

AMENDED IN SENATE JUNE 25, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1476

Introduced by Committee on Budget (Blumenfield (Chair), Alejo, Bonilla, Brownley, Buchanan, Butler, Cedillo, Chesbro, Dickinson, Feuer, Gordon, Huffman, Mitchell, Monning, and Swanson)

January 10, 2012

An act relating to the Budget Act of 2012—An act to amend Sections 2558, 2558.46, 2571, 8208, 8235, 8236.1, 8238, 8238.4, 8239, 8263, 8263.1, 8335.4, 8335.5, 8335.7, 8447, 14041.7, 17173, 17180, 17183, 17193.5, 17199.1, 17199.3, 17199.4, 17230, 17458, 17464, 17489, 17592.71, 22138.5, 41203.1, 42238, 42238.146, 42238.15, 42621, 42622, 47633, 52055.770, 56471, 69432, 69432.7, 69433.5, 69436, and 69999.6 of, to amend, repeal, and add Sections 1042, 14041, 14041.6, 41202, 47603, 76140, and 84321.6 of, to add Sections 8263.3, 17199.6, 41207.6, 41366.6, 42620.1, and 52055.780 to, to add and repeal Sections 17457.5 and 46201.4 of, and to repeal Sections 8236.2, 8238.1, 8238.2, 8238.3, 8238.5, 8238.6, 41204.2, and 41204.3 of, the Education Code, to amend Sections 7906, 53850, 53853, and 65995.7 of, and to add Sections 17581.6 and 17581.7 to, the Government Code, and to amend Items 6110-108-0001, 6110-161-0001, 6110-166-0001, 6110-204-0001, 6110-227-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001, 6110-488, and 6870-101-0001 of Section 2.00 of the Budget Act of 2011 (Chapter 33 of the Statutes of 2011), relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 1476, as amended, Committee on Budget. ~~Budget Act of 2012.~~
Education finance.

(1) Existing law authorizes a county superintendent of schools, with the approval of the county board of education, to temporarily transfer moneys to a school district under specified circumstances.

The Charter Schools Act of 1992 authorizes any one or more persons to submit a petition to the governing board of a school district to establish a charter school that operates independently from the existing school district structure as a method of accomplishing specified goals.

This bill, until July 1, 2017, would authorize a county board of education, subject to the concurrence of the county superintendent of schools, to loan moneys from the proceeds of revenue anticipation notes to a charter school for which the county board of education or the county superintendent of schools has a supervisory responsibility or, regardless of whether the charter school is within or outside of the county, with which a county board of education or county superintendent of schools has a contractual relationship. The bill would require the county superintendent of schools, before the county board of education makes the loan, to take specified actions regarding the advisability of the loan. The bill would provide that any loan of moneys pursuant to these provisions would not constitute a debt or liability of the county superintendent of schools, the county board of education, or the State of California. The bill would prohibit a charter school from receiving more than one of these loans per fiscal year.

The bill would require the county board of education, as a condition of making a loan to a charter school, to report to the State Department of Education by September 15 of each year specified information on loans made to charter schools within the prior fiscal year, and would require the department to compile that information into one report to be submitted by December 1 of each year to the appropriate policy and fiscal committees of the Legislature, the Department of Finance, and the Legislative Analyst's Office.

(2) Existing law requires the Superintendent of Public Instruction to apportion state aid to county superintendents of schools in accordance with prescribed calculations.

This bill would revise the calculations by subtracting amounts received separately relating to the Redevelopment Property Tax Trust

Fund and a proposed constitutional provision relating to education funding.

(3) Existing law requires a revenue limit to be calculated for each county superintendent of schools, adjusted for various factors, and reduced, as specified. Existing law reduces the revenue limit for each county superintendent of schools for the 2011–12 fiscal year by a deficit factor of 20.691%.

This bill would set the deficit factor for each county superintendent of schools for the 2012–13 fiscal year at 22.549%.

(4) Existing law requires the Superintendent to make specified computations relating to the allocation of property tax revenues for each county superintendent of schools.

This bill would revise these computations to include as property tax revenues those received by a county superintendent of schools relating to the Redevelopment Property Tax Trust Fund.

(5) Existing law requires the Superintendent to administer all California state preschool programs, including, but not limited to, part-day and full-day age and developmentally appropriate programs for 3- and 4-year-old children. Existing law defines 3- and 4-year-old children for these purposes as children who will have their 3rd or 4th birthday, respectively, on or before December 2 of the fiscal year in which they are enrolled in a California state preschool program.

This bill would instead provide that the state preschool programs shall include, but not be limited to, part-day age and developmentally appropriate programs designed to facilitate the transition to kindergarten for 3- and 4-year-old children. The bill would instead define 3- and 4-year-old children as children who will have their 3rd or 4th birthday, respectively, on or before November 1 for the 2012–13 fiscal year, October 1 for the 2013–14 fiscal year, and September 1 for the 2014–15 fiscal year and each fiscal year thereafter. The bill would, among other things, make conforming changes relating to the deletion of references to full-day preschool programs.

(6) Existing law requires the State Department of Education to annually report to the Department of Finance and the Legislature a statewide summary identifying, among other things, the number of preschool age children receiving part-time and full-time development services.

This bill would instead require the department to annually report to the Department of Finance and the Legislature a statewide summary identifying, among other things, the number of preschool age children

receiving part-day preschool and wraparound child care services, as defined.

(7) Existing law requires child development and preschool programs, as a condition of receipt of specified funds appropriated in the Budget Act of 2006, to include, but not be limited to, age and developmentally appropriate activities for children that are designed to facilitate their transition to kindergarten, and opportunities for parents and legal guardians to work with their children on interactive literacy activities, as defined.

This bill would instead require a participating part-day preschool program, as a condition of receipt of funds being provided for in the annual Budget Act or other statute, to coordinate the provision of (A) opportunities for parents and legal guardians to work with their children on interactive literacy activities, as defined, (B) specified parenting education, (C) referrals, as necessary, to providers of instruction in adult education and English as a second language in order to improve the academic skills of parents of children in participating classrooms, and (D) specified staff development.

(8) Existing law requires child development and preschool programs, as a condition of receipt of specified funds appropriated in the Budget Act of 2006, to coordinate the provision of specified parenting education, and referrals, as necessary, to providers of instruction in adult education and English as a second language in order to improve the academic skills of parents of children in participating classrooms.

This bill would repeal that provision, which is recodified in regard to part-day preschool programs as described in (7).

(9) Existing law authorizes a local educational agency or a participating program on behalf of one or more participating programs to select a family literacy and education coordinator whose duties may include specified activities.

This bill would repeal that provision.

(10) Existing law requires child development and preschool programs, as a condition of receipt of specified funds appropriated in the Budget Act of 2006, to provide specified staff development for teachers in participating classrooms.

This bill would repeal that provision, as its provisions are recodified.

(11) Existing law establishes a schedule for the expenditure, by the Superintendent, of prescribed funds appropriated pursuant to the Budget Act of 2006 for child development and preschool programs.

This bill would instead require a family literacy supplemental grant to be made available and distributed to California state preschool classrooms, as determined by the Superintendent, at a rate of \$2,500 per class. The bill would, among other things, assign first priority to California state preschool programs that contract to receive this funding before July 1, 2012. The bill would require family literacy supplemental grants to be used for specified purposes. The bill would also provide that implementation of the family literacy supplemental grant program is contingent upon funding being provided for the program in the annual Budget Act or other statute.

(12) Existing law requires, subject to the availability of specified funds, the Superintendent to conduct a specified evaluation of the effectiveness of prekindergarten and family literacy programs established pursuant to specified provisions of law.

This bill would repeal that provision.

(13) Existing law authorizes the use of up to \$5,000,000 of specified funds appropriated in the Budget Act of 2005 by the Superintendent to provide direct child care services for children in participating classrooms to meet the child care needs of parents for the portion of each day that is not covered by services provided as part of a specified preschool program.

This bill would repeal that provision.

(14) Existing law requires the Superintendent to encourage state preschool program applicants or contracting agencies to offer full-day services through a combination of part-day preschool slots and part-day general child care and development programs. Existing law provides specified requirements in order to facilitate a full day of services and requires a child who is enrolled in a preschool program to meet specified eligibility requirements in order to be eligible for part-day child care.

This bill would instead require the Superintendent to encourage state preschool program applicants or contracting agencies to offer full-day services through a combination of part-day preschool slots and wraparound general child care and development programs, as defined. The bill would also require fees to be assessed and collected for families with children in part-day preschool programs, families receiving wraparound child care services, as defined, or both.

(15) Existing law requires the Superintendent to establish a fee schedule for families using child care and development services pursuant to the Child Care and Development Services Act. Existing law requires

that the family fee schedule prohibit the assessment of fees on families whose children are enrolled in the state preschool program.

This bill would remove this prohibition, thereby allowing the family fee schedule to include the assessment of fees on families whose children are enrolled in the state preschool program.

(16) Existing law provides for income eligibility standards for families to receive child care and development services. Existing law provides that “income eligible,” for the purposes of the Child Care and Development Services Act, means that a family’s adjusted monthly income is at or below 70% of the state median income, adjusted for family size, and adjusted annually. Notwithstanding this provision, existing law provides that, for the 2011–12 fiscal year, the income eligibility limits that were in effect for the 2007–08 fiscal year are reduced to 70% of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

This bill would provide that, notwithstanding these provisions, for the 2012–13 fiscal year, the income eligibility limits are to be 70% of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

(17) Existing law requires the State Department of Education, effective July 1, 2011, to reduce the maximum reimbursable amounts of the contracts for the Preschool Education Program, the General Child Care Program, the Migrant Day Care Program, the Alternative Payment Program, the CalWORKs Stage 3 Program, and the Allowance for Handicapped Program by 11% or by whatever proportion is necessary to ensure that the expenditures for these programs do not exceed the amounts appropriated for them. Existing law requires, effective July 1, 2011, families to be disenrolled from subsidized child care services in a specified order that requires, among other things, families whose income exceeds 70% of the state median income adjusted for family size to be disenrolled first, except as specified, and families with the highest income below 70% of the state median income, in relation to family size, to be disenrolled second.

This bill would require the department, effective July 1, 2012, to reduce the maximum reimbursable amounts of the contracts for the General Child Care Program, the Migrant Day Care Program, the Alternative Payment Program, the CalWORKs Stage 3 Program, and the Allowance for Handicapped Program by an additional 8.7% or whatever proportion is necessary to ensure these expenditures do not exceed the applicable appropriations. The bill would also require,

effective July 1, 2012, families to be disenrolled in a different specified order that requires, among other things, families with the highest income in relation to family size to be disenrolled first and families that have the same income and have been enrolled in child care services the longest to be disenrolled second.

(18) Existing law authorizes the City and County of San Francisco, until July 1, 2013, and as a pilot project, to develop and implement an individualized county child care subsidy plan, requires the city and county, on or before June 30, 2013, to submit a final report to the Legislature and other specified entities that summarizes the impact of the plan, requires the city and county to phase out the plan and implement the state's requirements for child care subsidies as of July 1, 2015, and provides for the repeal of those provisions on January 1, 2016.

This bill would instead authorize the City and County of San Francisco to implement the individualized county child care subsidy plan until July 1, 2014, require the city and county to phase out the plan and implement the state's requirements for child care subsidies as of July 1, 2016, require the city and county to submit the final report on or before June 30, 2014, and would repeal those provisions on January 1, 2017.

(19) Existing law requires that the cost of state-funded child care services be governed by regional market rates, and establishes a family fee schedule reflecting specified income eligibility limits. Existing law revises the family fee schedule that was in effect for the 2007–08, 2008–09, 2009–10, and 2010–11 fiscal years to be adjusted to reflect specified income eligibility limits.

This bill would require that the family fee schedule that was in effect for the 2011–12 fiscal year remain in effect for the 2012–13 fiscal year.

(20) Existing law requires the Controller to draw warrants on the State Treasury in each month of each year in specified amounts for principal apportionments for purposes of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of those warrants, as specified.

This bill would require the Superintendent to reduce the warrants for the 2012–13 fiscal year by certain amounts as an offset for school district and county office of education apportionments made pursuant to specified provisions. The bill also would require the Superintendent to delay the 2nd principal apportionment from July 2, 2013, to July 15, 2013, to account for all revenues remitted to school districts and county

offices of education pursuant to a proposed constitutional provision relating to education funding. The bill would require the Superintendent to reduce the June warrants for the 2012–13 fiscal year for any amounts received pursuant to specified provisions related to the dissolution of redevelopment agencies. The bill, commencing with the 2012–13 fiscal year, would defer additional specified amounts of the warrants for school districts and county superintendents of schools from February, April, and May 2013, to July 2013, and from March 2013 and an additional amount from April 2013 to August 2013. The bill would make these provisions inoperative on December 15, 2012, if the Schools and Local Public Safety Protection Act of 2012 (Attorney General reference number 12-0009) is not approved by the voters at the November 6, 2012, statewide general election, or if the provisions of that act that modify personal income tax rates do not become operative due to a conflict with another initiative measure that is approved at the same election and receives a greater number of affirmative votes. If either of these conditions occurs, the bill would require, as of December 15, 2012, for the 2012–13 fiscal year only, the Superintendent, instead of the actions described in the paragraph above, to reduce the June warrants by certain amounts received by school districts and county offices of education due to the dissolution of redevelopment agencies and also would offset the revenue limit funding received by school districts and county offices of education by those amounts. If the provisions described in this paragraph do not become operative, they would be repealed on January 1, 2013.

(21) Existing law requires the Controller to draw warrants on the State Treasury in each month of each year in specified amounts for purposes of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of those warrants, as specified. Existing law allows up to \$100,000,000 of the amount of the warrants for the principal apportionments for June that are deferred until July to be drawn instead in June for a charter school or school district if specified criteria are met, including, in the case of a charter school, that the chartering authority, in consultation with the county superintendent of schools, certifies to the Superintendent of Public Instruction and the Director of Finance that the charter school will be unable to meet its financial obligations for June.

This bill would require the certification to be made by the governing body of the charter school instead of the chartering authority, and would require a charter school submitting that certification to provide its

chartering authority with a copy of the certification, thereby imposing a state-mandated local program.

(22) Existing law establishes the California School Finance Authority, and authorizes the authority to issue revenue bonds to finance a single or series of projects or financing of working capital for a single or several participating parties, defined as a school district, charter school, county office of education, or community college district that undertakes the financing or refinancing of a project or of working capital, or a joint venture school facilities construction project.

This bill would authorize the authority to issue revenue bonds to refinance those projects and would revise the definition of “participating party.”

(23) Existing law limits the amount a participating party may borrow from the California School Finance Authority to 85% of the estimated amount of funds to be received by the participating party which will be available in the fiscal year of the borrowing.

This bill would limit the amount a charter school may borrow to 85% of the estimated amount of funds to be received by the charter school which will be available during the term of the loan.

(24) Existing law authorizes a public credit provider, as defined, to require a participating party, with regard to providing credit enhancement for bonds, notes, certificates of participation, or other evidences of indebtedness of a participating party, to agree to specified conditions, including allowing the Controller to allocate specified school district, county office of education, or charter school apportionments to public credit providers if the public credit provider is required to make principal or interest payments, or both, pursuant to the credit enhancement agreement. Existing law imposes those same conditions on securing financing or refinancing for projects or working capital from the California School Finance Authority, in which case the Controller allocates apportionments when a participating party will not make a payment to the authority at the time the payment is required.

This bill would authorize the Controller, in the case of a credit enhancement agreement between a charter school and a public credit provider and in the case of financing secured from the authority, to allocate apportionments designated for charter school categorical block grants.

(25) Existing law authorizes the California School Finance Authority to assign and distribute the state’s 2010 federal tax credit bond volume

cap for qualified school construction bonds to or for the benefit of charter schools, or to be further assigned and distributed to one or more issuers in the state for the benefit of charter schools, as determined by the authority. Existing law assigns to the authority \$68,406,000 of the state's 2010 federal tax credit bond volume cap for qualified school construction bonds, to be issued for the benefit of charter schools, or to be further assigned and distributed to one or more issuers in the state for the benefit of charter schools, as the authority determines.

This bill would delegate to the authority exclusive control over the use and allocation of the volume cap for qualified school construction bonds and would authorize the authority to use, by resolution, the volume cap for obligations issued by the authority or to allocate the volume cap to any party.

(25.1) Existing law authorizes the governing board of any school district to sell or lease any real property, together with any personal property located on the real property, belonging to the school district which is not or will not be needed by the school district for school classroom buildings at the time of delivery of title or possession.

This bill would require the governing board of a school district seeking to sell or lease real property designed to provide direct instruction or instructional support it deems to be surplus property to first provide a written offer for the sale or lease of the surplus property of the school district to any charter school that has submitted a written request to the school district to be notified of surplus real property offered by the school district for sale or lease. The bill would require any real property sold or leased to a charter school to be used exclusively to provide direct instruction or instructional support for no less than 5 years from the date the real property is available to the charter school pursuant to a sale, or, if the charter school leased the real property, until the real property is returned to the possession of the school district.

The bill would require the price at which the real property is sold to a charter school to not exceed the school district's cost of acquisition, adjusted as specified. The bill would require the annual rate of real property leased to a charter school not to exceed 5% of the maximum sale price. The bill would require the school district advisory committee to hold hearings to receive community input before selling or leasing real property to a charter school. The bill would require these provisions to only apply to real property identified by a school district as surplus property after July 1, 2012.

The bill would make this provision inoperative on June 30, 2013, and would repeal it as of January 1, 2014.

(25.3) Existing law authorizes the governing board of a school district to sell, for less than fair market value, any schoolsite that is deemed to be surplus property of the school district to any park district, city, or county in which the school district is wholly or partially situated for specified uses if the governing board of the school district adopts a resolution specifying that it will sell or transfer the property for less than fair market value to those entities.

This bill would instead authorize the governing board of a school district to sell the surplus property to those entities only if a charter school has not accepted an offer to purchase or lease the property, as described in (25.1).

(25.5) Existing law authorizes a governing board of a school district seeking to sell or lease any real property it deems to be surplus property to first offer that property for sale or lease to any contracting agency, as defined, that provides child care and development services and pursuant to specified conditions.

This bill would instead authorize a governing board of a school district seeking to sell or lease that real property to a contracting agency, only if a charter school has not accepted an offer to purchase or lease the property, as described in (25.1).

(25.7) Existing law requires the sale or lease with an option to purchase of real property by a school district to be made in accordance with specified priorities and procedures, including, among other things, requiring the property to first be offered for park or recreational purposes.

This bill would instead require the sale or lease with an option to purchase of real property to first be offered for sale or lease to any interested charter school for purposes of providing direct instruction or instructional support, as described in (25.1).

(25.9) Existing law requires the governing board of a school district, before selling or leasing any schoolsite containing specified land, to first offer to sell or lease that portion of the schoolsite containing the land to certain public agencies in accordance with particular priorities, including, among other things, offering to sell or lease the specified land to any city within which the land may be situated.

This bill would instead require the governing board of a school district to only sell or lease any schoolsite containing specified land, as

described above, if a charter school has not accepted an offer to purchase or lease the schoolsite, as described in (25.1).

(26) Existing law establishes the School Facilities Emergency Repair Account in the State Treasury, and requires the State Allocation Board to administer the account. Existing law establishes the Proposition 98 Reversion Account in the General Fund, and requires that the Legislature, from time to time, transfer into this account moneys previously appropriated in satisfaction of the constitutional minimum funding requirements that have not been disbursed or otherwise encumbered for the purposes for which they were appropriated. Existing law generally requires an amount, equaling 50% of the unappropriated balance of the Proposition 98 Reversion Account or \$100,000,000, whichever is greater, to be transferred in the annual Budget Act from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account. However, the amount to be transferred under this provision was set at 0 for the 2009–10, 2010–11, and 2011–12 fiscal years.

This bill would set the amount to be transferred under this provision from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account at 0 for the 2012–13 fiscal year.

(27) The Teachers' Retirement Law, which is administered by the Teachers' Retirement Board, prescribes a comprehensive system of rights and benefits for its members, including disability benefits, retirement benefits, and death benefits. That law specifies the days or hours of creditable service that equal "full time" for the purpose of calculating benefits under the Defined Benefit Program, with a minimum standard applied, as specified.

This bill would provide that, if a school district, county office of education, or charter school reduces the number of days of instruction pursuant to a specified provision for the 2012–13 or 2013–14 fiscal years, the minimum standard for full time would be reduced to the number of days of instruction provided by that school district, county office of education, or charter school and the number of hours of instruction equal to the number of days of instruction times 6, as specified.

(28) The California Constitution requires the state to comply with a minimum funding obligation each fiscal year with respect to the support of school districts and community college districts. Existing statutory law specifies that appropriations made to service public debt approved

by the voters of the state do not apply toward the constitutional minimum funding obligation for school districts and community college districts.

This bill would include funds appropriated for the Early Start Program and any appropriation made to service general obligation bond debt on behalf of school districts, county offices of education, charter schools, and community college districts in funding that applies toward the constitutional minimum funding obligation for school districts and community college districts. This provision would not become operative until December 15, 2012, and would only become operative if the Schools and Local Public Safety Protection Act of 2012 (Attorney General reference number 12-0009) is not approved by the voters at the November 6, 2012, statewide general election, or if the provisions of that act that modify personal income tax rates do not become operative due to a conflict with another initiative measure that is approved at the same election and receives a greater number of affirmative votes. If this provision does not become operative, it would be repealed on January 1, 2013.

(29) Existing law requires, for the 1990–91 fiscal year and each fiscal year thereafter, that moneys to be applied by the state for the support of school districts, community college districts, and direct elementary and secondary level instructional services provided by the state be distributed in accordance with certain calculations governing the proration of those moneys among the 3 segments of public education. Existing law makes that provision inapplicable to the fiscal years between 1992–93 and 2011–12, inclusive.

This bill would make that provision inapplicable to the 2012–13 fiscal year.

(30) Existing law requires the Director of Finance to make a specified adjustment in the percentage of General Fund revenues appropriated for school districts and community college districts for purposes of the provisions of the California Constitution requiring minimum funding for the public schools. This adjustment is related to the implementation of provisions related to the implementation of specified taxes imposed on gasoline and diesel.

This bill would delete the provision requiring the specified adjustment.

(31) Existing law prescribes the percentage of General Fund revenues appropriated for school districts and community college districts for purposes of the provisions of the California Constitution requiring minimum funding for the public schools. Existing law requires the Director of Finance to adjust that percentage in a specified manner for

purposes of the 2011–12 fiscal year with respect to the shift to school districts and community college districts of local property tax revenues in connection with the dissolution of redevelopment agencies.

This bill would delete this provision.

(32) Under existing law, the California Constitution requires the state to comply with a minimum funding obligation each fiscal year with respect to the support of school districts and community college districts.

This bill would require, if the moneys applied by the state for the support of school districts and community college districts for the 2011–12 fiscal year exceed the minimum funding required by the California Constitution, that the excess, up to a certain amount, be deemed a payment of a specified fiscal settlement relating to the minimum school funding obligation, as described, for the 2004–05 and 2005–06 fiscal years.

(33) Existing law creates the Charter School Security Fund in the State Treasury, and requires moneys in the fund to be available for deposit into the Charter School Revolving Loan Fund in case of default on any loan made from the Charter School Revolving Loan Fund.

This bill would require the State Department of Education to monitor the adequacy of the amount of funds in the Charter School Revolving Loan Fund and report annually, as specified, to the Department of Finance and the Controller on the need, if any, to transfer funds from the Charter School Security Fund to the Charter School Revolving Loan Fund to replace funds lost due to loan defaults and would provide for such a transfer to be made, as specified.

(34) Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county pursuant to a specified formula based on the base revenue limit of the school district for the prior year, adjusted for inflation, and the average daily attendance for the entire school district.

This bill would require the calculations of the base revenue limit for each school district to be reduced by amounts relating to the Redevelopment Property Tax Trust Fund and a proposed constitutional provision relating to education funding.

(35) Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county and requires the amount of the revenue limit to be adjusted for various factors. Existing law reduces the revenue limit for each school district for the 2011–12 fiscal year by a deficit factor of 20.404%.

This bill would provide that the deficit factor for each school district for the 2012–13 fiscal year would be 22.272%.

(36) Existing law provides that, in lieu of any inflation or cost-of-living adjustment, state funding for specified educational programs is increased in accordance with a prescribed formula.

This bill would provide that child care and development programs would not receive a cost-of-living adjustment in the 2012–13, 2013–14, and 2014–15 fiscal years.

(37) Existing law requires the board of supervisors of a county or city and county to order, and the auditor and treasurer of the county or city and county to make, a temporary transfer from funds of the county or city and county not immediately needed to pay claims against them to the school fund of a school district or county school service fund of the amount needed whenever, prior to the receipt by a school district or county school service fund of its state, county, city and county, or district funds, the school district or county school service fund of the county or city and county does not have sufficient money to its credit to meet current expenses of maintenance.

This bill would authorize a charter school, after all transfer requests for school districts and county offices of education have been satisfied and in circumstances identical to those of a school district or county school service fund, to receive this type of transfer of funds.

(38) Existing law authorizes a county superintendent of schools, with the approval of the county board of education, to make a temporary transfer from the county school service fund to a school district that does not have sufficient money to its credit to meet current operating expenses.

This bill would authorize a charter school in circumstances identical to those of a school district to receive this type of transfer of funds.

(39) Existing law authorizes a county superintendent of schools, with the approval of the county board of education, to make an apportionment to a school district from the county school service fund conditional on the repayment of the apportionment and to transfer that amount from the general fund of the school district to the county school service fund during the next succeeding fiscal year.

This bill would authorize a charter school in circumstances identical to those of a school district to receive this type of apportionment.

(40) Existing law sets forth the minimum number of instructional days and minutes school districts, county offices of education, and charter schools are required to offer and allows a school district, county

office of education, and charter school to reduce the equivalent of up to 5 days of instruction or the equivalent number of instructional minutes per school year through the 2014–15 school year.

If the Schools and Local Public Safety Protection Act of 2012 (Attorney General reference number 12-0009) is not approved by the voters at the November 6, 2012, statewide general election, or if the provisions of that act that modify personal income tax rates do not become operative due to a conflict with another initiative measure that is approved at the same election and receives a greater number of affirmative votes, commencing December 15, 2012, this bill, for the 2012–13 and 2013–14 school years, would allow a school district, county office of education, or charter school to provide an instructional year of not less than 160 days or the equivalent number of instructional minutes. The bill would require implementation of this reduction by a school district, county office of education, or charter school that is subject to collective bargaining to be achieved through the bargaining process. This authority would become inoperative on July 1, 2015, and would be repealed on January 1, 2016. The bill, if that measure is not approved by the voters or does not become operative due to the conflict discussed above, for the 2012–13 fiscal year, would reduce the amount of revenue limit funding received by each school district, county office of education, and charter school by a combined total of \$2,740,377,000 and would require the Superintendent to adjust the amount of categorical funding allocated to basic aid school districts, as defined, in the 2012–13 fiscal year to achieve the reduction in the amount of revenue limit funding.

(41) Existing law states that the law governing charter schools does not prohibit a private person or organization from providing funding or other assistance to the establishment or operation of a charter school.

This bill, until July 1, 2017, would authorize a charter school to contract with a county superintendent of schools or a county board of education for purposes of borrowing moneys, as described above. The bill would require the borrowed moneys to be expended by a charter school solely for purposes of meeting the cash management needs of the charter school due to the deferral of apportionment payments and not for purposes of making capital acquisitions.

(42) Existing law requires the Superintendent to annually compute a general-purpose entitlement, funded from a combination of state aid and local funds, for each charter school, as specified.

This bill would require the computation of the general-purpose entitlement to be reduced by any amount derived from a proposed constitutional provision relating to education funding.

(43) The existing Quality Education Investment Act of 2006 effectuates the intent of the Legislature to implement the terms of the proposed settlement agreement of a specified legal action, to provide for the discharge of the minimum state educational funding requirement, to improve the quality of academic instruction and the level of pupil achievement in schools whose pupils have high levels of poverty and complex educational needs, to develop exemplary school district and school practices to create working conditions to attract and retain well qualified teachers and administrators, and to focus school resources solely on instructional improvement and pupil services. The act requires, among other things, \$450,000,000 per fiscal year to be appropriated from the General Fund for specified purposes for each of the 2008–09, and 2011–12 to 2014–15 fiscal years, inclusive, and requires those funds to be allocated, as specified, to Sections A and B of the State School Fund. The act requires these appropriations to be deemed General Fund revenues appropriated for school districts and community college districts for the 2004–05 and 2005–06 fiscal years, as specified. A provision of the act provides that, for the 2013–14 fiscal year, various amounts allocated under the act are to be adjusted to reflect the total fiscal settlement agreed to by the parties to the specified legal action referenced above.

This bill would instead appropriate for these purposes from the General Fund \$361,000,000 for the 2012–13 fiscal year, and \$218,322,000 for the 2013–14 fiscal year, for allocation by the Chancellor of the California Community Colleges and the Superintendent, as specified, to be deemed General Fund revenues appropriated for school districts and community college districts.

This bill would require any funds appropriated as described in (32) to be deemed General Fund revenues appropriated for school districts and community college districts for the 2004–05 and 2005–06 fiscal years, as specified. The bill would delay the adjustment related to the total fiscal settlement in the specified legal action until the 2014–15 fiscal year.

(44) Existing law provides that an essential component of transition services for individuals with exceptional needs is the project workability program that provides instruction and experiences that reinforce core curriculum concepts and skills leading to gainful employment. Existing

law requires the Superintendent to develop criteria for awarding grants, funding, and evaluating workability projects and requires workability project applications to include, but not be limited to, specified elements.

This bill would define eligible applicants for project workability to include local educational agencies, including school districts, county offices of education, state special schools, and charter schools, and nonpublic, nonsectarian schools, as defined.

(45) Existing law, the Ortiz-Pacheco-Poohigian-Vasconcellos Cal Grant Program (Cal Grant Program), establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission (commission), and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions.

Existing law requires the maximum award amounts for students at independent institutions to be identified in the annual Budget Act. Existing law states the policy of the Cal Grant Program that the maximum Cal Grant A and B awards for students attending nonpublic institutions be equal to a specified amount.

Commencing with the 2013–14 award year, this bill would set maximum tuition award amounts for Cal Grant A and B awards for new recipients attending private for-profit and nonprofit postsecondary educational institutions, and would require the renewal award amount for a student whose initial award is subject to one of those maximum award amounts to be calculated pursuant to specified law.

(46) Existing law requires the Student Aid Commission to certify by October 1 of each year the institution's latest 3-year cohort default rate as most recently reported by the United States Department of Education. Existing law provides that, for purposes of the 2012–13 academic year, and every academic year thereafter, an otherwise qualifying institution with a 3-year cohort default rate that is equal to or greater than 30% is ineligible for initial and renewal Cal Grant awards at the institution.

This bill would decrease that 3-year cohort default rate threshold to 15.5%. The bill would, for purposes of the 2012–13 academic year, and every academic year thereafter, make an otherwise qualifying institution ineligible for an initial or renewal Cal Grant award at the institution if the institution has a graduation rate of 30% or less for students taking 150% or less of the expected time to complete degree requirements, as specified, with certain exceptions. The bill also would require the

commission to certify by October 1 of each year the institution's latest graduation rate as reported by the United States Department of Education. The bill would require the commission to provide specified notifications and information to initial and renewal Cal Grant recipients seeking to attend, or attending, an institution that is ineligible for initial and renewal Cal Grant awards under the provisions of this bill.

(47) The Cal Grant Program prohibits an applicant from receiving one or a combination of Cal Grant awards in excess of a specified amount and from obtaining a baccalaureate degree before receiving a Cal Grant award, except in the case of Cal Grant T awards.

This bill would remove that exception for Cal Grant T awards and would allow a recipient who initially qualified for both a Cal Grant A award and a Cal Grant B award, and received a Cal Grant B award, to be awarded a renewal Cal Grant A award if that recipient subsequently became ineligible for a renewal Cal Grant B award and meets the applicable Cal Grant A financial need and income and asset criteria.

(48) The Cal Grant Program entitles a student who transfers from a California community college to a qualifying institution that offers a baccalaureate degree to receive a Cal Grant A or B award if the student meets specified criteria.

This bill would additionally require that student to have attended a California community college in the academic year immediately preceding the academic year for which the award will be used, except as provided.

(49) Provisions of law that became inoperative on July 1, 2003, and that were repealed on January 1, 2004, established the Governor's Scholarship Programs under the administration of the Scholarshare Investment Board. Existing law expresses the intent of the Legislature to provide explicit authority to the board to continue to administer accounts for, and to make awards to, persons who qualified for awards under the provisions of the Governor's Scholarship Programs as those provisions existed on January 1, 2003, and to provide for the management and disbursement of funds previously set aside for the Governor's Scholarship Programs. Existing law provides that the amount remaining in the Golden State Scholarshare Trust following a specified transfer is available as a reserve for funding claims for awards.

This bill would additionally state the intent of the Legislature to provide a guarantee should additional funds be needed to cover awards authorized and made pursuant to the program. The bill would require

the board to negotiate with the current manager of the program to execute an amended or new management and funding agreement, which would be required to include specified terms. The bill would further state the intent of the Legislature to appropriate the necessary funds to the Golden State Scholarshare Trust for the purpose of funding individual beneficiary accounts if funds retained in the trust after January 1, 2013, are insufficient to cover the remaining withdrawal requests. The bill would require the board to notify the Department of Finance and the Legislature no later than 10 working days after determining that this shortfall in available funding will occur.

(50) Existing law requires the governing board of each community college district to charge each resident a fee of \$46 per unit per semester, and to charge a tuition fee to nonresident students, with certain exceptions, including, but not limited to, exceptions for nonresident students attending a community college pursuant to specified reciprocity agreements with California governing student attendance and fees. Existing law requires those nonresident students to pay a fee of \$42 per course unit.

This bill instead would require those students to pay a per unit fee that is 2 times the amount of the resident fee until June 30, 2013, and 3 times the amount of the resident fee commencing on July 1, 2013, thereby imposing a state-mandated local program.

(51) Existing law requires the Board of Governors of the California Community Colleges to adopt regulations for the payment of apportionments to community college districts. Existing law, notwithstanding the board of governors' authority in this respect, makes various adjustments to the payment of these apportionments by deferring certain amounts of apportionments for January to June, inclusive, to July and October, as specified.

This bill would revise these provisions. Specifically, commencing on December 15, 2012, if the Schools and Local Public Safety Protection Act of 2012 (Attorney General reference number 12-0009) is approved by the voters at the November 6, 2012, statewide general election and all of the provisions of that measure that modify personal income tax rates become operative, this bill would require the deferral of certain amounts of apportionments for February to June, inclusive, to July, and would appropriate \$801,094,000 for expenditure during the 2013–14 fiscal year, to be expended in accordance with certain provisions of the Budget Act of 2012.

If the Schools and Local Public Safety Protection Act of 2012 (Attorney General reference number 12-0009) is not approved by the voters at that election, or if the provisions of that act that modify personal income tax rates do not become operative due to a conflict with another initiative measure that is approved at the same election and receives a greater number of affirmative votes, commencing on December 15, 2012, the bill would require the deferral of a greater amount of apportionments for February to June, inclusive, to July, and would appropriate \$961,000,000 for expenditure during the 2013–14 fiscal year, to be expended in accordance with certain provisions of the Budget Act of 2012.

(52) Under existing law, the California Constitution requires the total annual appropriations subject to limitation of the state and each local government to not exceed the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided. Existing law, for purposes of effectively and efficiently implementing these government spending limitation provisions of the California Constitution, requires for the 2008–09 to 2012–13 fiscal years, inclusive, the average daily attendance of public school districts, including county superintendents of schools, serving kindergarten and grades 1 to 12, inclusive, to include the same amount of average daily attendance for classes for supplemental instruction and regional occupational centers and programs that was used in the 2007–08 fiscal year.

This bill would require the same amount of average daily attendance for classes for supplemental instruction and regional occupational centers and programs that was used in the 2007–08 fiscal year to also be used in the 2013–14 and 2014–15 fiscal years.

(53) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including a school district and a community college district, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions.

This bill, commencing with the 2012–13 fiscal year, would require certain funds appropriated in the annual Budget Act for reimbursement of the cost of a new program or increased level of service of an existing program mandated by statute or executive order to be available as a block grant to school districts, charter schools, county offices of education, and community college districts to support specified state-mandated local programs. The bill would provide that a school

district, charter school, county office of education, or community college district that submits a letter of intent to the Superintendent of Public Instruction and receives block grant funding is not eligible to submit a claim for reimbursement for specified mandated programs for the fiscal year for which the block grant funding is received. The bill would make block grant funds subject to required audits.

The bill would require the Superintendent of Public Instruction to compile a list of all school districts, charter schools, and county offices of education that received block grant funding in the prior fiscal year and the Chancellor of the California Community Colleges to compile a list of all community college districts that received block grant funding in the prior fiscal year and the total amount each school district, charter school, county office of education, and community college district received. The Superintendent and the chancellor would be required to provide this information to the appropriate fiscal and policy committees of the Legislature, the Controller, the Department of Finance, and the Legislative Analyst's Office on or before September 9 of each year.

(54) Existing law authorizes a local agency, defined to include a school district and county board of education, to borrow money and the indebtedness to be represented by a note or notes issued to the lender. Existing law authorizes the local agency to use the money borrowed for any purpose for which the local agency is authorized to use and expend moneys, including, but not limited to, current expenses, capital expenditures, investment and reinvestment, and the discharge of an obligation or indebtedness of the local agency. Existing law requires the notes of certain school districts and county boards of education to be issued by the appropriate county board of supervisors. Existing law requires a note so issued to be a general obligation of the local agency, and, to the extent not paid from the taxes, income, revenue, cash receipts, or other moneys of the local agency pledged for the payment of the note and interest, to be paid from any other moneys of the local agency lawfully available for that purpose.

This bill would authorize a charter school to borrow money pursuant to these provisions.

(55) Existing law authorizes a school district to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the school district for the purpose of funding the construction or reconstruction of school facilities. Existing law authorizes a school district to increase the levy, as prescribed, if state funds for new school facility construction are not available, as specified.

This bill would suspend the operation of the provision authorizing the increased levy from the day this bill becomes operative until January 1, 2015, or until an earlier date upon the occurrence of a specified circumstance, including passage of a statewide school facilities bond.

(56) The Budget Act of 2011 made numerous appropriations for the support of public education in this state.

This bill would reduce by various amounts appropriations made for purposes of supplemental school counseling, special education, partnership academies, instructional support to assist certain pupils to pass the high school exit examination, English language tutoring to limited-English-proficient pupils, incentive grants to support the hiring of more physical education teachers, the Arts and Music Block Grant, certificated staff mentoring, and community colleges, thereby making an appropriation. The bill also would make available for reappropriation the unencumbered balances of specified appropriations made in prior fiscal years for various educational purposes and would reappropriate \$220,137,000 to the State Department of Education for apportionment for special education programs.

(57) The Administrative Procedure Act, among other things, sets forth procedures for the development, adoption, and promulgation of regulations by administrative agencies charged with the implementation of statutes.

This bill would authorize the State Department of Education, notwithstanding the procedures required by the Administrative Procedure Act, to implement the provision of the bill related to the reduction of the maximum reimbursable amounts for specified contracts and the order of disenrollment from subsidized child care services, as described in (17), through management bulletins or other similar instructions.

(58) The bill would provide that the implementation of the provision of the bill related to the reduction of the maximum reimbursable amounts for specified contracts and the order of disenrollment from subsidized child care services, as described in (17), is not subject to the appeal and resolution procedures for agencies that contract with the State Department of Education for these purposes.

(59) This bill would set the cost-of-living adjustment for specified items in the Budget Act of 2012 at 0% for the 2012–13 fiscal year, notwithstanding the cost-of-living adjustment specified in existing statutes.

(60) Under existing law, the amount of revenue that a school district may collect annually for general purposes, called a revenue limit, is calculated in accordance with various statutory formulas. A basic aid school district is a school district where property tax revenues exceed the revenue limit and the school district consequently does not receive a state apportionment.

This bill would express legislative intent that basic aid school districts assume categorical funding reductions proportionate to the revenue limit reductions implemented for nonbasic aid school districts in the 2008–09, 2009–10, 2010–11, and 2011–12 fiscal years. The bill would include calculations to implement these funding reductions.

(61) This bill would require that \$12,133,000 of the funds appropriated in the Budget Act of 2011 for purposes of special education programs, be provided to fully fund the 2008–09 maintenance of effort required for special education programs.

(62) Existing law appropriates funding for class size reduction in kindergarten and grades 1 to 3, inclusive, to be expended consistent with the specified requirements.

This bill would require the Superintendent of Public Instruction to certify to the Controller the amounts needed for the 2012–13 fiscal year to fund the Class Size Reduction Program and set forth a schedule for the transfer of that funding. The bill would require the Controller to transfer that funding from the General Fund to the State School Fund.

The bill would require the Superintendent, before making each certification, to notify the Department of Finance, the Legislative Analyst, and the appropriate policy and fiscal committees of the Legislature regarding the amounts the Superintendent intends to certify and would require the notification to include the data used in determining the amounts to be certified.

(63) This bill would appropriate \$905,700,000 from the General Fund to the State Department of Education for 10 specified programs according to a specified schedule, and would require the department to encumber these funds by July 31, 2013. The bill would provide that, for purposes of satisfying the minimum annual funding obligation for school districts required by the California Constitution, the appropriated funds are General Fund revenues appropriated for school districts for the 2012–13 fiscal year.

(64) This bill would require funds appropriated pursuant to specified items in the Budget Act of 2012 to be encumbered by July 31, 2013.

(65) *This bill would appropriate \$516,881,000 from the General Fund to the Board of Governors of the California Community Colleges in augmentation of specified funds appropriated in the Budget Act of 2012 for the purpose of increasing apportionment funding to community college districts. This provision would become operative on December 15, 2012, only if the Schools and Local Public Safety Protection Act of 2012 (Attorney General reference number 12-0009) is not approved by the voters at the November 6, 2012, statewide general election, or if the provisions of that act that modify personal income tax rates do not become operative for a specified reason.*

(66) *Existing law requires the Board of Governors of the California Community Colleges, in calculating each community college district's revenue level for each fiscal year, to subtract, among other things, the local property tax revenue specified by law for general operating support, exclusive of bond interest and redemption, from the total revenues owed.*

This bill would appropriate an unspecified amount, on or before June 30, 2012, to be determined by the Director of Finance, up to \$116,133,000, from the General Fund to the Board of Governors of the California Community Colleges in augmentation of an item of the Budget Act of 2011 related to community colleges if revenues distributed to community colleges pursuant to specified provisions related to the dissolution of redevelopment agencies are less than estimated in the Budget Act of 2011. The bill would require the Director of Finance, in making this determination, to consider any other local property tax revenues and student fee revenues collected in excess of the estimated amount of those revenues as reflected in the Budget Act of 2012. The bill would provide that, for purposes of satisfying the minimum annual funding obligation for community college districts required by the California Constitution, the appropriated funds are General Fund revenues appropriated for community college districts in the 2011–12 fiscal year. The bill would make a similar appropriation of an unspecified amount, without the \$116,133,000 limit, on or before June 30, 2013, in augmentation of an item of the Budget Act of 2012 related to community colleges.

(67) *This bill would also appropriate an unspecified amount, up to \$19,347,000, on or before June 30, 2012, to the Superintendent of Public Instruction, in augmentation of an item of the Budget Act of 2011 related to special education programs of local educational agencies. The bill would make a similar appropriation of an unspecified amount, without*

the \$19,347,000 limit, to the extent of excess revenues, as specified, on or before June 30, 2013, in augmentation of an item of the Budget Act of 2012 related to special education programs of local educational agencies.

(68) This bill would require the Chancellor of the California Community Colleges, as approved by the Department of Finance and on or before November 30, 2012, to reduce community college district based workload measures to match available general-purpose apportionment funding if the Schools and Local Public Safety Protection Act of 2012 (Attorney General reference number 12-0009) is not approved by the voters at the November 6, 2012, statewide general election, or if the provisions of that act that modify personal income tax rates do not become operative due to a conflict with another initiative measure that is approved at the same election and receives a greater number of affirmative votes. The bill would state the intent of the Legislature that any necessary workload reductions be made in courses and programs outside of those needed by students to achieve their basic skills, workforce training, or transfer goals. The bill would require the chancellor, on or before September 15, 2013, to provide the fiscal committees of both houses of the Legislature and the Director of Finance with a report on the implementation of the workload reduction.

(69) This bill would require that, if the Schools and Local Public Safety Protection Act of 2012 is approved by the voters at the November 6, 2012, statewide general election, and all of the provisions of that act that modify personal income tax rates become operative, \$50,000,000 would be transferred between specified budget items for the purpose of providing growth funding to community college districts, as specified.

(70) This bill would direct the Director of Finance to reduce a specified appropriation made in the Budget Act of 2012 to the State Department of Developmental Services by \$197,152,000 and would appropriate that amount to the State Department of Developmental Services for purposes of the Early Start Program. This provision would become operative on December 15, 2012, only if the Schools and Local Public Safety Protection Act of 2012 (Attorney General reference number 12-0009) is not approved by the voters at the November 6, 2012, statewide general election, or if the provisions of that act that modify personal income tax rates do not become operative due to a conflict with another initiative measure that is approved at the same election and receives a greater number of affirmative votes.

(71) *This bill would make conforming changes, correct cross-references, and make other nonsubstantive changes.*

(72) *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.*

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.

(73) *Funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.*

(74) *This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.*

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2012.~~

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

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

1 SECTION 1. Section 1042 of the Education Code is amended
2 to read:

3 1042. County boards of education ~~may~~: may do all of the
4 following:

5 (a) Adopt rules and regulations governing the administration of
6 the office of the county superintendent of schools.

7 (b) Review the county superintendent of schools annual itemized
8 estimate of anticipated revenue and expenditures before the annual
9 itemized estimate is filed with the auditor as required by Section
10 29040 of the Government Code, and make ~~any~~ revisions,
11 reductions, or additions ~~therein~~ in the annual itemized estimate it
12 deems advisable and proper. ~~No~~ An annual itemized estimate shall
13 not be filed by the county superintendent of schools or be approved
14 by the board of supervisors until it has first been so reviewed and
15 approved by the county board of education.

16 (c) In the name by which the county board of education is
17 designated, acquire, lease, lease-purchase, hold, and convey real

1 property for the purpose of housing the offices and the services of
 2 the county superintendent of schools, except that this subdivision
 3 shall only apply to the county boards of education to which all or
 4 a portion of the duties and functions of the county board of
 5 supervisors specified in subdivision (b) of Section 1080 have been
 6 transferred, with the exception of the recreational duties and
 7 recreational functions specified in subdivisions (c) and ~~(e)~~ (d) of
 8 Section 1080.

9 (d) Contract with and employ any persons for the furnishing to
 10 the *county board of education* of special services and advice in
 11 financial, economic, accounting, engineering, legal, or
 12 administrative ~~matters, matters~~ if these persons are specially trained
 13 and experienced and competent to perform the special services
 14 required. The *county board of education* may pay to these persons
 15 from any available funds ~~such compensation to these persons as~~
 16 *the compensation that* it deems proper for the services rendered.

17 (e) (1) Notwithstanding Section 25304 of the Government
 18 Code, fill by appointment any vacancy that occurs during the term
 19 of office of the county superintendent of schools. In ~~any~~ a county
 20 in which the *county superintendent of schools* is elected, the
 21 appointee shall hold office until the office is filled by election at
 22 the next gubernatorial election.

23 ~~The~~
 24 (2) *The* authority described in this subdivision shall be vested
 25 in a county board of education only upon its adoption by the *county*
 26 *board of education* at a public meeting held pursuant to Article 1
 27 (commencing with Section 1000) ~~of Chapter 1 of Part 2.~~

28 (f) (1) *Subject to the concurrence of the county superintendent*
 29 *of schools pursuant to paragraph (3), use and expend moneys from*
 30 *the proceeds of notes issued pursuant to the authority granted in*
 31 *Article 7.6 (commencing with Section 53850) of Chapter 4 of Part*
 32 *1 of Division 2 of Title 5 of the Government Code, to make loans*
 33 *to a charter school for which the county board of education or the*
 34 *county superintendent of schools has a supervisory responsibility*
 35 *or, regardless of whether the charter school is within or outside*
 36 *of the county, with which the county board of education or the*
 37 *county superintendent of schools has a contractual relationship*
 38 *pursuant to subdivision (b) of Section 47603. Moneys borrowed*
 39 *by the county board of education for the purpose of making a loan*
 40 *to a charter school shall be payable solely from the funds of the*

1 charter school and shall not constitute a debt or liability of the
2 county board of education or the county superintendent of schools,
3 notwithstanding the provisions of Section 53857 of the Government
4 Code, or any other law.

5 (2) The State of California is not liable for any debt or liability
6 within the meaning of Section 1 of Article XVI of the California
7 Constitution, or otherwise, for loans made pursuant to this
8 subdivision.

9 (3) Before the county board of education makes a loan pursuant
10 to this subdivision, the county superintendent of schools shall do
11 all of the following:

12 (A) Advise the chartering authority of the charter school and
13 the county office of education in which the charter school is
14 primarily located that the charter school has requested the loan.

15 (B) Allow the chartering authority and county office of education
16 to provide input regarding the advisability of making the loan.

17 (C) Solicit a recommendation from a recognized authority on
18 school district financial management who is not an employee of
19 the county office of education about the advisability of making the
20 loan. The recommendation shall consider the financial condition
21 of the charter school, the level of risk assumed by the county office
22 of education, and the potential impact on the county office of
23 education if the charter school is unable to repay the loan.

24 (D) Disclose the information received pursuant to
25 subparagraphs (B) and (C) at a regularly scheduled meeting of
26 the county board of education.

27 (E) Determine whether to concur with the intent of the county
28 board of education to make the loan.

29 (4) In any fiscal year, a charter school shall not receive more
30 than one loan that is made pursuant to this subdivision.

31 (5) (A) As a condition of making a loan to a charter school
32 pursuant to this subdivision, a county board of education shall
33 report to the department by September 15 of each year the
34 following information on loans made to charter schools within the
35 prior fiscal year:

36 (i) The name and address of each charter school that received
37 a loan, including the name of the county in which the charter
38 school is located.

39 (ii) The amount of the loan, including the interest rate, that each
40 charter school received.

1 (iii) *The total amount of money loaned to charter schools by*
2 *the county board of education.*

3 (iv) *The average duration of loans made to charter schools.*

4 (v) *The current status of each loan, including whether or not*
5 *the charter school has repaid the loan.*

6 (B) *No later than December 1 of each year, the department shall*
7 *compile the information reported by the county boards of education*
8 *pursuant to subparagraph (A) into one report and submit this*
9 *information to the appropriate policy and fiscal committees of the*
10 *Legislature, the Department of Finance, and the Legislative*
11 *Analyst's Office.*

12 (g) *This section shall become inoperative on July 1, 2017, and,*
13 *as of January 1, 2018, is repealed, unless a later enacted statute,*
14 *that becomes operative on or before January 1, 2018, deletes or*
15 *extends the dates on which it becomes inoperative and is repealed.*

16 SEC. 2. *Section 1042 is added to the Education Code, to read:*

17 1042. *County boards of education may do all of the following:*

18 (a) *Adopt rules and regulations governing the administration*
19 *of the office of the county superintendent of schools.*

20 (b) *Review the county superintendent of schools annual itemized*
21 *estimate of anticipated revenue and expenditures before the annual*
22 *itemized estimate is filed with the auditor as required by Section*
23 *29040 of the Government Code, and make revisions, reductions,*
24 *or additions in the annual itemized estimate it deems advisable*
25 *and proper. An annual itemized estimate shall not be filed by the*
26 *county superintendent of schools or be approved by the board of*
27 *supervisors until it has first been so reviewed and approved by the*
28 *county board of education.*

29 (c) *In the name by which the board of education is designated,*
30 *acquire, lease, lease-purchase, hold, and convey real property for*
31 *the purpose of housing the offices and the services of the county*
32 *superintendent of schools, except that this subdivision shall only*
33 *apply to the county boards of education to which all or a portion*
34 *of the duties and functions of the county board of supervisors*
35 *specified in subdivision (b) of Section 1080 have been transferred,*
36 *with the exception of the recreational duties and recreational*
37 *functions specified in subdivisions (c) and (d) of Section 1080.*

38 (d) *Contract with and employ any persons for the furnishing to*
39 *the county board of education of special services and advice in*
40 *financial, economic, accounting, engineering, legal, or*

1 *administrative matters if these persons are specially trained and*
2 *experienced and competent to perform the special services*
3 *required. The county board of education may pay from any*
4 *available funds the compensation that it deems proper for the*
5 *services rendered.*

6 *(e) (1) Notwithstanding Section 25304 of the Government Code,*
7 *fill by appointment any vacancy that occurs during the term of*
8 *office of the county superintendent of schools. In a county in which*
9 *the superintendent is elected, the appointee shall hold office until*
10 *the office is filled by election at the next gubernatorial election.*

11 *(2) The authority described in this subdivision shall be vested*
12 *in a county board of education only upon its adoption by the board*
13 *at a public meeting held pursuant to Article 1 (commencing with*
14 *Section 1000).*

15 *(f) This section shall become operative on July 1, 2017.*

16 *SEC. 3. Section 2558 of the Education Code is amended to*
17 *read:*

18 2558. Notwithstanding any other law, for the 1979–80 fiscal
19 year and each fiscal year thereafter, the Superintendent of Public
20 ~~Instruction~~ shall apportion state aid to county superintendents of
21 schools pursuant to this section.

22 (a) The Superintendent of Public ~~Instruction~~ shall total the
23 amounts computed for the fiscal year pursuant to Sections 2550,
24 2551.3, 2554, 2555, and 2557 and Section 2551, as that section
25 read on January 1, 1999. For the 1979–80 fiscal year and for
26 purposes of calculating the 1979–80 fiscal year base amounts in
27 succeeding fiscal years, the amounts in Sections 2550, 2551, 2552,
28 2554, 2555, and 2557, as they read in the 1979–80 fiscal year,
29 shall be multiplied by a factor of 0.994. For the 1981–82 fiscal
30 year and for purposes of calculating the 1981–82 fiscal year base
31 amounts in succeeding fiscal years, the amount in this subdivision
32 shall be multiplied by a factor of 0.97.

33 (b) For the 1995–96 fiscal year and each fiscal year thereafter,
34 the county superintendent of schools shall adjust the total revenue
35 limit computed pursuant to this section by the amount of increased
36 or decreased employer contributions to the Public Employees’
37 Retirement System resulting from the enactment of Chapter 330
38 of the Statutes of 1982, adjusted for any changes in those
39 contributions resulting from subsequent changes in employer
40 contribution rates, excluding rate changes due to the direct transfer

1 of the state-mandated portion of the employer contributions to the
2 Public Employees' Retirement System through the current fiscal
3 year. The adjustment shall be calculated for each county
4 superintendent of schools as follows:

5 (1) Determine the amount of employer contributions that would
6 have been made in the current fiscal year if the applicable Public
7 Employees' Retirement System employee contribution rate in
8 effect immediately ~~prior to~~ *before* the enactment of Chapter 330
9 of the Statutes of 1982 were in effect during the current fiscal year.

10 (2) Determine the actual amount of employer contributions
11 made to the Public Employees' Retirement System in the current
12 fiscal year.

13 (3) If the amount determined in paragraph (1) is greater than
14 the amount determined in paragraph (2), the total revenue limit
15 computed pursuant to this part for that county superintendent of
16 schools shall be decreased by the amount of the difference between
17 those paragraphs; or if the amount determined in paragraph (1) is
18 less than the amount determined in paragraph (2), the total revenue
19 limit for that county superintendent of schools shall be increased
20 by the amount of the difference between those paragraphs.

21 (4) For ~~the~~ purposes of this subdivision, employer contributions
22 to the Public Employees' Retirement System for ~~any~~ *either* of the
23 following positions shall be excluded from the calculation specified
24 above:

25 (A) Positions or portions of positions supported by federal funds
26 that are subject to supplanting restrictions.

