



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# _____

Meeting Date: May 16, 2013

Subject: Public Hearing for the Receipt and Use of Tier III Funds for Fiscal Year 2013-14

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: _____)
- Conference/Action
- Action
- Public Hearing

Division: Administrative Services

Recommendation: Conduct a public hearing of the receipt and use of Tier III funds for fiscal year 2013-14.

Background/Rationale: Assembly Bill (AB) 189 (Chapter 606/2011) modified Education Code Section (E.C) 42605 (c) to require a public hearing separate from the annual adoption of the budget by June 30th of each year. Prior to adoption of the budget, the Board must conduct a public hearing on Tier III programs. There are no new reductions proposed to Tier III programs for 2013-14. In order to have a balanced budget, the same reductions that occurred in fiscal year 2012-13 are maintained for 2013-14.

As a condition of the receipt of Tier III categorical program funds, the Education Code requires that a public hearing be held, before and independent of a meeting where the Governing Board adopts a budget. The external auditors will verify that the public hearing was held in compliance with this statute.

Financial Considerations: The penalty for noncompliance is significant, up to and including the loss of all Tier III funds (\$32.59 million).

Documents Attached:

1. Executive Summary
2. Summary of Tier III Programs
3. PowerPoint Presentation

Estimated Time of Presentation: 5 Minutes

Submitted by: Ken A. Forrest, Chief Business Officer
Gerardo Castillo, CPA, Director III, Budget Services

Approved by: Jonathan P. Raymond, Superintendent

Board of Education Executive Summary

Administrative Services

Public Hearing for the Receipt and Use of Tier III Funds for
Fiscal Year 2013-14
May 16, 2013



I. Overview/History:

Starting in 2008-09, the state provided complete flexibility of approximately 26 formerly restricted state-funded programs. The projected revenue for these programs was \$32.59 million. In balancing the 2010-11 budget, \$15 million was reduced from several Tier III programs. (List of programs attached). Further reductions of \$3.83 million were made in 2011-12 and \$7.375 million in 2012-13. Further reductions and/or eliminations of Tier III programs will not be recommended for fiscal year 2013-14. The reductions from prior years continue for 2013-14.

Assembly Bill (AB) 189 (Chapter 606/2011) modified Education Code Section (E.C.) 42605(c) to require a public hearing separate from the annual adoption of a district's budget. Even though Governor Jerry Brown has proposed a school finance reform model that would eliminate existing categorical programs and flexibility provisions, local educational agencies (LEAs) should follow the provisions of current law until they are actually changed.

The Education Code specifically requires, as a condition of the receipt of Tier III categorical program funds, that a public hearing be held, before and independent of a meeting where the Governing Board adopts a budget. This hearing allows the Board to take testimony from the public, to discuss, and to approve or disapprove the proposed use of funding.

II. Driving Governance:

Education Code Section (E.C.) 42605(c)

III. Budget:

\$26.675 million of formerly restricted programs will transfer to unrestricted resource 0000 for fiscal year 2013-14.

IV. Goals, Objectives and Measures:

Comply with Education Code Section (E.C.) 42605(c) to require a public hearing separate from the annual budget adoption. Promote transparency by providing additional information to the Board and public on expenditures made by the district throughout the last three fiscal years.

Board of Education Executive Summary

Administrative Services

Public Hearing for the Receipt and Use of Tier III Funds for

Fiscal Year 2013-14

May 16, 2013

V. Major Initiatives:

- Support implementation of the Strategic Plan 2010-2014
- Continue analysis of information from the state
- Prepare for the Third Interim
- Adopt a 2013-14 balance budget

VI. Results:

The Tier III Program reductions which were made in the previous years will continue and allow the district to submit a balanced 2013-14 budget plan to the Sacramento County of Education.

VII. Lessons Learned/Next Steps:

- Continue to monitor the fiscal health of the district and the state
- Work closely with the Sacramento County Office of Education and provide necessary information
- Evaluate the changes made during the May Revise for the 2013-14 Budget
- Prepare the Third Interim Report

SUMMARY OF TIER III PROGRAMS

Public Hearing for Proposed Fiscal Year 2013-14 Transfers of Tier III Resources

Tier III Program	Original Funding	2010-11 Funding	2011-12 Funding	2012-13 Funding	2013-14 Funding	2013-14 Transfer to Resource 0000
	\$12,452,096	\$8,093,862	\$5,093,862	\$0	\$0	\$12,474,299
Arts and Music Grant	\$620,318	\$565,000	\$565,000	\$0	\$0	\$624,182
Cal Safe Academic Support	\$190,262	\$0	\$0	\$0	\$0	\$190,262
California High School Exit Exam	\$439,001	\$0	\$0	\$0	\$0	\$396,562
Certificated Staff Mentoring	\$86,771	\$0	\$0	\$0	\$0	\$100,490
Child Oral Health Assessment	\$24,550	\$0	\$0	\$0	\$0	\$25,565
Class Size Reduction – 9 th Grade	\$442,363	\$0	\$0	\$0	\$0	\$551,337
Community Based English Tutoring	\$365,620	\$0	\$0	\$0	\$0	\$347,396
Community Day School	\$39,164	\$39,164	\$39,164	\$39,164	\$102,129	\$0
Deferred Maintenance*	\$1,550,422	\$0	\$0	\$0	\$0	\$1,550,422
Gifted and Talented Education	\$311,839	\$311,839	\$311,839	\$296,247	\$296,247	\$15,592
Instructional Materials Block Grant	\$2,206,123	\$1,500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,427,202
PE Teacher Incentive Grant	\$159,392	\$0	\$0	\$0	\$0	\$176,108
Peer Assistance and Review	\$152,530	\$0	\$0	\$0	\$0	\$174,100
Professional Development Block Grant	\$2,358,344	\$1,572,229	\$1,572,229	\$1,572,229	\$1,572,229	\$781,173
Pupil Retention Block Grant	\$840,175	\$0	\$0	\$0	\$0	\$855,885
Regional Occupational Program	\$1,885,702	\$1,618,226	\$1,618,226	\$1,537,315	\$1,537,315	\$348,387
School Library/ Improvement Block Grant	\$3,361,349	\$953,663	\$723,663	\$0	\$0	\$3,374,444
School Safety Competitive Grant	\$531,667	\$531,667	\$531,667	\$531,667	\$533,626	\$0
Staff Development – Administrator Training	\$33,472	\$0	\$0	\$0	\$0	\$33,946
Staff Development – Math and Reading Professional Development	\$195,647	\$0	\$0	\$0	\$0	\$200,417
Supplemental School Counseling	\$1,164,990	\$896,150	\$896,150	\$0	\$0	\$1,200,286
Targeted Instructional Improvement Block Grant	\$2,419,063	\$1,406,000	\$1,406,000	\$1,406,000	\$1,406,000	\$1,022,078
Teacher Credentialing Block Grant	\$756,940	\$100,000	\$0	\$0	\$0	\$805,573
Total	\$32,587,800	\$17,587,800	\$13,757,800	\$6,382,622	\$6,447,546	\$26,675,706



