

AMENDED IN SENATE SEPTEMBER 6, 2013

AMENDED IN SENATE AUGUST 28, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 103

Introduced by Committee on Budget (Skinner (Chair), Bloom, Campos, ~~Chávez~~, Chesbro, Daly, Dickinson, Gordon, ~~Grove~~, Harkey, Jones-Sawyer, ~~Logue~~, Mansoor, ~~Melendez~~, Mitchell, Morrell, Mullin, Muratsuchi, Nazarian, ~~Nestande~~, Patterson, Stone, ~~Ting~~, and Wagner and Ting)

January 10, 2013

An act to amend Sections 1240, 1622, 2574, 2575, 2576, 8150.5, 8151, 8152, 8154, 8155, 35736.5, 41365, 41367, 42127, 42238.01, 42238.02, 42238.025, 42238.03, 42238.05, 42238.20, 42283, 42284, 42285, ~~42285.5~~, 42287, 46200, 46201, 46202, 46208, 47612, 47614.5, 47631, 48664, 49085, 52060, 52061, 52062, 52064, 52066, 52068, 52070, 52070.5, ~~52074~~, 56836.11, 70022, and 84321.6 of, to amend and repeal Sections 2558 and 47633 of, and to repeal Sections 1982, ~~42238.20~~, ~~46610~~, ~~46611~~, 42285.5, and 48667 of, the Education Code, to amend Section 17581.7 of the Government Code, to amend Sections 26225, 26233, and 26235 of the Public Resources Code, to amend Section 115 of Chapter 47 of the Statutes of 2013, to amend Section 83 of Chapter 48 of the Statutes of 2013, and to amend ~~Item~~ *Items* 6110-001-0001 and 6110-280-0001 of Section 2.00 of the Budget Act of 2013, relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 103, as amended, Committee on Budget. School finance: local control funding formula.

(1) Existing law provides for the attendance of apprentices at high schools, unified school districts, regional occupational centers or programs, community colleges, and adult schools under vocational education ~~programs~~ *program* standards that are established with the participation of the State Department of Education, the Chancellor of the California Community Colleges, and the Division of Apprenticeship Standards of the Department of Industrial Relations.

Existing law establishes standards for the provision of state funding and reimbursements for these programs at high schools, unified school districts, regional occupational centers or programs, and adult schools separate from these programs at community colleges. Existing law requires, by March 15, 2014, the Chancellor of the California Community Colleges and the Division of Apprenticeship Standards of the Department of Industrial Relations, with equal participation by specified entities, to develop common administrative practices and treatment for costs and services, as well as other policies related to apprenticeship programs.

This bill would amend these provisions so that they refer to local educational agencies, as defined to mean a school district or county office of education, rather than to high schools, unified school districts, regional occupational centers or programs, and adult schools. The bill would change the deadline for the development of common administrative practices and treatment of costs and services by the Chancellor of the California Community Colleges and the Division of Apprenticeship Standards of the Department of Industrial Relations by one day to March 14, 2014.

(2) Existing law establishes the Charter School Revolving Loan ~~Fund~~ *Fund* in the State Treasury, *Fund*, and authorizes loans to be made from the fund to qualifying charter schools. Existing law establishes the Charter School Security Fund, and authorizes deposits to be made from that fund into the Charter School Revolving Loan Fund in case of a default on a loan made from the latter fund. Existing law has transferred the responsibility for the administration of these funds from the State Department of Education to the California School Finance Authority commencing with the 2013–14 fiscal year. Existing law also establishes the Charter School Facility Grant Program under the administration of

the authority. Existing law requires the authority to adopt emergency regulations to implement these provisions.

This bill would authorize, rather than require, the California School Finance Authority to adopt any necessary rules and regulations for the implementation of these provisions.

(3) Existing law ~~establishes the public school system in this state and~~ establishes a public school financing system that requires state funding for county superintendents of schools, school districts, and charter schools to be calculated pursuant to a local control funding formula, as specified. Existing law requires, as part of the local control funding formula calculation, the calculation of an annual local control funding formula transition adjustment that is calculated on the basis of moneys appropriated in the Budget Act of 2012 for specified programs, including, among others, regional occupational centers and programs. Existing law, for the 2013–14 and 2014–15 fiscal years only, requires a county superintendent of schools and a school district that, in the 2012–13 fiscal year, received funds on behalf of, or provided funds to, a regional occupational center or program joint powers agency, to not redirect that funding for another purpose, except as specified. Existing law also requires, for the 2013–14 and 2014–15 fiscal years only, a county superintendent of schools and a school ~~district~~ *district, respectively*, to spend no less for regional occupational centers and programs than the amount of funds the county superintendent and school district expended in the 2012–13 fiscal year.

This bill would, for the 2013–14 and 2014–15 fiscal years, require the Superintendent of Public Instruction to apportion to a regional occupational center or program joint powers ~~authority~~ *agency* the same amount that ~~authority~~ *agency* received in the 2012–13 fiscal year from specified funding sources. The bill would authorize a county office of education and school district to include expenditures made by the county office of education and the school districts within the county for purposes of regional occupational centers or programs so long as the total amount of expenditures made by the county office of education and school districts within the county equals or exceeds the total amount required to be expended for regional occupational centers or programs pursuant to specified provisions. The bill would, for the 2013–14 and 2014–15 fiscal years, require the Superintendent to reduce the amount of the Budget Act of 2012 entitlement for regional occupational centers and programs used in the computation of the local control funding formula transition adjustment for the Torrance Unified School District

by \$3,473,574 and would require the Torrance Unified School District to continue to allocate \$3,473,574 for purposes of a regional occupational center or program joint-power-authority *powers agency*. The bill would also make numerous technical and substantive changes to provisions related to the local control funding formula.

(4) Existing law requires a county board of education and a governing board of a school district to annually adopt a budget, as specified, and requires the Superintendent of ~~Public Instruction~~ to approve the budget adopted by the county board of education and the county superintendent of schools to approve the budget adopted by the governing board of a school district. Existing law requires the budgets to not be adopted if they do not include the expenditures identified in a local control and accountability plan or an annual update to the local control and accountability plan that will be effective in the subsequent fiscal year. Existing law also requires, if a budget is disapproved, the formation of a budget review committee, as specified.

This bill would, commencing with the 2014–15 fiscal year, require that a budget review committee not be formed if the sole reason for a budget not being approved is the lack of an approved local control and accountability plan or an annual update.

(5) Existing law requires a county superintendent of schools and a school district to expend no less for home-to-school transportation programs than the amount of funds the county superintendent of schools and school ~~district~~ *district, respectively*, expended for home-to-school transportation in the 2012–13 fiscal year.

This bill would, for the 2013–14 and 2014–15 fiscal years, if a home-to-school transportation joint powers-authority *agency* received, in the 2012–13 fiscal year, an apportionment of funds directly from the Superintendent for any of specified funding sources, require the Superintendent to apportion the same amount to the home-to-school transportation joint powers-authority *agency*.

(6) Existing law, as part of the local control funding formula, requires a county superintendent of schools, school district, and charter school to annually report the enrollment of unduplicated pupils, defined as pupils classified as English learners, pupils eligible for free and reduced-price meals, and foster youth, to the Superintendent.

This bill would require the Superintendent to establish procedures and timeframes for the annual reporting of this information.

(7) Existing law, commencing with the 2013–14 fiscal year, requires the Superintendent to increase certain funding amounts related to

necessary small schools by an amount proportionate to the increase in the statewide average local control funding formula allocations for the then current fiscal year.

This bill, commencing with the 2013–14 fiscal year, would instead require the Superintendent to increase the funding amount related to necessary small schools by the percentage change in the annual average value of a certain deflator, as specified.

~~(8) Existing law requires the Fallbrook Union High School District to enter into an interdistrict attendance agreement with the Capistrano Unified School District to allow up to 150 pupils to attend schools of the Capistrano Unified School District, as specified.~~

~~This bill would repeal the requirement that the Fallbrook Union High School District enter into the interdistrict attendance agreement with the Capistrano Unified School District.~~

~~(9)~~

(8) Existing law requires the State Department of Education and the State Department of Social Services to enter into a memorandum of understanding that requires the State Department of Social Services, at least once per week, to share information related to foster youth with the State Department of Education.

This bill would require the State Department of Education and the State Department of Social Services to enter into the memorandum of understanding on or before February 1, 2014.

~~(10)~~

(9) Existing law requires a school district and a county superintendent of schools to adopt a local control accountability plan using a template adopted by the State Board of Education. Existing law requires the local control and accountability plan to include a description of the annual goals to be achieved for each of certain state priorities and the specific actions that will be taken to achieve the annual goals. Existing law requires the governing board of a school district and the county superintendent of schools to consult with teachers, principals, administrators, other school personnel, parents, and pupils in developing the local control and accountability plan. Existing law requires the county superintendent of schools to approve a local control and accountability plan or annual update to a local control and accountability plan adopted by the governing board of a school ~~district~~ *district*, and requires the Superintendent of Public Instruction to approve a local control and accountability plan or annual update to a local control and accountability plan adopted by the county board of ~~education~~ *education*,

if specified determinations are made. ~~Existing law establishes the California Collaborative for Educational Excellence for purposes of advising and assisting school districts, county superintendents of schools, and charter schools in achieving the goals set forth in a local control and accountability plan and requires the Superintendent, with the approval of the state board, to contract with individuals, local educational agencies, or organizations with the expertise, experience, and record of success to carry out the purposes of local control accountability plans.~~

This bill would require the local control and accountability plan to also include a listing and description of the expenditures for the fiscal year implementing the specific actions and the expenditures for the fiscal year that will serve unduplicated pupils, as defined, and pupils redesignated as fluent English proficient. The bill would require the governing board of a school district and county superintendent of schools to also consult with their local bargaining units in developing the local control and accountability plan. The bill would require the county superintendent of schools and the Superintendent, in approving a local control and accountability plan or annual update to a local control and accountability plan approved by the governing board of a school district or county board of education, respectively, to also determine if the local control and accountability plan or annual update adheres to specified expenditure requirements relating to unduplicated pupils. ~~The bill would require the Superintendent to contract with a local educational agency, or consortium of local educational agencies, to serve as the fiscal agent for the California Collaborative for Educational Excellence. The bill would require the fiscal agent for the California Collaborative for Educational Excellence to contract with individuals, local educational agencies, or organizations with the expertise, experience, and record of success to carry out the purposes of local control and accountability plans.~~

(11)

(10) Existing law provides for the calculation of apportionments to fund the provision of special education instruction and services for pupils who qualify for these programs.

This bill would require that a specified appropriation in the Budget Act of 2013 be included in the calculation of the statewide target amount per unit of average daily attendance used to determine adjustments to special education apportionments for the 2013–14 fiscal year.

(12)

(11) Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. Existing law establishes the Middle Class Scholarship Program under the administration of the Student Aid Commission. The program provides that, subject to an available and sufficient appropriation, commencing with the 2014–15 academic year, undergraduate students enrolled at the University of California or the California State University receive a scholarship award that, combined with other publicly funded student financial aid, is up to 40% of the amount charged to that student for mandatory systemwide tuition in that fiscal year if the student meets the following conditions: has an annual household income that does not exceed \$150,000; satisfies specified requirements for a Cal Grant award; is a resident of this state or exempt from paying nonresident tuition; files specified financial aid forms; makes timely application or applications for publicly funded student financial aid, as defined, for which he or she is eligible; and maintains at least a 2.0 grade point average.

The program requires, in order for students enrolled in their respective segments to remain eligible to receive financial aid under the bill, that the University of California and the California State University maintain their respective institutional need-based grant program policies and maintain their funding amounts at a level that, at a minimum, is equal to the level maintained during the 2013–14 academic year.

This bill would provide that the scholarship award under the Middle Class Scholarship, combined with other publicly funded student financial aid, would be for up to 40% of the mandatory systemwide tuition and fees, rather than up to 40% of the mandatory systemwide tuition, charged to an eligible student in a fiscal year.

The bill would require that an eligible student maintain satisfactory academic progress, rather than a 2.0 grade point average, to receive a scholarship award under the program.

The bill would also require that the University of California and the California State University not supplant their respective institutional need-based grants with funds provided for scholarships under the program, rather than maintain their respective need-based grant program policies, as specified.

(13)

(12) Existing law requires the Controller to draw warrants on the State Treasury in each month of the year for the purpose of funding

school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of specified warrants until later dates. With respect to community colleges, existing law appropriates \$591,233,000 from the General Fund to the Board of Governors of the California Community Colleges, for expenditure during the 2014–15 fiscal year, in satisfaction of specified moneys whose payment to the California Community Colleges has been deferred.

This bill would decrease the amount of apportionment to the California Community Colleges to be deferred from the month of February to the month of July from \$55,233,000 to \$52,456,000. The bill would also increase the amount of the appropriation from the General Fund to the Board of Governors of the California Community Colleges, for expenditure during the 2014–15 fiscal year, in satisfaction of specified deferred amounts from \$591,233,000 to \$592,456,000.

(14)

(13) Existing law, commencing with the 2012–13 fiscal year, requires 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. Existing law provides 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 or the Chancellor of the California Community Colleges, as appropriate, and receives this block grant funding is not eligible to submit a claim for reimbursement for those specified mandated programs for the fiscal year for which the block grant funding is received.

This bill, with respect to community colleges, would add the collective bargaining agreement disclosure mandate to the list of specified state-mandated local programs that are subject to these provisions that authorize block grant funding in lieu of program-specific reimbursement.

(15)

(14) The California Clean Energy Jobs Act, an initiative approved by the voters as Proposition 39 at the November 6, 2012, statewide general election, made changes to corporate income taxes and, except as specified, provides for the transfer of \$550,000,000 annually from the General Fund to the Clean Energy Job Creation Fund, or the Job Creation Fund, for 5 fiscal years beginning with the 2013–14 fiscal year. Moneys in the Job Creation Fund are available, upon appropriation

by the Legislature, for purposes of funding eligible projects that create jobs in California improving energy efficiency and expanding clean energy generation. Existing law provides for the allocation of available funds to public school facilities, university and college facilities, and other public buildings and facilities, as well as job training and workforce development and public-private partnerships for eligible projects, as specified. Existing law establishes prescribed criteria that apply to all expenditures from the Job Creation Fund.

This bill would make various revisions in the provisions of the act relating to the allocation of Job Creation Fund moneys to schools, including specifying the calculation of average daily attendance for state special schools for these purposes, and clarifying the scope of an authorization for smaller educational agencies to elect to receive 2 years of this funding at once.

(16)

(15) Existing law authorizes the Inglewood Unified School District, through the State Department of Education, to request cashflow loans from the General Fund for a total of \$55,000,000.

This bill would require that the terms and conditions of the General Fund cashflow loan to include authorization for the payment of costs incurred before June 15, 2013, by the California Infrastructure and Economic Development Bank to implement a specified provision. The bill would make legislative findings and declarations as to the necessity of a special statute for Inglewood Unified School District.

(17)

(16) Existing law, the Budget Act of 2013, appropriates \$35,488,000 from the General Fund to the State Department of Education for support of various activities of the department.

This bill would appropriate an additional \$3,164,000 for the support of the Career Technical Education Pathways Trust one-time grant program, the Local Control Accountability Plan state-level activities, and the Local Control Funding Formula administration, as specified.

(17) Existing law, the Budget Act of 2013, appropriates \$250,000,000 from the General Fund to the State Department of Education for one-time grants for the Career Technical Education Pathways Grant Program, as specified.

This bill would, on a one-time basis, appropriate \$250,000 of the \$250,000,000 for an independent evaluation of the Career Technical Education Pathways Grant Program, and would require the department

to allocate this funding to a local educational agency that the department has identified to contract for the evaluation.

(18) This bill would, on or before June 30, 2014, authorize the Board of Governors of the California Community Colleges to increase certain General Fund apportionment allocations, in an amount to be determined by the Director of Finance, to the extent that revenues distributed to local community colleges pursuant to provisions related to redevelopment agencies are less than the amount estimated in the Budget Act of 2012, as specified. The bill would require the Director of Finance to notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to increase the total allocations and the amount needed to address the shortfall described above.

(19) This bill would, on or before December 31, 2013, appropriate, in an amount to be determined by the Director of Finance, up to \$100,000,000 from the General Fund to the Board of Governors of the California Community Colleges, as specified, to the extent that revenues distributed to local community colleges pursuant to provisions related to redevelopment agencies are less than the amount estimated in the Budget Act of 2012, as specified. The bill would, on or before December 31, 2013, require the Director of Finance to reduce, as specified, an existing appropriation from the General Fund to the Board of Governors of the California Community Colleges if the revenues distributed to local community colleges pursuant to provisions related to redevelopment agencies exceed the amount estimated in the Budget Act of 2012. The bill would require the Director of Finance to notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to increase or decrease the total allocations and of the amount needed to address the shortfall or surplus described above.

~~(19)~~

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

~~(20)~~

(21) 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, *as specified*.

~~(21)~~

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

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

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

1 SECTION 1. Section 1240 of the Education Code is amended
2 to read:
3 1240. The county superintendent of schools shall do all of the
4 following:
5 (a) Superintend the schools of his or her county.
6 (b) Maintain responsibility for the fiscal oversight of each school
7 district in his or her county pursuant to the authority granted by
8 this code.
9 (c) (1) Visit and examine each school in his or her county at
10 reasonable intervals to observe its operation and to learn of its
11 problems. He or she annually may present a report of the state of
12 the schools in his or her county, and of his or her office, including,
13 but not limited to, his or her observations while visiting the schools,
14 to the board of education and the board of supervisors of his or
15 her county.
16 (2) (A) For fiscal years 2004–05 to 2006–07, inclusive, to the
17 extent that funds are appropriated for purposes of this paragraph,
18 the county superintendent, or his or her designee, annually shall
19 submit a report, at a regularly scheduled November board meeting,
20 to the governing board of each school district under his or her
21 jurisdiction, the county board of education of his or her county,
22 and the board of supervisors of his or her county describing the
23 state of the schools in the county or of his or her office that are
24 ranked in deciles 1 to 3, inclusive, of the 2003 base Academic
25 Performance Index (API), as described in subdivision (b) of Section
26 17592.70, and shall include, among other things, his or her
27 observations while visiting the schools and his or her
28 determinations for each school regarding the status of all of the
29 circumstances listed in subparagraph (J) and teacher
30 misassignments and teacher vacancies. As a condition for receipt
31 of funds, the county superintendent, or his or her designee, shall
32 use a standardized template to report the circumstances listed in
33 subparagraph (J) and teacher misassignments and teacher
34 vacancies, unless the current annual report being used by the county

1 superintendent, or his or her designee, already includes those details
2 for each school.

3 (B) Commencing with the 2007–08 fiscal year, the county
4 superintendent, or his or her designee, annually shall submit a
5 report, at a regularly scheduled November board meeting, to the
6 governing board of each school district under his or her jurisdiction,
7 the county board of education of his or her county, and the board
8 of supervisors of his or her county describing the state of the
9 schools in the county or of his or her office that are ranked in
10 deciles 1 to 3, inclusive, of the 2006 base API, pursuant to Section
11 52056. The annual report shall include the determinations for each
12 school made by the county superintendent, or his or her designee,
13 regarding the status of all of the circumstances listed in
14 subparagraph (J) and teacher misassignments and teacher
15 vacancies, and the county superintendent, or his or her designee,
16 shall use a standardized template to report the circumstances listed
17 in subparagraph (J) and teacher misassignments and teacher
18 vacancies, unless the current annual report being used by the county
19 superintendent, or his or her designee, already includes those details
20 with the same level of specificity that is otherwise required by this
21 subdivision. For purposes of this section, schools ranked in deciles
22 1 to 3, inclusive, on the 2006 base API shall include schools
23 determined by the department to meet either of the following:

- 24 (i) The school meets all of the following criteria:
25 (I) Does not have a valid base API score for 2006.
26 (II) Is operating in fiscal year 2007–08 and was operating in
27 fiscal year 2006–07 during the Standardized Testing and Reporting
28 (STAR) Program testing period.
29 (III) Has a valid base API score for 2005 that was ranked in
30 deciles 1 to 3, inclusive, in that year.
31 (ii) The school has an estimated base API score for 2006 that
32 would be in deciles 1 to 3, inclusive.
33 (C) The department shall estimate an API score for any school
34 meeting the criteria of subclauses (I) and (II) of clause (i) of
35 subparagraph (B) and not meeting the criteria of subclause (III)
36 of clause (i) of subparagraph (B), using available test scores and
37 weighting or corrective factors it deems appropriate. The
38 department shall post the API scores on its Internet Web site on
39 or before May 1.

1 (D) For purposes of this section, references to schools ranked
2 in deciles 1 to 3, inclusive, on the 2006 base API shall exclude
3 schools operated by county offices of education pursuant to Section
4 56140, as determined by the department.

5 (E) In addition to the requirements above, the county
6 superintendent, or his or her designee, annually shall verify both
7 of the following:

8 (i) That pupils who have not passed the high school exit
9 examination by the end of grade 12 are informed that they are
10 entitled to receive intensive instruction and services for up to two
11 consecutive academic years after completion of grade 12 or until
12 the pupil has passed both parts of the high school exit examination,
13 whichever comes first, pursuant to paragraphs (4) and (5) of
14 subdivision (d) of Section 37254.

15 (ii) That pupils who have elected to receive intensive instruction
16 and services, pursuant to paragraphs (4) and (5) of subdivision (d)
17 of Section 37254, are being served.

18 (F) (i) Commencing with the 2010–11 fiscal year and every
19 third year thereafter, the Superintendent shall identify a list of
20 schools ranked in deciles 1 to 3, inclusive, of the API for which
21 the county superintendent, or his or her designee, annually shall
22 submit a report, at a regularly scheduled November board meeting,
23 to the governing board of each school district under his or her
24 jurisdiction, the county board of education of his or her county,
25 and the board of supervisors of his or her county that describes the
26 state of the schools in the county or of his or her office that are
27 ranked in deciles 1 to 3, inclusive, of the base API as defined in
28 clause (ii).

29 (ii) For the 2010–11 fiscal year, the list of schools ranked in
30 deciles 1 to 3, inclusive, of the base API shall be updated using
31 the criteria set forth in clauses (i) and (ii) of subparagraph (B),
32 subparagraph (C), and subparagraph (D), as applied to the 2009
33 base API and thereafter shall be updated every third year using
34 the criteria set forth in clauses (i) and (ii) of subparagraph (B),
35 subparagraph (C), and subparagraph (D), as applied to the base
36 API of the year preceding the third year consistent with clause (i).

37 (iii) The annual report shall include the determinations for each
38 school made by the county superintendent, or his or her designee,
39 regarding the status of all of the circumstances listed in
40 subparagraph (J) and teacher misassignments and teacher

1 vacancies, and the county superintendent, or his or her designee,
2 shall use a standardized template to report the circumstances listed
3 in subparagraph (J) and teacher misassignments and teacher
4 vacancies, unless the current annual report being used by the county
5 superintendent, or his or her designee, already includes those details
6 with the same level of specificity that is otherwise required by this
7 subdivision.

8 (G) The county superintendent of the Counties of Alpine,
9 Amador, Del Norte, Mariposa, Plumas, and Sierra, and the City
10 and County of San Francisco shall contract with another county
11 office of education or an independent auditor to conduct the
12 required visits and make all reports required by this paragraph.

13 (H) On a quarterly basis, the county superintendent, or his or
14 her designee, shall report the results of the visits and reviews
15 conducted that quarter to the governing board of the school district
16 at a regularly scheduled meeting held in accordance with public
17 notification requirements. The results of the visits and reviews
18 shall include the determinations of the county superintendent, or
19 his or her designee, for each school regarding the status of all of
20 the circumstances listed in subparagraph (J) and teacher
21 misassignments and teacher vacancies. If the county
22 superintendent, or his or her designee, conducts no visits or reviews
23 in a quarter, the quarterly report shall report that fact.

24 (I) The visits made pursuant to this paragraph shall be conducted
25 at least annually and shall meet the following criteria:

26 (i) Minimize disruption to the operation of the school.

27 (ii) Be performed by individuals who meet the requirements of
28 Section 45125.1.

29 (iii) Consist of not less than 25 percent unannounced visits in
30 each county. During unannounced visits in each county, the county
31 superintendent shall not demand access to documents or specific
32 school personnel. Unannounced visits shall only be used to observe
33 the condition of school repair and maintenance, and the sufficiency
34 of instructional materials, as defined by Section 60119.

35 (J) The priority objective of the visits made pursuant to this
36 paragraph shall be to determine the status of all of the following
37 circumstances:

38 (i) Sufficient textbooks as defined in Section 60119 and as
39 specified in subdivision (i).

1 (ii) The condition of a facility that poses an emergency or urgent
2 threat to the health or safety of pupils or staff as described in school
3 district policy or paragraph (1) of subdivision (c) of Section
4 17592.72.

5 (iii) The accuracy of data reported on the school accountability
6 report card with respect to the availability of sufficient textbooks
7 and instructional materials, as defined by Section 60119, and the
8 safety, cleanliness, and adequacy of school facilities, including
9 good repair as required by Sections 17014, 17032.5, 17070.75,
10 and 17089.

11 (iv) The extent to which pupils who have not passed the high
12 school exit examination by the end of grade 12 are informed that
13 they are entitled to receive intensive instruction and services for
14 up to two consecutive academic years after completion of grade
15 12 or until the pupil has passed both parts of the high school exit
16 examination, whichever comes first, pursuant to paragraphs (4)
17 and (5) of subdivision (d) of Section 37254.

18 (v) The extent to which pupils who have elected to receive
19 intensive instruction and services, pursuant to paragraphs (4) and
20 (5) of subdivision (d) of Section 37254, are being served.

21 (K) The county superintendent may make the status
22 determinations described in subparagraph (J) during a single visit
23 or multiple visits. In determining whether to make a single visit
24 or multiple visits for this purpose, the county superintendent shall
25 take into consideration factors such as cost-effectiveness, disruption
26 to the schoolsite, deadlines, and the availability of qualified
27 reviewers.