27 ~~(B) Positions supported by funds received pursuant to paragraph~~
28 ~~(1) of subdivision (a) of Section 54203.~~

29 ~~(C)~~

30 (B) Positions supported, to the extent of employers'
31 contributions not exceeding twenty-five thousand dollars (\$25,000)
32 by any single educational agency, from a non-General Fund
33 revenue source determined to be properly excludable from this
34 subdivision by the Superintendent of ~~Public Instruction~~ with the
35 approval of the Director of Finance. Commencing in the 2002-03
36 fiscal year, only positions supported from a non-General Fund
37 revenue source determined to be properly excludable as identified
38 for a particular local ~~education~~ *educational* agency or pursuant to
39 a blanket waiver by the Superintendent of ~~Public Instruction~~ and

1 the Director of Finance, ~~prior to~~ *before* the 2002–03 fiscal year,
2 may be excluded pursuant to this paragraph.

3 (5) For accounting purposes, any reduction to county office of
4 education revenue limits made by this subdivision may be reflected
5 as an expenditure from appropriate sources of revenue as directed
6 by the Superintendent of ~~Public Instruction~~.

7 (6) The amount of the increase or decrease to the revenue limits
8 of county superintendents of schools made by this subdivision for
9 the 1995–96 to 2001–02 fiscal years, inclusive, may not be adjusted
10 by the deficit factor applied to the revenue limit of each county
11 superintendent of schools pursuant to Section 2558.45.

12 (7) For the 2003–04 fiscal year and any fiscal year thereafter,
13 the revenue limit reduction specified in Section 2558.46 may not
14 be applied to the amount of the increase or decrease to the revenue
15 limits of each county superintendent of schools computed pursuant
16 to paragraph (3).

17 (c) The Superintendent of ~~Public Instruction~~ shall also subtract
18 from the amount determined in subdivision (a) the sum of *all of*
19 *the following*: ~~(1) local~~

20 (1) *Local* property tax revenues received pursuant to Section
21 2573 in the then current fiscal year, and tax revenues received
22 pursuant to Section 2556 in the then current fiscal year; ~~(2) state.~~

23 (2) *State* and federal categorical aid for the fiscal year; ~~(3)~~
24 ~~district.~~

25 (3) *District* contributions pursuant to Section 52321 for the
26 fiscal year, and other applicable local contributions and revenues;
27 ~~(4) any.~~

28 (4) *Any* amounts that the county superintendent of schools was
29 required to maintain as restricted and not available for expenditure
30 in the 1978–79 fiscal year as specified in the second paragraph of
31 subdivision (c) of Section 6 of Chapter 292 of the Statutes of 1978,
32 as amended by Chapter 51 of the Statutes of 1979; ~~and (5) the.~~

33 (5) *The* amount received pursuant to subparagraph (C) of
34 paragraph (3) of subdivision (a) of Section 33607.5 of the Health
35 and Safety Code that is considered property taxes pursuant to that
36 section.

37 (6) *The amount, if any, received pursuant to Sections 34177,*
38 *34179.5, 34179.6, and 34188 of the Health and Safety Code.*

1 (7) *The amount, if any, received pursuant to subparagraph (B)*
2 *of paragraph (3) of subdivision (e) of Section 36 of Article XIII of*
3 *the California Constitution.*

4 (d) The remainder computed in subdivision (c) shall be
5 distributed in the same manner as state aid to school districts from
6 funds appropriated to Section A of the State School Fund.

7 (e) If the remainder determined pursuant to subdivision (c) is a
8 negative amount, no state aid shall be distributed to that county
9 superintendent of schools pursuant to subdivision (d), and an
10 amount of funds of that county superintendent *of schools* equal to
11 that negative amount shall be deemed restricted and not available
12 for expenditure during the current fiscal year. In the next fiscal
13 year, that amount shall be considered local property tax revenue
14 for purposes of the operation of paragraph (1) of subdivision (c).

15 (f) The calculations set forth in paragraphs (1) to (3), inclusive,
16 of subdivision (b) exclude employer contributions for employees
17 of charter schools funded pursuant to Article 2 (commencing with
18 Section 47633) of Chapter 6 of Part 26.8 *of Division 4 of Title 2.*

19 *SEC. 4. Section 2558.46 of the Education Code, as amended*
20 *by Section 1 of Chapter 2 of the Statutes of 2012, is amended to*
21 *read:*

22 2558.46. (a) (1) For the 2003–04 fiscal year, the revenue limit
23 for each county superintendent of schools determined pursuant to
24 this article shall be reduced by a 1.195 percent deficit factor.

25 (2) For the 2004–05 fiscal year, the revenue limit for each county
26 superintendent of schools determined pursuant to this article shall
27 be reduced by a 0.323 percent deficit factor.

28 (3) For the 2003–04 and 2004–05 fiscal years, the revenue limit
29 for each county superintendent of schools determined pursuant to
30 this article shall be reduced further by a 1.826 percent deficit factor.

31 (4) For the 2005–06 fiscal year, the revenue limit for each county
32 superintendent of schools determined pursuant to this article shall
33 be reduced further by a 0.898 percent deficit factor.

34 (5) For the 2008–09 fiscal year, the revenue limit for each county
35 superintendent of schools determined pursuant to this article shall
36 be reduced by a 7.839 percent deficit factor.

37 (6) For the 2009–10 fiscal year, the revenue limit for each county
38 superintendent of schools determined pursuant to this article shall
39 be reduced by an 18.621 percent deficit factor.

1 (7) For the 2010–11 fiscal year, the revenue limit for each county
2 superintendent of schools determined pursuant to this article shall
3 be reduced by an 18.250 percent deficit factor.

4 (8) For the 2011–12 fiscal year, the revenue limit for each county
5 superintendent of schools determined pursuant to this article shall
6 be reduced by a 20.691 percent deficit factor.

7 (9) *For the 2012–13 fiscal year, the revenue limit for each*
8 *county superintendent of schools determined pursuant to this article*
9 *shall be reduced by a 22.549 percent deficit factor.*

10 (b) In computing the revenue limit for each county
11 superintendent of schools for the 2006–07 fiscal year pursuant to
12 this article, the revenue limit shall be determined as if the revenue
13 limit for that county superintendent of schools had been determined
14 for the 2003–04, 2004–05, and 2005–06 fiscal years without being
15 reduced by the deficit factors specified in subdivision (a).

16 (c) In computing the revenue limit for each county
17 superintendent of schools for the 2010–11 fiscal year pursuant to
18 this article, the revenue limit shall be determined as if the revenue
19 limit for that county superintendent of schools had been determined
20 for the 2009–10 fiscal year without being reduced by the deficit
21 factors specified in subdivision (a).

22 (d) In computing the revenue limit for each county
23 superintendent of schools for the 2011–12 fiscal year pursuant to
24 this article, the revenue limit shall be determined as if the revenue
25 limit for that county superintendent of schools had been determined
26 for the 2010–11 fiscal year without being reduced by the deficit
27 factors specified in subdivision (a).

28 (e) In computing the revenue limit for each county
29 superintendent of schools for the 2012–13 fiscal year pursuant to
30 this article, the revenue limit shall be determined as if the revenue
31 limit for that county superintendent of schools had been determined
32 for the 2011–12 fiscal year without being reduced by the deficit
33 factor specified in subdivision (a).

34 (f) *In computing the revenue limit for each county superintendent*
35 *of schools for the 2013–14 fiscal year pursuant to this article, the*
36 *revenue limit shall be determined as if the revenue limit for that*
37 *county superintendent of schools had been determined for the*
38 *2012–13 fiscal year without being reduced by the deficit factors*
39 *specified in subdivision (a).*

1 SEC. 5. Section 2571 of the Education Code is amended to
2 read:

3 2571. The Superintendent of ~~Public Instruction~~ shall make the
4 following computations for each county superintendent of schools:

5 (a) Add the property tax revenues received for the 1977–78
6 fiscal year pursuant to subdivisions (b), (c), and (d) of Section
7 2500, Section 2501 for purposes of Section 1705, Section 2502
8 for purposes of Section 56811, Section 2505 for special education
9 tuition charges, Section 42909 for purposes of Section 56604, and
10 Section 56364 or Section 56364.2, as applicable. For purposes of
11 this subdivision, section references are to sections effective during
12 the 1977–78 fiscal year.

13 (b) Divide the sum computed pursuant to subdivision (a) by the
14 total amount of property tax revenues received by the county
15 superintendent of schools for the 1977–78 fiscal year.

16 (c) Multiply the quotient computed pursuant to subdivision (b)
17 by the total amount of property tax revenues received by the county
18 superintendent of schools for the then current fiscal year.

19 (d) Subtract the product computed pursuant to subdivision (c)
20 from the total amount of property tax revenues received by the
21 county superintendent of schools for the then current fiscal year.

22 (e) For purposes of subdivisions (c) and (d), “total property tax
23 revenues” include taxes on the secured roll, taxes on the unsecured
24 roll, prior year taxes ~~and~~, subventions of property taxes, *and*,
25 *beginning in the 2012–13 fiscal year, revenues received pursuant*
26 *to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and*
27 *Safety Code.*

28 SEC. 6. Section 8208 of the Education Code is amended to
29 read:

30 8208. As used in this chapter:

31 (a) “Alternative payments” includes payments that are made by
32 one child care agency to another agency or child care provider for
33 the provision of child care and development services, and payments
34 that are made by an agency to a parent for the parent’s purchase
35 of child care and development services.

36 (b) “Alternative payment program” means a local government
37 agency or nonprofit organization that has contracted with the
38 department pursuant to Section 8220.1 to provide alternative
39 payments and to provide support services to parents and providers.

1 (c) “Applicant or contracting agency” means a school district,
2 community college district, college or university, county
3 superintendent of schools, county, city, public agency, private
4 nontax-exempt agency, private tax-exempt agency, or other entity
5 that is authorized to establish, maintain, or operate services
6 pursuant to this chapter. Private agencies and parent cooperatives,
7 duly licensed by law, shall receive the same consideration as any
8 other authorized entity with no loss of parental decisionmaking
9 prerogatives as consistent with the provisions of this chapter.

10 (d) “Assigned reimbursement rate” is that rate established by
11 the contract with the agency and is derived by dividing the total
12 dollar amount of the contract by the minimum child day of average
13 daily enrollment level of service required.

14 (e) “Attendance” means the number of children present at a
15 child care and development facility. “Attendance,” for purposes
16 of reimbursement, includes excused absences by children because
17 of illness, quarantine, illness or quarantine of their parent, family
18 emergency, or to spend time with a parent or other relative as
19 required by a court of law or that is clearly in the best interest of
20 the child.

21 (f) “Capital outlay” means the amount paid for the renovation
22 and repair of child care and development facilities to comply with
23 state and local health and safety standards, and the amount paid
24 for the state purchase of relocatable child care and development
25 facilities for lease to qualifying contracting agencies.

26 (g) “Caregiver” means a person who provides direct care,
27 supervision, and guidance to children in a child care and
28 development facility.

29 (h) “Child care and development facility” means ~~any~~ a residence
30 or building or part thereof in which child care and development
31 services are provided.

32 (i) “Child care and development programs” means those
33 programs that offer a full range of services for children from
34 infancy to 13 years of age, for any part of a day, by a public or
35 private agency, in centers and family child care homes. These
36 programs include, but are not limited to, all of the following:

- 37 (1) General child care and development.
- 38 (2) Migrant child care and development.

1 (3) Child care provided by the California School Age Families
2 Education Program (Article 7.1 (commencing with Section 54740)
3 of Chapter 9 of Part 29 of Division 4 of Title 2).

4 (4) California state preschool program.

5 (5) Resource and referral.

6 (6) Child care and development services for children with
7 exceptional needs.

8 (7) Family child care home education network.

9 (8) Alternative payment.

10 (9) Schoolage community child care.

11 (j) “Child care and development services” means those services
12 designed to meet a wide variety of needs of children and their
13 families, while their parents or guardians are working, in training,
14 seeking employment, incapacitated, or in need of respite. These
15 services may include direct care and supervision, instructional
16 activities, resource and referral programs, and alternative payment
17 arrangements.

18 (k) “Children at risk of abuse, neglect, or exploitation” means
19 children who are so identified in a written referral from a legal,
20 medical, or social service agency, or emergency shelter.

21 (l) “Children with exceptional needs” means either of the
22 following:

23 (1) Infants and toddlers under three years of age who have been
24 determined to be eligible for early intervention services pursuant
25 to the California Early Intervention Services Act (Title 14
26 (commencing with Section 95000) of the Government Code) and
27 its implementing regulations. These children include an infant or
28 toddler with a developmental delay or established risk condition,
29 or who is at high risk of having a substantial developmental
30 disability, as defined in subdivision (a) of Section 95014 of the
31 Government Code. These children shall have active individualized
32 family service plans, shall be receiving early intervention services,
33 and shall be children who require the special attention of adults in
34 a child care setting.

35 (2) Children ~~ages~~ 3 to 21 years *of age*, inclusive, who have been
36 determined to be eligible for special education and related services
37 by an individualized education program team according to the
38 special education requirements contained in Part 30 (commencing
39 with Section 56000) of Division 4 of Title 2, and who meet
40 eligibility criteria described in Section 56026 and, Article 2.5

1 (commencing with Section 56333) of Chapter 4 of Part 30 of
2 Division 4 of Title 2, and Sections 3030 and 3031 of Title 5 of the
3 California Code of Regulations. These children shall have an active
4 individualized education program, shall be receiving early
5 intervention services or appropriate special education and related
6 services, and shall be children who require the special attention of
7 adults in a child care setting. These children include children with
8 intellectual disabilities, hearing impairments (including deafness),
9 speech or language impairments, visual impairments (including
10 blindness), serious emotional disturbance (also referred to as
11 emotional disturbance), orthopedic impairments, autism, traumatic
12 brain injury, other health impairments, or specific learning
13 disabilities, who need special education and related services
14 consistent with Section 1401(3)(A) of Title 20 of the United States
15 Code.

16 (m) “Closedown costs” means reimbursements for all approved
17 activities associated with the closing of operations at the end of
18 each growing season for migrant child development programs
19 only.

20 (n) “Cost” includes, but is not limited to, expenditures that are
21 related to the operation of child care and development programs.
22 “Cost” may include a reasonable amount for state and local
23 contributions to employee benefits, including approved retirement
24 programs, agency administration, and any other reasonable program
25 operational costs. “Cost” may also include amounts for licensable
26 facilities in the community served by the program, including lease
27 payments or depreciation, downpayments, and payments of
28 principal and interest on loans incurred to acquire, rehabilitate, or
29 construct licensable facilities, but these costs shall not exceed fair
30 market rents existing in the community in which the facility is
31 located. “Reasonable and necessary costs” are costs that, in nature
32 and amount, do not exceed what an ordinary prudent person would
33 incur in the conduct of a competitive business.

34 (o) “Elementary school,” as contained in former Section 425 of
35 Title 20 of the United States Code (the National Defense Education
36 Act of 1958, Public Law 85-864, as amended), includes early
37 childhood education programs and all child development programs,
38 for the purpose of the cancellation provisions of loans to students
39 in institutions of higher learning.

1 (p) “Family child care home education network” means an entity
2 organized under law that contracts with the department pursuant
3 to Section 8245 to make payments to licensed family child care
4 home providers and to provide educational and support services
5 to those providers and to children and families eligible for
6 state-subsidized child care and development services. A family
7 child care home education network may also be referred to as a
8 family child care home system.

9 (q) “Health services” include, but are not limited to, all of the
10 following:

11 (1) Referral, whenever possible, to appropriate health care
12 providers able to provide continuity of medical care.

13 (2) Health screening and health treatment, including a full range
14 of immunization recorded on the appropriate state immunization
15 form to the extent provided by the Medi-Cal Act (Chapter 7
16 commencing with Section 14000) of Part 3 of Division 9 of the
17 Welfare and Institutions Code) and the Child Health and Disability
18 Prevention Program (Article 6 (commencing with Section 124025)
19 of Chapter 3 of Part 2 of Division 106 of the Health and Safety
20 Code), but only to the extent that ongoing care cannot be obtained
21 utilizing community resources.

22 (3) Health education and training for children, parents, staff,
23 and providers.

24 (4) Followup treatment through referral to appropriate health
25 care agencies or individual health care professionals.

26 (r) “Higher educational institutions” means the Regents of the
27 University of California, the Trustees of the California State
28 University, the Board of Governors of the California Community
29 Colleges, and the governing bodies of any accredited private
30 nonprofit institution of postsecondary education.

31 (s) “Intergenerational staff” means persons of various
32 generations.

33 (t) “Limited-English-speaking-proficient and
34 non-English-speaking-proficient children” means children who
35 are unable to benefit fully from an English-only child care and
36 development program as a result of either of the following:

37 (1) Having used a language other than English when they first
38 began to speak.

39 (2) Having a language other than English predominantly or
40 exclusively spoken at home.

1 (u) “Parent” means a biological parent, stepparent, adoptive
2 parent, foster parent, caretaker relative, or any other adult living
3 with a child who has responsibility for the care and welfare of the
4 child.

5 (v) “Program director” means a person who, pursuant to Sections
6 8244 and 8360.1, is qualified to serve as a program director.

7 (w) “Proprietary child care agency” means an organization or
8 facility providing child care, which is operated for profit.

9 (x) “Resource and referral programs” means programs that
10 provide information to parents, including referrals and coordination
11 of community resources for parents and public or private providers
12 of care. Services frequently include, but are not limited to: technical
13 assistance for providers, toy-lending libraries, equipment-lending
14 libraries, toy- and equipment-lending libraries, staff development
15 programs, health and nutrition education, and referrals to social
16 services.

17 (y) “Severely disabled children” are children with exceptional
18 needs from birth to 21 years of age, inclusive, who require intensive
19 instruction and training in programs serving pupils with the
20 following profound disabilities: autism, blindness, deafness, severe
21 orthopedic impairments, serious emotional disturbances, or severe
22 intellectual disabilities. “Severely disabled children” also include
23 those individuals who would have been eligible for enrollment in
24 a developmental center for handicapped pupils under Chapter 6
25 (commencing with Section 56800) of Part 30 of Division 4 of Title
26 2 as it read on January 1, 1980.

27 (z) “Short-term respite child care” means child care service to
28 assist families whose children have been identified through written
29 referral from a legal, medical, or social service agency, or
30 emergency shelter as being neglected, abused, exploited, or
31 homeless, or at risk of being neglected, abused, exploited, or
32 homeless. Child care is provided for less than 24 hours per day in
33 child care centers, treatment centers for abusive parents, family
34 child care homes, or in the child’s own home.

35 (aa) (1) “Site supervisor” means a person who, regardless of
36 his or her title, has operational program responsibility for a child
37 care and development program at a single site. A site supervisor
38 shall hold a permit issued by the Commission on Teacher
39 Credentialing that authorizes supervision of a child care and
40 development program operating in a single site. The Superintendent

1 may waive the requirements of this subdivision if the
2 Superintendent determines that the existence of compelling need
3 is appropriately documented.

4 (2) For California state preschool programs, a site supervisor
5 may qualify under any of the provisions in this subdivision, or
6 may qualify by holding an administrative credential or an
7 administrative services credential. A person who meets the
8 qualifications of a program director under both Sections 8244 and
9 8360.1 is also qualified under this subdivision.

10 (ab) “Standard reimbursement rate” means that rate established
11 by the Superintendent pursuant to Section 8265.

12 (ac) “Startup costs” means those expenses an agency incurs in
13 the process of opening a new or additional facility ~~prior to~~ *before*
14 the full enrollment of children.

15 (ad) “California state preschool program” means part-day and
16 full-day educational programs for low-income or otherwise
17 disadvantaged three- and four-year-old children.

18 (ae) “Support services” means those services that, when
19 combined with child care and development services, help promote
20 the healthy physical, mental, social, and emotional growth of
21 children. Support services include, but are not limited to: protective
22 services, parent training, provider and staff training, transportation,
23 parent and child counseling, child development resource and
24 referral services, and child placement counseling.

25 (af) “Teacher” means a person with the appropriate permit issued
26 by the Commission on Teacher Credentialing who provides
27 program supervision and instruction that includes supervision of
28 a number of aides, volunteers, and groups of children.

29 (ag) “Underserved area” means a county or subcounty area,
30 including, but not limited to, school districts, census tracts, or ZIP
31 Code areas, where the ratio of publicly subsidized child care and
32 development program services to the need for these services is
33 low, as determined by the Superintendent.

34 (ah) “Workday” means the time that the parent requires
35 temporary care for a child for any of the following reasons:

- 36 (1) To undertake training in preparation for a job.
37 (2) To undertake or retain a job.
38 (3) To undertake other activities that are essential to maintaining
39 or improving the social and economic function of the family, are

1 beneficial to the community, or are required because of health
2 problems in the family.

3 (ai) “Three-year-old children” means children who will have
4 their third birthday on or before ~~December 2~~ *the date specified* of
5 the fiscal year in which they are enrolled in a California state
6 preschool program, *as follows*:

7 (1) *November 1 of the 2012–13 fiscal year.*

8 (2) *October 1 of the 2013–14 fiscal year.*

9 (3) *September 1 of the 2014–15 fiscal year and each fiscal year*
10 *thereafter.*

11 (aj) “Four-year-old children” means children who will have
12 their fourth birthday on or before ~~December 2~~ *the date specified*
13 of the fiscal year in which they are enrolled in a California state
14 preschool program, *as follows*:

15 (1) *November 1 of the 2012–13 fiscal year.*

16 (2) *October 1 of the 2013–14 fiscal year.*

17 (3) *September 1 of the 2014–15 fiscal year and each fiscal year*
18 *thereafter.*

19 (ak) “Local educational agency” means a school district, a
20 county office of education, a community college district, or a
21 school district on behalf of one or more schools within the school
22 district.

23 *SEC. 7. Section 8235 of the Education Code is amended to*
24 *read:*

25 8235. (a) The Superintendent shall administer all California
26 state preschool programs. Those programs shall include, but not
27 be limited to, part-day ~~and full-day~~ age and developmentally
28 appropriate programs *designed to facilitate the transition to*
29 *kindergarten* for three- and ~~four-year-old~~ *four-year-old* children
30 in educational development, health services, social services,
31 nutritional services, parent education and parent participation,
32 evaluation, and staff development. Preschool programs for which
33 federal reimbursement is not available shall be funded as prescribed
34 by the Legislature in the Budget Act, and unless otherwise specified
35 by the Legislature, shall not ~~utilize~~ *use* federal funds made available
36 through Title XX of the *federal* Social Security Act (42 U.S.C.
37 Sec. 1397).

38 (b) Three- and four-year-old children are eligible for the part-day
39 California state preschool program if the family meets at least one

1 of the criteria specified in paragraph (1) of subdivision (a) of
2 Section 8263.

3 (c) Notwithstanding any other ~~provision of~~ law, a part-day
4 California state preschool program may provide services to children
5 in families whose income is no more than 15 percent above the
6 income eligibility threshold, as described in Sections 8263 and
7 8263.1, after all eligible three- and four-year-old children have
8 been enrolled. No more than 10 percent of children enrolled,
9 calculated throughout the participating program's entire contract,
10 may be filled by children in families above the income eligibility
11 threshold.

12 (d) A part-day California state preschool program shall operate
13 for a minimum of (1) three hours per day, excluding time for
14 home-to-school transportation, and (2) a minimum of 175 days
15 per year, unless the contract specifies a lower number of days of
16 operation.

17 ~~(e) Three- and four-year-old children are eligible for full-day
18 California state preschool program services if the family meets at
19 least one of the criteria specified in paragraph (1) of subdivision
20 (a) of Section 8263, and the parents meet at least one of the criteria
21 specified in paragraph (2) of subdivision (a) of Section 8263.~~

22 ~~(f) A full-day California state preschool program shall operate
23 (1) full time determined by the number of hours necessary to meet
24 the child care and development needs of families, and (2) a
25 minimum of 246 days per year, unless the contract specifies a
26 lower number of days of operation.~~

27 ~~(g) Fees shall be assessed and collected for families with
28 children in the full-day California state preschool program pursuant
29 to subdivisions (g) and (h) of Section 8263. Fees shall not be
30 assessed for families whose children are enrolled in the part-day
31 California state preschool program.~~

32 ~~(h)~~

33 (e) Any agency described in subdivision (c) of Section 8208 as
34 an "applicant or contracting agency" is eligible to contract to
35 operate a California state preschool program.

36 (f) *Part-day preschool services shall be reimbursed on a per
37 capita basis, as determined by the Superintendent, and contingent
38 on funding being provided for the part-day preschool services in
39 the annual Budget Act.*

1 (g) Federal Head Start funds used to provide services to families
2 receiving California state preschool services shall be deemed
3 nonrestricted funds.

4 SEC. 8. Section 8236.1 of the Education Code is amended to
5 read:

6 8236.1. The department shall annually monitor funding ~~utilized~~
7 used in general child care and development programs for infants
8 and toddlers, and hours of service provided in the California state
9 preschool program, and shall annually report to the Department
10 of Finance and to the Legislature a statewide summary identifying
11 the estimated funding ~~utilized~~ used for infants and toddlers, and
12 the number of preschool age children receiving ~~part-time~~ part-day
13 preschool and ~~full-time~~ development wraparound child care
14 services, as defined in subdivision (f) of Section 8239. The annual
15 report shall include a comparison to the prior year on a
16 county-by-county basis.

17 SEC. 9. Section 8236.2 of the Education Code is repealed.

18 ~~8236.2. (a) The Superintendent shall encourage California~~
19 ~~state preschool program contracting agencies to offer full-day~~
20 ~~services to parents who have a qualifying need.~~

21 ~~(b) Part-day services shall be reimbursed on a per capita basis,~~
22 ~~as determined by the Superintendent.~~

23 ~~(c) Full-day services shall be reimbursed at no more than the~~
24 ~~standard reimbursement rate with adjustment factors.~~

25 ~~(d) Federal Head Start funds used to provide services to families~~
26 ~~receiving California state preschool services shall be deemed~~
27 ~~nonrestricted funds.~~

28 SEC. 10. Section 8238 of the Education Code is amended to
29 read:

30 8238. As a condition of receipt of funds pursuant to Section
31 8238.4, a participating part-day preschool program shall include,
32 but not be limited to, both coordinate the provision of all of the
33 following:

34 ~~(a) Age and developmentally appropriate activities for children~~
35 ~~in participating classrooms that are designed to facilitate their~~
36 ~~transition to kindergarten.~~

37 ~~(b)~~

38 (a) Opportunities for parents and legal guardians to work with
39 their children on interactive literacy activities. For purposes of this
40 subdivision, “interactive literacy activities” means activities in

1 which parents or legal guardians actively participate in facilitating
2 the acquisition by their children of prereading skills through guided
3 activities such as shared reading, learning the alphabet, and basic
4 vocabulary development.

5 *(b) Parenting education for parents and legal guardians of*
6 *children in participating classrooms to support the development*
7 *by their children of literacy skills. Parenting education shall*
8 *include, but not be limited to, instruction in all of the following:*

9 *(1) Providing support for the educational growth and success*
10 *of their children.*

11 *(2) Improving parent-school communications and parental*
12 *understanding of school structures and expectations.*

13 *(3) Becoming active partners with teachers in the education of*
14 *their children.*

15 *(c) Referrals, as necessary, to providers of instruction in adult*
16 *education and English as a second language in order to improve*
17 *the academic skills of parents and legal guardians of children in*
18 *participating classrooms.*

19 *(d) Staff development for teachers in participating classrooms*
20 *that includes, but is not limited to, all of the following:*

21 *(1) Development of a pedagogical knowledge, including, but*
22 *not limited to, improved instructional strategies.*

23 *(2) Knowledge and application of developmentally appropriate*
24 *assessments of the prereading skills of children in participating*
25 *classrooms.*

26 *(3) Information on working with families, including the use of*
27 *onsite coaching, for guided practice in interactive literacy*
28 *activities.*

29 *SEC. 11. Section 8238.1 of the Education Code is repealed.*

30 ~~8238.1. As a condition of receipt of funds pursuant to Section~~
31 ~~8238.4, a participating program shall coordinate the provision of~~
32 ~~all of the following:~~

33 ~~(a) Parenting education for parents and legal guardians of~~
34 ~~children in participating classrooms to support the development~~
35 ~~by their children of literacy skills. Parenting education shall~~
36 ~~include, but not be limited to, instruction in all of the following:~~

37 ~~(1) Providing support for the educational growth and success~~
38 ~~of their children.~~

39 ~~(2) Improving the parent-school communications and parental~~
40 ~~understanding of school structures and expectations.~~

1 ~~(3) Becoming active partners with teachers in the education of~~
2 ~~their children.~~

3 ~~(b) Referrals, as necessary, to providers of instruction in adult~~
4 ~~education and English as a second language in order to improve~~
5 ~~the academic skills of parents and legal guardians of children in~~
6 ~~participating classrooms.~~

7 *SEC. 12. Section 8238.2 of the Education Code is repealed.*

8 ~~8238.2. A local educational agency or a participating program~~
9 ~~on behalf of one or more participating programs may select a~~
10 ~~family literacy and education coordinator whose duties may include~~
11 ~~all of the following:~~

12 ~~(a) Developing a system to coordinate the provision of literacy~~
13 ~~services to families at the local educational agency and community~~
14 ~~level.~~

15 ~~(b) Creating an organizational partnership between each program~~
16 ~~provider and an adult education program operated by a local~~
17 ~~educational agency or other community provider, as needed.~~

18 ~~(c) Promoting parental involvement in participating classrooms.~~

19 *SEC. 13. Section 8238.3 of the Education Code is repealed.*

20 ~~8238.3. As a condition of receipt of funds pursuant to Section~~
21 ~~8238.4, a participating program shall provide staff development~~
22 ~~for teachers in participating classrooms that includes, but is not~~
23 ~~limited to, all of the following:~~

24 ~~(a) Development of a pedagogical knowledge including, but~~
25 ~~not limited to, improved instructional strategies.~~

26 ~~(b) Knowledge and application of developmentally appropriate~~
27 ~~assessments of the prereading skills of children in participating~~
28 ~~classrooms.~~

29 ~~(c) Information on working with families, including the use of~~
30 ~~on-site coaching, for guided practice in interactive literacy~~
31 ~~activities.~~

32 *SEC. 14. Section 8238.4 of the Education Code is amended to*
33 *read:*

34 ~~8238.4. Of funds appropriated in Schedule (1) of Item~~
35 ~~6110-196-0001 of Section 2.00 of the Budget Act of 2006 (Ch.~~
36 ~~48, Stats. 2006) for child development and preschool programs,~~
37 ~~fifty million dollars (\$50,000,000) is available for expenditure by~~
38 ~~the Superintendent as follows:~~

39 ~~(a) (1) Forty-five million dollars (\$45,000,000) to reimburse~~
40 ~~participating programs on a per-child basis at the same rate that is~~

1 used for the state preschool program, as determined in the annual
 2 Budget Act or other statute.
 3 ~~(2) The funds described in paragraph (1) shall~~
 4 *8238.4. (a) A family literacy supplemental grant shall be made*
 5 *available and distributed to qualifying California state preschool*
 6 *classrooms, as determined by the Superintendent, at a rate of two*
 7 *thousand five hundred dollars (\$2,500) per class. The*
 8 *Superintendent shall distribute the family literacy supplemental*
 9 *grant funds according to the following priorities:*
 10 *(1) First priority shall be assigned to California state preschool*
 11 *programs that contract to receive this funding before July 1, 2012.*
 12 *These programs shall receive this funding until their contract is*
 13 *terminated or the California state preschool program no longer*
 14 *provides family literacy services.*
 15 *(2) Second priority shall be assigned to California state*
 16 *preschool programs operating classrooms located in the attendance*
 17 *area of elementary schools in deciles 1 to 3, inclusive, based on*
 18 *the 2005 base most recently published Academic Performance*
 19 *Index pursuant to Section 52056. The Superintendent shall use a*
 20 *lottery process in implementing this paragraph. Within elementary*
 21 *schools in deciles 1 to 3, inclusive, based on the 2005 base*
 22 *Academic Performance Index, preference shall be provided to*
 23 *underserved areas as described in subdivision (d) of Section 8279.3.*
 24 *If the funds described in paragraph (1) are offered under a new*
 25 *competitive bidding process after January 1, 2008, due to the*
 26 *termination, suspension, or relinquishment of an original contract*
 27 *award and in order to maintain an existing class, the department*
 28 *shall assign first priority to successful applicants that will maintain*
 29 *that class within the attendance area of the elementary school as*
 30 *originally granted.*
 31 ~~(3) Notwithstanding any other provision of law, programs~~
 32 ~~receiving funding in this section shall serve children who would~~
 33 ~~attend kindergarten in the subsequent academic year. No child~~
 34 ~~shall receive services from a program under this section for more~~
 35 ~~than one year.~~
 36 ~~(4) Notwithstanding any other provision of law, a program~~
 37 ~~receiving funding pursuant to this section may provide services to~~
 38 ~~children in families above the income eligibility threshold, as~~
 39 ~~described in Sections 8263 and 8263.1, if the number of contracted~~
 40 ~~slots exceed the number of eligible children. No more than 20~~

1 percent of contracted slots, calculated throughout the participating
2 program's entire contract, may be filled by children in families
3 above the income eligibility threshold.

4 ~~(5) The department shall report to the Department of Finance
5 and the Legislature in the annual report specified in Section 8236.1
6 and in the same format used for the annual report, the number of
7 children who are being served by the California state preschool
8 program. The report shall also include the number of children
9 served above the income eligibility threshold and the age of all
10 children served.~~

11 ~~(b) (1) Five million dollars (\$5,000,000) to be distributed to
12 each participating class at a rate of two thousand five hundred
13 dollars (\$2,500) per class per school year. Funds received pursuant
14 to this subdivision may be used for all of the following purposes:~~

15 ~~(A) Compensation and support costs for program coordinators
16 as described in Section 8238.2.~~

17 ~~(B) Staff development pursuant to Section 8238.3.~~

18 ~~(C) Family literacy services.~~

19 ~~(D) Instructional materials, including consumables.~~

20 ~~(2) In the event that the total amount described in paragraph (1)
21 is insufficient to fund all of the participating class at the per
22 classroom rate described in that paragraph, the class rate shall be
23 prorated accordingly.~~

24 ~~(3) Eligibility to receive funding pursuant to this subdivision is
25 restricted to participating programs that were eligible to receive
26 funding pursuant to this section in the 2007-08 fiscal year.~~

27 ~~(e) The appropriation of funds for purposes of this section
28 beyond the amounts described in this section shall be pursuant to
29 the annual Budget Act or other statute.~~

30 ~~(d) Notwithstanding the provisions of this section to the contrary,
31 programs receiving funding pursuant to this section may participate
32 in all California state preschool programs administered by the
33 Superintendent pursuant to Section 8235.~~

34 ~~(b) A family literacy supplemental grant distributed pursuant
35 to this section shall be used for purposes specified in Section 8238.~~

36 ~~(c) Implementation of this section is contingent upon funding
37 being provided for family literacy supplemental grants for
38 California state preschool programs in the annual Budget Act or
39 other statute.~~

40 *SEC. 15. Section 8238.5 of the Education Code is repealed.*

1 ~~8238.5. Subject to the availability of funds for purposes of this~~
2 ~~section, as described in subdivision (c) of 8238.4, the~~
3 ~~Superintendent shall conduct an evaluation of the effectiveness of~~
4 ~~prekindergarten and family literacy programs established pursuant~~
5 ~~to this article. To the extent feasible, the evaluation shall do both~~
6 ~~of the following:~~

7 ~~(a) Rely on quantifiable measures of academic achievement of~~
8 ~~participating children, including, but not limited to, performance~~
9 ~~on the Standardized Testing and Reporting Program test and the~~
10 ~~English language development test administered in grade 3.~~

11 ~~(b) Estimate the costs and benefits of the programs.~~

12 ~~SEC. 16. Section 8238.6 of the Education Code is repealed.~~

13 ~~8238.6. Notwithstanding any other provision of law, up to five~~
14 ~~million dollars (\$5,000,000) of unearned contract funds~~
15 ~~appropriated in Schedule (1.5)(a) of Item 6110-196-0001 of Section~~
16 ~~2.00 of the Budget Act of 2005 (Ch. 38, Stats. 2005) for general~~
17 ~~child care programs is available for expenditure by the~~
18 ~~Superintendent to provide direct child care services for children~~
19 ~~in participating classrooms to meet the child care needs of parents~~
20 ~~for the portion of each day that is not covered by services provided~~
21 ~~as part of a preschool program pursuant Section 8238.4.~~

22 ~~SEC. 17. Section 8239 of the Education Code is amended to~~
23 ~~read:~~

24 ~~8239. The Superintendent shall encourage state preschool~~
25 ~~program applicants or contracting agencies to offer full-day~~
26 ~~services through a combination of part-day preschool slots and~~
27 ~~part-day wraparound general child care and development programs.~~
28 ~~In order to facilitate a full-day of services, all of the following~~
29 ~~shall apply:~~

30 ~~(a) Part-day preschool programs provided pursuant to this~~
31 ~~section shall operate between 175 and 180 days.~~

32 ~~(b) Part-day Wraparound general child care and development~~
33 ~~programs provided pursuant to this section may operate a minimum~~
34 ~~of 246 days per year unless the child development contract~~
35 ~~specified a lower minimum days of operation. Part-day general~~
36 ~~child care and development programs may operate a full-day for~~
37 ~~the remainder of the year after the completion of the preschool~~
38 ~~program.~~

39 ~~(c) Full day services provided under this section Part-day~~
40 ~~preschool services combined with wraparound child care services~~

1 shall be reimbursed at no more than the *full-day* standard
2 reimbursement rate *for general child care programs* with
3 adjustment factors, *pursuant to Section 8265 and as determined*
4 *in the annual Budget Act.*

5 ~~(d) Notwithstanding any provision of law, to be eligible for~~
6 ~~part-day child care, a child who is enrolled in a preschool program~~
7 ~~shall be required to meet the eligibility requirements specified in~~
8 ~~paragraph (4) of subdivision (a) of Section 8238.4 and the~~
9 ~~requirements pursuant to Sections 8263 and 8263.1 at the time of~~
10 ~~enrollment in a preschool. Subsequent to enrollment, a child shall~~
11 ~~be deemed eligible for part-day care as long as the child is enrolled~~
12 ~~in a preschool program.~~

13 *(d) Three- and four-year-old children are eligible for*
14 *wraparound child care services to supplement the part-day*
15 *California state preschool program if the family meets at least one*
16 *of the criteria specified in paragraph (1) of subdivision (a) of*
17 *Section 8263, and the parents meet at least one of the criteria*
18 *specified in paragraph (2) of subdivision (a) of Section 8263.*

19 *(e) Fees shall be assessed and collected for families with*
20 *children in part-day preschool programs, or families receiving*
21 *wraparound child care services, or both, pursuant to subdivisions*
22 *(g) and (h) of Section 8263.*

23 *(f) For purposes of this section, “wraparound child care*
24 *services” and “wraparound general child care and development*
25 *programs” mean services provided for the remaining portion of*
26 *the day or remainder of the year following the completion of*
27 *part-day preschool services that are necessary to meet the child*
28 *care needs of parents eligible pursuant to subdivision (a) of Section*
29 *8263. These services shall be provided consistent with the general*
30 *child care and development programs provided pursuant to Article*
31 *8 (commencing with Section 8240).*

32 *SEC. 18. Section 8263 of the Education Code is amended to*
33 *read:*

34 8263. (a) The Superintendent shall adopt rules and regulations
35 on eligibility, enrollment, and priority of services needed to
36 implement this chapter. In order to be eligible for federal and state
37 subsidized child development services, families shall meet at least
38 one requirement in each of the following areas:

39 (1) A family is (A) a current aid recipient, (B) income eligible,
40 (C) homeless, or (D) one whose children are recipients of protective

1 services, or whose children have been identified as being abused,
2 neglected, or exploited, or at risk of being abused, neglected, or
3 exploited.

4 (2) A family needs the child care services (A) because the child
5 is identified by a legal, medical, *or* social services agency, or
6 emergency shelter as (i) a recipient of protective services or (ii)
7 being neglected, abused, or exploited, or at risk of neglect, abuse,
8 or exploitation, or (B) because the parents are (i) engaged in
9 vocational training leading directly to a recognized trade,
10 paraprofession, or profession, (ii) employed or seeking
11 employment, (iii) seeking permanent housing for family stability,
12 or (iv) incapacitated.

13 (b) Except as provided in Article 15.5 (commencing with Section
14 8350), priority for ~~state~~ *federal* and ~~federally~~ *state* subsidized child
15 development services is as follows:

16 (1) (A) First priority shall be given to neglected or abused
17 children who are recipients of child protective services, or children
18 who are at risk of being neglected or abused, upon written referral
19 from a legal, medical, or social services agency. If an agency is
20 unable to enroll a child in the first priority category, the agency
21 shall refer the family to local resource and referral services to
22 locate services for the child.

23 (B) A family who is receiving child care on the basis of being
24 a child at risk of abuse, neglect, or exploitation, as defined in
25 subdivision (k) of Section 8208, is eligible to receive services
26 pursuant to subparagraph (A) for up to three months, unless the
27 family becomes eligible pursuant to subparagraph (C).

28 (C) A family may receive child care services for up to 12 months
29 on the basis of a certification by the county child welfare agency
30 that child care services continue to be necessary or, if the child is
31 receiving child protective services during that period of time, and
32 the family requires child care and remains otherwise eligible. This
33 time limit does not apply if the family's child care referral is
34 recertified by the county child welfare agency.

35 (2) Second priority shall be given equally to eligible families,
36 regardless of the number of parents in the home, who are income
37 eligible. Within this priority, families with the lowest gross monthly
38 income in relation to family size, as determined by a schedule
39 adopted by the Superintendent, shall be admitted first. If two or
40 more families are in the same priority in relation to income, the

1 family that has a child with exceptional needs shall be admitted
2 first. If there is no family of the same priority with a child with
3 exceptional needs, the same priority family that has been on the
4 waiting list for the longest time shall be admitted first. For purposes
5 of determining order of admission, the grants of public assistance
6 recipients shall be counted as income.

7 (3) The Superintendent shall set criteria for and may grant
8 specific waivers of the priorities established in this subdivision for
9 agencies that wish to serve specific populations, including children
10 with exceptional needs or children of prisoners. These new waivers
11 shall not include proposals to avoid appropriate fee schedules or
12 admit ineligible families, but may include proposals to accept
13 members of special populations in other than strict income order,
14 as long as appropriate fees are paid.

15 (c) Notwithstanding any other ~~provision~~ of law, in order to
16 promote continuity of services, a family enrolled in a state or
17 federally funded child care and development program whose
18 services would otherwise be terminated because the family no
19 longer meets the program income, eligibility, or need criteria may
20 continue to receive child development services in another state or
21 federally funded child care and development program if the
22 contractor is able to transfer the family's enrollment to another
23 program for which the family is eligible ~~prior to~~ *before* the date
24 of termination of services or to exchange the family's existing
25 enrollment with the enrollment of a family in another program,
26 provided that both families satisfy the eligibility requirements for
27 the program in which they are being enrolled. The transfer of
28 enrollment may be to another program within the same
29 administrative agency or to another agency that administers state
30 or federally funded child care and development programs.

31 (d) In order to promote continuity of services, the Superintendent
32 may extend the 60-working-day period specified in subdivision
33 (a) of Section ~~18101~~ *18086.5* of Title 5 of the California Code of
34 Regulations for an additional 60 working days if he or she
35 determines that opportunities for employment have diminished to
36 the degree that one or both parents cannot reasonably be expected
37 to find employment within 60 working days and granting the
38 extension is in the public interest. The scope of extensions granted
39 pursuant to this subdivision shall be limited to the necessary
40 geographic areas and affected persons, which shall be described

1 in the Superintendent's order granting the extension. It is the intent
2 of the Legislature that extensions granted pursuant to this
3 subdivision improve services in areas with high unemployment
4 rates and areas with disproportionately high numbers of seasonal
5 agricultural jobs.

6 (e) A physical examination and evaluation, including
7 age-appropriate immunization, shall be required ~~prior to~~ *before*,
8 or within six weeks of, enrollment. A standard, rule, or regulation
9 shall not require medical examination or immunization for
10 admission to a child care and development program of a child
11 whose parent or guardian files a letter with the governing board
12 of the child care and development program stating that the medical
13 examination or immunization is contrary to his or her religious
14 beliefs, or provide for the exclusion of a child from the program
15 because of a parent or guardian having filed the letter. However,
16 if there is good cause to believe that a child is suffering from a
17 recognized contagious or infectious disease, the child shall be
18 temporarily excluded from the program until the governing board
19 of the child care and development program is satisfied that the
20 child is not suffering from that contagious or infectious disease.

21 (f) Regulations formulated and promulgated pursuant to this
22 section shall include the recommendations of the State Department
23 of Health Care Services relative to health care screening and the
24 provision of health care services. The Superintendent shall seek
25 the advice and assistance of these health authorities in situations
26 where service under this chapter includes or requires care of
27 children who are ill or children with exceptional needs.

28 (g) (1) The Superintendent shall establish a fee schedule for
29 families utilizing child care and development services pursuant to
30 this chapter, including families receiving services under paragraph
31 (1) of subdivision (b). Families receiving services under
32 subparagraph (B) of paragraph (1) of subdivision (b) may be
33 exempt from these fees for up to three months. Families receiving
34 services under subparagraph (C) of paragraph (1) of subdivision
35 (b) may be exempt from these fees for up to 12 months. The
36 cumulative period of time of exemption from these fees for families
37 receiving services under paragraph (1) of subdivision (b) shall not
38 exceed 12 months.

39 (2) The income of a recipient of federal supplemental security
40 income benefits pursuant to Title XVI of the federal Social Security

1 Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program
2 benefits pursuant to Title XVI of the federal Social Security Act
3 (42 U.S.C. Sec. 1381 et seq.) and Chapter 3 (commencing with
4 Section 12000) of Part 3 of Division 9 of the Welfare and
5 Institutions Code shall not be included as income for the purposes
6 of determining the amount of the family fee.

7 (h) (1) The family fee schedule shall include, but not be limited
8 to, the following restrictions:

9 ~~(1) Fees shall not be assessed for families whose children are~~
10 ~~enrolled in the state preschool program.~~

11 ~~(2) A~~

12 *provide, among other things, that a contractor or provider may*
13 *require parents to provide diapers. A contractor or provider offering*
14 *field trips either may include the cost of the field trips within the*
15 *service rate charged to the parent or may charge parents an*
16 *additional fee. Federal or state money shall not be used to*
17 *reimburse parents for the costs of field trips if those costs are*
18 *charged as an additional fee. A contractor or provider that charges*
19 *parents an additional fee for field trips shall inform parents, prior*
20 *to before enrolling the child, that a fee may be charged and that*
21 *no reimbursement will be available.* ~~A~~

22 (2) A contractor or provider may charge parents for field trips
23 or require parents to provide diapers only under the following
24 circumstances:

25 (A) The provider has a written policy that is adopted by the
26 agency's governing board that includes parents in the
27 decisionmaking process regarding both of the following:

28 (i) Whether or not, and how much, to charge for field trip
29 expenses.

30 (ii) Whether or not to require parents to provide diapers.

31 (B) The maximum total of charges per child in a contract year
32 does not exceed twenty-five dollars (\$25).

33 (C) A child shall not be denied participation in a field trip due
34 to the parent's inability or refusal to pay the charge. Adverse action
35 shall not be taken against a parent for that inability or refusal.

36 ~~Each~~

37 (3) *Each* contractor or provider shall establish a payment system
38 that prevents the identification of children based on whether or
39 not their parents have paid a field trip charge.

40 ~~Expenses~~

1 (4) *Expenses* incurred and income received for field trips
2 pursuant to this section shall be reported to the department. The
3 income received for field trips shall be reported specifically as
4 restricted income.

5 (i) The Superintendent shall establish guidelines for the
6 collection of employer-sponsored child care benefit payments from
7 a parent whose child receives subsidized child care and
8 development services. These guidelines shall provide for the
9 collection of the full amount of the benefit payment, but not to
10 exceed the actual cost of child care and development services
11 provided, notwithstanding the applicable fee based on the fee
12 schedule.

13 (j) The Superintendent shall establish guidelines according to
14 which the director or a duly authorized representative of the child
15 care and development program will certify children as eligible for
16 state reimbursement pursuant to this section.

17 (k) Public funds shall not be paid directly or indirectly to an
18 agency that does not pay at least the minimum wage to each of its
19 employees.

20 *SEC. 19. Section 8263.1 of the Education Code is amended to*
21 *read:*

22 8263.1. (a) For purposes of this chapter, “income eligible”
23 means that a family’s adjusted monthly income is at or below 70
24 percent of the state median income, adjusted for family size, and
25 adjusted annually.

26 (b) Notwithstanding any other law, for the 2011–12 fiscal year,
27 the income eligibility limits that were in effect for the 2007–08
28 fiscal year shall be reduced to 70 percent of the state median
29 income that was in use for the 2007–08 fiscal year, adjusted for
30 family size, effective July 1, 2011.

31 (c) *Notwithstanding any other law, for the 2012–13 fiscal year,*
32 *the income eligibility limits shall be 70 percent of the state median*
33 *income that was in use for the 2007–08 fiscal year, adjusted for*
34 *family size.*

35 (e)

36 (d) The income of a recipient of federal supplemental security
37 income benefits pursuant to Title XVI of the federal Social Security
38 Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program
39 benefits pursuant to Title XVI of the federal Social Security Act
40 and Chapter 3 (commencing with Section 12000) of Part 3 of

1 Division 9 of the Welfare and Institutions Code shall not be
2 included as income for the purposes of determining eligibility for
3 child care under this chapter.

4 *SEC. 20. Section 8263.3 is added to the Education Code, to*
5 *read:*

6 *8263.3. (a) Notwithstanding any other law, and in addition to*
7 *any reductions applied pursuant to Section 8263.2, effective July*
8 *1, 2012, the department shall reduce the maximum reimbursable*
9 *amounts of the contracts for the General Child Care Program, the*
10 *Migrant Day Care Program, the Alternative Payment Program,*
11 *the CalWORKs Stage 3 Program, and the Allowance for*
12 *Handicapped Program by 8.7 percent or by whatever proportion*
13 *is necessary to ensure that expenditures for these programs do not*
14 *exceed the amounts appropriated for them, as adjusted for any*
15 *reductions in appropriations made subsequent to the adoption of*
16 *the annual Budget Act. The department may consider the*
17 *contractor's performance or whether the contractor serves children*
18 *in underserved areas as defined in subdivision (ag) of Section 8208*
19 *when determining contract reductions, provided that the aggregate*
20 *reduction to each program specified in this subdivision is 8.7*
21 *percent or whatever proportion is necessary to ensure that*
22 *expenditures for these programs do not exceed the amounts*
23 *appropriated for them, as adjusted for any reductions in*
24 *appropriations made subsequent to the adoption of the annual*
25 *Budget Act.*

26 *(b) Notwithstanding any other law, effective July 1, 2012,*
27 *families shall be disenrolled from subsidized child care services,*
28 *consistent with the priorities for services specified in subdivision*
29 *(b) of Section 8263. Families shall be disenrolled in the following*
30 *order:*

31 *(1) Families with the highest income in relation to family size.*

32 *(2) Families that have the same income and have been enrolled*
33 *in child care services the longest.*

34 *(3) Families that have the same income and have a child with*
35 *exceptional needs.*

36 *(4) Families whose children are receiving child protective*
37 *services or are at risk of being neglected or abused, regardless of*
38 *family income.*

39 *SEC. 21. Section 8335.4 of the Education Code is amended to*
40 *read:*

1 8335.4. (a) Upon approval of the plan by the Child
2 Development Division of the department, the City and County of
3 San Francisco shall annually prepare and submit to the Legislature,
4 the State Department of Social Services, and the department a
5 report that summarizes the success of the pilot project and the city
6 and county's ability to maximize the use of funds and to improve
7 and stabilize child care in the city and county.

8 (b) The City and County of San Francisco shall submit an
9 interim report to the Legislature, the State Department of Social
10 Services, and the department on or before December 31, 2010,
11 and shall submit a final report to those entities on or before June
12 30, ~~2013~~ 2014, summarizing the impact of the plan on the child
13 care needs of working families in the city and county.

14 *SEC. 22. Section 8335.5 of the Education Code is amended to*
15 *read:*

16 8335.5. The City and County of San Francisco may implement
17 an individualized child care subsidy plan until July 1, ~~2013~~ 2014,
18 at which date the city and county shall terminate the plan. Between
19 July 1, ~~2013~~ 2014, and July 1, ~~2015~~ 2016, the city and county shall
20 phase out the individualized county child care subsidy plan and,
21 as of July 1, ~~2015~~ 2016, shall implement the state's requirements
22 for child care subsidies. A child enrolling for the first time for
23 subsidized child care in the city and county after July 1, ~~2013~~ 2014,
24 shall not be enrolled in the pilot program established pursuant to
25 this article and is subject to existing state laws and regulations
26 regarding child care eligibility and priority.

27 *SEC. 23. Section 8335.7 of the Education Code is amended to*
28 *read:*

29 8335.7. This article shall become inoperative on July 1, ~~2015~~
30 2016, and as of January 1, ~~2016~~ 2017, is repealed, unless a later
31 enacted statute, that is enacted before January 1, ~~2016~~ 2017, deletes
32 or extends the dates on which it becomes inoperative and is
33 repealed.

34 *SEC. 24. Section 8447 of the Education Code is amended to*
35 *read:*

36 8447. (a) The Legislature hereby finds and declares that greater
37 efficiencies may be achieved in the execution of state subsidized
38 child care and development program contracts with public and
39 private agencies by the timely approval of contract provisions by
40 the Department of Finance, the Department of General Services,

1 and the State Department of Education and by authorizing the State
2 Department of Education to establish a multiyear application,
3 contract expenditure, and service review as may be necessary to
4 provide timely service while preserving audit and oversight
5 functions to protect the public welfare.

6 (b) (1) The Department of Finance and the Department of
7 General Services shall approve or disapprove annual contract
8 funding terms and conditions, including both family fee schedules
9 and regional market rate schedules that are required to be adhered
10 to by contract, and contract face sheets submitted by the State
11 Department of Education not more than 30 working days from the
12 date of submission, unless unresolved conflicts remain between
13 the Department of Finance, the State Department of Education,
14 and the Department of General Services. The State Department of
15 Education shall resolve conflicts within an additional 30 working
16 day time period. Contracts and funding terms and conditions shall
17 be issued to child care contractors no later than June 1. Applications
18 for new child care funding shall be issued not more than 45
19 working days after the effective date of authorized new allocations
20 of child care moneys.

21 (2) Notwithstanding paragraph (1), the State Department of
22 Education shall implement the regional market rate schedules
23 based upon the county aggregates, as determined by the Regional
24 Market survey conducted in 2005.

25 (3) Notwithstanding paragraph (1), for the 2006–07 fiscal year,
26 the State Department of Education shall update the family fee
27 schedules by family size, based on the 2005 state median income
28 survey data for a family of four. The family fee schedule used
29 during the 2005–06 fiscal year shall remain in effect. However,
30 the department shall adjust the family fee schedule for families
31 that are newly eligible to receive or will continue to receive services
32 under the new income eligibility limits. The family fees shall not
33 exceed 10 percent of the family’s monthly income.

34 (4) Notwithstanding any other law, the family fee schedule that
35 was in effect for the 2007–08, 2008–09, 2009–10, and 2010–11
36 fiscal years shall be adjusted to reflect the income eligibility limits
37 specified in subdivision (b) of Section 8263.1 for the 2011–12
38 fiscal year, and shall retain a flat fee per family. The revised family
39 fee schedule shall begin at income levels at which families
40 currently begin paying fees. The revised family fees shall not

1 exceed 10 percent of the family's monthly income. The State
2 Department of Education shall first submit the adjusted fee
3 schedule to the Department of Finance for approval in order to be
4 implemented by July 1, 2011.

