

## District Business & Advisory Services

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**Bulletin: 13-019**

Date: August 29, 2012

To: District Fiscal Directors  
Charter School Administrators

From: Cathy McKim

Re: New Mandate Block Grant (MBG) for Fiscal Year 2012-13 - **Action Required by October 1, 2012**

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The purpose of this bulletin is to provide an update on Senate Bill 1016 (SB1016) which established a new Mandate Block Grant (MBG) program for fiscal year 2012-13 and to let you know that the California Department of Education (CDE) is accepting Letters of Intent to Participate in this grant. Be advised that your district should have received an e-mail from the (CDE) that explained this program and included instructions as well as a "letter of intent" that must be returned to the CDE by October 1, 2012.

### Background Information:

Senate Bill 1016 (SB 1016), Section 71, (Chapter 38, Statutes of 2012) established a new Mandate Block Grant (MBG) program to commence with fiscal year 2012–13 with an appropriation of \$166,609,000. The MBG is available to school districts, county offices of education, and charter schools that elect to participate.

School districts and county offices of education may receive funding in support of the 2012–13 mandated activities either through the MBG or through the long standing claims process pursuant to *Government Code (GC)* Section 17560. If a school district or county office of education submits a letter of intent and receives funding through the MBG for fiscal year 2012–13, it is not eligible to submit a reimbursement claim for those mandated activities performed in 2012–13.

Charter schools are not eligible to submit reimbursement claims pursuant to *GC* Section 17560; the MBG is the only vehicle to receive mandate funding.

Be advised that there are still many questions regarding which mandated activities are actually covered by this new legislation and the Governor's Administration (Administration) is aware of these questions and may seek legislation to clarify these issues. Given the legislative calendar, there will be more information about any statutory changes by the end of August, which will give local educational agencies (LEAs) time to make an informed decision regarding whether to opt in.

The MBG funds are unrestricted. Mandated programs covered by the MBG are subject to review in the overall annual compliance audit per *Education Code* Section 41020. The Administration has indicated that it does not intend to submit any proposals in the annual K–12 audit guide related to the MBG. Compliance with mandate requirements would be enforced through corrective action; LEAs would not forfeit funds as a result of audit

findings. The Department of Finance and the State Controller’s Office indicate that the MBG would not be offset for amounts overpaid on past mandate reimbursement claims.

Funding for the MBG is based on the average daily attendance (ADA) as of the Second Principal Apportionment for the 2011–12 fiscal year (as such, charter schools that commenced operation in 2012–13 will not receive MBG funds). Specific ADA categories will be posted on the CDE web page. The 2012–13 funding rates set forth in Item 6110-296-0001 of Section 2.00 of the annual Budget Act are as follows:

|                                   |   |
|-----------------------------------|---|
| School Districts                  | \$28 per prior year ADA   |
| Charter Schools                   | \$14 per prior year ADA   |
| County Offices of Education (COE) | \$28 per prior year ADA plus an additional \$1 per ADA for all prior year revenue limit ADA generated by school districts and the COE within that county. |

If necessary, funding will be proportionately reduced to match available funding.

Additionally, the CDE has established a new Mandate Block Grant web page that is located at: <http://www.cde.ca.gov/fg/aa/ca/mandatebg.asp>. The site includes information on the MBG as well as links to the letter and a sample of the Letter of Intent that was sent to your agency contact.

School districts, county offices of education and charter schools (both locally and direct funded) received individualized instructions for submitting the letter of intent through an e-mail to the superintendent or administrator indicated on the California Public School Directory <http://www.cde.ca.gov/re/sd/index.asp>. If you are having trouble locating the Letter of Intent sent to your LEA, please notify [mandate@cde.ca.gov](mailto:mandate@cde.ca.gov) and request another copy.

Questions regarding the Mandate Block Grant should be addressed to [mandate@cde.ca.gov](mailto:mandate@cde.ca.gov).

**Reminder:**

**A completed Letter of Intent to participate in the MBG must be submitted to CDE by October 1, 2012 to receive 2012–13 MBG funding.**

*Please distribute this memo within your District as deemed appropriate.*