

AMENDED IN SENATE MARCH 30, 2004

AMENDED IN SENATE JULY 3, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 442

Introduced by Assembly Member Richman

February 14, 2003

An act to ~~amend Section 42122~~ *add and repeal Section 42122.5* of the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 442, as amended, Richman. School finance: budget disclosures.

Existing law requires the governing board of a school district to approve an annual statement of all receipts and expenditures of the district for the preceding fiscal year and to file the statement with the county superintendent of schools. Existing law requires the board to hold a public hearing on the district's proposed budget and requires the budget to show a complete plan and itemized statement of all proposed expenditures. Existing law requires the governing board of a school district to issue a school accountability report card annually. Existing law requires the school accountability report card to include, among other things, the estimated expenditures per pupil and types of services funding, the quality and currency of textbooks and other instructional materials, the total number of the school's fully credentialed teachers, and the number of teachers relying on emergency credentials.

This bill would impose a state-mandated local program by requiring the governing board of a school district with a pupil enrollment of

~~50,000~~ 250,000 or more to provide to the public, *until July 1, 2008*, a summary of the plan and itemized statement of all proposed expenditures of the school district and to distribute that summary at public hearings where the budget will be discussed. The summary would be required to ~~provided~~ *provide* specified information on the prior and ~~proposed~~ *current* fiscal years *and proposed budget year* regarding, among other things, ~~staffing~~ *expenditures for personnel services*, expenditures for facility maintenance, new construction, and modernization, average operating expenses per pupil ~~and class~~, and ~~actual~~ expenditures for books, supplies, and instructional materials.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 ~~SECTION 1. — Section 42122 of the Education Code is~~
 2 *SECTION 1. Section 42122.5 is added to the Education Code,*
 3 *to read:*
 4 *42122.5. (a) Commencing with the budget for the 2005-06*
 5 *fiscal year, each budget of a school district with a pupil enrollment*
 6 *of 250,000 or more shall also include a summary of the complete*
 7 *plan and itemized statement required pursuant to Section 42122.*
 8 *The school district shall make the summary available to the public*
 9 *and, at a minimum, distribute it at public hearings. The summary*
 10 *shall include, but not be limited to, the following information:*
 11 *(1) Itemized detail of the actual expenditures for the prior and*
 12 *current fiscal years, and the proposed budget year expenditures for*
 13 *personnel service, separately identifying salaries, benefits,*
 14 *incentive bonuses, or other forms of remuneration. Personnel*

1 *services detail shall be further separately reported for certificated*
2 *staff, segregated by type of credential, and classified staff.*

3 (2) *The number and percentage of classroom teachers who are*
4 *fully credentialed and employed by the district for the prior and the*
5 *current fiscal years.*

6 (3) *The number and percentage of classroom teachers*
7 *employed by the district for the prior and current fiscal years who*
8 *are serving without full credentials, including holders of*
9 *emergency credentials, university interns, district interns, and*
10 *preinterns.*

11 (4) *The total expenditures for facility maintenance, new*
12 *construction, and modernization for the prior and current fiscal*
13 *years.*

14 (5) *The average class size by grade levels.*

15 (6) *Itemized detail of the actual expenditures for the prior and*
16 *current fiscal years and the proposed budget year expenditures for*
17 *operating expenses, separately identifying contract services, debt*
18 *service, and capital expenditures. Contract services shall be*
19 *further separately reported for legal services, engineering*
20 *services, real estate services, and financial services.*

21 (7) *The average operating expenses per pupil for the prior and*
22 *current fiscal years, and the proposed budget year, separately*
23 *identifying the costs of textbooks, other instructional materials,*
24 *and instructional supplies.*

25 (8) *All revenues by source, including state, federal, and local*
26 *sources, separately identifying tax revenues from other revenues.*
27 *Funds derived from the sale of bonds, revenue anticipation notes,*
28 *certificates of participation, and other debt instruments shall be*
29 *separately identified by issue.*