5 *(5) Notwithstanding any other law, the family fee schedule that*
6 *was in effect for the 2011–12 fiscal year pursuant to paragraph*
7 *(4) shall remain in effect for the 2012–13 fiscal year, and shall*
8 *retain a flat fee per family.*

9 ~~(5)~~

10 (6) It is the intent of the Legislature to fully fund the third stage
11 of child care for former CalWORKs recipients.

12 (c) With respect to subdivision (b), it is the intent of the
13 Legislature that the Department of Finance annually review
14 contract funding terms and conditions for the primary purpose of
15 ensuring consistency between child care contracts and the child
16 care budget. This review shall include evaluating any proposed
17 changes to contract language or other fiscal documents to which
18 the contractor is required to adhere, including those changes to
19 terms or conditions that authorize higher reimbursement rates, that
20 modify related adjustment factors, that modify administrative or
21 other service allowances, or that diminish fee revenues otherwise
22 available for services, to determine if the change is necessary or
23 has the potential effect of reducing the number of full-time
24 equivalent children that may be served.

25 (d) Alternative payment child care systems, as set forth in Article
26 3 (commencing with Section 8220), shall be subject to the rates
27 established in the Regional Market Rate Survey of California Child
28 Care Providers for provider payments. The State Department of
29 Education shall contract to conduct and complete a Regional
30 Market Rate Survey no more frequently than once every two years,
31 consistent with federal regulations, with a goal of completion by
32 March 1.

33 (e) By March 1 of each year, the Department of Finance shall
34 provide to the State Department of Education the State Median
35 Income amount for a four-person household in California based
36 on the best available data. The State Department of Education shall
37 adjust its fee schedule for child care providers to reflect this
38 updated state median income; however, no changes based on
39 revisions to the state median income amount shall be implemented
40 midyear.

1 (f) Notwithstanding the June 1 date specified in subdivision (b),
2 changes to the regional market rate schedules and fee schedules
3 may be made at any other time to reflect the availability of accurate
4 data necessary for their completion, provided these documents
5 receive the approval of the Department of Finance. The Department
6 of Finance shall review the changes within 30 working days of
7 submission and the State Department of Education shall resolve
8 conflicts within an additional 30 working day period. Contractors
9 shall be given adequate notice prior to the effective date of the
10 approved schedules. It is the intent of the Legislature that contracts
11 for services not be delayed by the timing of the availability of
12 accurate data needed to update these schedules.

13 (g) Notwithstanding any other provision of law, no family
14 receiving CalWORKs cash aid may be charged a family fee.

15 *SEC. 25. Section 14041 of the Education Code is amended to*
16 *read:*

17 14041. (a) The Controller shall draw warrants on the State
18 Treasury in favor of the county treasurer of each county in each
19 month of each year in the amounts and manner prescribed in this
20 section so as to provide in each warrant a portion of the total
21 amount certified by the Superintendent as apportioned under the
22 provisions of Sections 41330 to 41343, inclusive, and Chapter 4
23 (commencing with Section 41600) and Chapter 5 (commencing
24 with Section ~~41700~~ 41760.2) and Article 2 (commencing with
25 Section ~~42237~~ 42238) of Chapter 7 of Part 24 of Division 3 of
26 Title 2, ~~inclusive~~; during the fiscal year from the State School Fund
27 to the school districts under the jurisdiction of the county
28 superintendent of schools of the county, to the county school
29 service fund, and to the county school tuition fund of the county.

30 (1) Warrants for amounts allowed to ~~the~~ county school service
31 funds under subdivisions (a) and (b) of Section 14054 shall be for
32 amounts equal to 5 percent in July, 5 percent in August, and 9
33 percent in each remaining month of the fiscal year of the amounts
34 certified by the Superintendent as a part of the advance
35 apportionment.

36 (2) Warrants for amounts apportioned to school districts and
37 county school service funds for classes maintained by county
38 superintendents of schools and to the county school tuition funds
39 shall be for amounts equal to 5 percent in July, 5 percent in August,
40 and 9 percent in September, October, November, December, and

1 January, of the amounts certified by the Superintendent as a part
2 of the advance apportionment.

3 (3) Warrants in the months of February to May, inclusive, shall
4 be for amounts equal to one-fifth of the difference between the
5 amounts certified by the Superintendent for school districts and
6 county school service funds for classes maintained by county
7 superintendents of schools and county school tuition funds as the
8 first principal apportionment and the amounts required by
9 paragraph (2).

10 (4) Warrants for the month of June shall be for amounts equal
11 to the difference between the amounts certified by the
12 Superintendent for school districts and county school service funds
13 for classes maintained by county superintendents of schools and
14 county school tuition funds as the second principal apportionment
15 and the amounts required by paragraphs (2) and (3).

16 (5) Warrants in the months of July and August shall include 5
17 percent of the estimated total amounts of the special purpose
18 apportionment, as determined by the Superintendent. Warrants in
19 the months of September to November, inclusive, shall include 9
20 percent of the estimated total amounts of the special purpose
21 apportionment, as determined by the Superintendent. Warrants in
22 December shall include 9 percent of the amounts certified by the
23 Superintendent as the special purpose apportionment, as adjusted,
24 if necessary, to correct excesses or deficiencies in the estimates
25 made for purposes of the warrants in the months of September to
26 November, inclusive. An additional 9 percent of the amounts of
27 the special purpose apportionment shall be included in the warrants
28 for the months from January to June, inclusive.

29 (6) Warrants in June shall include the total amounts certified
30 by the Superintendent as the final apportionment.

31 (7) Notwithstanding paragraph (2) to the contrary, for school
32 districts that reported less than 5,000 units of average daily
33 attendance in the 1979–80 fiscal year and that received 39 percent
34 or more, but less than 75 percent, of their total revenue limits from
35 local property taxes in that fiscal year, warrants for amounts
36 apportioned to the *school* districts shall be for amounts equal to
37 15 percent in July, August, September, and October; zero percent
38 in November and December; and 6 percent in January of the
39 amounts certified by the Superintendent as a part of the advance
40 apportionment. Warrants for amounts apportioned to the *school*

1 districts for the months of February to May, inclusive, shall be in
2 accordance with paragraph (3), and for the month of June, shall
3 be in accordance with paragraph (4).

4 (8) Notwithstanding paragraph (2) or (7) to the contrary, for
5 school districts which reported less than 5,000 units of average
6 daily attendance in the 1979–80 fiscal year and which received 75
7 percent or more of their total revenue limits from local property
8 taxes in that fiscal year, warrants for amounts apportioned to the
9 *school* districts shall be for amounts equal to 15 percent in July;
10 30 percent in August and September; 15 percent in October; zero
11 percent in November and December; 6 percent in January; and
12 zero percent in February, March, April, and May, of the amounts
13 certified by the Superintendent as a part of the advance
14 apportionment. Warrants for the month of June shall be in
15 accordance with paragraph (4).

16 (9) (A) *Notwithstanding any other law, for the 2012–13 fiscal*
17 *year only, for purposes of warrants drawn on the State Treasury*
18 *pursuant to this section, the amount certified by the Superintendent*
19 *as the advance apportionment and first principal apportionment*
20 *shall include the following reduction:*

21 (i) *The Superintendent shall multiply six billion nine hundred*
22 *twenty-one million five hundred twenty-two thousand dollars*
23 *(\$6,921,522,000) by the ratio of the revenue limit or charter school*
24 *general purposes funding for each county office of education,*
25 *school district, or charter school, to the statewide total of revenue*
26 *limit and charter school general purpose funding.*

27 (ii) *For each county office of education, school district, or*
28 *charter school, the Superintendent shall subtract the amount*
29 *calculated in clause (i) from the apportionments calculated*
30 *pursuant to Sections 2558, 42238, and 47633.*

31 (B) *Notwithstanding any other law, for the 2012–13 fiscal year,*
32 *the Superintendent shall delay the second principal apportionment*
33 *calculated pursuant to Section 41335 from July 2, 2013, to July*
34 *15, 2013, to account for all revenues remitted to school districts*
35 *and county offices of education pursuant to subparagraph (B) of*
36 *paragraph (3) of subdivision (e) of Section 36 of Article XIII of*
37 *the California Constitution. The Superintendent shall ensure that*
38 *the second principal apportionment calculated pursuant to Section*
39 *41335 accounts for the difference between the amount distributed*
40 *pursuant to subparagraph (B) of paragraph (3) of subdivision (e)*

1 of Section 36 of Article XIII of the California Constitution and the
 2 offsets listed in subparagraph (A). Nothing in this section shall
 3 delay the payment of warrants to school districts and county offices
 4 of education 10 days before the close of the state's fiscal year
 5 pursuant to subparagraph (B) of paragraph (3) of subdivision (e)
 6 of Section 36 of Article XIII of the California Constitution.

7 (10) Notwithstanding paragraph (1), (3), or (7), for the 2012–13
 8 fiscal year only, the Superintendent shall reduce the June warrants
 9 for any amounts received pursuant to Sections 34179.5 and
 10 34179.6 of the Health and Safety Code. This reduction shall
 11 constitute the entire amount distributed pursuant to Sections
 12 34179.5 and 34179.6 of the Health and Safety Code and offset
 13 pursuant to subparagraph (B) of paragraph (6) of subdivision (h)
 14 of Section 42238, paragraph (6) of subdivision (c) of Section 2558,
 15 and Section 56836.08.

16 (b) The drawing of the warrants required to be drawn during
 17 any one of the months mentioned may be postponed by the
 18 Controller for not to exceed 30 days, but the total amounts due the
 19 several counties during any fiscal year shall be paid within the
 20 fiscal year. The warrants shall be paid by the State Treasurer from
 21 the State School Fund and are not subject to the provisions of
 22 Section 925.6 of the Government Code ~~Section 925.6~~.

23 (c) This section shall become inoperative on December 15,
 24 2012, and, as of January 1, 2013, is repealed, only if the Schools
 25 and Local Public Safety Protection Act of 2012 (Attorney General
 26 reference number 12–0009) is not approved by the voters at the
 27 November 6, 2012, statewide general election, or if the provisions
 28 of that act that modify personal income tax rates do not become
 29 operative due to a conflict with another initiative measure that is
 30 approved at the same election and receives a greater number of
 31 affirmative votes.

32 SEC. 26. Section 14041 is added to the Education Code, to
 33 read:

34 14041. (a) The Controller shall draw warrants on the State
 35 Treasury in favor of the county treasurer of each county in each
 36 month of each year in the amounts and manner prescribed in this
 37 section so as to provide in each warrant a portion of the total
 38 amount certified by the Superintendent as apportioned under the
 39 provisions of Sections 41330 to 41343, inclusive, and Chapter 4
 40 (commencing with Section 41600) and Chapter 5 (commencing

1 with Section 41760.2) and Article 2 (commencing with Section
2 42238) of Chapter 7 of Part 24 of Division 3 of Title 2, during the
3 fiscal year from the State School Fund to the school districts under
4 the jurisdiction of the county superintendent of schools of the
5 county, to the county school service fund, and to the county school
6 tuition fund of the county.

7 (1) Warrants for amounts allowed to county school service funds
8 under subdivisions (a) and (b) of Section 14054 shall be for
9 amounts equal to 5 percent in July, 5 percent in August, and 9
10 percent in each remaining month of the fiscal year of the amounts
11 certified by the Superintendent as a part of the advance
12 apportionment.

13 (2) Warrants for amounts apportioned to school districts and
14 county school service funds for classes maintained by county
15 superintendents of schools and to the county school tuition funds
16 shall be for amounts equal to 5 percent in July, 5 percent in August,
17 and 9 percent in September, October, November, December, and
18 January, of the amounts certified by the Superintendent as a part
19 of the advance apportionment.

20 (3) Warrants in the months of February to May, inclusive, shall
21 be for amounts equal to one-fifth of the difference between the
22 amounts certified by the Superintendent for school districts and
23 county school service funds for classes maintained by county
24 superintendents of schools and county school tuition funds as the
25 first principal apportionment and the amounts required by
26 paragraph (2).

27 (4) Warrants for the month of June shall be for amounts equal
28 to the difference between the amounts certified by the
29 Superintendent for school districts and county school service funds
30 for classes maintained by county superintendents of schools and
31 county school tuition funds as the second principal apportionment
32 and the amounts required by paragraphs (2) and (3).

33 (5) Warrants in the months of July and August shall include 5
34 percent of the estimated total amounts of the special purpose
35 apportionment, as determined by the Superintendent. Warrants in
36 the months of September to November, inclusive, shall include 9
37 percent of the estimated total amounts of the special purpose
38 apportionment, as determined by the Superintendent. Warrants in
39 December shall include 9 percent of the amounts certified by the
40 Superintendent as the special purpose apportionment, as adjusted,

1 *if necessary, to correct excesses or deficiencies in the estimates*
2 *made for purposes of the warrants in the months of September to*
3 *November, inclusive. An additional 9 percent of the amounts of*
4 *the special purpose apportionment shall be included in the*
5 *warrants for the months from January to June, inclusive.*

6 *(6) Warrants in June shall include the total amounts certified*
7 *by the Superintendent as the final apportionment.*

8 *(7) Notwithstanding paragraph (2) to the contrary, for school*
9 *districts that reported less than 5,000 units of average daily*
10 *attendance in the 1979–80 fiscal year and that received 39 percent*
11 *or more, but less than 75 percent, of their total revenue limits from*
12 *local property taxes in that fiscal year, warrants for amounts*
13 *apportioned to the school districts shall be for amounts equal to*
14 *15 percent in July, August, September, and October; zero percent*
15 *in November and December; and 6 percent in January of the*
16 *amounts certified by the Superintendent as a part of the advance*
17 *apportionment. Warrants for amounts apportioned to the school*
18 *districts for the months of February to May, inclusive, shall be in*
19 *accordance with paragraph (3), and for the month of June, shall*
20 *be in accordance with paragraph (4).*

21 *(8) Notwithstanding paragraph (2) or (7) to the contrary, for*
22 *school districts which reported less than 5,000 units of average*
23 *daily attendance in the 1979–80 fiscal year and which received*
24 *75 percent or more of their total revenue limits from local property*
25 *taxes in that fiscal year, warrants for amounts apportioned to the*
26 *school districts shall be for amounts equal to 15 percent in July;*
27 *30 percent in August and September; 15 percent in October; zero*
28 *percent in November and December; 6 percent in January; and*
29 *zero percent in February, March, April, and May, of the amounts*
30 *certified by the Superintendent as a part of the advance*
31 *apportionment. Warrants for the month of June shall be in*
32 *accordance with paragraph (4).*

33 *(9) Notwithstanding paragraph (1), (3), or (7), for the 2012–13*
34 *fiscal year only, the Superintendent shall reduce only the June*
35 *warrants for any amounts received pursuant to Sections 34179.5*
36 *and 34179.6 of the Health and Safety Code. This reduction shall*
37 *constitute the entire amount distributed pursuant to Sections*
38 *34179.5 and 34179.6 of the Health and Safety Code and shall*
39 *constitute an offset pursuant to paragraph (6) of subdivision (c)*

1 of Section 2558 and paragraph (6) of subdivision (h) of Section
2 42238.

3 (b) The drawing of the warrants required to be drawn during
4 any one of the months mentioned may be postponed by the
5 Controller for not to exceed 30 days, but the total amounts due
6 the several counties during any fiscal year shall be paid within
7 the fiscal year. The warrants shall be paid by the Treasurer from
8 the State School Fund and are not subject to Section 925.6 of the
9 Government Code.

10 (c) This section shall not become operative until December 15,
11 2012, and shall become operative only if the Schools and Local
12 Public Safety Protection Act of 2012 (Attorney General reference
13 number 12-0009) is not approved by the voters at the November
14 6, 2012, statewide general election, or if the provisions of that act
15 that modify personal income tax rates do not become operative
16 due to a conflict with another initiative measure that is approved
17 at the same election and receives a greater number of affirmative
18 votes. If the Schools and Local Public Safety Protection Act of
19 2012 (Attorney General reference number 12-0009) is approved
20 by the voters at the November 6, 2012, statewide general election,
21 and all of the provisions of that act that modify personal income
22 taxes become operative, this section shall not become operative
23 and shall be repealed on January 1, 2013.

24 SEC. 27. Section 14041.6 of the Education Code is amended
25 to read:

26 14041.6. (a) Notwithstanding subdivision (a) of Section 14041,
27 or any other law, ~~commencing with~~ from the 2008–09 fiscal year
28 to the 2011–12 fiscal year, inclusive, warrants for the principal
29 apportionments for the month of February in the amount of two
30 billion dollars (\$2,000,000,000) instead shall be drawn in July of
31 the same calendar year pursuant to the certification made pursuant
32 to Section 41339. *Commencing with the 2012–13 fiscal year,*
33 *warrants for the principal apportionments for the month of*
34 *February in the amount of five hundred thirty-one million seven*
35 *hundred twenty thousand dollars (\$531,720,000) instead shall be*
36 *drawn in July of the same calendar year pursuant to the*
37 *certification made pursuant to Section 41339.*

38 (b) Notwithstanding subdivision (a) of Section 14041 or any
39 other law, ~~commencing with~~ from the 2009–10 fiscal year to the
40 2011–12 fiscal year, inclusive, warrants for the principal

1 apportionments for the month of April in the amount of six hundred
2 seventy-eight million six hundred eleven thousand dollars
3 (\$678,611,000) and for the month of May in the amount of one
4 billion dollars (\$1,000,000,000) instead shall be drawn in August
5 of the same calendar year pursuant to the certification made
6 pursuant to Section 41339. *Commencing with the 2012–13 fiscal*
7 *year, warrants for the principal apportionments for the month of*
8 *April in the amount of one hundred seventy-five million seven*
9 *hundred twenty-eight thousand dollars (\$175,728,000) and for the*
10 *month of May in the amount of one billion one hundred seventy-six*
11 *million seven hundred one thousand dollars (\$1,176,701,000)*
12 *instead shall be drawn in July of the same calendar year pursuant*
13 *to the certification made pursuant to Section 41339.*

14 (c) Notwithstanding subdivision (a) of Section 14041 or any
15 other law, commencing with the 2010–11 fiscal year, warrants for
16 the principal apportionments for the month of April in the amount
17 of four hundred nineteen million twenty thousand dollars
18 (\$419,020,000), for the month of May in the amount of eight
19 hundred million dollars (\$800,000,000), and for the month of June
20 in the amount of five hundred million dollars (\$500,000,000);
21 instead shall be drawn in July of the same calendar year pursuant
22 to the certification made pursuant to Section 41339.

23 (d) Notwithstanding subdivision (a) of Section 14041 or any
24 other law, ~~commencing with~~ *in* the 2011–12 fiscal year, warrants
25 for the principal apportionments for the month of March in the
26 amount of one billion three hundred million dollars
27 (\$1,300,000,000) and for the month of April in the amount of seven
28 hundred sixty-three million seven hundred ninety-four thousand
29 dollars (\$763,794,000) instead shall be drawn in August of the
30 same calendar year pursuant to the certification made pursuant to
31 Section 41339. *Commencing with the 2012–13 fiscal year, warrants*
32 *for the principal apportionments for the month of March in the*
33 *amount of one billion twenty-nine million four hundred ninety-three*
34 *thousand dollars (\$1,029,493,000) and for the month of April in*
35 *the amount of seven hundred sixty-three million seven hundred*
36 *ninety-four thousand dollars (\$763,794,000) instead shall be drawn*
37 *in August of the same calendar year pursuant to the certification*
38 *made pursuant to Section 41339.*

39 (e) Except as provided in subdivisions (c) and (e) of Section
40 41202, for purposes of making the computations required by

1 Section 8 of Article XVI of the California Constitution, the
2 warrants drawn pursuant to subdivisions (a), (b), (c), and (d) shall
3 be deemed to be “General Fund revenues appropriated to for school
4 districts,” as defined in subdivision (c) of Section 41202, for the
5 fiscal year in which the warrants are drawn and included within
6 the “total allocations to school districts and community college
7 districts from General Fund proceeds of taxes appropriated pursuant
8 to Article XIII B,” as defined in subdivision (e) of Section 41202,
9 for the fiscal year in which the warrants are drawn.

10 *(f) This section shall become inoperative on December 15, 2012,*
11 *and, as of January 1, 2013, is repealed, only if the Schools and*
12 *Local Public Safety Protection Act of 2012 (Attorney General*
13 *reference number 12-0009) is not approved by the voters at the*
14 *November 6, 2012, statewide general election, or if the provisions*
15 *of that act that modify personal income tax rates do not become*
16 *operative due to a conflict with another initiative measure that is*
17 *approved at the same election and receives a greater number of*
18 *affirmative votes.*

19 *SEC. 28. Section 14041.6 is added to the Education Code, to*
20 *read:*

21 *14041.6. (a) Notwithstanding subdivision (a) of Section 14041,*
22 *or any other law, commencing with the 2008-09 fiscal year,*
23 *warrants for the principal apportionments for the month of*
24 *February in the amount of two billion dollars (\$2,000,000,000)*
25 *instead shall be drawn in July of the same calendar year pursuant*
26 *to the certification made pursuant to Section 41339.*

27 *(b) Notwithstanding subdivision (a) of Section 14041 or any*
28 *other law, commencing with the 2009-10 fiscal year, warrants for*
29 *the principal apportionments for the month of April in the amount*
30 *of six hundred seventy-eight million six hundred eleven thousand*
31 *dollars (\$678,611,000) and for the month of May in the amount*
32 *of one billion dollars (\$1,000,000,000) instead shall be drawn in*
33 *August of the same calendar year pursuant to the certification*
34 *made pursuant to Section 41339.*

35 *(c) Notwithstanding subdivision (a) of Section 14041 or any*
36 *other law, commencing with the 2010-11 fiscal year, warrants for*
37 *the principal apportionments for the month of April in the amount*
38 *of four hundred nineteen million twenty thousand dollars*
39 *(\$419,020,000), for the month of May in the amount of eight*
40 *hundred million dollars (\$800,000,000), and for the month of June*

1 *in the amount of five hundred million dollars (\$500,000,000),*
2 *instead shall be drawn in July of the same calendar year pursuant*
3 *to the certification made pursuant to Section 41339.*

4 *(d) Notwithstanding subdivision (a) of Section 14041 or any*
5 *other law, commencing with the 2011–12 fiscal year, warrants for*
6 *the principal apportionments for the month of March in the amount*
7 *of one billion three hundred million dollars (\$1,300,000,000) and*
8 *for the month of April in the amount of seven hundred sixty-three*
9 *million seven hundred ninety-four thousand dollars (\$763,794,000)*
10 *instead shall be drawn in August of the same calendar year*
11 *pursuant to the certification made pursuant to Section 41339.*

12 *(e) Except as provided in subdivisions (c) and (e) of Section*
13 *41202, for purposes of making the computations required by*
14 *Section 8 of Article XVI of the California Constitution, the warrants*
15 *drawn pursuant to subdivisions (a), (b), (c), and (d) shall be*
16 *deemed to be “General Fund revenues appropriated to school*
17 *districts,” as defined in subdivision (c) of Section 41202, for the*
18 *fiscal year in which the warrants are drawn and included within*
19 *the “total allocations to school districts and community college*
20 *districts from General Fund proceeds of taxes appropriated*
21 *pursuant to Article XIII B,” as defined in subdivision (e) of Section*
22 *41202, for the fiscal year in which the warrants are drawn.*

23 *(f) This section shall not become operative until December 15,*
24 *2012, and shall become operative only if the Schools and Local*
25 *Public Safety Protection Act of 2012 (Attorney General reference*
26 *number 12-0009) is not approved by the voters at the November*
27 *6, 2012, statewide general election, or if the provisions of that act*
28 *that modify personal income tax rates do not become operative*
29 *due to a conflict with another initiative measure that is approved*
30 *at the same election and receives a greater number of affirmative*
31 *votes. If the Schools and Local Public Safety Protection Act of*
32 *2012 (Attorney General reference number 12-0009) is approved*
33 *by the voters at the November 6, 2012, statewide general election,*
34 *and all of the provisions of that act that modify personal income*
35 *tax rates become operative, this section shall not become operative*
36 *and shall be repealed on January 1, 2013.*

37 *SEC. 29. Section 14041.7 of the Education Code is amended*
38 *to read:*

39 *14041.7. (a) Commencing with the 2010–11 fiscal year, up to*
40 *one hundred million dollars (\$100,000,000) of the amount of the*

1 warrants for the principal apportionments for the month of June,
2 that are instead to be drawn in July pursuant to Section 14041.5,
3 may be drawn in June, subject to the approval of the Director of
4 Finance, for a charter school or school district as follows:

5 (1) In order for a charter school to receive a payment in June
6 pursuant to this section, the ~~chartering authority~~ *governing body*
7 *of the charter school*, in consultation with the county
8 superintendent of schools, shall certify to the Superintendent and
9 the Director of Finance on or before April 1 that the deferral of
10 warrants pursuant to Sections 14041.5 and 14041.6 will result in
11 the charter school being unable to meet its financial obligations
12 for June and shall provide the Superintendent an estimate of the
13 amount of additional funds necessary for the charter school to meet
14 its financial obligations for the month of June.

15 (2) In order for a school district to receive a payment in June
16 pursuant to this section, the county superintendent of schools shall
17 certify to the Superintendent and to the Director of Finance on or
18 before April 1 that the deferral of warrants pursuant to Sections
19 14041.5 and 14041.6 will result in the school district being unable
20 to meet its financial obligations for June and shall provide the
21 Superintendent an estimate of the amount of additional funds
22 necessary for the school district to meet its financial obligations
23 for the month of June.

24 (3) The criteria, as applicable, set forth in statute and regulations
25 to qualify a school district for an emergency apportionment shall
26 be used to make the certification specified in paragraph (2).

27 (4) A charter school or school district may receive, pursuant
28 to this section, no more than the lesser of the following:

29 (A) The total amount of additional funds necessary for the
30 charter school or school district to meet its financial obligations
31 for the month of June, as reported to the Superintendent pursuant
32 to paragraph (1) or (2).

33 (B) The total payments the charter school or school district is
34 entitled to receive in July for the prior fiscal year.

35 (b) If the total amount requested by charter schools and school
36 districts pursuant to paragraph (4) of subdivision (a) exceeds one
37 hundred million dollars (\$100,000,000), the Controller, Treasurer,
38 and Director of Finance may authorize additional payments to
39 meet these requests, but total payments to charter schools and
40 school districts pursuant to this section shall not exceed three

1 hundred million dollars (\$300,000,000). No later than May 1, the
2 Controller, Treasurer, and Director of Finance shall determine
3 whether sufficient cash is available to make payments in excess
4 of one hundred million dollars (\$100,000,000). In making the
5 determination that cash is sufficient to make additional payments,
6 in whole or in part, the Controller, Treasurer, and Director of
7 Finance shall consider costs for state government, the scope of
8 any identified cash shortage, timing, achievability, legislative
9 direction, and the impact and hardship imposed on potentially
10 affected programs, entities, and related public services. The
11 Department of Finance shall notify the Joint Legislative Budget
12 Committee within 10 days of this determination and identify the
13 total amount of requests that will be paid.

14 (c) If the total amount of cash made available pursuant to
15 subdivision (b) is less than the amount requested pursuant to
16 paragraph (3) of subdivision (a), payments to charter schools and
17 school districts shall be prioritized according to the date on which
18 notification was provided to the Superintendent and the Department
19 of Finance.

20 (d) *A charter school submitting a certification pursuant to*
21 *paragraph (1) of subdivision (a) shall provide its chartering*
22 *authority with a copy of the certification.*

23 ~~(d)~~

24 (e) Payments pursuant to this section shall be made no later than
25 June 20.

26 ~~(e)~~

27 (f) Except as provided in subdivisions (c) and (e) of Section
28 41202, for purposes of making the computations required by
29 Section 8 of Article XVI of the California Constitution, the
30 warrants drawn pursuant to subdivision (a) shall be deemed to be
31 “General Fund revenues appropriated to school districts,” as
32 defined in subdivision (c) of Section 41202, for the fiscal year in
33 which the warrants are drawn and included within the “total
34 allocations to school districts and community college districts from
35 General Fund proceeds of taxes appropriated pursuant to Article
36 XIII B,” as defined in subdivision (e) of Section 41202, for the
37 fiscal year in which the warrants are drawn.

38 *SEC. 30. Section 17173 of the Education Code is amended to*
39 *read:*

1 17173. As used in this chapter, the following words and terms
2 shall have the following meanings, unless the context indicates or
3 requires another or different meaning or intent:

4 (a) “Act” means the California School Finance Authority Act.

5 (b) “Agent” means a county or city board of education or
6 superintendent of schools acting with the board’s consent, on behalf
7 of one or more school districts for any purpose of this chapter, the
8 Board of Governors of the California Community Colleges or the
9 Chancellor of the California Community Colleges acting with the
10 Board of Governors’ consent, on behalf of one or more community
11 college districts for any purpose of this chapter, and the school
12 district, county office of education, or other chartering entity acting
13 with the consent of, and on behalf of, one or more charter schools
14 for any purpose of this chapter.

15 (c) “Authority” means the California School Finance Authority,
16 or any board, body, commission, department, or officer succeeding
17 to the principal functions of the authority, or to which the powers
18 conferred upon the authority by this chapter shall be given by law.

19 (d) “Bonds” or “revenue bonds” means bonds, notes, lease
20 obligations, certificates of participation, commercial paper, and
21 any other evidences of indebtedness.

22 (e) “Cost,” as applied to all or part of a project financed or
23 refinanced pursuant to this chapter, means and includes all or any
24 part of the cost of any of the following:

25 (1) Construction.

26 (2) Acquisition or improvement of all lands, structures, real or
27 personal property, rights, rights-of-way, franchises, easements,
28 and interests acquired or used for a project.

29 (3) Demolition or removal of any buildings or structures on land
30 acquired for a project, including the acquisition of any lands to
31 which the buildings or structures may be moved.

32 (4) All machinery and equipment.

33 (5) Financing or refinancing charges, including, but not limited
34 to, credit enhancement costs, and prepayment penalties.

35 (6) Interest ~~prior to~~ *before*, during, and for a period following,
36 the completion of any construction or improvement determined
37 by the authority.

38 (7) Provisions for working capital.

1 (8) Reserves for principal and interest, and for extensions,
2 enlargements, additions, replacements, renovations, and
3 improvements.

4 (9) Engineering, architectural, financial, and legal services,
5 plans, specifications, studies, surveys, estimates, administrative
6 expenses, and other expenses necessary or incident to the
7 construction, acquisition, or improvement of any project or any
8 financing or refinancing under this chapter.

9 (f) “Educational facility” means any property, facility, structure,
10 equipment, or furnishings used or operated in conjunction with
11 one or more public schools, including charter schools, or
12 community colleges, including, but not limited to, all of the
13 following:

14 (1) Classrooms.

15 (2) Auditoriums.

16 (3) Student centers.

17 (4) Administrative offices.

18 (5) Sports facilities.

19 (6) Maintenance, storage, or utility facilities.

20 (7) All necessary or usual attendant and related facilities and
21 equipment, including streets, parking, and supportive service
22 facilities or structures required or useful for the effective operation
23 of the educational facility.

24 (g) “Participating party” means—~~a.~~

25 (1) A school district, charter school, county office of education,
26 or community college district that undertakes, itself or through an
27 agent, the financing or refinancing of a project or of working capital
28 pursuant to this chapter. ~~“Participating~~

29 (2) *Any person, company, association, state or municipal*
30 *government entity, partnership, firm, or other entity or group of*
31 *entities that undertakes the financing or refinancing of a project*
32 *pursuant to this chapter in conjunction with an entity described*
33 *in paragraph (1).*

34 (3) “Participating party” shall also be deemed to refer to the
35 agent to the extent the agent is acting on behalf of the school
36 district, charter school, county office of education, or community
37 college district for any purpose of this chapter.

38 (4) *For purposes of subdivision (d) of Section 17183, and*
39 *Section 17193.5, subdivisions (a) and (b) of Section 17199.1, and*
40 *Section 17199.4, “participating party” shall be deemed to refer*

1 to an entity described in paragraph (1) in conjunction with which
2 an entity described in paragraph (2), if any, applied for financing
3 from the authority.

4 (h) “Project” means the acquisition, construction, expansion,
5 remodeling, renovation, improvement, furnishing, or equipping
6 of an educational facility to be financed or refinanced pursuant to
7 this chapter. “Project” may include any combination of the
8 foregoing undertaken jointly by any participating district with one
9 or more other participating parties.

10 (i) “Working capital” means funds to be used by, or on behalf
11 of, a participating party to pay maintenance or operating expenses,
12 or any other costs that would be treated as an expense item under
13 generally accepted accounting principles in connection with the
14 ownership or operation of an educational facility, including, but
15 not limited to, all of the following:

16 (1) Reserves for maintenance or operating expenses.

17 (2) Interest for a period not to exceed two years on any loan for
18 working capital made pursuant to this chapter.

19 (3) Reserves for debt service, and any other costs necessary or
20 incidental to, financing pursuant to this chapter.

21 (4) Payments made by a participating party for the rent or lease
22 of an educational facility.

23 (j) “Certificate of participation” means an undivided interest in
24 one or more bonds, leases, loans, installment sales, or other
25 agreements of a participating party or parties.

26 (k) “Charter school” means a school established pursuant to
27 Part 26.8 (commencing with Section 47600) of Title 2.

28 *SEC. 31. Section 17180 of the Education Code is amended to*
29 *read:*

30 17180. The authority is hereby authorized to do all of the
31 following:

32 (a) Adopt bylaws for the regulation of its affairs and the conduct
33 of its business.

34 (b) Adopt an official seal.

35 (c) Sue and be sued in its own name.

36 (d) Receive and accept gifts, grants, or donations of money for
37 any of the purposes of this chapter from any of the following:

38 (1) A federal agency.

39 (2) A state agency.

- 1 (3) A municipality, county, or other political subdivision of the
 2 state.
- 3 (4) An individual, association, or corporation.
- 4 (e) Engage the services of private consultants to render
 5 professional and technical assistance and advice in carrying out
 6 the purposes of this chapter.
- 7 (f) (1) Determine the location and character of any project to
 8 be financed or refinanced under this chapter, and acquire, construct,
 9 enlarge, remodel, renovate, alter, improve, furnish, equip, own,
 10 maintain, manage, repair, operate, lease as lessee or lessor, or
 11 regulate the same.
- 12 (2) Designate a participating party as its agent, with authority
 13 to enter into contracts, for any of the purposes specified in
 14 paragraph (1).
- 15 (3) Enter into contracts for any of the purposes specified in
 16 paragraph (1).
- 17 (4) Enter into contracts for the management and operation of a
 18 project owned by the authority.
- 19 (g) Acquire, directly or by and through a participating party as
 20 its agent, by purchase solely from funds provided pursuant to this
 21 chapter, or by gift or devise, and sell, by installment or otherwise,
 22 property, rights, rights-of-way, franchises, easements, and other
 23 interests in lands, including, but not limited to, lands lying under
 24 water, and riparian rights, located within the state that the authority
 25 deems necessary or convenient for the acquisition, construction,
 26 financing, or operation of a project. The authority may do so upon
 27 the terms, and at the prices, it considers reasonable and upon which
 28 it can agree with the owner, and may take the title to the interest
 29 in the name of the authority or in the name of a participating party
 30 as its agent.
- 31 (h) Receive and accept from any source loans, contributions,
 32 or grants for, or in aid of, the construction, financing, or refinancing
 33 of all or part of a project, in the form of money, property, labor,
 34 or other things of value.
- 35 (i) Pursuant to an agreement between the authority and the
 36 participating party, make, directly or through a lending institution,
 37 secured or unsecured loans to *a participating party*, or purchase
 38 secured or unsecured loans from *a participating party*, or purchase
 39 all or part of any *participating party's* rights to or possibilities
 40 regarding the state share of funding for school facilities approved

1 by the State Allocation Board pursuant to Chapter 12.5
2 (commencing with Section 17070.10). The purchase of all or part
3 of any rights to, or possibilities regarding, the state contribution
4 for funding for school facilities approved by the State Allocation
5 Board shall be limited to amounts approved and funded or amounts
6 approved but not yet funded from proceeds of state bonds already
7 authorized by the electors but not yet issued. Loans or purchases
8 completed pursuant to this section may be used to finance or
9 refinance a project or provide working capital. A loan to finance
10 or refinance a project shall not exceed the total cost of the project,
11 as determined by the participating party and approved by the
12 authority.

13 (j) Upon the terms and conditions the authority deems proper,
14 lease a project being financed or refinanced pursuant to this chapter
15 to a participating party, and charge and collect rent therefor. The
16 authority may terminate a lease pursuant to this subdivision upon
17 the lessee's failure to comply with any of its obligations under the
18 lease. The lease may include any of the following provisions:

19 (1) That the lessee shall have the option to renew the term of
20 the lease for the period or periods, and at the rent, determined by
21 the authority, or to purchase any or all of the project.

22 (2) That upon payment by the participating party of all of the
23 indebtedness incurred by the authority for the financing of the
24 project or for the refinancing of the participating party's
25 outstanding indebtedness, the authority may convey any or all of
26 the project to the lessee or lessees, with or without further
27 consideration.

28 (k) Charge and equitably apportion among participating parties
29 its administrative costs and expenses incurred pursuant to this
30 chapter.

31 (l) (1) Obtain, or aid in obtaining, from any state or federal
32 agency or any private company, any insurance, guarantee, letter,
33 or line of credit regarding, or of, or for, the payment or repayment
34 of all or part of the interest, principal, or both, on any loan, lease,
35 or obligation, or any instrument evidencing or securing the same,
36 made or entered into pursuant to this chapter, or on any bonds
37 issued pursuant to this chapter.

38 (2) Notwithstanding any other provision of this chapter, enter
39 into any agreement, contract, or any other instrument regarding
40 any insurance, guarantee, letter, or line of credit specified in

1 paragraph (1), and accept payment in the manner and form provided
 2 ~~therein in the event of default by~~ *in the agreement, contract, or*
 3 *instrument if a participating party defaults.*

4 (3) Assign any insurance, guarantee, letter, or line of credit
 5 specified in paragraph (1) as security for bonds issued by the
 6 authority.

7 (m) Enter into any agreements or contracts, including, but not
 8 limited to, agreements for liquidity or credit enhancement, execute
 9 any instruments, and any other act or thing necessary, convenient,
 10 or desirable for the purposes of the authority or to carry out any
 11 express power granted the authority pursuant to this chapter.

12 (n) At the discretion of the authority, invest any moneys held
 13 in reserve or in sinking funds, or any moneys not required for
 14 immediate use or disbursement, in obligations authorized by the
 15 resolution authorizing the bonds secured by the investment, or by
 16 law governing the investment of trust funds in the custody of the
 17 Treasurer.

18 (o) Adopt guidelines for grants, bonds, and other evidences of
 19 indebtedness.

20 *SEC. 32. Section 17183 of the Education Code is amended to*
 21 *read:*

22 17183. (a) From time to time, the authority ~~may~~, by resolution,
 23 *may* issue its revenue bonds in order to provide funds for any of
 24 the purposes of this chapter. Bonds may be issued to finance *or*
 25 *refinance* any of the following:

26 (1) A single project or financing of working capital for a single
 27 participating party.

28 (2) A series of projects or financings of working capital for a
 29 single participating party.

30 (3) A single project or financing of working capital for several
 31 participating parties.

32 (4) Several projects or ~~financing~~ *financings* of working capital
 33 for several participating parties.

34 (5) A joint venture school facilities construction project
 35 undertaken pursuant to Article 5 (commencing with Section 17060)
 36 of Chapter 12.

37 (b) Except as otherwise expressly provided by the authority, all
 38 revenue bonds shall be payable from any available revenues or
 39 moneys of the authority not otherwise pledged, subject only to any
 40 agreements with holders of particular bonds or notes pledging any

1 particular revenue or moneys. Notwithstanding that revenue bonds
2 issued pursuant to this section may be payable from a special fund,
3 the revenue bonds shall be, and shall be deemed to be for all
4 purposes, negotiable instruments, subject only to the provisions
5 of the revenue bonds for registration.

6 (c) The revenue bonds of the authority may be issued as serial
7 bonds, term bonds, or the authority, in its discretion, may issue
8 bonds of both types. The issuance shall be in accordance with the
9 indenture, trust agreement, or resolution relating to the revenue
10 bonds, which shall provide all of the following:

- 11 (1) The date or dates of the bonds.
- 12 (2) The date or dates upon which the bonds will mature, not to
13 exceed 40 years from their respective dates.
- 14 (3) The interest rate or rates, or methods of determining the
15 interest rate or rates, of the bonds.
- 16 (4) When the bonds are payable.
- 17 (5) The denominations of the bonds.
- 18 (6) The form of the bonds, which shall be either bearer or
19 registered.
- 20 (7) The registration privileges of the bonds.
- 21 (8) The manner in which the bonds are to be executed.
- 22 (9) The place or places at which the bonds shall be payable in
23 lawful money of the United States of America.
- 24 (10) The terms of redemption of the bonds.

25 (d) After giving due consideration to the recommendations of
26 the participating party or parties, the revenue bonds of the authority
27 shall be sold by the Treasurer at either a public or private sale at
28 a price or prices, and upon the terms and conditions prescribed by
29 the authority. The revenue bonds of the authority may be sold at,
30 above, or below the par value of the bonds.

31 (e) Pending the preparation of the definitive bonds, the authority
32 may issue interim receipts or certificates or temporary bonds that
33 shall be exchanged for the definitive bonds.

34 (f) Any resolution authorizing the issuance of any bonds of the
35 authority, or any issue of revenue bonds of the authority, may
36 include any of the following provisions:

- 37 (1) Provisions pledging all or any part of the proceeds of the
38 bonds or revenue of a project or loan.
- 39 (2) Provisions concerning the replacement of mutilated,
40 destroyed, stolen, or lost bonds.

- 1 (3) Provisions specifying insurance to be maintained on the
2 project and the authorized uses of the proceeds of the insurance.
- 3 (4) Covenants against the mortgaging or otherwise encumbering,
4 selling, leasing, pledging, placing a charge upon, or otherwise
5 disposing of the project ~~prior to~~ *before* the payment of the bonds
6 issued to finance the project.
- 7 (5) Provisions specifying the events of default, terms upon which
8 the bonds may be declared due before maturity, and the terms upon
9 which the declaration and its consequences may be waived.
- 10 (6) The rights, liabilities, powers, and duties arising upon the
11 breach of any covenants, conditions, or obligations.
- 12 (7) Vesting of the right to enforce covenants in a trustee.
- 13 (8) The terms upon which all or any percentage of the
14 bondholders may enforce covenants or duties.
- 15 (9) Procedures for amending the terms of the resolution, with
16 or without the consent of the holders of a specified number of
17 bonds.
- 18 (10) Provision for any other acts or things deemed necessary,
19 convenient, or desirable by the authority to secure the bonds or
20 improve their marketability.
- 21 (g) The validity of the authorization and issuance of any bond
22 issue shall not be affected by proceedings for the acquisition,
23 construction, or improvement of any project, or by contracts
24 relating to those proceedings. Any resolution authorizing the
25 issuance of any bonds of the authority may provide authorization
26 for the bonds to bear a statement certifying that they are issued
27 pursuant to this chapter. Bonds bearing that statement shall be
28 conclusively deemed valid and issued in conformity with this
29 chapter. Reference on the face of the bonds to the resolution by
30 its date of adoption shall incorporate the provisions of the
31 resolution and of this chapter into the terms of the bonds.
- 32 (h) Members of the authority, or any person executing the
33 revenue bonds of the authority, shall not incur personal liability
34 on the bonds, nor shall these persons incur personal liability or
35 accountability by reason of the issuance of the revenue bonds of
36 the authority.
- 37 (i) The authority is authorized, out of any funds available for
38 that purpose, to purchase revenue bonds of the authority. The
39 authority may hold, pledge, cancel, or resell any bonds purchased

1 under the authority of this subdivision, subject to, and in
2 accordance with, agreements with bondholders.

3 (j) The financing or refinancing of projects or working capital
4 may be provided pursuant to this chapter by means other than
5 revenue bonds, at the discretion of the authority, including
6 financing or refinancing through certificates of participation, or
7 other interests, in bonds, loans, leases, installment sales, or other
8 agreements of the participating party or parties. In this connection,
9 the authority may do all things and execute and deliver all
10 documents and instruments as may be necessary or desirable with
11 regard to issuance of the certificates of participation or other means
12 of financing or refinancing.

13 (k) The authority may by resolution issue its revenue bonds in
14 the form of commercial paper.

15 *SEC. 33. Section 17193.5 of the Education Code is amended*
16 *to read:*

17 17193.5. (a) For purposes of this section, “public credit
18 provider” means any financial institution or combination of
19 financial institutions, that consists either solely, or has as a member
20 or participant, a public retirement system. Notwithstanding any
21 other ~~provision of~~ law, a public credit provider ~~may~~, in connection
22 with providing credit enhancement for bonds, notes, certificates
23 of participation, or other evidences of indebtedness of a
24 participating party, *may* require the participating party to agree to
25 the following conditions:

26 (1) If a participating party adopts a resolution by a majority vote
27 of its board to participate under this section, it shall provide notice
28 to the Controller of that election. The notice shall include a
29 schedule for the repayment of principal and interest on the bonds,
30 notes, certificates of participation, or other evidence of
31 indebtedness and identify the public credit provider that provided
32 credit enhancement. The notice shall be provided not later than
33 the date of issuance of the bonds.

34 (2) If, for any reason a public credit provider is required to make
35 principal or interest payments or both pursuant to a credit
36 enhancement agreement, the public credit provider shall
37 immediately notify the Controller of that fact and of the amount
38 paid out by the public credit provider.

39 (3) Upon receipt of the notice required by paragraph (2), the
40 Controller shall make an apportionment to the public credit

1 provider in the amount of the payments made by the public credit
 2 provider for the purpose of reimbursing the public credit provider
 3 for its expenditures made pursuant to the credit enhancement
 4 agreement. The Controller shall make that apportionment only
 5 from moneys designated for apportionments to a school district
 6 pursuant to Section 42238 or to a county office of education
 7 pursuant to Section 2558 or to the community college district
 8 pursuant to Section 84750, or in the case of a charter school,
 9 pursuant to ~~Section~~ *Sections 47633, 47634.1, and 47634.2.*

10 (b) The amount apportioned for a participating party pursuant
 11 to this section shall be deemed to be an allocation to the
 12 participating party for purposes of subdivision (b) or Section 8 of
 13 Article XVI of the California Constitution. For purposes of
 14 computing revenue limits or revenue levels pursuant to Section
 15 42338 for any school district or pursuant to Section 2558 for any
 16 county office of education or pursuant to Section 84750 for any
 17 community college district, the revenue limit or revenue level for
 18 any fiscal year in which funds are apportioned for the district or
 19 for the county office of education pursuant to this section shall
 20 include any amounts apportioned by the Controller pursuant to
 21 paragraph (3) of subdivision (a). For ~~the~~ purposes of computing
 22 the general-purpose entitlement of a charter school pursuant to
 23 Section 47633, that entitlement shall include any amounts
 24 apportioned by the Controller pursuant to paragraph (3) of
 25 subdivision (a). *For purposes of computing the categorical block*
 26 *grant of a charter school pursuant to Section 47634.1 or 47634.2,*
 27 *that grant shall include any amounts apportioned by the Controller*
 28 *pursuant to paragraph (3) of subdivision (a).* The participating
 29 party and its creditors do not have a claim to funds apportioned or
 30 anticipated to be apportioned to the trustee by the Controller
 31 pursuant to paragraph (3) of subdivision (a).

32 *SEC. 34. Section 17199.1 of the Education Code is amended*
 33 *to read:*

34 17199.1. (a) Any participating party, exclusively for the
 35 purpose of securing financing or refinancing of projects or working
 36 capital pursuant to this chapter through the issuance, by the
 37 authority, of revenue bonds, certificates of participation, or other
 38 means, and notwithstanding any other ~~provision of law, may:~~ ~~(1)~~
 39 ~~set~~ *do any of the following:*

1 (1) *Sell* to the authority all or part of any rights to or possibilities
2 regarding the state’s share of funding for school facilities approved
3 by the State Allocation Board pursuant to Chapter 12.5
4 (commencing with Sec. 17070.10), including amounts apportioned
5 and funded and amounts approved but not yet funded by the State
6 Allocation Board from proceeds of state bonds already authorized
7 by the electors but not yet issued; ~~(2) issue.~~

8 (2) *Issue* bonds to the authority; ~~or (3) borrow.~~

9 (3) *Borrow* money or purchase or lease educational facilities
10 from the authority, and in connection ~~therewith~~ *with the borrowing,*
11 *purchase, or lease,* sell or lease property to the authority, in each
12 case at any interest rate or rates, rental provisions, with any
13 maturity date or dates or term, and with any other transfer,
14 assignment, payment, security, default, remedy, and other terms
15 or provisions as may be specified in the sale of rights agreement
16 or the bonds of the participating party or a loan, loan purchase,
17 installment sale, lease, or other agreement between the authority
18 and the participating party, subject to the following conditions:

19 (A) (i) The sum of the amount borrowed to finance *or refinance*
20 working capital and the interest payable ~~thereon~~ *on the working*
21 *capital assumed* at the initial interest rate if interest is variable,
22 shall not exceed 85 percent of the estimated amount of uncollected
23 taxes, income, revenue, cash receipts, and other funds *to be*
24 received by the participating party, which ~~will~~:

25 (I) *In the case of a school district, community college district,*
26 *or county office of education, will be available in ~~any~~ the fiscal*
27 *year ~~for~~ of the borrowing.*

28 (II) *In the case of a charter school, will be available during the*
29 *term of the loan, for the repayment of the loan and the interest*
30 *~~thereon~~ on the loan. ~~For~~*

31 (ii) For purposes of this paragraph, “revenue” includes, but is
32 not limited to, federal and state funds received by the participating
33 party.

34 (B) In computing the maximum amount that may be borrowed
35 ~~in any fiscal year~~ pursuant to subparagraph (A), the participating
36 party may exclude the amount of any principal or interest ~~which~~
37 *that* is secured by a pledge of the amount in any inactive or term
38 deposit of the participating party ~~which~~ *that* has a term scheduled
39 to terminate ~~during that fiscal year~~:

1 (i) *In the case of a school district, community college district,*
2 *or county office of education, during the fiscal year of the*
3 *borrowing.*

4 (ii) *In the case of a charter school, during the term of the loan.*

5 (C) A participating party that borrows money to finance *or*
6 *refinance* working capital pursuant to this subdivision shall be
7 required to repay and discharge the loan, including interest, within
8 15 months of the loan date.

9 (D) In enacting this chapter, it is the intent of the Legislature to
10 provide financing *or refinancing* of working capital needed to
11 cover temporary or cashflow deficits and needs for working capital
12 and not long-term budget deficits or shortfalls in funding. The
13 participating party must demonstrate to the satisfaction of the
14 authority that, during the term of any working capital loan received
15 pursuant to this chapter, the participating party will receive or
16 otherwise have (without additional borrowing) sufficient funds to
17 repay and discharge the loan. The participating party may take
18 into account all funds received by the participating party and may
19 base future projections upon historical experience or reasonable
20 expectations, or a combination ~~thereof~~ *of both*.

21 (b) Notwithstanding Sections 700, 703, and 1045 of the Civil
22 Code, the rights and possibilities that a participating party may
23 have or obtain in the future to an approved state contribution to
24 funding for school facilities pursuant to Chapter 12.5 (commencing
25 with ~~See. Section~~ *Section* 17070.10) that remains unfunded pending the
26 issuance of state bonds already authorized by the electors shall
27 constitute property for all purposes and may be transferred as
28 provided in subdivision (a). In the case of any transfer or
29 assignment of rights or possibilities relating to funds for which
30 bonds have been approved by the voters but are not yet available,
31 the transfer or assignment shall be approved by resolution of the
32 State Allocation Board ~~prior to~~ *before* becoming effective.

33 (c) Any participating party may enter into any agreement for
34 liquidity or credit enhancement, with any reimbursement, payment,
35 interest, security, default, remedy, and other terms it may deem
36 necessary or appropriate in connection with the issuance of bonds,
37 the borrowing of money, or the lease or purchase of educational
38 facilities, whichever is applicable. Any participating party or parties
39 ~~may~~ *may* also *may* do all things and execute all documents as may be
40 necessary or desirable in connection with the issuance of

1 certificates of participation, or other interests, in any bond, loan,
2 note, installment sale, lease, or other agreement of the participating
3 party.

4 (d) A school district ~~may~~, by resolution, *may* authorize any
5 county or city board of education or superintendent of schools, a
6 community college district ~~may~~, by resolution, *may* authorize the
7 Board of Governors of the California Community Colleges or the
8 Chancellor of the California Community Colleges, and a charter
9 school ~~may~~, by resolution, *may* authorize its chartering entity or
10 educational management organization, to act as its agent in the
11 performance of any of the matters permitted by this section or any
12 other provision of this chapter. Notwithstanding any other ~~provision~~
13 ~~of~~ law, the agent shall have the powers granted by the resolution
14 for purposes of this chapter. The resolution shall be deemed to
15 bind the school district, charter school, or community college
16 district, as the case may be, to any contract, agreement, instrument,
17 or other document executed by the agent on behalf of the school
18 district, charter school, or community college district, and all
19 duties, obligations, or responsibilities contained ~~therein~~ *in the*
20 *contract, agreement, instrument, or other document* on the part of
21 the school district, charter school, or community college district,
22 to the same extent as if duly authorized, executed, and delivered
23 by the school district, charter school, or community college district.

24 (e) This section shall be deemed to provide a complete,
25 additional, and alternative method for accomplishing the acts
26 authorized by this section, and the sale or transfer of any rights to
27 or possibilities regarding the state share of funding for school
28 facilities approved by the State Allocation Board, including
29 amounts apportioned and funded and amounts approved but not
30 yet funded from proceeds of state bonds already authorized by the
31 electors but not yet issued, issuance of bonds to, borrowing of
32 money from, or sale or purchase or lease of educational facilities
33 from or to, the authority. Any agreement entered into in connection
34 with the transfer of any rights to or possibilities regarding the state
35 contribution for funding for school facilities pursuant to Chapter
36 12.5 (commencing with Section 17070.10), including amounts
37 apportioned and funded and amounts approved but not yet funded
38 by the State Allocation Board from proceeds of state bonds already
39 authorized by the electors but not yet issued, or the issuance of
40 bonds, the borrowing of money, or the sale, purchase, or lease of

1 educational facilities, including, without limitation, any agreement
2 for liquidity or credit enhancement under this section, need not
3 comply with the requirements of any other law applicable to
4 issuance of bonds, borrowing, selling, purchasing, leasing, pledge,
5 encumbrance, or credit, as the case may be, by a school district,
6 charter school, or community college district, or by a county or
7 city board of education or superintendent of schools, or the Board
8 of Governors of the California Community Colleges or Chancellor
9 of the California Community Colleges, or the governing board of
10 a charter school, chartering entity, or educational management
11 organization.

12 *SEC. 35. Section 17199.3 of the Education Code is amended*
13 *to read:*

14 17199.3. (a) The total amount of revenue bonds ~~which that~~
15 may be issued and outstanding at any time for purposes of this
16 chapter, other than those revenue bonds issued under Section
17 17199.4, shall not exceed four hundred million dollars
18 (\$400,000,000).

19 (b) The total amount that may be outstanding at any time under
20 this chapter, for purposes of Section 17199.4 only, shall not exceed
21 four billion dollars (\$4,000,000,000).

22 (c) For purposes of subdivisions (a) and (b), bonds ~~which that~~
23 meet any of the following conditions shall not be deemed to be
24 outstanding:

25 (1) Bonds ~~which that~~ have been refunded pursuant to Section
26 17188.

27 (2) Bonds for which money or securities in amounts necessary
28 to pay or redeem the principal, interest, or any redemption premium
29 on the bonds have been deposited in trust.

30 (3) Bonds ~~which that~~ have been issued to ~~provide finance or~~
31 *refinance* working capital.

