



SEPTEMBER 2003 AGENDA

SUBJECT Instructional Materials Fund Budget – Approve 2003-04 Budget	X	ACTION
	X	INFORMATION
		PUBLIC HEARING

Recommendation:

Approve the Instructional Materials Fund Tentative Encumbrances and Allocations for fiscal year 2003-04 and the Final Determination of Encumbrances and Allocations of Instructional Materials Fund for fiscal year 2002-03.

Summary of Previous State Board of Education Discussion and Action

This agenda item is annually submitted to and approved by the State Board of Education (SBE).

Summary of Key Issue(s)

In accordance with Article 3, Chapter 2, Part 33, Division 4 of the *Education Code*, the SBE must encumber and allocate funds from the State Instructional Materials Fund. The attached materials describe the procedures and recommend a resolution for the tentative determination of encumbrances and allocations from the Instructional Materials Fund for fiscal year 2003-04 and the final determination of encumbrances and allocations from the Instructional Materials Fund for fiscal year 2002-03.

Fiscal Analysis (as appropriate)

The 2003-04 Budget Act provides \$175,000,000 for the Instructional Materials Program, which equates to approximately \$27.57 per pupil using the October 2002 California Basic Educational Data System enrollment.

Attachment(s) to this Agenda Item

- Attachment 1: Tentative Determination of Encumbrances and Allocations of the State Instructional Materials Fund, Fiscal Year 2003-04. (Pages 1-2)
- Attachment 2: State Board of Education Resolution for Fiscal Year 2003-04. (Page 1 of 1)
- Attachment 3: Final Determination of Encumbrances and Allocations of the State Instructional Materials Fund for Fiscal Year 2002-03 (for information only). (Page 1 of 1)
- Attachment 4: State Board of Education Resolution, Fiscal Year 2002-03 (for information only). (Page 1 of 1)

**Tentative Determination of Encumbrances and Allocations
of the State Instructional Materials Fund**

Fiscal Year 2003-04

Annual state funding for the acquisition of instructional materials is provided by an appropriation to the State Instructional Materials Fund. For fiscal year 2003-04, the Budget Act provides \$175,000,000 which equates to approximately \$27.57 per pupil using the October 2002 California Basic Educational Data System enrollment.

To enable the State Board of Education (SBE) to comply with the provisions of the *Education Code* relating to the allocations of the Instructional Materials Fund, the following is presented for consideration:

I. Accessible Instructional Materials - *Education Code* Section 60240(c)(1)

The SBE shall set aside part of the Instructional Materials Fund to pay for the cost of accessible instructional materials (such as braille and large print) to accommodate pupils with visual disabilities pursuant to *Education Code* sections 60312 and 60313. For fiscal year 2003-04, the estimated cost is \$550,000.

II. Reserve to Pay Cost to Replace Materials Lost In Disasters - *Education Code* Section 60240(c)(2)

The SBE may set aside part of the Instructional Materials Fund, in an amount up to \$200,000 each year to pay for the cost of replacing instructional materials that are lost or destroyed by reason of fire, theft, natural disaster, or vandalism. The SBE's current policy is to keep a reserve of \$50,000 in the disaster fund, and limit each school district's claim to a maximum of \$5,000 or a district's insurance deductible amount, whichever is less.

The SBE's currently policy for the disaster fund is to keep a reserve of \$50,000. Since there were no claims filed for disaster in fiscal year 2002-03 to draw down on the \$50,000, an augmentation to this fund is not required for fiscal year 2003-04.

III. Warehousing and Transporting Instructional Materials - *Education Code* Section 60240(c)(3)

The SBE may set aside part of the Instructional Materials Fund for the cost of warehousing and transporting instructional materials it has acquired. A separate

appropriation is provided in the 2003-04 fiscal year. Therefore, no allocation is needed under this section.

IV. Establishing a Per Pupil Allowance - *Education Code* Section 60242(a)

The SBE shall encumber the funds for the purpose of establishing an allowance for each school district, county office of education, state special school, and charter school to purchase instructional materials pursuant to *Education Code* sections 60420-60424, the Instructional Materials Funding Realignment Program.

