

Initial Statement of Reasons

SECTIONS 19816, 19816.1, 19824, 19824.1, 19841, 19850, 19851, 19851.1, 19854, and 19854.1.

Specific Purpose of the Regulations

The purpose of these regulations is to provide definitions of terms and specification of procedures to guide accountants in the conduct of statutorily required financial and compliance audits of local education agencies (LEAs). (Educ. Code §§ 14502.1, 14503, 41020.) The Education Audit Appeals Panel must adopt the audit guide by July 1 of the fiscal year to be audited, and must adopt any supplement to address legislative changes to the conditions of apportionment before March 1 of the audit year. (Educ. Code § 14502.1(b).)

The Controller, pursuant to Education Code Section 14502.1, has proposed supplemental changes in the audit guide related to further authorized reductions in the required number of instructional days and minutes (Educ. Code § 46201.3, Statutes of 2011, Chapter 43 (A.B.114) eff. June 30, 2011), and related to expanded pertussis immunization requirements (Health & Safety Code § 120335, Statutes of 2010, Chapter 434 (A.B.354), and Health & Safety Code § 120335.1, Statutes of 2011, Chapter 123 (S.B.614), eff. July 25, 2011). Conforming changes are also made. More specific information regarding the purpose of each regulation is provided below.

Necessity/Rationale

These regulations are necessary to implement Education Code sections 14502.1, 14503, 41020, and 47634.2. The rationale for each amendment or new regulation is provided below.

Title 5, Division 1.5 Chapter 3. Audits of California K - 12 Local Education Agencies Article 2 Audit Reports

§ 19816. Definitions.

This section defines terms used in Section 19815 of these regulations that pertain to state program compliance and to federal publications referenced in Section 19815. As stated in the introductory paragraph of this section, definitions are drawn from the three publications named there,¹ or are as defined in the subparagraphs of this section.

In this rulemaking, changes are made in Section 19816(h) to reflect the numbers of audit procedures for the compliance requirements included in the revised audit guide.

§ 19816.1. Applicability of Audit Procedures by Audit Year.

This section specifies which sections of the audit guide are applicable to each audit year. In this rulemaking, conforming changes are made in subparagraphs (a)(9) and (c)(7).

¹ *Codification of Statements on Auditing Standards*, published by the American Institute of Certified Public Accountants, the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the Governmental Accounting Standards Board (GASB), *Government Auditing Standards* published by the Comptroller General of the United States.

**Article 3 State Compliance Procedures:
Local Education Agencies Other Than Charter Schools**

§ 19824. Instructional Time

This section directs the auditor to verify compliance by school districts with the minimum number of instructional days as specified in Education Code Section 41420, and compliance by participating school districts and county offices of education with the requirements of the Longer Instructional Day (instructional minutes) and Longer Year (instructional days) Incentive programs that are provided in Education Code sections 46200 and following, and to calculate and report applicable penalties. The section was previously amended to reflect the reductions in instructional minutes and days authorized for certain fiscal years by the provisions of Education Code Section 46201.2.

This rulemaking modifies audit procedures in compliance with funding reductions and concomitant instructional time reductions authorized in three bills related to the 2011-12 state budget. The Budget Act of 2011 (Stats. 2011, c. 33 (S.B.87), eff. June 30, 2011) was amended by the education trailer bill (Stats. 2011, c. 43 (A.B.114), eff. June 30, 2011) to provide for further reductions in fiscal year 2011-12 funding for K-12 education if revenues fell short of projections by certain amounts (“trigger cuts”). The trailer bill included Education Code Section 46201.3 which authorized school districts, county offices of education, and charter schools to make additional reductions in instructional time in response to those trigger cuts, operative February 1, 2012, and only for the 2011-12 fiscal year. Another bill (Stats. 2011, c. 41 (A.B.121), eff. June 30, 2011) provided the necessary statutory changes to make those mid-year revisions to the budget act. (See the referenced enactments and the following bill analyses from the 2011-2012 Legislative Session: Senate Rules Committee Bill Analysis, Senate Bill 87, June 28, 2011; Assembly Budget Committee Bill Analysis, Assembly Bill 114, June 28, 2011; Assembly Budget Committee Bill Analysis, Assembly Bill 121, June 28, 2011; and Senate Rules Committee Bill Analysis, Assembly Bill 121, June 28, 2011.)