32 *SEC. 36. Section 17199.4 of the Education Code is amended*
33 *to read:*

34 17199.4. (a) Notwithstanding any other law, any participating
35 party, in connection with securing financing or refinancing of
36 projects, or working capital pursuant to this chapter, may elect to
37 guarantee or provide for payment of the bonds *and related*
38 *obligations* in accordance with the following conditions:

39 (1) If a participating party adopts a resolution by a majority vote
40 of its board to participate under this section, it shall provide notice

1 to the Controller of that election. The notice shall include a
2 schedule for the repayment of principal and interest on the bonds,
3 and any other costs necessary or incidental to financing pursuant
4 to this chapter, and identify a trustee appointed by the participating
5 party or the authority for purposes of this section. *If payment of*
6 *all or a portion of the principal and interest on the bond is secured*
7 *by a letter of credit or other instrument of direct payment, the*
8 *notice may provide for reimbursements to the provider of the*
9 *instrument in lieu of payment of that portion of the principal and*
10 *interest of the bonds.* The notice shall be provided not later than
11 the date of issuance of the bonds or 60 days ~~prior to~~ *before* the
12 next payment, whichever date is later. The participating party shall
13 update the notice at least annually if there is a change in the
14 required payment for any reason, including, but not limited to,
15 providing for new or increased costs necessary or incidental to the
16 financing.

17 (2) If, for any reason, the participating party will not make a
18 payment at the time the payment is required, the participating party
19 shall notify the trustee of that fact and of the amount of the
20 deficiency. If the trustee receives this notice from the participating
21 party, or does not receive any payment by the date that payment
22 becomes due, the trustee shall immediately communicate that
23 information to the Controller.

24 (3) Upon receipt of the notice required by paragraph (2), the
25 Controller shall make an apportionment to the trustee on the date
26 shown in the schedule in the amount of the deficiency for the
27 purpose of making the required payment. The Controller shall
28 make that apportionment only from moneys in Section A of the
29 State School Fund designated for apportionment to a school district
30 pursuant to Section 42238 or to the county office of education
31 pursuant to Section 2558, or in the case of a charter school,
32 pursuant to ~~Section~~ *Sections 47633, 47634.1, and 47634.2.*

33 (4) As an alternative to the procedures set forth in paragraphs
34 (2) and (3), the participating party may provide a transfer schedule
35 in its notice to the Controller of its election to participate under
36 this section. The transfer schedule shall set forth amounts to be
37 transferred to the trustee and the date for the transfers. The
38 Controller ~~shall~~, subject to the limitation in paragraph (3), *shall*
39 make apportionments to the trustee of those amounts on the
40 specified date for the purpose of making those transfers. The

1 authority may require a participating party to proceed under this
2 subdivision.

3 (b) (1) The amount apportioned for a participating party
4 pursuant to this section shall be deemed to be an allocation to the
5 participating party for purposes of subdivision (b) of Section 8 of
6 Article XVI of the California Constitution.

7 (2) For purposes of computing revenue limits pursuant to Section
8 42238 for any school district or pursuant to Section 2558 for any
9 county office of education, the revenue limit for any fiscal year in
10 which funds are apportioned for the participating party pursuant
11 to this section shall include any amounts apportioned by the
12 Controller pursuant to paragraphs (3) and (4) of subdivision (a).

13 (3) For~~the~~ purposes of computing the general-purpose
14 entitlement of a charter school pursuant to Section 47633, that
15 entitlement shall include any amounts apportioned by the Controller
16 pursuant to paragraphs (3) and (4) of subdivision (a). *For purposes*
17 *of computing the categorical block grant of a charter school*
18 *pursuant to Section 47634.1 or 47634.2, that grant shall include*
19 *any amounts apportioned by the Controller pursuant to paragraphs*
20 *(3) and (4) of subdivision (a).* The participating party and its
21 creditors do not have a claim to funds apportioned or anticipated
22 to be apportioned to the trustee by the Controller pursuant to
23 paragraph (3) and (4) of subdivision (a), or to the funds apportioned
24 to by the Controller to the trustee under any other provision of this
25 section.

26 (c) (1) Participating parties that elect to participate under this
27 section shall apply to the authority. The authority shall consider
28 each of the following priorities in making funds available:

29 (A) First priority shall be given to school districts, charter
30 schools, or county offices of education that apply for funding for
31 instructional classroom space.

32 (B) Second priority shall be given to school districts, charter
33 schools, or county offices of education that apply for funding of
34 modernization of instructional classroom space.

35 (C) Third priority shall be given to all other eligible costs, as
36 defined in Section 17173.

37 (2) The authority shall prioritize applications at appropriate
38 intervals.

39 (3) A school district electing to participate under this section
40 that has applied for revenue bond moneys for~~the~~ purposes of joint

1 venture school facilities construction projects, pursuant to Article
2 5 (commencing with Section 17060) of Chapter 12, shall not be
3 subject to the priorities set forth in paragraph (1).

4 (d) This section shall not be construed to make the State of
5 California liable for any payments within the meaning of Section
6 1 of Article XVI of the California Constitution or otherwise, except
7 as expressly provided in this section.

8 (e) A school district that has a qualified or negative certification
9 pursuant to Section 42131, or a county office of education that has
10 a qualified or negative certification pursuant to Section 1240, may
11 not participate under this section.

12 *SEC. 37. Section 17199.6 is added to the Education Code, to*
13 *read:*

14 *17199.6. The authority is delegated exclusive control over the*
15 *use and allocation of the volume cap described in Section 142(k)*
16 *of the federal Internal Revenue Code, or successor provisions of*
17 *the Internal Revenue Code. The board of the authority, by*
18 *resolution, may use the volume cap for obligations issued by the*
19 *authority or allocate the volume cap to any party.*

20 *SEC. 37.1. Section 17230 of the Education Code is amended*
21 *to read:*

22 17230. Notwithstanding the provisions of Article 4
23 (commencing with Section 17455) of Chapter 4 ~~of this part~~ and
24 in addition to the requirements placed upon school districts
25 pursuant to Section 54222 of the Government Code, the governing
26 board of ~~any~~ a school district may sell, for less than fair market
27 value, ~~any~~ a schoolsite that is deemed to be surplus property of
28 the school district *and for which a charter school has not accepted*
29 *an offer to purchase or lease pursuant to Section 17457.5, to* ~~any~~
30 *a park district, city, or county in which the school district is wholly*
31 *or partially situated for use or partial use as park or recreational*
32 *purposes or open-space purposes if the governing board of the*
33 *school district adopts a resolution specifying that it will sell or*
34 *transfer the property for less than fair market value to such an*
35 *entity for that purpose. The offer to sell shall be made in writing,*
36 *but the terms by which the property may be sold or transferred*
37 *need not be specifically provided.*

38 *SEC. 37.3. Section 17457.5 is added to the Education Code,*
39 *to read:*

1 17457.5. (a) Notwithstanding Article 8 (commencing with
2 Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of
3 the Government Code, the governing board of a school district
4 seeking to sell or lease real property designed to provide direct
5 instruction or instructional support it deems to be surplus property
6 shall first offer that property for sale or lease to any charter school
7 that has submitted a written request to the school district to be
8 notified of surplus property offered for sale or lease by the school
9 district, pursuant to the following conditions:

10 (1) The real property sold or leased shall be used by the charter
11 school exclusively to provide direct instruction or instructional
12 support, for a period of not less than five years from the date upon
13 which the real property is made available to that charter school,
14 pursuant to the sale, or, in the event of a lease, until the real
15 property is returned to the possession of the school district,
16 whichever occurs earlier.

17 (2) In the event that the charter school fails to comply with the
18 condition set forth in paragraph (1), the charter school that
19 purchased the real property is required to immediately offer that
20 real property for sale pursuant to this article and Article 5
21 (commencing with Section 17485) and to sell the property pursuant
22 to those provisions. The charter school shall comply, in that regard,
23 with all requirements under those provisions that would otherwise
24 apply to a school district, except that a sale price computed under
25 subdivision (a) of Section 17491 shall be based upon the cost of
26 acquisition incurred by the school district that sold the property
27 pursuant to this subdivision, rather than that incurred by the
28 charter school. In the event, alternatively, of a lease of real
29 property pursuant to this subdivision, the failure by the charter
30 school to comply with paragraph (1) shall constitute a breach of
31 the lease, entitling the school district to immediate possession of
32 the real property, in addition to any damages to which the school
33 district may be entitled under the lease agreement.

34 (3) The school district, and each of the entities authorized to
35 receive offers of sale pursuant to this article or Article 5
36 (commencing with Section 17485), has standing to enforce the
37 conditions set forth in this subdivision, and shall be entitled to the
38 payment of reasonable attorney's fees incurred as a prevailing
39 party in any action or proceeding brought to enforce any of those
40 conditions.

1 **(b)** A school district seeking to sell or lease real property
2 designed to provide direct instruction or instructional support it
3 deems to be surplus property shall provide a written offer to any
4 charter school that has submitted a written request to the school
5 district to be notified of surplus property offered for sale or lease
6 by the school district. A charter school desiring to purchase or
7 lease the property shall, within 60 days after a written offer is
8 received, notify the school district of its intent to purchase or lease
9 the property. In the event more than one charter school notifies
10 the school district of their intent to purchase or lease the property,
11 the governing board of the school district may determine to which
12 charter school to sell or lease the property.

13 **(c)** The price at which property described in this section is sold
14 pursuant to this section shall not exceed the school district's cost
15 of acquisition, adjusted by a factor equivalent to the percentage
16 increase or decrease in the cost of living from the date of purchase
17 to the year in which the offer of sale is made, plus the cost of any
18 school facilities construction undertaken on the property by the
19 school district since its acquisition of the land, adjusted by a factor
20 equivalent to the increase or decrease in the statewide cost index
21 for class B construction, as annually determined by the State
22 Allocation Board pursuant to Section 17072.10, from the year the
23 improvement is completed to the year in which the sale is made.
24 In the event a statewide cost index for class B construction is not
25 available, the school district shall use a factor equal to the average
26 statewide cost index for class B construction for the preceding 10
27 calendar years. In no event shall the price be less than 25 percent
28 of the fair market value of the property described in this section
29 or less than the amount necessary to retire the share of local
30 bonded indebtedness plus the amount of the original cost of the
31 approved state aid applications on the property. The percentage
32 of annual increase or decrease in the cost of living shall be the
33 amount shown for January 1 of the applicable year by the then
34 current Bureau of Labor Statistics Consumers Price Index for the
35 area in which the schoolsite is located.

36 **(d)** Land that is leased pursuant to this section shall be leased
37 at an annual rate of not more than 5 percent of the maximum sales
38 price determined pursuant to subdivision (c), adjusted annually
39 by a factor equivalent to the percentage increase or decrease in
40 the cost of living for the immediately preceding year. The

1 *percentage of annual increase or decrease in the cost of living*
 2 *shall be the amount shown for January 1 of the applicable year*
 3 *by the then current Bureau of Labor Statistics Consumers Price*
 4 *Index for the area in which the schoolsite is located.*

5 *(e) The sale or lease of the real property of a school district, as*
 6 *authorized under subdivision (a), shall not occur until the school*
 7 *district advisory committee has held hearings pursuant to*
 8 *subdivision (c) of Section 17390.*

9 *(f) This section shall only apply to real property identified by*
 10 *a school district as surplus property after July 1, 2012.*

11 *(g) This section shall become inoperative on June 30, 2013,*
 12 *and, as of January 1, 2014, is repealed, unless a later enacted*
 13 *statute, that becomes operative on or before January 1, 2014,*
 14 *deletes or extends the dates on which it becomes inoperative and*
 15 *is repealed.*

16 *SEC. 37.5. Section 17458 of the Education Code is amended*
 17 *to read:*

18 17458. (a) Notwithstanding Article 8 (commencing with
 19 Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of
 20 the Government Code, the governing board of ~~any~~ a school district
 21 complying with Section ~~101338.2~~ 101238.2 of Title 22 of the
 22 California ~~Administrative Code~~ *Code of Regulations* and seeking
 23 to sell or lease ~~any~~ real property it deems to be surplus property
 24 *and for which a charter school has not accepted an offer to*
 25 *purchase or lease pursuant to Section 17457.5, may first offer that*
 26 *property for sale or lease to ~~any~~ a contracting agency, as defined*
 27 *in Section 8208 of the Education Code, pursuant to the following*
 28 *conditions:*

29 (1) The real property sold or leased shall be used by the
 30 contracting agency, or by ~~any~~ a successor in interest to the
 31 contracting agency, exclusively for the delivery of child care and
 32 development services, as defined in Section 8208 of the ~~Education~~
 33 ~~Code~~, for a period of not less than five years from the date upon
 34 which the real property is made available to that agency, or
 35 successor in interest, pursuant to the sale, or, in the event of a lease,
 36 until the real property is returned to the possession of the school
 37 district, whichever occurs earlier.

38 (2) In the event that the contracting agency, or any successor
 39 in interest, fails to comply with the condition set forth in paragraph
 40 (1), that agency, or successor in interest, that purchased the real

1 property, is required immediately to offer that real property for
2 sale pursuant to this article and Article 5 (commencing with Section
3 17485) and to sell the property pursuant to those provisions. The
4 agency, or its successor in interest, shall comply, in that regard,
5 with all requirements under those provisions that would otherwise
6 apply to a school district, except that a sale price computed under
7 subdivision (a) of Section 17491 shall be based upon the cost of
8 acquisition incurred by the school district that sold the property
9 pursuant to this subdivision, rather than that incurred by the
10 contracting agency or its successor in interest. In the event,
11 alternatively, of a lease of real property pursuant to this subdivision,
12 the failure by the contracting agency, or any successor in interest,
13 to comply with paragraph (1) shall constitute a breach of the lease,
14 entitling the school district to immediate possession of the real
15 property, in addition to any damages to which the *school* district
16 may be entitled under the lease agreement.

17 (3) The school district, and each of the entities authorized to
18 receive offers of sale pursuant to this article or Article 5
19 (commencing with Section 17485), has standing to enforce the
20 conditions set forth in this subdivision, and shall be entitled to the
21 payment of reasonable attorneys' fees incurred as a prevailing
22 party in any action or proceeding brought to enforce any of those
23 conditions.

24 (b) No sale or lease of the real property of ~~any~~ a school district,
25 as authorized under subdivision (a), may occur until the school
26 district advisory committee has held hearings pursuant to
27 subdivision (c) of Section 17390.

28 (c) This section is in addition to, and shall not limit the
29 requirements of, Article 5 (commencing with Section 17485), but
30 this section may be ~~utilized~~ *used* with regard to property ~~which~~
31 *that* the governing board of a school district may retain under
32 Section 17490.

33 *SEC. 37.7. Section 17464 of the Education Code is amended*
34 *to read:*

35 17464. Except as provided for in Article 2 (commencing with
36 Section 17230) of Chapter 1, the sale or lease with an option to
37 purchase of real property by a school district shall be in accordance
38 with the following priorities and procedures:

1 (a) First, the *property shall be offered for sale or lease pursuant*
 2 *to Section 17457.5 to any interested charter school for purposes*
 3 *of providing direct instruction or instructional support.*

4 (b) *Second, the property shall be offered for park or recreational*
 5 *purposes pursuant to Article 8 (commencing with Section 54220)*
 6 *of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government*
 7 *Code, in any instance in which that article is applicable.*

8 ~~(b) Second;~~

9 (c) *Third, the property shall be offered for sale or lease with an*
 10 *option to purchase, at fair market value in—each both of the*
 11 *following ways:*

12 (1) In writing, to the Director of General Services, the Regents
 13 of the University of California, the Trustees of the California State
 14 University, the county and city in which the property is situated,
 15 to any public housing authority in the county in which the property
 16 is situated, and to any entity referenced in paragraph (2) that has
 17 submitted a written request to the school district to be directly
 18 notified of the offer for sale or lease with an option to purchase
 19 the real property by the *school* district.

20 (2) By public notice to any public district, public authority,
 21 public agency, public corporation, or any other political subdivision
 22 in this state, to the federal government, and to nonprofit charitable
 23 corporations existing on December 31, 1979, and organized
 24 pursuant to Part 3 (commencing with Section 10200) of Division
 25 2 of Title 1 of the Corporations Code then in effect or organized
 26 on or after January 1, 1980, as a public benefit corporation under
 27 Part 2 (commencing with Section 5110) of Division 2 of Title 1
 28 of the Corporations Code. Public notice shall consist of at least
 29 publishing its intention to dispose of the real property in a
 30 newspaper of general circulation within the *school* district, or if
 31 there is no newspaper of general circulation in the *school* district,
 32 then in any newspaper of general circulation that is regularly
 33 circulated in the *school* district. The notice shall specify that the
 34 property is being made available to all public districts, public
 35 authorities, public agencies, and other political subdivisions or
 36 public corporations in this state, and to other nonprofit charitable
 37 or nonprofit public benefit corporations.

38 **Publication**

39 (d) *Publication* of notice pursuant to this section shall be once
 40 each week for three successive weeks. Three publications in a

1 newspaper regularly published once a week or more often, with
2 at least five days intervening between the respective publication
3 dates not counting the publication dates, are sufficient. The written
4 notice required by paragraph (1) of subdivision (c) shall be mailed
5 no later than the date of the second published notice.

6 ~~The~~

7 (e) *The* entity desiring to purchase or lease the property shall,
8 within 60 days after the third publication of notice, notify the
9 school district of its intent to purchase or lease the property. If the
10 entity desiring to purchase or lease the property and the *school*
11 district are unable to arrive at a mutually satisfactory price or lease
12 payment during the 60-day period, the property may be disposed
13 of as otherwise provided in this section. In the event the *school*
14 district receives offers from more than one entity pursuant to this
15 subdivision, the school district governing board may determine
16 which of these offers to accept.

17 ~~(e) Third,~~

18 (f) *Fourth*, the property may be disposed of in any other manner
19 authorized by law.

20 ~~This~~

21 (g) *This* section shall become operative January 1, 1988.

22 *SEC. 37.9. Section 17489 of the Education Code is amended*
23 *to read:*

24 17489. (a) Notwithstanding Section 54222 of the Government
25 Code, the governing board of a *school district*, ~~prior to before~~
26 selling or leasing ~~any~~ a schoolsite containing land described in
27 Section 17486, excluding that portion of a schoolsite retained by
28 the governing board of the *school district* pursuant to Section
29 17490, shall, *if a charter school has not accepted an offer to*
30 *purchase or lease the schoolsite pursuant to Section 17457.5*, first
31 offer to sell or lease that portion of the schoolsite consisting of
32 land described in Section 17486, excluding that portion retained
33 by the governing board of the *school district* pursuant to Section
34 17490, to the following public agencies in accordance with the
35 following priorities:

36 ~~(a)~~

37 (1) First, to any city within which the land may be situated.

38 ~~(b)~~

39 (2) Second, to any park or recreation district within which the
40 land may be situated.

1 ~~(e)~~
2 (3) Third, to any regional park authority having jurisdiction
3 within the area in which the land is situated.

4 ~~(d)~~
5 (4) Fourth, to any county within which the land may be situated.

6 ~~The~~
7 (b) *The governing board of the school district shall have*
8 *discretion to determine whether the offer shall be an offer to sell*
9 *or an offer to lease.*

10 ~~An~~
11 (c) *An entity which proposes to purchase or lease a schoolsite*
12 *offered by a school district shall notify the school district of its*
13 *intention, in writing, within 60 days after receiving written*
14 *notification from the school district of its offer to sell or lease.*

15 *SEC. 38. Section 17592.71 of the Education Code is amended*
16 *to read:*

17 17592.71. (a) There is hereby established in the State Treasury
18 the School Facilities Emergency Repair Account. The State
19 Allocation Board shall administer the account.

20 (b) (1) Commencing with the 2005–06 fiscal year, an amount
21 of moneys shall be transferred in the annual Budget Act from the
22 Proposition 98 Reversion Account to the School Facilities
23 Emergency Repair Account, equaling 50 percent of the
24 unappropriated balance of the Proposition 98 Reversion Account
25 or one hundred million dollars (\$100,000,000), whichever amount
26 is greater. Moneys transferred pursuant to this subdivision shall
27 be used for the purpose of addressing emergency facilities needs
28 pursuant to Section 17592.72.

29 (2) Notwithstanding paragraph (1), for the 2008–09 fiscal year,
30 the amount of money to be transferred from the Proposition 98
31 Reversion Account to the School Facilities Emergency Repair
32 Account pursuant to paragraph (1) shall not exceed one hundred
33 one million dollars (\$101,000,000).

34 (3) Notwithstanding paragraph (1), for the 2009–10 fiscal year,
35 the amount of money to be transferred from the Proposition 98
36 Reversion Account to the School Facilities Emergency Repair
37 Account pursuant to paragraph (1) shall be zero.

38 (4) Notwithstanding paragraph (1), for the 2010–11 fiscal year,
39 the amount of money to be transferred from the Proposition 98

1 Reversion Account to the School Facilities Emergency Repair
2 Account pursuant to paragraph (1) shall be zero.

3 (5) Notwithstanding paragraph (1), for the 2011–12 fiscal year,
4 the amount of money to be transferred from the Proposition 98
5 Reversion Account to the School Facilities Emergency Repair
6 Account pursuant to paragraph (1) shall be zero.

7 (6) *Notwithstanding paragraph (1), for the 2012–13 fiscal year,*
8 *the amount of money to be transferred from the Proposition 98*
9 *Reversion Account to the School Facilities Emergency Repair*
10 *Account pursuant to paragraph (1) shall be zero.*

11 (c) The Legislature may transfer to the School Facilities
12 Emergency Repair Account other one-time Proposition 98 funds,
13 except funds specified pursuant to Section 41207, as repealed and
14 added by Section 6 of Chapter 216 of the Statutes of 2004.
15 Donations by private entities shall be deposited in the account and,
16 for tax purposes, be treated as otherwise provided by law.

17 (d) Funds shall be transferred pursuant to this section until a
18 total of eight hundred million dollars (\$800,000,000) has been
19 disbursed from the School Facilities Emergency Repair Account.

20 *SEC. 39. Section 22138.5 of the Education Code is amended*
21 *to read:*

22 22138.5. (a) “Full time” means the days or hours of creditable
23 service the employer requires to be performed by a class of
24 employees in a school year in order to earn the compensation
25 earnable as defined in Section 22115 and specified under the terms
26 of a collective bargaining agreement or employment agreement.
27 For the purpose of crediting service under this part, “full time”
28 may not be less than the minimum standard specified in this
29 section. Each collective bargaining agreement or employment
30 agreement that applies to a member subject to the minimum
31 standard specified in paragraph (5) of subdivision (c) shall specify
32 the number of hours of creditable service that equal “full time”
33 pursuant to this section, and shall make specific reference to this
34 section.

35 (b) The minimum standard for full time in prekindergarten
36 through grade 12 is as follows:

37 (1) One hundred seventy-five days per year or 1,050 hours per
38 year, except as provided in paragraphs (2) and (3).

39 (2) (A) One hundred ninety days per year or 1,520 hours per
40 year for all principals and program managers, including advisers,

1 coordinators, consultants, and developers or planners of curricula,
2 instructional materials, or programs, and for administrators, except
3 as provided in subparagraph (B).

4 (B) Two hundred fifteen days per year or 1,720 hours per year
5 including school and legal holidays pursuant to the policy adopted
6 by the employer's governing board for administrators at a county
7 office of education.

8 (3) One thousand fifty hours per year for teachers in adult
9 education programs.

10 (4) *Notwithstanding any other provision of this subdivision, if*
11 *a school district, county office of education, or charter school*
12 *reduces the number of days of instruction pursuant to Section*
13 *46201.4 for the 2012–13 or 2013–14 fiscal years, the minimum*
14 *standard for full time specified in paragraph (1) shall be reduced*
15 *to the number of days of instruction provided by that school district,*
16 *county office of education, or charter school and the number of*
17 *hours of instruction equal to the number of days of instruction*
18 *times six. The minimum standard for full time specified in*
19 *paragraphs (2) and (3) for that school district, county office of*
20 *education, or charter school shall be reduced by the same*
21 *percentage of days and hours the standard specified in paragraph*
22 *(1) was reduced pursuant to this paragraph.*

23 (c) The minimum standard for full time in community colleges
24 is as follows:

25 (1) One hundred seventy-five days per year or 1,050 hours per
26 year, except as provided in paragraphs (2), (3), (4), (5), and (6).
27 Full time includes time for duties the employer requires to be
28 performed as part of the full-time assignment for a particular class
29 of employees.

30 (2) One hundred ninety days per year or 1,520 hours per year
31 for all program managers and for administrators, except as provided
32 in paragraph (3).

33 (3) Two hundred fifteen days per year or 1,720 hours per year
34 including school and legal holidays pursuant to the policy adopted
35 by the employer's governing board for administrators at a district
36 office.

37 (4) One hundred seventy-five days per year or 1,050 hours per
38 year for all counselors and librarians.

39 (5) Five hundred twenty-five instructional hours per school year
40 for all instructors employed on a part-time basis, except instructors

1 specified in paragraph (6). If an instructor receives compensation
2 for office hours pursuant to Article 10 (commencing with Section
3 87880) of Chapter 3 of Part 51 of *Division 7 of Title 3*, the
4 minimum standard shall be increased appropriately by the number
5 of office hours required annually for the class of employees.

6 (6) Eight hundred seventy-five instructional hours per school
7 year for all instructors employed in adult education programs. If
8 an instructor receives compensation for office hours pursuant to
9 Article 10 (commencing with Section 87880) of Chapter 3 of Part
10 51 of *Division 7 of Title 3*, the minimum standard shall be increased
11 appropriately by the number of office hours required annually for
12 the class of employees.

13 (d) The board has final authority to determine full time for
14 purposes of crediting service under this part if full time is not
15 otherwise specified in this section.

16 *SEC. 40. Section 41202 of the Education Code is amended to*
17 *read:*

18 41202. The words and phrases set forth in subdivision (b) of
19 Section 8 of Article XVI of the Constitution of the State of
20 California shall have the following meanings:

21 (a) “Moneys to be applied by the State,” as used in subdivision
22 (b) of Section 8 of Article XVI of the California Constitution,
23 means appropriations from the General Fund that are made for
24 allocation to school districts, as defined, or community college
25 districts. An appropriation that is withheld, impounded, or made
26 without provisions for its allocation to school districts or
27 community college districts, shall not be considered to be “moneys
28 to be applied by the State.”

29 (b) “General Fund revenues which may be appropriated pursuant
30 to Article XIII B,” as used in paragraph (1) of subdivision (b) of
31 Section 8 of Article XVI, means General Fund revenues that are
32 the proceeds of taxes as defined by subdivision (c) of Section 8 of
33 Article XIII B of the California Constitution, including, for the
34 1986–87 fiscal year only, any revenues that are determined to be
35 in excess of the appropriations limit established pursuant to Article
36 XIII B for the fiscal year in which they are received. General Fund
37 revenues for a fiscal year to which paragraph (1) of subdivision
38 (b) is being applied shall include, in that computation, only General
39 Fund revenues for that fiscal year that are the proceeds of taxes,
40 as defined in subdivision (c) of Section 8 of Article XIII B of the

1 California Constitution, and shall not include prior fiscal year
2 revenues. Commencing with the 1995–96 fiscal year, and each
3 fiscal year thereafter, “General Fund revenues that are the proceeds
4 of taxes,” as defined in subdivision (c) of Section 8 of Article
5 XIII B of the California Constitution, includes any portion of the
6 proceeds of taxes received from the state sales tax that are
7 transferred to the counties pursuant to, and only if, legislation is
8 enacted during the 1995–96 fiscal year the purpose of which is to
9 realign children’s programs. The amount of the proceeds of taxes
10 shall be computed for any fiscal year in a manner consistent with
11 the manner in which the amount of the proceeds of taxes was
12 computed by the Department of Finance for purposes of the
13 Governor’s Budget for the Budget Act of 1986.

14 (c) “General Fund revenues appropriated for school districts,”
15 as used in paragraph (1) of subdivision (b) of Section 8 of Article
16 XVI of the California Constitution, means the sum of
17 appropriations made that are for allocation to school districts, as
18 defined in Section 41302.5, regardless of whether those
19 appropriations were made from the General Fund to the
20 Superintendent, to the Controller, or to any other fund or state
21 agency for the purpose of allocation to school districts. The full
22 amount of any appropriation shall be included in the calculation
23 of the percentage required by paragraph (1) of subdivision (b) of
24 Article XVI, without regard to any unexpended balance of any
25 appropriation. Any reappropriation of funds appropriated in any
26 prior year shall not be included in the sum of appropriations.

27 (d) “General Fund revenues appropriated for community college
28 districts,” as used in paragraph (1) of subdivision (b) of Section 8
29 of Article XVI of the California Constitution, means the sum of
30 appropriations made that are for allocation to community college
31 districts, regardless of whether those appropriations were made
32 from the General Fund to the Controller, to the Chancellor of the
33 California Community Colleges, or to any other fund or state
34 agency for the purpose of allocation to community college districts.
35 The full amount of any appropriation shall be included in the
36 calculation of the percentage required by paragraph (1) of
37 subdivision (b) of Article XVI, without regard to any unexpended
38 balance of any appropriation. Any reappropriation of funds
39 appropriated in any prior year shall not be included in the sum of
40 appropriations.

1 (e) “Total allocations to school districts and community college
2 districts from General Fund proceeds of taxes appropriated pursuant
3 to Article XIII B,” as used in paragraph (2) or (3) of subdivision
4 (b) of Section 8 of Article XVI of the California Constitution,
5 means the sum of appropriations made that are for allocation to
6 school districts, as defined in Section 41302.5, and community
7 college districts, regardless of whether those appropriations were
8 made from the General Fund to the Controller, to the
9 Superintendent, to the Chancellor of the California Community
10 Colleges, or to any other fund or state agency for the purpose of
11 allocation to school districts and community college districts. The
12 full amount of any appropriation shall be included in the calculation
13 of the percentage required by paragraph (2) or (3) of subdivision
14 (b) of Section 8 of Article XVI, without regard to any unexpended
15 balance of any appropriation. Any reappropriation of funds
16 appropriated in any prior year shall not be included in the sum of
17 appropriations.

18 (f) “General Fund revenues appropriated for school districts
19 and community college districts, respectively” and “moneys to be
20 applied by the state for the support of school districts and
21 community college districts,” as used in Section 8 of Article XVI
22 of the California Constitution, shall include funds appropriated for
23 part-day California state preschool programs under Article 7
24 (commencing with Section 8235) of Chapter 2 of Part 6 of Division
25 1 of Title 1, and the After School Education and Safety Program
26 established pursuant to Article 22.5 (commencing with Section
27 8482) of Chapter 2 of Part 6 of Division 1 of Title 1, and shall not
28 include any of the following:

29 (1) Any appropriation that is not made for allocation to a school
30 district, as defined in Section 41302.5, or to a community college
31 district, regardless of whether the appropriation is made for any
32 purpose that may be considered to be for the benefit to a school
33 district, as defined in Section 41302.5, or a community college
34 district. This paragraph shall not be construed to exclude any
35 funding appropriated for part-day California state preschool
36 programs under Article 7 (commencing with Section 8235) of
37 Chapter 2 of Part 6 of Division 1 of Title 1 or the After School
38 Education and Safety Program established pursuant to Article 22.5
39 (commencing with Section 8482) of Chapter 2 of Part 6 of Division
40 1 of Title 1.

1 (2) Any appropriation made to the Teachers' Retirement Fund
2 or to the Public Employees' Retirement Fund except those
3 appropriations for reimbursable state mandates imposed on or
4 before January 1, 1988.

5 (3) Any appropriation made to service any public debt approved
6 by the voters of this state.

7 (4) With the exception of the programs identified in paragraph
8 (1), commencing with the 2011–12 fiscal year, any funds
9 appropriated for the Child Care and Development Services Act,
10 pursuant to Chapter 2 (commencing with Section 8200) of Part 6
11 of Division 1 of Title 1.

12 (g) "Allocated local proceeds of taxes," as used in paragraph
13 (2) or (3) of subdivision (b) of Section 8 of Article XVI of the
14 California Constitution, means, for school districts as defined,
15 those local revenues, except revenues identified pursuant to
16 paragraph (5) of subdivision (h) of Section 42238, that are used
17 to offset state aid for school districts in calculations performed
18 pursuant to Sections 2558, 42238, and Chapter 7.2 (commencing
19 with Section 56836) of Part 30.

20 (h) "Allocated local proceeds of taxes," as used in paragraph
21 (2) or (3) of subdivision (b) of Section 8 of Article XVI of the
22 California Constitution, means, for community college districts,
23 those local revenues that are used to offset state aid for community
24 college districts in calculations performed pursuant to Section
25 84700. In no event shall the revenues or receipts derived from
26 student fees be considered "allocated local proceeds of taxes."

27 (i) For purposes of calculating the 4-percent entitlement pursuant
28 to subdivision (a) of Section 8.5 of Article XVI of the California
29 Constitution, "the total amount required pursuant to Section 8(b)"
30 shall mean the General Fund aid required for schools pursuant to
31 subdivision (b) of Section 8 of Article XVI of the California
32 Constitution, and shall not include allocated local proceeds of
33 taxes.

34 (j) This section shall become ~~operative on July 1, 2011.~~
35 *inoperative on December 15, 2012, and, as of January 1, 2013, is*
36 *repealed, only if the Schools and Local Public Safety Protection*
37 *Act of 2012 (Attorney General reference number 12-0009) is not*
38 *approved by the voters at the November 6, 2012, statewide general*
39 *election, or if the provisions of that act that modify personal income*
40 *tax rates do not become operative due to a conflict with another*

1 initiative measure that is approved at the same election and
2 receives a greater number of affirmative votes.

3 SEC. 41. Section 41202 is added to the Education Code, to
4 read:

5 41202. The words and phrases set forth in subdivision (b) of
6 Section 8 of Article XVI of the Constitution of the State of
7 California shall have the following meanings:

8 (a) “Moneys to be applied by the State,” as used in subdivision
9 (b) of Section 8 of Article XVI of the California Constitution, means
10 appropriations from the General Fund that are made for allocation
11 to school districts, as defined, or community college districts. An
12 appropriation that is withheld, impounded, or made without
13 provisions for its allocation to school districts or community
14 college districts, shall not be considered to be “moneys to be
15 applied by the State.”

16 (b) “General Fund revenues which may be appropriated
17 pursuant to Article XIII B,” as used in paragraph (1) of subdivision
18 (b) of Section 8 of Article XVI, means General Fund revenues that
19 are the proceeds of taxes as defined by subdivision (c) of Section
20 8 of Article XIII B of the California Constitution, including, for
21 the 1986–87 fiscal year only, any revenues that are determined to
22 be in excess of the appropriations limit established pursuant to
23 Article XIII B for the fiscal year in which they are received. General
24 Fund revenues for a fiscal year to which paragraph (1) of
25 subdivision (b) is being applied shall include, in that computation,
26 only General Fund revenues for that fiscal year that are the
27 proceeds of taxes, as defined in subdivision (c) of Section 8 of
28 Article XIII B of the California Constitution, and shall not include
29 prior fiscal year revenues. Commencing with the 1995–96 fiscal
30 year, and each fiscal year thereafter, “General Fund revenues
31 that are the proceeds of taxes,” as defined in subdivision (c) of
32 Section 8 of Article XIII B of the California Constitution, includes
33 any portion of the proceeds of taxes received from the state sales
34 tax that are transferred to the counties pursuant to, and only if,
35 legislation is enacted during the 1995–96 fiscal year the purpose
36 of which is to realign children’s programs. The amount of the
37 proceeds of taxes shall be computed for any fiscal year in a manner
38 consistent with the manner in which the amount of the proceeds
39 of taxes was computed by the Department of Finance for purposes
40 of the Governor’s Budget for the Budget Act of 1986.

1 (c) “General Fund revenues appropriated for school districts,”
2 as used in paragraph (1) of subdivision (b) of Section 8 of Article
3 XVI of the California Constitution, means the sum of
4 appropriations made that are for allocation to school districts, as
5 defined in Section 41302.5, regardless of whether those
6 appropriations were made from the General Fund to the
7 Superintendent, to the Controller, or to any other fund or state
8 agency for the purpose of allocation to school districts. The full
9 amount of any appropriation shall be included in the calculation
10 of the percentage required by paragraph (1) of subdivision (b) of
11 Article XVI, without regard to any unexpended balance of any
12 appropriation. Any reappropriation of funds appropriated in any
13 prior year shall not be included in the sum of appropriations.

14 (d) “General Fund revenues appropriated for community college
15 districts,” as used in paragraph (1) of subdivision (b) of Section
16 8 of Article XVI of the California Constitution, means the sum of
17 appropriations made that are for allocation to community college
18 districts, regardless of whether those appropriations were made
19 from the General Fund to the Controller, to the Chancellor of the
20 California Community Colleges, or to any other fund or state
21 agency for the purpose of allocation to community college districts.
22 The full amount of any appropriation shall be included in the
23 calculation of the percentage required by paragraph (1) of
24 subdivision (b) of Article XVI, without regard to any unexpended
25 balance of any appropriation. Any reappropriation of funds
26 appropriated in any prior year shall not be included in the sum of
27 appropriations.

28 (e) “Total allocations to school districts and community college
29 districts from General Fund proceeds of taxes appropriated
30 pursuant to Article XIII B,” as used in paragraph (2) or (3) of
31 subdivision (b) of Section 8 of Article XVI of the California
32 Constitution, means the sum of appropriations made that are for
33 allocation to school districts, as defined in Section 41302.5, and
34 community college districts, regardless of whether those
35 appropriations were made from the General Fund to the
36 Controller, to the Superintendent, to the Chancellor of the
37 California Community Colleges, or to any other fund or state
38 agency for the purpose of allocation to school districts and
39 community college districts. The full amount of any appropriation
40 shall be included in the calculation of the percentage required by

1 paragraph (2) or (3) of subdivision (b) of Section 8 of Article XVI,
2 without regard to any unexpended balance of any appropriation.
3 Any reappropriation of funds appropriated in any prior year shall
4 not be included in the sum of appropriations.

5 (f) “General Fund revenues appropriated for school districts
6 and community college districts, respectively” and “moneys to be
7 applied by the state for the support of school districts and
8 community college districts,” as used in Section 8 of Article XVI
9 of the California Constitution, shall include funds appropriated
10 for part-day California state preschool programs under Article 7
11 (commencing with Section 8235) of Chapter 2 of Part 6 of Division
12 1 of Title 1, the After School Education and Safety Program
13 established pursuant to Article 22.5 (commencing with Section
14 8482) of Chapter 2 of Part 6 of Division 1 of Title 1, the California
15 Early Intervention Services Act established pursuant to Title 14
16 (commencing with Section 95000) of the Government Code, and
17 any appropriation made to service general obligation bond debt
18 on behalf of school districts, county offices of education, charter
19 schools, and community college districts, and shall not include
20 any of the following:

21 (1) Any appropriation that is not made for allocation to a school
22 district, as defined in Section 41302.5, or to a community college
23 district, regardless of whether the appropriation is made for any
24 purpose that may be considered to be for the benefit to a school
25 district, as defined in Section 41302.5, or a community college
26 district. This paragraph shall not be construed to exclude any
27 funding appropriated for part-day California state preschool
28 programs under Article 7 (commencing with Section 8235) of
29 Chapter 2 of Part 6 of Division 1 of Title 1, the After School
30 Education and Safety Program established pursuant to Article
31 22.5 (commencing with Section 8482) of Chapter 2 of Part 6 of
32 Division 1 of Title 1, the California Early Intervention Services
33 Act established pursuant to Title 14 (commencing with Section
34 95000) of the Government Code, or any appropriation made to
35 service general obligation bond debt on behalf of school districts,
36 county offices of education, charter schools, and community college
37 districts.

38 (2) Any appropriation made to the Teachers’ Retirement Fund
39 or to the Public Employees’ Retirement Fund except those

1 *appropriations for reimbursable state mandates imposed on or*
2 *before January 1, 1988.*

3 *(3) With the exception of the programs identified in paragraph*
4 *(1), commencing with the 2011–12 fiscal year, any funds*
5 *appropriated for the Child Care and Development Services Act,*
6 *pursuant to Chapter 2 (commencing with Section 8200) of Part 6*
7 *of Division 1 of Title 1.*

8 *(g) “Allocated local proceeds of taxes,” as used in paragraph*
9 *(2) or (3) of subdivision (b) of Section 8 of Article XVI of the*
10 *California Constitution, means, for school districts as defined,*
11 *those local revenues, except revenues identified pursuant to*
12 *paragraph (5) of subdivision (h) of Section 42238, that are used*
13 *to offset state aid for school districts in calculations performed*
14 *pursuant to Sections 2558, 42238, and Chapter 7.2 (commencing*
15 *with Section 56836) of Part 30 of Division 4.*

16 *(h) “Allocated local proceeds of taxes,” as used in paragraph*
17 *(2) or (3) of subdivision (b) of Section 8 of Article XVI of the*
18 *California Constitution, means, for community college districts,*
19 *those local revenues that are used to offset state aid for community*
20 *college districts in calculations performed pursuant to former*
21 *Section 84700. In no event shall the revenues or receipts derived*
22 *from student fees be considered “allocated local proceeds of*
23 *taxes.”*

24 *(i) For purposes of calculating the 4-percent entitlement*
25 *pursuant to subdivision (a) of Section 8.5 of Article XVI of the*
26 *California Constitution, “the total amount required pursuant to*
27 *Section 8(b)” shall mean the General Fund aid required for schools*
28 *pursuant to subdivision (b) of Section 8 of Article XVI of the*
29 *California Constitution, and shall not include allocated local*
30 *proceeds of taxes.*

31 *(j) This section shall not become operative until December 15,*
32 *2012, and shall become operative only if the Schools and Local*
33 *Public Safety Protection Act of 2012 (Attorney General reference*
34 *number 12-0009) is not approved by the voters at the November*
35 *6, 2012, statewide general election, or if the provisions of that act*
36 *that modify personal income tax rates do not become operative*
37 *due to a conflict with another initiative measure that is approved*
38 *at the same election and receives a greater number of affirmative*
39 *votes. If the Schools and Local Public Safety Protection Act of*
40 *2012 (Attorney General reference number 12-0009) is approved*

1 *by the voters at the November 6, 2012, statewide general election,*
2 *and all of the provisions of that act that modify personal income*
3 *tax rates become operative, this section shall not become operative*
4 *and shall be repealed on January 1, 2013.*

5 *SEC. 42. Section 41203.1 of the Education Code is amended*
6 *to read:*

7 41203.1. (a) For the 1990–91 fiscal year and each fiscal year
8 thereafter, allocations calculated pursuant to Section 41203 shall
9 be distributed in accordance with calculations provided in this
10 section. Notwithstanding Section 41203, and for the purposes of
11 this section, school districts, community college districts, and direct
12 elementary and secondary level instructional services provided by
13 the State of California shall be regarded as separate segments of
14 public education, and each of these three segments of public
15 education shall be entitled to receive respective shares of the
16 amount calculated pursuant to Section 41203 as though the
17 calculation made pursuant to subdivision (b) of Section 8 of Article
18 XVI of the California Constitution were to be applied separately
19 to each segment and the base year for the purposes of this
20 calculation under paragraph (1) of subdivision (b) of Section 8 of
21 Article XVI of the California Constitution were based on the
22 1989–90 fiscal year. Calculations made pursuant to this subdivision
23 shall be made so that each segment of public education is entitled
24 to the greater of the amounts calculated for that segment pursuant
25 to paragraph (1) or (2) of subdivision (b) of Section 8 of Article
26 XVI of the California Constitution.

27 (b) If the single calculation made pursuant to Section 41203
28 yields a guaranteed amount of funding that is less than the sum of
29 the amounts calculated pursuant to subdivision (a), the amount
30 calculated pursuant to Section 41203 shall be prorated for the three
31 segments of public education.

32 (c) Notwithstanding any other law, this section does not apply
33 to the 1992–93 to ~~2011–12~~ 2012–13 fiscal years, inclusive.

34 *SEC. 43. Section 41204.2 of the Education Code is repealed.*

35 ~~41204.2. The Director of Finance shall adjust “the percentage~~
36 ~~of General Fund revenues appropriated for school districts and~~
37 ~~community college districts, respectively, in fiscal year 1986–87”~~
38 ~~for purposes of applying paragraph (1) of subdivision (b) of Section~~
39 ~~8 of Article XVI of the California Constitution in a manner that~~
40 ~~ensures that the shift in General Fund revenues, pursuant to~~

1 Sections ~~6051.8, 6201.8, 6357.7, and 7361.1~~, subdivision (b) of
 2 Section ~~7360~~, and subdivision (b) of Section ~~60050~~ of the Revenue
 3 and Taxation Code, as those provisions were enacted in the
 4 ~~2009–10 Eighth Extraordinary Session and 2009–10 Regular~~
 5 ~~Session~~, and reenacted in the ~~2011–12 Regular Session~~, shall have
 6 ~~no net fiscal impact upon the amounts that are otherwise required~~
 7 ~~to be applied by the state for the support of school districts and~~
 8 ~~community college districts pursuant to Section 8 of Article XVI~~
 9 ~~of the California Constitution.~~

10 *SEC. 44. Section 41204.3 of the Education Code is repealed.*
 11 ~~41204.3. (a) Notwithstanding any other law, for the 2011–12~~
 12 ~~fiscal year, the Director of Finance shall adjust “the percentage of~~
 13 ~~General Fund revenues appropriated for school districts and~~
 14 ~~community college districts, respectively, in fiscal year 1986–87”~~
 15 ~~for purposes of making the calculations required under paragraph~~
 16 ~~(1) of subdivision (b) of Section 8 of Article XVI of the California~~
 17 ~~Constitution in a manner that ensures that the shift to school~~
 18 ~~districts and community college districts of local property tax~~
 19 ~~revenues pursuant to subdivision (a) of Section 34183 of the Health~~
 20 ~~and Safety Code has no net fiscal impact upon the combined~~
 21 ~~amount of General Fund proceeds of taxes and allocated local~~
 22 ~~proceeds of taxes that are otherwise required to be applied by the~~
 23 ~~state for the support of school districts and community college~~
 24 ~~districts pursuant to Section 8 of Article XVI of the California~~
 25 ~~Constitution.~~

26 (b) ~~For purposes of Section 8 of Article XVI of the California~~
 27 ~~Constitution, the property tax revenues transferred to school~~
 28 ~~districts, county offices of education, and community college~~
 29 ~~districts pursuant to subdivision (a) of Section 34183 of the Health~~
 30 ~~and Safety Code shall constitute “allocated local proceeds of taxes.”~~

31 (c) ~~For the 2012–13 fiscal year, and for each fiscal year~~
 32 ~~thereafter, the adjustments provided in this section shall not be~~
 33 ~~made.~~

34 *SEC. 45. Section 41207.6 is added to the Education Code, to*
 35 *read:*

36 *41207.6. If the Superintendent and the Director of Finance*
 37 *jointly determine that, for the 2011–12 fiscal year, the state has*
 38 *applied moneys for the support of school districts and community*
 39 *college districts in an amount that exceeds the minimum amount*
 40 *required for the 2011–12 fiscal year pursuant to Section 8 of*

1 Article XVI of the California Constitution, the excess, up to six
2 hundred seventy-one million eight hundred thirty thousand dollars
3 (\$671,830,000), shall be deemed, as of June 30, 2012, a payment
4 of the fiscal settlement agreed to by the parties in California
5 Teachers Association, et al. v. Arnold Schwarzenegger (Case
6 Number 05CS01165 of the Superior Court for the County of
7 Sacramento) and Chapter 213 of the Statutes of 2004 for the
8 2004–05 and 2005–06 fiscal years, as determined in subdivision
9 (a) or (b) of Section 41207.1.

10 SEC. 46. Section 41366.6 is added to the Education Code, to
11 read:

12 41366.6. (a) The department shall monitor the adequacy of
13 the amount of funds in the Charter School Revolving Loan Fund
14 and report annually to the Department of Finance and the
15 Controller on the need, if any, to transfer funds from the Charter
16 School Security Fund to the Charter School Revolving Loan Fund
17 for the sole purpose of replacing funds lost in the Charter School
18 Revolving Loan Fund due to loan defaults. Before requesting any
19 transfer of funds from the Charter School Security Fund, the
20 department shall make all reasonable efforts to recover funds
21 directly from the defaulting loan recipient. To the extent that the
22 department determines that a transfer from the Charter School
23 Security Fund to the Charter School Revolving Loan Fund is
24 necessary, the department shall obtain approval from the Director
25 of Finance before a transfer of funds is made. Not sooner than 30
26 days after notification in writing to the Chairperson of the Joint
27 Legislative Budget Committee, the Director of Finance shall direct
28 the Controller to transfer the appropriate amount of funds.

29 (b) By October 1 of each year, the department shall provide
30 detailed fund condition information for the Charter School
31 Revolving Loan Fund and the Charter School Security Fund to
32 the Department of Finance and the Legislative Analyst's Office.
33 At a minimum, this information shall contain an accounting of
34 actual beginning balances, revenues, itemized expenditures, and
35 ending balances for the prior year, as well as projected beginning
36 balances, revenues, itemized expenditures, and ending balances
37 for the current year and budget year.

38 SEC. 47. Section 42238 of the Education Code is amended to
39 read:

1 42238. (a) For the 1984–85 fiscal year and each fiscal year
 2 thereafter, the county superintendent of schools shall determine a
 3 revenue limit for each school district in the county pursuant to this
 4 section.

5 (b) The base revenue limit for a fiscal year shall be determined
 6 by adding to the base revenue limit for the prior fiscal year the
 7 following amounts:

8 (1) The inflation adjustment specified in Section 42238.1.

9 (2) For the 1995–96 fiscal year, the equalization adjustment
 10 specified in Section 42238.4.

11 (3) For the 1996–97 fiscal year, the equalization adjustments
 12 specified in Sections 42238.41, 42238.42, and 42238.43.

13 (4) For the 1985–86 fiscal year, the amount per unit of average
 14 daily attendance received in the 1984–85 fiscal year pursuant to
 15 Section 42238.7.

16 (5) For the 1985–86, 1986–87, and 1987–88 fiscal years, the
 17 amount per unit of average daily attendance received in the prior
 18 fiscal year pursuant to Section 42238.8.

19 (6) For the 2004–05 fiscal year, the equalization adjustment
 20 specified in Section 42238.44.

21 (7) For the 2006–07 fiscal year, the equalization adjustment
 22 specified in Section 42238.48.

23 (8) For the 2011–12 fiscal year, the equalization adjustment
 24 specified in Section 42238.49.

25 (c) (1) (A) For the 2010–11 fiscal year, the Superintendent
 26 shall compute an add-on for each school district by adding the
 27 inflation adjustment specified in Section 42238.1 to the adjustment
 28 specified in Section 42238.485.

29 (B) For the 2011–12 fiscal year and each fiscal year thereafter,
 30 the Superintendent shall compute an add-on for each school district
 31 by adding the inflation adjustment specified in Section 42238.1 to
 32 the amount computed pursuant to this paragraph for the prior fiscal
 33 year.

34 (2) Commencing with the 2010–11 fiscal year, the
 35 Superintendent shall compute an add-on for each school district
 36 by dividing each school district’s fiscal year average daily
 37 attendance computed pursuant to Section 42238.5 by the total
 38 adjustments in funding for each district made for the 2007–08
 39 fiscal year pursuant to Section 42238.22 as it read on January 1,
 40 2009.

1 (d) The sum of the base revenue limit computed pursuant to
2 subdivision (b) and the add-on computed pursuant to subdivision
3 (c) shall be multiplied by the district average daily attendance
4 computed pursuant to Section 42238.5.

5 (e) For districts electing to compute units of average daily
6 attendance pursuant to paragraph (2) of subdivision (a) of Section
7 42238.5, the amount computed pursuant to Article 4 (commencing
8 with Section 42280) shall be added to the amount computed in
9 subdivision (c) or (d), as appropriate.

10 (f) For the 1984–85 fiscal year only, the county superintendent
11 shall reduce the total revenue limit computed in this section by the
12 amount of the decreased employer contributions to the Public
13 Employees’ Retirement System resulting from enactment of
14 Chapter 330 of the Statutes of 1982, offset by any increase in those
15 contributions, as of the 1983–84 fiscal year, resulting from
16 subsequent changes in employer contribution rates.

17 (g) The reduction required by subdivision (f) shall be calculated
18 as follows:

19 (1) Determine the amount of employer contributions that would
20 have been made in the 1983–84 fiscal year if the applicable Public
21 Employees’ Retirement System employer contribution rate in effect
22 immediately ~~prior to~~ *before* the enactment of Chapter 330 of the
23 Statutes of 1982 was in effect during the 1983–84 fiscal year.

24 (2) Subtract from the amount determined in paragraph (1) the
25 greater of subparagraph (A) or (B):

26 (A) The amount of employer contributions that would have been
27 made in the 1983–84 fiscal year if the applicable Public
28 Employees’ Retirement System employer contribution rate in effect
29 immediately after the enactment of Chapter 330 of the Statutes of
30 1982 was in effect during the 1983–84 fiscal year.

31 (B) The actual amount of employer contributions made to the
32 Public Employees’ Retirement System in the 1983–84 fiscal year.

33 (3) For purposes of this subdivision, employer contributions to
34 the Public Employees’ Retirement System for either of the
35 following shall be excluded from the calculation specified above:

36 (A) Positions supported totally by federal funds that were subject
37 to supplanting restrictions.

38 (B) Positions supported, to the extent of employer contributions
39 not exceeding twenty-five thousand dollars (\$25,000) by a single
40 educational agency, from a revenue source determined on the basis

1 of equity to be properly excludable from the provisions of this
2 subdivision by the Superintendent with the approval of the Director
3 of Finance.

4 (4) For accounting purposes, the reduction made by this
5 subdivision may be reflected as an expenditure from appropriate
6 sources of revenue as directed by the Superintendent.

7 (h) The Superintendent shall apportion to each school district
8 the amount determined in this section less the sum of:

9 (1) The district's property tax revenue received pursuant to
10 Chapter 3.5 (commencing with Section 75) and Chapter 6
11 (commencing with Section 95) of Part 0.5 of Division 1 of the
12 Revenue and Taxation Code.

13 (2) The amount, if any, received pursuant to Part 18.5
14 (commencing with Section 38101) of Division 2 of the Revenue
15 and Taxation Code.

16 (3) The amount, if any, received pursuant to Chapter 3
17 (commencing with Section 16140) of Part 1 of Division 4 of Title
18 2 of the Government Code.

19 (4) Prior years' taxes and taxes on the unsecured roll.

20 (5) Fifty percent of the amount received pursuant to Section
21 41603.

22 (6) (A) The amount, if any, received pursuant to the Community
23 Redevelopment Law (Part 1 (commencing with Section 33000)
24 of Division 24 of the Health and Safety Code), except for any
25 amount received pursuant to Section 33401 or 33676 of the Health
26 and Safety Code that is used for land acquisition, facility
27 construction, reconstruction, or remodeling, or deferred
28 maintenance, except for any amount received pursuant to Section
29 33492.15 of, paragraph (4) of subdivision (a) of Section 33607.5
30 of, or Section 33607.7 of, the Health and Safety Code that is
31 allocated exclusively for educational facilities.

32 (B) *The amount, if any, received pursuant to Sections 34177,*
33 *34179.5, 34179.6, and 34188 of the Health and Safety Code.*

34 (C) *The amount, if any, received pursuant to subparagraph (B)*
35 *of paragraph (3) of subdivision (e) of Section 36 of Article XIII of*
36 *the California Constitution.*

37 (7) For a unified school district, other than a unified school
38 district that has converted all of its schools to charter status
39 pursuant to Section 47606, the amount of statewide average
40 general-purpose funding per unit of average daily attendance

1 received by school districts for each of four grade level ranges, as
2 computed by the department pursuant to Section 47633, multiplied
3 by the average daily attendance, in corresponding grade level
4 ranges, of any pupils who attend charter schools funded pursuant
5 to Chapter 6 (commencing with Section 47630) of Part 26.8 of
6 Division 4 for which the *school* district is the sponsoring local
7 educational agency, as defined in Section 47632, and who reside
8 in and would otherwise have been eligible to attend a noncharter
9 school of the *school* district.

