April 14, 2010
Open Enrollment Act effective

July 30
Commencement of 45-day public comment period relevant to adoption of proposed regulations

August 2, 2010
Emergency regulations approved by Office of Administrative Law (OAL)



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State Superintendent
of Public Instruction

Key Dates – Legislation (cont'd)

September 14, 2010
Public hearing and conclusion of 45-day written comment period relevant to the adoption of proposed permanent regulations

September 20, 2010
Commencement of 15-day public comment period on proposed amendments to proposed permanent regulations

October 26, 2010
Submission of rulemaking package to OAL

December 2, 2010
Approval of permanent regulations by OAL

January 1, 2011
Effective date for permanent regulations



JACK O'CONNELL
State Superintendent
of Public Instruction

Amendments to Proposed Permanent Regulations

- **Section 4701(a)(2)(E)** has been added to exclude from the Open Enrollment List schools that are not schools of a district of residence as defined in Education Code section 48352(d).
- **Section 4702(a)** has been amended by removing the date "September 15" and replacing it with the phrase "14 calendar days after the Open Enrollment List is posted on the CDE's Web site at <http://www.cde.ca.gov/>." A date certain year for the initial year was necessary to effectively implement the statute and should have only been included in the emergency regulations. The September 15th date was not intended to apply to any school year subsequent to the 2010-11 school year.



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State Superintendent
of Public Instruction

Amendments to Proposed Permanent Regulations (cont'd)

- **Section 4702(c)** was added to clarify the intent of continuity of enrollment for a student in a district of enrollment with regard to matriculation to a middle or high school within the district.
- **Section 4703(b)** was amended to make allowances for enrollment after the first day of instruction. Language was added to reflect the responsibility of enrollment as that of the parent or guardian, as opposed to the pupil.



JACK O'CONNELL
State Superintendent
of Public Instruction

Key Dates - Implementation

- **August 12** – Open Enrollment List for transfer in the 2010-11 school year posted to CDE Web site
- **September 15** – Deadline for parent notification of transfer option for 2010-11 school year
- **October 08** - Open Enrollment List for transfer in the 2011-12 school year posted to CDE Web site
- **January 1, 2011** – Date applications for transfer for the 2011-12 school year must be received by district of enrollment



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State Superintendent
of Public Instruction

Timelines in Statute

Students must apply **prior to January 1** of the school year preceding the school year for which the pupil is requesting to transfer. The school district of enrollment may waive this deadline.

Within **60 days** of receiving an application, the school district of enrollment shall notify the applicant parent and the school district of residence of whether the application has been accepted or rejected.



JACK O'CONNELL
State Superintendent
of Public Instruction

Approval and Rejection of Applications

- School districts can adopt specific, written standards for acceptance and rejection of applications.
- These standards may consider:
 - Program
 - Class
 - Grade Level
 - School Building



JACK O'CONNELL
State Superintendent
of Public Instruction

Additional Information

- CDE Web Page—
<http://www.cde.ca.gov/sp/eo/op/>
- CDE Contact—
Carolyn Mills, Consultant,
Educational Options Office
cmills@cde.ca.gov

**Categorical Program Directors' Meeting
2011 Schedule**

Date	Location	Chairperson
Friday, January 21, 2011 9:30 a.m. – Noon	Co-Host CDE, 1430 N Street, Suite 1101	
Friday, February 18, 2011 9:30 a.m. – Noon	CDE, 1430 N Street, Suite 1101	
Friday, March 18, 2011 9:30 a.m. – Noon	Co-Host CDE, 1430 N Street, Suite 1101	
Friday, April 15, 2011 9:30 a.m. – Noon	CDE, 1430 N Street, Suite 1101	
Friday, May 20, 2011	CDE, 1430 N Street Suite 1101	
June 2011	No Meeting	
July 2011	No Meeting	
Friday, August 19, 2011 9:30 a.m. – Noon	CDE, 1430 N Street, Suite 1101	
Friday, September 16, 2011 9:30 a.m. – Noon	CDE, 1430 N Street, Suite 1101	
October 2011	No Meeting: CAASFEP conference	
Friday, November 2011	No Meeting	
Friday, December 16, 2011 9:30 a.m. - Noon	CDE, 1430 N Street, Suite 1101	

For information regarding agendas and locations, contact:
Cheryl Tiner, Assistant Education Program Consultant, District and School Improvement
Division, at 916-319-0414 or by e-mail at ctiner@cde.ca.gov

Revised July 2010