Specifically, an introductory paragraph is added directing auditors not to perform the procedures in this section for audits of the 2011-12 fiscal year only. Auditors are directed to follow the procedures in new section 19824.1 instead.

Subparagraphs (b) and (d) are amended to conform with an amendment to Education Code Section 46201.2 (Stats. 2011, c. 7 (S.B.70), § 30, eff. March 24, 2011), and for consistency with the changes made based on Education Code Section 46201.3.

§ 19824.1. Instructional Time

This new section is applicable to fiscal year 2011-12 only. This new regulation consists of the same audit procedures as subparagraphs (b) and (d) of Section 19824 (as detailed below), but reflects the reductions of up to twelve days in instructional minutes and days authorized by the provisions of Education Code sections 46201.2 and 46201.3, thus providing clear guidance to auditors.

Subparagraph (a) sets forth the procedures for auditing school districts. It reflects the reductions of up to twelve days in instructional minutes and days authorized by the provisions of Education Code sections 46201.2 and 46201.3.

Subparagraph (a)(1) directs the selection of a representative sample of schools in the district and a review of those schools' attendance and class schedules to determine the length of the instructional days.

Subparagraph (a)(2) specifies, for clarity, the reductions authorized by Education Code sections 46201.2(a) and 46201.3(a). Subparagraph (a)(3) refers to the days specified in (a)(2).

Subparagraphs (a)(4) and (5) direct the application of the penalty provisions of Education Code Section 41420, with reference to reduced requirements as applicable, and direct the report of the calculation and any penalties determined.

Subparagraph (a)(6) addresses the reductions in Longer Day incentives (instructional minutes) for districts that receive both Longer Day and Longer Year incentives (subparagraph (a)(6)(A)), those that receive Longer Day but not Longer Year incentives (subparagraph (a)(6)(B)), those that do not receive Longer Day (and are required by Education Code Section 46202 to maintain the number of minutes offered by the district in 1982-83) but did receive Longer Year incentives (subparagraph (a)(6)(C)), and those districts that received neither Longer Day nor Longer Year incentives (subparagraph (a)(6)(D)). The appropriate calculation of the equivalent twelve-day reduction to the required numbers of instructional minutes at the specified grade levels is stated.

Subparagraph (a)(7) provides guidance to auditors in determining whether the district's optional classes, if any, were effective offerings to meet the instructional minutes requirements.

Subparagraphs (a)(8) and (9) refer to the reduced requirements that are to be included in the "Schedule of Instructional Time" (defined in Section 19816(o) of the 2011-12 audit guide). The applicable requirements and penalties for Longer Day are in Education Code Section 46201, subdivisions (a) and (d); for those districts not participating in Longer Day incentives, see Education Code Section 46202(b); and for Longer Year see Education Code Section 46200, subdivisions (a) and (c).

Subparagraph (b) addresses the audit procedures for county offices of education with reference to the reduced time requirements authorized by Education Code sections 46201.2 and 46201.3 for the Longer Day and Longer Year programs, with reference to those counties that participate in both programs (subparagraph (b)(2)), or in Longer Day but not Longer Year (subparagraph (b)(3)). The appropriate calculation of the equivalent twelve-day reduction to the required numbers of instructional minutes at the specified grade levels is stated.

Subparagraphs (b)(4) and (5) refer to the reduced requirements that are to be included in the "Schedule of Instructional Time" (defined in Section 19816(o) of the 2011-12 audit guide). The applicable requirements and penalties for Longer Day are in Education Code Section 46200.5, subdivisions (a) and (c); and for Longer Year they are in Education Code Section 46201.5, subdivisions (a) and (e).

§ 19841. Exclusion of Pupils – Pertussis Immunization.