10 (i) A transfer of pupils of grades 7 and 8 between an elementary
11 school district and a high school district shall not result in the
12 receiving *school* district receiving a revenue limit apportionment
13 for those pupils that exceeds 105 percent of the statewide average
14 revenue limit for the type and size of the receiving school district.

15 *SEC. 48. Section 42238.146 of the Education Code, as amended*
16 *by Section 2 of Chapter 2 of the Statutes of 2012, is amended to*
17 *read:*

18 42238.146. (a) (1) For the 2003–04 fiscal year, the revenue
19 limit for each school district determined pursuant to this article
20 shall be reduced by a 1.198 percent deficit factor.

21 (2) For the 2004–05 fiscal year, the revenue limit for each school
22 district determined pursuant to this article shall be reduced by a
23 0.323 percent deficit factor.

24 (3) For the 2003–04 and 2004–05 fiscal years, the revenue limit
25 for each school district determined pursuant to this article shall be
26 further reduced by a 1.826 percent deficit factor.

27 (4) For the 2005–06 fiscal year, the revenue limit for each school
28 district determined pursuant to this article shall be reduced by a
29 0.892 percent deficit factor.

30 (5) For the 2008–09 fiscal year, the revenue limit for each school
31 district determined pursuant to this article shall be reduced by a
32 7.844 percent deficit factor.

33 (6) For the 2009–10 fiscal year, the revenue limit for each school
34 district determined pursuant to this article shall be reduced by a
35 18.355 percent deficit factor.

36 (7) For the 2010–11 fiscal year, the revenue limit for each school
37 district determined pursuant to this article shall be reduced by a
38 17.963 percent deficit factor.

1 (8) For the 2011–12 fiscal year, the revenue limit for each school
2 district determined pursuant to this article shall be reduced by a
3 20.404 percent deficit factor.

4 (9) *For the 2012–13 fiscal year, the revenue limit for each*
5 *school district determined pursuant to this article shall be reduced*
6 *by a 22.272 percent deficit factor.*

7 (b) In computing the revenue limit for each school district for
8 the 2006–07 fiscal year pursuant to this article, the revenue limit
9 shall be determined as if the revenue limit for that school district
10 had been determined for the 2003–04, 2004–05, and 2005–06 fiscal
11 years without being reduced by the deficit factors specified in
12 subdivision (a).

13 (c) In computing the revenue limit for each school district for
14 the 2010–11 fiscal year pursuant to this article, the revenue limit
15 shall be determined as if the revenue limit for that school district
16 had been determined for the 2009–10 fiscal year without being
17 reduced by the deficit factors specified in subdivision (a).

18 (d) In computing the revenue limit for each school district for
19 the 2011–12 fiscal year pursuant to this article, the revenue limit
20 shall be determined as if the revenue limit for that school district
21 had been determined for the 2010–11 fiscal year without being
22 reduced by the deficit factors specified in subdivision (a).

23 (e) In computing the revenue limit for each school district for
24 the 2012–13 fiscal year pursuant to this article, the revenue limit
25 shall be determined as if the revenue limit for that school district
26 had been determined for the 2011–12 fiscal year without being
27 reduced by the deficit factors specified in subdivision (a).

28 (f) *In computing the revenue limit for each school district for*
29 *the 2013–14 fiscal year pursuant to this article, the revenue limit*
30 *shall be determined as if the revenue limit for that school district*
31 *had been determined for the 2012–13 fiscal year without being*
32 *reduced by the deficit factors specified in subdivision (a).*

33 *SEC. 49. Section 42238.15 of the Education Code is amended*
34 *to read:*

35 42238.15. (a) Notwithstanding any other ~~provision~~ of law,
36 and in lieu of any inflation or cost-of-living adjustment otherwise
37 authorized for any of the programs enumerated in subdivision (b),
38 state funding for the programs enumerated in subdivision (b) shall
39 be increased annually by the product of the following:

1 (1) The sum of 1.0 plus the percentage change determined under
2 subdivision (b) of Section 42238.1.

3 (2) The sum of 1.0 plus the percentage of increase, from the
4 prior fiscal year to the current fiscal year, in each of the workload
5 factors described in subdivision (b).

6 (b) The programs for which annual state funding increases are
7 determined under this section, and the factors used to measure
8 workload for each of those programs, are as follows:

9 (1) Special education programs and services, as measured by
10 the regular second principal apportionment average daily
11 attendance for kindergarten and grades 1 to 12, inclusive.

12 (2) Child care and development programs, and preschool
13 programs, as measured by the state population of children up to
14 and including four years of age.

15 (3) Instructional materials for kindergarten and grades 1 to 8,
16 inclusive, as measured by enrollment in kindergarten and grades
17 1 to 8, inclusive.

18 (4) Instructional materials for grades 9 to 12, inclusive, as
19 measured by enrollment in those grades.

20 (5) Regional occupational programs and centers, as measured
21 by enrollment in grades 11 and 12.

22 (6) School improvement programs in kindergarten and grades
23 1 to 6, inclusive, as measured by enrollment in kindergarten and
24 grades 1 to 6, inclusive.

25 (7) School improvement programs in grades 7 to 12, inclusive,
26 as measured by enrollment in those grades.

27 (8) Economic impact aid, as measured by the number of children
28 of ages 5 to 17 years, inclusive, from families that receive Aid to
29 Families with Dependent Children and the number of pupils of
30 limited English proficiency, as identified pursuant to Section
31 52163.

32 (9) Staff development programs, as measured by enrollment in
33 kindergarten and grades 1 to 12, inclusive.

34 (10) Gifted and talented education programs, as measured by
35 enrollment in kindergarten and grades 1 to 12, inclusive.

36 (c) *Notwithstanding any other law, child care and development*
37 *programs shall not receive a cost-of-living adjustment in the*
38 *2012–13, 2013–14, and 2014–15 fiscal years.*

39 *SEC. 50. Section 42620.1 is added to the Education Code, to*
40 *read:*

1 42620.1. (a) Whenever a charter school of a county or city
 2 and county does not have sufficient money to its credit, before the
 3 charter school receives its state, county, city and county, or district
 4 funds, to meet current expenses of maintenance, the board of
 5 supervisors of the county or city and county may order, and the
 6 auditor and treasurer of the county or city and county shall make,
 7 a temporary transfer from any funds of the county or city and
 8 county not immediately needed to pay claims against them to the
 9 charter school of the amount needed, not exceeding 85 percent of
 10 the amount of money that will accrue to the charter school during
 11 the fiscal year. Upon the making of a transfer, the auditor shall
 12 immediately notify the superintendent of schools of the county or
 13 city and county of the amount transferred. The board of supervisors
 14 may order temporary transfers of funds to charter schools only
 15 after ensuring that all transfer requests for school districts and
 16 county offices of education have been satisfied pursuant to Section
 17 42620.

18 (b) The funds transferred under this section to the credit of a
 19 charter school shall be retransferred by the auditor and treasurer
 20 to the fund from which they were taken from the first moneys
 21 accruing to the charter school and before any other obligation of
 22 the charter school is paid from the money accruing.

23 SEC. 51. Section 42621 of the Education Code is amended to
 24 read:

25 42621. The county superintendent of schools of each county,
 26 with the approval of the ~~County Board of Education~~ county board
 27 of education, may make temporary transfers to ~~any~~ a school district
 28 ~~which~~ or charter school that does not have sufficient money to its
 29 credit to meet current operating expenses from the county school
 30 service fund, in ~~such~~ amounts and at ~~such~~ times ~~as he~~ that the
 31 county superintendent of schools deems necessary. ~~Such~~ These
 32 transfers shall not exceed 85 percent of the amount of money
 33 accruing to the school district or charter school at the time of
 34 transfer. The amounts so transferred shall be repaid to the county
 35 school service fund ~~prior to~~ before June 30 of the current year from
 36 any funds subsequently received by the school district or charter
 37 school.

38 SEC. 52. Section 42622 of the Education Code is amended to
 39 read:

1 42622. The county superintendent of schools, with the approval
2 of the county board of education, may make an apportionment to
3 a school district *or charter school* from the county school service
4 fund conditional upon the repayment to the fund during the next
5 succeeding fiscal year of the amount apportioned to the *school*
6 *district or charter school* and ~~shall~~, during the next succeeding
7 fiscal year, *shall* transfer the amount of ~~such~~ *the* apportionment
8 from the general fund of the *school district or charter school* to
9 the county school service fund.

10 SEC. 53. *Section 46201.4 is added to the Education Code, to*
11 *read:*

12 46201.4. (a) *Notwithstanding Section 46201.2, for the 2012–13*
13 *and 2013–14 school years, a school district, county office of*
14 *education, or charter school may provide an instructional year of*
15 *not less than 160 days or the equivalent number of instructional*
16 *minutes without incurring the penalties set forth in Sections 41420,*
17 *46200, 46200.5, 46201, 46201.5, 46202, and 47612.5.*

18 (b) *Implementation of the reduction in the number of*
19 *instructional days or instructional minutes authorized pursuant*
20 *to subdivision (a) by a school district, county office of education,*
21 *or charter school that is subject to collective bargaining pursuant*
22 *to Chapter 10.7 (commencing with Section 3540) of Division 4 of*
23 *Title 1 of the Government Code shall be achieved through the*
24 *bargaining process.*

25 (c) (1) *For the 2012–13 fiscal year, the revenue limit for each*
26 *school district, county office of education, and charter school*
27 *determined pursuant to Article 3 (commencing with Section 2550)*
28 *of Chapter 12 of Part 2 of Division 1 of Title 1, Article 2*
29 *(commencing with Section 42238) of Chapter 7 of Part 24 of*
30 *Division 3, or Article 2 (commencing with Section 47633) of*
31 *Chapter 6 of Part 26.8 shall be reduced by a combined total of*
32 *two billion seven hundred forty million three hundred seventy-seven*
33 *thousand dollars (\$2,740,377,000) in addition to the reduction in*
34 *revenue limit funding set forth in Sections 2558 and 42238.*

35 (2) *To achieve the reduction required pursuant to paragraph*
36 *(1), the Superintendent shall adjust the amount of categorical*
37 *funding allocated to basic aid school districts in the 2012–13 fiscal*
38 *year. For purposes of this subdivision, “basic aid school district”*
39 *means a school district that does not receive from the state, for*

1 *the 2012–13 fiscal year, an apportionment of state funds pursuant*
2 *to subdivision (h) of Section 42238.*

3 *(d) (1) This section shall become operative on December 15,*
4 *2012, only if the Schools and Local Public Safety Protection Act*
5 *of 2012 (Attorney General reference number 12-0009) is not*
6 *approved by the voters at the November 6, 2012, statewide general*
7 *election, or if the provisions of that act that modify personal income*
8 *tax rates do not become operative due to a conflict with another*
9 *initiative measure that is approved at the same election and*
10 *receives a greater number of affirmative votes. If the Schools and*
11 *Local Public Safety Protection Act of 2012 (Attorney General*
12 *reference number 12-0009) is approved by the voters at the*
13 *November 6, 2012, statewide general election, and all of the*
14 *provisions of that act that modify personal income taxes become*
15 *operative, this section shall not become operative and shall be*
16 *repealed on January 1, 2013.*

17 *(2) If this section becomes operative pursuant to paragraph (1),*
18 *it shall become inoperative on July 1, 2015, and, as of January 1,*
19 *2016, is repealed, unless a later enacted statute, that becomes*
20 *operative on or before January 1, 2016, deletes or extends the*
21 *dates on which it becomes inoperative and is repealed.*

22 *SEC. 54. Section 47603 of the Education Code is amended to*
23 *read:*

24 *47603. (a) This part shall not be construed to prohibit any*
25 *private person or organization from providing funding or other*
26 *assistance to the establishment or operation of a charter school.*

27 *(b) (1) A charter school may contract with a county*
28 *superintendent of schools or a county board of education for*
29 *purposes of borrowing moneys pursuant to subdivision (f) of*
30 *Section 1042.*

31 *(2) Moneys borrowed pursuant to subdivision (f) of Section*
32 *1042 shall be expended by a charter school solely for purposes of*
33 *meeting the cash management needs of the charter school due to*
34 *the deferral of apportionment payments pursuant to Sections*
35 *14041.5, 14041.6, 14041.65, and 14041.7 and pursuant to Sections*
36 *16325, 16325.5, and 16326 of the Government Code and shall not*
37 *be used for purposes of making capital acquisitions.*

38 *(c) This section shall become inoperative on July 1, 2017, and,*
39 *as of January 1, 2018, is repealed, unless a later enacted statute,*

1 *that becomes operative on or before January 1, 2018, deletes or*
2 *extends the dates on which it becomes inoperative and is repealed.*

3 *SEC. 55. Section 47603 is added to the Education Code, to*
4 *read:*

5 *47603. (a) This part shall not be construed to prohibit any*
6 *private person or organization from providing funding or other*
7 *assistance to the establishment or operation of a charter school.*

8 *(b) This section shall become operative on July 1, 2017.*

9 *SEC. 56. Section 47633 of the Education Code is amended to*
10 *read:*

11 *47633. The Superintendent of Public Instruction shall annually*
12 *compute a general-purpose entitlement, funded from a combination*
13 *of state aid and local funds, for each charter school as follows:*

14 *(a) The ~~superintendent~~ Superintendent shall annually compute*
15 *the statewide average amount of general-purpose funding per unit*
16 *of average daily attendance received by school districts for each*
17 *of four grade level ranges: kindergarten and grades 1, 2, and 3;*
18 *grades 4, 5, and 6; grades 7 and 8; and, grades 9 to 12, inclusive.*
19 *For purposes of making these computations, both of the following*
20 *conditions shall apply:*

21 *(1) Revenue limit funding attributable to pupils in kindergarten*
22 *and grades 1 to 5, inclusive, shall equal the statewide average*
23 *revenue limit funding per unit of average daily attendance received*
24 *by elementary school districts; revenue limit funding attributable*
25 *to pupils in grades 6, 7, and 8, shall equal the statewide average*
26 *revenue limit funding per unit of average daily attendance received*
27 *by unified school districts; and revenue limit funding attributable*
28 *to pupils in grades 9 to 12, inclusive, shall equal the statewide*
29 *average revenue limit funding per unit of average daily attendance*
30 *received by high school districts.*

31 *(2) Revenue limit funding received by school districts shall*
32 *exclude the value of any benefit attributable to the presence of*
33 *necessary small schools or necessary small high schools within*
34 *the school district.*

35 *(b) The ~~superintendent~~ Superintendent shall multiply each of*
36 *the four amounts computed in subdivision (a) by the charter*
37 *school's average daily attendance in the corresponding grade level*
38 *ranges. The resulting figure shall be the amount of the charter*
39 *school's general-purpose entitlement, which shall be funded*
40 *through a combination of state aid and local funds. From funds*

1 appropriated for this purpose pursuant to Section 14002, the
2 superintendent shall apportion to each charter school this amount,
3 less local funds allocated to the charter school pursuant to Section
4 47635 and any amount received pursuant to subparagraph (B) of
5 paragraph (3) of subdivision (e) of Section 36 of Article XIII of
6 the California Constitution.

7 (c) General-purpose entitlement funding may be used for any
8 public school purpose determined by the governing body of the
9 charter school.

10 SEC. 57. Section 52055.770 of the Education Code is amended
11 to read:

12 52055.770. (a) School districts and chartering authorities shall
13 receive funding at the following rate, on behalf of funded schools:

14 (1) For kindergarten and grades 1 to 3, inclusive, five hundred
15 dollars (\$500) per enrolled pupil in funded schools.

16 (2) For grades 4 to 8, inclusive, nine hundred dollars (\$900) per
17 enrolled pupil in funded schools.

18 (3) For grades 9 to 12, inclusive, one thousand dollars (\$1,000)
19 per enrolled pupil in funded schools.

20 (b) For purposes of subdivision (a), enrollment of a pupil in a
21 funded school in the prior fiscal year shall be based on data from
22 the CBEDS. For the 2007–08 fiscal year, the funded rates shall be
23 reduced to reflect the percentage difference in the total amounts
24 appropriated for purposes of this section in that year compared to
25 the amounts appropriated for purposes of this section in the
26 2008–09 fiscal year.

27 (c) The following amounts are hereby appropriated from the
28 General Fund for the purposes set forth in subdivision-(f) (g):

29 (1) For the 2007–08 fiscal year, three hundred million dollars
30 (\$300,000,000), to be allocated as follows:

31 (A) Thirty-two million dollars (\$32,000,000) for transfer by the
32 Controller to Section B of the State School Fund for allocation by
33 the Chancellor of the California Community Colleges to
34 community colleges for the purpose of providing funding to the
35 community colleges to improve and expand career technical
36 education in public secondary education and lower division public
37 higher education pursuant to Section 88532, including the hiring
38 of additional faculty to expand the number of career technical
39 education programs and course offerings.

1 (B) Two hundred sixty-eight million dollars (\$268,000,000) for
2 transfer by the Controller to Section A of the State School Fund
3 for allocation by the Superintendent pursuant to this article.

4 (2) For each of the 2008–09, ~~and 2011–12–to,~~ and 2014–15
5 fiscal years, ~~inclusive,~~ four hundred fifty million dollars
6 (\$450,000,000) per fiscal year, to be allocated as follows:

7 (A) Forty-eight million dollars (\$48,000,000) for transfer by
8 the Controller to Section B of the State School Fund for allocation
9 by the Chancellor of the California Community Colleges to
10 community colleges as required under subdivision (e) *for the*
11 *2008–09 fiscal year, and under subdivision (f) for the 2011–12*
12 *and 2014–15 fiscal years.*

13 (B) Four hundred two million dollars (\$402,000,000) for transfer
14 by the Controller to Section A of the State School Fund for
15 allocation by the Superintendent pursuant to this article.

16 (3) For the 2009–10 fiscal year, thirty million dollars
17 (\$30,000,000), to be allocated for transfer by the Controller to
18 Section B of the State School Fund for allocation by the Chancellor
19 of the California Community Colleges to community colleges as
20 required under subdivision (e).

21 (4) For the 2010–11 fiscal year, four hundred twenty million
22 dollars (\$420,000,000), to be allocated as follows:

23 (A) Eighteen million dollars (\$18,000,000) for transfer by the
24 Controller to Section B of the State School Fund for allocation by
25 the Chancellor of the California Community Colleges to
26 community colleges as required under subdivision (e).

27 (B) Four hundred two million dollars (\$402,000,000) for transfer
28 by the Controller to Section A of the State School Fund for
29 allocation by the Superintendent pursuant to this article.

30 ~~(C)~~

31 (5) Commencing with the 2010–11 fiscal year, payments made
32 pursuant to ~~subparagraphs (A) and (B)~~ *this subdivision* shall be
33 made only on or after October 8 of each fiscal year.

34 (d) For the ~~2013–14~~ 2014–15 fiscal year, the amounts
35 appropriated under subdivision (c) shall be adjusted to reflect the
36 total fiscal settlement agreed to by the parties in California
37 Teachers Association, et al. v. Arnold Schwarzenegger (Case
38 Number 05CS01165 of the Superior Court for the County of
39 Sacramento) and the sum of all fiscal years of funding provided
40 ~~to fund this article pursuant to this section and Section 41207.6~~

1 shall not exceed the total funds agreed to by those parties. This
2 annual appropriation shall continue to be made until the Director
3 of Finance reports to the Legislature, along with all proposed
4 adjustments to the Governor's Budget pursuant to Section 13308
5 of the Government Code, that the sum of appropriations made and
6 allocated pursuant to subdivision (c) equals the total outstanding
7 balance of the minimum state educational funding obligation to
8 school districts and community college districts required by Section
9 8 of Article XVI of the California Constitution and Chapter 213
10 of the Statutes of 2004 for the 2004–05 and 2005–06 fiscal years,
11 as determined in subdivision (a) or (b) of Section 41207.1.

12 (e) The sum transferred under subparagraph (A) of paragraph
13 (2) of subdivision (c) for the 2008–09 fiscal year shall be allocated
14 by the Chancellor of the California Community Colleges as
15 follows:

16 (1) Thirty-eight million dollars (\$38,000,000) to the community
17 colleges for the purpose of providing funding to the community
18 colleges to improve and expand career technical education in public
19 secondary education and lower division public higher education
20 pursuant to Section 88532, including the hiring of additional faculty
21 to expand the number of career technical education programs and
22 course offerings.

23 (2) Ten million dollars (\$10,000,000) to the community colleges
24 for the purpose of providing one-time block grants to community
25 college districts to be used for one-time items of expenditure,
26 including, but not limited to, the following purposes:

27 (A) Physical plant, scheduled maintenance, deferred
28 maintenance, and special repairs.

29 (B) Instructional materials and support.

30 (C) Instructional equipment, including equipment related to
31 career technical education, with priority for nursing program
32 equipment.

33 (D) Library materials.

34 (E) Technology infrastructure.

35 (F) Hazardous substances abatement, cleanup, and repair.

36 (G) Architectural barrier removal.

37 (H) State-mandated local programs.

38 (3) The Chancellor of the California Community Colleges shall
39 allocate the amount allocated pursuant to paragraph (2) to
40 community college districts on an equal amount per actual full-time

1 equivalent student (FTES) reported for the prior fiscal year, except
2 that each community college district shall be allocated an amount
3 not less than fifty thousand dollars (\$50,000), and the equal amount
4 per unit of FTES shall be computed accordingly.

5 (4) Funds allocated under paragraph (2) shall supplement and
6 not supplant existing expenditures and may not be counted as the
7 *community college* district contribution for physical plant projects
8 and instructional material purchases funded in Item 6870-101-0001
9 of Section 2.00 of the annual Budget Act.

10 (f) For each ~~fiscal year, commencing with~~ of the 2011–12 *and*
11 2014–15 ~~fiscal year, inclusive years,~~ the sum transferred pursuant
12 to subparagraph (A) of paragraph (2) of subdivision (c) shall be
13 allocated by the Chancellor of the California Community Colleges
14 ~~as follows: Forty-eight million dollars (\$48,000,000) to the~~
15 ~~community colleges for the purpose of providing funding to the~~
16 ~~community colleges to improve and expand~~ *improving and*
17 *expanding* career technical education in public secondary education
18 and lower division public higher education pursuant to Section
19 88532, including the hiring of additional faculty to expand the
20 number of career technical education programs and course
21 offerings.

22 (g) The appropriations made under subdivision (c) *and the*
23 *amount specified in Section 41207.6* are for the purpose of
24 discharging in full the minimum state educational funding
25 obligation to school districts and community college districts
26 pursuant to Section 8 of Article XVI of the California Constitution
27 and Chapter 213 of the Statutes of 2004 for the 2004–05 fiscal
28 year, and the outstanding maintenance factor for the 2005–06 fiscal
29 year resulting from this additional payment of the Chapter 213
30 amount for the 2004–05 fiscal year.

31 (h) For ~~the~~ purposes of making the computations required by
32 Section 8 of Article XVI of the California Constitution, including
33 computation of the state’s minimum funding obligation to school
34 districts and community college districts in subsequent fiscal years,
35 the first one billion six hundred twenty million nine hundred
36 twenty-eight thousand dollars (\$1,620,928,000) in appropriations
37 made pursuant to subdivision (c) *and the amount specified in*
38 *Section 41207.6* shall be deemed to be “General Fund revenues
39 appropriated for school districts,” as defined in subdivision (c) of
40 Section 41202 and “General Fund Revenues appropriated for

1 community college districts,” as defined in subdivision (d) of
2 Section 41202, for the 2004–05 fiscal year and included within
3 the “total allocations to school districts and community college
4 districts from General Fund proceeds of taxes appropriated pursuant
5 to Article XIII B,” as defined in subdivision (e) of Section 41202,
6 for that fiscal year. The remaining appropriations made pursuant
7 to subdivision (c) *and the amount specified in Section 41207.6*
8 shall be deemed to be “General Fund revenues appropriated for
9 school districts,” as defined in subdivision (c) of Section 41202
10 and “General Fund revenues appropriated for community college
11 districts,” as defined in subdivision (d) of Section 41202, for the
12 2005–06 fiscal year and included within the “total allocations to
13 school districts and community college districts from General Fund
14 proceeds of taxes appropriated pursuant to Article XIII B,” as
15 defined in subdivision (e) of Section 41202, for that fiscal year.

16 (i) From funds appropriated under subdivision (c), the
17 Superintendent shall provide both of the following:

18 (1) Not more than two million dollars (\$2,000,000) annually to
19 county superintendents of schools to carry out the requirements
20 of this article, allocated in a manner similar to that created to carry
21 out the new duties of those superintendents under the settlement
22 agreement in the case of *Williams v. California* (Super. Ct. San
23 Francisco, No. CGC-00-312236).

24 (2) Five million dollars (\$5,000,000) in the 2007–08 fiscal year
25 to support regional assistance under Section 52055.730. It is the
26 intent of the Legislature that the Superintendent and the president
27 of the state board or his or her designee, along with county offices
28 of education, seek foundational and other financial support to
29 sustain and expand these services. Funds provided under this
30 paragraph that are not expended in the 2007–08 fiscal year shall
31 be reappropriated for use in subsequent fiscal years for the same
32 purpose.

33 (j) Notwithstanding any other ~~provision~~ of law, funds
34 appropriated under subdivision (c) but not allocated to schools
35 with kindergarten or grades 1 to 12, inclusive, in a fiscal year, due
36 to program termination in any year or otherwise, shall be ~~available~~
37 ~~for reappropriation only~~ *reappropriated* in furtherance of the
38 purposes of this article. First priority for those amounts shall be
39 to provide cost-of-living increases and enrollment growth
40 adjustments to funded schools.

1 (k) The sum of three hundred fifty thousand dollars (\$350,000)
2 is hereby appropriated from the General Fund to the ~~State~~
3 ~~Department of Education~~ department to fund 3.0 positions to
4 implement this article. Funding provided under this subdivision
5 is not part of funds provided pursuant to subdivision (c).

6 SEC. 58. Section 52055.780 is added to the Education Code,
7 to read:

8 52055.780. (a) School districts and chartering authorities
9 shall receive funding at the following rate, on behalf of funded
10 schools:

11 (1) For kindergarten and grades 1 to 3, inclusive, five hundred
12 dollars (\$500) per enrolled pupil in funded schools.

13 (2) For grades 4 to 8, inclusive, nine hundred dollars (\$900)
14 per enrolled pupil in funded schools.

15 (3) For grades 9 to 12, inclusive, one thousand dollars (\$1,000)
16 per enrolled pupil in funded schools.

17 (b) For purposes of subdivision (a), enrollment of a pupil in a
18 funded school in the prior fiscal year shall be based on data from
19 the CBEDS.

20 (c) For the 2012–13 fiscal year, three hundred sixty-one million
21 dollars (\$361,000,000) is hereby appropriated from the General
22 Fund to be allocated as follows:

23 (1) Forty-eight million dollars (\$48,000,000) for transfer by
24 the Controller to Section B of the State School Fund for allocation
25 by the Chancellor of the California Community Colleges to
26 community colleges as required under subdivision (d).

27 (2) Three hundred thirteen million dollars (\$313,000,000) for
28 transfer by the Controller to Section A of the State School Fund
29 for allocation by the Superintendent pursuant to this article.

30 (3) Payments made pursuant to this subdivision shall be made
31 only on or after October 8 of the 2012–13 fiscal year.

32 (d) The sum transferred pursuant to paragraph (1) of subdivision
33 (c) shall be allocated by the Chancellor of the California
34 Community Colleges to the community colleges for the purpose
35 of improving and expanding career technical education in public
36 secondary education and lower division public higher education
37 pursuant to Section 88532, including the hiring of additional
38 faculty to expand the number of career technical education
39 programs and course offerings.

1 (e) For the 2013–14 fiscal year, two hundred eighteen million
2 three hundred twenty-two thousand dollars (\$218,322,000) is
3 hereby appropriated from the General Fund to be allocated as
4 follows:

5 (1) Forty-eight million dollars (\$48,000,000) for transfer by
6 the Controller to Section B of the State School Fund for allocation
7 by the Chancellor of the California Community Colleges to
8 community colleges as required under subdivision (d).

9 (2) One hundred seventy million three hundred twenty-two
10 thousand dollars (\$170,322,000) for transfer by the Controller to
11 Section A of the State School Fund for allocation by the
12 Superintendent pursuant to this article.

13 (f) From funds appropriated under subdivision (c), the
14 Superintendent shall provide not more than two million dollars
15 (\$2,000,000) to county superintendents of schools to carry out the
16 requirements of this article, allocated in a manner similar to that
17 created to carry out the new duties of those superintendents under
18 the settlement agreement in the case of *Williams v. California*
19 (*Super. Ct. San Francisco, No. CGC–00–312236*).

20 (g) For purposes of making the computations required by
21 Section 8 of Article XVI of the California Constitution, including
22 computation of the state’s minimum funding obligation to school
23 districts and community college districts in subsequent fiscal years,
24 the appropriations made pursuant to subdivisions (c) and (e) shall
25 be deemed to be “General Fund revenues appropriated for school
26 districts,” as defined in subdivision (c) of Section 41202 and
27 “General Fund revenues appropriated for community college
28 districts,” as defined in subdivision (d) of Section 41202, for the
29 2012–13 fiscal year and included within the “total allocations to
30 school districts and community college districts from General
31 Fund proceeds of taxes appropriated pursuant to Article XIII B,”
32 as defined in subdivision (e) of Section 41202, for that fiscal year.

33 SEC. 59. Section 56471 of the Education Code is amended to
34 read:

35 56471. (a) The program shall be administered by the State
36 Department of Education.

37 (b) The department shall establish an advisory committee. This
38 committee will include representatives from local workability
39 projects to ensure ongoing communications.

1 (c) ~~The superintendent~~ *Superintendent* shall develop criteria for
2 awarding grants, funding, and evaluating ~~of~~ workability projects.

3 (d) *Eligible applicants shall include local educational agencies,*
4 *including school districts, county offices of education, state special*
5 *schools, and charter schools, and nonpublic, nonsectarian schools,*
6 *as defined in Section 56034.*

7 ~~(d)~~

8 (e) Workability project applications shall include, but are not
9 limited to, the following elements:

10 (1) recruitment, (2) assessment, (3) counseling, (4) preemployment
11 skills training, (5) vocational training, (6) student wages for try-out
12 employment, (7) placement in unsubsidized employment, (8) other
13 assistance with transition to a quality adult life, and (9) utilization
14 of an interdisciplinary advisory committee to enhance project
15 goals.

16 *SEC. 60. Section 69432 of the Education Code is amended to*
17 *read:*

18 69432. (a) Cal Grant Program awards shall be known as “Cal
19 Grant A Entitlement Awards,” “Cal Grant B Entitlement Awards,”
20 “California Community College Transfer Entitlement Awards,”
21 “Competitive Cal Grant A and B Awards,” “Cal Grant C Awards,”
22 and “Cal Grant T Awards.”

23 (b) Maximum award amounts for students at independent
24 institutions and for Cal Grant C and T awards shall be identified
25 in the annual Budget Act. Maximum award amounts for Cal Grant
26 A and B awards for students attending public institutions shall be
27 referenced in the annual Budget Act.

28 (c) (1) *Notwithstanding subdivision (b), and subdivision (c) of*
29 *Section 66021.2, commencing with the 2013–14 award year, the*
30 *maximum tuition award amounts for Cal Grant A and B awards*
31 *for students attending private for-profit and nonprofit*
32 *postsecondary educational institutions shall be as follows:*

33 (A) *Four thousand dollars (\$4,000) for new recipients attending*
34 *private for-profit postsecondary educational institutions.*

35 (B) *For the 2013–14 award year, nine thousand eighty-four*
36 *dollars (\$9,084) for new recipients attending private nonprofit*
37 *postsecondary educational institutions. For the 2014–15 award*
38 *year and each award year thereafter, eight thousand fifty-six*
39 *dollars (\$8,056) for new recipients attending private nonprofit*
40 *postsecondary educational institutions.*

1 (2) *The renewal award amount for a student whose initial award*
2 *is subject to a maximum award amount specified in this subdivision*
3 *shall be calculated pursuant to paragraph (2) of subdivision (a)*
4 *of Section 69433.*

5 (3) *Notwithstanding subparagraph (A) of paragraph (1), new*
6 *recipients attending private for-profit postsecondary educational*
7 *institutions that are accredited by the Western Association of*
8 *Schools and Colleges as of July 1, 2012, shall have the same*
9 *maximum tuition award amounts as are set forth in subparagraph*
10 *(B) of paragraph (1).*

11 *SEC. 61. Section 69432.7 of the Education Code is amended*
12 *to read:*

13 69432.7. As used in this chapter, the following terms have the
14 following meanings:

15 (a) An “academic year” is July 1 to June 30, inclusive. The
16 starting date of a session shall determine the academic year in
17 which it is included.

18 (b) “Access costs” means living expenses and expenses for
19 transportation, supplies, and books.

20 (c) “Award year” means one academic year, or the equivalent,
21 of attendance at a qualifying institution.

22 (d) “College grade point average” and “community college
23 grade point average” mean a grade point average calculated on the
24 basis of all college work completed, except for nontransferable
25 units and courses not counted in the computation for admission to
26 a California public institution of higher education that grants a
27 baccalaureate degree.

28 (e) “Commission” means the Student Aid Commission.

29 (f) “Enrollment status” means part- or full-time status.

30 (1) “Part time,” for purposes of Cal Grant eligibility, means 6
31 to 11 semester units, inclusive, or the equivalent.

32 (2) “Full time,” for purposes of Cal Grant eligibility, means 12
33 or more semester units or the equivalent.

34 (g) “Expected family contribution,” with respect to an applicant,
35 shall be determined using the federal methodology pursuant to
36 subdivision (a) of Section 69506 (as established by Title IV of the
37 federal Higher Education Act of 1965, as amended (20 U.S.C. Sec.
38 1070 et seq.)) and applicable rules and regulations adopted by the
39 commission.

1 (h) “High school grade point average” means a grade point
 2 average calculated on a 4.0 scale, using all academic coursework,
 3 for the sophomore year, the summer following the sophomore
 4 year, the junior year, and the summer following the junior year,
 5 excluding physical education, reserve officer training corps
 6 (ROTC), and remedial courses, and computed pursuant to
 7 regulations of the commission. However, for high school graduates
 8 who apply after their senior year, “high school grade point average”
 9 includes senior year coursework.

10 (i) “Instructional program of not less than one academic year”
 11 means a program of study that results in the award of an associate
 12 or baccalaureate degree or certificate requiring at least 24 semester
 13 units or the equivalent, or that results in eligibility for transfer from
 14 a community college to a baccalaureate degree program.

15 (j) “Instructional program of not less than two academic years”
 16 means a program of study that results in the award of an associate
 17 or baccalaureate degree requiring at least 48 semester units or the
 18 equivalent, or that results in eligibility for transfer from a
 19 community college to a baccalaureate degree program.

20 (k) “Maximum household income and asset levels” means the
 21 applicable household income and household asset levels for
 22 participants, including new applicants and renewing recipients, in
 23 the Cal Grant Program, as defined and adopted in regulations by
 24 the commission for the 2001–02 academic year, which shall be
 25 set pursuant to the following income and asset ceiling amounts:

26
 27 CAL GRANT PROGRAM INCOME CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent and Independent students with dependents*		
Family Size		
Six or more	\$74,100	\$40,700
Five	\$68,700	\$37,700
Four	\$64,100	\$33,700
Three	\$59,000	\$30,300
Two	\$57,600	\$26,900
Independent		

1	Single, no dependents	\$23,500	\$23,500
2	Married	\$26,900	\$26,900

3
 4 *Applies to independent students with dependents other than a
 5 spouse.

6
 7 CAL GRANT PROGRAM ASSET CEILINGS

8	Cal Grant A, C, and T	Cal Grant B	
9			
10			
11			
12	Dependent**	\$49,600	\$49,600
13	Independent	\$23,600	\$23,600

14
 15 **Applies to independent students with dependents other than a
 16 spouse.

17
 18 The commission shall annually adjust the maximum household
 19 income and asset levels based on the percentage change in the cost
 20 of living within the meaning of paragraph (1) of subdivision (e)
 21 of Section 8 of Article XIII B of the California Constitution. The
 22 maximum household income and asset levels applicable to a
 23 renewing recipient shall be the greater of the adjusted maximum
 24 household income and asset levels or the maximum household
 25 income and asset levels at the time of the renewing recipient's
 26 initial Cal Grant award. For a recipient who was initially awarded
 27 a Cal Grant for an academic year before the 2011–12 academic
 28 year, the maximum household income and asset levels shall be the
 29 greater of the adjusted maximum household income and asset
 30 levels or the 2010–11 academic year maximum household income
 31 and asset levels. An applicant or renewal recipient who qualifies
 32 to be considered under the simplified needs test established by
 33 federal law for student assistance shall be presumed to meet the
 34 asset level test under this section. Prior to disbursing any Cal Grant
 35 funds, a qualifying institution shall be obligated, under the terms
 36 of its institutional participation agreement with the commission,
 37 to resolve any conflicts that may exist in the data the institution
 38 possesses relating to that individual.

1 (l) (1) “Qualifying institution” means an institution that
2 complies with paragraphs (2) and (3) and is any of the following:

3 (A) A California private or independent postsecondary
4 educational institution that participates in the Pell Grant Program
5 and in at least two of the following federal campus-based student
6 aid programs:

7 (i) Federal Work-Study.

8 (ii) Perkins Loan Program.

9 (iii) Supplemental Educational Opportunity Grant Program.

10 (B) A nonprofit institution headquartered and operating in
11 California that certifies to the commission that 10 percent of the
12 institution’s operating budget, as demonstrated in an audited
13 financial statement, is expended for purposes of institutionally
14 funded student financial aid in the form of grants, that demonstrates
15 to the commission that it has the administrative capacity to
16 administer the funds, that is accredited by the Western Association
17 of Schools and Colleges, and that meets any other state-required
18 criteria adopted by regulation by the commission in consultation
19 with the Department of Finance. A regionally accredited institution
20 that was deemed qualified by the commission to participate in the
21 Cal Grant Program for the 2000–01 academic year shall retain its
22 eligibility as long as it maintains its existing accreditation status.

23 (C) A California public postsecondary educational institution.

24 (2) (A) The institution shall provide information on where to
25 access California license examination passage rates for the most
26 recent available year from graduates of its undergraduate programs
27 leading to employment for which passage of a California licensing
28 examination is required, if that data is electronically available
29 through the Internet Web site of a California licensing or regulatory
30 agency. For purposes of this paragraph, “provide” may exclusively
31 include placement of an Internet Web site address labeled as an
32 access point for the data on the passage rates of recent program
33 graduates on the Internet Web site where enrollment information
34 is also located, on an Internet Web site that provides centralized
35 admissions information for postsecondary educational systems
36 with multiple campuses, or on applications for enrollment or other
37 program information distributed to prospective students.

38 (B) The institution shall be responsible for certifying to the
39 commission compliance with the requirements of subparagraph
40 (A).

1 (3) (A) The commission shall certify by October 1 of each year
2 the institution's latest three-year cohort default rate *and graduation*
3 *rate* as most recently reported by the United States Department of
4 Education.

5 (B) For purposes of the 2011–12 academic year, an otherwise
6 qualifying institution with a ~~2008–11~~ three-year cohort default
7 rate reported by the United States Department of Education ~~as of~~
8 ~~February 28, 2011~~, that is equal to or greater than 24.6 percent
9 shall be ineligible for initial and renewal Cal Grant awards at the
10 institution, except as provided in subparagraph (F).

11 (C) For purposes of the 2012–13 academic year, and every
12 academic year thereafter, an otherwise qualifying institution with
13 a three-year cohort default rate that is equal to or greater than ~~30~~
14 *15.5* percent, as certified by the commission on October 1, 2011,
15 and every year thereafter, shall be ineligible for initial and renewal
16 Cal Grant awards at the institution, except as provided in
17 subparagraph (F).

18 (D) (i) An otherwise qualifying institution that becomes
19 ineligible under this paragraph for initial and renewal Cal Grant
20 awards may regain its eligibility for the academic year following
21 an academic year in which it satisfies the requirements established
22 in subparagraph (B) ~~or~~, (C), *or* (G), as applicable.

23 (ii) If the United States Department of Education corrects or
24 revises an institution's three-year cohort default rate *or graduation*
25 *rate* that originally failed to satisfy the requirements established
26 in subparagraph (B) ~~or~~, (C), *or* (G), as applicable, and the
27 correction or revision results in the institution's three-year cohort
28 default rate *or graduation rate* satisfying those requirements, that
29 institution shall immediately regain its eligibility for the academic
30 year to which the corrected or revised three-year cohort default
31 rate *or graduation rate* would have been applied.

32 (E) An otherwise qualifying institution for which no three-year
33 cohort default *rate or graduation rate* has been reported by the
34 United States Department of Education shall be provisionally
35 eligible to participate in the Cal Grant Program until a three-year
36 cohort default rate *or graduation rate* has been reported for the
37 institution by the United States Department of Education.

38 (F) (i) An institution that is ineligible for initial and renewal
39 Cal Grant awards at the institution under subparagraph (B) ~~or~~ (C),
40 (C), *or* (G) shall be eligible for renewal Cal Grant awards for

1 recipients who were enrolled in the ineligible institution during
2 the academic year before the academic year for which the
3 institution is ineligible and who choose to renew their Cal Grant
4 awards to attend the ineligible institution. Cal Grant awards subject
5 to this subparagraph shall be reduced as follows:

6 (i)

7 (I) The maximum Cal Grant A and B awards specified in the
8 annual Budget Act shall be reduced by 20 percent.

9 (ii)

10 (II) The reductions specified in this subparagraph shall not
11 impact access costs as specified in subdivision (b) of Section
12 69435.

13 (ii) *This subparagraph shall become inoperative on July 1,*
14 *2013.*

15 (G) *For purposes of the 2012–13 academic year, and every*
16 *academic year thereafter, an otherwise qualifying institution with*
17 *a graduation rate of 30 percent or less for students taking 150*
18 *percent or less of the expected time to complete degree*
19 *requirements, as reported by the United States Department of*
20 *Education and as certified by the commission pursuant to*
21 *subparagraph (A), shall be ineligible for initial and renewal Cal*
22 *Grant awards at the institution, except as provided for in*
23 *subparagraphs (F) and (I).*

24 (G)

25 (H) Notwithstanding any other law, the requirements of this
26 paragraph shall not apply to institutions with 40 percent or less of
27 undergraduate students borrowing federal student loans, using
28 information reported to the United States Department of Education
29 for the academic year two years ~~prior to~~ before the year in which
30 the commission is certifying the three-year cohort default rate or
31 graduation rate pursuant to subparagraph (A).

32 (I) *Notwithstanding subparagraph (G), an otherwise qualifying*
33 *institution with a three-year cohort default rate that is less than*
34 *10 percent and a graduation rate above 20 percent for students*
35 *taking 150 percent or less of the expected time to complete degree*
36 *requirements, as certified by the commission pursuant to*
37 *subparagraph (A), shall remain eligible for initial and renewal*
38 *Cal Grant awards at the institution through the 2016–17 academic*
39 *year.*

40 (J) *The commission shall do all of the following:*

1 (i) Notify initial Cal Grant recipients seeking to attend, or
2 attending, an institution that is ineligible for initial and renewal
3 Cal Grant awards under subparagraph (C) or (G) that the
4 institution is ineligible for initial Cal Grant awards for the
5 academic year for which the student received an initial Cal Grant
6 award.

7 (ii) Notify renewal Cal Grant recipients attending an institution
8 that is ineligible for initial and renewal Cal Grant awards at the
9 institution under subparagraph (C) or (G) that the student's Cal
10 Grant award will be reduced by 20 percent, or eliminated, as
11 appropriate, if the student attends the ineligible institution in an
12 academic year in which the institution is ineligible.

13 (iii) Provide initial and renewal Cal Grant recipients seeking
14 to attend, or attending, an institution that is ineligible for initial
15 and renewal Cal Grant awards at the institution under
16 subparagraph (C) or (G) with a complete list of all California
17 postsecondary educational institutions at which the student would
18 be eligible to receive an unreduced Cal Grant award.

19 (H)

20 (K) By January 1, 2013, the Legislative Analyst shall submit to
21 the Legislature a report on the implementation of this paragraph.
22 The report shall be prepared in consultation with the commission,
23 and shall include policy recommendations for appropriate measures
24 of default risk and other direct or indirect measures of quality or
25 effectiveness in educational institutions participating in the Cal
26 Grant Program, and appropriate scores for those measures. It is
27 the intent of the Legislature that appropriate policy and fiscal
28 committees review the requirements of this paragraph and consider
29 changes thereto.

30 (m) "Satisfactory academic progress" means those criteria
31 required by applicable federal standards published in Title 34 of
32 the Code of Federal Regulations. The commission may adopt
33 regulations defining "satisfactory academic progress" in a manner
34 that is consistent with those federal standards.

35 SEC. 62. Section 69433.5 of the Education Code is amended
36 to read:

37 69433.5. (a) Only a resident of California, as determined by
38 the commission pursuant to Part 41 (commencing with Section
39 68000), is eligible for an initial Cal Grant award. The recipient
40 shall remain eligible for award renewal only if he or she is a

1 California resident, in attendance, and making satisfactory
2 academic progress at a qualifying institution, as determined by the
3 commission.

4 (b) A part-time student shall not be discriminated against in the
5 selection of Cal Grant Program award recipients, and an award to
6 a part-time student shall be approximately proportional to the time
7 the student spends in the instructional program, as determined by
8 the commission. A first-time Cal Grant Program award recipient
9 who is a part-time student shall be eligible for a full-time renewal
10 award if he or she becomes a full-time student.

11 (c) Cal Grant Program awards shall be awarded without regard
12 to race, religion, creed, sex, sexual orientation, gender identity,
13 gender expression, or age.

14 (d) An applicant shall not receive more than one type of Cal
15 Grant Program award concurrently. ~~Except as provided in Section~~
16 ~~69440, an~~ An applicant shall not:

17 (1) Receive one or a combination of Cal Grant Program awards
18 in excess of the amount equivalent to the award level for a total
19 of four years of full-time attendance in an undergraduate program,
20 except as provided in Section 69433.6.

21 (2) Have obtained a baccalaureate degree ~~prior to~~ *before*
22 receiving a Cal Grant Program award, ~~except as provided in Section~~
23 ~~69440.~~

24 (e) A Cal Grant Program award, except as provided in Section
25 69440, may only be used for educational expenses of a program
26 of study leading directly to an undergraduate degree or certificate,
27 or for expenses of undergraduate coursework in a program of study
28 leading directly to a first professional degree, but for which no
29 baccalaureate degree is awarded.

30 (f) The commission shall, for students who accelerate college
31 attendance, increase the amount of award proportional to the period
32 of additional attendance resulting from attendance in classes that
33 fulfill requirements or electives for graduation during summer
34 terms, sessions, or quarters. In the aggregate, the total amount a
35 student may receive in a four-year period may not be increased as
36 a result of accelerating his or her progress to a degree by attending
37 summer terms, sessions, or quarters.

38 (g) The commission shall notify Cal Grant award recipients of
39 the availability of funding for the summer term, session, or quarter
40 through prominent notice in financial aid award letters, materials,

1 guides, electronic information, and other means that may include,
2 but not necessarily be limited to, surveys, newspaper articles, or
3 attachments to communications from the commission and any
4 other published documents.

5 (h) The commission may require, by the adoption of rules and
6 regulations, the production of reports, accounting, documents, or
7 other necessary statements from the award recipient and the college
8 or university of attendance pertaining to the use or application of
9 the award.

10 (i) A Cal Grant Program award may be utilized only at a
11 qualifying institution.

12 (j) *A recipient who initially qualified for both a Cal Grant A
13 award and a Cal Grant B award, and received a Cal Grant B
14 award, may be awarded a renewal Cal Grant A award if that
15 recipient subsequently became ineligible for a renewal Cal Grant
16 B award and meets the applicable Cal Grant A financial need and
17 income and asset criteria.*

18 *SEC. 63. Section 69436 of the Education Code is amended to
19 read:*

20 69436. (a) A student who was not awarded a Cal Grant A or
21 B award pursuant to Article 2 (commencing with Section 69434)
22 or Article 3 (commencing with Section 69435) at the time of his
23 or her high school graduation but, at the time of transfer from a
24 California community college to a qualifying baccalaureate
25 program, meets all of the criteria set forth in subdivision (b), shall
26 be entitled to a Cal Grant A or B award.

27 (b) Any California resident transferring from a California
28 community college to a qualifying institution that offers a
29 baccalaureate degree is entitled to receive, and the commission,
30 or a qualifying institution pursuant to Article 8 (commencing with
31 Section 69450), shall award, a Cal Grant A or B award depending
32 on the eligibility determined pursuant to subdivision (c), if all of
33 the following criteria are met:

34 (1) A complete official financial aid application has been
35 submitted or postmarked pursuant to Section 69432.9, no later
36 than the March 2 of the year immediately preceding the award
37 year.

38 (2) The student demonstrates financial need pursuant to Section
39 69433.

1 (3) The student has earned a community college grade point
2 average of at least 2.4 on a 4.0 scale and is eligible to transfer to
3 a qualifying institution that offers a baccalaureate degree.

4 (4) The student’s household has an income and asset level not
5 exceeding the limits set forth in Section 69432.7.

6 (5) The student is pursuing a baccalaureate degree that is offered
7 by a qualifying institution.

8 (6) He or she is enrolled at least part time.

9 (7) The student meets the general Cal Grant eligibility
10 requirements set forth in Article 1 (commencing with Section
11 69430).

12 (8) The student will not be 28 years of age or older by December
13 31 of the award year.

14 (9) The student graduated from a California high school or its
15 equivalent during or after the 2000–01 academic year.

16 (10) (A) *Except as provided for in subparagraph (B), the student*
17 *attended a California community college in the academic year*
18 *immediately preceding the academic year for which the award*
19 *will be used.*

20 (B) *A student otherwise eligible to receive an award pursuant*
21 *to this section, who attended a California community college in*
22 *the 2011–12 academic year, may use the award for the 2012–13*
23 *and 2013–14 academic years.*

24 (c) The amount and type of the award pursuant to this article
25 shall be determined as follows:

26 (1) For applicants with income and assets at or under the Cal
27 Grant A limits, the award amount shall be the amount established
28 pursuant to Article 2 (commencing with Section 69434).

29 (2) For applicants with income and assets at or under the Cal
30 Grant B limits, the award amount shall be the amount established
31 pursuant to Article 3 (commencing with Section 69435).

32 (d) (1) A student meeting the requirements of paragraph (9) of
33 subdivision (b) by means of high school graduation, rather than
34 its equivalent, shall be required to have graduated from a California
35 high school, unless that California resident graduated from a high
36 school outside of California due solely to orders received from a
37 branch of the United States Armed Forces by that student or by
38 that student’s parent or guardian that required that student to be
39 outside of California at the time of high school graduation.

1 (2) For the purposes of this article, both of the following are
2 exempt from the requirements of subdivision (e) of Section 69433.9
3 and paragraph (9) of subdivision (b) of this section:

4 (A) A student for whom a claim under this article was paid prior
5 to December 1, 2005.

6 (B) A student for whom a claim under this article for the
7 2004–05 award year or the 2005–06 award year was or is paid on
8 or after December 1, 2005, but no later than October 15, 2006.

9 (3) (A) The commission, or a qualifying institution pursuant
10 to Article 8 (commencing with Section 69450), shall make
11 preliminary awards to all applicants currently eligible for an award
12 under this article. At the time an applicant receives a preliminary
13 award, the commission, or a qualifying institution pursuant to
14 Article 8 (commencing with Section 69450), shall require that
15 applicant to affirm, in writing, under penalty of perjury, that he or
16 she meets the requirements set forth in subdivision (e) of Section
17 69433.9, paragraph (9) of subdivision (b) of this section, and
18 paragraph (1) of this subdivision. The commission, or a qualifying
19 institution pursuant to Article 8 (commencing with Section 69450),
20 shall notify each person who receives a preliminary award under
21 this paragraph that his or her award is subject to an audit pursuant
22 to subparagraph (B).

23 (B) The commission shall select, at random, a minimum of 10
24 percent of the new and renewal awards made under subparagraph
25 (A), and shall require, prior to the disbursement of Cal Grant funds
26 to the affected postsecondary institution, that the institution verify
27 that the recipient meets the requirements of subdivision (e) of
28 Section 69433.9, paragraph (9) of subdivision (b) of this section,
29 and paragraph (1) of this subdivision. An award that is audited
30 under this paragraph and found to be valid shall not be subject to
31 a subsequent audit.

32 (C) Pursuant to Section 69517.5, the commission shall seek
33 repayment of any and all funds found to be improperly disbursed
34 under this article.

35 (D) On or before November 1 of each year, the commission
36 shall submit a report to the Legislature and the Governor including,
37 but not necessarily limited to, both of the following:

38 (i) The number of awards made under this article in the
39 preceding 12 months.

1 (ii) The number of new and renewal awards selected, in the
2 preceding 12 months, for verification under subparagraph (B), and
3 the results of that verification with respect to students at the
4 University of California, at the California State University, at
5 independent nonprofit institutions, and at independent for-profit
6 institutions.

7 *SEC. 64. Section 69999.6 of the Education Code is amended*
8 *to read:*

9 69999.6. (a) In enacting this article, it is the intent of the
10 Legislature to accomplish ~~both~~ *all* of the following:

11 (1) Provide explicit authority to the board to continue to
12 administer accounts for, and make awards to, persons who qualified
13 for awards under the provisions of the Governor's Scholarship
14 Programs as those provisions existed on January 1, 2003, prior to
15 the repeal of former Article 20 (commencing with Section 69995).

16 (2) Provide for the management and disbursement of funds
17 previously set aside for the scholarship programs authorized by
18 former Article 20 (commencing with Section 69995).

19 (3) *Provide a guarantee should additional funds be needed to*
20 *cover awards authorized and made pursuant to former Article 20*
21 *(commencing with Section 69995).*

22 (b) The board may manage and disburse the funds previously
23 set aside for the scholarship programs authorized by former Article
24 20 (commencing with Section 69995).

25 (c) If a person has earned an award under the Governor's
26 Scholarship Programs on or before January 1, 2003, but has not
27 claimed the award on or before June 30, 2004, he or she still may
28 claim the award by a date that is five years from the first June 30
29 that fell after he or she took the qualifying test. An award shall not
30 be made by the ~~Scholarship Investment Board~~ *board* after that
31 date.

32 (d) *The board shall negotiate with the current manager of the*
33 *Governor's Scholarship Programs and execute an amended or*
34 *new management and funding agreement, before January 1, 2013,*
35 *which shall include, but not be limited to, all of the following:*

36 (1) *Terms providing for the return to the General Fund by no*
37 *later than January 1, 2013, of moneys appropriated to the*
38 *Governor's Scholarship Programs that are not anticipated to be*
39 *needed to make awards pursuant to paragraphs (1) and (2) of*
40 *subdivision (a).*

1 (2) Provisions that authorize the board to pay agreed-upon
 2 early withdrawal penalties or fees.

3 (3) Terms that extend the final date upon which the board may
 4 withdraw funds for a person who earned an award under the
 5 Governor’s Scholarship Programs.

6 (e) (1) If funds retained in the Golden State Scholarshare Trust
 7 after January 1, 2013, are insufficient to cover the remaining
 8 withdrawal requests, it is the intent of the Legislature to
 9 appropriate the necessary funds to the Golden State Scholarshare
 10 Trust for the purpose of funding individual beneficiary accounts.

11 (2) The board shall notify the Department of Finance and the
 12 Legislature no later than 10 working days after determining that
 13 a shortfall in available funding described in paragraph (1) will
 14 occur.

15 ~~(d)~~

16 (f) The board may adopt rules and regulations for the
 17 implementation of this article.

18 SEC. 65. Section 76140 of the Education Code is amended to
 19 read:

20 76140. (a) A community college district may admit and shall
 21 charge a tuition fee to nonresident students. The district may
 22 exempt from all or parts of the fee any person described in
 23 paragraph (1), (2), or (3):

24 (1) All nonresidents who enroll for six or fewer units.
 25 Exemptions made pursuant to this paragraph shall not be made on
 26 an individual basis.

