SAN LEANDRO UNIFIED SCHOOL DISTRICT
Business Services

June 4, 2013

PUBLIC NOTICE

SBX3-4 Categorical Tier III Flexibility Acceptance and Use of Funds for 2013-14

The Budget trailer bill (SBX3 4) gives local school agencies the authority to use the funds received from the state for Tier III programs for "any educational purpose, to the extent permitted by federal law". These local education agencies are allowed to transfer funds from categorical programs to the Unrestricted General Fund for any educational purposes. The original language in SBX 3 4 allows Tier III categorical flexibility from 2008-09 through 2012-13. However, on March 11, 2011, the Governor signed into law Senate Bill (SB) 70 extending all existing flexibility options by two additional years, thus, Tier III categorical flexibility will be effective through 2014-15.

Assembly Bill (AB) 189 (Chapter 606/2011) was approved by Governor Brown on October 8, 2011, and became effective January 1, 2012. This law changed the public hearing requirement regarding the use of the Tier III funds by amending Education Code section 42605 as follows:

- As a condition of receiving funds for Tier III categorical programs, the governing board of a school district must hold a public hearing to discuss, approve or disapprove the proposed use of funding, and make explicit for each of the Tier III programs the purposes for which the funds will be used.
- The Tier III public hearing must be held at a regularly scheduled board meeting prior to and independent of the meeting at which the annual budget will be adopted.
- If the governing board intends to close any Tier III program, the governing board shall identify, in the notice of the agenda of the public hearing or at another public hearing, the program or programs proposed to be closed.

Since the funds under Tier III are unrestricted, program or funding requirements, as otherwise provided in statute, regulation, and budget act provisional language associated with the funding, are not in effect.

Attached is a listing of Tier III Funds for 2013-2014 showing the maximum flexibility allowed under Tier III. However, there is additional information on the

spreadsheet. It delineates restrictions on certain or part of funds and these local restrictions are considered “sweeps” on the funds.

Also included in the Board packet are projected Tier III Flexibility programs for 2014-15. For multi-year projection purposes, this chart is to be shown as the projected amounts included in 2014-15. When actual adoption budget happens in 2014-15, Tier III projections will need to be updated and included as part of the adoption at that time.

A public hearing on the SBX3-4 Categorical Tier III Flexibility Acceptance and Use of Funds for 2013-14, will be held on Tuesday, June 4, 2013, at 7:00 p.m. in the San Leandro City Council Chambers located at 835 E 14th Street, San Leandro, CA.