28 (L) If the county superintendent determines that the condition
29 of a facility poses an emergency or urgent threat to the health or
30 safety of pupils or staff as described in school district policy or
31 paragraph (1) of subdivision (c) of Section 17592.72, or is not in
32 good repair, as specified in subdivision (d) of Section 17002 and
33 required by Sections 17014, 17032.5, 17070.75, and 17089, the
34 county superintendent, among other things, may do any of the
35 following:

36 (i) Return to the school to verify repairs.

37 (ii) Prepare a report that specifically identifies and documents
38 the areas or instances of noncompliance if the school district has
39 not provided evidence of successful repairs within 30 days of the
40 visit of the county superintendent or, for major projects, has not

1 provided evidence that the repairs will be conducted in a timely
2 manner. The report may be provided to the governing board of the
3 school district. If the report is provided to the school district, it
4 shall be presented at a regularly scheduled meeting held in
5 accordance with public notification requirements. The county
6 superintendent shall post the report on his or her Internet Web site.
7 The report shall be removed from the Internet Web site when the
8 county superintendent verifies the repairs have been completed.

9 (d) Distribute all laws, reports, circulars, instructions, and blanks
10 that he or she may receive for the use of the school officers.

11 (e) Annually, on or before August 15, present a report to the
12 governing board of the school district and the Superintendent
13 regarding the fiscal solvency of a school district with a disapproved
14 budget, qualified interim certification, or a negative interim
15 certification, or that is determined to be in a position of fiscal
16 uncertainty pursuant to Section 42127.6.

17 (f) Keep in his or her office the reports of the Superintendent.

18 (g) Keep a record of his or her official acts, and of all the
19 proceedings of the county board of education, including a record
20 of the standing, in each study, of all applicants for certificates who
21 have been examined, which shall be open to the inspection of an
22 applicant or his or her authorized agent.

23 (h) Enforce the course of study.

24 (i) (1) Enforce the use of state textbooks and instructional
25 materials and of high school textbooks and instructional materials
26 regularly adopted by the proper authority in accordance with
27 Section 51050.

28 (2) For purposes of this subdivision, sufficient textbooks or
29 instructional materials has the same meaning as in subdivision (c)
30 of Section 60119.

31 (3) (A) Commencing with the 2005–06 school year, if a school
32 is ranked in any of deciles 1 to 3, inclusive, of the base API, as
33 specified in paragraph (2) of subdivision (c), and not currently
34 under review pursuant to a state or federal intervention program,
35 the county superintendent specifically shall review that school at
36 least annually as a priority school. A review conducted for purposes
37 of this paragraph shall be completed by the fourth week of the
38 school year. For the 2004–05 fiscal year only, the county
39 superintendent shall make a diligent effort to conduct a visit to

1 each school pursuant to this paragraph within 120 days of receipt
2 of funds for this purpose.

3 (B) In order to facilitate the review of instructional materials
4 before the fourth week of the school year, the county superintendent
5 in a county with 200 or more schools that are ranked in any of
6 deciles 1 to 3, inclusive, of the base API, as specified in paragraph
7 (2) of subdivision (c), may utilize a combination of visits and
8 written surveys of teachers for the purpose of determining
9 sufficiency of textbooks and instructional materials in accordance
10 with subparagraph (A) of paragraph (1) of subdivision (a) of
11 Section 60119 and as defined in subdivision (c) of Section 60119.
12 If a county superintendent elects to conduct written surveys of
13 teachers, the county superintendent shall visit the schools surveyed
14 within the same academic year to verify the accuracy of the
15 information reported on the surveys. If a county superintendent
16 surveys teachers at a school in which the county superintendent
17 has found sufficient textbooks and instructional materials for the
18 previous two consecutive years and determines that the school
19 does not have sufficient textbooks or instructional materials, the
20 county superintendent shall within 10 business days provide a copy
21 of the insufficiency report to the school district as set forth in
22 paragraph (4).

23 (C) For purposes of this paragraph, “written surveys” may
24 include paper and electronic or online surveys.

25 (4) If the county superintendent of schools determines that a
26 school does not have sufficient textbooks or instructional materials
27 in accordance with subparagraph (A) of paragraph (1) of
28 subdivision (a) of Section 60119 and as defined by subdivision (c)
29 of Section 60119, the county superintendent shall do all of the
30 following:

31 (A) Prepare a report that specifically identifies and documents
32 the areas or instances of noncompliance.

33 (B) Provide within five business days of the review, a copy of
34 the report to the school district, as provided in subdivision (c), or,
35 if applicable, provide a copy of the report to the school district
36 within 10 business days pursuant to subparagraph (B) of paragraph
37 (3).

38 (C) Provide the school district with the opportunity to remedy
39 the deficiency. The county superintendent shall ensure remediation
40 of the deficiency no later than the second month of the school term.

1 (D) If the deficiency is not remedied as required pursuant to
2 subparagraph (C), the county superintendent shall request the
3 department to purchase the textbooks or instructional materials
4 necessary to comply with the sufficiency requirement of this
5 subdivision. If the department purchases textbooks or instructional
6 materials for the school district, the department shall issue a public
7 statement at the first regularly scheduled meeting of the state board
8 occurring immediately after the department receives the request
9 of the county superintendent and that meets the applicable public
10 notice requirements, indicating that the district superintendent and
11 the governing board of the school district failed to provide pupils
12 with sufficient textbooks or instructional materials as required by
13 this subdivision. Before purchasing the textbooks or instructional
14 materials, the department shall consult with the school district to
15 determine which textbooks or instructional materials to purchase.
16 The amount of funds necessary for the purchase of the textbooks
17 and materials is a loan to the school district receiving the textbooks
18 or instructional materials. Unless the school district repays the
19 amount owed based upon an agreed-upon repayment schedule with
20 the Superintendent, the Superintendent shall notify the Controller
21 and the Controller shall deduct an amount equal to the total amount
22 used to purchase the textbooks and materials from the next
23 principal apportionment of the school district or from another
24 apportionment of state funds.

25 (j) Preserve carefully all reports of school officers and teachers.

26 (k) Deliver to his or her successor, at the close of his or her
27 official term, all records, books, documents, and papers belonging
28 to the office, taking a receipt for them, which shall be filed with
29 the department.

30 (l) (1) Submit two reports during the fiscal year to the county
31 board of education in accordance with the following:

32 (A) The first report shall cover the financial and budgetary status
33 of the county office of education for the period ending October
34 31. The second report shall cover the period ending January 31.
35 Both reports shall be reviewed by the county board of education
36 and approved by the county superintendent no later than 45 days
37 after the close of the period being reported.

38 (B) As part of each report, the county superintendent shall certify
39 in writing whether or not the county office of education is able to
40 meet its financial obligations for the remainder of the fiscal year

1 and, based on current forecasts, for two subsequent fiscal years.
2 The certifications shall be classified as positive, qualified, or
3 negative, pursuant to standards prescribed by the Superintendent,
4 for the purposes of determining subsequent state agency actions
5 pursuant to Section 1240.1. For purposes of this subdivision, a
6 negative certification shall be assigned to a county office of
7 education that, based upon current projections, will not meet its
8 financial obligations for the remainder of the fiscal year or for the
9 subsequent fiscal year. A qualified certification shall be assigned
10 to a county office of education that may not meet its financial
11 obligations for the current fiscal year or two subsequent fiscal
12 years. A positive certification shall be assigned to a county office
13 of education that will meet its financial obligations for the current
14 fiscal year and subsequent two fiscal years. In accordance with
15 those standards, the Superintendent may reclassify a certification.
16 If a county office of education receives a negative certification,
17 the Superintendent, or his or her designee, may exercise the
18 authority set forth in subdivision (c) of Section 1630. Copies of
19 each certification, and of the report containing that certification,
20 shall be sent to the Superintendent at the time the certification is
21 submitted to the county board of education. Copies of each
22 qualified or negative certification and the report containing that
23 certification shall be sent to the Controller at the time the
24 certification is submitted to the county board of education.

25 (i) For the 2011–12 fiscal year, notwithstanding any of the
26 standards and criteria adopted by the state board pursuant to Section
27 33127, each county office of education budget shall project the
28 same level of revenue per unit of average daily attendance as it
29 received in the 2010–11 fiscal year and shall maintain staffing and
30 program levels commensurate with that level.

31 (ii) For the 2011–12 fiscal year, the county superintendent shall
32 not be required to certify in writing whether or not the county
33 office of education is able to meet its financial obligations for the
34 two subsequent fiscal years.

35 (iii) For the 2011–12 fiscal year, notwithstanding any of the
36 standards and criteria adopted by the state board pursuant to Section
37 33127, the Superintendent, as a condition on approval of a county
38 office of education budget, shall not require a county office of
39 education to project a lower level of revenue per unit of average
40 daily attendance than it received in the 2010–11 fiscal year nor

1 require the county superintendent to certify in writing whether or
2 not the county office of education is able to meet its financial
3 obligations for the two subsequent fiscal years.

4 (2) All reports and certifications required under this subdivision
5 shall be in a format or on forms prescribed by the Superintendent,
6 and shall be based on standards and criteria for fiscal stability
7 adopted by the state board pursuant to Section 33127. The reports
8 and supporting data shall be made available by the county
9 superintendent to an interested party upon request.

10 (3) This subdivision does not preclude the submission of
11 additional budgetary or financial reports by the county
12 superintendent to the county board of education or to the
13 Superintendent.

14 (4) The county superintendent is not responsible for the fiscal
15 oversight of the community colleges in the county, however, he
16 or she may perform financial services on behalf of those
17 community colleges.

18 (m) If requested, act as agent for the purchase of supplies for
19 the city and high school districts of his or her county.

20 (n) For purposes of Section 44421.5, report to the Commission
21 on Teacher Credentialing the identity of a certificated person who
22 knowingly and willingly reports false fiscal expenditure data
23 relative to the conduct of an educational program. This requirement
24 applies only if, in the course of his or her normal duties, the county
25 superintendent discovers information that gives him or her
26 reasonable cause to believe that false fiscal expenditure data
27 relative to the conduct of an educational program has been reported.

28 (o) If any activities authorized pursuant to this section are found
29 to be a state reimbursable mandate pursuant to Section 6 of Article
30 XIII B of the California Constitution, funding provided for school
31 districts and county offices of education pursuant to Sections 2574,
32 2575, 42238.02, and 42238.03 shall be used to directly offset any
33 mandated costs.

34 SEC. 2. Section 1622 of the Education Code is amended to
35 read:

36 1622. (a) On or before July 1 of each fiscal year, the county
37 board of education shall adopt an annual budget for the budget
38 year and shall file the budget with the Superintendent, the county
39 board of supervisors, and the county auditor. The budget, and
40 supporting data, shall be maintained and made available for public

1 review. The budget shall indicate the date, time, and location at
2 which the county board of education held the public hearing
3 required under Section 1620. For the 2014–15 fiscal year and each
4 fiscal year thereafter, the county board of education shall not adopt
5 a budget before the county board of education adopts a local control
6 and accountability plan or approves an update to an existing local
7 control and accountability plan if an existing local control and
8 accountability plan or update to a local control and accountability
9 plan is not effective during the budget year. The county board of
10 education shall not adopt a budget that does not include the
11 expenditures identified in the local control and accountability plan
12 and any annual update to the local control and accountability plan
13 that will be effective in the subsequent fiscal year. Notwithstanding
14 any other provision of this article, for the 2014–15 fiscal year and
15 each fiscal year thereafter, the budget shall not be adopted or
16 approved by the Superintendent before a local control and
17 accountability plan or update to an existing local control and
18 accountability plan for the budget year is approved.

19 (b) (1) The Superintendent shall examine the budget to
20 determine if it (A) complies with the standards and criteria adopted
21 by the state board pursuant to Section 33127 for application to
22 final local educational agency budgets, (B) allows the county office
23 of education to meet its financial obligations during the fiscal year,
24 and (C) is consistent with a financial plan that will enable the
25 county office of education to satisfy its multiyear financial
26 commitments. In addition, the Superintendent shall identify any
27 technical corrections to the budget that must be made. On or before
28 August 15, the Superintendent shall approve or disapprove the
29 budget and, in the event of a disapproval, transmit to the county
30 office of education in writing his or her recommendations regarding
31 revision of the budget and the reasons for those recommendations.

32 (2) For the 2011–12 fiscal year, notwithstanding any of the
33 standards and criteria adopted by the state board pursuant to Section
34 33127, the Superintendent, as a condition on approval of a county
35 office of education budget, shall not require a county office of
36 education to project a lower level of revenue per unit of average
37 daily attendance than it received in the 2010–11 fiscal year nor
38 require the county superintendent to certify in writing whether or
39 not the county office of education is able to meet its financial
40 obligations for the two subsequent fiscal years.

1 (3) For the 2014–15 fiscal year and each fiscal year thereafter,
2 the Superintendent shall disapprove a budget if any of the following
3 occur:

4 (A) The Superintendent has not approved a local control and
5 accountability plan or an annual update to the local control and
6 accountability plan filed by a county superintendent of schools
7 pursuant to Section 52067.

8 (B) The Superintendent determines that the budget does not
9 include the expenditures necessary to implement the local control
10 and accountability plan or an annual update to the local control
11 and accountability plan that is effective for that budget year.

12 (c) On or before September 8, the county board of education
13 shall revise the county office of education budget to reflect changes
14 in projected income or expenditures subsequent to July 1, and to
15 include any response to the recommendations of the
16 Superintendent, shall adopt the revised budget, and shall file the
17 revised budget with the Superintendent, the county board of
18 supervisors, and the county auditor. Before revising the budget,
19 the county board of education shall hold a public hearing regarding
20 the proposed revisions, which shall be made available for public
21 inspection not less than three working days before the hearing.
22 The agenda for that hearing shall be posted at least 72 hours before
23 the public hearing and shall include the location where the budget
24 will be available for public inspection. The revised budget, and
25 supporting data, shall be maintained and made available for public
26 review.

27 (d) (1) The Superintendent shall examine the revised budget
28 to determine if it complies with the standards and criteria adopted
29 by the state board pursuant to Section 33127 for application to
30 final local educational agency budgets and, no later than October
31 8, shall approve or disapprove the revised budget. For the 2014–15
32 fiscal year and each fiscal year thereafter, the Superintendent shall
33 disapprove a revised budget if the Superintendent determines that
34 the revised budget does not include the expenditures necessary to
35 implement the local control and accountability or an annual update
36 to the local control and accountability plan approved by the
37 Superintendent pursuant to Section 52067. If the Superintendent
38 disapproves the budget, he or she shall call for the formation of a
39 budget review committee pursuant to Section 1623. For the
40 2011–12 fiscal year, notwithstanding any of the standards and

1 criteria adopted by the state board pursuant to Section 33127, the
2 Superintendent, as a condition on approval of a county office of
3 education budget, shall not require a county office of education to
4 project a lower level of revenue per unit of average daily attendance
5 than it received in the 2010–11 fiscal year nor require the county
6 superintendent to certify in writing whether or not the county office
7 of education is able to meet its financial obligations for the two
8 subsequent fiscal years.

9 (2) Notwithstanding any other law, for the 2014–15 fiscal year
10 and each fiscal year thereafter, if the Superintendent disapproves
11 the budget for the sole reason that the Superintendent has not
12 approved a local control and accountability plan or an annual
13 update to the local control and accountability plan filed by the
14 county superintendent of schools pursuant to Section 52067, the
15 Superintendent shall not call for the formation of a budget review
16 committee pursuant to Section 1623.

17 (e) Notwithstanding any other provision of this section, the
18 budget review for a county office of education shall be governed
19 by paragraphs (1), (2), and (3) of this subdivision, rather than by
20 subdivisions (c) and (d), if the county board of education so elects,
21 and notifies the Superintendent in writing of that decision, no later
22 than October 31 of the immediately preceding calendar year.

23 (1) In the event of the disapproval of the budget of a county
24 office of education pursuant to subdivision (b), on or before
25 September 8, the county superintendent of schools and the county
26 board of education shall review the recommendations of the
27 Superintendent at a regularly scheduled meeting of the county
28 board of education and respond to those recommendations. That
29 response shall include the proposed actions to be taken, if any, as
30 a result of those recommendations.

31 (2) No later than October 8, after receiving the response required
32 under paragraph (1), the Superintendent shall review that response
33 and either approve or disapprove the budget of the county office
34 of education. For the 2014–15 fiscal year and each fiscal year
35 thereafter, the Superintendent shall disapprove a budget if the
36 Superintendent determines that the budget adopted by the county
37 board of education does not include the expenditures necessary to
38 implement the local control and accountability plan or an annual
39 update to the local control and accountability plan approved by
40 the Superintendent pursuant to Section 52067. Except as provided

1 in paragraph (2) of subdivision (d), if the Superintendent
2 disapproves the budget, he or she shall call for the formation of a
3 budget review committee pursuant to Section 1623.

4 (3) Not later than 45 days after the Governor signs the annual
5 Budget Act, the county office of education shall make available
6 for public review any revisions in revenues and expenditures that
7 it has made to its budget to reflect the funding made available by
8 that Budget Act.

9 SEC. 3. Section 1982 of the Education Code is repealed.

10 SEC. 4. Section 2558 of the Education Code is amended to
11 read:

12 2558. Notwithstanding any other law, for the 1979–80 fiscal
13 year and each fiscal year thereafter, the Superintendent shall
14 apportion state aid to county superintendents of schools pursuant
15 to this section.

16 (a) The Superintendent shall total the amounts computed for
17 the fiscal year pursuant to Sections 2550, 2551.3, 2554, 2555, and
18 2557 and Section 2551, as that section read on January 1, 1999.
19 For the 1979–80 fiscal year and for purposes of calculating the
20 1979–80 fiscal year base amounts in succeeding fiscal years, the
21 amounts in Sections 2550, 2551, 2552, 2554, 2555, and 2557, as
22 they read in the 1979–80 fiscal year, shall be multiplied by a factor
23 of 0.994. For the 1981–82 fiscal year and for purposes of
24 calculating the 1981–82 fiscal year base amounts in succeeding
25 fiscal years, the amount in this subdivision shall be multiplied by
26 a factor of 0.97.

27 (b) For the 1995–96 fiscal year and each fiscal year thereafter,
28 the county superintendent of schools shall adjust the total revenue
29 limit computed pursuant to this section by the amount of increased
30 or decreased employer contributions to the Public Employees’
31 Retirement System resulting from the enactment of Chapter 330
32 of the Statutes of 1982, adjusted for any changes in those
33 contributions resulting from subsequent changes in employer
34 contribution rates, excluding rate changes due to the direct transfer
35 of the state-mandated portion of the employer contributions to the
36 Public Employees’ Retirement System through the current fiscal
37 year. The adjustment shall be calculated for each county
38 superintendent of schools as follows:

39 (1) Determine the amount of employer contributions that would
40 have been made in the current fiscal year if the applicable Public

1 Employees' Retirement System employee contribution rate in
2 effect immediately before the enactment of Chapter 330 of the
3 Statutes of 1982 were in effect during the current fiscal year.

4 (2) Determine the actual amount of employer contributions
5 made to the Public Employees' Retirement System in the current
6 fiscal year.

7 (3) If the amount determined in paragraph (1) is greater than
8 the amount determined in paragraph (2), the total revenue limit
9 computed pursuant to this part for that county superintendent of
10 schools shall be decreased by the amount of the difference between
11 those paragraphs; or if the amount determined in paragraph (1) is
12 less than the amount determined in paragraph (2), the total revenue
13 limit for that county superintendent of schools shall be increased
14 by the amount of the difference between those paragraphs.

15 (4) For purposes of this subdivision, employer contributions to
16 the Public Employees' Retirement System for either of the
17 following positions shall be excluded from the calculation specified
18 above:

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

21 (B) Positions supported, to the extent of employers'
22 contributions not exceeding twenty-five thousand dollars (\$25,000)
23 by any single educational agency, from a non-General Fund
24 revenue source determined to be properly excludable from this
25 subdivision by the Superintendent with the approval of the Director
26 of Finance. Commencing in the 2002–03 fiscal year, only positions
27 supported from a non-General Fund revenue source determined
28 to be properly excludable as identified for a particular local
29 educational agency or pursuant to a blanket waiver by the
30 Superintendent and the Director of Finance, before the 2002–03
31 fiscal year, may be excluded pursuant to this paragraph.

32 (5) For accounting purposes, any reduction to county office of
33 education revenue limits made by this subdivision may be reflected
34 as an expenditure from appropriate sources of revenue as directed
35 by the Superintendent.

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

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

6 (c) The Superintendent shall also subtract from the amount
7 determined in subdivision (a) the sum of all of the following:

8 (1) Local property tax revenues received pursuant to Section
9 2573 in the then current fiscal year, and tax revenues received
10 pursuant to Section 2556 in the then current fiscal year.

11 (2) State and federal categorical aid for the fiscal year.

12 (3) District contributions pursuant to Section 52321 for the fiscal
13 year, and other applicable local contributions and revenues.

14 (4) Any amounts that the county superintendent of schools was
15 required to maintain as restricted and not available for expenditure
16 in the 1978–79 fiscal year as specified in the second paragraph of
17 subdivision (c) of Section 6 of Chapter 292 of the Statutes of 1978,
18 as amended by Chapter 51 of the Statutes of 1979.

19 (5) The amount received pursuant to subparagraph (C) of
20 paragraph (3) of subdivision (a) of Section 33607.5 of the Health
21 and Safety Code that is considered property taxes pursuant to that
22 section.

23 (6) The amount, if any, received pursuant to Sections 34177,
24 34179.5, 34179.6, and 34188 of the Health and Safety Code.

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

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

31 (e) If the remainder determined pursuant to subdivision (c) is a
32 negative amount, no state aid shall be distributed to that county
33 superintendent of schools pursuant to subdivision (d), and an
34 amount of funds of that county superintendent of schools equal to
35 that negative amount shall be deemed restricted and not available
36 for expenditure during the current fiscal year. In the next fiscal
37 year, that amount shall be considered local property tax revenue
38 for purposes of the operation of paragraph (1) of subdivision (c).

39 (f) The calculations set forth in paragraphs (1) to (3), inclusive,
40 of subdivision (b) exclude employer contributions for employees

1 of charter schools funded pursuant to Article 2 (commencing with
2 Section 47633) of Chapter 6 of Part 26.8 of Division 4 of Title 2.

3 (g) Commencing with the 2013–14 fiscal year, this section shall
4 be used only for purposes of allocating revenues received pursuant
5 to subparagraph (B) of paragraph (3) of subdivision (e) of Section
6 36 of Article XIII of the California Constitution.

7 (h) This section shall become inoperative on July 1, 2021, and,
8 as of January 1, 2022, is repealed, unless a later enacted statute,
9 that becomes operative on or before January 1, 2022, deletes or
10 extends the dates on which it becomes inoperative and is repealed.

11 SEC. 5. Section 2574 of the Education Code is amended to
12 read:

13 2574. For the 2013–14 fiscal year and for each fiscal year
14 thereafter, the Superintendent annually shall calculate a county
15 local control funding formula for each county superintendent of
16 schools as follows:

17 (a) Compute a county office of education operations grant equal
18 to the sum of each of the following amounts:

19 (1) Six hundred fifty-five thousand nine hundred twenty dollars
20 (\$655,920).

21 (2) One hundred nine thousand three hundred twenty dollars
22 (\$109,320) multiplied by the number of school districts for which
23 the county superintendent of schools has jurisdiction pursuant to
24 Section 1253.

25 (3) (A) Seventy dollars (\$70) multiplied by the number of units
26 of countywide average daily attendance, up to a maximum of
27 30,000 units.

28 (B) Sixty dollars (\$60) multiplied by the number of units of
29 countywide average daily attendance for the portion of countywide
30 average daily attendance, if any, above 30,000 units, up to a
31 maximum of 60,000 units.

32 (C) Fifty dollars (\$50) multiplied by the number of units of
33 countywide average daily attendance for the portion of countywide
34 average daily attendance, if any, above 60,000, up to a maximum
35 of 140,000 units.

36 (D) Forty dollars (\$40) multiplied by the number of units of
37 countywide average daily attendance for the portion of countywide
38 average daily attendance, if any, above 140,000 units.

39 (E) For purposes of this section, countywide average daily
40 attendance means the aggregate number of annual units of average

1 daily attendance within the county attributable to all school districts
2 for which the county superintendent of schools has jurisdiction
3 pursuant to Section 1253, charter schools authorized by school
4 districts for which the county superintendent of schools has
5 jurisdiction, and charter schools authorized by the county
6 superintendent of schools.

7 (4) For the 2014–15 fiscal year and each fiscal year thereafter,
8 adjust each of the rates provided in the prior year pursuant to
9 paragraphs (1), (2), and (3) by the percentage change in the annual
10 average value of the Implicit Price Deflator for State and Local
11 Government Purchases of Goods and Services for the United States,
12 as published by the United States Department of Commerce for
13 the 12-month period ending in the third quarter of the prior fiscal
14 year. This percentage change shall be determined using the latest
15 data available as of May 10 of the preceding fiscal year compared
16 with the annual average value of the same deflator for the 12-month
17 period ending in the third quarter of the second preceding fiscal
18 year, using the latest data available as of May 10 of the preceding
19 fiscal year, as reported by the Department of Finance.

20 (b) Determine the enrollment percentage of unduplicated pupils
21 pursuant to the following:

22 (1) (A) For the 2013–14 fiscal year, divide the enrollment of
23 unduplicated pupils in all schools operated by a county
24 superintendent of schools in the 2013–14 fiscal year by the total
25 enrollment in those schools in the 2013–14 fiscal year.

26 (B) For the 2014–15 fiscal year, divide the sum of the enrollment
27 of unduplicated pupils in all schools operated by a county
28 superintendent of schools in the 2013–14 and 2014–15 fiscal years
29 by the sum of the total enrollment in those schools in the 2013–14
30 and 2014–15 fiscal years.

31 (C) For the 2015–16 fiscal year and each fiscal year thereafter,
32 divide the sum of the enrollment of unduplicated pupils in all
33 schools operated by a county superintendent of schools in the
34 current fiscal year and the two prior fiscal years by the sum of the
35 total enrollment in those schools in the current fiscal year and the
36 two prior fiscal years.