Public Hearing for the Receipt and Use of Tier III Funds for Fiscal Year 2013-14

Board Item #8.1

May 16, 2013



Receipt and Use of Tier III Funds Fiscal Year 2013-14

- Education Code Section (E.C) 42605 (c) requires a public hearing on the use of Tier III funds separate from the annual adoption of the budget by June 30th of each year.
- There is a slight increase proposed to Tier III programs for 2013-14.
- The penalty for noncompliance is significant, up to and including the loss of all Tier III funds (\$32.59 million).



History & Summary of Tier III Funds Fiscal Year 2013-14

Tier III Program	Original Funding	2010-11 Funding	2011-12 Funding	2012-13 Funding	2013-14 Funding	2013-14 Transfer to Resource 0000
Adult Education Program	\$12,452,096	\$8,093,862	\$5,093,862	\$0	\$0	\$12,474,299
Arts and Music Grant	\$620,318	\$565,000	\$565,000	\$0	\$0	\$624,182
Cal Safe Academic Support	\$190,262	\$0	\$0	\$0	\$0	\$190,262
California High School Exit Exam	\$439,001	\$0	\$0	\$0	\$0	\$396,562
Certificated Staff Mentoring	\$86,771	\$0	\$0	\$0	\$0	\$100,490
Child Oral Health Assessment	\$24,550	\$0	\$0	\$0	\$0	\$25,565
Class Size Reduction – 9 th Grade	\$442,363	\$0	\$0	\$0	\$0	\$551,337
Community Based English Tutoring	\$365,620	\$0	\$0	\$0	\$0	\$347,396
Community Day School	\$39,164	\$39,164	\$39,164	\$39,164	\$102,129	\$0
Deferred Maintenance*	\$1,550,422	\$0	\$0	\$0	\$0	\$1,550,422
Gifted and Talented Education	\$311,839	\$311,839	\$311,839	\$296,247	\$296,247	\$15,592
Instructional Materials Block Grant	\$2,206,123	\$1,500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,427,202



History & Summary of Tier III Funds Fiscal Year 2013-14 (cont.)

Tier III Program	Original Funding	2010-11 Funding	2011-12 Funding	2012-13 Funding	2013-14 Funding	2013-14 Transfer to Resource 0000
PE Teacher Incentive Grant	\$159,392	\$0	\$0	\$0	\$0	\$176,108
Peer Assistance and Review	\$152,530	\$0	\$0	\$0	\$0	\$174,100
Professional Development Block Grant	\$2,358,344	\$1,572,229	\$1,572,229	\$1,572,229	\$1,572,229	\$781,173
Pupil Retention Block Grant	\$840,175	\$0	\$0	\$0	\$0	\$855,885
Regional Occupational Program	\$1,885,702	\$1,618,226	\$1,618,226	\$1,537,315	\$1,537,315	\$348,387
School Library/ Improvement Block Grant	\$3,361,349	\$953,663	\$723,663	\$0	\$0	\$3,374,444
School Safety Competitive Grant	\$531,667	\$531,667	\$531,667	\$531,667	\$533,626	\$0
Staff Development – Administrator Training	\$33,472	\$0	\$0	\$0	\$0	\$33,946
Staff Development – Math and Reading Professional Development	\$195,647	\$0	\$0	\$0	\$0	\$200,417



History & Summary of Tier III Funds Fiscal Year 2013-14 (cont.)

Tier III Program	Original Funding	2010-11 Funding	2011-12 Funding	2012-13 Funding	2013-14 Funding	2013-14 Transfer to Resource 0000
Supplemental School Counseling	\$1,164,990	\$896,150	\$896,150	\$0	\$0	\$1,200,286
Targeted Instructional Improvement Block Grant	\$2,419,063	\$1,406,000	\$1,406,000	\$1,406,000	\$1,406,000	\$1,022,078
Teacher Credentialing Block Grant	\$756,940	\$100,000	\$0	\$0	\$0	\$805,573
Total	\$32,587,800	\$17,587,800	\$13,757,800	\$6,382,622	\$6,447,546	\$26,675,706
				FY 13-14 Increase		\$64,924



History & Summary of Tier III Funds Fiscal Year 2013-14 (cont.)

Questions?