Prompted by the pertussis epidemic of 2010,² the Legislature enacted subdivision (d) of Health and Safety Code Section 120335 to prohibit the unconditional admission of pupils to grades 7 through 12 in any school unless the pupil has been fully immunized against pertussis.³ Health and Safety Code Section 120335.1 authorizes the “conditional admission”⁴ of pupils to county offices of education or school districts without the required pertussis immunization if specified conditions are met (including prior year attendance in the same county office of education or school district), but for only 30 *calendar* days and only in the 2011-12 school year.⁵

Title 17 of the California Code of Regulations, Section 6070(d), provides for conditional admission for up to 30 *school* days for pupils who transfer from one school campus to another within California or from out of state if the pupil’s immunization record does not arrive by the time of the pupil’s entry to the new school. The conditional attendance period for transfer pupils under this provision can be approximately two weeks more than the new 30 *calendar* day period authorized by Health and Safety Code Section 120335.1(a).

County offices of education and school districts are required to maintain “Verification of or exemption from required immunizations.” (Title 5, § 432(b)(1)(J); also see Health & Safety Code §§ 120335, 120375; Title 17, § 6070.)

If the pupil does not have evidence of the required immunization or an appropriate exemption statement⁶ on file by the end of the applicable conditional attendance period, the law requires that the pupil be excluded from attendance. (Health & Safety Code §§ 120335, 120335.1, 120375; Title 17, §§ 6000, 6070; Educ. Code § 48216.)

This new regulation is proposed for fiscal year 2011-12 to verify public school compliance with those Health and Safety Code provisions and the implementing regulations (Title 17, §§ 6000 et seq.). The proposed regulation directs auditors to verify that pupils advancing to or enrolled in any of grades 7 to 12, inclusive, who had not been fully immunized with all pertussis boosters appropriate for the pupil’s age or who did not have an appropriate exemption statement on file, were excluded from attendance beyond the 30 *calendar* days of conditional attendance authorized by Health and Safety Code Section 120335.1, or, if applicable, the 30 *school* days of attendance authorized by Title 17, Section 6070(d).

The introductory paragraph of the regulation directs auditors to select a representative sample of pupils. Subparagraph (a) directs reduction of that sample by eliminating those pupils over the age of 18, and those under the age of 18 who did not meet the conditions set forth in Health and Safety Code Section 120335.1(a): those who were not enrolled in the county office of education or school district in the prior year; and those whose first day of attendance in the 2011-

² Initial Statement of Reasons, School Immunization Requirements: Grades 7 through 12: FY 2011-12, May 19, 2011, Department of Public Health (Office of Administrative Law File No. 2011-0621-03 E) (“DPH ISOR 5-19-11”).

³ Commencing July 1, 2011, and inoperative June 30, 2012 (subd. (f) of Health & Safety Code § 120335).

⁴ Defined in Title 17, Cal.CodeRegs., § 6000.

⁵ Added by § 1 of Chapter 123 of the Statutes of 2011 (S.B.614, eff. July 25, 2011).

⁶ Title 17, § 6051(b); DPH ISOR 5-19-11, page 1, second bullet.

12 school year occurred after the sixth Friday following the first day on which classes were offered at the school in which the pupil was enrolled.⁷

Subparagraph (a) further states the evidence that must be on file by the 30th *calendar* day after the pupil's first day of attendance in 2011-12: that a pertussis booster was given on or after the pupil's 7th birthday, or an appropriate exemption statement as described.

Subparagraph (b) provides for the same verification of pertussis immunization or exemption for those pupils under the age of 18 who transferred to the county office or education or school district, taking into account the longer conditional attendance period of 30 *school* days.

Subparagraph (c) directs auditors to verify that attendance was not claimed on or after the pupil's applicable conditional attendance period if the pupil did not have evidence of the required pertussis immunization or appropriate exemption on file by that time. This subparagraph also clarifies that when the evidence is provided, the pupil is no longer excluded.

Subparagraph (d) directs the auditor to recalculate the correct Average Daily Attendance, and to include a statement in the audit report of the number of units of Average Daily Attendance that were inappropriately reported, if any, along with an estimate of their dollar value.

