

PARAMETERS AND GUIDELINES

Education Code Sections 44395 and 44396

Statutes 1998, Chapter 331

Teacher Incentive Program (99-TC-15)

I. SUMMARY OF THE MANDATE

Education Code sections 44395, subdivisions (b) and (c), and 44396, subdivision (c) established a program for providing one-time \$10,000 merit awards for public school teachers who are certified by the National Board for Professional Teaching Standards (NBPTS), and require school districts to administer the program, which is conducted by the California Department of Education (CDE).

On February 27, 2003, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Education Code sections 44395, subdivisions (b) and (c), and 44396, subdivision (c), constitute a reimbursable state-mandated program or higher level of service for school districts within the meaning of article XIII B, section 6, of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514 for the following new activities:

- Inform teachers employed by the school district, or by charter schools affiliated with the district, about the National Board for Professional Teaching Standards Certification Incentive Program and how they can acquire the necessary application and information materials distributed by the CDE. (The CDE shall distribute to school districts information about the certification process established by the National Board for Professional Teaching Standards along with the application materials and instructions for the merit award program.) (Ed. Code, § 44395, subd. (c).)¹
- Upon receipt of an application for the National Board for Professional Teaching Standards Certification Incentive Program, certify that the applicant is employed by the district or a charter school operating under a charter granted by the school district and that the applicant has met all the criteria established pursuant to Education Code section 44395, subdivision (b). (Ed. Code, § 44396, subd. (c).)²
- Submit the application to the CDE for its review and approval. (Ed. Code, § 44396, subd. (c).)

¹ As added by Statutes 1998, chapter 331, operative January 1, 1999. Reimbursement for this activity concludes July 4, 2000, due to substantive amendment by Statutes 2000, chapter 70, operative July 5, 2000.

² As added by Statutes 1998, chapter 331, operative January 1, 1999.

- Use state-apportioned funds to provide a one-time merit award of ten thousand dollars (\$10,000) to each teacher whose application is approved by the CDE. (Reimbursement is limited to the administrative costs of distributing the award.) (Ed. Code, § 44396, subd. (d).)

II. ELIGIBLE CLAIMANTS

Any “school district”, as defined in Government Code section 17519, except for community colleges, which incurs increased costs as a result of this mandate is eligible to claim reimbursement. A charter school is not an eligible claimant.

III. PERIOD OF REIMBURSEMENT

Government Code Section 17557 states that a test claim must be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on June 29, 2000. However, the test claim legislation (Stats. 1998, ch. 331) was operative January 1, 1999, and subsequent legislation (Stats. 2000, ch. 70) revised one subdivision of the test claim statute so that it became inoperative on July 4, 2000. Therefore, reimbursement periods are as follows:

- Notification to Teachers (Section IV. A. 1.): January 1, 1999 through July 4, 2000.
- Review and Certification (Section IV. B.1.a.): Reimbursement begins January 1, 1999, and is ongoing.
- Payroll Processing (Section IV. B.2.a.): Reimbursement begins January 1, 1999, and is ongoing.

Actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561, subdivision (d)(1), all claims for reimbursement of initial years’ costs shall be submitted within 120 days of notification by the State Controller of the issuance of claiming instructions.

If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

IV. REIMBURSABLE ACTIVITIES

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

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, and declarations. Declarations must include a certification or declaration stating, “I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct,” and must further comply with the requirements of Code of Civil Procedure section 2015.5.

Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

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

For each eligible claimant, the following activities are reimbursable:

A. One-Time Activity Per Teacher

1. Notification to Teachers (*Reimbursement Period: January 1, 1999 through July 4, 2000.*)
 - a. Inform the teachers employed by the school district, or by charter schools affiliated with the district, about the National Board for Professional Teaching Standards Certification Incentive Program and how they can acquire the necessary application and information materials distributed by the CDE. (The CDE shall distribute to school districts information about the certification process established by the National Board for Professional Teaching Standards along with application materials and instructions for the merit award program.) (Ed. Code, 44395, subd. (c).) This activity includes reimbursement for the cost of copying and distributing the information to teachers.

B. On-Going Activities

1. Review and Certification
 - a. Accept an application for the National Board for Professional Teaching Standards Certification Incentive Program, review the application, and certify that the applicant is employed by the district or a charter school operating under a charter granted by the school district, and that the applicant has met all the criteria established pursuant to Education Code section 44395, subdivision (b). (Ed. code, 44396, subd. (c).)
 - b. Submit the application to CDE for its review and approval. (Ed. Code, § 44396, subd. (c).)

2. Award Distribution

Distribute a one-time merit award of ten thousand dollars (\$10,000) from state-apportioned funds for each teacher who is certified by the National Board for Professional Teaching Standards and whose application is approved by the CDE. (Ed. Code, § 44396, subd. (d).) The costs are the time spent to process the awards through fiscal control and payroll department, similar to processing regular payroll.

V. CLAIM PREPARATION AND SUBMISSION

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

A. Direct Cost Reporting

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

1. Salaries and Benefits

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

2. Materials and Supplies

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

3. Contracted Services

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

B. Indirect Cost Rates

Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include both (1) overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

School districts must use the J-380 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

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

VI. **RECORD RETENTION**

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter³ is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement

³ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING SAVINGS AND REIMBURSEMENTS

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

VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the statute or executive order creating the mandate and the parameters and guidelines adopted by the Commission.

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

IX. REMEDIES BEFORE THE COMMISSION

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

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

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The statement of decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the statement of decision, is on file with the Commission.