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11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 CITY AND COUNTY OF SAN FRANCISCO

13

14 ELIEZER WILLIAMS, et al., ) Case No. 312 236  
15 )  
16 Plaintiffs, ) Hearing Date: September 17, 2003  
17 )  
18 vs. ) Time: 3:30 p.m.  
19 )  
20 STATE OF CALIFORNIA, DELAINE ) Department: 20  
21 EASTIN, State Superintendent )  
22 Of Public Instruction, STATE ) Judge: Hon. Peter J. Busch  
23 DEPARTMENT OF EDUCATION, STATE )  
24 BOARD OF EDUCATION, )  
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26 Defendants. )  
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I, Scott Hannan, declare and state as follows:

1. I am currently employed by the California Department of Education (CDE). I make this declaration in support of the opposition by defendant State of California to plaintiffs' motion for summary adjudication. All the facts set forth in this declaration are known to me personally and, if called as a witness, I could and would testify competently thereto.

2. I am the manager of the Management Assistance and Categorical Programs Office of the School Fiscal Services Division of the CDE. The Management Assistance and Categorical Programs Office is responsible for working with county offices of education to assist them with their school district oversight responsibilities related to financial solvency, including those local education agencies identified as "at risk," as well as those districts receiving an emergency loan from the state. In addition, this office is responsible for apportioning the funding for approximately 40 state and federal categorical programs, including state instructional materials funding. This office also advises local education agencies on issues related to revenue from the California State Lottery. I have been employed by the CDE since 1996.

3. In 1998 the California Legislature instituted a one billion dollar program, which would extend over four years, for the purchase of new, standards-aligned instructional

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1 materials. The Schiff-Bustamante Standards-Based Instructional  
2 Materials Program (Schiff-Bustamante, or program) appropriated  
3 \$250 million in each of the fiscal years from 1999-2000 through  
4 2001-2002 for allocation to local education agencies. The same  
5 amount was appropriated for allocation in 1998-1999 by the Budget  
6 Act of 1998. The Schiff-Bustamante legislation declared the  
7 intent of the Legislature that school districts use the resources  
8 provided by the bill, and any other available resources, to  
9 ensure that K-12 pupils be provided with instructional materials  
10 in the core curriculum areas of language arts, mathematics,  
11 history/social science, and science that are aligned with state  
12 content standards as adopted by the state Board of Education  
13 pursuant to Education Code section 60605 in 1997 and 1998. It  
14 was also the Legislature's intent that the funding provided  
15 pursuant to Schiff-Bustamante supplement and not supplant funding  
16 for instructional materials provided from other sources.

17  
18 4. The Legislature restricted the manner in which  
19 local education agencies could expend Schiff-Bustamante funds.  
20 For grades K-8, school districts were required to purchase  
21 instructional materials using criteria aligned to the state  
22 content standards and that were adopted by the state Board of  
23 Education. For grades 9-12, school districts were required to  
24 purchase only basic instructional materials that the governing  
25 board had determined were aligned with state content standards.  
26 That determination must have been approved by resolution of the  
27 board. The Legislature also specified that priority was to be  
28 given to the purchase of mathematics instructional materials.

1           6.    The Schiff-Bustamante legislation also restricted  
2 the manner in which the funds were handled. School districts  
3 were required to deposit such funds into a separate account, as  
4 specified by the Superintendent of Public Instruction. Use of  
5 these funds and any interest generated by them was restricted to  
6 the purchase of the instructional materials permitted by the  
7 program.

8  
9           7.    The State Instructional Materials Fund (Education  
10 Code § 60240 et seq.) was established as a means of annually  
11 funding the acquisition of instructional materials. Pursuant to  
12 Education Code section 60242, subdivision (b), the state Board  
13 of Education adopted an IMF expenditure policy specifying the  
14 percentage of the school district's allowance that is authorized  
15 to be used for the various authorized purposes. Under that  
16 policy at least 70 percent of the district's total allowance was  
17 required to be spent on state adopted instructional materials,  
18 unless the district petitioned for and received state Board of  
19 Education approval to use more than 30 percent of its allowance  
20 for nonadopted materials.