37 (D) For purposes of determining the enrollment percentage of
38 unduplicated pupils pursuant to this subdivision, enrollment in
39 schools or classes established pursuant to Article 2.5 (commencing
40 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title

1 2 and the enrollment of pupils other than the pupils identified in
2 clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4)
3 of subdivision (c), shall be excluded from the calculation of the
4 enrollment percentage of unduplicated pupils.

5 (2) For purposes of this section, an “unduplicated pupil” is a
6 pupil who is classified as an English learner, eligible for a free or
7 reduced-price meal, or a foster youth. For purposes of this section,
8 the definitions in Section 42238.01 of an English learner, a pupil
9 eligible for a free or reduced-price meal, and foster youth shall
10 apply. A pupil shall be counted only once for purposes of this
11 section if any of the following apply:

12 (A) The pupil is classified as an English learner and is eligible
13 for a free or reduced-price meal.

14 (B) The pupil is classified as an English learner and is a foster
15 youth.

16 (C) The pupil is eligible for a free or reduced-price meal and is
17 classified as a foster youth.

18 (D) The pupil is classified as an English learner, is eligible for
19 a free or reduced-price meal, and is a foster youth.

20 (3) (A) Under procedures and timeframes established by the
21 Superintendent, commencing with the 2013–14 fiscal year, a county
22 superintendent of schools annually shall report the enrollment of
23 unduplicated pupils, pupils classified as English learners, pupils
24 eligible for free and reduced-price meals, and foster youth in
25 schools operated by the county superintendent of schools to the
26 Superintendent using the California Longitudinal Pupil
27 Achievement Data System.

28 (B) The Superintendent shall make the calculations pursuant to
29 this section using the data submitted through the California
30 Longitudinal Pupil Achievement Data System.

31 (C) The Controller shall include instructions, as appropriate, in
32 the audit guide required by subdivision (a) of Section 14502.1, for
33 determining if the data reported by a county superintendent of
34 schools using the California Longitudinal Pupil Achievement Data
35 System is consistent with pupil data records maintained by the
36 county office of education.

37 (c) Compute an alternative education grant equal to the sum of
38 the following:

39 (1) (A) For the 2013–14 fiscal year, a base grant equal to the
40 2012–13 per pupil undeficitated statewide average juvenile court

1 school base revenue limit calculated pursuant to Article 3
2 (commencing with Section 2550) of Chapter 12, as that article
3 read on January 1, 2013.

4 (B) Commencing with the 2013–14 fiscal year, the per pupil
5 base grant shall be adjusted by the percentage change in the annual
6 average value of the Implicit Price Deflator for State and Local
7 Government Purchases of Goods and Services for the United States,
8 as published by the United States Department of Commerce for
9 the 12-month period ending in the third quarter of the prior fiscal
10 year. This percentage change shall be determined using the latest
11 data available as of May 10 of the preceding fiscal year compared
12 with the annual average value of the same deflator for the 12-month
13 period ending in the third quarter of the second preceding fiscal
14 year, using the latest data available as of May 10 of the preceding
15 fiscal year, as reported by the Department of Finance.

16 (2) A supplemental grant equal to 35 percent of the base grant
17 described in paragraph (1) multiplied by the enrollment percentage
18 calculated in subdivision (b). The supplemental grant shall be
19 expended in accordance with the regulations adopted pursuant to
20 Section 42238.07.

21 (3) (A) A concentration grant equal to 35 percent of the base
22 grant described in paragraph (1) multiplied by the greater of either
23 of the following:

24 (i) The enrollment percentage calculated in subdivision (b) less
25 50 percent.

26 (ii) Zero.

27 (B) The concentration grant shall be expended in accordance
28 with the regulations adopted pursuant to Section 42238.07.

29 (4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the
30 total number of units of average daily attendance for pupils
31 attending schools operated by a county office of education,
32 excluding units of average daily attendance for pupils attending
33 schools or classes established pursuant to Article 2.5 (commencing
34 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title
35 2, who are enrolled pursuant to any of the following:

36 (i) Probation-referred pursuant to Sections 300, 601, 602, and
37 654 of the Welfare and Institutions Code.

38 (ii) On probation or parole and not in attendance in a school.

39 (iii) Expelled for any of the reasons specified in subdivision (a)
40 or (c) of Section 48915.

1 (B) Multiply the number of units of average daily attendance
2 for pupils attending schools or classes established pursuant to
3 Article 2.5 (commencing with Section 48645) of Chapter 4 of Part
4 27 of Division 4 of Title 2 by the sum of the base grant calculated
5 pursuant to paragraph (1), a supplemental grant equal to 35 percent
6 of the base grant calculated pursuant to paragraph (1), and a
7 concentration grant equal to 17.5 percent of the base grant
8 calculated pursuant to paragraph (1). Funds provided for the
9 supplemental and concentration grants pursuant to this calculation
10 shall be expended in accordance with the regulations adopted
11 pursuant to Section 42238.07.

12 (C) Add the amounts calculated in subparagraphs (A) and (B).

13 (d) Add the amount calculated in subdivision (a) to the amount
14 calculated in subparagraph (C) of paragraph (4) of subdivision (c).

15 (e) Add all of the following to the amount calculated in
16 subdivision (d):

17 (1) The amount of funding a county superintendent of schools
18 received for the 2012–13 fiscal year from funds allocated pursuant
19 to the Targeted Instructional Improvement Block Grant program,
20 as set forth in Article 6 (commencing with Section 41540) of
21 Chapter 3.2 of Part 24 of Division 3 of Title 2, as that article read
22 on January 1, 2013.

23 (2) (A) The amount of funding a county superintendent of
24 schools received for the 2012–13 fiscal year from funds allocated
25 pursuant to the Home to School Transportation program, as set
26 forth in Article 2 (commencing with Section 39820) of Chapter 1
27 of Part 23.5 of Division 3 of Title 2, Article 10 (commencing with
28 Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2,
29 and the Small School District Transportation program, as set forth
30 in Article 4.5 (commencing with Section 42290) of Chapter 7 of
31 Part 24 of Division 3 of Title 2, as those articles read on January
32 1, 2013.

33 (B) On or before March 1, 2014, the Legislative Analyst’s Office
34 shall submit recommendations to the fiscal committees of both
35 houses of the Legislature regarding revisions to the methods of
36 funding pupil transportation that address historical funding
37 inequities across county offices of education and school districts
38 and improve incentives for local educational agencies to provide
39 efficient and effective pupil transportation services.

1 SEC. 6. Section 2575 of the Education Code is amended to
 2 read:

3 2575. (a) Commencing with the 2013–14 fiscal year and for
 4 each fiscal year thereafter, the Superintendent shall calculate a
 5 base entitlement for the transition to the county local control
 6 funding formula for each county office of education based on the
 7 sum of the amounts computed pursuant to paragraphs (1) to (3),
 8 inclusive:

9 (1) Revenue limits in the 2012–13 fiscal year pursuant to Article
 10 3 (commencing with Section 2550) of Chapter 12, as that article
 11 read on January 1, 2013, adjusted only for changes in average daily
 12 attendance claimed by the county superintendent of schools for
 13 pupils identified in clauses (i), (ii), and (iii) of subparagraph (A)
 14 of paragraph (4) of subdivision (c) of Section 2574 and for pupils
 15 attending juvenile court schools. All other average daily attendance
 16 claimed by the county superintendent of schools and any other
 17 average daily attendance used for purposes of calculating revenue
 18 limits pursuant to Article 3 (commencing with Section 2550) of
 19 Chapter 12, as that article read on January 1, 2013, shall be
 20 considered final for purposes of this section as of the annual
 21 apportionment for the 2012–13 fiscal year, as calculated for
 22 purposes of the certification required on or before February 20,
 23 2014, pursuant to Section 41332.

24 (2) The sum of both of the following:

25 (A) The amount of funding received from appropriations
 26 contained in Section 2.00 of the Budget Act of 2012, as adjusted
 27 by Section 12.42, in the following items: 6110-104-0001,
 28 6110-105-0001, 6110-107-0001, 6110-108-0001, 6110-111-0001,
 29 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001,
 30 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001,
 31 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001,
 32 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001,
 33 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001,
 34 6110-234-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,
 35 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,
 36 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001,
 37 6110-267-0001, 6110-268-0001, and 6360-101-0001, 2012–13
 38 fiscal year funding for the Class Size Reduction Program pursuant
 39 to Chapter 6.10 (commencing with Section 52120) of Part 28 of
 40 Division 4 of Title 2, as that chapter read on January 1, 2013, and

1 2012–13 fiscal year funding for pupils enrolled in community day
2 schools who are mandatorily expelled pursuant to subdivision (d)
3 of Section 48915.

4 (B) The amount of local revenues used to support a regional
5 occupational center or program established and maintained by a
6 county superintendent of schools pursuant to Section 52301.

7 (3) For the 2014–15 fiscal year and for each fiscal year
8 thereafter, the sum of the amounts apportioned to the county office
9 of education pursuant to subdivision (f) in all prior years.

10 (b) The Superintendent shall annually compute a county local
11 control funding formula transition adjustment for each county
12 superintendent of schools as follows:

13 (1) Subtract the amount computed pursuant to subdivision (a)
14 from the amount computed pursuant to subdivision (e) of Section
15 2574. A difference of less than zero shall be deemed to be zero.

16 (2) Divide the difference for each county superintendent of
17 schools calculated pursuant to paragraph (1) by the total sum of
18 the differences for all county superintendents of schools calculated
19 pursuant to paragraph (1).

20 (3) Multiply the proportion calculated for each county office of
21 education pursuant to paragraph (2) by the amount of funding
22 specifically appropriated for purposes of subdivision (f). The
23 amount calculated shall not exceed the difference for the county
24 superintendent of schools calculated pursuant to paragraph (1).

25 (c) The Superintendent shall subtract from the amount calculated
26 pursuant to subdivision (a) the sum of each of the following:

27 (1) Local property tax revenues received pursuant to Section
28 2573 in the then current fiscal year.

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

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

38 (4) The amount, if any, received pursuant to Sections 34177,
39 34179.5, 34179.6, 34183, and 34188 of the Health and Safety
40 Code.

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

4 (d) The Superintendent shall subtract from the amount computed
5 pursuant to subdivision (e) of Section 2574 the sum of the amounts
6 computed pursuant to paragraphs (1) to (5), inclusive, of
7 subdivision (c).

8 (e) The Superintendent shall annually apportion to each county
9 superintendent of schools the amount calculated pursuant to
10 subdivision (c) unless the amount computed pursuant to subdivision
11 (c) is negative. If the amount computed is negative, except as
12 provided in subdivision (f), an amount of property tax of the county
13 superintendent of schools equal to the negative amount shall be
14 deemed restricted and not available for expenditure during the
15 fiscal year. In the following fiscal year, that amount, excluding
16 any amount of funds used for purposes of subdivision (f), shall be
17 considered restricted local property tax revenue for purposes of
18 subdivision (a) of Section 2578. State aid shall not be apportioned
19 to the county superintendent of schools pursuant to this subdivision
20 if the amount computed pursuant to subdivision (c) is negative.

21 (f) (1) The Superintendent shall apportion, from an
22 appropriation specifically made for this purpose, the amount
23 computed pursuant to subdivision (b), or, if the amount computed
24 pursuant to subdivision (c) is negative, the sum of the amounts
25 computed pursuant to subdivisions (b) and (c) if the sum is greater
26 than zero.

27 (2) The Superintendent shall apportion any portion of the
28 appropriation made for purposes of paragraph (1) that is not
29 apportioned pursuant to paragraph (1) pursuant to the following
30 calculation:

31 (A) Add the amount calculated pursuant to subdivision (b) to
32 the amount computed pursuant to subdivision (a) for a county
33 superintendent of schools.

34 (B) Subtract the amount computed pursuant to subparagraph
35 (A) from the amount computed pursuant to subdivision (e) of
36 Section 2574 for the county superintendent of schools.

37 (C) Divide the difference for the county superintendent of
38 schools computed pursuant to subparagraph (B) by the sum of the
39 differences for all county superintendents of schools computed
40 pursuant to subparagraph (B).

1 (D) Multiply the proportion computed pursuant to subparagraph
2 (C) by the unapportioned balance in the appropriation.

3 (E) Apportion to each county superintendent of schools the
4 amount calculated pursuant to subparagraph (D), or if subdivision
5 (c) is negative, apportion the sums of subdivisions (b) and (c) and
6 subparagraph (D) of this subdivision if the sum is greater than
7 zero.

8 (F) The Superintendent shall repeat the computation made
9 pursuant to this paragraph, accounting for any additional amounts
10 apportioned after each computation, until the appropriation made
11 for purposes of paragraph (1) is fully apportioned.

12 (G) The total amount apportioned pursuant to this subdivision
13 to a county superintendent of schools shall not exceed the
14 difference for the county superintendent of schools calculated
15 pursuant to paragraph (1) of subdivision (b).

16 (g) (1) For a county superintendent of schools for whom, in the
17 2013–14 fiscal year, the amount computed pursuant to subdivision
18 (c) is less than the amount computed pursuant to subdivision (d),
19 in the first fiscal year following the fiscal year in which the sum
20 of the apportionments computed pursuant to subdivisions (e) and
21 (f) is equal to, or greater than, the amount computed pursuant to
22 subdivision (d) of this section, the Superintendent shall apportion
23 to the county superintendent of schools the amount computed in
24 subdivision (d) in that fiscal year and each fiscal year thereafter
25 instead of the amounts computed pursuant to subdivisions (e) and
26 (f).

27 (2) For a county superintendent of schools for whom, in the
28 2013–14 fiscal year, the amount computed pursuant to subdivision
29 (c) is greater than the amount computed pursuant to subdivision
30 (d), in the first fiscal year in which the amount computed pursuant
31 to subdivision (c) would be less than the amount computed pursuant
32 to subdivision (d), the Superintendent shall apportion to the county
33 superintendent of schools the amount computed in subdivision (d)
34 in that fiscal year and each fiscal year thereafter instead of the
35 amounts computed pursuant to subdivisions (e) and (f).

36 (3) In each fiscal year, the Superintendent shall determine the
37 percentage of county superintendents of schools that are
38 apportioned funding that is less than the amount computed pursuant
39 to subdivision (d), as of the second principal apportionment of the
40 fiscal year. If the percentage is less than 10 percent, the

1 Superintendent shall apportion to those county superintendents of
 2 schools funding equal to the amount computed in subdivision (d)
 3 in that fiscal year and for each fiscal year thereafter instead of the
 4 amounts calculated pursuant to subdivisions (e) and (f).

5 (4) Commencing with the first fiscal year after the
 6 apportionments in paragraph (3) are made, the adjustments in
 7 paragraph (4) of subdivision (a) of Section 2574 and subparagraph
 8 (B) of paragraph (1) of subdivision (c) of Section 2574 shall be
 9 made only if an appropriation for those purposes is included in the
 10 annual Budget Act.

11 (5) If the calculation pursuant to subdivision (d) is negative and
 12 the Superintendent apportions to a county superintendent of schools
 13 the amount computed pursuant to subdivision (d) pursuant to
 14 paragraph (1), (2), or (3) of this subdivision, an amount of property
 15 tax of the county superintendent of schools equal to the negative
 16 amount shall be deemed restricted and not available for expenditure
 17 during that fiscal year. In the following fiscal year the restricted
 18 amount shall be considered restricted local property tax revenue
 19 for purposes of subdivision (a) of Section 2578.

20 (h) Commencing with the 2013–14 fiscal year, the
 21 Superintendent shall apportion to a county superintendent of
 22 schools an amount of state aid, including any amount apportioned
 23 pursuant to subdivisions (f) and (g), that is no less than the amount
 24 calculated in subparagraph (A) of paragraph (2) of subdivision (a).

25 (i) (1) For the 2013–14 and 2014–15 fiscal years only, a county
 26 superintendent of schools who, in the 2012–13 fiscal year, from
 27 any of the funding sources identified in paragraph (1) or (2) of
 28 subdivision (a), received funds on behalf of, or provided funds to,
 29 a regional occupational center or program joint powers agency
 30 established in accordance with Article 1 (commencing with Section
 31 6500) of Chapter 5 of Division 7 of Title 1 of the Government
 32 Code for purposes of providing instruction to pupils enrolled in
 33 grades 9 to 12, inclusive, shall not redirect that funding for another
 34 purpose unless otherwise authorized in law or pursuant to an
 35 agreement between the regional occupational center or program
 36 joint powers agency and the contracting county superintendent of
 37 schools.

38 (2) For the 2013–14 and 2014–15 fiscal years only, if a regional
 39 occupational center or program joint powers agency established
 40 in accordance with Article 1 (commencing with Section 6500) of

1 Chapter 5 of Division 7 of Title 1 of the Government Code for
2 purposes of providing instruction to pupils enrolled in grades 9 to
3 12, inclusive, received, in the 2012–13 fiscal year, an
4 apportionment of funds directly from any of the funding sources
5 identified in subparagraph (A) of paragraph (2) of subdivision (a),
6 the Superintendent shall apportion that same amount to the regional
7 occupational center or program joint powers agency.

8 (j) For the 2013–14 and 2014–15 fiscal years only, a county
9 superintendent of schools who, in the 2012–13 fiscal year, from
10 any of the funding sources identified in paragraph (1) or (2) of
11 subdivision (a), received funds on behalf of, or provided funds to,
12 a home-to-school transportation joint powers agency established
13 in accordance with Article 1 (commencing with Section 6500) of
14 Chapter 5 of Division 7 of Title 1 of the Government Code for
15 purposes of providing pupil transportation shall not redirect that
16 funding for another purpose unless otherwise authorized in law or
17 pursuant to an agreement between the home-to-school
18 transportation joint powers agency and the contracting county
19 superintendent of schools.

20 (k) (1) In addition to subdivision (j), of the funds a county
21 superintendent of schools receives for home-to-school
22 transportation programs, the county superintendent of schools shall
23 expend, pursuant to Article 2 (commencing with Section 39820)
24 of Chapter 1 of Part 23.5 of Division 3 of Title 2, Article 10
25 (commencing with Section 41850) of Chapter 5 of Part 24 of
26 Division 3 of Title 2, and the Small School District Transportation
27 program, as set forth in Article 4.5 (commencing with Section
28 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, no less for
29 those programs than the amount of funds the county superintendent
30 of schools expended for home-to-school transportation in the
31 2012–13 fiscal year.

32 (2) For the 2013–14 and 2014–15 fiscal years only, if a
33 home-to-school transportation joint powers agency established in
34 accordance with Article 1 (commencing with Section 6500) of
35 Chapter 5 of Division 7 of Title 1 of the Government Code for
36 purposes of providing pupil transportation received, in the 2012–13
37 fiscal year, an apportionment of funds directly from the
38 Superintendent from any of the funding sources identified in
39 subparagraph (A) of paragraph (2) of subdivision (a), the

1 Superintendent shall apportion that same amount to the
2 home-to-school transportation joint powers agency.

3 (3) For the 2013–14 and 2014–15 fiscal years only, of the funds
4 a county superintendent of schools receives for purposes of regional
5 occupational centers or programs, or adult education, the county
6 superintendent of schools shall expend no less for each of those
7 programs than the amount of funds the county superintendent of
8 schools expended for purposes of regional occupational centers
9 or programs, or adult education, respectively, in the 2012–13 fiscal
10 year. For purposes of this paragraph, a county office of education
11 may include expenditures made by a school district within the
12 county for purposes of regional occupational centers or programs
13 so long as the total amount of expenditures made by the school
14 districts and the county office of education equal or exceed the
15 total amount required to be expended for purposes of regional
16 occupational centers or programs pursuant to this paragraph and
17 paragraph (7) of subdivision (a) of Section 42238.03.

18 (l) The funds apportioned pursuant to this section and Section
19 2574 shall be available to implement the activities required
20 pursuant to Article 4.5 (commencing with Section 52060) of
21 Chapter 6.1 of Part 28 of Division 4 of Title 2.

22 SEC. 7. Section 2576 of the Education Code is amended to
23 read:

24 2576. (a) If a county superintendent of schools enrolls in a
25 school operated by the county superintendent of schools a pupil
26 not funded pursuant to clause (i), (ii), or (iii) of subparagraph (A)
27 of paragraph (4) of subdivision (c) of Section 2574, or Article 2.5
28 (commencing with Section 48645) of Chapter 4 of Part 27 of
29 Division 4 of Title 2, any attendance generated by that pupil shall
30 be credited to the school district of residence. Enrollment of these
31 pupils shall be transferred to the school district of residence for
32 purposes of calculating the percentage of unduplicated pupils
33 pursuant to Section 42238.02.

34 (b) For purposes of this section, the school district of residence
35 for a homeless child, as defined in Section 1981.2, enrolled in a
36 school operated by a county superintendent of schools shall be
37 deemed to be the school district that last provided educational
38 services to that child or, if it is not possible to determine that school
39 district, the largest school district in the county.

1 SEC. 8. Section 8150.5 of the Education Code is amended to
2 read:

3 8150.5. Attendance of apprentices enrolled in any class
4 maintained by a local educational agency, pursuant to Section 3074
5 of the Labor Code, shall be reimbursed pursuant to Section 8152
6 only if reported separately to the Chancellor of the California
7 Community Colleges. Attendance reported pursuant to this section
8 shall be used only for purposes of calculating allowances pursuant
9 to Section 8152.

10 SEC. 9. Section 8151 of the Education Code is amended to
11 read:

12 8151. An apprentice attending a local educational agency in
13 classes of related and supplemental instruction as provided under
14 Section 3074 of the Labor Code and in accordance with the
15 requirements of subdivision (d) of Section 3078 of the Labor Code
16 shall be exempt from the requirements of any interdistrict
17 attendance agreement for those classes.

18 SEC. 10. Section 8152 of the Education Code is amended to
19 read:

20 8152. (a) The reimbursement rate shall be established in the
21 annual Budget Act and the rate shall be commonly applied to all
22 providers of instruction specified in subdivision (d).

23 (b) For purposes of this section, each hour of teaching time may
24 include up to 10 minutes of passing time and breaks.

25 (c) This section also applies to isolated apprentices, as defined
26 in Section 3074 of the Labor Code, for which alternative methods
27 of instruction are provided.

28 (d) The Chancellor of the California Community Colleges shall
29 make the reimbursements specified in this section for teaching
30 time provided by local educational agencies.

31 (e) The hours for related and supplemental instruction derived
32 from funds appropriated pursuant to subdivision (b) of Section
33 8150 shall be allocated by the Chancellor of California Community
34 Colleges directly to participating local educational agencies that
35 contract with apprenticeship programs pursuant to subdivision (f).

36 (f) Reimbursements may be made under this section for related
37 and supplemental instruction provided to indentured apprentices
38 only if the instruction is provided by a program approved by the
39 Division of Apprenticeship Standards in the Department of

1 Industrial Relations in accordance with Chapter 4 (commencing
2 with Section 3070) of Division 3 of the Labor Code.

3 (g) The initial allocation of hours made pursuant to subdivision
4 (e) for related and supplemental instruction at the beginning of
5 any fiscal year when multiplied by the hourly reimbursement rate
6 shall equal 100 percent of the total appropriation for
7 apprenticeships.

8 (h) If funds remain from the appropriation pursuant to
9 subdivision (b) of Section 8150, the Chancellor of the California
10 Community Colleges shall reimburse local educational agencies
11 for unfunded related and supplemental instruction hours from any
12 of the three previous fiscal years, in the following order:

13 (1) Reported related and supplemental instruction hours as
14 described in subdivision (b) of Section 8154 that were paid at a
15 rate less than the hourly rate specified in the Budget Act.

16 (2) Reported related and supplemental instruction hours that
17 were not reimbursed.

18 SEC. 11. Section 8154 of the Education Code is amended to
19 read:

20 8154. (a) The Chancellor of the California Community
21 Colleges, in consultation with the Division of Apprenticeship
22 Standards of the Department of Industrial Relations and the
23 Superintendent, shall annually review the amount of state funding
24 necessary to provide the reimbursements specified in Section 8152,
25 and shall include an estimate of required funds in its budget for
26 each fiscal year.

27 (b) If the amounts appropriated in any fiscal year are insufficient
28 to provide full reimbursement, the hourly rate specified pursuant
29 to Section 8152 shall be reduced on a pro rata basis only for
30 reported hours that are in excess of the number of hours allocated
31 at the beginning of the fiscal year so that the entire appropriation
32 is allocated.

33 (c) If the amount appropriated is in excess of the amounts needed
34 for full reimbursement pursuant to subdivision (h) of Section 8152,
35 any excess shall be allocated to local educational agencies to be
36 used for the purpose of the state general apportionment.

37 SEC. 12. Section 8155 of the Education Code is amended to
38 read:

39 8155. (a) The Chancellor of the California Community
40 Colleges and the Division of Apprenticeship Standards of the

1 Department of Industrial Relations, in consultation with the
2 Superintendent, shall jointly develop a model format for
3 agreements between apprenticeship programs and local educational
4 agencies for instruction pursuant to Section 3074 of the Labor
5 Code.

6 (b) By March 14, 2014, the Chancellor of the California
7 Community Colleges and the Division of Apprenticeship Standards
8 of the Department of Industrial Relations, with equal participation
9 by local educational agencies and community college
10 apprenticeship administrators, shall develop common
11 administrative practices and treatment of costs and services, as
12 well as other policies related to apprenticeship programs. Any
13 policies developed pursuant to the this subdivision shall become
14 operative upon approval by the California Apprenticeship Council.

15 (c) Apprenticeship programs offered through local educational
16 agencies may maintain their existing curriculum and instructors
17 separate from the requirements of the California Community
18 Colleges. The person providing instruction may be a qualified
19 journeyman with experience and knowledge of the trade.

20 SEC. 13. Section 35736.5 of the Education Code is amended
21 to read:

22 35736.5. Sections 35735 to 35736, inclusive, shall only apply
23 to actions to reorganize school districts for which the order to
24 reorganize, pursuant to Section 35765, is appropriately filed after
25 December 1, 2013, pursuant to Section 54902 of the Government
26 Code. Actions to reorganize school districts for which the order
27 to reorganize is appropriately filed on or before December 1, 2013,
28 shall be implemented pursuant to Sections 35735 to 35736,
29 inclusive, as those sections read on January 1, 2013.