Article 4. State Compliance Procedures: Charter Schools

§ 19850. Contemporaneous Records of Attendance.

This regulation directs auditors to trace the Average Daily Attendance reported to the California Department of Education by the charter school to the supporting contemporaneous records.⁸

As explained above with regard to proposed new regulation Section 19841 in Article 3 of the audit guide, the pertussis epidemic of 2010⁹ prompted the Legislature to enact subdivision (d) of Health and Safety Code Section 120335 to prohibit the unconditional admission of pupils to grades 7 through 12 in any school unless the pupil has been fully immunized against pertussis.¹⁰ Health and Safety Code Section 120335.1 authorizes the "conditional admission"¹¹ of pupils to

⁷ Health & Safety Code § 120335.1(a) specifically includes charter schools in the authorized conditional attendance provision, but does not specify that a pupil enrolled in a charter school is required to have been enrolled in that charter school in the prior year, or to have attended on or before the sixth Friday following the first day of classes offered at the charter school.

⁸ Education Code § 47612.5 provides, in part, "(a) Notwithstanding any other provision of law and as a condition of apportionment, a charter school shall do all of the following...¶(2) Maintain written contemporaneous records that document all pupil attendance and make these records available for audit and inspection." § 47612.5 (c) provides, in part, "A reduction in apportionment made pursuant to subdivision (a) shall be proportional to the magnitude of the exception that causes the reduction." § 47634.2(d) provides, "(d) Notwithstanding any other provision of law, charter schools shall be subject, with regard to subdivisions (c) and (d) of Section 47612.5 and this section, to audits conducted pursuant to Section 41020."

⁹ Initial Statement of Reasons, School Immunization Requirements: Grades 7 through 12: FY 2011-12, May 19, 2011, Department of Public Health (Office of Administrative Law File No. 2011-0621-03 E) ("DPH ISOR 5-19-11").

¹⁰ Commencing July 1, 2011, and inoperative June 30, 2012 (subd. (f) of Health & Safety Code § 120335).

¹¹ Defined in Title 17, Cal.CodeRegs., § 6000.

charter schools without the required pertussis immunization, but for only 30 *calendar* days and only in the 2011-12 school year.¹²

Title 17 of the California Code of Regulations, Section 6070(d), provides for conditional admission for up to 30 *school* days for pupils who transfer from one school campus to another within California or from out of state if the pupil's immunization record does not arrive by the time of the pupil's entry to the new school. The conditional attendance period for transfer pupils under this provision can be approximately two weeks more than the new 30 *calendar* day period authorized by Health and Safety Code Section 120335.1(a).

A charter school is required to describe in its charter petition the maintenance of pupil records and is required to transfer pupil records including health records. (Educ. Code § 47605(b)(5)(P), (d)(3).) All schools are required to have documentation of required immunizations on file. (Health & Safety Code §§ 120335, 120375; Title 17, § 6070.)

If the pupil does not have evidence of the required immunization or an appropriate exemption statement¹³ on file by the end of the applicable conditional attendance period, the law requires that the pupil be excluded from attendance. (Health & Safety Code §§ 120335, 120335.1, 120375; Title 17, §§ 6000, 6070.)

Amendments to Section 19850 are proposed for fiscal year 2011-12 to verify charter school compliance with those Health and Safety Code provisions and the implementing regulations (Title 17, § 6000 et seq.). The proposed amendments direct auditors to verify that pupils advancing to or enrolled in any of grades 7 to 12, inclusive, who had not been fully immunized with all pertussis boosters appropriate for the pupil's age or who did not have an appropriate exemption statement on file, were excluded from attendance beyond the 30 *calendar* days of conditional attendance authorized by Health and Safety Code Section 120335.1, or, if applicable, the 30 *school* days of attendance authorized by Title 17, Section 6070(d).

New subparagraph (c) directs auditors to select a representative sample of pupils and to verify, for those under the age of 18, that evidence was on file by the 30th *calendar* day after the pupil's first day of attendance in 2011-12: that a pertussis booster was given on or after the pupil's 7th birthday, or an appropriate exemption statement as described.