21  
22           8.    School districts have been required to submit  
23 annual Statements of Assurance since 1983. School districts  
24 receiving from the Instructional Materials Fund and/or  
25 Schiff-Bustamante were required to submit Statements of  
26 Assurance. Specifically, school districts were required to  
27 provide written, annual assurance to the Superintendent of  
28 Public Instruction that the funds were used to purchase

1 materials that conform with the legal restrictions. This  
2 assurance was provided on a form titled "Statement of  
3 Assurance." The respective county or school district  
4 administrator certifies on the Statement of Assurance that the  
5 local education agency had adhered to all laws and regulations  
6 regarding the expenditure of instructional materials funding.  
7

8 9. The CDE receives the Statements of Assurance and  
9 determines whether any local education agencies have failed to  
10 submit the required form. The CDE then follows up with school  
11 districts that have failed to submit the Statement of Assurance.  
12 Furthermore, the Superintendent of Public Instruction is  
13 required to withhold the instructional materials apportionment  
14 from any school district that has failed to file a Statement of  
15 Assurance for the prior fiscal year. Once the school district  
16 provides its written assurance, the Superintendent of Public  
17 Instruction may restore the amount withheld.  
18

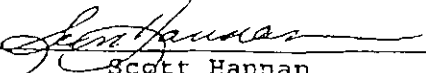
19 10. The current instructional materials program, the  
20 Instructional Materials Funding Realignment Program (IMFRP),  
21 replaces three previous funding sources for instructional  
22 materials: The K-8 Instructional Materials Fund, the 9-12  
23 Instructional Materials Fund, and the Schiff-Bustamante  
24 Standards-Aligned Instructional Materials Fund, K-12. For the  
25 2002-2003 fiscal year, the state appropriated \$297,125,000 for  
26 the IMFRP. This money was distributed to local education  
27 agencies for the purchase of instructional materials for  
28 students in grades K-12.

1            11.     Similar to its predecessor programs, IMFRP  
2 restricts the expenditure of its funds to specified materials.  
3 In particular, for the 2002-2003 fiscal year, school districts  
4 and other local education agencies were required to submit the  
5 written Statement of Assurance to the Superintendent of Public  
6 Instruction by July 31, 2003.

7  
8            12.     For the 2002-2003 fiscal year, the Statement of  
9 Assurance applies to the 2002-2003 Instructional Materials  
10 Funding Realignment Program, K-8 Instructional Materials Program  
11 2001-2002 carryover funds, and Schiff-Bustamante 2001-2002  
12 carryover funds. The IMF and Schiff-Bustamante funds carried  
13 over from previous years must be spent according to the same  
14 expenditure rules that applied to the funds when they were  
15 allocated. A true and correct copy of the Statement of  
16 Assurance for Instructional Materials Funds for Fiscal Year  
17 2002-2003 is attached hereto as exhibit "A."

18  
19            I declare under penalty of perjury under the laws of  
20 the State of California that the foregoing is true and correct.

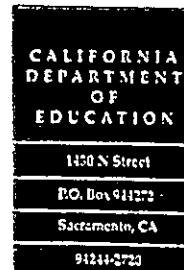
21  
22            Executed this 20 day of August 2003, at Sacramento,  
23 California.

24  
25              
26            Scott Hannan





**JACK O'CONNELL**  
State Superintendent of Public Instruction



**Statement of Assurance  
for Instructional Materials Funds  
Fiscal Year 2002-03**

**Reporting Local Educational Agency**

**County/District/Charter School Code:**

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**County Office of Education Name:** \_\_\_\_\_

**School District Name:** \_\_\_\_\_

**Charter School Name:** \_\_\_\_\_

*Education Code Section 60242.5 requires the superintendent of each school district and county office of education, and charter school administrators to provide a written assurance to the Superintendent of Public Instruction with regard to the allowable expenditure of instructional materials funds for the following programs listed below.*

- a) Instructional Materials Funding Realignment Program for fiscal year 2002-03
- b) K-8 Instructional Materials Program for fiscal year 2001-02 carryover funds
- c) Schiff Bustamante Standards-Based Instructional Materials Program for fiscal year 2001-02 carryover funds

This form will serve as a statement of assurance for the three programs.

**County Office of Education/School District Superintendent or Charter School Administrator Certification:**

I hereby certify that, to the best of my knowledge and belief, the above named school district, county office of education, or charter school has adhered to all laws and regulations, regarding the expenditure of instructional materials funding.

County/District Superintendent or Charter School Administrator (Print Name)

County/District Superintendent or Charter School Administrator (Signature)

Date

Contact Person

Telephone Number

Submit completed certification form by **July 31, 2003** to:  
**California Department of Education**  
**School Fiscal Services Division**  
**1430 N Street, Suite 3800**  
**Sacramento, CA 95814**  
**Attn: Shirley McGuire**