30 SEC. 14. Section 41365 of the Education Code is amended to
31 read:

32 41365. (a) The Charter School Revolving Loan Fund is hereby
33 created in the State Treasury. The Charter School Revolving Loan
34 Fund shall be composed of federal funds obtained by the state for
35 charter schools and any other funds appropriated or transferred to
36 the fund through the annual budget process. Funds appropriated
37 to the Charter School Revolving Loan Fund shall remain available
38 for purposes of the fund until reappropriated or reverted by the
39 Legislature through the annual Budget Act or any other act.

1 (b) Commencing with the 2013–14 fiscal year, the
2 administration of the Charter School Revolving Loan Fund shall
3 be transferred to the California School Finance Authority.

4 (c) Loans may be made from moneys in the Charter School
5 Revolving Loan Fund to a chartering authority for charter schools
6 that are not a conversion of an existing school, or directly to a
7 charter school that qualifies to receive funding pursuant to Chapter
8 6 (commencing with Section 47630) of Part 26.8 of Division 4
9 that is not a conversion of an existing school, upon application of
10 a chartering authority or charter school and approval by the
11 California School Finance Authority. Money loaned to a chartering
12 authority for a charter school, or to a charter school, pursuant to
13 this section shall be used only to meet the purposes of the charter
14 granted pursuant to Section 47605. The loan to a chartering
15 authority for a charter school, or to a charter school, pursuant to
16 this subdivision shall not exceed two hundred fifty thousand dollars
17 (\$250,000) over the lifetime of the charter school. A charter school
18 may receive money obtained from multiple loans made directly
19 to the charter school or to the school’s chartering authority from
20 the Charter School Revolving Loan Fund, as long as the total
21 amount received from the fund over the lifetime of the charter
22 school does not exceed two hundred fifty thousand dollars
23 (\$250,000). This subdivision does not apply to a charter school
24 that obtains renewal of a charter pursuant to Section 47607.

25 (d) The California School Finance Authority may consider all
26 of the following when making a determination as to the approval
27 of a charter school’s loan application:

28 (1) Soundness of the financial business plans of the applicant
29 charter school.

30 (2) Availability of the charter school of other sources of funding.

31 (3) Geographic distribution of loans made from the Charter
32 School Revolving Loan Fund.

33 (4) The impact that receipt of funds received pursuant to this
34 section will have on the charter school’s receipt of other private
35 and public financing.

36 (5) Plans for creative uses of the funds received pursuant to this
37 section, such as loan guarantees or other types of credit
38 enhancements.

39 (6) The financial needs of the charter school.

1 (e) Priority for loans from the Charter School Revolving Loan
2 Fund shall be given to new charter schools for startup costs.

3 (f) Commencing with the first fiscal year following the fiscal
4 year the charter school receives the loan, the Controller shall deduct
5 from apportionments made to the chartering authority or charter
6 school, as appropriate, an amount equal to the annual repayment
7 of the amount loaned to the chartering authority or charter school
8 for the charter school under this section and pay the same amount
9 into the Charter School Revolving Loan Fund in the State Treasury.
10 Repayment of the full amount loaned to the chartering authority
11 or charter school shall be deducted by the Controller in equal
12 annual amounts over a number of years agreed upon between the
13 loan recipient and the state agency authorized to administer the
14 Charter School Revolving Loan Fund and the Charter School
15 Security Fund, not to exceed five years for any loan.

16 (g) (1) Notwithstanding any other law, a loan may be made
17 directly to a charter school pursuant to this section only in the case
18 of a charter school that is incorporated.

19 (2) Notwithstanding any other law, in the case of default of a
20 loan made directly to a charter school pursuant to this section, the
21 charter school shall be solely liable for repayment of the loan.

22 (h) The California School Finance Authority may adopt any
23 necessary rules and regulations for the implementation of this
24 section and Sections 41366.6 and 41367. Any regulations adopted
25 pursuant to this section may be adopted as emergency regulations
26 in accordance with the Administrative Procedure Act (Chapter 3.5
27 (commencing with Section 11340) of Part 1 of Division 3 of Title
28 2 of the Government Code). The adoption of these regulations
29 shall be deemed to be an emergency and necessary for the
30 immediate preservation of public peace, health and safety, or
31 general welfare.

32 SEC. 15. Section 41367 of the Education Code is amended to
33 read:

34 41367. (a) The Charter School Security Fund is hereby created
35 in the State Treasury.

36 (b) Moneys in the fund shall be available for deposit into the
37 Charter School Revolving Loan Fund in case of default on any
38 loan made from the Charter School Revolving Loan Fund.

1 (c) Commencing with the 2013–14 fiscal year, the administration
2 of the Charter School Security Fund shall be transferred to the
3 California School Finance Authority.

4 SEC. 16. Section 42127 of the Education Code is amended to
5 read:

6 42127. (a) On or before July 1 of each year, the governing
7 board of each school district shall accomplish the following:

8 (1) Hold a public hearing on the budget to be adopted for the
9 subsequent fiscal year. The budget to be adopted shall be prepared
10 in accordance with Section 42126. The agenda for that hearing
11 shall be posted at least 72 hours before the public hearing and shall
12 include the location where the budget will be available for public
13 inspection.

14 (A) For the 2011–12 fiscal year, notwithstanding any of the
15 standards and criteria adopted by the state board pursuant to Section
16 33127, each school district budget shall project the same level of
17 revenue per unit of average daily attendance as it received in the
18 2010–11 fiscal year and shall maintain staffing and program levels
19 commensurate with that level.

20 (B) For the 2011–12 fiscal year, the school district shall not be
21 required to demonstrate that it is able to meet its financial
22 obligations for the two subsequent fiscal years.

23 (2) Adopt a budget. Not later than five days after that adoption
24 or by July 1, whichever occurs first, the governing board of the
25 school district shall file that budget with the county superintendent
26 of schools. The budget and supporting data shall be maintained
27 and made available for public review. If the governing board of
28 the school district does not want all or a portion of the property
29 tax requirement levied for the purpose of making payments for the
30 interest and redemption charges on indebtedness as described in
31 paragraph (1) or (2) of subdivision (b) of Section 1 of Article
32 XIII A of the California Constitution, the budget shall include a
33 statement of the amount or portion for which a levy shall not be
34 made. For the 2014–15 fiscal year and each fiscal year thereafter,
35 the governing board of the school district shall not adopt a budget
36 before the governing board of the school district adopts a local
37 control and accountability plan, if an existing local control and
38 accountability plan or annual update to a local control and
39 accountability plan is not effective for the budget year. The
40 governing board of a school district shall not adopt a budget that

1 does not include the expenditures necessary to implement the local
2 control and accountability plan or the annual update to a local
3 control and accountability plan that is effective during the
4 subsequent fiscal year.

5 (b) The county superintendent of schools may accept changes
6 in any statement included in the budget, pursuant to subdivision
7 (a), of the amount or portion for which a property tax levy shall
8 not be made. The county superintendent of schools or the county
9 auditor shall compute the actual amounts to be levied on the
10 property tax rolls of the school district for purposes that exceed
11 apportionments to the school district pursuant to Chapter 6
12 (commencing with Section 95) of Part 0.5 of Division 1 of the
13 Revenue and Taxation Code. Each school district shall provide all
14 data needed by the county superintendent of schools or the county
15 auditor to compute the amounts. On or before August 15, the
16 county superintendent of schools shall transmit the amounts
17 computed to the county auditor who shall compute the tax rates
18 necessary to produce the amounts. On or before September 1, the
19 county auditor shall submit the rate computed to the board of
20 supervisors for adoption.

21 (c) The county superintendent of schools shall do all of the
22 following:

23 (1) Examine the adopted budget to determine whether it
24 complies with the standards and criteria adopted by the state board
25 pursuant to Section 33127 for application to final local educational
26 agency budgets. The county superintendent of schools shall
27 identify, if necessary, technical corrections that are required to be
28 made to bring the budget into compliance with those standards
29 and criteria.

30 (2) Determine whether the adopted budget will allow the school
31 district to meet its financial obligations during the fiscal year and
32 is consistent with a financial plan that will enable the school district
33 to satisfy its multiyear financial commitments. In addition to his
34 or her own analysis of the budget of each school district, the county
35 superintendent of schools shall review and consider studies, reports,
36 evaluations, or audits of the school district that were commissioned
37 by the school district, the county superintendent of schools, the
38 Superintendent, and state control agencies and that contain
39 evidence that the school district is showing fiscal distress under
40 the standards and criteria adopted in Section 33127 or that contain

1 a finding by an external reviewer that more than 3 of the 15 most
2 common predictors of a school district needing intervention, as
3 determined by the County Office Fiscal Crisis and Management
4 Assistance Team, are present. The county superintendent of schools
5 shall either conditionally approve or disapprove a budget that does
6 not provide adequate assurance that the school district will meet
7 its current and future obligations and resolve any problems
8 identified in studies, reports, evaluations, or audits described in
9 this paragraph.

10 (3) Determine whether the adopted budget includes the
11 expenditures necessary to implement the local control and
12 accountability plan or annual update to the local control and
13 accountability plan approved by the county superintendent of
14 schools.

15 (d) (1) On or before August 15, the county superintendent of
16 schools shall approve, conditionally approve, or disapprove the
17 adopted budget for each school district. For the 2014–15 fiscal
18 year and each fiscal year thereafter, the county superintendent of
19 schools shall disapprove a budget if the county superintendent of
20 schools determines that the budget does not include the
21 expenditures necessary to implement a local control and
22 accountability plan or an annual update to the local control and
23 accountability plan approved by the county superintendent of
24 schools. If a school district does not submit a budget to the county
25 superintendent of schools, the county superintendent of schools
26 shall develop, at school district expense, a budget for that school
27 district by September 15 and transmit that budget to the governing
28 board of the school district. The budget prepared by the county
29 superintendent of schools shall be deemed adopted, unless the
30 county superintendent of schools approves any modifications made
31 by the governing board of the school district. The approved budget
32 shall be used as a guide for the school district's priorities. The
33 Superintendent shall review and certify the budget approved by
34 the county. If, pursuant to the review conducted pursuant to
35 subdivision (c), the county superintendent of schools determines
36 that the adopted budget for a school district does not satisfy
37 paragraph (1), (2), or (3) of that subdivision, he or she shall
38 conditionally approve or disapprove the budget and, not later than
39 August 15, transmit to the governing board of the school district,
40 in writing, his or her recommendations regarding revision of the

1 budget and the reasons for those recommendations, including, but
2 not limited to, the amounts of any budget adjustments needed
3 before he or she can approve that budget. The county
4 superintendent of schools may assign a fiscal adviser to assist the
5 school district to develop a budget in compliance with those
6 revisions. In addition, the county superintendent of schools may
7 appoint a committee to examine and comment on the
8 superintendent's review and recommendations, subject to the
9 requirement that the committee report its findings to the county
10 superintendent of schools no later than August 20. For the 2011–12
11 fiscal year, notwithstanding any of the standards and criteria
12 adopted by the state board pursuant to Section 33127, the county
13 superintendent of schools, as a condition on approval of a school
14 district budget, shall not require a school district to project a lower
15 level of revenue per unit of average daily attendance than it
16 received in the 2010–11 fiscal year nor require the school district
17 to demonstrate that it is able to meet its financial obligations for
18 the two subsequent fiscal years.

19 (2) Notwithstanding any other provision of this article, for the
20 2014–15 fiscal year and each fiscal year thereafter, the budget
21 shall not be adopted or approved by the county superintendent of
22 schools before a local control and accountability plan or update to
23 an existing local control and accountability plan for the budget
24 year is approved.

25 (e) On or before September 8, the governing board of the school
26 district shall revise the adopted budget to reflect changes in
27 projected income or expenditures subsequent to July 1, and to
28 include any response to the recommendations of the county
29 superintendent of schools, shall adopt the revised budget, and shall
30 file the revised budget with the county superintendent of schools.
31 Before revising the budget, the governing board of the school
32 district shall hold a public hearing regarding the proposed revisions,
33 to be conducted in accordance with Section 42103. In addition, if
34 the adopted budget is disapproved pursuant to subdivision (d), the
35 governing board of the school district and the county
36 superintendent of schools shall review the disapproval and the
37 recommendations of the county superintendent of schools regarding
38 revision of the budget at the public hearing. The revised budget
39 and supporting data shall be maintained and made available for
40 public review.

1 (1) For the 2011–12 fiscal year, notwithstanding any of the
2 standards and criteria adopted by the state board pursuant to Section
3 33127, each school district budget shall project the same level of
4 revenue per unit of average daily attendance as it received in the
5 2010–11 fiscal year and shall maintain staffing and program levels
6 commensurate with that level.

7 (2) For the 2011–12 fiscal year, the school district shall not be
8 required to demonstrate that it is able to meet its financial
9 obligations for the two subsequent fiscal years.

10 (f) On or before September 22, the county superintendent of
11 schools shall provide a list to the Superintendent identifying all
12 school districts for which budgets may be disapproved.

13 (g) (1) The county superintendent of schools shall examine the
14 revised budget to determine whether it (1) complies with the
15 standards and criteria adopted by the state board pursuant to Section
16 33127 for application to final local educational agency budgets,
17 (2) allows the school district to meet its financial obligations during
18 the fiscal year, (3) satisfies all conditions established by the county
19 superintendent of schools in the case of a conditionally approved
20 budget, and (4) is consistent with a financial plan that will enable
21 the school district to satisfy its multiyear financial commitments,
22 and, not later than October 8, shall approve or disapprove the
23 revised budget. If the county superintendent of schools disapproves
24 the budget, he or she shall call for the formation of a budget review
25 committee pursuant to Section 42127.1, unless the governing board
26 of the school district and the county superintendent of schools
27 agree to waive the requirement that a budget review committee be
28 formed and the department approves the waiver after determining
29 that a budget review committee is not necessary. Upon the grant
30 of a waiver, the county superintendent of schools immediately has
31 the authority and responsibility provided in Section 42127.3. Upon
32 approving a waiver of the budget review committee, the department
33 shall ensure that a balanced budget is adopted for the school district
34 by November 30. If no budget is adopted by November 30, the
35 Superintendent may adopt a budget for the school district. The
36 Superintendent shall report to the Legislature and the Director of
37 Finance by December 10 if any school district, including a school
38 district that has received a waiver of the budget review committee
39 process, does not have an adopted budget by November 30. This
40 report shall include the reasons why a budget has not been adopted

1 by the deadline, the steps being taken to finalize budget adoption,
2 the date the adopted budget is anticipated, and whether the
3 Superintendent has or will exercise his or her authority to adopt a
4 budget for the school district. For the 2011–12 fiscal year,
5 notwithstanding any of the standards and criteria adopted by the
6 state board pursuant to Section 33127, the county superintendent
7 of schools, as a condition on approval of a school district budget,
8 shall not require a school district to project a lower level of revenue
9 per unit of average daily attendance than it received in the 2010–11
10 fiscal year nor require the school district to demonstrate that it is
11 able to meet its financial obligations for the two subsequent fiscal
12 years.

13 (2) Notwithstanding any other law, for the 2014–15 fiscal year
14 and each fiscal year thereafter, if the county superintendent of
15 schools disapproves the budget for the sole reason that the county
16 superintendent of schools has not approved a local control and
17 accountability plan or an annual update to the local control and
18 accountability plan filed by the school district pursuant to Section
19 52061, the county superintendent of schools shall not call for the
20 formation of a budget review committee pursuant to Section
21 42127.1.

22 (h) Not later than October 8, the county superintendent of
23 schools shall submit a report to the Superintendent identifying all
24 school districts for which budgets have been disapproved or budget
25 review committees waived. The report shall include a copy of the
26 written response transmitted to each of those school districts
27 pursuant to paragraph (1) of subdivision (d).

28 (i) Notwithstanding any other provision of this section, the
29 budget review for a school district shall be governed by paragraphs
30 (1), (2), and (3), rather than by subdivisions (e) and (g), if the
31 governing board of the school district so elects and notifies the
32 county superintendent of schools in writing of that decision, not
33 later than October 31 of the immediately preceding calendar year.
34 On or before July 1, the governing board of a school district for
35 which the budget review is governed by this subdivision, rather
36 than by subdivisions (e) and (g), shall conduct a public hearing
37 regarding its proposed budget in accordance with Section 42103.

38 (1) If the adopted budget of a school district is disapproved
39 pursuant to subdivision (d), on or before September 8, the
40 governing board of the school district, in conjunction with the

1 county superintendent of schools, shall review the superintendent's
2 recommendations at a regular meeting of the governing board of
3 the school district and respond to those recommendations. The
4 response shall include any revisions to the adopted budget and
5 other proposed actions to be taken, if any, as a result of those
6 recommendations.

7 (2) On or before September 22, the county superintendent of
8 schools shall provide a list to the Superintendent identifying all
9 school districts for which a budget may be tentatively disapproved.

10 (3) Not later than October 8, after receiving the response
11 required under paragraph (1), the county superintendent of schools
12 shall review that response and either approve or disapprove the
13 budget. Except as provided in paragraph (2) of subdivision (g), if
14 the county superintendent of schools disapproves the budget, he
15 or she shall call for the formation of a budget review committee
16 pursuant to Section 42127.1, unless the governing board of the
17 school district and the county superintendent of schools agree to
18 waive the requirement that a budget review committee be formed
19 and the department approves the waiver after determining that a
20 budget review committee is not necessary. Upon the grant of a
21 waiver, the county superintendent has the authority and
22 responsibility provided to a budget review committee in Section
23 42127.3. Upon approving a waiver of the budget review committee,
24 the department shall ensure that a balanced budget is adopted for
25 the school district by November 30. The Superintendent shall
26 report to the Legislature and the Director of Finance by December
27 10 if any school district, including a school district that has received
28 a waiver of the budget review committee process, does not have
29 an adopted budget by November 30. This report shall include the
30 reasons why a budget has not been adopted by the deadline, the
31 steps being taken to finalize budget adoption, and the date the
32 adopted budget is anticipated. For the 2011–12 fiscal year,
33 notwithstanding any of the standards and criteria adopted by the
34 state board pursuant to Section 33127, the county superintendent
35 of schools, as a condition on approval of a school district budget,
36 shall not require a school district to project a lower level of revenue
37 per unit of average daily attendance than it received in the 2010–11
38 fiscal year nor require the school district to demonstrate that it is
39 able to meet its financial obligations for the two subsequent fiscal
40 years.

1 (4) Not later than 45 days after the Governor signs the annual
2 Budget Act, the school district shall make available for public
3 review any revisions in revenues and expenditures that it has made
4 to its budget to reflect the funding made available by that Budget
5 Act.

6 (j) Any school district for which the county board of education
7 serves as the governing board of the school district is not subject
8 to subdivisions (c) to (h), inclusive, but is governed instead by the
9 budget procedures set forth in Section 1622.

10 SEC. 17. Section 42238.01 of the Education Code is amended
11 to read:

12 42238.01. For purposes of Section 42238.02, the following
13 definitions shall apply:

14 (a) “Eligible for free or reduced-price meals” means determined
15 to meet federal income eligibility criteria or deemed to be
16 categorically eligible for free or reduced-price meals under the
17 National School Lunch Program, as described in Part 245 of Title
18 7 of the Code of Federal Regulations.

19 (b) “Foster youth” means a foster child, as described in
20 subdivision (a) of Section 48853.5, or a nonminor under the
21 transition jurisdiction of the juvenile court, as described in Section
22 450 of the Welfare and Institutions Code, who satisfies all of the
23 following criteria:

24 (1) He or she has attained 18 years of age while under an order
25 of foster care placement by the juvenile court, and is not more than
26 19 years of age on or after January 1, 2012, not more than 20 years
27 of age on or after January 1, 2013, and not more than 21 years of
28 age, on or after January 1, 2014, and as described in Section
29 10103.5 of the Welfare and Institutions Code.

30 (2) He or she is in foster care under the placement and care
31 responsibility of the county welfare department, county probation
32 department, Indian tribe, consortium of tribes, or tribal organization
33 that entered into an agreement pursuant to Section 10553.1 of the
34 Welfare and Institutions Code.

35 (3) He or she is participating in a transitional independent living
36 case plan pursuant to Section 475(8) of the federal Social Security
37 Act (42 U.S.C. Sec. 675(8)), as contained in the federal Fostering
38 Connections to Success and Increasing Adoptions Act of 2008
39 (Public Law 110-351), as described in Section 11403 of the
40 Welfare and Institutions Code.

1 (c) “Pupils of limited English proficiency” means pupils who
2 do not have the clearly developed English language skills of
3 comprehension, speaking, reading, and writing necessary to receive
4 instruction only in English at a level substantially equivalent to
5 pupils of the same age or grade whose primary language is English.
6 “English learner” shall have the same meaning as is provided for
7 in subdivision (a) of Section 306 and as “pupils of limited English
8 proficiency.”

9 SEC. 18. Section 42238.02 of the Education Code is amended
10 to read:

11 42238.02. (a) The amount computed pursuant to this section
12 shall be known as the school district and charter school local
13 control funding formula.

14 (b) (1) For purposes of this section “unduplicated pupil” means
15 a pupil enrolled in a school district or a charter school who is either
16 classified as an English learner, eligible for a free or reduced-price
17 meal, or is a foster youth. A pupil shall be counted only once for
18 purposes of this section if any of the following apply:

19 (A) The pupil is classified as an English learner and is eligible
20 for a free or reduced-price meal.

21 (B) The pupil is classified as an English learner and is a foster
22 youth.

23 (C) The pupil is eligible for a free or reduced-price meal and is
24 classified as a foster youth.

25 (D) The pupil is classified as an English learner, is eligible for
26 a free or reduced-price meal, and is a foster youth.

27 (2) Under procedures and timeframes established by the
28 Superintendent, commencing with the 2013–14 fiscal year, a school
29 district or charter school shall annually submit its enrolled free
30 and reduced-price meal eligibility, foster youth, and English learner
31 pupil-level records for enrolled pupils to the Superintendent using
32 the California Longitudinal Pupil Achievement Data System.

33 (3) (A) Commencing with the 2013–14 fiscal year, a county
34 office of education shall review and validate certified aggregate
35 English learner, foster youth, and free or reduced-price meal
36 eligible pupil data for school districts and charter schools under
37 its jurisdiction to ensure the data is reported accurately. The
38 Superintendent shall provide each county office of education with
39 appropriate access to school district and charter school data reports

1 in the California Longitudinal Pupil Achievement Data System
2 for purposes of ensuring data reporting accuracy.

3 (B) The Controller shall include the instructions necessary to
4 enforce paragraph (2) in the audit guide required by Section
5 14502.1. The instructions shall include, but are not necessarily
6 limited to, procedures for determining if the English learner, foster
7 youth, and free or reduced-price meal eligible pupil counts are
8 consistent with the school district's or charter school's English
9 learner, foster youth, and free or reduced-price meal eligible pupil
10 records.

11 (4) The Superintendent shall make the calculations pursuant to
12 this section using the data submitted by local educational agencies,
13 including charter schools, through the California Longitudinal
14 Pupil Achievement Data System. Under timeframes and procedures
15 established by the Superintendent, school districts and charter
16 schools may review and revise their submitted data on English
17 learner, foster youth, and free or reduced-price meal eligible pupil
18 counts to ensure the accuracy of data reflected in the California
19 Longitudinal Pupil Achievement Data System.

20 (5) The Superintendent shall annually compute the percentage
21 of unduplicated pupils for each school district and charter school
22 by dividing the enrollment of unduplicated pupils in a school
23 district or charter school by the total enrollment in that school
24 district or charter school pursuant to all of the following:

25 (A) For the 2013–14 fiscal year, divide the sum of unduplicated
26 pupils for the 2013–14 fiscal year by the sum of the total pupil
27 enrollment for the 2013–14 fiscal year.

28 (B) For the 2014–15 fiscal year, divide the sum of unduplicated
29 pupils for the 2013–14 and 2014–15 fiscal years by the sum of the
30 total pupil enrollment for the 2013–14 and 2014–15 fiscal years.

31 (C) For the 2015–16 fiscal year and each fiscal year thereafter,
32 divide the sum of unduplicated pupils for the current fiscal year
33 and the two prior fiscal years by the sum of the total pupil
34 enrollment for the current fiscal year and the two prior fiscal years.

35 (c) Commencing with the 2013–14 fiscal year and each fiscal
36 year thereafter, the Superintendent shall annually calculate a local
37 control funding formula grant for each school district and charter
38 school in the state pursuant to this section.

39 (d) The Superintendent shall compute a grade span adjusted
40 base grant equal to the total of the following amounts:

- 1 (1) For the 2013–14 fiscal year, a base grant of:
- 2 (A) Six thousand eight hundred forty-five dollars (\$6,845) for
 3 average daily attendance in kindergarten and grades 1 to 3,
 4 inclusive.
- 5 (B) Six thousand nine hundred forty-seven dollars (\$6,947) for
 6 average daily attendance in grades 4 to 6, inclusive.
- 7 (C) Seven thousand one hundred fifty-four dollars (\$7,154) for
 8 average daily attendance in grades 7 and 8.
- 9 (D) Eight thousand two hundred eighty-nine dollars (\$8,289)
 10 for average daily attendance in grades 9 to 12, inclusive.
- 11 (2) In each year the grade span adjusted base grants in paragraph
 12 (1) shall be adjusted by the percentage change in the annual average
 13 value of the Implicit Price Deflator for State and Local Government
 14 Purchases of Goods and Services for the United States, as published
 15 by the United States Department of Commerce for the 12-month
 16 period ending in the third quarter of the prior fiscal year. This
 17 percentage change shall be determined using the latest data
 18 available as of May 10 of the preceding fiscal year compared with
 19 the annual average value of the same deflator for the 12-month
 20 period ending in the third quarter of the second preceding fiscal
 21 year, using the latest data available as of May 10 of the preceding
 22 fiscal year, as reported by the Department of Finance.
- 23 (3) (A) The Superintendent shall compute an additional
 24 adjustment to the kindergarten and grades 1 to 3, inclusive, base
 25 grant as adjusted for inflation pursuant to paragraph (2) equal to
 26 10.4 percent. The additional grant shall be calculated by
 27 multiplying the kindergarten and grades 1 to 3, inclusive, base
 28 grant, as adjusted by paragraph (2), by 10.4 percent.
- 29 (B) Until paragraph (4) of subdivision (b) of Section 42238.03
 30 is effective, as a condition of the receipt of funds in this paragraph,
 31 a school district shall make progress toward maintaining an average
 32 class enrollment of not more than 24 pupils for each schoolsite in
 33 kindergarten and grades 1 to 3, inclusive, unless a collectively
 34 bargained alternative annual average class enrollment for each
 35 schoolsite in those grades is agreed to by the school district,
 36 pursuant to the following calculation:
- 37 (i) Determine a school district’s average class enrollment for
 38 each schoolsite for kindergarten and grades 1 to 3, inclusive, in
 39 the prior year. For the 2013–14 fiscal year, this amount shall be

1 the average class enrollment for each schoolsite for kindergarten
2 and grades 1 to 3, inclusive, in the 2012–13 fiscal year.