30 (b) *This section shall become inoperative on July 1, 2008, and,*
31 *as of January 1, 2009, is repealed, unless a later enacted statute,*
32 *that becomes operative on or before January 1, 2009, deletes or*
33 *extends the dates on which it becomes inoperative and is repealed.*
34 ~~*amended to read:*~~

35 ~~42122. (a) Each budget shall show a complete plan and~~
36 ~~itemized statement of all proposed expenditures of the school~~
37 ~~district and of all estimated revenues for the ensuing fiscal year,~~
38 ~~together with a comparison of revenues and expenditures for the~~
39 ~~existing fiscal year. The budget shall also include the~~
40 ~~appropriations limit and the total annual appropriations subject to~~

1 limitation as determined pursuant to Division 9 (commencing with
2 Section 7900) of Title 1 of the Government Code. The county
3 superintendent of schools shall from his or her own records supply
4 to the school district any information that the school district may
5 need to make the comparisons required by this section.

6 ~~(b) Commencing with the budget for the 2005–06 fiscal year,~~
7 ~~each budget of a school district with a pupil enrollment of 50,000~~
8 ~~or more shall also include a summary of the complete plan and~~
9 ~~itemized statement required pursuant to subdivision (a). The~~
10 ~~school district shall make the summary available to the public and,~~
11 ~~at a minimum, distribute it at public hearings. The summary shall~~
12 ~~include, but not be limited to, the following information:~~

13 ~~(1) Itemized detail of the actual expenditures for the immediate~~
14 ~~prior fiscal year and proposed current year expenditures on~~
15 ~~salaries, benefits, incentive bonuses, expenses, or other forms of~~
16 ~~remuneration paid to certificated staff, including administrators,~~
17 ~~pupil services personnel, and teachers, and classified staff,~~
18 ~~including paraprofessionals, office workers, clerical employees,~~
19 ~~and others.~~

20 ~~(2) The actual expenditures in the immediate prior fiscal year,~~
21 ~~proposed current year expenditures, and the percentage of any~~
22 ~~increase or decrease budgeted for the current fiscal year,~~
23 ~~segregated by type of credential, for salaries and benefits paid to~~
24 ~~employees assigned to classrooms within the school district.~~

25 ~~(3) The number and percentage of classroom teachers who are~~
26 ~~fully credentialed and employed by the district for the immediate~~
27 ~~prior and the current fiscal years.~~

28 ~~(4) The average total expenditure for a credentialed teacher and~~
29 ~~a noncredentialed teacher, based on salaries and benefit packages,~~
30 ~~and the average amount spent for compensation of the 10 percent~~
31 ~~of the credentialed teachers who earn the most and the 10 percent~~
32 ~~who earn the least.~~

33 ~~(5) The number and percentage of classroom teachers~~
34 ~~employed by the district for the immediate prior and current fiscal~~
35 ~~years who are serving without full credentials, including holders~~
36 ~~of emergency credentials, university interns, district interns, and~~
37 ~~preinterns.~~

38 ~~(6) The total expenditures for facility maintenance, new~~
39 ~~construction and modernization for the immediate prior and~~

~~current fiscal years, including the number of completed new facility projects.~~

~~(7) The average class size by grade levels.~~

~~(8) The average noncapital operating expenses per pupil and class for the immediate prior fiscal year and proposed current year average noncapital expenditures per pupil.~~

~~(9) The actual expenditures in the immediate prior fiscal year and proposed current year expenditures for books and supplies, including the total cost of textbooks per pupil, and the total cost of textbooks per class.~~

~~(10) The actual expenditures in the immediate prior fiscal year and proposed current year expenditures for instructional materials, excluding textbooks, per pupil and the total cost of instructional materials per class.~~

~~(11) Total district revenue and expenditures and average district revenue and expenditures per pupil.~~

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

CORRECTIONS

Text — Pages 3,5.