New subparagraph (d) provides for the same verification of pertussis immunization or exemption for those pupils under the age of 18 who transferred to the charter school from another school, taking into account the longer conditional attendance period of 30 *school* days.

Subparagraph (e) directs auditors to verify that attendance was not claimed on or after the pupil's applicable conditional attendance period if the pupil did not have evidence of the required pertussis immunization or appropriate exemption on file by that time. This subparagraph also clarifies that when the evidence is provided, the pupil is no longer excluded.

¹² Added by § 1 of Chapter 123 of the Statutes of 2011 (S.B.614, eff. July 25, 2011).

¹³ Title 17, § 6051(b); DPH ISOR 5-19-11, page 1, second bullet.

New subparagraph (f) directs the auditor to recalculate the correct Average Daily Attendance, and to include a statement in the audit report of the number of units of Average Daily Attendance that were inappropriately reported, if any, along with an estimate of their dollar value.

§ 19851. Mode of Instruction.

“Nonclassroom-based instruction” offered by charter schools is defined as instruction that does not meet the requirements specified as a condition of apportionment for “classroom-based instruction.” (Educ. Code § 47612.5(e)(1), (2).) This regulation directs the auditor to determine whether the Average Daily Attendance (ADA) reported as having been generated through classroom-based instruction met the statutory requirements for that classification, and if not, to proceed to evaluate the ADA for compliance with requirements for nonclassroom-based instruction (Section 19852). If inappropriate ADA was claimed, the auditor is to calculate and report applicable penalties.

Section 19851 was previously amended to add procedures applicable to certain fiscal years in accordance with Education Code Section 46201.2, and to display the reduced minimum pupil attendance requirements for classroom based instruction in conformance with the reduction of the minimum instructional time required to be offered pursuant to subdivision (a)(1) of Education Code Section 47612.5. (Educ. Code § 47612.5(e)(1).)

This rulemaking modifies audit procedures in compliance with funding reductions and concomitant instructional time reductions authorized in three bills related to the 2011-12 state budget. The Budget Act of 2011 (Stats. 2011, c. 33 (S.B.87), eff. June 30, 2011) was amended by the education trailer bill (Stats. 2011, c. 43 (A.B.114), eff. June 30, 2011) to provide for further reductions in fiscal year 2011-12 funding for K-12 education if revenues fell short of projections by certain amounts (“trigger cuts”). The trailer bill included Education Code Section 46201.3 which authorized school districts, county offices of education, and charter schools to make additional reductions in instructional time in response to those trigger cuts, operative February 1, 2012, and only for the 2011-12 fiscal year. Another bill (Stats. 2011, c. 41 (A.B.121), eff. June 30, 2011) provided the necessary statutory changes to make those mid-year revisions to the budget act. (See the referenced enactments and the following bill analyses from the 2011-2012 Legislative Session: Senate Rules Committee Bill Analysis, Senate Bill 87, June 28, 2011; Assembly Budget Committee Bill Analysis, Assembly Bill 114, June 28, 2011; Assembly Budget Committee Bill Analysis, Assembly Bill 121, June 28, 2011; and Senate Rules Committee Bill Analysis, Assembly Bill 121, June 28, 2011.)

Specifically, an introductory paragraph is added directing auditors not to perform the procedures in this section for audits of the 2011-12 fiscal year only. Auditors are directed to follow the procedures in new section 19851.1 instead.

In subparagraph (a)(4), the sentence before the second table is amended to conform with an amendment to Education Code Section 46201.2 (Stats. 2011, c. 7 (S.B.70), § 30, eff. March 24, 2011), and for consistency with the changes made based on Education Code Section 46201.3.

§ 19851.1. Mode of Instruction.