3 (ii) Determine a school district’s proportion of total need
4 pursuant to paragraph (2) of subdivision (b) of Section 42238.03.

5 (iii) Determine the percentage of the need calculated in clause
6 (ii) that is met by funding provided to the school district pursuant
7 to paragraph (3) of subdivision (b) of Section 42238.03.

8 (iv) Determine the difference between the amount computed
9 pursuant to clause (i) and an average class enrollment of not more
10 than 24 pupils.

11 (v) Calculate a current year average class enrollment adjustment
12 for each schoolsite for kindergarten and grades 1 to 3, inclusive,
13 equal to the adjustment calculated in clause (iv) multiplied by the
14 percentage determined pursuant to clause (iii).

15 (C) School districts that have an average class enrollment for
16 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
17 24 pupils or less for each schoolsite in the 2012–13 fiscal year,
18 shall be exempt from the requirements of subparagraph (B) so long
19 as the school district continues to maintain an average class
20 enrollment for each schoolsite for kindergarten and grades 1 to 3,
21 inclusive, of not more than 24 pupils, unless a collectively
22 bargained alternative ratio is agreed to by the school district.

23 (D) Upon full implementation of the local control funding
24 formula, as a condition of the receipt of funds in this paragraph,
25 all school districts shall maintain an average class enrollment for
26 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
27 not more than 24 pupils for each schoolsite in kindergarten and
28 grades 1 to 3, inclusive, unless a collectively bargained alternative
29 ratio is agreed to by the school district.

30 (E) The average class enrollment requirement for each schoolsite
31 for kindergarten and grades 1 to 3, inclusive, established pursuant
32 to this paragraph shall not be subject to waiver by the state board
33 pursuant to Section 33050 or by the Superintendent.

34 (F) The Controller shall include the instructions necessary to
35 enforce this paragraph in the audit guide required by Section
36 14502.1. The instructions shall include, but are not necessarily
37 limited to, procedures for determining if the average class
38 enrollment for each schoolsite for kindergarten and grades 1 to 3,
39 inclusive, exceeds 24 pupils, or an alternative average class
40 enrollment for each schoolsite pursuant to a collectively bargained

1 alternative ratio. The procedures for determining average class
2 enrollment for each schoolsite shall include criteria for employing
3 sampling.

4 (4) The Superintendent shall compute an additional adjustment
5 to the base grant for grades 9 to 12, inclusive, as adjusted for
6 inflation pursuant to paragraph (2), equal to 2.6 percent. The
7 additional grant shall be calculated by multiplying the base grant
8 for grades 9 to 12, inclusive, as adjusted by paragraph (2), by 2.6
9 percent.

10 (e) The Superintendent shall compute a supplemental grant
11 add-on equal to 20 percent of the base grants as specified in
12 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
13 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision
14 (d), for each school district's or charter school's percentage of
15 unduplicated pupils calculated pursuant to paragraph (5) of
16 subdivision (b). The supplemental grant shall be calculated by
17 multiplying the base grants as specified in subparagraphs (A) to
18 (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to
19 (4), inclusive, of subdivision (d), by 20 percent and by the
20 percentage of unduplicated pupils calculated pursuant to paragraph
21 (5) of subdivision (b) in that school district or charter school. The
22 supplemental grant shall be expended in accordance with the
23 regulations adopted pursuant to Section 42238.07.

24 (f) (1) The Superintendent shall compute a concentration grant
25 add-on equal to 50 percent of the base grants as specified in
26 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
27 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision
28 (d), for each school district's or charter school's percentage of
29 unduplicated pupils calculated pursuant to paragraph (5) of
30 subdivision (b) in excess of 55 percent of the school district's or
31 charter school's total enrollment. The concentration grant shall be
32 calculated by multiplying the base grants as specified in
33 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
34 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision
35 (d), by 50 percent and by the percentage of unduplicated pupils
36 calculated pursuant to paragraph (5) of subdivision (b) in excess
37 of 55 percent of the total enrollment in that school district or charter
38 school.

39 (2) For a charter school physically located in only one school
40 district, the percentage of unduplicated pupils calculated pursuant

1 to paragraph (5) of subdivision (b) in excess of 55 percent used to
2 calculate concentration grants shall not exceed the percentage of
3 unduplicated pupils calculated pursuant to paragraph (5) of
4 subdivision (b) in excess of 55 percent of the school district in
5 which the charter school is physically located. For a charter school
6 physically located in more than one school district because of
7 overlapping school district boundaries, *district*, the charter school's
8 percentage of unduplicated pupils calculated pursuant to paragraph
9 (5) of subdivision (b) in excess of 55 percent used to calculate
10 concentration grants shall not exceed that of the school district
11 with the highest percentage of unduplicated pupils calculated
12 pursuant to paragraph (5) of subdivision (b) in excess of 55 percent
13 of the school districts in which the charter school has a school
14 facility. For a charter school physically located in more than one
15 school district because it provides classroom-based instruction in
16 more than one physical location, the percentage of unduplicated
17 pupils of that charter school shall not exceed the percentage of
18 unduplicated pupils of the school district in which the highest
19 proportion of the charter school's average daily attendance is
20 generated through classroom-based instruction, as defined in
21 paragraph (1) of subdivision (e) of Section 47612.5. If a charter
22 school provides nonclassroom-based instruction, as defined in
23 paragraph (2) of subdivision (e) of Section 47612.5, the percentage
24 of unduplicated pupils of that charter school shall not exceed the
25 percentage of unduplicated pupils of the charter school's chartering
26 authority, or, for a charter school approved pursuant to paragraph
27 (1) or (2) of subdivision (i) of Section 47632, the charter school's
28 sponsoring school district. *The concentration grant shall be*
29 *expended in accordance with the regulations adopted pursuant to*
30 *Section 42238.07.*

31 ~~(3) (A) Notwithstanding paragraph (2), for a charter school~~
32 ~~authorized by a county board of education pursuant to Section~~
33 ~~47605.5 or 47605.6, for purposes of calculating the concentration~~
34 ~~grant for the charter school, the percentage of unduplicated pupils~~
35 ~~shall not exceed the average percentage of unduplicated pupils~~
36 ~~within the boundaries of the county.~~

37 ~~(B) Notwithstanding paragraph (2), for a charter school~~
38 ~~authorized by the state board pursuant to Section 47605.8, for~~
39 ~~purposes of calculating the concentration grant for the charter~~

1 school, the percentage of unduplicated pupils shall not exceed the
2 statewide average percentage of unduplicated pupils.

3 ~~(4) The concentration grant computed pursuant to paragraphs~~
4 ~~(1) to (3), inclusive, shall be expended in accordance with the~~
5 ~~regulations adopted pursuant to Section 42238.07.~~

6 (g) The Superintendent shall compute an add-on to the total
7 sum of a school district's or charter school's base, supplemental,
8 and concentration grants equal to the amount of funding a school
9 district or charter school received from funds allocated pursuant
10 to the Targeted Instructional Improvement Block Grant program,
11 as set forth in Article 6 (commencing with Section 41540) of
12 Chapter 3.2, for the 2012–13 fiscal year, as that article read on
13 January 1, 2013. A school district or charter school shall not receive
14 a total funding amount from this add-on greater than the total
15 amount of funding received by the school district or charter school
16 from that program in the 2012–13 fiscal year. The amount
17 computed pursuant to this subdivision shall reflect the reduction
18 specified in paragraph (2) of subdivision (a) of Section 42238.03.

19 (h) The Superintendent shall compute an add-on to the total
20 sum of a school district's or charter school's base, supplemental,
21 and concentration grants equal to the amount of funding a school
22 district or charter school received from funds allocated pursuant
23 to the Home-to-School Transportation program, as set forth in
24 former Article 2 (commencing with Section 39820) of Chapter 1
25 of Part 23.5, former Article 10 (commencing with Section 41850)
26 of Chapter 5, and the Small School District Transportation
27 program, as set forth in former Article 4.5 (commencing with
28 Section 42290), for the 2012–13 fiscal year. A school district or
29 charter school shall not receive a total funding amount from this
30 add-on greater than the total amount received by the school district
31 or charter school for those programs in the 2012–13 fiscal year.
32 The amount computed pursuant to this subdivision shall reflect
33 the reduction specified in paragraph (2) of subdivision (a) of
34 Section 42238.03.

35 (i) (1) The sum of the local control funding formula rates
36 computed pursuant to subdivisions (c) to (f), inclusive, shall be
37 multiplied by:

38 (A) For school districts, the average daily attendance of the
39 school district in the corresponding grade level ranges computed
40 pursuant to Section 42238.05, excluding the average daily

1 attendance computed pursuant to paragraph (2) of subdivision (a)
2 of Section 42238.05 for purposes of the computation specified in
3 subdivision (d).

4 (B) For charter schools, the total current year average daily
5 attendance in the corresponding grade level ranges.

6 (2) The amount computed pursuant to Article 4 (commencing
7 with Section 42280) shall be added to the amount computed
8 pursuant to paragraphs (1) to (4), inclusive, of subdivision (d), as
9 multiplied by subparagraph (A) or (B) of paragraph (1), as
10 appropriate.

11 (j) The Superintendent shall adjust the sum of each school
12 district's or charter school's amount determined in subdivisions
13 (g) to (i), inclusive, pursuant to the calculation specified in Section
14 42238.03, less the sum of the following:

15 (1) (A) For school districts, the property tax revenue received
16 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter
17 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
18 Revenue and Taxation Code.

19 (B) For charter schools, the in-lieu property tax amount provided
20 to a charter school pursuant to Section 47635.

21 (2) The amount, if any, received pursuant to Part 18.5
22 (commencing with Section 38101) of Division 2 of the Revenue
23 and Taxation Code.

24 (3) The amount, if any, received pursuant to Chapter 3
25 (commencing with Section 16140) of Part 1 of Division 4 of Title
26 2 of the Government Code.

27 (4) Prior years' taxes and taxes on the unsecured roll.

28 (5) Fifty percent of the amount received pursuant to Section
29 41603.

30 (6) The amount, if any, received pursuant to the Community
31 Redevelopment Law (Part 1 (commencing with Section 33000)
32 of Division 24 of the Health and Safety Code), less any amount
33 received pursuant to Section 33401 or 33676 of the Health and
34 Safety Code that is used for land acquisition, facility construction,
35 reconstruction, or remodeling, or deferred maintenance and that
36 is not an amount received pursuant to Section 33492.15, or
37 paragraph (4) of subdivision (a) of Section 33607.5, or Section
38 33607.7 of the Health and Safety Code that is allocated exclusively
39 for educational facilities.

1 (7) The amount, if any, received pursuant to Sections 34177,
 2 34179.5, 34179.6, 34183, and 34188 of the Health and Safety
 3 Code.

4 (8) Revenue received pursuant to subparagraph (B) of paragraph
 5 (3) of subdivision (e) of Section 36 of Article XIII of the California
 6 Constitution.

7 (k) A school district shall annually transfer to each of its charter
 8 schools funding in lieu of property taxes pursuant to Section 47635.

9 (l) (1) Nothing in this section shall be interpreted to authorize
 10 a school district that receives funding on behalf of a charter school
 11 pursuant to Section 47651 to redirect this funding for another
 12 purpose unless otherwise authorized in law pursuant to paragraph
 13 (2) or pursuant to an agreement between the charter school and its
 14 chartering authority.

15 (2) A school district that received funding on behalf of a locally
 16 funded charter school in the 2012–13 fiscal year pursuant to
 17 paragraph (2) of subdivision (b) of Section 42605, Section 42606,
 18 and subdivision (b) of Section 47634.1, as those sections read on
 19 January 1, 2013, or a school district that was required to pass
 20 through funding to a conversion charter school in the 2012–13
 21 fiscal year pursuant to paragraph (2) of subdivision (b) of Section
 22 42606, as that section read on January 1, 2013, may annually
 23 redirect for another purpose a percentage of the amount of the
 24 funding received on behalf of that charter school. The percentage
 25 of funding that may be redirected shall be determined pursuant to
 26 the following computation:

27 (A) (i) Determine the sum of the need fulfilled for that charter
 28 school pursuant to paragraph (3) of subdivision (b) of Section
 29 42238.03 in the then current fiscal year for the charter school.

30 (ii) Determine the sum of the need fulfilled in every fiscal year
 31 before the then current fiscal year pursuant to paragraph (3) of
 32 subdivision (b) of Section 42238.03 adjusted for changes in average
 33 daily attendance pursuant to paragraph (3) of subdivision (a) of
 34 Section 42238.03 for the charter school.

35 (iii) Subtract the amount computed pursuant to paragraphs (1)
 36 to (3), inclusive, of subdivision (a) of Section 42238.03 from the
 37 amount computed for that charter school under the local control
 38 funding formula entitlement computed pursuant to subdivision (i)
 39 of Section 42238.02.

1 (iv) Compute a percentage by dividing the sum of the amounts
2 computed to clauses (i) and (ii) by the amount computed pursuant
3 to clause (iii).

4 (B) Multiply the percentage computed pursuant to subparagraph
5 (A) by the amount of funding the school district received on behalf
6 of the charter school in the 2012–13 fiscal year pursuant to
7 paragraph (2) of subdivision (b) of Section 42605, Section 42606,
8 and subdivision (b) of Section 47634.1, as those sections read on
9 January 1, 2013.

10 (C) The maximum amount that may be redirected shall be the
11 lesser of the amount of funding the school district received on
12 behalf of the charter school in the 2012–13 fiscal year pursuant to
13 paragraph (2) of subdivision (b) of Section 42605, Section 42606,
14 and subdivision (b) of Section 47634.1, as those sections read on
15 January 1, 2013, or the amount computed pursuant to subparagraph
16 (B).

17 (3) Commencing with the 2013–14 fiscal year, a school district
18 operating one or more affiliated charter schools shall provide each
19 affiliated charter school schoolsite with no less than the amount
20 of funding the schoolsite received pursuant to the charter school
21 block grant in the 2012–13 fiscal year.

22 (m) Any calculations in law that are used for purposes of
23 determining if a local educational agency is an excess tax school
24 entity or basic aid school district, including, but not limited to, this
25 section and Sections 42238.03, 41544, 47632, 47660, 47663,
26 48310, and 48359.5, and Section 95 of the Revenue and Taxation
27 Code, shall be made exclusive of the revenue received pursuant
28 to subparagraph (B) of paragraph (3) of subdivision (e) of Section
29 36 of Article XIII of the California Constitution.

30 (n) The funds apportioned pursuant to this section and Section
31 42238.03 shall be available to implement the activities required
32 pursuant to Article 4.5 (commencing with Section 52060) of
33 Chapter 6.1 of Part 28 of Division 4 of Title 2.

34 (o) A school district that does not receive an apportionment of
35 state funds pursuant to this section, as implemented pursuant to
36 Section 42238.03, excluding funds apportioned pursuant to the
37 requirements of subdivision (e) of Section 42238.03 shall be
38 considered a “basic aid school district” or an “excess tax entity.”

39 SEC. 19. Section 42238.025 of the Education Code is amended
40 to read:

1 42238.025. (a) In the 2013–14 fiscal year, the Superintendent
2 shall compute an economic recovery target rate for each school
3 district and charter school equal to the sum of the following:

4 (1) (A) For each school district, the school district’s revenue
5 limit in the 2012–13 fiscal year as computed pursuant to this article,
6 as this article read on January 1, 2013, divided by the 2012–13
7 fiscal year average daily attendance of the school district computed
8 pursuant to Section 42238.05. For purposes of this section, average
9 daily attendance shall include any applicable revenue limit average
10 daily attendance and shall be considered final for purposes of this
11 section as of the annual apportionment for the 2012–13 fiscal year,
12 as calculated for purposes of the certification required on or before
13 February 20, 2014, pursuant to Sections 41332 and 41339.

14 (B) For each charter school, the charter school’s general purpose
15 funding as computed pursuant to Article 2 (commencing with
16 Section 47633) of Chapter 6 of Part 26.8 of Division 4, as that
17 article read on January 1, 2013, and the in-lieu property tax amount
18 provided to the charter school pursuant to Section 47635, as that
19 section read on January 1, 2013, divided by the 2012–13 fiscal
20 year average daily attendance of the charter school computed
21 pursuant to Section 42238.05. For purposes of this section, average
22 daily attendance shall include any applicable charter school general
23 purpose funding average daily attendance and shall be considered
24 final for purposes of this section as of the annual apportionment
25 for the 2012–13 fiscal year, as calculated for purposes of the
26 certification required on or before February 20, 2014, pursuant to
27 Sections 41332 and 41339.

28 (C) The amounts determined pursuant to subparagraphs (A) and
29 (B) shall not reflect the deficit factor adjustments set forth in
30 Section 42238.146 as that section read on January 1, 2013.

31 (D) The amounts determined pursuant to subparagraphs (A)
32 and (B) shall be adjusted for the cost-of-living adjustment for the
33 2013–14 fiscal year pursuant to paragraph (2) of subdivision (d)
34 of Section 42238.02 and an annual average cost-of-living
35 adjustment of 1.94 percent for the 2014–15 fiscal year to the
36 2020–21 fiscal year, inclusive.

37 (2) (A) For each school district and charter school, the sum of
38 the entitlements from items contained in Section 2.00 of the Budget
39 Act of 2012 for Items 6110-104-0001, 6110-105-0001,
40 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001,

1 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001,
2 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001,
3 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001,
4 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001,
5 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001,
6 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001,
7 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001,
8 6110-267-0001, 6110-268-0001, 6360-101-0001, 2012–13 fiscal
9 year funding for the Class Size Reduction Program pursuant to
10 Chapter 6.10 (commencing with Section 52120) of Part 28 of
11 Division 4, as it read on January 1, 2013, and 2012–13 fiscal year
12 funding for pupils enrolled in community day schools who are
13 mandatorily expelled pursuant to subdivision (d) of Section 48915,
14 divided by the 2012–13 fiscal year average daily attendance of the
15 school district computed pursuant to Section 42238.05.

16 (B) The amounts determined pursuant to this subdivision shall
17 not be adjusted for the reduction set forth in Section 12.42 of the
18 Budget Act of 2012.

19 (b) Of the amounts computed for school districts pursuant to
20 subdivision (a), the Superintendent shall determine the funding
21 rate per unit of average daily attendance above which fall not more
22 than 10 percent of the total number of school districts statewide.

23 (c) The Superintendent shall compute a 2020–21 fiscal year
24 local control funding formula rate for each school district and
25 charter school equal to the amount computed pursuant to Section
26 42238.02 for the 2013–14 fiscal year, adjusted for an annual
27 average cost-of-living adjustment of 1.94 percent for the 2014–15
28 fiscal year to the 2020–21 fiscal year, inclusive, divided by the
29 2012–13 fiscal year average daily attendance of the school district
30 or charter school computed pursuant to Section 42238.05.

31 (d) (1) For each school district and charter school that has a
32 funding rate per unit of average daily attendance computed pursuant
33 to subdivision (a) that is equal to, or below, the funding rate per
34 unit of average daily attendance determined pursuant to subdivision
35 (b), the Superintendent shall subtract the amount computed
36 pursuant to subdivision (c) from the amount computed pursuant
37 to subdivision (a). Each school district or charter school for which
38 this calculation yields an amount greater than zero shall be eligible
39 for an economic recovery target payment equal to the amount of
40 the difference. A school district or charter school that has a funding

1 rate per unit of average daily attendance calculated pursuant to
2 subdivision (a) that exceeds the rate calculated pursuant to
3 subdivision (b) shall not be eligible for an economic recovery
4 target payment.

5 (2) Each school district or charter school eligible for an
6 economic recovery target payment pursuant to paragraph (1) shall
7 receive the following apportionments:

8 (A) For the 2013–14 fiscal year, one-eighth of the amount
9 calculated pursuant to paragraph (1) multiplied by the 2012–13
10 fiscal year average daily attendance computed pursuant to Section
11 42238.05.

12 (B) For the 2014–15 fiscal year, two-eighths of the amount
13 calculated pursuant to paragraph (1) multiplied by the 2012–13
14 fiscal year average daily attendance computed pursuant to Section
15 42238.05.

16 (C) For the 2015–16 fiscal year, three-eighths of the amount
17 calculated pursuant to paragraph (1) multiplied by the 2012–13
18 fiscal year average daily attendance computed pursuant to Section
19 42238.05.

20 (D) For the 2016–17 fiscal year, four-eighths of the amount
21 calculated pursuant to paragraph (1) multiplied by the 2012–13
22 fiscal year average daily attendance computed pursuant to Section
23 42238.05.

24 (E) For the 2017–18 fiscal year, five-eighths of the amount
25 calculated pursuant to paragraph (1) multiplied by the 2012–13
26 fiscal year average daily attendance computed pursuant to Section
27 42238.05.

28 (F) For the 2018–19 fiscal year, six-eighths of the amount
29 calculated pursuant to paragraph (1) multiplied by the 2012–13
30 fiscal year average daily attendance computed pursuant to Section
31 42238.05.

32 (G) For the 2019–20 fiscal year, seven-eighths of the amount
33 calculated pursuant to paragraph (1) multiplied by the 2012–13
34 fiscal year average daily attendance computed pursuant to Section
35 42238.05.

36 (H) For the 2020–21 fiscal year and each fiscal year thereafter,
37 the amount calculated pursuant to paragraph (1) multiplied by the
38 2012–13 fiscal year average daily attendance computed pursuant
39 to Section 42238.05.

1 (3) In each fiscal year until a determination has been made that
2 all school districts and charter schools equal or exceed the local
3 control funding formula target computed pursuant to Section
4 42238.02, as determined by the calculation of a zero difference
5 pursuant to paragraph (1) of subdivision (b) of Section 42238.03,
6 the economic recovery target payment apportioned to each eligible
7 school district or charter school pursuant to paragraph (2) shall be
8 added to the school district's or charter school's funding amounts
9 that are continuously appropriated pursuant to subdivision (a) of
10 Section 42238.03 and included in the amount of funding that may
11 be offset pursuant to subdivision (c) of Section 42238.03. The
12 amount apportioned pursuant to paragraph (2) shall not receive a
13 cost-of-living adjustment.

14 (4) Commencing with the first fiscal year in which all school
15 districts and charter schools are apportioned funding pursuant to
16 Section 42238.02, the economic recovery target calculated pursuant
17 to paragraph (2) shall be included as an add-on to the amounts
18 computed pursuant to subdivisions (c) to (i), inclusive, of Section
19 42238.02 and included in the amount of funding that may be offset
20 pursuant to subdivision (j) of Section 42238.02. The amount
21 included as an add-on pursuant to this paragraph shall not receive
22 a cost-of-living adjustment.

23 SEC. 20. Section 42238.03 of the Education Code is amended
24 to read:

25 42238.03. (a) Commencing with the 2013–14 fiscal year and
26 each fiscal year thereafter, the Superintendent shall calculate a
27 base entitlement for the transition to the local control funding
28 formula for each school district and charter school equal to the
29 sum of the amounts computed pursuant to paragraphs (1) to (4),
30 inclusive. The amounts computed pursuant to paragraphs (1) to
31 (4), inclusive, shall be continuously appropriated pursuant to
32 Section 14002.

33 (1) The current fiscal year base entitlement funding level shall
34 be the sum of all of the following:

35 (A) For school districts, revenue limits in the 2012–13 fiscal
36 year as computed pursuant to Article 2 (commencing with Section
37 42238), as that article read on January 1, 2013, divided by the
38 2012–13 average daily attendance of the school district computed
39 pursuant to Section 42238.05. That quotient shall be multiplied
40 by the current fiscal year average daily attendance of the school

1 district computed pursuant Section 42238.05. A school district’s
 2 2012–13 fiscal year revenue limit funding shall exclude amounts
 3 computed pursuant to Article 4 (commencing with Section 42280).

4 (B) (i) For charter schools, general purpose funding as
 5 computed pursuant to Article 2 (commencing with Section 47633)
 6 of Chapter 6, as that article read on January 1, 2013, and the
 7 amount of in-lieu property tax provided to the charter school
 8 pursuant to Section 47635, as that section read on June 30, 2013,
 9 divided by the 2012–13 average daily attendance of the charter
 10 school computed pursuant to Section 42238.05. That quotient shall
 11 be multiplied by the current fiscal year average daily attendance
 12 of the charter school computed pursuant to Section 42238.05.

13 (ii) The amount computed pursuant to clause (i) shall exclude
 14 funds received by a charter school pursuant to Section 47634.1,
 15 as that section read on January 1, 2013.

16 (C) The amount computed pursuant to subparagraph (A) shall
 17 exclude funds received pursuant to Section 47633, as that section
 18 read on January 1, 2013.

19 (D) For school districts, funding for qualifying necessary small
 20 high school and necessary small elementary schools shall be
 21 adjusted to reflect the funding levels that correspond to the 2012–13
 22 necessary small high school and necessary small elementary school
 23 allowances pursuant Article 4 (commencing with Section 42280)
 24 and Section 42238.146, as those provisions read on January 1,
 25 2013.