27 (2) Any nonresident who is both a citizen and resident of a
 28 foreign country, if the nonresident has demonstrated a financial
 29 need for the exemption. Not more than 10 percent of the
 30 nonresident foreign students attending any community college
 31 district may be so exempted. Exemptions made pursuant to this
 32 paragraph may be made on an individual basis.

33 (3) (A) A student who, as of August 29, 2005, was enrolled,
 34 or admitted with an intention to enroll, in the fall term of the
 35 2005–06 academic year in a regionally accredited institution of
 36 higher education in Alabama, Louisiana, or Mississippi, and who
 37 could not continue his or her attendance at that institution as a
 38 direct consequence of damage sustained by that institution as a
 39 result of Hurricane Katrina.

1 (B) The chancellor shall develop guidelines for the
2 implementation of this paragraph. These guidelines shall include
3 standards for appropriate documentation of student eligibility to
4 the extent feasible.

5 (C) This paragraph shall apply only to the 2005–06 academic
6 year.

7 (b) A district may contract with a state, a county contiguous to
8 California, the federal government, or a foreign country, or an
9 agency thereof, for payment of all or a part of a nonresident
10 student’s tuition fee.

11 (c) Nonresident students shall not be reported as full-time
12 equivalent students (FTES) for state apportionment purposes,
13 except as provided by subdivision (j) or another statute, in which
14 case a nonresident tuition fee may not be charged.

15 (d) The nonresident tuition fee shall be set by the governing
16 board of each community college district not later than February
17 1 of each year for the succeeding fiscal year. The governing board
18 of each community college district shall provide nonresident
19 students with notice of nonresident tuition fee changes during the
20 spring term before the fall term in which the change will take
21 effect. Nonresident tuition fee increases shall be gradual, moderate,
22 and predictable. The fee may be paid in installments, as determined
23 by the governing board of the district.

24 (e) (1) The fee established by the governing board pursuant to
25 subdivision (d) shall represent for nonresident students enrolled
26 in 30 semester units or 45 quarter units of credit per fiscal year
27 one or more of the following:

28 (A) The amount that was expended by the district for the
29 expense of education as defined by the California Community
30 College Budget and Accounting Manual in the preceding fiscal
31 year increased by the projected percent increase in the United
32 States Consumer Price Index as determined by the Department of
33 Finance for the current fiscal year and succeeding fiscal year and
34 divided by the FTES (including nonresident students) attending
35 in the district in the preceding fiscal year. However, if for the
36 district’s preceding fiscal year FTES of all students attending in
37 the district in noncredit courses is equal to, or greater than, 10
38 percent of the district’s total FTES attending in the district, the
39 district may substitute the data for expense of education in grades
40 13 and 14 and FTES in grades 13 and 14 attending in the district.

1 (B) The expense of education in the preceding fiscal year of all
2 districts increased by the projected percent increase in the United
3 States Consumer Price Index as determined by the Department of
4 Finance for the fiscal year and succeeding fiscal year and divided
5 by the FTES (including nonresident students) attending all districts
6 during the preceding fiscal year. However, if the amount calculated
7 under this paragraph for the succeeding fiscal year is less than the
8 amount established for the current fiscal year or for any of the past
9 four fiscal years, the district may set the nonresident tuition fee at
10 the greater of the current or any of the past four-year amounts.

11 (C) An amount not to exceed the fee established by the
12 governing board of any contiguous district.

13 (D) An amount not to exceed the amount that was expended by
14 the district for the expense of education, but in no case less than
15 the statewide average as set forth in subparagraph (B).

16 (E) An amount no greater than the average of the nonresident
17 tuition fees of public community colleges of no less than 12 states
18 that are comparable to California in cost of living. The
19 determination of comparable states shall be based on a composite
20 cost-of-living index as determined by the United States Department
21 of Labor or a cooperating government agency.

22 (2) The additional revenue generated by the increased
23 nonresident tuition permitted under the amendments made to this
24 subdivision during the 2009–10 Regular Session shall be used to
25 expand and enhance services to resident students. In no event shall
26 the admission of nonresident students come at the expense of
27 resident enrollment.

28 (f) The governing board of each community college district also
29 shall adopt a tuition fee per unit of credit for nonresident students
30 enrolled in more or less than 15 units of credit per term by dividing
31 the fee determined in subdivision (e) by 30 for colleges operating
32 on the semester system and 45 for colleges operating on the quarter
33 system and rounding to the nearest whole dollar. The same rate
34 shall be uniformly charged nonresident students attending any
35 terms or sessions maintained by the community college. The rate
36 charged shall be the rate established for the fiscal year in which
37 the term or session ends.

38 (g) Any loss in district revenue generated by the nonresident
39 tuition fee shall not be offset by additional state funding.

1 (h) Any district that has fewer than 1,500 FTES and whose
2 boundary is within 10 miles of another state that has a reciprocity
3 agreement with California governing student attendance and fees
4 may exempt students from that state from the mandatory fee
5 requirement described in subdivision (a) for nonresident students.

6 (i) Any district that has more than 1,500, but less than 3,001,
7 FTES and whose boundary is within 10 miles of another state that
8 has a reciprocity agreement with California governing student
9 attendance and fees may, in any one fiscal year, exempt up to 100
10 FTES from that state from the mandatory fee requirement described
11 in subdivision (a) for nonresident students.

12 (j) The attendance of nonresident students who are exempted
13 pursuant to subdivision (h) or (i), or pursuant to paragraph (3) of
14 subdivision (a), from the mandatory fee requirement described in
15 subdivision (a) for nonresident students may be reported as resident
16 FTES for state apportionment purposes. Any nonresident student
17 reported as resident FTES for state apportionment purposes
18 pursuant to subdivision (h) or (i) shall pay a fee of forty-two dollars
19 ~~(\$42) per course unit per unit fee that is two times the amount of~~
20 *the fee established for residents pursuant to Section 76300.* That
21 fee is to be included in the FTES adjustments described in Section
22 76330 for purposes of computing apportionments.

23 (k) *This section shall remain operative only until June 30, 2013,*
24 *and as of January 1, 2014, is repealed, unless a later enacted*
25 *statute, that is enacted before January 1, 2014, deletes or extends*
26 *that date.*

27 *SEC. 66. Section 76140 is added to the Education Code, to*
28 *read:*

29 *76140. (a) A community college district may admit and shall*
30 *charge a tuition fee to nonresident students. The district may*
31 *exempt from all or parts of the fee any person described in*
32 *paragraph (1), (2), or (3):*

33 *(1) All nonresidents who enroll for six or fewer units.*
34 *Exemptions made pursuant to this paragraph shall not be made*
35 *on an individual basis.*

36 *(2) Any nonresident who is both a citizen and resident of a*
37 *foreign country, if the nonresident has demonstrated a financial*
38 *need for the exemption. Not more than 10 percent of the*
39 *nonresident foreign students attending any community college*

1 *district may be so exempted. Exemptions made pursuant to this*
2 *paragraph may be made on an individual basis.*

3 (3) (A) *A student who, as of August 29, 2005, was enrolled, or*
4 *admitted with an intention to enroll, in the fall term of the 2005–06*
5 *academic year in a regionally accredited institution of higher*
6 *education in Alabama, Louisiana, or Mississippi, and who could*
7 *not continue his or her attendance at that institution as a direct*
8 *consequence of damage sustained by that institution as a result of*
9 *Hurricane Katrina.*

10 (B) *The chancellor shall develop guidelines for the*
11 *implementation of this paragraph. These guidelines shall include*
12 *standards for appropriate documentation of student eligibility to*
13 *the extent feasible.*

14 (C) *This paragraph shall apply only to the 2005–06 academic*
15 *year.*

16 (b) *A district may contract with a state, a county contiguous to*
17 *California, the federal government, or a foreign country, or an*
18 *agency thereof, for payment of all or a part of a nonresident*
19 *student’s tuition fee.*

20 (c) *Nonresident students shall not be reported as full-time*
21 *equivalent students (FTES) for state apportionment purposes,*
22 *except as provided by subdivision (j) or another statute, in which*
23 *case a nonresident tuition fee may not be charged.*

24 (d) *The nonresident tuition fee shall be set by the governing*
25 *board of each community college district not later than February*
26 *1 of each year for the succeeding fiscal year. The governing board*
27 *of each community college district shall provide nonresident*
28 *students with notice of nonresident tuition fee changes during the*
29 *spring term before the fall term in which the change will take effect.*
30 *Nonresident tuition fee increases shall be gradual, moderate, and*
31 *predictable. The fee may be paid in installments, as determined*
32 *by the governing board of the district.*

33 (e) (1) *The fee established by the governing board pursuant to*
34 *subdivision (d) shall represent for nonresident students enrolled*
35 *in 30 semester units or 45 quarter units of credit per fiscal year*
36 *one or more of the following:*

37 (A) *The amount that was expended by the district for the expense*
38 *of education as defined by the California Community College*
39 *Budget and Accounting Manual in the preceding fiscal year*
40 *increased by the projected percent increase in the United States*

1 *Consumer Price Index as determined by the Department of Finance*
2 *for the current fiscal year and succeeding fiscal year and divided*
3 *by the FTES (including nonresident students) attending in the*
4 *district in the preceding fiscal year. However, if for the district's*
5 *preceding fiscal year FTES of all students attending in the district*
6 *in noncredit courses is equal to, or greater than, 10 percent of the*
7 *district's total FTES attending in the district, the district may*
8 *substitute the data for expense of education in grades 13 and 14*
9 *and FTES in grades 13 and 14 attending in the district.*

10 (B) *The expense of education in the preceding fiscal year of all*
11 *districts increased by the projected percent increase in the United*
12 *States Consumer Price Index as determined by the Department of*
13 *Finance for the fiscal year and succeeding fiscal year and divided*
14 *by the FTES (including nonresident students) attending all districts*
15 *during the preceding fiscal year. However, if the amount calculated*
16 *under this paragraph for the succeeding fiscal year is less than*
17 *the amount established for the current fiscal year or for any of the*
18 *past four fiscal years, the district may set the nonresident tuition*
19 *fee at the greater of the current or any of the past four-year*
20 *amounts.*

21 (C) *An amount not to exceed the fee established by the governing*
22 *board of any contiguous district.*

23 (D) *An amount not to exceed the amount that was expended by*
24 *the district for the expense of education, but in no case less than*
25 *the statewide average as set forth in subparagraph (B).*

26 (E) *An amount no greater than the average of the nonresident*
27 *tuition fees of public community colleges of no less than 12 states*
28 *that are comparable to California in cost of living. The*
29 *determination of comparable states shall be based on a composite*
30 *cost-of-living index as determined by the United States Department*
31 *of Labor or a cooperating government agency.*

32 (2) *The additional revenue generated by the increased*
33 *nonresident tuition permitted under the amendments made to this*
34 *subdivision during the 2009–10 Regular Session shall be used to*
35 *expand and enhance services to resident students. In no event shall*
36 *the admission of nonresident students come at the expense of*
37 *resident enrollment.*

38 (f) *The governing board of each community college district also*
39 *shall adopt a tuition fee per unit of credit for nonresident students*
40 *enrolled in more or less than 15 units of credit per term by dividing*

1 *the fee determined in subdivision (e) by 30 for colleges operating*
2 *on the semester system and 45 for colleges operating on the quarter*
3 *system and rounding to the nearest whole dollar. The same rate*
4 *shall be uniformly charged nonresident students attending any*
5 *terms or sessions maintained by the community college. The rate*
6 *charged shall be the rate established for the fiscal year in which*
7 *the term or session ends.*

8 *(g) Any loss in district revenue generated by the nonresident*
9 *tuition fee shall not be offset by additional state funding.*

10 *(h) Any district that has fewer than 1,500 FTES and whose*
11 *boundary is within 10 miles of another state that has a reciprocity*
12 *agreement with California governing student attendance and fees*
13 *may exempt students from that state from the mandatory fee*
14 *requirement described in subdivision (a) for nonresident students.*

15 *(i) Any district that has more than 1,500, but less than 3,001,*
16 *FTES and whose boundary is within 10 miles of another state that*
17 *has a reciprocity agreement with California governing student*
18 *attendance and fees may, in any one fiscal year, exempt up to 100*
19 *FTES from that state from the mandatory fee requirement described*
20 *in subdivision (a) for nonresident students.*

21 *(j) The attendance of nonresident students who are exempted*
22 *pursuant to subdivision (h) or (i), or pursuant to paragraph (3) of*
23 *subdivision (a), from the mandatory fee requirement described in*
24 *subdivision (a) for nonresident students may be reported as*
25 *resident FTES for state apportionment purposes. Any nonresident*
26 *student reported as resident FTES for state apportionment purposes*
27 *pursuant to subdivision (h) or (i) shall pay a per unit fee that is*
28 *three times the amount of the fee established for residents pursuant*
29 *to Section 76300. That fee is to be included in the FTES*
30 *adjustments described in Section 76330 for purposes of computing*
31 *apportionments.*

32 *(k) This section shall become operative on July 1, 2013.*

33 *SEC. 67. Section 84321.6 of the Education Code is amended*
34 *to read:*

35 84321.6. (a) Notwithstanding any other law that governs the
36 regulations adopted by the Chancellor of the California Community
37 Colleges to disburse funds, the payment of apportionments to
38 *community college* districts pursuant to Sections 84320 and 84321
39 shall be adjusted, commencing with the 2011–12 fiscal year, by
40 the following:

1 (1) For the month of June, two hundred twenty-one million five
2 hundred thousand dollars (\$221,500,000) shall be deferred to July.

3 (2) For the month of May, one hundred twenty-four million five
4 hundred thousand dollars (\$124,500,000) shall be deferred, of
5 which one hundred three million dollars (\$103,000,000) shall be
6 deferred to July and twenty-one million five hundred thousand
7 dollars (\$21,500,000) shall be deferred to October.

8 (3) For the month of April, one hundred seventy-nine million
9 five hundred thousand dollars (\$179,500,000) shall be deferred,
10 of which one hundred fifty-eight million dollars (\$158,000,000)
11 shall be deferred to July and twenty-one million five hundred
12 thousand dollars (\$21,500,000) shall be deferred to October.

13 (4) For the month of March, one hundred nineteen million five
14 hundred thousand dollars (\$119,500,000) shall be deferred, of
15 which seventy-six million five hundred thousand dollars
16 (\$76,500,000) shall be deferred to July and forty-three million
17 dollars (\$43,000,000) shall be deferred to October.

18 (5) For the month of February, one hundred fifty-eight million
19 dollars (\$158,000,000) shall be deferred, of which one hundred
20 thirty-six million five hundred thousand dollars (\$136,500,000)
21 shall be deferred to July and twenty-one million five hundred
22 thousand dollars (\$21,500,000) shall be deferred to October.

23 (6) For the month of January, one hundred fifty-eight million
24 dollars (\$158,000,000) shall be deferred, of which one hundred
25 thirty-six million five hundred thousand dollars (\$136,500,000)
26 shall be deferred to July and twenty-one million five hundred
27 thousand dollars (\$21,500,000) shall be deferred to October.

28 (b) The sum of nine hundred sixty-one million dollars
29 (\$961,000,000) is hereby appropriated from the General Fund to
30 the Board of Governors of the California Community Colleges for
31 apportionments to community college districts, for expenditure
32 during the 2012–13 fiscal year, to be expended in accordance with
33 Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget
34 Act of 2011.

35 (c) Of the funds appropriated in subdivision (b), eight hundred
36 thirty-two million dollars (\$832,000,000) shall be allocated in July
37 of the 2012–13 fiscal year and one hundred twenty-nine million
38 dollars (\$129,000,000) shall be allocated in October in satisfaction
39 of the moneys deferred pursuant to subdivision (a).

1 (d) For ~~the~~ purposes of making the computations required by
2 Section 8 of Article XVI of the California Constitution, the
3 appropriations made by subdivision (b) shall be deemed to be
4 “General Fund revenues appropriated for community college
5 districts,” as defined in subdivision (d) of Section 41202, for the
6 2012–13 fiscal year, and included within the “total allocations to
7 school districts and community college districts from General Fund
8 proceeds of taxes appropriated pursuant to Article XIII B,” as
9 defined in subdivision (e) of Section 41202, for the 2012–13 fiscal
10 year.

11 (e) *This section shall become inoperative on December 15,*
12 *2012, and, as of January 1, 2013, is repealed.*

13 SEC. 68. *Section 84321.6 is added to the Education Code, to*
14 *read:*

15 84321.6. (a) *Notwithstanding any other law that governs the*
16 *regulations adopted by the Chancellor of the California Community*
17 *Colleges to disburse funds, the payment of apportionments to*
18 *community college districts pursuant to Sections 84320 and 84321*
19 *shall be adjusted by the following:*

20 (1) *For the month of January, one hundred twenty-six million*
21 *ninety-four thousand dollars (\$126,094,000) shall be deferred to*
22 *July.*

23 (2) *For the month of February, one hundred thirty-five million*
24 *dollars (\$135,000,000) shall be deferred to July.*

25 (3) *For the month of March, one hundred thirty-five million*
26 *dollars (\$135,000,000) shall be deferred to July.*

27 (4) *For the month of April, one hundred thirty-five million*
28 *dollars (\$135,000,000) shall be deferred to July.*

29 (5) *For the month of May, one hundred thirty-five million dollars*
30 *(\$135,000,000) shall be deferred to July.*

31 (6) *For the month of June, one hundred thirty-five million*
32 *dollars (\$135,000,000) shall be deferred to July.*

33 (b) *In satisfaction of the moneys deferred pursuant to subdivision*
34 *(a), the sum of eight hundred one million ninety-four thousand*
35 *dollars (\$801,094,000) is hereby appropriated in July of the*
36 *2013–14 fiscal year from the General Fund to the Board of*
37 *Governors of the California Community Colleges for*
38 *apportionments to community college districts, for expenditure*
39 *during the 2013–14 fiscal year, to be expended in accordance with*

1 *Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget*
2 *Act of 2012.*

3 (c) *For purposes of making the computations required by Section*
4 *8 of Article XVI of the California Constitution, the appropriations*
5 *made by subdivision (b) shall be deemed to be “General Fund*
6 *revenues appropriated for community college districts,” as defined*
7 *in subdivision (d) of Section 41202, for the 2013–14 fiscal year,*
8 *and included within the “total allocations to school districts and*
9 *community college districts from General Fund proceeds of taxes*
10 *appropriated pursuant to Article XIII B,” as defined in subdivision*
11 *(e) of Section 41202, for the 2013–14 fiscal year.*

12 (d) *This section shall not become operative until December 15,*
13 *2012, and shall become operative only if the Schools and Local*
14 *Public Safety Protection Act of 2012 (Attorney General reference*
15 *number 12–0009) is approved by the voters at the November 6,*
16 *2012, statewide general election, and all of the provisions of that*
17 *act that modify personal income tax rates become operative. If the*
18 *Schools and Local Public Safety Protection Act of 2012 (Attorney*
19 *General reference number 12–0009) is not approved by the voters*
20 *at the November 6, 2012, statewide general election, or if the*
21 *provisions of that act that modify personal income tax rates do*
22 *not become operative due to a conflict with another initiative*
23 *measure that is approved at the same election and receives a*
24 *greater number of affirmative votes, this section shall not become*
25 *operative and shall be repealed on January 1, 2013.*

26 *SEC. 69. Section 84321.6 is added to the Education Code, to*
27 *read:*

28 *84321.6. (a) Notwithstanding any other law that governs the*
29 *regulations adopted by the Chancellor of the California Community*
30 *Colleges to disburse funds, the payment of apportionments to*
31 *community college districts pursuant to Sections 84320 and 84321*
32 *shall be adjusted by the following:*

33 (1) *For the month of January, one hundred forty million dollars*
34 *(\$140,000,000) shall be deferred to July.*

35 (2) *For the month of February, one hundred forty million dollars*
36 *(\$140,000,000) shall be deferred to July.*

37 (3) *For the month of March, one hundred forty million dollars*
38 *(\$140,000,000) shall be deferred to July.*

39 (4) *For the month of April, one hundred sixty million dollars*
40 *(\$160,000,000) shall be deferred to July.*

1 (5) For the month of May, one hundred eighty million dollars
2 (\$180,000,000) shall be deferred to July.

3 (6) For the month of June, two hundred one million dollars
4 (\$201,000,000) shall be deferred, of which seventy-two million
5 dollars (\$72,000,000) shall be deferred to July and one hundred
6 twenty-nine million dollars (\$129,000,000) shall be deferred to
7 October.

8 (b) The sum of nine hundred sixty-one million dollars
9 (\$961,000,000) is hereby appropriated from the General Fund to
10 the Board of Governors of the California Community Colleges for
11 apportionments to community college districts, for expenditure
12 during the 2013–14 fiscal year, to be expended in accordance with
13 Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget
14 Act of 2012.

15 (c) Of the funds appropriated in subdivision (b), eight hundred
16 thirty-two million dollars (\$832,000,000) shall be allocated in
17 July of the 2013–14 fiscal year and one hundred twenty-nine
18 million dollars (\$129,000,000) shall be allocated in October of
19 that fiscal year in satisfaction of the moneys deferred pursuant to
20 subdivision (a).

21 (d) For the purposes of making the computations required by
22 Section 8 of Article XVI of the California Constitution, the
23 appropriations made by subdivision (b) shall be deemed to be
24 “General Fund revenues appropriated for community college
25 districts,” as defined in subdivision (d) of Section 41202, for the
26 2013–14 fiscal year, and included within the “total allocations to
27 school districts and community college districts from General
28 Fund proceeds of taxes appropriated pursuant to Article XIII B,”
29 as defined in subdivision (e) of Section 41202, for the 2013–14
30 fiscal year.

31 (e) This section shall not become operative until December 15,
32 2012, and shall become operative only if the Schools and Local
33 Public Safety Protection Act of 2012 (Attorney General reference
34 number 12-0009) is not approved by the voters at the November
35 6, 2012, statewide general election, or if the provisions of that act
36 that modify personal income tax rates do not become operative
37 due to a conflict with another initiative measure that is approved
38 at the same election and receives a greater number of affirmative
39 votes. If the Schools and Local Public Safety Protection Act of
40 2012 (Attorney General reference number 12-0009) is approved

1 *by the voters at the November 6, 2012, statewide general election,*
2 *and all of the provisions of that act that modify personal income*
3 *tax rates become operative, this section shall not become operative*
4 *and shall be repealed on January 1, 2013.*

5 *SEC. 70. Section 7906 of the Government Code is amended to*
6 *read:*

7 7906. For school districts:

8 (a) “ADA” means a school district’s second principal
9 apportionment units of average daily attendance as determined
10 pursuant to Section 42238.5 of the Education Code, including
11 average daily attendance in summer school, regional occupational
12 centers and programs, and apprenticeship programs, and excluding
13 average daily attendance in adult education programs. All other
14 units of average daily attendance including, but not limited to,
15 special day classes for special education pupils, shall be included.

16 (1) For purposes of this subdivision, the average daily attendance
17 of summer school programs shall be determined pursuant to
18 subparagraph (F) of paragraph (1) of subdivision (a) of Section
19 14022.5 of the Education Code.

20 (2) For purposes of this subdivision, the average daily attendance
21 of apprenticeship programs shall be determined pursuant to
22 subparagraph (D) of paragraph (1) of subdivision (a) of Section
23 14022.5 of the Education Code.

24 (3) For the 2008–09, 2009–10, 2010–11, 2011–12, ~~and~~ 2012–13,
25 2013–14, and 2014–15 fiscal years, the average daily attendance
26 of public school districts, including county superintendents of
27 schools, serving kindergarten and grades 1 to 12, inclusive, or any
28 part thereof, shall include the same amount of average daily
29 attendance for classes for supplemental instruction and regional
30 occupational centers and programs that was used for ~~the~~ purposes
31 of this section for the 2007–08 fiscal year.

32 (b) “Foundation program level” means:

33 (1) For the 1978–79 fiscal year, one thousand two hundred
34 forty-one dollars (\$1,241) for elementary *school* districts, one
35 thousand three hundred twenty-two dollars (\$1,322) for unified
36 *school* districts, and one thousand four hundred twenty-seven
37 dollars (\$1,427) for high school districts.

38 (2) For the 1979–80 fiscal year to the 1986–87 fiscal year,
39 inclusive, the levels specified in paragraph (1) increased by the

1 lesser of the change in cost of living or California per capita
2 personal income for the preceding calendar year.

3 (3) For the 1986–87 fiscal year, the levels specified in paragraph
4 (2) increased by one hundred eighty dollars (\$180) for elementary
5 *school* districts, one hundred ninety-one dollars (\$191) for unified
6 *school* districts, and two hundred seven dollars (\$207) for high
7 school districts.

8 (4) For the 1987–88 fiscal year, the levels specified in paragraph
9 (3) increased by the lesser of the change in cost of living or
10 California per capita personal income for the preceding calendar
11 year.

12 (5) For the 1988–89 fiscal year and each fiscal year thereafter,
13 the foundation program level shall be the appropriations limit of
14 the school district for the current fiscal year, plus amounts paid
15 for any nonreimbursed court or federal mandates imposed on or
16 after November 6, 1979, less the sum of the following:

17 (A) Interest earned on the proceeds of taxes during the current
18 fiscal year.

19 (B) The 50 percent of miscellaneous funds received during the
20 current fiscal year ~~which~~ *that* are from the proceeds of taxes.

21 (C) Locally voted taxes received during the current fiscal year,
22 such as parcel taxes or square foot taxes, unless for voter-approved
23 bonded debt.

24 (D) Any other local proceeds of taxes received during the current
25 fiscal year, other than local taxes which count towards the revenue
26 limit, such as excess bond revenues transferred to a district's
27 general fund pursuant to Section 15234 of the Education Code.

28 (c) "Proceeds of taxes" shall be deemed to include subventions
29 received from the state only if those subventions are for one of the
30 following two purposes:

31 (1) Basic aid subventions of one hundred twenty dollars (\$120)
32 per ADA.

33 (2) Additional apportionments ~~which~~ *that*, when added to the
34 district's local revenues as defined in Section 42238 of the
35 Education Code, do not exceed the foundation program level for
36 that district. In no case shall subventions received from the state
37 for reimbursement of state mandates in accordance with the
38 provisions of Section 6 of Article XIII B of the California
39 Constitution or of Section 17561 or for reimbursement of court or

1 federal mandates imposed on or after November 6, 1979, be
2 considered “proceeds of taxes” for the purposes of this section.

3 (d) Proceeds of taxes for a fiscal year shall not include any
4 proceeds of taxes within the district’s beginning balance or reserve,
5 unless those funds were not appropriated in a prior fiscal year.
6 Funds that were appropriated to a reserve or other fund referenced
7 in Section 5 of Article XIII B of the California Constitution shall
8 be deemed to be appropriated for the purpose of this paragraph.

9 (e) The remainder of the state apportionments, including special
10 purpose apportionments and categorical aid subventions shall not
11 be considered proceeds of taxes for a school district.

12 (f) Each school district shall report to the Superintendent of
13 Public Instruction and to the Director of Finance at least annually
14 its appropriations limit, its appropriations subject to limitation, the
15 amount of its state aid apportionments and subventions included
16 within the proceeds of taxes of the school district, and amounts
17 excluded from its appropriations limit, at a time and in a manner
18 prescribed by the Superintendent of Public Instruction and
19 approved by the Director of Finance.

20 (g) For the 1988–89 fiscal year and each fiscal year thereafter,
21 nothing in paragraph (2) of subdivision (c) shall be so construed
22 as to require that the amount determined pursuant to subdivision
23 (b) be multiplied by the amount determined pursuant to subdivision
24 (a) for purposes of determining the amount of state aid included
25 in school district “proceeds of taxes” for purposes of this section.

26 *SEC. 71. Section 17581.6 is added to the Government Code,*
27 *to read:*

28 *17581.6. (a) Commencing with the 2012–13 fiscal year, funds*
29 *provided in Item 6110-296-0001 of Section 2.00 of the annual*
30 *Budget Act shall be allocated as block grants to school districts,*
31 *charter schools, and county offices of education to support all of*
32 *the mandated programs described in subdivision (d).*

33 *(b) (1) Notwithstanding any other law, each fiscal year a school*
34 *district or county office of education may receive funding for the*
35 *performance of the mandated activities listed in subdivision (d)*
36 *either through the block grant established pursuant to this section*
37 *or by claiming reimbursement pursuant to Section 17560. A school*
38 *district or county office of education that claims reimbursement*
39 *for any mandated activities pursuant to Section 17560 for*

1 *mandated costs incurred during a fiscal year shall not be eligible*
2 *for funding pursuant to this section for the same fiscal year.*

3 (2) *A school district and county office of education that elects*
4 *to receive block grant funding instead of seeking reimbursement*
5 *pursuant to Section 17560 shall, and any charter school that elects*
6 *to receive block grant funding shall, submit a letter of intent to the*
7 *Superintendent of Public Instruction on or before September 30*
8 *of each year requesting block grant funding pursuant to this*
9 *section. The Superintendent shall distribute funding provided*
10 *pursuant to subdivision (a) to school districts, charter schools,*
11 *and county offices of education pursuant to the rates set forth in*
12 *Item 6110-296-0001 of Section 2.00 of the annual Budget Act.*
13 *Funding distributed pursuant to this section is in lieu of*
14 *reimbursement pursuant to Section 6 of Article XIII B of the*
15 *California Constitution for the performance of all activities*
16 *specified in subdivision (d) as those activities pertain to school*
17 *districts and county offices of education. A school district, county*
18 *office of education, or charter school that submits a letter of intent*
19 *and receives block grant funding pursuant to this section shall not*
20 *also be eligible to submit a claim for reimbursement of costs*
21 *incurred for a mandated program set forth in subdivision (d) for*
22 *the fiscal year for which the block grant funding is received.*

23 (c) *Block grant funding provided to school districts, charter*
24 *schools, and county offices of education pursuant to this section*
25 *is subject to annual audits required by Section 41020 of the*
26 *Education Code.*

27 (d) *Block grant funding provided pursuant to this section to*
28 *individual school districts, charter schools, and county offices of*
29 *education is to support all of the following mandated programs:*

30 (1) *Absentee Ballots (CSM 3713; Chapter 77 of the Statutes of*
31 *1978 and Chapter 1032 of the Statutes of 2002).*

32 (2) *Agency Fee Arrangements (00-TC-17 and 01-TC-14;*
33 *Chapter 893 of the Statutes of 2000 and Chapter 805 of the Statutes*
34 *of 2001).*

35 (3) *AIDS Instruction and AIDS Prevention Instruction (CSM*
36 *4422, 99-TC-07, and 00-TC-01; Chapter 818 of the Statutes of*
37 *1991; and Chapter 403 of the Statutes of 1998).*

38 (4) *California State Teachers' Retirement System Service Credit*
39 *(02-TC-19; Chapter 603 of the Statutes of 1994; Chapters 383,*
40 *634, and 680 of the Statutes of 1996; Chapter 838 of the Statutes*

1 of 1997; Chapter 965 of the Statutes of 1998; Chapter 939 of the
2 Statutes of 1999; and Chapter 1021 of the Statutes of 2000).

3 (5) Caregiver Affidavits (CSM 4497; Chapter 98 of the Statutes
4 of 1994).

5 (6) Charter Schools I, II, and III (CSM 4437, 99-TC-03, and
6 99-TC-14; Chapter 781 of the Statutes of 1992; Chapters 34 and
7 673 of the Statutes of 1998; Chapter 34 of the Statutes of 1998;
8 and Chapter 78 of the Statutes of 1999).

9 (7) Collective Bargaining (CSM 4425; Chapter 961 of the
10 Statutes of 1975).

11 (8) Comprehensive School Safety Plans (98-TC-01 and
12 99-TC-10; Chapter 736 of the Statutes of 1997; Chapter 996 of
13 the Statutes of 1999; and Chapter 828 of the Statutes of 2003).

14 (9) Consolidation of Annual Parent Notification/Schoolsite
15 Discipline Rules/Alternative Schools (CSM 4488, CSM 4461,
16 99-TC-09, 00-TC-12, 97-TC-24, CSM 4453, CSM 4474, CSM
17 4462; Chapter 448 of the Statutes of 1975; Chapter 965 of the
18 Statutes of 1977; Chapter 975 of the Statutes of 1980; Chapter
19 469 of the Statutes of 1981; Chapter 459 of the Statutes of 1985;
20 Chapters 87 and 97 of the Statutes of 1986; Chapter 1452 of the
21 Statutes of 1987; Chapters 65 and 1284 of the Statutes of 1988;
22 Chapter 213 of the Statutes of 1989; Chapters 10 and 403 of the
23 Statutes of 1990; Chapter 906 of the Statutes of 1992; Chapter
24 1296 of the Statutes of 1993; Chapter 929 of the Statutes of 1997;
25 Chapters 846 and 1031 of the Statutes of 1998; Chapter 1 of the
26 Statutes of 1999, First Extraordinary Session; Chapter 73 of the
27 Statutes of 2000; Chapter 650 of the Statutes of 2003; Chapter
28 895 of the Statutes of 2004; and Chapter 677 of the Statutes of
29 2005).

30 (10) Consolidation of Law Enforcement Agency Notification
31 and Missing Children Reports (CSM 4505; Chapter 1117 of the
32 Statutes of 1989 and 01-TC-09; Chapter 249 of the Statutes of
33 1986; and Chapter 832 of the Statutes of 1999).

34 (11) Consolidation of Notification to Teachers: Pupils Subject
35 to Suspension or Expulsion I and II, and Pupil Discipline Records
36 (00-TC-10 and 00-TC-11; Chapter 345 of the Statutes of 2000).

37 (12) County Office of Education Fiscal Accountability Reporting
38 (97-TC-20; Chapters 917 and 1452 of the Statutes of 1987;
39 Chapters 1461 and 1462 of the Statutes of 1988; Chapter 1372 of
40 the Statutes of 1990; Chapter 1213 of the Statutes of 1991; Chapter

- 1 323 of the Statutes of 1992; Chapters 923 and 924 of the Statutes
2 of 1993; Chapters 650 and 1002 of the Statutes of 1994; and
3 Chapter 525 of the Statutes of 1995).
- 4 (13) *Criminal Background Checks* (97-TC-16; Chapters 588
5 and 589 of the Statutes of 1997).
- 6 (14) *Criminal Background Checks II* (00-TC-05; Chapters 594
7 and 840 of the Statutes of 1998; and Chapter 78 of the Statutes of
8 1999).
- 9 (15) *Differential Pay and Reemployment* (99-TC-02; Chapter
10 30 of the Statutes of 1998).
- 11 (16) *Financial and Compliance Audits* (CSM 4498 and CSM
12 4498-A; Chapter 36 of the Statutes of 1977).
- 13 (17) *Habitual Truants* (CSM 4487 and CSM 4487-A; Chapter
14 1184 of the Statutes of 1975).
- 15 (18) *High School Exit Examination* (00-TC-06; Chapter 1 of
16 the Statutes of 1999, First Extraordinary Session; and Chapter
17 135 of the Statutes of 1999).
- 18 (19) *Immunization Records* (SB 90-120; Chapter 1176 of the
19 Statutes of 1977).
- 20 (20) *Immunization Records—Hepatitis B* (98-TC-05; Chapter
21 325 of the Statutes of 1978; Chapter 435 of the Statutes of 1979;
22 Chapter 472 of the Statutes of 1982; Chapter 984 of the Statutes
23 of 1991; Chapter 1300 of the Statutes of 1992; Chapter 1172 of
24 the Statutes of 1994; Chapters 291 and 415 of the Statutes of 1995;
25 Chapter 1023 of the Statutes of 1996; and Chapters 855 and 882
26 of the Statutes of 1997).
- 27 (21) *Intradistrict Attendance* (CSM 4454; Chapters 161 and
28 915 of the Statutes of 1993).
- 29 (22) *Juvenile Court Notices II* (CSM 4475; Chapters 1011 and
30 1423 of the Statutes of 1984; Chapter 1019 of the Statutes of 1994;
31 and Chapter 71 of the Statutes of 1995).
- 32 (23) *Mandate Reimbursement Process I and II* (CSM 4204,
33 CSM 4485, and 05-TC-05; Chapter 486 of the Statutes of 1975).
- 34 (24) *Notification of Truancy* (CSM 4133; Chapter 498 of the
35 Statutes of 1983; Chapter 1023 of the Statutes of 1994; and
36 Chapter 19 of the Statutes of 1995).
- 37 (25) *Open Meetings/Brown Act Reform* (CSM 4257 and CSM
38 4469; Chapter 641 of the Statutes of 1986; and Chapters 1136,
39 1137, and 1138 of the Statutes of 1993).

- 1 (26) *Physical Performance Tests* (96-365-01; Chapter 975 of
2 *the Statutes of 1995*).
- 3 (27) *Prevailing Wage Rate* (01-TC-28; Chapter 1249 of the
4 *Statutes of 1978*).
- 5 (28) *Pupil Health Screenings* (CSM 4440; Chapter 1208 of the
6 *Statutes of 1976*; Chapter 373 of the *Statutes of 1991*; and Chapter
7 *750 of the Statutes of 1992*).
- 8 (29) *Pupil Promotion and Retention* (98-TC-19; Chapter 100
9 *of the Statutes of 1981*; Chapter 1388 of the *Statutes of 1982*;
10 *Chapter 498 of the Statutes of 1983*; Chapter 1263 of the *Statutes*
11 *of 1990*; and Chapters 742 and 743 of the *Statutes of 1998*).
- 12 (30) *Pupil Safety Notices* (02-TC-13; Chapter 498 of the *Statutes*
13 *of 1983*; Chapter 482 of the *Statutes of 1984*; Chapter 948 of the
14 *Statutes of 1984*; Chapter 196 of the *Statutes of 1986*; Chapter
15 *332 of the Statutes of 1986*; Chapter 445 of the *Statutes of 1992*;
16 *Chapter 1317 of the Statutes of 1992*; Chapter 589 of the *Statutes*
17 *of 1993*; Chapter 1172 of the *Statutes of 1994*; Chapter 1023 of
18 *the Statutes of 1996*; and Chapter 492 of the *Statutes of 2000*).
- 19 (31) *Pupil Expulsions* (CSM 4455; Chapter 1253 of the *Statutes*
20 *of 1975*; Chapter 965 of the *Statutes of 1977*; Chapter 668 of the
21 *Statutes of 1978*; Chapter 318 of the *Statutes of 1982*; Chapter
22 *498 of the Statutes of 1983*; Chapter 622 of the *Statutes of 1984*;
23 *Chapter 942 of the Statutes of 1987*; Chapter 1231 of the *Statutes*
24 *of 1990*; Chapter 152 of the *Statutes of 1992*; Chapters 1255, 1256,
25 *and 1257 of the Statutes of 1993*; and Chapter 146 of the *Statutes*
26 *of 1994*).
- 27 (32) *Pupil Expulsion Appeals* (CSM 4463; Chapter 1253 of the
28 *Statutes of 1975*; Chapter 965 of the *Statutes of 1977*; Chapter
29 *668 of the Statutes of 1978*; and Chapter 498 of the *Statutes of*
30 *1983*).
- 31 (33) *Pupil Suspensions* (CSM 4456; Chapter 965 of the *Statutes*
32 *of 1977*; Chapter 668 of the *Statutes of 1978*; Chapter 73 of the
33 *Statutes of 1980*; Chapter 498 of the *Statutes of 1983*; Chapter
34 *856 of the Statutes of 1985*; and Chapter 134 of the *Statutes of*
35 *1987*).
- 36 (34) *School Accountability Report Cards* (97-TC-21, 00-TC-09,
37 *00-TC-13, and 02-TC-32*; Chapter 918 of the *Statutes of 1997*;
38 *Chapter 912 of the Statutes of 1997*; Chapter 824 of the *Statutes*
39 *of 1994*; Chapter 1031 of the *Statutes of 1993*; Chapter 759 of the
40 *Statutes of 1992*; and Chapter 1463 of the *Statutes of 1989*).

1 (35) *School District Fiscal Accountability Reporting (97-TC-19;*
2 *Chapter 100 of the Statutes of 1981; Chapter 185 of the Statutes*
3 *of 1985; Chapter 1150 of the Statutes of 1986; Chapters 917 and*
4 *1452 of the Statutes of 1987; Chapters 1461 and 1462 of the*
5 *Statutes of 1988; Chapter 525 of the Statutes of 1990; Chapter*
6 *1213 of the Statutes of 1991; Chapter 323 of the Statutes of 1992;*
7 *Chapters 923 and 924 of the Statutes of 1993; Chapters 650 and*
8 *1002 of the Statutes of 1994; and Chapter 525 of the Statutes of*
9 *1995).*

10 (36) *School District Reorganization (98-TC-24; Chapter 1192*
11 *of the Statutes of 1980; and Chapter 1186 of the Statutes of 1994).*

12 (37) *The Stull Act (98-TC-25; Chapter 498 of the Statutes of*
13 *1983; and Chapter 4 of the Statutes of 1999).*

14 (38) *Threats Against Peace Officers (CSM 96-365-02; Chapter*
15 *1249 of the Statutes of 1992; and Chapter 666 of the Statutes of*
16 *1995).*

17 (e) *The Superintendent of Public Instruction shall compile a list*
18 *of all school districts, charter schools, and county offices of*
19 *education that received block grant funding in the prior fiscal year*
20 *pursuant to this section. This list shall include the total amount*
21 *each school district, charter school, and county office of education*
22 *received. The Superintendent shall provide this information to the*
23 *appropriate fiscal and policy committees of the Legislature, the*
24 *Controller, the Department of Finance, and the Legislative Analyst*
25 *Office on or before September 9 of each year.*

26 SEC. 72. *Section 17581.7 is added to the Government Code,*
27 *to read:*

28 17581.7. (a) *Commencing with the 2012–13 fiscal year, funds*
29 *provided in Item 6870-296-0001 of Section 2.00 of the annual*
30 *Budget Act shall be allocated as block grants to community college*
31 *districts to support all of the mandated programs described in*
32 *subdivision (d).*

33 (b) (1) *Notwithstanding any other law, each fiscal year a*
34 *community college district may receive funding for the performance*
35 *of mandated activities listed in subdivision (d) either through the*
36 *block grant established pursuant to this section or by claiming*
37 *reimbursement pursuant to Section 17560. A community college*
38 *district that claims reimbursement for any mandated activities*
39 *pursuant to Section 17560 for mandated costs incurred during a*

1 *fiscal year shall not be eligible for funding pursuant to this section*
2 *for the same fiscal year.*

3 (2) *A community college district that elects to receive block*
4 *grant funding instead of seeking reimbursement pursuant to Section*
5 *17560 shall submit a letter of intent to the Chancellor of the*
6 *California Community Colleges on or before September 30 of each*
7 *year requesting block grant funding pursuant to this section. The*
8 *chancellor shall distribute funding provided pursuant to*
9 *subdivision (a) to community colleges pursuant to the rates set*
10 *forth in Item 6870-296-0001 of Section 2.00 of the annual Budget*
11 *Act. Funding distributed pursuant to this section is in lieu of*
12 *reimbursement pursuant to Section 6 of Article XIII B of the*
13 *California Constitution for the performance of all activities*
14 *specified in subdivision (d) as those activities pertain to community*
15 *college districts. A community college district that submits a letter*
16 *of intent and receives block grant funding pursuant to this section*
17 *shall not also be eligible to submit a claim for reimbursement of*
18 *costs incurred for a mandated program set forth in subdivision*
19 *(d) for the fiscal year for which the block grant funding is received.*

20 (c) *Block grant funding provided to community college districts*
21 *pursuant to this section is subject to annual audits required by*
22 *Section 84040 of the Education Code.*

23 (d) *Block grant funding provided pursuant to this section to*
24 *individual community college districts is to support all of the*
25 *following mandated programs:*

26 (1) *Absentee Ballots (CSM 3713; Chapter 77 of the Statutes of*
27 *1978; and Chapter 1032 of the Statutes of 2002).*

28 (2) *Agency Fee Arrangements (00-TC-17 and 01-TC-14;*
29 *Chapter 893 of the Statutes of 2000; and Chapter 805 of the*
30 *Statutes of 2001).*

31 (3) *Cal Grants (02-TC-28; Chapter 403 of the Statutes of 2000).*

32 (4) *California State Teachers Retirement System Service Credit*
33 *(02-TC-19; Chapter 603 of the Statutes of 1994; Chapters 383,*
34 *634, and 680 of the Statutes of 1996; Chapter 838 of the Statutes*
35 *of 1997; Chapter 965 of the Statutes of 1998; Chapter 939 of the*
36 *Statutes of 1999; and Chapter 1021 of the Statutes of 2000).*

37 (5) *Collective Bargaining (CSM 4425 and 97-TC-08; Chapter*
38 *961 of the Statutes of 1975).*

39 (6) *Community College Construction (02-TC-47; Chapter 910*
40 *of the Statutes of 1980; Chapters 470 and 891 of the Statutes of*

1 1981; Chapter 973 of the Statutes of 1988; Chapter 1372 of the
2 Statutes of 1990; Chapter 1038 of the Statutes of 1991; and
3 Chapter 758 of the Statutes of 1995).

4 (7) *Discrimination Complaint Procedures* (02-TC-42 and
5 portions of 02-TC-25 and 02-TC-31; Chapter 1010 of the Statutes
6 of 1976; Chapter 470 of the Statutes of 1981; Chapter 1117 of the
7 Statutes of 1982; Chapter 143 of the Statutes of 1983; Chapter
8 1371 of the Statutes of 1984; Chapter 973 of the Statutes of 1988;
9 Chapter 1372 of the Statutes of 1990; Chapter 1198 of the Statutes
10 of 1991; Chapter 914 of the Statutes of 1998; Chapter 587 of the
11 Statutes of 1999; and Chapter 1169 of the Statutes of 2002).

12 (8) *Enrollment Fee Collection and Waivers* (99-TC-13 and
13 00-TC-15).

14 (9) *Health Fee Elimination* (CSM 4206; Chapter 1 of the
15 Statutes of 1984, Second Extraordinary Session).

16 (10) *Mandate Reimbursement Process I and II* (CSM 4204,
17 CSM 4485, and 05-TC-05; Chapter 486 of the Statutes of 1975).

18 (11) *Minimum Conditions for State Aid* (02-TC-25 and
19 02-TC-31; Chapter 802 of the Statutes of 1975; Chapters 275,
20 783, 1010, and 1176 of the Statutes of 1976; Chapters 36 and 967
21 of the Statutes of 1977; Chapters 797 and 977 of the Statutes of
22 1979; Chapter 910 of the Statutes of 1980; Chapters 470 and 891
23 of the Statutes of 1981; Chapters 1117 and 1329 of the Statutes
24 of 1982; Chapters 143 and 537 of the Statutes of 1983; Chapter
25 1371 of the Statutes of 1984; Chapter 1467 of the Statutes of 1986;
26 Chapters 973 and 1514 of the Statutes of 1988; Chapters 1372
27 and 1667 of the Statutes of 1990; Chapters 1038, 1188, and 1198
28 of the Statutes of 1991; Chapters 493 and 758 of the Statutes of
29 1995; Chapters 365, 914, and 1023 of the Statutes of 1998;
30 Chapter 587 of the Statutes of 1999; Chapter 187 of the Statutes
31 of 2000; and Chapter 1169 of the Statutes of 2002).

32 (12) *Open Meetings/Brown Act Reform* (CSM 4257 and CSM
33 4469; Chapter 641 of the Statutes of 1986; and Chapters 1136,
34 1137, and 1138 of the Statutes of 1993).

35 (13) *Prevailing Wage Rate* (01-TC-28; Chapter 1249 of the
36 Statutes of 1978).

37 (14) *Reporting Improper Governmental Activities* (02-TC-24;
38 Chapter 416 of the Statutes of 2001; and Chapter 81 of the Statutes
39 of 2002).

1 (15) *Sex Offenders: Disclosure by Law Enforcement Officers*
2 *(97-TC-15; Chapters 908 and 909 of the Statutes of 1996; Chapters*
3 *17, 80, 817, 818, 819, 820, 821, and 822 of the Statutes of 1997;*
4 *and Chapters 485, 550, 927, 928, 929, and 930 of the Statutes of*
5 *1998).*

6 (16) *Threats Against Peace Officers (CSM 96-365-02; Chapter*
7 *1249 of the Statutes of 1992; and Chapter 666 of the Statutes of*
8 *1995).*

9 (17) *Tuition Fee Waivers (02-TC-21; Chapter 36 of the Statutes*
10 *of 1977; Chapter 580 of the Statutes of 1980; Chapter 102 of the*
11 *Statutes of 1981; Chapter 1070 of the Statutes of 1982; Chapter*
12 *753 of the Statutes of 1988; Chapters 424, 900, and 985 of the*
13 *Statutes 1989; Chapter 1372 of the Statutes of 1990; Chapter 455*
14 *of the Statutes of 1991; Chapter 8 of the Statutes of 1993; Chapter*
15 *389 of the Statutes of 1995; Chapter 438 of the Statutes of 1997;*
16 *Chapter 952 of the Statutes of 1998; Chapters 571 and 949 of the*
17 *Statutes of 2000; Chapter 814 of the Statutes of 2001; and Chapter*
18 *450 of the Statutes of 2002).*

19 (e) *The Chancellor of the California Community Colleges shall*
20 *compile a list of all community college districts that received block*
21 *grant funding in the prior fiscal year pursuant to subdivision (a).*
22 *This list shall include the total amount each community college*
23 *district received. The chancellor shall provide this information to*
24 *the appropriate fiscal and policy committees of the Legislature,*
25 *the Controller, the Department of Finance, and the Legislative*
26 *Analyst's Office on or before September 9 of each year.*

27 SEC. 73. *Section 53850 of the Government Code is amended*
28 *to read:*

29 53850. (a) *As used in this article, "local agency" means a*
30 *county, city and county, city, school district of any type,*
31 *community college district, county board of education, or any other*
32 *municipal or public corporation or district.*

33 (b) *For purposes of this article only, "local agency" also*
34 *includes a charter school. This subdivision does not make a charter*
35 *school a local agency for any purpose other than for this article.*

36 SEC. 74. *Section 53853 of the Government Code is amended*
37 *to read:*

38 53853. (a) *The note or notes shall be issued pursuant to a*
39 *resolution ~~authorizing the issuance thereof~~ adopted by the*
40 *legislative body of the local agency *authorizing the issuance of**

1 *the note or notes*, except that the note or notes of a county board
2 of education, school district, *charter school*, or community college
3 district that has not been accorded fiscal accountability status
4 pursuant to Section 1080, 42647, 42650, or 85266 of the Education
5 Code shall be issued in the name of the school district, *charter*
6 *school*, or community college district by the board of supervisors
7 of the county, the county superintendent of which has jurisdiction
8 over the school district, *charter school*, or community college
9 district, as soon as possible following receipt of a resolution of the
10 governing board *or body* of the school district, *charter school*, or
11 community college district requesting the borrowing and the note
12 or notes of a county board of education shall be issued in the name
13 of the county board of education by the board of supervisors of
14 the county as soon as possible following receipt of a resolution of
15 the county board of education requesting that the county assist in
16 that borrowing. The school district, *charter school*, community
17 college district, or county board of education that submits that
18 resolution to the county board of supervisors shall simultaneously
19 provide a copy of the resolution to the county superintendent of
20 schools and the county treasurer.

21 (b) Notwithstanding subdivision (a), if the appropriate county
22 board of supervisors fails to authorize, by resolution, the issuance
23 of a note or notes in the name of a county board of education,
24 school district, *charter school*, or community college district as
25 specified by that subdivision within 45 calendar days following
26 its receipt of the resolution of the county board of education, ~~or of~~
27 the governing board of the school district or community college
28 district, *or the governing body of the charter school* requesting
29 that issuance, or if the county board of supervisors notifies the
30 county board of education, school district, *charter school*, or
31 community college district that it will not authorize that issuance
32 within that 45-day period, then the note or notes may be issued by
33 the county board of education, school district, *charter school*, or
34 community college district in its name pursuant to the previously
35 adopted resolution. The resolution adopted by the governing board
36 *or body* of the school district, *charter school*, or community college
37 district, or by the county board of education, shall not contain
38 direction to the county treasurer for the investment of any proceeds
39 of the note or notes while deposited in the county treasury, but
40 may direct the investment of proceeds of the note or notes held by

1 a trustee and any other amounts held by that trustee or pledged for
2 repayment or security of the note or notes. This subdivision applies
3 only in the case of a note or notes of a county board of education,
4 school district, *charter school*, or community college district to be
5 issued in conjunction with a note or notes of one or more other
6 county board of education, school district, *charter school*, or
7 community college district. ~~No~~ A county board of supervisors,
8 county treasurer, or county auditor shall *not* be deemed to have
9 any fiduciary responsibility with regard to any note or notes issued
10 pursuant to this subdivision. This subdivision shall not apply to a
11 county board of education, school district, *charter school*, or
12 community college district that is under the authority of a trustee
13 as a result of accepting an emergency apportionment.

14 (c) Notes authorized to be issued may be issued from time to
15 time as provided in the resolution. The resolution of the county
16 board of education, school district, *charter school*, or community
17 college district shall set forth the form and the manner of execution
18 of the note or notes.

19 *SEC. 75. Section 65995.7 of the Government Code is amended*
20 *to read:*

21 65995.7. (a) (1) If state funds for new school facility
22 construction are not available, the governing board of a school
23 district that complies with Section 65995.5 may increase the
24 alternative fee, charge, dedication, or other requirement calculated
25 pursuant to subdivision (c) of Section 65995.5 by an amount that
26 may not exceed the amount calculated pursuant to subdivision (c)
27 of Section 65995.5, except that for the purposes of calculating this
28 additional amount, the amount identified in paragraph (2) of
29 subdivision (c) of Section 65995.5 may not be subtracted from the
30 amount determined pursuant to paragraph (1) of subdivision (c)
31 of Section 65995.5. For purposes of this section, state funds are
32 not available if the State Allocation Board is no longer approving
33 apportionments for new construction pursuant to Article 5
34 (commencing with Section 17072.20) of Chapter 12.5 of Part 10
35 of the Education Code due to a lack of funds available for new
36 construction. Upon making a determination that state funds are no
37 longer available, the State Allocation Board shall notify the
38 Secretary of the Senate and the Chief Clerk of the Assembly, in
39 writing, of that determination and the date when state funds are
40 no longer available for publication in the respective journal of each

1 house. For the purposes of making this determination, the board
2 shall not consider whether funds are available for, or whether it is
3 making preliminary apportionments or final apportionments
4 pursuant to, Article 11 (commencing with Section 17078.10).

5 (2) Paragraph (1) shall become inoperative commencing on the
6 effective date of the measure that amended this section to add this
7 paragraph, and shall remain inoperative through the earlier of either
8 of the following:

9 (A) November 5, 2002, if the voters reject the Kindergarten
10 University Public Education Facilities Bond Act of 2002, after
11 which date paragraph (1) shall again become operative.

12 (B) The date of the 2004 direct primary election after which
13 date paragraph (1) shall again become operative.

14 (3) *Paragraph (1) shall become inoperative commencing on*
15 *the effective date of the measure that amended this section to add*
16 *this paragraph, and shall remain inoperative through December*
17 *31, 2014, after which date paragraph (1) shall again become*
18 *operative, except that it may become operative sooner in either of*
19 *the following circumstances:*

20 (A) *A statewide school facilities bond passes before December*
21 *31, 2014, in which case paragraph (1) shall become operative*
22 *upon certification of the election in which the voters approved the*
23 *bond.*

24 (B) *A statewide school facilities bond has not been placed on*
25 *the ballot for the November 4, 2014, statewide general election*
26 *by August 31, 2014, in which case paragraph (1) shall become*
27 *operative on September 1, 2014.*

28 (b) A governing board may offer a reimbursement election to
29 the person subject to the fee, charge, dedication, or other
30 requirement that provides the person with the right to monetary
31 reimbursement of the supplemental amount authorized by this
32 section, to the extent that the district receives funds from state
33 sources for construction of the facilities for which that amount was
34 required, less any amount expended by the district for interim
35 housing. At the option of the person subject to the fee, charge,
36 dedication, or other requirement the reimbursement election may
37 be made on a tract or lot basis. Reimbursement of available funds
38 shall be made within 30 days as they are received by the district.