This new section is applicable to fiscal year 2011-12 only. The new regulation consists of the same audit procedures as subparagraphs (a) and (b) of Section 19851, except that subparagraph (a)(4) reflects the reductions of up to twelve days in instructional minutes authorized by the provisions of Education Code sections 46201.2 and 46201.3, thus providing clear guidance to auditors:

Subparagraph (a) sets forth the procedures for determining whether the charter school was in compliance with the conditions for classroom-based instruction (Educ. Code § 47612.5(d)).

Subparagraph (b) states that if the Average Daily Attendance reported as classroom-based did not meet the statutory conditions, the auditor is to proceed to determine whether the attendance was generated in compliance with the conditions applicable to nonclassroom-based instruction as set forth in Section 19852, and to report applicable penalties, if any.

§ 19854. Annual Instructional Minutes - Classroom Based.

This section directs the auditor to determine whether the charter school offered the required numbers of instructional minutes as required by Education Code Section 47612.5(a)(1).¹⁴ If inappropriate ADA was claimed, the auditor is to calculate and report applicable penalties. This regulation was previously amended to bring it into conformance with the reduced instructional time authorized by Education Code Section 46201.2 for certain fiscal years.

This rulemaking adds an introductory paragraph that provides that the procedures as set forth in this section are not to be performed for audits of the 2011-12 fiscal year only. Auditors are directed to follow the procedures in new sections 19854.1 instead.

In subparagraph (b), the sentence before the second table is amended to conform with amended Education Code Section 46201.2 (Stats. 2011, c. 7 (S.B.70), § 30, eff. March 24, 2011), and for consistency with the changes made based on Education Code Section 46201.3. Subparagraph (d) is similarly amended.

These changes modify audit procedures in compliance with funding reductions and concomitant instructional time reductions provided in three bills related to the 2011-12 state budget as explained above under § 19851. Mode of Instruction.

¹⁴ Education Code § 47612.5 provides, in part, “(a) Notwithstanding any other provision of law and as a condition of apportionment, a charter school shall do all of the following...¶(1) For each fiscal year, offer, at a minimum, the following number of minutes of instruction: ¶(A) To pupils in kindergarten, 36,000 minutes. ¶(B) To pupils in grades 1 to 3, inclusive, 50,400 minutes. ¶(C) To pupils in grades 4 to 8, inclusive, 54,000 minutes. ¶(D) To pupils in grades 9 to 12, inclusive, 64,800 minutes.” § 47612.5 (c) provides, § 47612.5 (c) A reduction in apportionment made pursuant to subdivision (a) shall be proportional to the magnitude of the exception that causes the reduction. For purposes of paragraph (1) of subdivision (a), for each charter school that fails to offer pupils the minimum number of minutes of instruction specified in that paragraph, the Superintendent shall withhold from the charter school's apportionment for average daily attendance of the affected pupils, by grade level, the sum of that apportionment multiplied by the percentage of the minimum number of minutes of instruction at each grade level that the charter school failed to offer.” § 47634.2(d) provides, “(d) Notwithstanding any other provision of law, charter schools shall be subject, with regard to subdivisions (c) and (d) of Section 47612.5 and this section, to audits conducted pursuant to Section 41020.”

§ 19854.1 Annual Instructional Minutes - Classroom Based.

This new section is applicable to fiscal year 2011-12 only.

Subparagraph (a) directs the auditor to review the attendance calendar and class schedules, and, if there are multiple sites, to select a representative sample of school sites.

Subparagraph (b) directs the auditor to compare the instructional minutes offered with the statutory requirements as reduced by Education Code sections 46201.2 and 46201.3.

Subparagraph (c) provides guidance to auditors in determining whether the optional classes, if any, were effective offerings to meet the minutes requirements.

Subparagraph (d) refers to the reduced requirements that are to be included in the “Schedule of Instructional Time” (defined in Section 19816(o) of the 2011-12 audit guide).

Subparagraph (e) directs the auditor to report applicable penalties, if any.

Technical, Theoretical, or Empirical Studies, Reports, or Documents.