26 (2) Entitlements from items contained in Section 2.00, as
 27 adjusted pursuant to Section 12.42, of the Budget Act of 2012 for
 28 Items 6110-104-0001, 6110-105-0001, 6110-108-0001,
 29 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001,
 30 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001,
 31 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001,
 32 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001,
 33 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001,
 34 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,
 35 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,
 36 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001,
 37 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for
 38 the Class Size Reduction Program pursuant to Chapter 6.10
 39 (commencing with Section 52120) of Part 28 of Division 4, as it
 40 read on January 1, 2013, and 2012–13 fiscal year funding for pupils

1 enrolled in community day schools who are mandatorily expelled
2 pursuant to subdivision (d) of Section 48915. The entitlement for
3 basic aid school districts shall include the reduction of 8.92 percent
4 as applied pursuant to subparagraph (A) of paragraph (1) of
5 subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

6 (3) The allocations pursuant to Sections 42606 and 47634.1, as
7 those sections read on January 1, 2013, divided by the 2012–13
8 average daily attendance of the charter school computed pursuant
9 to Section 42238.05. That quotient shall be multiplied by the
10 current fiscal year average daily attendance of the charter school
11 computed pursuant to Section 42238.05.

12 (4) The amount allocated to a school district or charter school
13 pursuant to paragraph (3) of subdivision (b) for the fiscal years
14 before the current fiscal year divided by the average daily
15 attendance of the school district or charter school for the fiscal
16 years before the current fiscal year computed pursuant to Section
17 42238.05. That quotient shall be multiplied by the current fiscal
18 year average daily attendance of the school district or charter school
19 computed pursuant to Section 42238.05.

20 (5) (A) For the 2013–14 and 2014–15 fiscal years only, a school
21 district that, in the 2012–13 fiscal year, from any of the funding
22 sources identified in paragraph (1) or (2), received funds on behalf
23 of, or provided funds to, a regional occupational center or program
24 joint powers agency established in accordance with Article 1
25 (commencing with Section 6500) of Chapter 5 of Division 7 of
26 Title 1 of the Government Code for purposes of providing
27 instruction to secondary pupils shall not redirect that funding for
28 another purpose unless otherwise authorized in law or pursuant to
29 an agreement between the regional occupational center or program
30 joint powers agency and the contracting school district.

31 (B) For the 2013–14 and 2014–15 fiscal years only, if a regional
32 occupational center or program joint powers agency established
33 in accordance with Article 1 (commencing with Section 6500) of
34 Chapter 5 of Division 7 of Title 1 of the Government Code for
35 purposes of providing instruction to pupils enrolled in grades 9 to
36 12, inclusive, received, in the 2012–13 fiscal year, an
37 apportionment of funds directly from any of the funding sources
38 identified in subparagraph (A) of paragraph (2) of subdivision (a),
39 the Superintendent shall apportion that same amount to the regional
40 occupational center or program joint powers agency.

1 (6) (A) (i) For the 2013–14 and 2014–15 fiscal years only, a
2 school district that, in the 2012–13 fiscal year, from any of the
3 funding sources identified in paragraph (1) or (2), received funds
4 on behalf of, or provided funds to, a home-to-school transportation
5 joint powers agency established in accordance with Article 1
6 (commencing with Section 6500) of Chapter 5 of Division 7 of
7 Title 1 of the Government Code for purposes of providing pupil
8 transportation shall not redirect that funding for another purpose
9 unless otherwise authorized in law or pursuant to an agreement
10 between the home-to-school transportation joint powers agency
11 and the contracting school district.

12 (ii) For the 2013–14 and 2014–15 fiscal years only, if a
13 home-to-school transportation joint powers agency established in
14 accordance with Article 1 (commencing with Section 6500) of
15 Chapter 5 of Division 7 of Title 1 of the Government Code for
16 purposes of providing pupil transportation received, in the 2012–13
17 fiscal year, an apportionment of funds directly from the
18 Superintendent from any of the funding sources identified in
19 subparagraph (A) of paragraph (2) of subdivision (a), the
20 Superintendent shall apportion that same amount to the
21 home-to-school transportation joint powers agency.

22 (B) In addition to subparagraph (A), of the funds a school district
23 receives for home-to-school transportation programs the school
24 district shall expend, pursuant to Article 2 (commencing with
25 Section 39820) of Chapter 1 of Part 23.5, Article 10 (commencing
26 with Section 41850) of Chapter 5, and the Small School District
27 Transportation program, as set forth in Article 4.5 (commencing
28 with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title
29 2, no less for those programs than the amount of funds the school
30 district expended for home-to-school transportation in the 2012–13
31 fiscal year.

32 (7) For the 2013–14 and 2014–15 fiscal years only, of the funds
33 a school district receives for purposes of regional occupational
34 centers or programs, or adult education, the school district shall
35 expend no less than the amount of funds the school district
36 expended for purposes of regional occupational centers or
37 programs, or adult education, respectively, in the 2012–13 fiscal
38 year. For purposes of this paragraph, a school district may include
39 expenditures made by its county office of education within the
40 school district for purposes of regional occupational centers or

1 programs so long as the total amount of expenditures by the school
2 district and the county office of education equal or exceed the total
3 amount required to be expended for purposes of regional
4 occupational centers or programs pursuant to this paragraph and
5 paragraph (3) of subdivision (k) of Section 2575.

6 (b) Compute an annual local control funding formula transition
7 adjustment for each school district and charter school as follows:

8 (1) Subtract the amount computed pursuant to paragraphs (1)
9 to (4), inclusive, of subdivision (a) from the amount computed for
10 each school district or charter school under the local control
11 funding formula entitlements computed pursuant to Section
12 42238.02. School districts and charter schools with a negative
13 difference shall be deemed to have a zero difference.

14 (2) Each school district's and charter school's total need, as
15 calculated pursuant to paragraph (1), shall be divided by the sum
16 of all school districts' and charter schools' total need to determine
17 the school district's or charter school's respective proportions of
18 total need.

19 (3) Each school district's and charter school's proportion of
20 total need shall be multiplied by any available appropriations
21 specifically made for purposes of this subdivision, and added to
22 the school district's or charter school's funding amounts as
23 calculated pursuant to subdivision (a).

24 (4) If the total amount of funds appropriated for purposes of
25 paragraph (3) pursuant to this subdivision are sufficient to fully
26 fund any positive amounts computed pursuant to paragraph (1),
27 the local control funding formula grant computed pursuant to
28 subdivision (c) of Section 42238.02 shall be adjusted to ensure
29 that any available appropriation authority is expended for purposes
30 of the local control funding formula.

31 (5) Commencing with the first fiscal year after either paragraph
32 (4) of this subdivision or paragraph (2) of subdivision (g) applies,
33 the adjustments in paragraph (2) of subdivision (d) of Section
34 42238.02 shall be made only if an appropriation for those
35 adjustments is included in the annual Budget Act.

36 (c) The Superintendent shall subtract from the amounts
37 computed pursuant to subdivisions (a) and (b) the sum of the
38 following:

39 (1) (A) For school districts, the property tax revenue received
40 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter

1 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
2 Revenue and Taxation Code.

3 (B) For charter schools, the in-lieu property tax amount provided
4 to a charter school pursuant to Section 47635.

5 (2) The amount, if any, received pursuant to Part 18.5
6 (commencing with Section 38101) of Division 2 of the Revenue
7 and Taxation Code.

8 (3) The amount, if any, received pursuant to Chapter 3
9 (commencing with Section 16140) of Part 1 of Division 4 of Title
10 2 of the Government Code.

11 (4) Prior years' taxes and taxes on the unsecured roll.

12 (5) Fifty percent of the amount received pursuant to Section
13 41603.

14 (6) The amount, if any, received pursuant to the Community
15 Redevelopment Law (Part 1 (commencing with Section 33000)
16 of Division 24 of the Health and Safety Code), less any amount
17 received pursuant to Section 33401 or 33676 of the Health and
18 Safety Code that is used for land acquisition, facility construction,
19 reconstruction, or remodeling, or deferred maintenance and that
20 is not an amount received pursuant to Section 33492.15, or
21 paragraph (4) of subdivision (a) of Section 33607.5, or Section
22 33607.7 of the Health and Safety Code that is allocated exclusively
23 for educational facilities.

24 (7) The amount, if any, received pursuant to Sections 34177,
25 34179.5, 34179.6, 34183, and 34188 of the Health and Safety
26 Code.

27 (8) Revenue received pursuant to subparagraph (B) of paragraph
28 (3) of subdivision (e) of Section 36 of Article XIII of the California
29 Constitution.

30 (d) A school district or charter school that has a zero difference
31 pursuant to paragraph (1) of subdivision (b) in the prior fiscal year
32 shall receive an entitlement equal to the amount calculated pursuant
33 to Section 42238.02 in the current fiscal year and future fiscal
34 years.

35 (e) Notwithstanding the computations pursuant to subdivisions
36 (b) to (d), inclusive, and Section 42238.02, commencing with the
37 2013–14 fiscal year, a school district or charter school shall receive
38 state-aid funding of no less than the sum of the amounts computed
39 pursuant to paragraphs (1) to (3), inclusive.

1 (1) (A) For school districts, revenue limits in the 2012–13 fiscal
2 year as computed pursuant to Article 2 (commencing with Section
3 42238), as that article read on January 1, 2013, divided by the
4 2012–13 average daily attendance of the school district computed
5 pursuant to Section 42238.05. That quotient shall be multiplied
6 by the current fiscal year average daily attendance of the school
7 district computed pursuant Section 42238.05. A school district’s
8 2012–13 revenue limit funding shall exclude amounts computed
9 pursuant to Article 4 (commencing with Section 42280).

10 (B) (i) For charter schools, general purpose funding in the
11 2012–13 fiscal year as computed pursuant to Article 2
12 (commencing with Section 47633) of Chapter 6, as that article
13 read on January 1, 2013, and the amount of in-lieu property tax
14 provided to the charter school in the 2012–13 fiscal year pursuant
15 to Section 47635, as that section read on January 1, 2013, divided
16 by the 2012–13 average daily attendance of the charter school
17 computed pursuant to Section 42238.05. That quotient shall be
18 multiplied by the current fiscal year average daily attendance of
19 the charter school computed pursuant to Section 42238.05.

20 (ii) The amount computed pursuant to clause (i) shall exclude
21 funds received by a charter school pursuant to Section 47634.1,
22 as that section read on January 1, 2013.

23 (C) The amount computed pursuant to subparagraph (A) shall
24 exclude funds received pursuant to Section 47633, as that section
25 read on January 1, 2013.

26 (D) For school districts, the 2012–13 funding allowance
27 provided for qualifying necessary small high schools and necessary
28 small elementary schools pursuant to Article 4 (commencing with
29 Section 42280) and Section 42238.146, as those provisions read
30 on January 1, 2013.

31 (E) The amount computed pursuant to subparagraphs (A) to
32 (D), inclusive, shall be reduced by the sum of the amount computed
33 pursuant to paragraphs (1) to (8), inclusive, of subdivision (c).

34 (2) (A) Entitlements from items contained in Section 2.00, as
35 adjusted pursuant to Section 12.42, of the Budget Act of 2012 for
36 Items 6110-104-0001, 6110-105-0001, 6110-108-0001,
37 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001,
38 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001,
39 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001,
40 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001,

1 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001,
 2 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,
 3 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,
 4 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001,
 5 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for
 6 the Class Size Reduction Program pursuant to Chapter 6.10
 7 (commencing with Section 52120) of Part 28 of Division 4, as it
 8 read on January 1, 2013, and 2012–13 fiscal year funding for pupils
 9 enrolled in community day schools who are mandatorily expelled
 10 pursuant to subdivision (d) of Section 48915. Notwithstanding
 11 Section 39 of Chapter 38 of the Statutes of 2012, the entitlement
 12 for basic aid school districts shall include the reduction of 8.92
 13 percent as applied pursuant to subparagraph (A) of paragraph (1)
 14 of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

15 (B) The Superintendent shall annually apportion any entitlement
 16 provided to the state special schools from the items specified in
 17 subparagraph (A) to the state special schools in the same amount
 18 as the state special schools received from those items in the
 19 2012–13 fiscal year.

20 (3) The allocations pursuant to Sections 42606 and 47634.1, as
 21 those sections read on January 1, 2013, divided by the 2012–13
 22 average daily attendance of the charter school. That quotient shall
 23 be multiplied by the current fiscal year average daily attendance
 24 of the charter school.

25 (f) (1) For purposes of this section, commencing with the
 26 2013–14 fiscal year and until all school districts and charter schools
 27 equal or exceed their local control funding formula target computed
 28 pursuant to Section 42238.02, as determined by the calculation of
 29 a zero difference pursuant to paragraph (1) of subdivision (b), a
 30 newly operational charter school shall be determined to have a
 31 prior year per average daily attendance funding amount equal to
 32 the lesser of:

33 (A) ~~(i)~~—The prior year funding amount per unit of average daily
 34 attendance for the school district in which the charter school is
 35 physically located. The Superintendent shall calculate the funding
 36 amount per unit of average daily attendance for this purpose by
 37 dividing the total local control funding formula entitlement,
 38 calculated pursuant to subdivisions (a) and (b), received by that
 39 school district in the prior year by prior year funded average daily
 40 attendance of that school district. For purposes of this

1 subparagraph, a charter school that is physically located in more
2 than one school district ~~because of overlapping school district~~
3 ~~boundaries~~ shall use the calculated local control funding entitlement
4 per unit of average daily attendance of the school district with the
5 highest prior year funding amount per unit of average daily
6 attendance.

7 ~~(ii) For purposes of this subparagraph, if a charter school is~~
8 ~~physically located in more than one school district and provides~~
9 ~~classroom-based instruction, as defined in paragraph (1) of~~
10 ~~subdivision (e) of Section 47612.5, in more than one physical~~
11 ~~location, the prior year funding amount per unit of average daily~~
12 ~~attendance of that charter school shall be deemed to be that of the~~
13 ~~school district in which the highest proportion of the charter~~
14 ~~school's average daily attendance is generated through~~
15 ~~classroom-based instruction. For purposes of this subparagraph,~~
16 ~~the prior year funding amount per unit of average daily attendance~~
17 ~~for a charter school that provides nonclassroom-based instruction,~~
18 ~~as defined in paragraph (2) of subdivision (e) of Section 47612.5,~~
19 ~~shall be that of the charter school's chartering authority, or, for a~~
20 ~~charter school approved pursuant to paragraph (1) or (2) of~~
21 ~~subdivision (i) of Section 47632, the charter school's sponsoring~~
22 ~~school district.~~

23 (B) The charter school's local control funding formula rate
24 computed pursuant to subdivisions (c) to (i), inclusive, of Section
25 42238.02.

26 ~~(C) For purposes of subparagraph (A), a charter school~~
27 ~~commencing operations in a school district that includes funding~~
28 ~~pursuant to Article 4 (commencing with Section 42280) as part of~~
29 ~~the local control funding formula computation pursuant to Section~~
30 ~~42238.02 in the previous fiscal year, or that received funding~~
31 ~~pursuant to Article 4 (commencing with Section 42280) in the~~
32 ~~2012-13 fiscal year, shall use the statewide average calculated~~
33 ~~local control funding entitlement per unit of average daily~~
34 ~~attendance in lieu of the highest prior year funding amount per~~
35 ~~unit of average daily attendance for the school district in which~~
36 ~~the charter school is located.~~

37 ~~(D) (i) For purposes of subparagraph (A), a charter school~~
38 ~~authorized pursuant to Section 47605.6 or pursuant to subdivision~~
39 ~~(e) of Section 47631, shall use the countywide average calculated~~
40 ~~local control funding entitlement per unit of average daily~~

1 attendance in lieu of the highest prior year funding amount per
2 unit of average daily attendance for the school district in which
3 the charter school is located.

4 (ii) For purposes of subparagraph (A), a charter school
5 authorized pursuant to Section 47605.8 shall use the statewide
6 average calculated local control funding entitlement per unit of
7 average daily attendance in lieu of the highest prior year funding
8 amount per unit of average daily attendance for the school district
9 in which the charter school is located.

10 (2) For charter schools funded pursuant to paragraph (1), the
11 charter school shall be eligible to receive growth funding pursuant
12 to subdivision (b) toward meeting the newly operational charter
13 school’s local control funding formula target.

14 (3) Upon a determination that all school districts and charter
15 schools equal or exceed the local control funding formula target
16 computed pursuant to Section 42238.02, as determined by the
17 calculation of a zero difference pursuant to paragraph (1) of
18 subdivision (b) for all school districts and charter schools, this
19 subdivision shall not apply and the charter school shall receive an
20 allocation equal to the amount calculated under Section 42238.02
21 in that fiscal year and future fiscal years.

22 (g) (1) In each fiscal year the Superintendent shall determine
23 the percentage of school districts that are apportioned funding
24 pursuant to this section that is less than the amount computed
25 pursuant to Section 42238.02 as of the second principal
26 apportionments of the fiscal year. If the percentage is less than 10
27 percent, the Superintendent shall apportion funding to school
28 districts and charter schools equal to the amount computed pursuant
29 to Section 42238.02 in that fiscal year.

30 (2) For each fiscal year thereafter, the Superintendent shall
31 apportion funding to a school district and charter school equal to
32 the amount computed pursuant to Section 42238.02.

33 SEC. 21. Section 42238.05 of the Education Code is amended
34 to read:

35 42238.05. (a) For purposes of Sections 42238.02, 42238.025,
36 and 42238.03, the fiscal year average daily attendance for a school
37 district shall be computed pursuant to paragraphs (1) to (3),
38 inclusive, as applicable.

39 (1) The second principal apportionment regular average daily
40 attendance for either the current or prior fiscal year, whichever is

1 greater, excluding units of average daily attendance resulting from
2 pupils attending schools funded pursuant to Article 4 (commencing
3 with Section 42280).

4 (2) The units of average daily attendance resulting from pupils
5 attending schools funded pursuant to Article 4 (commencing with
6 Section 42280).

7 (3) Prior fiscal year average daily attendance shall be adjusted
8 for any loss or gain of average daily attendance due to a
9 reorganization or transfer of territory.

10 (b) For purposes of this article, regular average daily attendance
11 shall be the base grant average daily attendance.

12 (c) For purposes of this section, the Superintendent shall
13 distribute total ungraded enrollment and average daily attendance
14 among kindergarten and each of grades 1 to 12, inclusive, in
15 proportion to the amounts of graded enrollment and average daily
16 attendance, respectively, in each of these grades.

17 ~~(d) For purposes of this section, the Superintendent shall~~
18 ~~distribute average daily attendance generated by the difference~~
19 ~~between prior year average daily attendance and current year~~
20 ~~average daily attendance, if positive, among kindergarten and each~~
21 ~~of grades 1 to 12, inclusive, in proportion to the amounts of graded~~
22 ~~average daily attendance, respectively, in each of these grades.~~

23 ~~(e) This section~~

24 ~~(d) Subdivisions (a) to (c), inclusive, shall only apply to average~~
25 ~~daily attendance generated by school districts and shall not apply~~
26 ~~to average daily attendance generated by charter schools.~~

27 ~~(f)~~

28 (e) A pupil shall not be counted more than once for purposes
29 of calculating average daily attendance pursuant to this section.

30 ~~(g) Notwithstanding subdivisions (a) to (f), inclusive, for~~

31 (f) For purposes of Sections 42238.02, 42238.025, and 42238.03,
32 average daily attendance for a charter school shall be the total
33 current year average daily attendance in the corresponding grade
34 level ranges for the charter school as computed pursuant to Section
35 47634.3. ~~Subdivision (d) shall not apply to the calculation of~~
36 ~~current year average daily attendance for a charter school.~~

37 ~~SEC. 22. Section 42238.20 of the Education Code is repealed.~~

38 *SEC. 22. Section 42238.20 of the Education Code is amended*
39 *to read:*

1 42238.20. (a) Notwithstanding any other law, commencing in
2 the 2008–09 fiscal year, the minimum schoolday for a pupil
3 concurrently enrolled in regular secondary school classes and
4 classes operating pursuant to a joint powers agreement that became
5 effective before January 1, 2008, is 180 minutes. These regular
6 secondary school classes constitute regular school classes for the
7 purposes of Section 46010.3.

8 ~~(b) Notwithstanding any other law, for purposes of computing~~
9 ~~the average daily attendance of a pupil described in subdivision~~
10 ~~(a), the 180-minute minimum schoolday permitted by this section~~
11 ~~shall be computed and reported as attendance for three-quarters~~
12 ~~of the full 240-minute minimum schoolday prescribed by Section~~
13 ~~46141.~~

14 (e)

15 (b) For a pupil described in subdivision (a), the average daily
16 attendance shall be included as school district average daily
17 attendance computed pursuant to Section 42238.5.

18 ~~(d) (1) Commencing with the 2008–09 fiscal year, the~~
19 ~~Superintendent shall compute funding for each pupil enrolled in~~
20 ~~classes as described in subdivision (a), for the period of time each~~
21 ~~day during which the pupil attends classes pursuant to a joint~~
22 ~~powers agreement, by multiplying the annual clock hours of~~
23 ~~attendance, up to a maximum of three clock hours per schoolday,~~
24 ~~by the rate described in subdivision (c) or (f), as applicable.~~

25 ~~(2) The Superintendent shall add the amount computed pursuant~~
26 ~~to paragraph (1) to the revenue limit calculated pursuant to Section~~
27 ~~42238 for the school district of attendance of the pupil.~~

28 ~~(3) A pupil shall not generate apportionment credit pursuant to~~
29 ~~this subdivision for more than 540 hours in any school year.~~

30 ~~(e) The hourly rate for the 2008–09 fiscal year shall be~~
31 ~~determined as follows:~~

32 ~~(1) Subtract 73.3 percent of the school district revenue limit~~
33 ~~funding per unit of average daily attendance computed pursuant~~
34 ~~to Section 42238 for the 2007–08 fiscal year for the school districts~~
35 ~~that entered into the joint powers agreement from the statewide~~
36 ~~average revenue limit funding per unit of average daily attendance~~
37 ~~received by high school districts computed pursuant to paragraph~~
38 ~~(1) of subdivision (a) of Section 47633 for the 2007–08 fiscal year.~~

39 ~~(2) Divide the amount computed in paragraph (1) by 540.~~

1 ~~(3) Multiply the amount in paragraph (2) by the cost of living,~~
2 ~~deficit factor, and equalization adjustments applied to revenue~~
3 ~~limits for the 2008–09 fiscal year.~~

4 ~~(f) Commencing with the 2009–10 fiscal year, the hourly rate~~
5 ~~for the current fiscal year shall be determined by multiplying the~~
6 ~~prior year hourly rate by the cost of living, deficit factor, and~~
7 ~~equalization adjustments applied to the current year revenue limit~~
8 ~~computed pursuant to Section 42238.~~

9 ~~(g)~~

10 ~~(c) For purposes of computing attendance pursuant to Section~~
11 ~~46300 or any other law, immediate supervision and control of~~
12 ~~pupils while attending classes pursuant to a joint powers agreement~~
13 ~~described in subdivision (a) is deemed satisfied regardless of the~~
14 ~~school district employing the certificated employee providing the~~
15 ~~supervision and control, provided the school district is a party to~~
16 ~~the joint powers agreement.~~

17 ~~(h) The auditor who conducts the annual audit pursuant to~~
18 ~~Section 41020 shall verify compliance with this section by each~~
19 ~~school district that is a party to the joint powers agreement as~~
20 ~~described in subdivision (a). An instance of noncompliance shall~~
21 ~~be reported as an audit exception. If the noncompliance is a~~
22 ~~condition of eligibility for the receipt of funds, the audit report~~
23 ~~shall include a statement of the number of units of average daily~~
24 ~~attendance or hours, if any, that were inappropriately reported for~~
25 ~~apportionment.~~

26 ~~(i) Notwithstanding any other law, the number of hours of~~
27 ~~instruction at regional occupational centers or programs that are~~
28 ~~claimed for funding pursuant to subdivision (d) shall be used, in~~
29 ~~addition to the hourly rate determined pursuant to subdivision (e)~~
30 ~~or (f), whichever subdivision is applicable, in the computation of~~
31 ~~the average daily attendance of the regional occupational center~~
32 ~~or program.~~

33 ~~(j)~~

34 ~~(d) This section shall become inoperative on July 1, 2017, and,~~
35 ~~as of January 1, 2018, is repealed, unless a later enacted statute,~~
36 ~~that becomes operative on or before January 1, 2018, deletes or~~
37 ~~extends the dates on which it becomes inoperative and is repealed.~~

38 SEC. 23. Section 42283 of the Education Code is amended to
39 read:

1 42283. (a) For purposes of Sections 42281 and 42282, a
2 “necessary small school” is an elementary school with an average
3 daily attendance of less than 97, exclusive of pupils attending the
4 seventh and eighth grades of a junior high school, maintained by
5 a school district to which any of the following conditions apply:

6 (1) If as many as five pupils residing in the school district and
7 attending kindergarten and grades 1 to 8, inclusive, exclusive of
8 pupils attending the seventh and eighth grades of a junior high
9 school in the elementary school with an average daily attendance
10 of less than 97 would be required to travel more than 10 miles one
11 way from a point on a well-traveled road nearest their home to the
12 nearest other public elementary school.

13 (2) If as many as 15 pupils residing in the school district and
14 attending kindergarten and grades 1 to 8, inclusive, exclusive of
15 pupils attending the seventh and eighth grades of a junior high
16 school in the elementary school with an average daily attendance
17 of less than 97 would be required to travel more than five miles
18 one way from a point on a well-traveled road nearest their home
19 to the nearest other public elementary school.

20 (3) If topographical or other conditions exist in a school district
21 which would impose unusual hardships if the number of miles
22 specified in paragraph (1) or (2) were required to be traveled, or
23 if during the fiscal year the roads which would be traveled have
24 been impassable for more than an average of two weeks per year
25 for the preceding five years, the governing board of the school
26 district may, on or before April 1, request the Superintendent, in
27 writing, for an exemption from these requirements or for a
28 reduction in the miles required. The request shall be accompanied
29 by a statement of the conditions upon which the request is based,
30 giving the information in a form required by the Superintendent.
31 The Superintendent shall cause an investigation to be made, and
32 shall either grant the request to the extent he or she deems
33 necessary, or deny the request.

34 (b) For purposes of this section, “other public elementary
35 school” is a public school, including a charter school, that serves
36 kindergarten or any of grades 1 to 8, inclusive, exclusive of grades
37 7 and 8 of a junior high school.