39 (c) A governing board may offer the person subject to the fee,
40 charge, dedication, or other requirement an opportunity to negotiate

1 an alternative reimbursement agreement if the terms of the
2 agreement are mutually agreed upon.

3 (d) A governing board may provide that the rights granted by
4 the reimbursement election or the alternative reimbursement
5 agreement are assignable.

6 *SEC. 76. Item 6110-108-0001 of Section 2.00 of the Budget*
7 *Act of 2011 is amended to read:*

8		
9	6110-108-0001—For local assistance, Department of Education	
10	(Proposition 98), Program 20-Instructional Support, for	
11	transfer to Section A of the State School Fund, the Supple-	
12	mental School Counseling Program, established pursuant	
13	to Article 4.5 (commencing with Section 52378) of	
14	Chapter 9 of Part 28 of Division 4 of Title 2 of the Educa-	
15	tion Code.....	208,391,000
16		208,097,000

17 Provisions:

- 18 1. Of the funds appropriated in this item, \$0 is to reflect
- 19 a cost-of-living adjustment.
- 20 2. The funds appropriated in this item reflect an adjust-
- 21 ment to the base funding of 0.0 percent for the annual
- 22 adjustment in statewide average daily attendance.
- 23 3. The amount appropriated in this item shall be reduced
- 24 pursuant to Section 12.42.

25
26 *SEC. 77. Item 6110-161-0001 of Section 2.00 of the Budget*
27 *Act of 2011, as amended by Section 3 of Chapter 135 of the Statutes*
28 *of 2011, is amended to read:*

29		
30	6110-161-0001—For local assistance, Department of Educa-	
31	tion (Proposition 98), Program 10.60-Special Education	
32	Programs for Exceptional Children.....	3,030,913,000
33		2,810,308,000

34 Schedule:

- | | | |
|----|---|---------------|
| 35 | (1) 10.60.050.003-Special education in- | |
| 36 | struction..... | 2,960,010,000 |
| 37 | | 2,739,405,000 |
| 38 | (2) 10.60.050.080-Early Education Program | |
| 39 | for Individuals with Exceptional | |
| 40 | Needs..... | 85,298,000 |

- 1 (3) Reimbursements for Early Education
- 2 Program, Part C..... -14,395,000
- 3 Provisions:
- 4 1. Funds appropriated by this item are for transfer by the
- 5 Controller to Section A of the State School Fund, in
- 6 lieu of the amount that otherwise would be appropriat-
- 7 ed for transfer from the General Fund in the State
- 8 Treasury to Section A of the State School Fund for
- 9 the 2011–12 fiscal year pursuant to Sections 14002
- 10 and 41301 of the Education Code, for apportionment
- 11 pursuant to Part 30 (commencing with Section 56000)
- 12 of Division 4 of Title 2 of the Education Code, super-
- 13 seding all prior law.
- 14 2. Of the funds appropriated in Schedule (1), up to
- 15 \$13,195,000, plus any cost-of-living adjustment, shall
- 16 be available for the purchase, repair, and inventory
- 17 maintenance of specialized books, materials, and
- 18 equipment for pupils with low-incidence disabilities,
- 19 as defined in Section 56026.5 of the Education Code.
- 20 3. Of the funds appropriated in Schedule (1), up to
- 21 \$10,081,000, plus any cost-of-living adjustment, shall
- 22 be available for the purposes of vocational training
- 23 and job placement for special education pupils through
- 24 Project Workability I pursuant to Article 3 (commenc-
- 25 ing with Section 56470) of Chapter 4.5 of Part 30 of
- 26 Division 4 of Title 2 of the Education Code. As a
- 27 condition of receiving these funds, each local educa-
- 28 tional agency shall certify that the amount of nonfed-
- 29 eral resources, exclusive of funds received pursuant
- 30 to this provision, devoted to the provision of vocational
- 31 education for special education pupils shall be main-
- 32 tained at or above the level provided in the 1984–85
- 33 fiscal year. The Superintendent of Public Instruction
- 34 may waive this requirement for local educational
- 35 agencies that demonstrate that the requirement would
- 36 impose a severe hardship.
- 37 4. Of the funds appropriated in Schedule (1), up to
- 38 \$5,258,000, plus any cost-of-living adjustment (CO-
- 39 LA), shall be available for regional occupational cen-
- 40 ters and programs that serve pupils having disabilities;

- 1 up to \$88,542,000, plus any COLA, shall be available
2 for regionalized program specialist services; and up
3 to \$2,687,000, plus any COLA, shall be available for
4 small special education local plan areas (SELPAs)
5 pursuant to Section 56836.24 of the Education Code.
- 6 5. Of the funds appropriated in Schedule (1), up to
7 \$3,000,000 is provided for extraordinary costs associ-
8 ated with single placements in nonpublic, nonsectarian
9 schools, pursuant to Section 56836.21 of the Education
10 Code. Pursuant to legislation, these funds shall also
11 provide reimbursement for costs associated with pupils
12 residing in licensed children’s institutes.
- 13 6. Of the funds appropriated in Schedule (1), up to
14 \$179,930,000, plus any cost-of-living adjustment
15 (COLA), is available to fund the costs of children
16 placed in licensed children’s institutions who attend
17 nonpublic schools based on the funding formula autho-
18 rized in Chapter 914 of the Statutes of 2004.
- 19 7. Funds available for infant units shall be allocated with
20 the following average number of pupils per unit:
21 (a) For special classes and centers—16.
22 (b) For resource specialist programs—24.
23 (c) For designated instructional services—16.
- 24 8. Notwithstanding any other provision of law, early ed-
25 ucation programs for infants and toddlers shall be of-
26 fered for 200 days. Funds appropriated in Schedule
27 (2) shall be allocated by the State Department of Edu-
28 cation for the 2011–12 fiscal year to those programs
29 receiving allocations for instructional units pursuant
30 to Section 56432 of the Education Code for the Early
31 Education Program for Individuals with Exceptional
32 Needs operated pursuant to Chapter 4.4 (commencing
33 with Section 56425) of Part 30 of Division 4 of Title
34 2 of the Education Code, based on computing 200-day
35 entitlements. Notwithstanding any other provision of
36 law, funds in Schedule (2) shall be used only for the
37 purposes specified in Provisions 10 and 11.
- 38 9. Notwithstanding any other provision of law, state
39 funds appropriated in Schedule (2) in excess of the
40 amount necessary to fund the deficiated entitlements

1 pursuant to Section 56432 of the Education Code and
 2 Provision 10 shall be available for allocation by the
 3 State Department of Education to local educational
 4 agencies for the operation of programs serving solely
 5 low-incidence infants and toddlers pursuant to Title
 6 14 (commencing with Section 95000) of the Govern-
 7 ment Code. These funds shall be allocated to each local
 8 educational agency for each solely low-incidence child
 9 through age two in excess of the number of solely low-
 10 incidence children through age two served by the local
 11 educational agency during the 1992–93 fiscal year and
 12 reported on the April 1993 pupil count. These funds
 13 shall only be allocated if the amount of reimbursement
 14 received from the State Department of Developmental
 15 Services is insufficient to fully fund the costs of oper-
 16 ating the Early Intervention Program, as authorized
 17 by Title 14 (commencing with Section 95000) of the
 18 Government Code.

19 10. The State Department of Education, through coordina-
 20 tion with the special education local plan areas, shall
 21 ensure local interagency coordination and collaboration
 22 in the provision of early intervention services, includ-
 23 ing local training activities, child-find activities, public
 24 awareness, and the family resource center activities.

25 11. Funds appropriated in this item, unless otherwise
 26 specified, are available for the sole purpose of funding
 27 2011–12 fiscal year special education program costs
 28 and shall not be used to fund any prior year adjust-
 29 ments, claims, or costs.

30 12. Of the amount provided in Schedule (1), up to
 31 \$188,000, plus any cost-of-living adjustment, shall be
 32 available to fully fund the declining enrollment of
 33 necessary small special education local plan areas
 34 pursuant to Chapter 551 of the Statutes of 2001.

35 13. Pursuant to Section 56427 of the Education Code, of
 36 the funds appropriated in Schedule (1), up to
 37 \$2,324,000 may be used to provide funding for infant
 38 programs, and may be used for those programs that
 39 do not qualify for funding pursuant to Section 56432
 40 of the Education Code.

- 1 14. Of the funds appropriated in Schedule (1), up to
2 \$29,478,000 shall be allocated to local educational
3 agencies for the purposes of Project Workability I.
- 4 15. Of the funds appropriated in Schedule (1), up to
5 \$1,700,000 shall be used to provide specialized ser-
6 vices to pupils with low-incidence disabilities, as de-
7 fined in Section 56026.5 of the Education Code.
- 8 16. Of the funds appropriated in Schedule (1), up to
9 \$1,117,000 shall be used for a personnel development
10 program. This program shall include state-sponsored
11 staff development for special education personnel to
12 have the necessary content knowledge and skills to
13 serve children with disabilities. This funding may in-
14 clude training and services targeting special education
15 teachers and related service personnel that teach core
16 academic or multiple subjects to meet the applicable
17 special education requirements of the Individuals with
18 Disabilities Education Improvement Act of 2004 (20
19 U.S.C. Sec. 1400 et seq.).
- 20 17. Of the funds appropriated in Schedule (1), up to
21 \$200,000 shall be used for research and training in
22 cross-cultural assessments.
- 23 18. Of the amount specified in Schedule (1), up to
24 \$31,000,000 shall be available only to provide educa-
25 tionally related mental health services, including out-
26 of-home residential services for emotionally disturbed
27 pupils, required by an individualized education pro-
28 gram pursuant to the federal Individuals with Disabil-
29 ities Education Improvement Act of 2004 (20 U.S.C.
30 Sec. 1400 et seq.). The Superintendent of Public In-
31 struction shall allocate these funds to special education
32 local plan areas on a one-time basis in the 2011–12
33 fiscal year based upon an equal rate per pupil using
34 the methodology specified in Section 56836.07 of the
35 Education Code.
- 36 19. Of the amount provided in Schedule (1), \$0 is to reflect
37 a cost-of-living adjustment.
- 38 20. Of the amount provided in Schedule (2), \$0 is to reflect
39 a cost-of-living adjustment.

- 1 21. Of the amount appropriated in this item, up to
2 \$1,480,000 is available for the state's share of costs
3 in the settlement of Emma C. v. Delaine Eastin, et al.
4 (N.D. Cal. No. C96-4179TEH). The State Department
5 of Education shall report by January 1, 2012, to the
6 fiscal committees of both houses of the Legislature,
7 the Department of Finance, and the Legislative Ana-
8 lyst's Office on the planned use of the additional spe-
9 cial education funds provided to the Ravenswood Ele-
10 mentary School District pursuant to this settlement.
11 The report shall also provide the State Department of
12 Education's best estimate of when this supplemental
13 funding will no longer be required by the court. The
14 State Department of Education shall comply with the
15 requirements of Section 948 of the Government Code
16 in any further request for funds to satisfy this settle-
17 ment.
- 18 22. Of the funds appropriated in this item, up to
19 \$2,500,000 shall be allocated directly to special educa-
20 tion local plan areas for a personnel development
21 program that meets the highly qualified teacher require-
22 ments and ensures that all personnel necessary to carry
23 out this part are appropriately and adequately prepared,
24 subject to the requirements of paragraph (14) of subdivi-
25 sion (a) of Section 612 of the federal Individuals
26 with Disabilities Education Improvement Act of 2004
27 (20 U.S.C. Sec. 1400 et seq.) and Section 2122 of the
28 federal Elementary and Secondary Education Act of
29 1965 (20 U.S.C. Sec. 6301 et seq.). The local in-ser-
30 vice programs shall include a parent training compo-
31 nent and may include a staff training component, and
32 may include a special education teacher component
33 for special education service personnel and paraprofes-
34 sionals, consistent with state certification and licensing
35 requirements. Use of these funds shall be described in
36 the local plans. These funds may be used to provide
37 training in alternative dispute resolution and the local
38 mediation of disputes. All programs are to include
39 evaluation components.

- 1 23. Notwithstanding any other provision of law, state
2 funds appropriated in Schedule (1) in excess of the
3 amount necessary to fund the defined entitlement shall
4 be to fulfill other shortages in entitlements budgeted
5 in this schedule by the State Department of Education,
6 upon Department of Finance approval, to any program
7 funded under Schedule (1).
- 8 24. The funds appropriated in this item reflect an adjust-
9 ment to the base funding of 0.23 percent for the annual
10 adjustment in statewide average daily attendance.
- 11 25. Of the funds appropriated in Schedule (1), the amount
12 resulting from increases in federal funds reflected in
13 the calculation performed in paragraph (1) of subdivi-
14 sion (c) of Section 56836.08 of the Education Code
15 shall be allocated based on an equal amount per aver-
16 age daily attendance and added to each special educa-
17 tion local plan area's base funding, consistent with
18 paragraphs (1) to (4), inclusive, of subdivision (b) of
19 Section 56836.158 of the Education Code. When the
20 final amount is determined, the State Department of
21 Education shall provide this information to the Depart-
22 ment of Finance and the budget committees of each
23 house of the Legislature.
- 24 26. Of the amount specified in Schedule (1), \$218,786,000
25 shall be available only to provide educationally related
26 mental health services, including out-of-home residen-
27 tial services for emotionally disturbed pupils, required
28 by an individualized education program pursuant to
29 the federal Individuals with Disabilities Education
30 Improvement Act of 2004 (20 U.S.C. Sec. 1400 et
31 seq.) and as described in Section 56363 of the Educa-
32 tion Code. The Superintendent of Public Instruction
33 shall allocate these funds to special education local
34 plan areas in the 2011–12 fiscal year based upon an
35 equal rate per pupil using the methodology specified
36 in Section 56836.07 of the Education Code.
- 37 27. Of the amount specified in Schedule (1), up to
38 \$3,000,000 shall be made available to the Superinten-
39 dent of Public Instruction, in collaboration with the
40 Department of Finance and the Legislative Analyst,

1 and subject to approval by the Department of Finance,
 2 to administer an extraordinary cost pool associated
 3 with educationally related mental health services, in-
 4 cluding out-of-home residential services for emotion-
 5 ally disturbed pupils, for necessary small special edu-
 6 cation local plan areas as defined in Section 56212 of
 7 the Education Code.

8
 9 *SEC. 78. Item 6110-166-0001 of Section 2.00 of the Budget*
 10 *Act of 2011 is amended to read:*

11
 12 6110-166-0001—For local assistance, Department of Education
 13 (Proposition 98), for transfer to Section A of the State
 14 School Fund for purposes of Article 5 (commencing with
 15 Section 54690) of Chapter 9 of Part 29 of Division 4 of
 16 Title 2 of the Education Code, Partnership Academies
 17 Program..... 26,730,000
 18 26,709,000

19 Schedule:

- 20 (1) 10.70.070.001-California Partnership
 21 Academies..... 23,490,000
 22 23,469,000
 23 (2) 10.70.070.002-“Green” California Part-
 24 nership Academies..... 2,922,000
 25 (2.5) 10.70.070.003-“Clean” Technology
 26 Partnership Academies..... 3,240,000
 27 (3) Reimbursements..... -2,922,000

28 Provisions:

- 29 1. If there are any funds in this item that are not allocated
 30 for planning or operational grants, the State Depart-
 31 ment of Education may allocate those remaining funds
 32 as one-time grants to state-funded partnership
 33 academies to be used for one-time purposes.
 34 2. The State Department of Education shall not authorize
 35 new partnership academies without the approval of
 36 the Department of Finance and 30-day notification to
 37 the Joint Legislative Budget Committee.
 38 3. Notwithstanding Provisions 1 and 2, the funds appro-
 39 priated in Schedule (2) shall be available consistent
 40 with Article 5 (commencing with Section 54690) of

- 1 Chapter 9 of Part 29 of Division 4 of Title 2 of the
- 2 Education Code and pursuant to Chapter 757 of the
- 3 Statutes of 2008.
- 4 4. The amount appropriated in this item shall be reduced
- 5 pursuant to Section 12.42.
- 6 5. Notwithstanding any other provision of law, the funds
- 7 appropriated in Schedule (2) reflect carryover funds
- 8 that are available for encumbrance until June 30, 2013.
- 9 6. Notwithstanding Provisions 1 and 2, the funds appro-
- 10 priated in Schedule (2.5) shall be available consistent
- 11 with Article 5.5 (commencing with Section 54698) of
- 12 Chapter 9 of Part 29 of Division 4 of Title 2 of the
- 13 Education Code.

14
 15 *SEC. 79. Item 6110-204-0001 of Section 2.00 of the Budget*
 16 *Act of 2011 is amended to read:*

17
 18 6110-204-0001—For local assistance, Department of Education
 19 (Proposition 98), Program 20-Instructional Support for
 20 transfer by the Controller to Section A of the State School
 21 Fund for allocation by the Superintendent of Public Instruc-
 22 tion..... 72,752,000
 23 72,396,000

- 24 Provisions:
- 25 1. The funds appropriated in this item are available to
 - 26 assist eligible pupils, pursuant to Section 37254 of the
 - 27 Education Code, who are required to pass the Califor-
 - 28 nia High School Exit Examination in order to receive
 - 29 a diploma.
 - 30 2. Of the amount appropriated in this item, \$0 is to reflect
 - 31 a cost-of-living adjustment.
 - 32 3. The per-pupil amount for grade 12 may not exceed
 - 33 \$520 in the 2011–12 fiscal year.
 - 34 4. The funds in this item shall be allocated by the State
 - 35 Department of Education as specified in this item no
 - 36 later than October 1 of each fiscal year.
 - 37 5. The amount appropriated in this item shall be reduced
 - 38 pursuant to Section 12.42.
 - 39

1 SEC. 80. Item 6110-227-0001 of Section 2.00 of the Budget
2 Act of 2011 is amended to read:

3
4 6110-227-0001—For local assistance, Department of Education
5 (Proposition 98), for transfer to Section A of the State
6 School Fund, English language tutoring to children with
7 limited English proficiency, established pursuant to Article
8 4 (commencing with Section 315) of Chapter 3 of Part 1
9 of Division 1 of Title 1 of the Education Code..... 50,000,000
10 49,969,000

11 Schedule:
12 (1) 10-Instruction..... 50,000,000
13 49,969,000

14 Provisions:
15 1. The amount appropriated in this item shall be reduced
16 pursuant to Section 12.42.

17
18 SEC. 81. Item 6110-260-0001 of Section 2.00 of the Budget
19 Act of 2011 is amended to read:

20
21 6110-260-0001—For local assistance, Department of Education
22 (Proposition 98), 20.11-Instructional Support: for transfer
23 to Section A of the State School Fund, Physical Education
24 Teacher Incentive Grants..... 41,812,000
25 41,700,000

26 Provisions:
27 1. The funds appropriated in this item are for transfer by
28 the Controller to the Superintendent of Public Instruc-
29 tion to provide incentive grants to schools serving
30 kindergarten or any of grades 1 to 8, inclusive, to
31 support the hiring of more credentialed physical edu-
32 cation teachers.

33 These grants shall be allocated in the amount of
34 \$37,355 per schoolsite to the districts that were ran-
35 domly selected in 2006–07 in order to hire teachers to
36 provide instruction in physical education courses.

37 2. As a condition of receipt of funds, school districts
38 identified through the process required pursuant to
39 Section 41020 of the Education Code as not meeting
40 the required physical education instruction minutes

1 required in Sections 51210, 51222, and 51223 of the
2 Education Code shall be required to provide a plan to
3 the county office of education that corrects the defi-
4 cient physical education minutes for the following
5 school year and, to the extent practicable, make up the
6 deficient minutes identified.

7 3. Of the funds appropriated in this item, \$0 is to reflect
8 a cost-of-living adjustment.

9 4. The amount appropriated in this item shall be reduced
10 pursuant to Section 12.42.

11
12 *SEC. 82. Item 6110-265-0001 of Section 2.00 of the Budget*
13 *Act of 2011 is amended to read:*

14
15 6110-265-0001—For local assistance, Department of Education
16 (Proposition 98), Program 20.15-for transfer to Section A
17 of the State School Fund, Arts and Music Block Grant..... ~~109,757,000~~
18 *109,273,000*

19 Provisions:

20 1. The funds appropriated in this item shall be for the
21 purpose of providing block grants to school districts,
22 charter schools, and county offices of education to
23 support standards-aligned arts and music instruction
24 in kindergarten and grades 1 to 12, inclusive. Local
25 educational agencies shall use these funds to supple-
26 ment, and not supplant, existing resources for arts and
27 music.

28 2. (a) (1) The State Department of Education shall al-
29 locate the funding to districts, charter schools,
30 and county offices of education on the basis
31 of an equal amount per pupil, provided that
32 a minimum of \$2,228 shall be allocated for
33 schoolsites with 20 or fewer pupils and a
34 minimum of \$3,564 shall be allocated for
35 schoolsites with more than 20 pupils.

36 (2) Except as provided in subdivision (b), the
37 governing board of a district, charter school,
38 or county office of education shall distribute
39 funds received pursuant to this item to all
40 schoolsites on the basis of an equal amount

- 1 per pupil or the schoolsite minimums as set
- 2 forth in paragraph (1), whichever of the two
- 3 amounts is greatest.
- 4 (b) If the governing board elects not to allocate funds
- 5 to schoolsites in the amounts specified pursuant
- 6 to paragraph (2) of subdivision (a), the governing
- 7 board shall do both of the following:
- 8 (1) Adopt a resolution, to that effect, at a public
- 9 meeting. The resolution shall specify how
- 10 the funds are to be allocated among school-
- 11 sites and for districtwide purposes and the
- 12 reasons for those allocations.
- 13 (2) Prior to the public meeting, inform schoolsite
- 14 councils, schoolwide advisory groups, or
- 15 school support groups, as applicable, of the
- 16 content of the proposed resolution and of the
- 17 time and location where the resolution is
- 18 proposed to be adopted.
- 19 (c) By February 2 of each year, as a condition of re-
- 20 ceipt of funds, the governing board of each school
- 21 district shall provide a summary report to the de-
- 22 partment of how these funds were expended or
- 23 are proposed to be expended, the number of
- 24 pupils, and the grade levels served. The depart-
- 25 ment shall collect and compile this data and report
- 26 that information to the appropriate policy and
- 27 fiscal committees of the Legislature, the Legisla-
- 28 tive Analyst’s Office, and the Department of Fi-
- 29 nance.
- 30 (d) For purposes of this provision, “school district”
- 31 means a school district, county office of educa-
- 32 tion, state special school, or direct-funded charter
- 33 school, as described in paragraph (1) of subdivi-
- 34 sion (a) of Section 47651 of the Education Code.
- 35 3. The funds appropriated in this item may be used for
- 36 hiring of additional staff and for ongoing support of
- 37 staff hired under the grant program, purchase of new
- 38 or used materials, books, supplies, and equipment, and
- 39 implementing or increasing staff development oppor-

- 1 tunities, as necessary to support standards-aligned arts
- 2 and music instruction.
- 3 4. Of the funds appropriated in this item, \$0 is to reflect
- 4 a cost-of-living adjustment.
- 5 5. The amount appropriated in this item shall be reduced
- 6 pursuant to Section 12.42.

7

8 *SEC. 83. Item 6110-267-0001 of Section 2.00 of the Budget*

9 *Act of 2011 is amended to read:*

10

11 6110-267-0001—For local assistance, Department of Education

12 (Proposition 98), Program 20—for transfer to Section A of

13 the State School Fund, Instructional Support for Certificat-

14 ed Staff Mentoring Program..... 10,707,000

15 10,684,000

- 16 Provisions:
- 17 1. The funds appropriated in this item shall be allocated
 - 18 by the Superintendent of Public Instruction to school
 - 19 districts for the purpose of encouraging excellent, ex-
 - 20 periented teachers to teach in staff priority schools
 - 21 and to assist teacher interns during their induction and
 - 22 first years of teaching, pursuant to Article 6 (commenc-
 - 23 ing with Section 44560) of Chapter 3 of Part 25 of
 - 24 Division 3 of Title 2 of the Education Code.
 - 25 2. Of the funds appropriated in this item, \$0 is to reflect
 - 26 a cost-of-living adjustment for a total per-participant
 - 27 rate of \$6,273.
 - 28 3. The amount appropriated in this item shall be reduced
 - 29 pursuant to Section 12.42.

30

31 *SEC. 84. Item 6110-488 of Section 2.00 of the Budget Act of*

32 *2011, as amended by Section 7 of Chapter 15 of the First*

33 *Extraordinary Session of the Statutes of 2011, is amended to read:*

34

35 6110-488—Reappropriation, Department of Education.

36 Notwithstanding any other provision of law, the balances

37 from the following items are available for reappropriation

38 for the purposes specified in Provisions 1 to 5, inclusive:

39 0001—General Fund

- 1 (1) \$24,000,000 of the unexpended balance of the amount
2 appropriated for child care programs in Schedules (1)
3 and (1.5) of Item 6110-196-0001 of the Budget Act
4 of 2010 (Ch. 712, Stats. 2010)
- 5 (2) \$6,900,000 or whatever greater or lesser amount of
6 the unexpended balance of the amount appropriated
7 for Economic Impact Aid in Item 6110-128-0001 of
8 the Budget Act of 2010 (Ch. 712, Stats. 2010)
- 9 (3) \$20,000,000 or whatever greater or lesser amount of
10 the unexpended balance of the amount appropriated
11 for special education in Schedule (1) of Item 6110-
12 161-0001 of the Budget Act of 2010 (Ch. 712, Stats.
13 2010)
- 14 (4) \$15,121,000 or whatever greater or lesser amount of
15 the unexpended balance of the amount appropriated
16 for the K–3 Class Size Reduction program in para-
17 graph (9) of subdivision (a) of Section 38 of Chapter
18 12 of the Statutes of 2009
- 19 (5) \$40,000,000 or whatever greater or lesser amount of
20 the unexpended balance of the amount appropriated
21 for the Quality Education Investment Act in the
22 2010–11 fiscal year pursuant to Section 52055.770 of
23 the Education Code
- 24 (7) \$9,000 or whatever greater or lesser amount reflects
25 the unexpended balance of the amount appropriated
26 for the English Language Learners Supplemental In-
27 structional Materials program in paragraph (10) of
28 subdivision (a) of Section 43 of Chapter 79 of the
29 Statutes of 2006
- 30 (8) \$6,000 or whatever greater or lesser amount reflects
31 the unexpended balance of the amount appropriated
32 for the Agricultural Career Technical Education Pro-
33 gram in Item 6110-167-0001 of the Budget Act of
34 2008 (Chs. 268 and 269, Stats. 2008)
- 35 (9) \$973,000 or whatever greater or lesser amount reflects
36 the unexpended balance of the amount appropriated
37 for the Class Size Reduction Program in Item 6110-
38 234-0001 of the Budget Act of 2008 (Chs. 268 and
39 269, Stats. 2008)

- 1 (10) \$422,000 or whatever greater or lesser amount repre-
2 sents the balance available from Schedule (1) of Item
3 6870-101-0001 of the Budget Act of 2006 (Chs. 47
4 and 48, Stats. 2006), as reappropriated in Item 6870-
5 492 of the Budget Act of 2008 (Chs. 268 and 269,
6 Stats. 2008)
- 7 (11) \$902,000 or whatever greater or lesser amount repre-
8 sents the balance available from Schedules (7), (8),
9 and (19) of Item 6870-101-0001 of the Budget Act of
10 2008 (Chs. 268 and 269, Stats. 2008)
- 11 (12) \$1,039,000 or whatever greater or lesser amount re-
12 flects the unexpended balance of the amount appropri-
13 ated for Special Education Instruction in Schedule (2)
14 of Item 6110-161-0001 of the Budget Act of 2009
15 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1,
16 2009–10 4th Ex. Sess.)
- 17 (13) \$82,000 or whatever greater or lesser amount reflects
18 the unexpended balance of the amount appropriated
19 for Child Nutrition in Item 6110-651-0001, pursuant
20 to Section 5 of Chapter 3 of the 2009–10 Fourth Ex-
21 traordinary Session, as amended by Chapter 31 of the
22 2009–10 Third Extraordinary Session
- 23 (14) \$267,000 or whatever greater or lesser amount reflects
24 the unexpended balance of the amount appropriated
25 for the Supplemental School Counseling Program in
26 Item 6110-108-0001 of the Budget Act of 2010 (Ch.
27 712, Stats. 2010)
- 28 (15) \$15,000 or whatever greater or lesser amount reflects
29 the unexpended balance of the amount appropriated
30 for the Special Education Program in Schedule (2) of
31 Item 6110-161-0001 of the Budget Act of 2010 (Ch.
32 712, Stats. 2010)
- 33 (16) \$30,000 or whatever greater or lesser amount reflects
34 the unexpended balance of the amount appropriated
35 for the California Partnership Academies in Item
36 6110-166-0001 of the Budget Act of 2010 (Ch. 712,
37 Stats. 2010)
- 38 (17) \$418,000 or whatever greater or lesser amount reflects
39 the unexpended balance of the amount appropriated
40 for the California High School Exit Exam Supplemen-

- 1 tal Instruction program in Item 6110-204-0001 of the
 2 Budget Act of 2010 (Ch. 712, Stats. 2010)
- 3 (18) \$369,000 or whatever greater or lesser amount reflects
 4 the unexpended balance of the amount appropriated
 5 for the Arts and Music Block Grant program in Item
 6 6110-265-0001 of the Budget Act of 2010 (Ch. 712,
 7 Stats. 2010)
- 8 (19) \$18,677,000 or whatever greater or lesser amount
 9 represents the balance available from Schedules (1),
 10 (7), (8), (9), and (19) of Item 6870-101-0001 of the
 11 Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess.,
 12 as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- 13 (20) \$33,000 or whatever greater or lesser amount reflects
 14 the unexpended balance of the amount appropriated
 15 for the Charter Schools Facilities Grant Program in
 16 paragraph (11) of subdivision (a) of Section 43 of
 17 Chapter 79 of the Statutes of 2006.
- 18 (21) \$413,000 or whatever greater or lesser amount reflects
 19 the unexpended balance of the amount appropriated
 20 for the Charter Schools Facilities Grant Program
 21 pursuant to Section 47614.5 of the Education Code
 22 (Ch. 215, Stats. 2007).
- 23 (22) \$18,000 or whatever greater or lesser amount reflects
 24 the unexpended balance of the amount appropriated
 25 for the California Partnership Academies in Item
 26 6110–166–0001 of the Budget Act of 2008 (Chs. 268
 27 and 269, Stats. 2008).
- 28 (23) \$201,000 or whatever greater or lesser amount reflects
 29 the unexpended balance of the amount appropriated
 30 for the Supplemental School Counseling Program in
 31 Item 6110–108–0001 of the Budget Act of 2009 (Ch.
 32 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1,
 33 2009–10 4th Ex. Sess.).
- 34 (24) \$14,058,000 or whatever greater or lesser amount re-
 35 flects the unexpended balance of the amount appropri-
 36 ated for Special Education Instruction in Schedule (1)
 37 of Item 6110–161–0001 of the Budget Act of 2009
 38 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1,
 39 2009–10 4th Ex. Sess.).

- 1 (25) \$1,003,000 or whatever greater or lesser amount re-
2 flects the unexpended balance of the amount appropri-
3 ated for the California Partnership Academies in Item
4 6110-166-0001 of the Budget Act of 2009 (Ch. 1,
5 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10
6 4th Ex. Sess.).
- 7 (26) \$1,334,000 or whatever greater or lesser amount re-
8 flects the unexpended balance of the amount appropri-
9 ated for the Charter School Economic Impact Aid
10 Program in Schedule (2) of Item 6110-211-0001 of
11 the Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess.,
12 as revised by Ch. 1, 2009-10 4th Ex. Sess.).
- 13 (27) \$1,275,000 or whatever greater or lesser amount re-
14 flects the unexpended balance of the amount appropri-
15 ated for Special Education Instruction in Item
16 6110-650-0001 (pursuant to Sec. 5, Ch. 3, 2009-10
17 4th Ex. Sess., as revised by Ch. 31, 2009-10 3rd Ex.
18 Sess.).
- 19 (28) \$48,000 or whatever greater or lesser amount reflects
20 the unexpended balance of the amount appropriated
21 for the English Language Tutoring program in Item
22 6110-227-0001 of the Budget Act of 2010 (Ch. 712,
23 Stats. 2010).
- 24 (29) \$29,000 or whatever greater or lesser amount reflects
25 the unexpended balance of the amount appropriated
26 for the Physical Education Incentive Grants program
27 in Item 6110-260-0001 of the Budget Act of 2010
28 (Ch. 712, Stats. 2010).
- 29 (30) \$18,000 or whatever greater or lesser amount reflects
30 the unexpended balance of the amount appropriated
31 for the Certificated Staff Mentoring program in Item
32 6110-267-0001 of the Budget Act of 2010 (Ch. 712,
33 Stats. 2010).
- 34 (31) \$5,337,000 or whatever greater or lesser amount re-
35 flects the unexpended balance of the amount appropri-
36 ated for the After School Education and Safety pro-
37 gram in Item 6110-649-0001 in the 2008-09 fiscal
38 year, pursuant to Sections 8483.5 and 8483.51 of the
39 Education Code.

- 1 (32) \$713,000 or whatever greater or lesser amount of the
- 2 unexpended balance of the amount appropriated for
- 3 the special education instruction in Schedule (1) of
- 4 Item 6110-161-0001 of the Budget Act of 2009 (Ch.
- 5 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-
- 6 10 4th Ex. Sess.)
- 7 (33) \$56,717,000 or whatever greater or lesser amount of
- 8 the unexpended balance of the amount appropriated
- 9 for special education instruction in Schedule (1) of
- 10 Item 6110-161-0001 of the Budget Act of 2010 (Ch.
- 11 712, Stats. 2010)
- 12 (34) \$4,000,000 or whatever greater or lesser amount of
- 13 the unexpended balance of the amount appropriated
- 14 for the Child Nutrition Program in Schedule (1) of
- 15 Item 6110-203-0001 of the Budget Act of 2010 (Ch.
- 16 712, Stats. 2010)
- 17 (35) \$13,925,000 or whatever greater or lesser amount of
- 18 the unexpended balance of the amount appropriated
- 19 for child care programs in Schedules (1) and (1.5) of
- 20 Item 6110-196-0001 of the Budget Act of 2009 (Ch.
- 21 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-
- 22 10 4th Ex. Sess.)
- 23 (36) \$32,314,000 or whatever greater or lesser amount of
- 24 the unexpended balance of the amount appropriated
- 25 for Child Care Programs in Schedule (1.5) of Item
- 26 6110-196-0001 of the Budget Act of 2010 (Ch. 712,
- 27 Stats. 2010)
- 28 (37) \$11,663,000 or whatever greater or lesser amount
- 29 reflects the unexpended balance of the amount appro-
- 30 priated for the After School Education and Safety
- 31 program in Item 6110-649-0001 in the 2009-10 fiscal
- 32 year, pursuant to Sections 8483.5 and 8483.51 of the
- 33 Education Code.
- 34 (38) \$16,801,000 or whatever greater or lesser amount
- 35 reflects the unexpended balance of the amount appro-
- 36 priated for the After School Education and Safety
- 37 program in Item 6110-649-0001 in the 2010-11 fiscal
- 38 year, pursuant to Sections 8483.5 and 8483.51 of the
- 39 Education Code.

- 1 (39) \$45,000 or whatever greater or lesser amount of the
2 unexpended balance of the amount appropriated for
3 Categorical Programs for charter schools in Schedule
4 (1) of Item 6110-211-0001 of the Budget Act of 2009
5 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1,
6 2009-10 4th Ex. Sess.)
- 7 (40) \$5,000 or whatever greater or lesser amount of the
8 unexpended balance of the amount appropriated for
9 English Language Development Assessment in Item
10 6110-651-0001 pursuant to Section 5 of Chapter 3 of
11 the 2009-10 Fourth Extraordinary Session, as
12 amended by Chapter 31 of the 2009-10 Third Extraor-
13 dinary Session.
- 14 (41) \$652,000 or whatever greater or lesser amount of the
15 unexpended balance of the amount appropriated for
16 Economic Impact Aid in Item 6110-128-0001 of the
17 Budget Act of 2010 (Ch. 712, Stats. 2010)
- 18 (42) \$722,000 or whatever greater or lesser amount of the
19 unexpended balance of the amount appropriated for
20 the Early Education Program for Individuals with
21 Exceptional Needs in Schedule (2) of Item 6110-161-
22 0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- 23 (43) \$2,245,000 or whatever greater or lesser amount of
24 the unexpended balance of the amount appropriated
25 for the Quality Education Investment Act in the 2010-
26 11 fiscal year pursuant to Section 52055.770 of the
27 Education Code.
- 28 (44) \$70,000,000 or whatever greater or lesser amount of
29 the unexpended balance of the amount appropriated
30 for the Quality Education Investment Act in the 2011-
31 12 fiscal year pursuant to Section 52055.770 of the
32 Education Code.

- 33
- 34 Provisions:
- 35 2. The sum of \$5,303,000 is hereby reappropriated to the
36 State Department of Education for transfer by the
37 Controller to Section A of the State School Fund for
38 allocation by the Superintendent of Public Instruction
39 to support costs during the 2011–12 fiscal year associ-
40 ated with the Class Size Reduction Program operated

1	(5) 20.10.005-Student Financial Aid Admin-	
2	istration.....	56,741,000
3	(6) 20.10.020-Disabled Students.....	69,223,000
4	(7) 20.10.045-Special Services for Cal-	
5	WORKs Recipients.....	26,695,000
6	(8) 20.10.060-Foster Care Education Pro-	
7	gram.....	5,254,000
8	(9) 20.10.070-Matriculation.....	49,183,000
9	(10) 20.20.020-Academic Senate for the Commu-	
10	nity Colleges.....	318,000
11	(11) 20.20.041-Equal Employment Opportunity	
12	pursuant to Ch. 1169, Stats. 2002.....	767,000
13	(12) 20.20.050-Part-time Faculty Health Insur-	
14	ance.....	490,000
15	(13) 20.20.051-Part-time Faculty Compensa-	
16	tion.....	24,907,000
17	(14) 20.20.055-Part-time Faculty Office	
18	Hours.....	3,514,000
19	(15) 20.30.011-Telecommunications and	
20	Technology Services.....	15,290,000
21	(16) 20.30.050-Economic Development.....	22,929,000
22	(17) 20.30.070-Transfer Education and Articula-	
23	tion.....	698,000
24	(18) 20.40.026-Physical Plant and Instructional	
25	Support.....	0
26	(19) 20.10.010-Extended Opportunity Pro-	
27	grams and Services and Special Ser-	
28	vices.....	73,605,000
29	(20) 20.30.045-Fund for Student Success.....	3,792,000
30	(21) 20.70.010-Career Technical Education.....	0
31	(22) 20.80.010-Campus Child Care Tax	
32	Bailout.....	3,350,000
33	(23) 20.95.010-Nursing Program Support....	13,378,000
34	Provisions:	
35	1. The funds appropriated in this item are for transfer by	
36	the Controller during the 2011–12 fiscal year to Sec-	
37	tion B of the State School Fund.	
38	2. Notwithstanding any other provision of law, apportion-	
39	ment funding for community college districts shall be	
40	based on the greater of the current year or prior year	

- 1 level of full-time equivalent students (FTES), consis-
 2 tent with K–12 declining enrollment practices pursuant
 3 to Section 42238.5 of the Education Code. Decreases
 4 in FTES shall result in a revenue reduction at the dis-
 5 trict’s average level of apportionment funding per
 6 FTES and shall be made in the year following the ini-
 7 tial year of decrease in FTES.
- 8 3. The funds appropriated in Schedule (1) for Apportion-
 9 ments include \$31,409,000 to encourage district-level
 10 accountability efforts pursuant to Section 84754.5 of
 11 the Education Code. It is intended that the Chancellor
 12 of the California Community Colleges submit an an-
 13 nual report on district-specific accountability measures
 14 by March 31 of each year. This report shall reflect
 15 outcomes from the most recently completed fiscal year
 16 for which data is available pursuant to Section 84754.5
 17 of the Education Code.
- 18 4. Of the funds appropriated in Schedule (1), Apportion-
 19 ments:
- 20 (a) Up to \$100,000 is for a maintenance allowance,
 21 pursuant to Section 54200 of Title 5 of the Cali-
 22 fornia Code of Regulations.
- 23 (b) Up to \$500,000 is to reimburse colleges for the
 24 costs of federal aid repayments related to assessed
 25 fees for fee waiver recipients. This reimbursement
 26 only applies to students who completely withdraw
 27 from college before the census date pursuant to
 28 Section 58508 of Title 5 of the California Code
 29 of Regulations.
- 30 5. Notwithstanding any other provision of law, the
 31 Chancellor of the California Community Colleges
 32 shall not reduce district workload obligations for a
 33 lack of a funded cost-of-living adjustment.
- 34 6. (a) The amount appropriated in Schedule (2) for the
 35 Apprenticeship Program shall be available as
 36 necessary upon certification by the Chancellor of
 37 the California Community Colleges for the pur-
 38 pose of funding community college-related and
 39 supplemental instruction pursuant to Section 3074
 40 of the Labor Code, as provided in Section 8152

1 of the Education Code. No community college
2 district shall use funds available under this provi-
3 sion to offer any new apprenticeship training
4 program or the expansion of any existing program
5 unless the new program or expansion has been
6 approved by the chancellor.

7 (b) Notwithstanding Section 8152 of the Education
8 Code, each 60-minute hour of teaching time devo-
9 ted to each indentured apprentice enrolled in
10 and attending classes of related and supplemental
11 instruction as provided under Section 3074 of the
12 Labor Code shall be reimbursed at the rate of
13 \$5.04 per hour. For purposes of this provision,
14 each hour of teaching time may include up to 10
15 minutes for passing time and breaks.

16 7. Funds appropriated in Schedule (3), Growth for Ap-
17 portionments, shall be available first to any districts
18 bringing online newly accredited colleges or California
19 Postsecondary Education Commission-approved edu-
20 cational centers. It is the intent of the Legislature that
21 increases in basic foundation allocations to each col-
22 lege be funded prior to additional growth in full-time
23 equivalent students. The Chancellor of the California
24 Community Colleges shall provide a report by
25 November 1 of each year, to the Department of Fi-
26 nance and the Legislative Analyst, on the number of
27 new centers and colleges added for the current fiscal
28 year and those anticipated to be added for the
29 prospective budget year. This report shall also detail
30 the specific funding adjustments provided for basic
31 foundation allocations to each college and center for
32 the current fiscal year.

33 8. Notwithstanding any other provision of law, funds
34 appropriated in Schedule (3), Growth for Apportion-
35 ments, shall only be allocated for growth in full-time
36 equivalent students (FTES), on a district-by-district
37 basis, as determined by the Chancellor of the Califor-
38 nia Community Colleges. The chancellor shall not in-
39 clude any FTES from concurrent enrollment in physi-
40 cal education, dance, recreation, study skills, and per-

1 sonal development courses and other courses in con-
2 flict with existing law for the purpose of calculating
3 a district’s three-year overcap adjustment. The Board
4 of Governors of the California Community Colleges
5 shall implement the criteria required by subdivision
6 (a) of Provision 5 of Item 6870-101-0001 of Section
7 2.00 of the Budget Act of 2003 (Ch. 157, Stats. 2003)
8 for the allocation of funds appropriated in Schedules
9 (1) and (3) of this item, so as to ensure that courses
10 related to student needs for transfer, basic skills, and
11 vocational/workforce training are accorded the highest
12 priority and are provided to the maximum extent pos-
13 sible within budgeted funds.

14 9. The funds appropriated in Schedule (4), Student Suc-
15 cess for Basic Skills Students, shall be allocated as
16 follows:

17 (a) \$969,000 for faculty and staff development to
18 improve curriculum, instruction, student services,
19 and program practices in the areas of basic skills
20 and English as a Second Language (ESL) pro-
21 grams. The Office of the Chancellor of the Cali-
22 fornia Community Colleges shall select a district,
23 utilizing a competitive process, to carry out these
24 faculty and staff development activities. All col-
25 leges receiving funds pursuant to subdivision (b)
26 shall be provided with the opportunity to partici-
27 pate in the faculty and staff development programs
28 specified in this subdivision. The chancellor shall
29 report on the use of these funds by the selected
30 district to the Legislative Analyst and the Depart-
31 ment of Finance not later than September 1 of
32 each year.

33 (b) \$19,068,000 for allocation by the chancellor to
34 community college districts for improving out-
35 comes of students who enter college needing at
36 least one course in ESL or basic skills, with par-
37 ticular emphasis on students transitioning from
38 high school.

- 1 (c) Funding specified in subdivisions (a) and (b) shall
2 be distributed to eligible applicants pursuant to
3 Chapter 489 of the Statutes of 2007.
- 4 (d) The Office of the Chancellor shall work jointly
5 with the Department of Finance and the Legisla-
6 tive Analyst to evaluate and refine, as necessary,
7 the annual accountability measures for this pro-
8 gram. It is the intent of the Legislature that annual
9 performance accountability measures for this
10 program utilize, to the extent possible, data
11 available as part of the accountability system de-
12 veloped pursuant to Section 84754.5 of the Edu-
13 cation Code. By September 1, 2010, the chancel-
14 lor shall submit a report to the Governor and
15 Legislature on basic skills accountability using
16 system- and college-level data and an annual re-
17 port each year thereafter by September 1.
- 18 10. (a) Of the funds appropriated in Schedule (5) for
19 Student Financial Aid Administration, not less
20 than \$12,562,000 is available to provide \$0.91
21 per unit reimbursement to community college
22 districts for the provision of board of governors
23 (BOG) fee waiver awards pursuant to paragraph
24 (2) of subdivision (m) of Section 76300 of the
25 Education Code.
- 26 (b) Of the funds appropriated in Schedule (5), not
27 less than \$7,179,000 is available to provide reim-
28 bursement of 2 percent of total waiver value to
29 community college districts for the provision of
30 BOG fee waiver awards pursuant to paragraph
31 (2) of subdivision (m) of Section 76300 of the
32 Education Code.
- 33 (c) Funding provided to community college districts
34 in subdivisions (a) and (b) is provided to directly
35 offset any mandated costs claimed by community
36 college districts pursuant to Commission on State
37 Mandates Test Claims 99-TC-13 (Enrollment Fee
38 Collection) and 00-TC-15 (Enrollment Fee
39 Waivers).

- 1 (d) (1) Of the amount appropriated in Schedule (5),
 2 \$2,800,000 shall be for a contract with a
 3 community college district to conduct a
 4 statewide media campaign to promote the
 5 general message to prospective students as
 6 follows: (A) the California Community Col-
 7 leges (CCC) remain affordable, (B) financial
 8 aid and tax credits are available to cover en-
 9 rollment fees and help with books and other
 10 costs, and (C) the active encouragement of
 11 contact between pupils and local CCC finan-
 12 cial aid offices. Any funds used from this
 13 source to produce radio, television, or mail
 14 campaigns must emphasize the availability
 15 of financial aid, the easiest and most reliable
 16 method of accessing the aid, a contact tele-
 17 phone number, an Internet Web site address,
 18 where applicable, and the physical location
 19 of a financial aid office. Any mail campaign
 20 must give priority to existing pupils, recent
 21 high school graduates, and 12th graders. The
 22 outreach and information campaign should
 23 target its efforts in high schools, welfare of-
 24 fices, unemployment offices, churches,
 25 community centers, and any other location
 26 that will most effectively reach low-income
 27 and disadvantaged students who must over-
 28 come barriers in accessing postsecondary
 29 education. The community college district
 30 awarded the contract shall consult with the
 31 Chancellor of the California Community
 32 Colleges and the Student Aid Commission
 33 prior to performing any activities to ensure
 34 appropriate coordination with any other state
 35 efforts in this area and ensure compliance
 36 with this provision.
- 37 (2) Of the amount appropriated in Schedule (5),
 38 not more than \$34,200,000 shall be for direct
 39 contact with potential and current financial
 40 aid applicants. Each CCC campus shall re-

1 ceive a minimum allocation of \$50,000. The
2 remainder of the funding shall be allocated
3 to campuses based upon a formula reflecting
4 full-time equivalent students (FTES)
5 weighted by a measure of low-income popu-
6 lations as demonstrated by BOG fee waiver
7 program participation within a district. It is
8 the intent of the Legislature, to the extent that
9 funds are provided in this item, that all cam-
10 puses provide additional staff resources to
11 increase both financial aid participation and
12 student access to low-income and disadvan-
13 taged students who must overcome barriers
14 in accessing postsecondary education. Funds
15 may be used for screening current students
16 for possible financial aid eligibility and offer-
17 ing personal assistance to these students in
18 accessing financial aid, providing individual
19 help in multiple languages for families and
20 students in filling out the necessary paper-
21 work to apply for financial aid, and increas-
22 ing financial aid staff to process additional
23 financial aid forms.

- 24 (3) Funding provided to community college dis-
25 tricts in paragraph (2) is provided to directly
26 offset any mandated costs claimed by com-
27 munity college districts pursuant to the
28 Commission on State Mandates Test Claims
29 02-TC-28 (Cal Grants) and 02-TC-21 (Tu-
30 tion Fee Waivers).
- 31 (4) Funds allocated to a community college dis-
32 trict for financial aid personnel, outreach de-
33 termination of financial need, and delivery
34 of student financial aid services shall supple-
35 ment, and shall not supplant, the level of
36 funds allocated for the administration of stu-
37 dent financial aid programs during the
38 2001–02 or 2006–07 fiscal year, whichever
39 is greater.

- 1 (5) It is the intent of the Legislature that the Of-
- 2 fice of the Chancellor of the California
- 3 Community Colleges provide the Legislature
- 4 with a report not later than April 1 of each
- 5 year on the use of the funds allocated pur-
- 6 suant to paragraphs (1) and (2), including the
- 7 distribution of the funds, specific uses of the
- 8 funds, strategies employed to reach low-in-
- 9 come and disadvantaged students potentially
- 10 eligible for financial aid, and the extent to
- 11 which districts were successful in increasing
- 12 the number of students accessing financial
- 13 aid, particularly the maximum Pell Grant
- 14 award.
- 15 (6) It is the intent of the Legislature that the
- 16 chancellor report by May 15 of each year, in
- 17 the manner and using the factors set forth in
- 18 paragraph (5) of subdivision (c) of Provision
- 19 11 of Item 6870-101-0001 of Section 2.00 of
- 20 the Budget Act of 2007 (Chs. 171 and 172,
- 21 Stats. 2007), on the impact of outreach efforts
- 22 on student headcount and FTES enrollment
- 23 for the 2008–09 and 2009–10 academic years.
- 24 (e) Notwithstanding subdivision (m) of Section 76300
- 25 of the Education Code or any other provision of
- 26 law, the amount of funds appropriated for the
- 27 purpose of administering fee waivers for the
- 28 2011–12 fiscal year shall be determined in this
- 29 act.
- 30 11. (a) The funds appropriated in Schedule (6) for the
- 31 Disabled Students Program are for assisting dis-
- 32 tricts in funding the excess direct instructional
- 33 cost of providing special support services or in-
- 34 struction, or both, to disabled students enrolled at
- 35 community colleges, and for state hospital pro-
- 36 grams, as mandated by federal law.
- 37 (b) Of the amount appropriated in Schedule (6), no
- 38 less than \$3,166,000 shall be used to address de-
- 39 ficiencies identified by the federal Office of Civil

- 1 Rights (OCR), as determined by the Office of the
2 Chancellor of the California Community Colleges.
- 3 (c) Of the amount appropriated in Schedule (6), at
4 least \$757,000 shall be used for support of the
5 High Tech Centers for activities including, but
6 not limited to, training of district employees, staff,
7 and students in the use of specialized computer
8 equipment for the disabled. All High Tech Centers
9 shall meet standards developed by the Office of
10 the Chancellor. Colleges that receive these aug-
11 mentations shall not supplant existing resources
12 provided to the centers.
- 13 (d) Notwithstanding any other provision of law, of
14 the funds appropriated in Schedule (6), \$1,000,000
15 shall be for state hospital adult education pro-
16 grams at the hospitals served by the Coast and
17 Kern Community College Districts since the
18 1986–87 fiscal year. If adult education services
19 at any of the three hospitals are not supported by
20 the community colleges in any portion of the
21 2011–12 fiscal year, remaining funds shall, upon
22 order of the Department of Finance, after 30 days’
23 notice to the Chairperson of the Joint Legislative
24 Budget Committee, be transferred to the State
25 Department of Developmental Services (DDS).
26 For any transfer of funds to DDS during the
27 2011–12 fiscal year, the Proposition 98 base
28 funding levels for community colleges and DDS
29 shall be adjusted accordingly.
- 30 (e) Of the funds appropriated in Schedule (6) for the
31 Disabled Student Services, no less than
32 \$7,704,000 shall be allocated to support high-cost
33 sign language interpreter services and real-time
34 captioning equipment or other communication
35 accommodations for hearing-impaired students
36 based on a 4-to-1 state-to-local district match.
- 37 12. The funds appropriated in Schedule (7), Special Ser-
38 vices for CalWORKs Recipients, are for the purpose
39 of assisting welfare recipient students and those in
40 transition off of welfare to achieve long-term self-

1 sufficiency through coordinated student services of-
2 ferred at community colleges, including workstudy,
3 other educational related work experience, job place-
4 ment services, child care services, and coordination
5 with county welfare offices to determine eligibility
6 and availability of services. All services funded in
7 Schedule (7) shall be for current CalWORKs recipients
8 or prior CalWORKs recipients who are in transition
9 off of cash assistance for no more than two years.
10 Current cash-assistance recipients may utilize these
11 services until their initial educational objectives are
12 met. Former recipients in transition off of cash assis-
13 tance may utilize these services for a period of up to
14 two years after leaving cash assistance subject to the
15 conditions of this provision. These funds shall be used
16 to supplement and not supplant existing funds and
17 services provided for CalWORKs recipients attending
18 community colleges. The Chancellor of the California
19 Community Colleges shall develop an equitable
20 method for allocating funds to all districts and colleges
21 based on the relative numbers of CalWORKs recipients
22 in attendance and shall allocate funds for the following
23 purposes:

- 24 (a) Job placement.
- 25 (b) Coordination with county welfare offices and
26 other local agencies, including local workforce
27 investment boards.
- 28 (c) Curriculum development and redesign.
- 29 (d) Child care and workstudy.
- 30 (e) Instruction.
- 31 (f) Postemployment skills training and related skills.
- 32 (g) Campus-based case management, limited to on-
33 campus assistance and services not provided by
34 county case workers that do not supplant other
35 counseling and academic support services funded
36 through existing California Community Colleges
37 categorical programs.

38 Of the amount appropriated in Schedule (7),
39 \$9,188,000 is for child care and does not require a
40 district match. For the remaining funds, districts shall,

1 as a condition of receipt of these funds, provide a \$1
2 match for every \$1 provided by the state.

3 Funds utilized for subsidized child care shall be for
4 children of CalWORKs recipients through campus-
5 based centers or parental choice vouchers at rates and
6 with rules consistent with those applied to related
7 programs operated by the State Department of Educa-
8 tion in the 2011–12 fiscal year, including eligibility,
9 reimbursement rates, and parental contribution
10 schedules. Subsidized campus child care for Cal-
11 WORKs recipients may be provided during the period
12 they are engaged in qualifying state and federal work
13 activities through attainment of their initial education
14 and training plan and for up to three months thereafter
15 or until the end of the academic year, whichever period
16 of time is greater.

17 Funds utilized for workstudy shall be used solely
18 for payments to employers that currently participate
19 in campus-based workstudy programs or are providing
20 work experiences that are directly related to and in
21 furtherance of student educational programs and work
22 participation requirements, provided that those pay-
23 ments may not exceed 75 percent of the wage for the
24 workstudy positions, and the employers shall pay at
25 least 25 percent of the wage for the workstudy posi-
26 tions. These funds may be expended only if the total
27 hours of education, employment, and workstudy for
28 the student are sufficient to meet both state and federal
29 minimum requirements for qualifying work-related
30 activities.