The allowance will be apportioned in September 2003 and will represent 90 percent of the total entitlement for each local educational agency. The 10 percent remaining balance will be released in August 2004 after the charter schools estimated enrollment data have been adjusted to actual California Basic Educational Data System enrollment data.

**State Board of Education Resolution
for Fiscal Year 2003-04**

**Tentative Determination of Encumbrances and Allocations
of the State Instructional Materials Fund**

WHEREAS, *Education Code* sections 60240 and 60242 require the State Board of Education (SBE) to encumber parts of the State Instructional Materials Fund for use in acquiring and distributing instructional materials, therefore, be it

RESOLVED, that the SBE hereby tentatively encumbers the following amounts of the State Instructional Fund for fiscal year 2003-04:

<i>Education Code</i> Section 60240(c)(1)	To pay for the cost of accessible instructional materials	\$550,000
<i>Education Code</i> Section 60240(c)(2)	To augment the reserve to pay the cost of claims for materials lost or destroyed by reason of fire, theft, natural disaster, or vandalism, to a maximum of \$5,000 per district or a district's insurance deductible amount, whichever is less, per loss occurrence	*\$-0-
<i>Education Code</i> Section 60242(a)	To establish a base allowance of \$27.57 for public schools and state special schools	174,450,000
	TOTAL	\$ 175,000,000

*The State Board's current policy for the disaster fund is to keep a reserve of \$50,000. Since there were no claims filed for disaster in fiscal year 2002-03 to draw down on the \$50,000, an augmentation to this fund is not required for fiscal year 2003-04.

**Final Determination of Encumbrances and Allocations
of the State Instructional Materials Fund
for Fiscal Year 2002-03**

FOR INFORMATION ONLY

Last September 2002, the State Board of Education (SBE) adopted a tentative budget for fiscal year 2002-03. The tentative budget has been adjusted accordingly to reflect the amount appropriated in the 2002 Budget Act. The final allocations are presented below for **information** only.

II. Accessible Instructional Materials – Education Code Section 60240©(1)

The SBE allocated \$550,000 to pay for the cost of accessible instructional materials (such as braille and large print) to accommodate pupils with visual disabilities pursuant to *Education Code* sections 60312 and 60313.

III. Reserve to Pay Cost to Replace Materials Lost In Disasters – Education Code Section 60240©(2)

The SBE's policy for fiscal year 2002-03 was to keep a reserve of \$50,000 in the disaster fund, and limit each school district's claim to a maximum of \$5,000 or a district's insurance deductible amount, whichever is less. The reserve fund was maintained at \$50,000 since no claims were filed during fiscal year 2002-03.

IV. Warehousing and Transporting Instructional Materials – Education Code Section 60240©(3)

For fiscal year 2002-03, a separate appropriation was provided in the Budget Act to fund the Instructional Materials Warehouse.

V. Establishing a Per Pupil Allowance – Education Code Section 60242(a)

For fiscal year 2002-03, the rate per pupil was \$48.24.

**State Board of Education Resolution
Fiscal Year 2002-03
(for information only)**

**Final Determination of Encumbrances and Allocations
of the Instructional Materials Fund**

WHEREAS, *Education Code* sections 60240 and 60242 require the State Board of Education to encumber parts of the State Instructional Materials Fund for use in acquiring and distributing instructional materials, therefore, be it

RESOLVED, that the SBE hereby encumbered the following amounts of State Instructional Materials Fund for fiscal year 2002-03:

<i>Education Code</i> Section 60240(c)(1)	To pay for the cost of accessible instructional materials	\$550,000
<i>Education Code</i> Section 60240(c)(2)	To establish a reserve to pay the cost of materials lost or destroyed by reason of fire, theft, natural disaster, or vandalism	\$-0-
<i>Education Code</i> Section 60242(a)	To establish an allowance of \$48.24 for school districts, charter schools and State special schools students	\$296,575,000
	TOTAL	\$297,125,000