38 SEC. 24. Section 42284 of the Education Code is amended to
39 read:

1 42284. (a) For each district with fewer than 2,501 units of
 2 average daily attendance, on account of each necessary small high
 3 school, the county superintendent of schools shall make one of the
 4 following computations selected with regard only to the number
 5 of certificated employees employed or average daily attendance,
 6 whichever provides the lesser amount:

Average daily attendance	Minimum number of certificated employees	Amount to be computed
1- 19	less than 3	\$42,980 per teacher
1- 19	3	191,340
20- 38	4	234,320
39- 57	5	277,300
58- 71	6	320,280
72- 86	7	363,260
87- 100	8	406,240
101-114	9	449,220
115-129	10	492,200
130-143	11	535,180
144-171	12	578,160
172-210	13	621,140
211-248	14	664,120
249-286	15	707,100

27
 28 (b) For purposes of this section, a “certificated employee” means
 29 an equivalent full-time position of an individual holding a
 30 credential authorizing service and providing service in grades 9
 31 to 12, inclusive, in any secondary school. Any fraction of an
 32 equivalent full-time position remaining after all equivalent full-time
 33 positions for certificated employees within the school district have
 34 been calculated shall be deemed to be a full-time position.

35 (c) A school district that qualifies under this section may use
 36 the funding calculation as provided in this section until the local
 37 control funding formula allocation pursuant to Section 42238.02,
 38 as implemented by Section 42238.03, per unit of average daily
 39 attendance multiplied by the average daily attendance produces
 40 state aid equal to the funding provided under this section.

1 SEC. 25. Section 42285 of the Education Code is amended to
2 read:

3 42285. (a) For purposes of Section 42284, a necessary small
4 high school is a high school with an average daily attendance of
5 less than 287 that comes within any of the following conditions:

6 (1) The projection of its future enrollment on the basis of the
7 enrollment of the elementary schools in the school district shows
8 that within eight years the enrollment in high school in grades 9
9 to 12, inclusive, will exceed 286 pupils.

10 (2) Any one of the following combinations of distance and units
11 of average daily attendance applies:

12 (A) The high school had an average daily attendance of less
13 than 96 in grades 9 to 12, inclusive, during the preceding fiscal
14 year and is more than 15 miles by well-traveled road from the
15 nearest other public high school and either 90 percent of the pupils
16 would be required to travel 20 miles or 25 percent of the pupils
17 would be required to travel 30 miles one way from a point on a
18 well-traveled road nearest their homes to the nearest other public
19 high school.

20 (B) The high school had an average daily attendance of 96 or
21 more and less than 144 in grades 9 to 12, inclusive, during the
22 preceding fiscal year and is more than 10 miles by well-traveled
23 road from the nearest other public high school and either 90 percent
24 of the pupils would be required to travel 18 miles or 25 percent of
25 the pupils would be required to travel 25 miles one way from a
26 point on a well-traveled road nearest their homes to the nearest
27 other public high school.

28 (C) The high school had an average daily attendance of 144 or
29 more and less than 192 in grades 9 to 12, inclusive, during the
30 preceding fiscal year and is more than 7½ miles by well-traveled
31 road from the nearest other public high school and either 90 percent
32 of the pupils would be required to travel 15 miles or 25 percent of
33 the pupils would be required to travel 20 miles one way from a
34 point on a well-traveled road nearest their homes to the nearest
35 other public high school.

36 (D) The high school had an average daily attendance of 192 or
37 more and less than 287 in grades 9 to 12, inclusive, during the
38 preceding fiscal year and is more than five miles by well-traveled
39 road from the nearest other public high school and either 90 percent
40 of the pupils would be required to travel 10 miles or 25 percent of

1 the pupils would be required to travel 15 miles to the nearest other
2 public high school.

3 (3) Topographical or other conditions exist in the school district
4 which would impose unusual hardships on the pupils if the number
5 of miles specified above were required to be traveled. In these
6 cases, the Superintendent may, when requested, and after
7 investigation, grant exceptions from the distance requirements.

8 (4) The Superintendent has approved the recommendation of a
9 county committee on school district organization designating one
10 of two or more schools as necessary isolated schools in a situation
11 where the schools are operated by two or more school districts and
12 the average daily attendance of each of the schools is less than 287
13 in grades 9 to 12, inclusive.

14 (b) For purposes of Section 42284, a necessary small high school
15 also includes a high school maintained by a school district for the
16 exclusive purpose of educating juvenile hall pupils or pupils with
17 exceptional needs.

18 (c) For purposes of Section 42284, a necessary small high school
19 does not include a continuation school.

20 (d) For purposes of this section, “other public high school” is
21 a public school, including a charter school, that serves any of
22 grades 9 to 12, inclusive.

23 ~~SEC. 26. Section 42285.5 of the Education Code is amended~~
24 ~~to read:~~

25 ~~42285.5. For purposes of subdivision (a) of Section 42284 and~~
26 ~~Section 42285, for a qualifying necessary small high school, a~~
27 ~~school district may include average daily attendance in grades 7~~
28 ~~and 8 and the instructors of grade 7 and 8 pupils in the calculation~~
29 ~~of average daily attendance and number of certificated employees~~
30 ~~employed.~~

31 *SEC. 26. Section 42285.5 of the Education Code is repealed.*

32 ~~42285.5. (a) For purposes of subdivision (a) of Section 42284~~
33 ~~and Section 42285, a school district may include average daily~~
34 ~~attendance in grades 7 and 8 and the instructors of grade 7 and 8~~
35 ~~pupils in the calculation of average daily attendance and number~~
36 ~~of certificated employees employed.~~

37 ~~(b) Notwithstanding Sections 42284 and 42285, for purposes~~
38 ~~of this section, with respect to a school district eligible to utilize~~
39 ~~subdivision (a), any references to grades 9 to 12, inclusive, in~~

1 Sections 42284 and 42285 shall be deemed instead to be references
2 to grades 7 to 12, inclusive.

3 SEC. 27. Section 42287 of the Education Code is amended to
4 read:

5 42287. (a) For the 1984–85 fiscal year to the 2012–13 fiscal
6 year, inclusive, the Superintendent shall increase the funding
7 amounts specified in Sections 42281, 42282, and 42284 by an
8 amount proportionate to the increase applied to the statewide
9 average revenue limit for unified school districts for the then
10 current fiscal year.

11 (b) Commencing with the 2013–14 fiscal year, the
12 Superintendent shall increase the funding amounts specified in
13 Sections 42281, 42282, and 42284, as previously increased
14 pursuant to subdivision (a) and Sections 42289 to 42289.5,
15 inclusive, by the percentage calculated pursuant to paragraph (2)
16 of subdivision (d) of Section 42238.02, subject to the criteria
17 specified in paragraph (5) of subdivision (b) of Section 42238.03,
18 for the then current fiscal year.

19 SEC. 28. Section 46200 of the Education Code is amended to
20 read:

21 46200. For a school district that received an apportionment
22 pursuant to subdivision (a) of this section, as it read on January 1,
23 2013, and that offers less than 180 days of instruction or, in
24 multitrack year-round schools, fewer than the number of days
25 required in subdivision (a) of this section, as it read on January 1,
26 2013, in the 2013–14 fiscal year, or any fiscal year thereafter, the
27 Superintendent shall withhold from the school district's local
28 control funding formula grant apportionment pursuant to Section
29 42238.02, as implemented by Section 42238.03, for the average
30 daily attendance of each affected grade level the sum of 0.0056
31 multiplied by that apportionment for each day less than what was
32 required in subdivision (a) of this section, as it read on January 1,
33 2013, up to a maximum of five days.

34 SEC. 29. Section 46201 of the Education Code is amended to
35 read:

36 46201. (a) For each school district that received an
37 apportionment pursuant to subdivision (a) of this section, as it read
38 on January 1, 2013, and that reduces the amount of instructional
39 time offered below the minimum amounts specified in subdivision
40 (b), the Superintendent shall withhold from the school district's

1 local control funding formula grant apportionment pursuant to
2 Section 42238.02, as implemented by Section 42238.03, for the
3 average daily attendance of each affected grade level, the sum of
4 that apportionment multiplied by the percentage of the minimum
5 offered minutes at that grade level that the school district failed to
6 offer.

7 (b) Commencing with the 2013–14 fiscal year:

8 (1) Thirty-six thousand minutes in kindergarten.

9 (2) Fifty thousand four hundred minutes in grades 1 to 3,
10 inclusive.

11 (3) Fifty-four thousand minutes in grades 4 to 8, inclusive.

12 (4) Sixty-four thousand eight hundred minutes in grades 9 to
13 12, inclusive.

14 SEC. 30. Section 46202 of the Education Code is amended to
15 read:

16 46202. If a school district that does not participate in the
17 program set forth in Sections 46200 to 46206, inclusive, as those
18 sections read on January 1, 2013, offers less instructional time in
19 a fiscal year than the amount of instructional time fixed for the
20 1982–83 fiscal year, the Superintendent shall withhold for that
21 fiscal year, from the school district’s local control funding formula
22 grant apportionment pursuant to Section 42238.02, as implemented
23 by Section 42238.03, for the average daily attendance of each
24 affected grade level, the amount of that apportionment multiplied
25 by the percentage of instructional minutes fixed in the 1982–83
26 school year, at that grade level, that the school district failed to
27 offer.

28 SEC. 31. Section 46208 of the Education Code is amended to
29 read:

30 46208. (a) Notwithstanding Sections 46200 to 46205,
31 inclusive, upon a determination that a school district equals or
32 exceeds its local control funding formula target computed pursuant
33 to Section 42238.02 as determined by the calculation of a zero
34 difference pursuant to paragraph (1) of subdivision (b) of Section
35 42238.03, each school district, as a condition of apportionment
36 pursuant to Section 42238.02, as implemented pursuant to Section
37 42238.03, shall offer 180 days or more of instruction per school
38 year. A school operating as a multitrack year-round school shall
39 be deemed to be in compliance with the 180-day requirement if it

1 certifies to the Superintendent that it is a multitrack year-round
 2 school and maintains its school for a minimum of 163 schooldays.

3 (b) Notwithstanding subdivision (a), for the 2013–14 and
 4 2014–15 school years, a school district that equals or exceeds its
 5 computed local control funding formula target may reduce the
 6 equivalent of up to five days of instruction or the equivalent
 7 number of instructional minutes without incurring the penalties
 8 set forth in this section.

9 (c) For a school district that has met its local control funding
 10 formula target and that offers fewer than the number of
 11 instructional days required pursuant to this section, the
 12 Superintendent shall withhold from the school district’s local
 13 control funding formula grant apportionment pursuant to Section
 14 42238.02, as implemented by Section 42238.03, for the average
 15 daily attendance of each affected grade level, the sum of 0.0056
 16 multiplied by that apportionment for each day less than what was
 17 required pursuant to this section, for up to five days.

18 ~~SEC. 32. Section 46610 of the Education Code is repealed.~~

19 ~~SEC. 33. Section 46611 of the Education Code is repealed.~~

20 ~~SEC. 34.~~

21 *SEC. 32.* Section 47612 of the Education Code is amended to
 22 read:

23 47612. (a) A charter school shall be deemed to be under the
 24 exclusive control of the officers of the public schools for purposes
 25 of Section 8 of Article IX of the California Constitution, with
 26 regard to the appropriation of public moneys to be apportioned to
 27 any charter school, including, but not necessarily limited to,
 28 appropriations made for purposes of this chapter.

29 (b) The average daily attendance in a charter school may not,
 30 in any event, be generated by a pupil who is not a California
 31 resident. To remain eligible for generating charter school
 32 apportionments, a pupil over 19 years of age shall be continuously
 33 enrolled in public school and make satisfactory progress towards
 34 award of a high school diploma. The state board shall, on or before
 35 January 1, 2000, adopt regulations defining “satisfactory progress.”

36 (c) A charter school shall be deemed to be a “school district”
 37 for purposes of Article 1 (commencing with Section 14000) of
 38 Chapter 1 of Part 9 of Division 1 of Title 1, Section 41301, Section
 39 41302.5, Article 10 (commencing with Section 41850) of Chapter

1 5 of Part 24 of Division 3, Section 47638, and Sections 8 and 8.5
2 of Article XVI of the California Constitution.

3 (d) For purposes of calculating average daily attendance, no
4 pupil shall generate more than one day of attendance in a calendar
5 day. Notwithstanding any other law, a charter school that operates
6 a multitrack calendar shall comply with all of the following:

7 (1) Calculate attendance separately for each track. The divisor
8 in the calculation shall be the calendar days in which school was
9 taught for pupils in each track.

10 (2) Operate no more than five tracks.

11 (3) Operate each track for a minimum of 175 days. If the charter
12 school is a conversion school, the charter school may continue its
13 previous schedule as long as it provides no fewer than 163 days
14 of instruction in each track.

15 (4) For each track, provide the total number of instructional
16 minutes, as specified in Section 47612.5.

17 (5) No track shall have less than 55 percent of its schooldays
18 before April 15.

19 (6) Unless otherwise authorized by statute, no pupil shall
20 generate more than one unit of average daily attendance in a fiscal
21 year.

22 (e) Compliance with the conditions set forth in this section shall
23 be included in the audits conducted pursuant to Section 41020.

24 ~~SEC. 35.~~

25 *SEC. 33.* Section 47614.5 of the Education Code is amended
26 to read:

27 47614.5. (a) The Charter School Facility Grant Program is
28 hereby established, and, commencing with the 2013–14 fiscal year,
29 shall be administered by the California School Finance Authority.
30 The grant program is intended to provide assistance with facilities
31 rent and lease costs for pupils in charter schools.

32 (b) Subject to the annual Budget Act, eligible schools shall
33 receive an amount of up to, but not more than, seven hundred fifty
34 dollars (\$750) per unit of average daily attendance, as certified at
35 the second principal apportionment, to provide an amount of up
36 to, but not more than, 75 percent of the annual facilities rent and
37 lease costs for the charter school. In any fiscal year, if the funds
38 appropriated for the purposes of this section by the annual Budget
39 Act are insufficient to fund the approved amounts fully, the

1 California School Finance Authority shall apportion the available
2 funds on a pro rata basis.

3 (c) For purposes of this section, the California School Finance
4 Authority shall do all of the following:

5 (1) Inform charter schools of the grant program.

6 (2) Upon application by a charter school, determine eligibility,
7 based on the geographic location of the charter schoolsite, pupil
8 eligibility for free or reduced-price meals, and a preference in
9 admissions, as appropriate. Eligibility for funding shall not be
10 limited to the grade level or levels served by the school whose
11 attendance area is used to determine eligibility. Charter schoolsite
12 are eligible for funding pursuant to this section if the charter
13 schoolsite meets either of the following conditions:

14 (A) The charter schoolsite is physically located in the attendance
15 area of a public elementary school in which 70 percent or more of
16 the pupil enrollment is eligible for free or reduced-price meals and
17 the schoolsite gives a preference in admissions to pupils who are
18 currently enrolled in that public elementary school and to pupils
19 who reside in the elementary school attendance area where the
20 charter schoolsite is located.

21 (B) Seventy percent or more of the pupil enrollment at the
22 charter schoolsite is eligible for free or reduced-price meals.

23 (3) Inform charter schools of their grant eligibility.

24 (4) Commencing with the 2013–14 fiscal year, make
25 apportionments to a charter school for eligible expenditures
26 according to the following schedule:

27 (A) An initial apportionment by August 31 of each fiscal year
28 or 30 days after enactment of the annual Budget Act, whichever
29 is later, provided the charter school has submitted a timely
30 application for funding, as determined by the California School
31 Finance Authority. The initial apportionment shall be 50 percent
32 of the school's estimated annual entitlement as determined by this
33 section.

34 (B) A second apportionment by March 1 of each fiscal year.
35 This apportionment shall be 75 percent of the charter school's
36 estimated annual entitlement, as adjusted for any revisions in cost,
37 enrollment, and other data relevant to computing the charter
38 school's annual entitlement, less any funding already apportioned
39 to the charter school.

1 (C) A third apportionment within 30 days of the end of each
2 fiscal year or 30 days after receiving the data and documentation
3 needed to compute the charter school’s total annual entitlement,
4 whichever is later. This apportionment shall be the charter school’s
5 total annual entitlement less any funding already apportioned to
6 the charter school.

7 (D) Notwithstanding subparagraph (A), the initial apportionment
8 in the 2013–14 fiscal year shall be made by October 15, 2013, or
9 105 days after enactment of the Budget Act of 2013, whichever is
10 later.

11 (d) For the purposes of this section:

12 (1) The California School Finance Authority shall use prior year
13 data on pupil eligibility for free or reduced-price meals for the
14 charter schoolsite and prior year rent or lease costs provided by
15 charter schools to determine eligibility for the grant program until
16 current year data and actual rent or lease costs become known or
17 until June 30 of each fiscal year.

18 (2) If prior year rent or lease costs are unavailable, and the
19 current year lease and rent costs are not immediately available,
20 the California School Finance Authority shall use rent or lease
21 cost estimates provided by the charter school.

22 (3) The California School Finance Authority shall verify that
23 the grant amount awarded to each charter school is consistent with
24 eligibility requirements as specified in this section and in
25 regulations adopted by the authority. If it is determined by the
26 California School Finance Authority that a charter school did not
27 receive the proper grant award amount, either the charter school
28 shall transfer funds back to the authority as necessary within 60
29 days of being notified by the authority, or the authority shall
30 provide an additional apportionment as necessary to the charter
31 school within 60 days of notifying the charter school, subject to
32 the availability of funds.

33 (e) Funds appropriated for purposes of this section shall not be
34 apportioned for any of the following:

35 (1) Units of average daily attendance generated through
36 nonclassroom-based instruction as defined by paragraph (2) of
37 subdivision (d) of Section 47612.5 or that does not comply with
38 conditions or limitations set forth in regulations adopted by the
39 state board pursuant to this section.

1 (2) Charter schools occupying existing school district or county
2 office of education facilities, except that charter schools shall be
3 eligible for the portions of their facilities that are not existing
4 school district or county office of education facilities.

5 (3) Charter schools receiving reasonably equivalent facilities
6 from their chartering authorities pursuant to Section 47614, except
7 that charter schools shall be eligible for the portions of their
8 facilities that are not reasonably equivalent facilities received from
9 their chartering authorities.

10 (f) Funds appropriated for purposes of this section shall be used
11 for costs associated with facilities rents and leases, consistent with
12 the definitions used in the California School Accounting Manual
13 or regulations adopted by the California School Finance Authority.
14 These funds also may be used for costs, including, but not limited
15 to, costs associated with remodeling buildings, deferred
16 maintenance, initially installing or extending service systems and
17 other built-in equipment, and improving sites.

18 (g) If an existing charter school located in an elementary
19 attendance area in which less than 50 percent of pupil enrollment
20 is eligible for free or reduced-price meals relocates to an attendance
21 area identified in paragraph (2) of subdivision (c), admissions
22 preference shall be given to pupils who reside in the elementary
23 school attendance area into which the charter school is relocating.

24 (h) The California School Finance Authority annually shall
25 report to the department and the Director of Finance, and post
26 information on its Internet Web site, regarding the use of funds
27 that have been made available during the fiscal year to each charter
28 school pursuant to the grant program.

29 (i) The California School Finance Authority, commencing with
30 the 2013–14 fiscal year, shall annually allocate the facilities grants
31 to eligible charter schools according to the schedule in paragraph
32 (4) of subdivision (c) for the current school year rent and lease
33 costs. However, the California School Finance Authority shall first
34 use the funding appropriated for this program to reimburse eligible
35 charter schools for unreimbursed rent or lease costs for the prior
36 school year.

37 (j) It is the intent of the Legislature that the funding level for
38 the Charter School Facility Grant Program for the 2012–13 fiscal
39 year be considered the base level of funding for subsequent fiscal
40 years.

1 (k) The Controller shall include instructions appropriate to the
2 enforcement of this section in the audit guide required by
3 subdivision (a) of Section 14502.1.

4 (l) The California School Finance Authority, effective with the
5 2013–14 fiscal year, shall be considered the senior creditor for
6 purposes of satisfying audit findings pursuant to the audit
7 instructions to be developed pursuant to subdivision (k).

8 (m) The California School Finance Authority may adopt
9 regulations to implement this section. Any regulations adopted
10 pursuant to this section may be adopted as emergency regulations
11 in accordance with the Administrative Procedure Act (Chapter 3.5
12 commencing with Section 11340) of Part 1 of Division 3 of the
13 Title 2 of the Government Code). The adoption of these regulations
14 shall be deemed to be an emergency and necessary for the
15 immediate preservation of the public peace, health and safety, or
16 general welfare.

17 ~~SEC. 36.~~

18 *SEC. 34.* Section 47631 of the Education Code is amended to
19 read:

20 47631. (a) Article 3 (commencing with Section 47636) shall
21 not apply to a charter granted pursuant to Section 47605.5.

22 (b) A charter school authorized pursuant to Section 47605.5
23 shall receive the average daily attendance rate calculated pursuant
24 to paragraph (1) of subdivision (c) of Section 2574 for enrolled
25 pupils who are identified as any of the following:

26 (1) Probation-referred pursuant to Section 300, 601, 602, or 654
27 of the Welfare and Institutions Code.

28 (2) On probation or parole and not attending a school.

29 (3) Expelled for any of the reasons specified in subdivision (a)
30 or (c) of Section 48915.

31 (c) A charter school authorized pursuant to Section 47605.5
32 shall be funded pursuant to the local control funding formula
33 pursuant to Section 42238.02, as implemented by Section 42238.03,
34 for all pupils except for pupils funded pursuant to subdivision (b).

35 ~~SEC. 37.~~

36 *SEC. 35.* Section 47633 of the Education Code is amended to
37 read:

38 47633. The Superintendent shall annually compute a
39 general-purpose entitlement, funded from a combination of state
40 aid and local funds, for each charter school as follows:

1 (a) The Superintendent shall annually compute the statewide
2 average amount of general-purpose funding per unit of average
3 daily attendance received by school districts for each of four grade
4 level ranges: kindergarten and grades 1, 2, and 3; grades 4, 5, and
5 6; grades 7 and 8; and, grades 9 to 12, inclusive. For purposes of
6 making these computations, both of the following conditions shall
7 apply:

8 (1) Revenue limit funding attributable to pupils in kindergarten
9 and grades 1 to 5, inclusive, shall equal the statewide average
10 revenue limit funding per unit of average daily attendance received
11 by elementary school districts; revenue limit funding attributable
12 to pupils in grades 6, 7, and 8, shall equal the statewide average
13 revenue limit funding per unit of average daily attendance received
14 by unified school districts; and revenue limit funding attributable
15 to pupils in grades 9 to 12, inclusive, shall equal the statewide
16 average revenue limit funding per unit of average daily attendance
17 received by high school districts.

18 (2) Revenue limit funding received by school districts shall
19 exclude the value of any benefit attributable to the presence of
20 necessary small schools or necessary small high schools within
21 the school district.

22 (b) The Superintendent shall multiply each of the four amounts
23 computed in subdivision (a) by the charter school's average daily
24 attendance in the corresponding grade level ranges. The resulting
25 figure shall be the amount of the charter school's general-purpose
26 entitlement, which shall be funded through a combination of state
27 aid and local funds. From funds appropriated for this purpose
28 pursuant to Section 14002, the superintendent shall apportion to
29 each charter school this amount, less local funds allocated to the
30 charter school pursuant to Section 47635 and any amount received
31 pursuant to subparagraph (B) of paragraph (3) of subdivision (e)
32 of Section 36 of Article XIII of the California Constitution.

33 (c) General-purpose entitlement funding may be used for any
34 public school purpose determined by the governing body of the
35 charter school.

36 (d) Commencing with the 2013–14 fiscal year, this section shall
37 be used only for purposes of allocating revenues received pursuant
38 to subparagraph (B) of paragraph (3) of subdivision (e) of Section
39 36 of Article XIII of the California Constitution.

1 (e) This section shall become inoperative on July 1, 2021, and,
2 as of January 1, 2022, is repealed, unless a later enacted statute,
3 that becomes operative on or before January 1, 2022, deletes or
4 extends the dates on which it becomes inoperative and is repealed.

5 ~~SEC. 38.~~

6 *SEC. 36.* Section 48664 of the Education Code is amended to
7 read:

8 48664. (a) (1) In addition to funds from all other sources, the
9 Superintendent shall apportion to each school district that operates
10 a community day school four thousand dollars (\$4,000) per year,
11 and for each county office of education that operates a community
12 day school three thousand dollars (\$3,000) per year, for each unit
13 of average daily attendance reported at the annual apportionment
14 for pupil attendance at community day schools, adjusted annually
15 commencing with the 1999–2000 fiscal year for the inflation
16 adjustment calculated pursuant to subdivision (b) of Section
17 42238.1. Average daily attendance reported for this program shall
18 not exceed 0.375 percent of a school district’s prior year P2 average
19 daily attendance in an elementary school district, 0.5 percent of a
20 school district’s prior year P2 average daily attendance in a unified
21 school district, or 0.625 percent of a school district’s prior year P2
22 average daily attendance in a high school district. The units of
23 average daily attendance of a community day school operated by
24 a county office of education shall not exceed the unused units of
25 average daily attendance of the community day schools operated
26 by the school districts within the jurisdiction of that county office
27 of education.

28 (2) The Superintendent may reallocate to any school district
29 any unexpended balance of the appropriations made for purposes
30 of this subdivision for actual pupil attendance in excess of the
31 percentage specified in this subdivision for the school district in
32 an amount not to exceed one-half of that percentage. However,
33 the average daily attendance generated by pupils expelled pursuant
34 to subdivision (d) of Section 48915, shall not be subject to these
35 percentage caps on average daily attendance.

36 (b) The average daily attendance of a community day school
37 shall be determined by dividing the total number of days of
38 attendance in all full school months, by a divisor of 70 in the first
39 period of each fiscal year, by a divisor of 135 in the second period

1 of each fiscal year, and by a divisor of 180 at the annual time of
2 each fiscal year.