31 Funds may be used to provide credit or noncredit
32 classes for CalWORKs students if a district has com-
33 mitted all of its funded full-time equivalent students
34 (FTES) and is unable to offer the additional instruc-
35 tional services to meet the demand for CalWORKs
36 students. This determination shall be based on fall
37 enrollment information. Districts shall submit applica-
38 tions to the Office of the Chancellor by December 1
39 of each year. If the chancellor approves the use of
40 funds for direct instructional workload, the Office of

1 the Chancellor shall submit a report to the Department
 2 of Finance and the Joint Legislative Budget Committee
 3 by February 15 of each year that (a) identifies the en-
 4 rollment of new CalWORKs students, (b) states
 5 whether and why additional classes were needed to
 6 accommodate the needs of CalWORKs students, and
 7 (c) sets forth an expenditure plan for the balance of
 8 funds.

9 As a condition of receipt of the funds appropriated
 10 in Schedule (7), by the fourth week following the end
 11 of the semester or quarter term commencing in January
 12 2012, each participating community college shall
 13 submit to the Office of the Chancellor a report, in the
 14 format specified by the chancellor in consultation with
 15 the State Department of Social Services, that includes,
 16 but is not limited to, the funded components, the
 17 number of hours of child care provided, the average
 18 monthly enrollment of CalWORKs dependents served
 19 in child care, the number of workstudy hours provided,
 20 the hourly salaries and type of jobs, the number of
 21 students being case managed, the short-term programs
 22 available, the student participation rates, and other
 23 outcome data. It is intended that, to the extent practi-
 24 cable, reporting from colleges utilize data gathered for
 25 federal reporting requirements at the state and local
 26 level. Further, it is intended that the Office of the
 27 Chancellor compile the information for annual reports
 28 to the Legislature, the Governor, the Legislative Ana-
 29 lyst, the Department of Finance, and the State Depart-
 30 ment of Social Services by February 15 of each year.

31 First priority for expenditures of any funds appropri-
 32 ated in Schedule (7) shall be in support of current
 33 CalWORKs recipients. However, if caseloads are in-
 34 sufficient to fully utilize all of the funding in this
 35 schedule in a cost-beneficial way, it is intended that
 36 up to \$5,000,000 of the funds subject to local matching
 37 requirements may be allocated for providing postem-
 38 ployment services to former CalWORKs recipients
 39 who have been off of cash assistance for no longer
 40 than two years to assist them in upgrading skills, job

1 retention, and advancement. Allowable services in-
2 clude direct instruction that cannot be funded under
3 available growth funding, child care to support atten-
4 dance in these classes consistent with this provision,
5 job development and placement services, and career
6 counseling and assessment activities that cannot be
7 funded through other programs. Child care services
8 may only be provided for periods commensurate with
9 a student's need for postemployment training within
10 the two-year transitional period.

11 Prior to allocation of funds for postemployment
12 services, the chancellor shall first secure the approval
13 of the Department of Finance for the allocations,
14 complete a cumulative report on the outcomes, activi-
15 ties, and cost-effectiveness of the program no later
16 than February 15 of each year in compliance with the
17 Budget Acts of 1998 (Ch. 324, Stats. 1998) and 1999
18 (Ch. 50, Stats. 1999) and this act, and shall provide
19 the rationale and justification for the proposed alloca-
20 tion of postemployment services to districts for transi-
21 tional students.

22 If a district is unable to fully expend its share of child
23 care funds, it may request that the Office of the
24 Chancellor approve a reallocation to other CalWORKs
25 purposes authorized by this provision, subject to all
26 pertinent limitations and district match required for
27 these purposes under this provision.

28 Of the funds appropriated in Schedule (7) for the
29 Special Services for CalWORKs Recipients Program,
30 no less than \$4,900,000 is to provide direct workstudy
31 wage reimbursement for students served under this
32 program, and \$613,000 is available for campus job
33 development and placement services.

- 34 13. Funds appropriated in Schedule (7) for the Special
35 Services for CalWORKs Recipients Program have
36 been budgeted to meet the state's Temporary Assis-
37 tance for Needy Families maintenance-of-effort require-
38 ment pursuant to the federal Personal Responsibility
39 and Work Opportunity Reconciliation Act of 1996
40 (P.L. 104-193) and may not be expended in any way

- 1 that would cause their disqualification as a federally
2 allowable maintenance-of-effort expenditure.
- 3 14. (a) Funds provided in Schedule (8) for the Foster
4 Care Education Program shall be allocated to
5 provide foster and relative/kinship care education
6 and training. Districts shall ensure that education
7 and training required by Sections 1529.1 and
8 1529.2 of the Health and Safety Code and Section
9 16003 of the Welfare and Institutions Code re-
10 ceive priority. Districts may use any remaining
11 funds for additional parenting skills training.
- 12 (b) Funds provided in Schedule (8) shall be used for
13 foster parent and relative/kinship care provider
14 education training services consistent with the
15 following criteria:
- 16 (1) The Chancellor of the California Community
17 Colleges shall use these funds exclusively
18 for foster parent and relative/kinship care
19 provider education and training, as specified
20 by the chancellor in consultation with an ad-
21 visory committee that includes foster parents,
22 representatives of statewide foster parent or-
23 ganizations, parent and relative/kinship care
24 providers, and representatives from the State
25 Department of Social Services.
- 26 (2) Acceptance of funds under this program shall
27 constitute agreement by the district to comply
28 with such reporting requirements, guidelines,
29 and other conditions for receipt of funding
30 as the chancellor may establish.
- 31 (3) Each college plan for foster and relative/kin-
32 ship care education programs shall include
33 the provision of training to facilitate the de-
34 velopment of foster family homes, small
35 family homes, and relative/kinship homes to
36 care for no more than six children who have
37 special mental, emotional, developmental, or
38 physical needs.
- 39 (4) The State Department of Social Services shall
40 facilitate the participation of county welfare

- 1 departments in the foster and relative/kinship
2 care education program.
- 3 15. (a) Funds appropriated in Schedule (9) for the Matric-
4 ulation Program are for the purpose of student
5 matriculation pursuant to Article 1 (commencing
6 with Section 78210) of Chapter 2 of Part 48 of
7 Division 7 of Title 3 of the Education Code.
- 8 (b) Of the amount appropriated in Schedule (9),
9 \$9,381,000 shall be allocated to community col-
10 lege districts on a one-to-one matching funds basis
11 to provide matriculation services, including, but
12 not limited to, orientation, assessment, and coun-
13 seling, for students enrolled in designated noncred-
14 it classes and programs who may benefit most, as
15 determined by the Chancellor of the California
16 Community Colleges pursuant to Sections 78216
17 and 78218 of the Education Code.
- 18 16. The funds in Schedule (13) for the Part-time Faculty
19 Compensation Program shall be allocated solely to
20 increase compensation for part-time faculty from the
21 amounts previously authorized. Funds shall be distribut-
22 ed to districts based on the total actual full-time
23 equivalent students served in the previous fiscal year
24 and include a small district factor as determined by
25 the Chancellor of the California Community Colleges.
26 These funds are to be used to assist districts in making
27 part-time faculty salaries more comparable to full-time
28 salaries for similar work, as determined through each
29 district's local collective bargaining process. These
30 funds shall not supplant the amount of resources each
31 district used to compensate part-time faculty or be
32 used to exceed parity of each part-time faculty em-
33 ployed by each district with regular full-time faculty
34 at the same district, as certified by the chancellor. If
35 a district achieves parity, its allocation may be used
36 for any other educational purpose.
- 37 17. (a) \$14,151,000 of the funds provided in Schedule
38 (15) for the Telecommunications and Technology
39 Services Program shall be for the purpose of
40 supporting technical and application innovations

1 and for coordination of activities that serve to
 2 maximize the utility of the technology investments
 3 of the community college system towards improv-
 4 ing learning outcomes. Allocations shall be made
 5 by the Chancellor of the California Community
 6 Colleges, based on criteria and guidelines as de-
 7 veloped by the chancellor, on a competitive basis
 8 through the RFA/RFP application process for the
 9 following purposes:

- 10 (1) Provision of access to statewide multimedia
 11 hosting and delivery services for system col-
 12 leges and districts.
- 13 (2) Provision of systemwide Internet, audio
 14 bridging, and telephony.
- 15 (3) Technical assistance and planning, coopera-
 16 tive purchase agreements, and faculty and
 17 staff development in a manner consistent with
 18 paragraph (3) of subdivision (b) of Provision
 19 17 of Item 6870-101-0001 of Section 2.00 of
 20 the Budget Act of 1996 (Ch. 162, Stats.
 21 1996).
- 22 (4) Ongoing support for the California Virtual
 23 Campus Distance Education Program.
- 24 (5) Ongoing support for programs designed to
 25 use technology in assisting accreditation and
 26 the alignment of curricula across K–20 seg-
 27 ments in California.
- 28 (6) Support for technology pilots and ongoing
 29 technology programs and applications that
 30 serve to maximize the utility and economy
 31 of scale of the technology investments of the
 32 community college system towards improv-
 33 ing learning outcomes.

34 In addition, a portion of the funds provided in
 35 this subdivision shall be available for allocations
 36 to districts. It is the intent of the Legislature that
 37 these funds be used by colleges to maintain the
 38 technology capabilities specified in subdivision
 39 (a) of Provision 21 of Item 6870-101-0001 of
 40 Section 2.00 of the Budget Act of 2003 (Ch. 157,

1 Stats. 2003). These funds shall not supplant exist-
2 ing funds used for those purposes, and colleges
3 shall match maintenance and ongoing costs with
4 other funds as provided by subdivision (a) of
5 Provision 21 of Item 6870-101-0001 of Section
6 2.00 of the Budget Act of 2003 (Ch. 157, Stats.
7 2003).

8 (b) The Office of the Chancellor of the California
9 Community Colleges shall develop the reporting
10 criteria for all programs funded by this item and
11 shall submit that for review along with an annual
12 progress report on program implementation to the
13 Legislative Analyst and the Department of Fi-
14 nance no later than December 1 of each year.
15 Reporting shall include summaries of allocations
16 and expenditures by program and by district,
17 where applicable.

18 (c) Of the funds provided in Schedule (15),
19 \$1,139,000 is for ongoing support and expansion
20 of the California Partnership for Achieving Stu-
21 dent Success (Cal-PASS) program. As a condition
22 of receipt of these funds, the grantee shall submit
23 to the Office of the Chancellor, by October 15 of
24 each year, all of the following: (1) a report that
25 includes the numbers and percentages of institu-
26 tions and school districts that have signed agree-
27 ments and the number and percentage that have
28 actively submitted data in the current year and (2)
29 an annual financial audit, as prescribed by the
30 chancellor, that includes an accounting of all
31 funding sources and all uses of funds by funding
32 source. The report and audit also shall be submit-
33 ted to the Legislative Analyst, the Department of
34 Finance, and the appropriate budget subcommit-
35 tees of the budget committees of each house of
36 the Legislature. It is the intent of the Legislature
37 that all reporting requirements contained in this
38 subdivision shall be completed using funds pro-
39 vided to the grantee.

- 1 18. Of the funds provided in Schedule (16) for the Eco-
2 nomic and Workforce Development Program:
 - 3 (a) \$11,187,000 is allocated for regional business re-
4 sources assistance and innovation network centers.
5 Each allocation to a district for Centers for Inter-
6 national Development shall contain sufficient
7 funds, as determined by the Chancellor of the
8 California Community Colleges, for the continued
9 operation of Mexican International Trade Centers.
 - 10 (b) \$3,833,000 is allocated for industry-driven region-
11 al education and training collaboratives. These
12 allocations shall be made on a competitive basis
13 and the amounts shall not be restricted to any
14 predetermined limit, but rather shall be funded on
15 their individual merits.
 - 16 (c) \$1,769,000 is allocated for statewide network
17 leadership, organizational development, coordina-
18 tion, information and support services, or other
19 program purposes.
 - 20 (d) \$2,220,000 is available for Job Development In-
21 centive Training programs focused on job creation
22 for public assistance recipients. Any annual sav-
23 ings from this subdivision shall only be available
24 for expenditure for one-time activities listed under
25 subdivision (j) of Section 88531 of the Education
26 Code.
 - 27 (e) \$3,920,000 is allocated for the establishment of
28 a Responsive Incumbent Worker Training Fund,
29 which will serve to expand the delivery of perfor-
30 mance improvement training to employers and
31 incumbent workers in high-growth industries.
32 Funds shall also be used to develop programs that
33 integrate basic skills and career technical educa-
34 tion curriculum in ways that provide students with
35 seamless educational coursework that transitions
36 students into high-tech and high-demand job sec-
37 tors.
 - 38 (f) The following provisions apply to the expenditure
39 of funds within subdivisions (a) and (b): Funds
40 allocated for centers and regional collaboratives

1 shall seek to maximize the use of state funds for
2 subdivisions (g) to (j), inclusive, of Section 88531
3 of the Education Code. Funds allocated to districts
4 for purposes of subdivisions (g) and (i) of Section
5 88531 of the Education Code for performance-
6 based training and student internships shall be
7 matched by a minimum of \$1 of private business
8 and industry funding for each \$1 of state funds.
9 Funds allocated for purposes of subdivision (h)
10 of Section 88531 of the Education Code for
11 credit and noncredit instruction may be transferred
12 to Schedule (1) or (3) to facilitate distribution at
13 the chancellor's discretion. Any funds that become
14 available from network centers due to savings,
15 discontinuance, or reduction of amounts shall first
16 be made available for additional allocations in
17 subdivision (b) to increase the level of subsidized
18 training otherwise available.

19 (g) Funds allocated by the Board of Governors of the
20 California Community Colleges under this provi-
21 sion may not be used by community college dis-
22 tricts to supplant existing courses or contract edu-
23 cation offerings. The chancellor shall ensure that
24 funds are spent only for expanded services and
25 shall implement accountability reporting for dis-
26 tricts receiving these funds to ensure that training,
27 credit, and noncredit programs remain relevant
28 to business needs. Programs that do not demon-
29 strate continued relevance and support by business
30 shall not be eligible for continued funding. The
31 board of governors shall consider the level of in-
32 volvement and financial commitments of business
33 and industry as primary factors in making awards.
34 The chancellor shall incorporate project require-
35 ments into the guidelines for audits of economic
36 development projects.

37 (h) Primary objectives of the Economic and Work-
38 force Development Program are to maximize in-
39 struction, to prepare students for entry-level jobs,
40 to increase skills of the current workforce, and to

1 stimulate the growth of businesses through training
 2 so that more jobs are created. As part of the
 3 annual report on the performance of the Economic
 4 and Workforce Development Program, the chancellor shall provide disaggregated data detailing
 5 the funding provided to each economic development regional center and each industry-driven
 6 regional education and training collaborative, and
 7 to the extent practicable, the total number of hours
 8 of contract education services, performance improvement training, credit and noncredit instruction,
 9 and job placements created as a result of
 10 each center and collaborative.

11 19. (a) The funds appropriated in Schedule (17) for the
 12 Transfer Education and Articulation Program are
 13 available to support transfer and articulation projects and common course numbering projects.

14 (b) Funding provided to community college districts
 15 from Schedule (17) is provided to directly offset
 16 any mandated costs claimed by community college districts pursuant to Chapter 737 of the
 17 Statutes of 2004.

18 20. (a) One-half of any funds appropriated in Schedule
 19 (18) are available for the following purposes:

20 (1) Scheduled maintenance and special repairs
 21 of facilities. The Chancellor of the California
 22 Community Colleges shall allocate funds to
 23 districts on the basis of actual reported full-
 24 time equivalent students (FTES), and may
 25 establish a minimum allocation per district.
 26 As a condition for receiving and expending
 27 these funds for maintenance or special repairs,
 28 a district shall certify that it will increase its
 29 operations and maintenance spending from the
 30 1995–96 fiscal year by the amount it allocates
 31 from this appropriation for maintenance and
 32 special repairs, plus an equal amount to be
 33 provided from district discretionary funds. The
 34 chancellor may waive all or a portion of the
 35 matching require-

1 ment based upon a review of a district's finan-
2 cial condition. The question of whether a
3 district has complied with its resolution shall
4 be reviewed under the annual audit of that
5 district. For every \$1 a district expends from
6 any funds provided in this appropriation for
7 scheduled maintenance and special repairs,
8 the recipient district shall provide \$1 in
9 matching funds.

10 (2) Hazardous substances abatement, cleanup,
11 and repairs.

12 (3) Architectural barrier removal projects that
13 meet the requirements of the federal Ameri-
14 cans with Disabilities Act of 1990 (42 U.S.C.
15 Sec. 12101 et seq.) and seismic retrofit pro-
16 jects limited to \$400,000. Districts that re-
17 ceive funds for architectural barrier removal
18 projects shall provide a \$1 match for every
19 \$1 provided by the state.

20 (b) One-half of any funds appropriated in Schedule
21 (18) are available for replacement of instructional
22 equipment and library materials. For every \$3 a
23 district expends from any moneys provided in this
24 appropriation for replacement of instructional
25 equipment or library materials, the recipient dis-
26 trict shall provide \$1 in matching funds. The
27 chancellor may waive all or a portion of the
28 matching requirement based upon a review of a
29 district's financial condition. The funds provided
30 for instructional equipment and library materials
31 shall not be used for personal services costs or
32 operating expenses. The chancellor shall allocate
33 funds to districts on the basis of actual reported
34 FTES and may establish a minimum allocation
35 per district. The question of whether a district has
36 complied with its resolution shall be reviewed
37 under the annual audit of that district.

38 (c) Any funds appropriated in Schedule (18) shall be
39 available for expenditure until June 30, 2013.

- 1 21. Of the funds appropriated in Schedule (19) for Extend-
- 2 ed Opportunity Programs and Services, \$64,273,000
- 3 is for Extended Opportunity Programs and Services
- 4 (EOPS) in accordance with Article 8 (commencing
- 5 with Section 69640) of Chapter 2 of Part 42 of Divi-
- 6 sion 5 of Title 3 of the Education Code. Funds provid-
- 7 ed in this item for EOPS shall be available to students
- 8 on all campuses within the California Community
- 9 Colleges system, including those students on new
- 10 campuses or in new districts. In addition, \$9,332,000
- 11 is for funding, at all colleges, the Cooperative Agen-
- 12 cies Resources for Education (CARE) program in ac-
- 13 cordance with Article 4 (commencing with Section
- 14 79150) of Chapter 9 of Part 48 of Division 7 of Title
- 15 3 of the Education Code. The Board of Governors of
- 16 the California Community Colleges shall allocate
- 17 funds on a priority basis to local programs on the basis
- 18 of need for student services.
- 19 22. Of the funds appropriated in Schedule (19) for the
- 20 Extended Opportunity Programs and Services, no less
- 21 than \$4,972,000 shall be available to support additional
- 22 textbook assistance grants to community college stu-
- 23 dents as an allowable expenditure consistent with
- 24 paragraph (10) of subdivision (b) of Section 69648 of
- 25 the Education Code. In addition, these funds shall not
- 26 supplant the amount of resources used for textbook
- 27 grants in the 2001–02 fiscal year.
- 28 23. The funds appropriated in Schedule (20) for the Fund
- 29 for Student Success are for additional targeted student
- 30 services, to be expended as follows:
- 31 (a) \$1,183,000 is for the Puente Project to support up
- 32 to 75 colleges. These funds are available if
- 33 matched by \$200,000 of private funds and the
- 34 participating community colleges and University
- 35 of California campuses maintain their 1995–96
- 36 fiscal year support level for the Puente Project.
- 37 All funding shall be allocated directly to partici-
- 38 pating districts in accordance with their participa-
- 39 tion agreement.

- 1 (b) Up to \$1,515,000 is for the Mathematics, Engi-
2 neering and Science Achievement (MESA) pro-
3 gram. For each dollar allocated, the recipient dis-
4 trict shall provide \$1 in matching funds.
- 5 (c) No less than \$1,094,000 is for the Middle College
6 High School Program. With the exception of fully
7 compliant special part-time students at the com-
8 munity colleges pursuant to Sections 48802 and
9 76001 of the Education Code, student workload
10 based on participation in the Middle College High
11 School Program shall not be eligible for commu-
12 nity college state apportionment. Further, no
13 community college state apportionment shall be
14 made available for physical education classes,
15 noncredit classes, nor other courses specified in
16 Provision 8.
- 17 24. Pursuant to Sections 69648.5, 78216, and 84850, and
18 subdivision (b) of Section 87108, of the Education
19 Code, the Board of Governors of the California Com-
20 munity Colleges may allocate funds appropriated in
21 Schedules (6), (9), (11), and (19) by grant or contract,
22 or through the apportionment process, to one or more
23 districts for the purpose of providing program evalua-
24 tion, accountability, monitoring, or program develop-
25 ment services, as appropriate under the applicable
26 statute.
- 27 25. (a) All funds appropriated in Schedule (21) for the
28 Career Technical Education Program are for the
29 purpose of aligning career-technical education
30 curriculum between K–12 and community col-
31 leges in targeted industry-driven programs offered
32 through the Economic and Workforce Develop-
33 ment Program. Prior to the allocation of these
34 funds, the Chancellor of the California Communi-
35 ty Colleges, in conjunction with the State Depart-
36 ment of Education, shall submit a proposed expendi-
37 ture plan for the funds contained in this item,
38 and the rationale therefor, to the Department of
39 Finance by August 1 of each year for approval.

- 1 (b) If funds are appropriated in Schedule (21) for the
- 2 Career Technical Education Program, no more
- 3 than \$2,500,000 is available for the development
- 4 and enhancement of health-related career pathway
- 5 programs in grades 7 to 12, inclusive, and for the
- 6 articulation and alignment of health-related cur-
- 7 riculum between schools with pupils in kinder-
- 8 garten and grades 1 to 12, inclusive, and the Cali-
- 9 fornia Community Colleges.
- 10 26. The funds appropriated in Schedule (22) for the
- 11 Campus Child Care Tax Bailout shall be allocated by
- 12 the Chancellor of the California Community Colleges
- 13 to community college districts that levied child care
- 14 permissive override taxes in the 1977–78 fiscal year
- 15 pursuant to Sections 8329 and 8330 of the Education
- 16 Code in an amount proportional to the property tax
- 17 revenues, tax relief subventions, and state aid required
- 18 to be made available by the district to its child care
- 19 and development program for the 1979–80 fiscal year
- 20 pursuant to Section 30 of Chapter 1035 of the Statutes
- 21 of 1979, increased or decreased by any cost-of-living
- 22 adjustment granted in subsequent fiscal years. These
- 23 funds shall be used only for the purpose of community
- 24 college child care and development programs.
- 25 27. With regard to the funds appropriated in Schedule
- 26 (23), Nursing Program Support, all of the following
- 27 shall apply:
- 28 (a) \$8,475,000 shall be used to provide support for
- 29 nursing program enrollment and equipment needs
- 30 consistent with paragraph (2) of subdivision (a)
- 31 of Section 2 of Chapter 514 of the Statutes of
- 32 2001. Funding for nursing enrollment shall pro-
- 33 vide a marginal increase in funding in addition to
- 34 the amount provided for each full-time equivalent
- 35 student for regular growth in apportionments.
- 36 (b) \$4,903,000 shall be used to provide diagnostic
- 37 and support services, preentry coursework, alter-
- 38 native program delivery model development, and
- 39 other services to reduce the incidence of student
- 40 attrition in nursing programs.

- 1 (c) Funds shall be allocated according to the follow-
2 ing criteria:
 - 3 (1) The degree to which the funds provided
4 would be used to increase student enrollment
5 in nursing programs beyond the level of full-
6 time equivalent students served in the
7 2010–11 academic year.
 - 8 (2) The district’s level of attrition from nursing
9 programs and the suitability of planned ex-
10 penditures to address attrition levels.
 - 11 (3) The degree to which funds provided would
12 be used to support infrastructure or equip-
13 ment needs with the intent of building capac-
14 ity and increasing the number of nursing
15 students served.
 - 16 (4) For districts with attrition rates of 15 percent
17 or more, new funding shall focus on attrition
18 reduction. For districts with attrition rates
19 below 15 percent, new funding shall focus
20 on enrollment expansion.
- 21 (d) On or before March 1 of each year, the Chancellor
22 of the California Community Colleges shall pro-
23 vide the Legislature and the Department of Fi-
24 nance with a report on the allocation of funding.
25 For each district receiving funding under this item,
26 the report shall include all of the following: (1)
27 the amount of funding received, (2) the number
28 of nursing full-time equivalent students served in
29 the 2006–07 academic year, and the additional
30 number of nursing full-time equivalent students
31 served with funding provided in this item in each
32 subsequent year, (3) the district’s attrition and
33 completion rates in the 2006–07 academic year
34 and subsequent years, (4) any equipment or infra-
35 structure-related items acquired with the funds
36 appropriated in this item, and (5) the number of
37 new and existing faculty receiving annual stipend
38 awards.
- 39 28. Notwithstanding any other provision of law, the
40 Chancellor of the California Community Colleges

1 shall allocate categorical funds as specified in legisla-
 2 tion enacted in 2009 and as amended in 2010. Pursuant
 3 to the conditions specified in that legislation, districts
 4 may utilize funds allocated from Schedules (2), (9),
 5 (10), (11), (12), (13), (14), (16), (17), (18), and (22)
 6 as further specified in that legislation. Notwithstanding
 7 this provision and subdivision (b) of Section 84043 of
 8 the Education Code, the chancellor may adjust alloca-
 9 tions, as necessary, for funding provided pursuant to
 10 Schedules (10), (16), and (17) in support of statewide
 11 or regional functions.

12 29. Notwithstanding any other provision of law, the
 13 Chancellor of the California Community Colleges may
 14 reduce community college district base workload
 15 measures to match available funding under Schedule
 16 (1), which reflects a base reduction of \$290,000,000
 17 to support community college district general appor-
 18 tionments. It is the intent of the Legislature that com-
 19 munity college districts, to the greatest extent possible,
 20 shall implement any necessary workload reductions
 21 in courses and programs outside of those needed by
 22 students to achieve their basic skills, workforce train-
 23 ing, or transfer goals. On or before April 15, 2012, the
 24 chancellor shall provide the fiscal committees of both
 25 houses of the Legislature and the Director of Finance
 26 with a report on the implementation of this provision.
 27

28 *SEC. 86. Notwithstanding the rulemaking provisions of the*
 29 *Administrative Procedure Act (Chapter 3.5 (commencing with*
 30 *Section 11340) of Part 1 of Division 3 of Title 2 of the Government*
 31 *Code), the State Department of Education may implement Section*
 32 *20 of this act through management bulletins or other similar*
 33 *instructions.*

34 *SEC. 87. Notwithstanding any other law, the implementation*
 35 *of Section 20 of this act is not subject to the appeal and resolution*
 36 *procedures for agencies that contract with the State Department*
 37 *of Education for the provision of child care services or the due*
 38 *process requirements afforded to families that are denied services*
 39 *specified in Chapter 19 (commencing with Section 18000) of*
 40 *Division 1 of Title 5 of the California Code of Regulations.*

1 SEC. 88. (a) Notwithstanding Sections 42238.1 and 42238.15
2 of the Education Code or any other law, the cost-of-living
3 adjustment for Items 6110-104-0001, 6110-105-0001,
4 6110-119-0001, 6110-122-0001, 6110-124-0001, 6110-128-0001,
5 6110-150-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001,
6 6110-167-0001, 6110-181-0001, 6110-189-0001, 6110-190-0001,
7 6110-193-0001, 6110-194-0001, 6110-196-0001, 6110-203-0001,
8 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-224-0001,
9 6110-232-0001, 6110-244-0001, and 6110-246-0001 of Section
10 2.00 of the Budget Act of 2012 is 0 percent for the 2012–13 fiscal
11 year. All funds appropriated in the Budget Act of 2012 in the items
12 identified in this section are in lieu of the amounts that would
13 otherwise be appropriated pursuant to any other provision of law.

14 (b) Notwithstanding Section 42238.1 of the Education Code or
15 any other law, for purposes of Section 48664 of the Education
16 Code, the cost-of-living adjustment is 0 percent for the 2012–13
17 fiscal year.

18 SEC. 89. (a) It is the intent of the Legislature that basic aid
19 school districts assume categorical funding reductions
20 proportionate to the revenue limit reductions implemented for
21 nonbasic aid school districts in the 2008–09, 2009–10, 2010–11,
22 and 2011–12 fiscal years. It is the intent of the Legislature that
23 the reductions to categorical funding for basic aid school districts
24 set forth in this section be restored at the same time as, and in
25 direct proportion to, reductions in the deficit factor for school
26 district revenue limits set forth in Section 42238.146 of the
27 Education Code. The Superintendent of Public Instruction shall
28 reduce the amount of categorical funding allocated to basic aid
29 school districts in the 2012–13 fiscal year, as follows:

30 (1) For the 2012–13 fiscal year, the State Department of
31 Education shall notify each basic aid school district, by September
32 1, 2013, or two months after the Budget Act of 2013 is enacted,
33 whichever is later, of the amount of funds to be reduced from its
34 categorical funding allocations, as follows:

35 (A) Multiply each district's 2012–13 fiscal year total revenue
36 limit subject to the deficit factor specified in paragraph (5) of
37 subdivision (a) of Section 42238.146 of the Education Code,
38 calculated as of the 2012–13 fiscal year certified second principal
39 apportionment, by 8.92 percent.

1 (B) *The State Department of Education shall recover from*
2 *categorical funds identified in paragraph (2) and apportioned in*
3 *the 2013–14 fiscal year to school districts that were basic aid*
4 *school districts in the 2012–13 fiscal year, the lesser of the amount*
5 *calculated in subparagraph (A) or the amount by which the sum*
6 *of the amounts described in subdivision (h) of Section 42238 of*
7 *the Education Code exceeds the school district’s revenue limit.*
8 *This result will be further limited by the following:*

9 (i) *The amount of categorical funds to be reduced shall be*
10 *limited to the extent that the provisions of Section 41975 of the*
11 *Education Code cannot be met through other state aid.*

12 (ii) *If the amount determined in subparagraph (A) exceeds the*
13 *amount of categorical funding owed or paid in the 2013–14 fiscal*
14 *year to the basic aid school district for programs identified in*
15 *paragraph (2), the State Department of Education shall recover*
16 *the lesser amount.*

17 (2) *The State Department of Education shall recover the amount*
18 *of funds calculated in paragraph (1) and may offset funds for any*
19 *categorical program to be received in the 2013–14 fiscal year,*
20 *with the exception of funds received under the After School*
21 *Education and Safety Program, the Quality Education Investment*
22 *Act of 2006, and funds for child care and development.*

23 (b) *By June 30, 2014, the State Department of Education shall*
24 *report to the Controller and the Director of Finance the amounts*
25 *that were recovered from each categorical education program*
26 *and the corresponding item of appropriation in the Budget Act of*
27 *2012 that is to be reduced. The amounts so reduced shall revert*
28 *to the General Fund. The reductions pursuant to this subdivision*
29 *shall be reductions in the amount appropriated for purposes of*
30 *Section 8 of Article XVI of the California Constitution for the*
31 *2012–13 fiscal year.*

32 (c) *For purposes of this section, “basic aid school district”*
33 *means a school district that does not receive from the state, for*
34 *the 2012–13 fiscal year, an apportionment of state funds pursuant*
35 *to subdivision (h) of Section 42238 of the Education Code.*

36 SEC. 90. *Of the amount allocated in Schedule (1) of Item*
37 *6110-161-0001 of Section 2.00 of the Budget Act of 2011, twelve*
38 *million one hundred thirty-three thousand dollars (\$12,133,000)*
39 *is provided to fully fund the 2008–09 maintenance of effort in the*
40 *special education program.*

1 SEC. 91. (a) Notwithstanding any other law, the
2 Superintendent of Public Instruction shall certify to the Controller
3 the amounts needed for the 2012–13 fiscal year to fund the Class
4 Size Reduction Program operated pursuant to Chapter 6.10
5 (commencing with Section 52120) of Part 28 of Division 4 of Title
6 2 of the Education Code, pursuant to the following schedule:

7 (1) Within 90 days of the enactment of the Budget Act of 2012,
8 the Superintendent of Public Instruction shall certify to the
9 Controller the amount needed to fund the advance apportionments
10 for the 2012–13 fiscal year, consistent with paragraph (2) of
11 subdivision (c), and paragraph (1) of subdivision (g), of Section
12 52126 and Section 52124.3 of the Education Code.

13 (2) By February 25, 2013, the Superintendent of Public
14 Instruction shall certify to the Controller the amount needed to
15 fund the apportionment payments for the 2012–13 fiscal year on
16 the basis of applications received, consistent with paragraph (2)
17 of subdivision (c), and paragraph (2) of subdivision (g), of Section
18 52126 and Section 52124.3 of the Education Code.

19 (3) By July 25, 2013, the Superintendent of Public Instruction
20 shall certify to the Controller the amount needed to fund the
21 apportionments for the 2012–13 fiscal year on the basis of actual
22 enrollment, consistent with paragraph (2) of subdivision (c), and
23 paragraph (3) of subdivision (g), of Section 52126 and Section
24 52124.3 of the Education Code.

25 (4) By April 30, 2014, the Superintendent of Public Instruction
26 shall certify to the Controller the amount needed to fund the full
27 apportionments for the 2012–13 fiscal year on the basis of revised
28 reports of actual enrollment, consistent with paragraph (2) of
29 subdivision (c), and paragraph (3) of subdivision (g), of Section
30 52126 and Section 52124.3 of the Education Code.

31 (b) Not later than five days following each certification made
32 pursuant to subdivision (a), the Controller shall transfer from the
33 General Fund to Section A of the State School Fund for allocation
34 by the Superintendent of Public Instruction for purposes of Chapter
35 6.10 (commencing with Section 52120) of Part 28 of Division 4 of
36 Title 2 of the Education Code the following amounts:

37 (1) For the certification made pursuant to paragraph (1) of
38 subdivision (a), the amount certified.

1 (2) For the certification made pursuant to paragraph (2) of
2 subdivision (a), 55 percent of the amount certified minus the
3 amount transferred pursuant to paragraph (1).

4 (3) For the certification made pursuant to paragraph (3) of
5 subdivision (a), the amount certified minus the sum of the amounts
6 transferred pursuant to paragraphs (1) and (2).

7 (4) For the certification made pursuant to paragraph (4) of
8 subdivision (a), the amount certified pursuant to paragraph (4) of
9 subdivision (a) minus the sum of the amounts transferred pursuant
10 to paragraphs (1), (2), and (3).

11 (c) Not less than 30 days before making each certification
12 pursuant to subdivision (a), the Superintendent of Public
13 Instruction shall notify the Department of Finance, the Legislative
14 Analyst, and the appropriate policy and fiscal committees of the
15 Legislature regarding the amounts the Superintendent intends to
16 certify to the Controller and shall include in that notification the
17 data used in determining the amounts to be certified.

18 (d) The per pupil amounts for Option One and Option Two for
19 the 2012–13 fiscal year shall be the same as those provided in the
20 2009–10 fiscal year.

21 (e) For the purposes of making the computations required by
22 Section 8 of Article XVI of the California Constitution, the transfers
23 made by paragraphs (3) and (4) of subdivision (b) shall be deemed
24 to be “General Fund revenues appropriated for school districts,”
25 as defined in subdivision (c) of Section 41202 of the Education
26 Code, for the 2013–14 fiscal year, and included within the “total
27 allocations to school districts and community college districts
28 from General Fund proceeds of taxes appropriated pursuant to
29 Article XIII B,” as defined in subdivision (e) of Section 41202 of
30 the Education Code, for the 2013–14 fiscal year.

31 SEC. 92. (a) The sum of nine hundred five million seven
32 hundred thousand dollars (\$905,700,000) is hereby appropriated
33 from the General Fund to the State Department of Education. This
34 appropriation reflects the portion of the payment for class size
35 reduction in kindergarten and grades 1 to 3, inclusive, that is to
36 be deferred until and attributed to the 2013–14 fiscal year and the
37 June 2013 principal apportionment that is to be deferred until July
38 2013 and attributed to the 2013–14 fiscal year. Notwithstanding
39 any other law, the department shall encumber the funds
40 appropriated in this section by July 31, 2013. It is the intent of the

1 Legislature that, by extending the encumbrance authority for the
2 funds appropriated in this section to July 31, 2013, the funds will
3 be treated in a manner consistent with Section 1.80 of the Budget
4 Act of 2012. The appropriation is made in accordance with the
5 following schedule:

6 (1) Six million two hundred twenty-seven thousand dollars
7 (\$6,227,000) for apprenticeship programs to be expended
8 consistent with the requirements specified in Item 6110-103-0001
9 of Section 2.00 of the Budget Act of 2012.

10 (2) Ninety million one hundred seventeen thousand dollars
11 (\$90,117,000) for supplemental instruction to be expended
12 consistent with the requirements specified in Item 6110-104-0001
13 of Section 2.00 of the Budget Act of 2012. Of the amount
14 appropriated by this paragraph, fifty-one million sixty-one
15 thousand dollars (\$51,061,000) shall be expended consistent with
16 Schedule (1) of Item 6110-104-0001 of Section 2.00 of the Budget
17 Act of 2012, twelve million three hundred thirty thousand dollars
18 (\$12,330,000) shall be expended consistent with Schedule (2) of
19 that item, four million six hundred ninety thousand dollars
20 (\$4,690,000) shall be expended consistent with Schedule (3) of
21 that item, and twenty-two million thirty-six thousand dollars
22 (\$22,036,000) shall be expended consistent with Schedule (4) of
23 that item.

24 (3) Thirty-nine million six hundred thirty thousand dollars
25 (\$39,630,000) for regional occupational centers and programs to
26 be expended consistent with the requirements specified in Schedule
27 (1) of Item 6110-105-0001 of Section 2.00 of the Budget Act of
28 2012.

29 (4) Four million two hundred ninety-four thousand dollars
30 (\$4,294,000) for the Gifted and Talented Pupil Program to be
31 expended consistent with the requirements specified in Item
32 6110-124-0001 of Section 2.00 of the Budget Act of 2012.

33 (5) Forty-five million eight hundred ninety-six thousand dollars
34 (\$45,896,000) for adult education to be expended consistent with
35 the requirements specified in Schedule (1) of Item 6110-156-0001
36 of Section 2.00 of the Budget Act of 2012.

37 (6) Four million seven hundred fifty-one thousand dollars
38 (\$4,751,000) for community day schools to be expended consistent
39 with the requirements specified in Item 6110-190-0001 of Section
40 2.00 of the Budget Act of 2012.

1 (7) Five million nine hundred forty-seven thousand dollars
2 (\$5,947,000) for categorical block grants for charter schools to
3 be expended consistent with the requirements specified in Item
4 6110-211-0001 of Section 2.00 of the Budget Act of 2012.

5 (8) Thirty-eight million seven hundred twenty thousand dollars
6 (\$38,720,000) for the School Safety Block Grant to be expended
7 consistent with the requirements specified in Item 6110-228-0001
8 of Section 2.00 of the Budget Act of 2012.

9 (9) One hundred million one hundred eighteen thousand dollars
10 (\$100,118,000) for the Targeted Instructional Improvement Block
11 Grant Program to be expended consistent with the requirements
12 specified in Item 6110-246-0001 of Section 2.00 of the Budget Act
13 of 2012.

14 (b) The amount appropriated in subdivision (a) shall be reduced
15 by the lesser of five hundred seventy million dollars (\$570,000,000)
16 or the sum of the amounts transferred pursuant to paragraphs (3)
17 and (4) of subdivision (b) of Section 91 of this act.

18 (c) For purposes of making the computations required by Section
19 8 of Article XVI of the California Constitution, the appropriations
20 made by subdivision (a) shall be deemed to be “General Fund
21 revenues appropriated for school districts,” as defined in
22 subdivision (c) of Section 41202 of the Education Code, for the
23 2013–14 fiscal year, and included within the “total allocations to
24 school districts and community college districts from General
25 Fund proceeds of taxes appropriated pursuant to Article XIII B,”
26 as defined in subdivision (e) of Section 41202 of the Education
27 Code, for the 2013–14 fiscal year.

28 SEC. 93. Notwithstanding any other law, the funds
29 appropriated pursuant to Items 6110-103-0001, 6110-104-0001,
30 6110-105-0001, 6110-124-0001, 6110-156-0001, 6110-158-0001,
31 6110-161-0001, 6110-190-0001, 6110-211-0001, 6110-234-0001,
32 and 6110-243-0001 of Section 2.00 of the Budget Act of 2012 shall
33 be encumbered by July 31, 2013. This one-month extension of
34 encumbrance authority is provided due to the effect of the deferral
35 of the June 2013 principal apportionment on the budget items
36 specified in this section. It is the intent of the Legislature that, by
37 extending the encumbrance authority for the funds identified in
38 this section to July 31, 2013, the funds will be treated in a manner
39 consistent with Section 1.80 of the Budget Act of 2012.

1 *SEC. 94. (a) The sum of five hundred sixteen million eight*
2 *hundred eighty-one thousand dollars (\$516,881,000) is hereby*
3 *appropriated from the General Fund to the Board of Governors*
4 *of the California Community Colleges in augmentation of Schedule*
5 *(1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of*
6 *2012 for the purpose of increasing apportionment funding to*
7 *community college districts.*

8 *(b) Notwithstanding any other law that governs the regulations*
9 *adopted by the Board of Governors of the California Community*
10 *Colleges, the funds appropriated in subdivision (a) shall be*
11 *allocated as follows:*

12 *(1) One hundred million dollars (\$100,000,000) shall be*
13 *allocated for the month of February.*

14 *(2) One hundred million dollars (\$100,000,000) shall be*
15 *allocated for the month of March.*

16 *(3) One hundred million dollars (\$100,000,000) shall be*
17 *allocated for the month of April.*

18 *(4) One hundred million dollars (\$100,000,000) shall be*
19 *allocated for the month of May.*

20 *(5) One hundred sixteen million eight hundred eighty-one*
21 *thousand dollars (\$116,881,000) shall be allocated for the month*
22 *of June.*

23 *(c) For the purposes of making the computations required by*
24 *Section 8 of Article XVI of the California Constitution, the*
25 *appropriations made by subdivision (b) shall be deemed to be*
26 *“General Fund revenues appropriated for community college*
27 *districts,” as defined in subdivision (d) of Section 41202 of the*
28 *Education Code, for the 2012–13 fiscal year, and included within*
29 *the “total allocations to school districts and community college*
30 *districts from General Fund proceeds of taxes appropriated*
31 *pursuant to Article XIII B,” as defined in subdivision (e) of Section*
32 *41202 of the Education Code, for the 2012–13 fiscal year.*

33 *(d) This section shall not become operative until December 15,*
34 *2012, and shall become operative only if the Schools and Local*
35 *Public Safety Protection Act of 2012 (Attorney General reference*
36 *number 12-0009) is not approved by the voters at the November*
37 *6, 2012, statewide general election, or if the provisions of that act*
38 *that modify personal income tax rates do not become operative*
39 *due to a conflict with another initiative measure that is approved*
40 *at the same election and receives a greater number of affirmative*

1 votes. If the Schools and Local Public Safety Protection Act of
2 2012 (Attorney General reference number 12-0009) is approved
3 by the voters at the November 6, 2012, statewide general election,
4 and all of the provisions of that act that modify personal income
5 tax rates become operative, this section shall not become operative
6 and shall be repealed on January 1, 2013.

7 SEC. 95. (a) On or before June 30, 2012, an amount to be
8 determined by the Director of Finance, but not to exceed one
9 hundred sixteen million one hundred thirty-three thousand dollars
10 (\$116,133,000), shall be appropriated from the General Fund to
11 the Board of Governors of the California Community Colleges in
12 augmentation of Schedule (1) of Item 6870-101-0001 of Section
13 2.00 of the Budget Act of 2011.

14 (b) The funds appropriated in subdivision (a) shall only be
15 available to the extent that revenues distributed to community
16 college districts pursuant to Section 34188 of the Health and Safety
17 Code are less than the estimated amount reflected in the Budget
18 Act of 2011, as determined by the Director of Finance.

19 (c) In making the determination pursuant to subdivision (b), the
20 Director of Finance shall consider any other local property tax
21 revenues and student fee revenues collected in excess of the
22 estimated amounts reflected in the Budget Act of 2011.

23 (d) The Director of Finance shall notify the Chairperson of the
24 Joint Legislative Budget Committee, or his or her designee, of his
25 or her intent to notify the Controller of the necessity to release
26 funds appropriated in subdivision (a) and the amount needed to
27 address the property tax shortfall determined pursuant to
28 subdivision (b). The Controller shall make the funds available not
29 sooner than five days after this notification and the Office of the
30 Chancellor of the California Community Colleges shall work with
31 the Controller to allocate these funds to community college districts
32 as soon as practicable.

33 (e) For purposes of making the computations required by Section
34 8 of Article XVI of the California Constitution, the appropriations
35 made by subdivision (a) shall be deemed to be "General Fund
36 revenues appropriated for community college districts," as defined
37 in subdivision (d) of Section 41202 of the Education Code, for the
38 2011–12 fiscal year, and included within the "total allocations to
39 school districts and community college districts from General
40 Fund proceeds of taxes appropriated pursuant to Article XIII B,"

1 as defined in subdivision (e) of Section 41202 of the Education
2 Code, for the 2011–12 fiscal year.

3 SEC. 96. (a) On or before June 30, 2012, an amount to be
4 determined by the Director of Finance, but not to exceed nineteen
5 million three hundred forty-seven thousand dollars (\$19,347,000),
6 shall be appropriated from the General Fund to the Superintendent
7 of Public Instruction in augmentation of Schedule (1) of Item
8 6110-161-0001 of Section 2.00 of the Budget Act of 2011.

9 (b) The funds appropriated in subdivision (a) shall only be
10 available to the extent that revenues distributed to local
11 educational agencies pursuant to Section 34188 of the Health and
12 Safety Code are less than the estimated amount reflected in the
13 Budget Act of 2011, as determined by the Director of Finance.

14 (c) In making the determination pursuant to subdivision (b), the
15 Director of Finance shall consider any other local property tax
16 revenues collected in excess of the estimated amounts reflected in
17 the Budget Act of 2011.

18 (d) The Director of Finance shall notify the Chairperson of the
19 Joint Legislative Budget Committee, or his or her designee, of his
20 or her intent to notify the Controller of the necessity to release
21 funds appropriated in subdivision (a) and the amount needed to
22 address the property tax shortfall determined pursuant to
23 subdivision (b). The Controller shall make the funds available not
24 sooner than five days after this notification and the State
25 Department of Education shall work with the Controller to allocate
26 these funds to local educational agencies as soon as practicable.

27 (e) For purposes of making the computations required by Section
28 8 of Article XVI of the California Constitution, the appropriations
29 made by subdivision (a) shall be deemed to be “General Fund
30 revenues appropriated for school districts,” as defined in
31 subdivision (c) of Section 41202 of the Education Code, for the
32 2011–12 fiscal year, and included within the “total allocations to
33 school districts and community college districts from General
34 Fund proceeds of taxes appropriated pursuant to Article XIII B,”
35 as defined in subdivision (e) of Section 41202 of the Education
36 Code, for the 2011–12 fiscal year.

37 SEC. 97. (a) On or before June 30, 2013, an amount to be
38 determined by the Director of Finance shall be appropriated from
39 the General Fund to the Board of Governors of the California

1 *Community Colleges in augmentation of Schedule (1) of Item*
2 *6870-101-0001 of Section 2.00 of the Budget Act of 2012.*

3 *(b) The funds appropriated in subdivision (a) shall only be*
4 *available to the extent that revenues distributed to community*
5 *colleges pursuant to Sections 34177, 34179.5, 34179.6, and 34188*
6 *of the Health and Safety Code are less than the estimated amount*
7 *reflected in the Budget Act of 2012, as determined by the Director*
8 *of Finance.*

9 *(c) On or before June 30, 2013, the Director of Finance shall*
10 *determine if the revenues distributed to community college districts*
11 *pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the*
12 *Health and Safety Code exceed the estimated amount reflected in*
13 *the Budget Act of 2012 and shall reduce Schedule (1) of Item*
14 *6870-101-0001 of Section 2.00 of the Budget Act of 2012 by the*
15 *amount of that excess.*

16 *(d) In making the determinations pursuant to subdivisions (b)*
17 *and (c), the Director of Finance shall consider any other local*
18 *property tax revenues and student fee revenues collected in excess*
19 *or in deficit of the estimated amounts reflected in the Budget Act*
20 *of 2012.*

21 *(e) The Director of Finance shall notify the Chairperson of the*
22 *Joint Legislative Budget Committee, or his or her designee, of his*
23 *or her intent to notify the Controller of the necessity to release*
24 *funds appropriated in subdivision (a) or to make the reduction*
25 *pursuant to subdivision (c), and the amount needed to address the*
26 *property tax shortfall determined pursuant to subdivision (b) or*
27 *the amount of the reduction made pursuant to subdivision (c). The*
28 *Controller shall make the funds available not sooner than five*
29 *days after this notification and the Office of the Chancellor of the*
30 *California Community Colleges shall work with the Controller to*
31 *allocate these funds to community college districts as soon as*
32 *practicable.*

33 *(f) For the purposes of making the computations required by*
34 *Section 8 of Article XVI of the California Constitution, the*
35 *appropriations made by subdivision (a) shall be deemed to be*
36 *“General Fund revenues appropriated for community college*
37 *districts,” as defined in subdivision (d) of Section 41202 of the*
38 *Education Code, for the 2012–13 fiscal year, and included within*
39 *the “total allocations to school districts and community college*
40 *districts from General Fund proceeds of taxes appropriated*

1 pursuant to Article XIII B,” as defined in subdivision (e) of Section
2 41202 of the Education Code, for the 2012–13 fiscal year.

3 SEC. 98. (a) On or before June 30, 2013, an amount to be
4 determined by the Director of Finance shall be appropriated from
5 the General Fund to the Superintendent of Public Instruction in
6 augmentation of Schedule (1) of Item 6110-161-0001 of Section
7 2.00 of the Budget Act of 2012.

8 (b) The funds appropriated in subdivision (a) shall only be
9 available to the extent that revenues distributed to local
10 educational agencies for special education programs pursuant to
11 Sections 34177, 34179.5, 34179.6, and 34188 of the Health and
12 Safety Code are less than the estimated amount reflected in the
13 Budget Act of 2012, as determined by the Director of Finance.

14 (c) On or before June 30, 2013, the Director of Finance shall
15 determine if the revenues distributed to local educational agencies
16 for special education programs pursuant to Sections 34177,
17 34179.5, 34179.6, and 34188 of the Health and Safety Code exceed
18 the estimated amount reflected in the Budget Act of 2012 and shall
19 reduce Schedule (1) of Item 6110-161-0001 of Section 2.00 of the
20 Budget Act of 2012 by the amount of that excess.

21 (d) In making the determinations pursuant to subdivisions (b)
22 and (c), the Director of Finance shall consider any other local
23 property tax revenues collected in excess or in deficit of the
24 estimated amounts reflected in the Budget Act of 2012.

25 (e) The Director of Finance shall notify the Chairperson of the
26 Joint Legislative Budget Committee, or his or her designee, of his
27 or her intent to notify the Controller of the necessity to release
28 funds appropriated in subdivision (a) or to make the reduction
29 pursuant to subdivision (c), and the amount needed to address the
30 property tax shortfall determined pursuant to subdivision (b) or
31 the amount of the reduction made pursuant to subdivision (c). The
32 Controller shall make the funds available not sooner than five
33 days after this notification and the State Department of Education
34 shall work with the Controller to allocate these funds to local
35 educational agencies as soon as practicable.

36 (f) For the purposes of making the computations required by
37 Section 8 of Article XVI of the California Constitution, the
38 appropriations made by subdivision (a) shall be deemed to be
39 “General Fund revenues appropriated for school districts,” as
40 defined in subdivision (c) of Section 41202 of the Education Code,

1 for the 2012–13 fiscal year, and included within the “total
2 allocations to school districts and community college districts
3 from General Fund proceeds of taxes appropriated pursuant to
4 Article XIII B,” as defined in subdivision (e) of Section 41202 of
5 the Education Code, for the 2012–13 fiscal year.

6 SEC. 99. If the Schools and Local Public Safety Protection Act
7 of 2012 (Attorney General reference number 12-0009) is not
8 approved by the voters at the November 6, 2012, statewide general
9 election, or if the provisions of that act that modify personal income
10 tax rates do not become operative due to a conflict with another
11 initiative measure that is approved at the same election and
12 receives a greater number of affirmative votes, on or before
13 November 30, 2012, the Chancellor of the California Community
14 Colleges, as approved by the Department of Finance, shall reduce
15 community college district base workload measures to match
16 available general-purpose apportionment funding. It is the intent
17 of the Legislature that community college districts, to the greatest
18 extent possible, shall implement any necessary workload reductions
19 in courses and programs outside of those needed by students to
20 achieve their basic skills, workforce training, or transfer goals.
21 On or before September 15, 2013, the Chancellor of the California
22 Community Colleges shall provide the fiscal committees of both
23 houses of the Legislature and the Director of Finance with a report
24 on the implementation of this provision.

25 SEC. 100. If the Schools and Local Public Safety Protection
26 Act of 2012 (Attorney General reference number 12-0009) is
27 approved by the voters at the November 6, 2012, statewide general
28 election, and all of the provisions of that act that modify personal
29 income tax rates become operative, fifty million dollars
30 (\$50,000,000) (Proposition 98 General Fund) shall be transferred
31 from Schedule (1) of Item 6870-101-0001 of Section 2.00 of the
32 Budget Act of 2012 to Schedule (4) of Item 6870-101-0001 of
33 Section 2.00 of the Budget Act of 2012 for the purpose of providing
34 growth funding to community college districts. The California
35 Community Colleges Chancellor’s Office may adjust community
36 college district apportionment funding allocations as necessary
37 to reflect the possibility that fifty million dollars (\$50,000,000)
38 may be distributed as growth funding.

39 SEC. 101. (a) The Director of Finance shall reduce Schedule
40 (2) of Item 4300-101-0001 of Section 2.00 of the Budget Act of

1 2012 by one hundred ninety-seven million one hundred fifty-two
2 thousand dollars (\$197,152,000).

3 (b) The sum of one hundred ninety-seven million one hundred
4 fifty-two thousand dollars (\$197,152,000) is hereby appropriated
5 from the General Fund to the State Department of Developmental
6 Services for the Early Start Program, established pursuant to Title
7 14 (commencing with Section 95000) of the Government Code,
8 and consistent with Schedule (2) of Item 4300-101-0001 of Section
9 2.00 of the Budget Act of 2011.

10 (c) For the purposes of making the computations required by
11 Section 8 of Article XVI of the California Constitution, the
12 appropriations made by subdivision (b) shall be deemed to be
13 “General Fund revenues appropriated for school districts,” as
14 defined in subdivision (c) of Section 41202 of the Education Code,
15 for the 2012–13 fiscal year, and included within the “total
16 allocations to school districts and community college districts
17 from General Fund proceeds of taxes appropriated pursuant to
18 Article XIII B,” as defined in subdivision (e) of Section 41202 of
19 the Education Code, for the 2012–13 fiscal year.

20 (d) This section shall become operative on December 15, 2012,
21 only if the Schools and Local Public Safety Protection Act of 2012
22 (Attorney General reference number 12-0009) is not approved by
23 the voters at the November 6, 2012, statewide general election, or
24 if the provisions of that act that modify personal income tax rates
25 do not become operative due to a conflict with another initiative
26 measure that is approved at the same election and receives a
27 greater number of affirmative votes.

28 SEC. 102. If the Commission on State Mandates determines
29 that this act contains costs mandated by the state, reimbursement
30 to local agencies and school districts for those costs shall be made
31 pursuant to Part 7 (commencing with Section 17500) of Division
32 4 of Title 2 of the Government Code.

33 SEC. 103. This act is a bill providing for appropriations related
34 to the Budget Bill within the meaning of subdivision (e) of Section
35 12 of Article IV of the California Constitution, has been identified
36 as related to the budget in the Budget Bill, and shall take effect
37 immediately.

1 SECTION 1. ~~It is the intent of the Legislature to enact statutory~~
2 ~~changes relating to the Budget Act of 2012.~~

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