In preparing the proposed regulations, EAAP relied upon an Economic Impact Assessment prepared pursuant to Government Code Section 11346.3(b); on the Initial Statement of Reasons prepared by the Department of Public Health for School Immunization Requirements: Grades 7 through 12: FY 2011-12 (May 19, 2011, Office of Administrative Law File No. 2011-0621-03 E); and on the following bill analyses from the 2011-2012 Legislative Session: Senate Rules Committee Bill Analysis, Senate Bill 87, June 28, 2011; Assembly Budget Committee Bill Analysis, Assembly Bill 114, June 28, 2011; Assembly Budget Committee Bill Analysis, Assembly Bill 121, June 28, 2011; Senate Rules Committee Bill Analysis, Assembly Bill 121, June 28, 2011; and Senate Rules Committee Bill Analysis, Senate Bill 614, July 14, 2011. No other technical, theoretical, or empirical studies, reports, or documents were relied on in proposing the adoption of these regulations.

Benefits of the Regulation to the Health and Welfare of California Residents.

California’s continuing budget problems have resulted in further reductions in public school funding. The proposed changes to audit regulations in this rulemaking provide for verification of compliance by public schools, including charter schools, with applicable requirements for minimum instructional days and minutes as modified by new legislation for the 2011-12 school year. (Educ. Code § 46201.3, Statutes of 2011, Chapter 43 (A.B.114) eff. June 30, 2011.) These changes in the audit regulations will ensure the appropriate application of current statutes, which further reduce required instructional days and minutes for the 2011-12 fiscal year, thus avoiding the possibility of unwarranted audit findings that could result from incongruity of the audit guide with current law.

California experienced a pertussis epidemic in 2010. Because childhood immunization does not provide lasting immunity without boosters, the Legislature enacted immunization requirements for a pertussis booster vaccine for adolescents beginning July 1, 2011. To encourage maximum immunization compliance and lessen the pressure to rely on personal beliefs exemptions instead (Health & Safety Code § 120370), the Legislature authorized a one-time 30 calendar day period to allow ample time for parents to obtain the required pertussis booster before public schools would be required to exclude pupils. (Senate Rules Committee Bill Analysis,

July 14, 2011, Senate Bill 614 of the 2011-2012 Legislative Session.) The proposed regulations will verify public school compliance with the public health laws requiring the additional pertussis immunization, thus protecting public health as intended by law.

We do not anticipate that the proposed regulations will affect worker safety, the environment, the prevention of discrimination, the promotion of fairness or social equity, and the increase in openness and transparency in business and government.

Reasonable Alternatives to the Regulations, Including Alternatives that Would Lessen Any Adverse Impact on Small Business, and the Agency's Reasons for Rejecting Those Alternatives.

These regulations are applicable only to certified public accountants and public accountants who audit LEAs, and indirectly to the LEAs themselves. No alternatives to lessen adverse impact on small business were proposed because no adverse impact on small business has been identified. No other alternatives were presented to or considered by EAAP.

Alternatives Proposed as Less Burdensome and Equally Effective in Achieving the Purposes.

No other alternatives were presented to or considered by EAAP.

Prescribed Audit Procedures.

The proposed regulations provide definitions of terms and specification of procedures to guide accountants in the conduct of statutorily required financial and compliance audits of LEAs. The regulations will be a part of the audit guide required by Education Code sections 14502.1, 14503, and 41020. These audits must be performed by licensed public accountants who must conduct the audits in accordance with generally accepted auditing standards. (Educ. Code §§ 14501, 14503, and 41020; Title 5, §§ 19811 and 19812.) The audit guide includes provisions that authorize an auditor to use alternative procedures if, in the exercise of professional judgment, the auditor determines other procedures are more appropriate in particular circumstances. (Title 5, §§ 19814 and 19816(h).)

Evidence Supporting Finding of No Significant Adverse Economic Impact on Any Business.

The regulations direct accountants to perform the steps necessary for the annual audits required by Education Code Section 41020. Education Code Section 14503 requires the use of this audit guide in the performance of those audits of LEAs. EAAP has prepared an Economic Impact Assessment pursuant to Government Code Section 11346.3(b) and has made an initial determination that adoption of the proposed regulations would not have a significant adverse economic impact on any business in the State of California.