3 (c) The Superintendent shall apportion to each school district
4 that operates a community day school an amount equal to four
5 dollars (\$4), adjusted annually commencing with the 1999–2000
6 fiscal year for inflation pursuant to subdivision (b) of Section
7 42238.1, multiplied by the total of the number of hours each
8 schoolday, up to a maximum of two hours daily, that each
9 community day school pupil remains at the community day school
10 under the supervision of an employee of the school district, or a
11 consortium of school districts pursuant to Section 48916.1,
12 reporting the attendance of the pupils for apportionment funding
13 following completion of the full six-hour instructional day.

14 (d) It is the intent of the Legislature that school districts enter
15 into consortia, as feasible, for purposes of providing community
16 day school programs. A school district with fewer than 2,501 units
17 of average daily attendance may request a waiver for any fiscal
18 year of the funding limitations set forth in this section. The
19 Superintendent shall approve a waiver if he or she deems it
20 necessary in order to permit the operation of a community day
21 school of reasonably comparable quality to those offered in a
22 school district with 2,501 or more units of average daily attendance.
23 In no event shall the amount allocated pursuant to a waiver exceed
24 the amount provided for one teacher pursuant to Section 42284,
25 for pupils enrolled in kindergarten and grades 1 to 6, inclusive, or
26 the amount provided for one teacher pursuant to Section 42284,
27 for pupils enrolled in grades 7 to 12, inclusive. The provisions of
28 this act shall not apply to a school district that applied for a waiver
29 within the funding limits established by this subdivision but was
30 denied funding or not fully funded.

31 (e) The department shall evaluate and report to the appropriate
32 legislative policy committees and budget committees on or before
33 October 1, 1998, and for two years thereafter the following
34 programmatic and fiscal issues:

35 (1) The number of expulsions statewide.

36 (2) The number of school districts operating community day
37 schools.

38 (3) Status of the countywide plans as defined in Section 48926.

39 (4) An evaluation of the community day school average daily
40 attendance funding percentage cap.

1 (5) Number of small school districts requesting and the number
2 receiving a waiver under this section.

3 (6) The effect of hourly accounting under Section 48663 for
4 purposes of receiving the additional funding under Section 48664.

5 (7) The number of pupils and average daily attendance served
6 in community day programs, further identified as the number
7 expelled pursuant to subdivision (b) of Section 48915, subdivision
8 (d) of Section 48915, other expulsion criteria, or referred through
9 a formal school district process.

10 (8) Pupil outcome data and other data as required under Section
11 48916.1.

12 (9) Other programmatic or fiscal matters as determined by the
13 department.

14 (f) The additional funds provided in subdivisions (a), (c), and
15 (d) shall only be allocated to the extent that funds are appropriated
16 for this purpose in the annual Budget Act or other legislation, or
17 both.

18 (g) A one-time adjustment shall be made to the amount specified
19 in subdivision (a), for the 1998–99 fiscal year and subsequent fiscal
20 years, by increasing that amount by the statewide average quotient
21 resulting from dividing the average daily attendance specified in
22 subparagraph (B) of paragraph (3) of subdivision (a) of Section
23 42238.8 by the amount specified in subparagraph (C) of paragraph
24 (3) of subdivision (a) of Section 42238.8.

25 ~~SEC. 39.~~

26 *SEC. 37.* Section 48667 of the Education Code is repealed.

27 ~~SEC. 40.~~

28 *SEC. 38.* Section 49085 of the Education Code is amended to
29 read:

30 49085. (a) On or before February 1, 2014, the department and
31 the State Department of Social Services shall develop and enter
32 into a memorandum of understanding that shall, at a minimum,
33 require the State Department of Social Services, at least once per
34 week, to share with the department both of the following:

35 (1) Disaggregated information on children and youth in foster
36 care sufficient for the department to identify pupils in foster care.

37 (2) Disaggregated data on children and youth in foster care that
38 is helpful to county offices of education and other local educational
39 agencies responsible for ensuring that pupils in foster care received
40 appropriate educational supports and services.

1 (b) To the extent allowable under federal law, the department
2 shall regularly identify pupils in foster care and designate those
3 pupils in the California Longitudinal Pupil Achievement Data
4 System or any future data system used by the department to collect
5 disaggregated pupil outcome data.

6 (c) To the extent allowable under federal law, the
7 Superintendent, on or before July 1 of each even-numbered year,
8 shall report to the Legislature and the Governor on the educational
9 outcomes for pupils in foster care at both the individual schoolsite
10 level and school district level. The report shall include, but is not
11 limited to, all of the following:

12 (1) Individual schoolsite level and school district level
13 educational outcome data for each local educational agency that
14 enrolls at least 15 pupils in foster care, each county in which at
15 least 15 pupils in foster care attend school, and for the entire state.

16 (2) The number of pupils in foster care statewide and by each
17 local educational agency.

18 (3) The academic achievement of pupils in foster care.

19 (4) The incidence of suspension and expulsion for pupils in
20 foster care.

21 (5) Truancy rates, attendance rates, and dropout rates for pupils
22 in foster care.

23 (d) To the extent allowable under federal law, the department,
24 at least once per week, shall do all of the following:

25 (1) Inform school districts and charter schools of any pupils
26 enrolled in those school districts or charter schools who are in
27 foster care.

28 (2) Inform county offices of education of any pupils enrolled
29 in schools in the county who are in foster care.

30 (3) Provide schools districts, county office of education, and
31 charter schools disaggregated data helpful to ensuring pupils in
32 foster care receive appropriate educational supports and services.

33 (e) For purposes of this section “pupil in foster care” has the
34 same meaning as “foster youth,” as defined in Section 42238.01.

35 ~~SEC. 41.~~

36 *SEC. 39.* Section 52060 of the Education Code is amended to
37 read:

38 52060. (a) On or before July 1, 2014, the governing board of
39 each school district shall adopt a local control and accountability
40 plan using a template adopted by the state board.

1 (b) A local control and accountability plan adopted by a
2 governing board of a school district shall be effective for a period
3 of three years, and shall be updated on or before July 1 of each
4 year.

5 (c) A local control and accountability plan adopted by a
6 governing board of a school district shall include, for the school
7 district and each school within the school district, ~~at~~ *both* of the
8 following:

9 (1) A description of the annual goals, for all pupils and each
10 subgroup of pupils identified pursuant to Section 52052, to be
11 achieved for each of the state priorities identified in subdivision
12 (d) and for any additional local priorities identified by the
13 governing board of the school district. For purposes of this article,
14 a subgroup of pupils identified pursuant to Section 52052 shall be
15 a numerically significant pupil subgroup as specified in paragraphs
16 (2) and (3) of subdivision (a) of Section 52052.

17 (2) A description of the specific actions the school district will
18 take during each year of the local control and accountability plan
19 to achieve the goals identified in paragraph (1), including the
20 enumeration of any specific actions necessary for that year to
21 correct any deficiencies in regard to the state priorities listed in
22 paragraph (1) of subdivision (d). The specific actions shall ~~be~~
23 ~~consistent with local collective bargaining agreements within the~~
24 ~~jurisdiction of the school districts. *not supersede the provisions of*~~
25 ~~*local collective bargaining agreements within the jurisdiction of*~~
26 ~~*the school district. Specific actions described in the local control*~~
27 ~~*and accountability plan that are inconsistent with local collective*~~
28 ~~*bargaining agreements shall be renegotiated, and implemented*~~
29 ~~*only as agreed to after renegotiation.*~~

30 ~~(3) A listing and description of the expenditures for the 2014–15~~
31 ~~fiscal year implementing the specific actions included in the local~~
32 ~~control and accountability plan.~~

33 ~~(4) A listing and description of the expenditures for the 2014–15~~
34 ~~fiscal year that will serve the pupils to whom one or more of the~~
35 ~~definitions in Section 42238.01 apply, and pupils redesignated as~~
36 ~~fluent English proficient.~~

37 (d) All of the following are state priorities:

38 (1) The degree to which the teachers of the school district are
39 appropriately assigned in accordance with Section 44258.9, and
40 fully credentialed in the subject areas, and, for the pupils they are

1 teaching, every pupil in the school district has sufficient access to
2 the standards-aligned instructional materials as determined pursuant
3 to Section 60119, and school facilities are maintained in good
4 repair as specified in subdivision (d) of Section 17002.

5 (2) Implementation of the academic content and performance
6 standards adopted by the state board, including how the programs
7 and services will enable English learners to access the common
8 core academic content standards adopted pursuant to Section
9 60605.8 and the English language development standards adopted
10 pursuant to Section 60811.3 for purposes of gaining academic
11 content knowledge and English language proficiency.

12 (3) Parental involvement, including efforts the school district
13 makes to seek parent input in making decisions for the school
14 district and each individual schoolsite, and including how the
15 school district will promote parental participation in programs for
16 unduplicated pupils and individuals with exceptional needs.

17 (4) Pupil achievement, as measured by all of the following, as
18 applicable:

19 (A) Statewide assessments administered pursuant to Article 4
20 (commencing with Section 60640) of Chapter 5 of Part 33 or any
21 subsequent assessment, as certified by the state board.

22 (B) The Academic Performance Index, as described in Section
23 52052.

24 (C) The percentage of pupils who have successfully completed
25 courses that satisfy the requirements for entrance to the University
26 of California and the California State University, or career technical
27 education sequences or programs of study that align with state
28 board-approved career technical educational standards and
29 frameworks, including, but not limited to, those described in
30 subdivision (a) of Section 52302, subdivision (a) of Section
31 52372.5, or paragraph (2) of subdivision (e) of Section 54692.

32 (D) The percentage of English learner pupils who make progress
33 toward English proficiency as measured by the California English
34 Language Development Test or any subsequent assessment of
35 English proficiency, as certified by the state board.

36 (E) The English learner reclassification rate.

37 (F) The percentage of pupils who have passed an advanced
38 placement examination with a score of 3 or higher.

39 (G) The percentage of pupils who participate in, and demonstrate
40 college preparedness pursuant to, the Early Assessment Program,

1 as described in Chapter 6 (commencing with Section 99300) of
2 Part 65 of Division 14 of Title 3, or any subsequent assessment of
3 college preparedness.

4 (5) Pupil engagement, as measured by all of the following, as
5 applicable:

6 (A) School attendance rates.

7 (B) Chronic absenteeism rates.

8 (C) Middle school dropout rates, as described in paragraph (3)
9 of subdivision (a) of Section 52052.1.

10 (D) High school dropout rates.

11 (E) High school graduation rates.

12 (6) School climate, as measured by all of the following, as
13 applicable:

14 (A) Pupil suspension rates.

15 (B) Pupil expulsion rates.

16 (C) Other local measures, including surveys of pupils, parents,
17 and teachers on the sense of safety and school connectedness.

18 (7) The extent to which pupils have access to, and are enrolled
19 in, a broad course of study that includes all of the subject areas
20 described in Section 51210 and subdivisions (a) to (i), inclusive,
21 of Section 51220, as applicable, including the programs and
22 services developed and provided to unduplicated pupils and
23 individuals with exceptional needs, and the program and services
24 that are provided to benefit these pupils as a result of the funding
25 received pursuant to Section 42238.02, as implemented by Section
26 42238.03.

27 (8) Pupil outcomes, if available, in the subject areas described
28 in Section 51210 and subdivisions (a) to (i), inclusive, of Section
29 51220, as applicable.

30 (e) For purposes of the descriptions required by subdivision (c),
31 a governing board of a school district may consider qualitative
32 information, including, but not limited to, findings that result from
33 school quality reviews conducted pursuant to subparagraph (J) or
34 paragraph (4) of subdivision (a) of Section 52052 or any other
35 reviews.

36 (f) To the extent practicable, data reported in a local control and
37 accountability plan shall be reported in a manner consistent with
38 how information is reported on a school accountability report card.

39 (g) A governing board of a school district shall consult with
40 teachers, principals, administrators, other school personnel, local

1 bargaining units of the school district, parents, and pupils in
2 developing a local control and accountability plan.

3 (h) A school district may identify local priorities, goals in regard
4 to the local priorities, and the method for measuring the school
5 district's progress toward achieving those goals.

6 ~~SEC. 42.~~

7 *SEC. 40.* Section 52061 of the Education Code is amended to
8 read:

9 52061. (a) On or before July 1, 2015, and each year thereafter,
10 a school district shall update the local control and accountability
11 plan. The annual update shall be developed using a template
12 developed pursuant to Section 52064 and shall include all of the
13 following:

14 (1) A review of any changes in the applicability of the goals
15 described in paragraph (1) of subdivision (c) of Section 52060.

16 (2) A review of the progress toward the goals included in the
17 existing local control and accountability plan, an assessment of
18 the effectiveness of the specific actions described in the existing
19 local control and accountability plan toward achieving the goals,
20 and a description of changes to the specific actions the school
21 district will make as a result of the review and assessment.

22 (3) A listing and description of the expenditures for the fiscal
23 year implementing the specific actions included in the local control
24 and accountability plan and the changes to the specific actions
25 made as a result of the reviews and assessment required by
26 paragraphs (1) and (2).

27 (4) A listing and description of expenditures for the fiscal year
28 that will serve the pupils to whom one or more of the definitions
29 in Section 42238.01 apply and pupils redesignated as fluent English
30 proficient.

31 (b) The expenditures identified in subdivision (a) shall be
32 classified using the California School Accounting Manual pursuant
33 to Section 41010.

34 ~~SEC. 43.~~

35 *SEC. 41.* Section 52062 of the Education Code is amended to
36 read:

37 52062. (a) Before the governing board of a school district
38 considers the adoption of a local control and accountability plan
39 or an annual update to the local control and accountability plan,
40 all of the following shall occur:

1 (1) The superintendent of the school district shall present the
2 local control and accountability plan or annual update to the local
3 control and accountability plan to the parent advisory committee
4 established pursuant to Section 52063 for review and comment.
5 The superintendent of the school district shall respond, in writing,
6 to comments received from the parent advisory committee.

7 (2) The superintendent of the school district shall present the
8 local control and accountability plan or annual update to the local
9 control and accountability plan to the English learner parent
10 advisory committee established pursuant to Section 52063, if
11 applicable, for review and comment. The superintendent of the
12 school district shall respond, in writing, to comments received
13 from the English learner parent advisory committee.

14 (3) The superintendent of the school district shall notify
15 members of the public of the opportunity to submit written
16 comments regarding the specific actions and expenditures proposed
17 to be included in the local control and accountability plan or annual
18 update to the local control and accountability plan, using the most
19 efficient method of notification possible. This paragraph shall not
20 require a school district to produce printed notices or to send
21 notices by mail. The superintendent of the school district shall
22 ensure that all written notifications related to the local control and
23 accountability plan or annual update to the local control and
24 accountability plan are provided consistent with Section 48985.

25 (4) The superintendent of the school district shall review school
26 plans submitted pursuant to Section 64001 for schools within the
27 school district and ensure that the specific actions included in the
28 local control and accountability plan or annual update to the local
29 control and accountability plan are consistent with strategies
30 included in the school plans submitted pursuant to Section 64001.

31 (b) (1) A governing board of a school district shall hold at least
32 one public hearing to solicit the recommendations and comments
33 of members of the public regarding the specific actions and
34 expenditures proposed to be included in the local control and
35 accountability plan or annual update to the local control and
36 accountability plan. The agenda for the public hearing shall be
37 posted at least 72 hours before the public hearing and shall include
38 the location where the local control and accountability plan or
39 annual update to the local control and accountability plan will be
40 available for public inspection. The public hearing shall be held

1 at the same meeting as the public hearing required by paragraph
2 (1) of subdivision (a) of Section 42127.

3 (2) A governing board of a school district shall adopt a local
4 control and accountability plan or annual update to the local control
5 and accountability plan in a public meeting. This meeting shall be
6 held after, but not on the same day as, the public hearing held
7 pursuant to paragraph (1). This meeting shall be the same meeting
8 as that during which the governing board of the school district
9 adopts a budget pursuant to paragraph (2) of subdivision (a) of
10 Section 42127.

11 (c) A governing board of a school district may adopt revisions
12 to a local control and accountability plan during the period the
13 local control and accountability plan is in effect. A governing board
14 of a school district may only adopt a revision to a local control
15 and accountability plan if it follows the process to adopt a local
16 control and accountability plan pursuant to this section and the
17 revisions are adopted in a public meeting.

18 *SEC. 42. Section 52064 of the Education Code is amended to*
19 *read:*

20 52064. (a) On or before March 31, 2014, the state board shall
21 adopt templates for the following purposes:

22 (1) For use by school districts to meet the requirements of
23 Sections 52060 to 52063, inclusive.

24 (2) For use by county superintendents of schools to meet the
25 requirements of Sections 52066 to 52069, inclusive.

26 (3) For use by charter schools to meet the requirements of
27 Section 47606.5.

28 (b) The templates developed by the state board shall allow a
29 school district, county superintendent of schools, or charter school
30 to complete a single local control and accountability plan to meet
31 the requirements of this article and the requirements of the federal
32 No Child Left Behind Act of 2001 related to local educational
33 agency plans pursuant to Section 1112 of Subpart 1 of Part A of
34 Title I of Public Law 107-110. The state board shall also take steps
35 to minimize duplication of effort at the local level to the greatest
36 extent possible. *The template shall include guidance for school*
37 *districts, county superintendents of schools, and charter schools*
38 *to report both of the following:*

39 (1) *A listing and description of expenditures for the 2014–15*
40 *fiscal year, and each fiscal year thereafter, implementing the*

1 *specific actions included in the local control and accountability*
2 *plan.*

3 (2) *A listing and description of expenditures for the 2014–15*
4 *fiscal year, and each fiscal year thereafter, that will serve the*
5 *pupils to whom one or more of the definitions in Section 42238.01*
6 *apply and pupils redesignated as fluent English proficient.*

7 (c) If possible, the templates identified in paragraph (2) of
8 subdivision (a) for use by county superintendents of schools shall
9 allow a county superintendent of schools to develop a single local
10 control and accountability plan that would also satisfy the
11 requirements of Section 48926.

12 (d) The state board shall adopt the template pursuant to the
13 requirements of the Administrative Procedure Act (Chapter 3.5
14 (commencing with Section 11340) of Part 1 of Division 3 of Title
15 2 of the Government Code). The state board may adopt emergency
16 regulations for purposes of implementing this section.

17 (e) Revisions to a template or evaluation rubric shall be approved
18 by the state board by January 31 before the fiscal year during which
19 the template or evaluation rubric is to be used by a school district,
20 county superintendent of schools, or charter school.

21 (f) The adoption of a template or evaluation rubric by the state
22 board shall not create a requirement for a governing board of a
23 school district, a county board of education, or a governing body
24 of a charter school to submit a local control and accountability
25 plan to the state board, unless otherwise required by federal law.
26 The Superintendent shall not require a local control and
27 accountability plan to be submitted by a governing board of a
28 school district or the governing body of a charter school to the
29 state board. The state board may adopt a template or evaluation
30 rubric that would authorize a school district or a charter school to
31 submit to the state board only the sections of the local control and
32 accountability plan required by federal law.

33 ~~SEC. 44.~~

34 *SEC. 43.* Section 52066 of the Education Code is amended to
35 read:

36 52066. (a) On or before July 1, 2014, each county
37 superintendent of schools shall develop, and present to the county
38 board of education for adoption, a local control and accountability
39 plan using a template adopted by the state board.

1 (b) A local control and accountability plan adopted by a county
2 board of education shall be effective for a period of three years,
3 and shall be updated on or before July 1 of each year.

4 (c) A local control and accountability plan adopted by a county
5 board of education shall include, for each school or program
6 operated by the county superintendent of schools, ~~at~~ both of the
7 following:

8 (1) A description of the annual goals, for all pupils and each
9 subgroup of pupils identified pursuant to Section 52052, to be
10 achieved for each of the state priorities identified in subdivision
11 (d), as applicable to the pupils served, and for any additional local
12 priorities identified by the county board of education.

13 (2) A description of the specific actions the county
14 superintendent of schools will take during each year of the local
15 control and accountability plan to achieve the goals identified in
16 paragraph (1), including the enumeration of any specific actions
17 necessary for that year to correct any deficiencies in regard to the
18 state priorities listed in paragraph (1) of subdivision (d). The
19 specific actions shall ~~be consistent with local collective bargaining~~
20 ~~agreements within the jurisdiction of the county superintendent of~~
21 ~~schools: not supersede the provisions of local collective bargaining~~
22 ~~agreements within the jurisdiction of the county superintendent of~~
23 ~~schools. Specific actions described in the local control and~~
24 ~~accountability plan that are inconsistent with local collective~~
25 ~~bargaining agreements shall be renegotiated, and implemented~~
26 ~~only as agreed to after renegotiation.~~

27 (3) ~~A listing and description of the expenditures for the fiscal~~
28 ~~year implementing the specific actions included in the local control~~
29 ~~and accountability plan pursuant to paragraph (2):~~

30 (4) ~~A listing and description of the expenditures for the fiscal~~
31 ~~year that will serve the pupils to whom one or more of the~~
32 ~~definitions in Section 42238.01 apply, and pupils redesignated as~~
33 ~~fluent English proficient.~~

34 (d) All of the following are state priorities:

35 (1) The degree to which the teachers in the schools or programs
36 operated by the county superintendent of schools are appropriately
37 assigned in accordance with Section 44258.9 and fully credentialed
38 in the subject areas, and, for the pupils they are teaching, every
39 pupil in the schools or programs operated by the county
40 superintendent of schools has sufficient access to the

1 standards-aligned instructional materials as determined pursuant
2 to Section 60119, and school facilities are maintained in good
3 repair as specified in subdivision (d) of Section 17002.

4 (2) Implementation of the academic content and performance
5 standards adopted by the state board, including how the programs
6 and services will enable English learners to access the common
7 core academic content standards adopted pursuant to Section
8 60605.8 and the English language development standards adopted
9 pursuant to Section 60811.3 for purposes of gaining academic
10 content knowledge and English language proficiency.

11 (3) Parental involvement, including efforts the county
12 superintendent of schools makes to seek parent input in making
13 decisions for each individual schoolsite and program operated by
14 a county superintendent of schools, and including how the county
15 superintendent of schools will promote parental participation in
16 programs for unduplicated pupils and individuals with exceptional
17 needs.

18 (4) Pupil achievement, as measured by all of the following, as
19 applicable:

20 (A) Statewide assessments administered pursuant to Article 4
21 (commencing with Section 60640) of Chapter 5 of Part 33 or any
22 subsequent assessment, as certified by the state board.

23 (B) The Academic Performance Index, as described in Section
24 52052.

25 (C) The percentage of pupils who have successfully completed
26 courses that satisfy the requirements for entrance to the University
27 of California and the California State University, or career technical
28 education sequences or programs of study that align with state
29 board-approved career technical education standards and
30 frameworks, including, but not limited to, those described in
31 subdivision (a) of Section 52302, subdivision (a) of Section
32 52372.5, or paragraph (2) of subdivision (e) of Section 54692.

33 (D) The percentage of English learner pupils who make progress
34 toward English proficiency as measured by the California English
35 Language Development Test or any subsequent assessment of
36 English proficiency, as certified by the state board.

37 (E) The English learner reclassification rate.

38 (F) The percentage of pupils who have passed an advanced
39 placement examination with a score of 3 or higher.

- 1 (G) The percentage of pupils who participate in, and demonstrate
- 2 college preparedness pursuant to, the Early Assessment Program,
- 3 as described in Chapter 6 (commencing with Section 99300) of
- 4 Part 65 of Division 14 of Title 3, or any subsequent assessment of
- 5 college preparedness.
- 6 (5) Pupil engagement, as measured by all of the following, as
- 7 applicable:
 - 8 (A) School attendance rates.
 - 9 (B) Chronic absenteeism rates.
 - 10 (C) Middle school dropout rates, as described in paragraph (3)
 - 11 of subdivision (a) of Section 52052.1.
 - 12 (D) High school dropout rates.
 - 13 (E) High school graduation rates.
- 14 (6) School climate, as measured by all of the following, as
- 15 applicable:
 - 16 (A) Pupil suspension rates.
 - 17 (B) Pupil expulsion rates.
 - 18 (C) Other local measures, including surveys of pupils, parents,
 - 19 and teachers on the sense of safety and school connectedness.
- 20 (7) The extent to which pupils have access to, and are enrolled
- 21 in, a broad course of study that includes all of the subject areas
- 22 described in Section 51210 and subdivisions (a) to (i), inclusive,
- 23 of Section 51220, as applicable, including the programs and
- 24 services developed and provided to unduplicated pupils and
- 25 individuals with exceptional needs, and the program and services
- 26 that are provided to benefit these pupils as a result of the funding
- 27 received pursuant to Section 42238.02, as implemented by Section
- 28 42238.03.
- 29 (8) Pupil outcomes, if available, in the subject areas described
- 30 in Section 51210 and subdivisions (a) to (i), inclusive, of Section
- 31 51220, as applicable.
- 32 (9) How the county superintendent of schools will coordinate
- 33 instruction of expelled pupils pursuant to Section 48926.
- 34 (10) How the county superintendent of schools will coordinate
- 35 services for foster children, including, but not limited to, all of the
- 36 following:
 - 37 (A) Working with the county child welfare agency to minimize
 - 38 changes in school placement.
 - 39 (B) Providing education-related information to the county child
 - 40 welfare agency to assist the county child welfare agency in the

1 delivery of services to foster children, including, but not limited
2 to, educational status and progress information that is required to
3 be included in court reports.

4 (C) Responding to requests from the juvenile court for
5 information and working with the juvenile court to ensure the
6 delivery and coordination of necessary educational services.

7 (D) Establishing a mechanism for the efficient expeditious
8 transfer of health and education records and the health and
9 education passport.

10 (e) For purposes of the descriptions required by subdivision (c),
11 a county board of education may consider qualitative information,
12 including, but not limited to, findings that result from school quality
13 reviews conducted pursuant to subparagraph (J) or paragraph (4)
14 of subdivision (a) of Section 52052 or any other reviews.

15 (f) To the extent practicable, data reported in a local control and
16 accountability plan shall be reported in a manner consistent with
17 how information is reported on a school accountability report card.

18 (g) The county superintendent of schools shall consult with
19 teachers, principals, administrators, other school personnel, local
20 bargaining units of the county office of education, parents, and
21 pupils in developing a local control and accountability plan.

22 (h) A county board of education may identify local priorities,
23 goals in regard to the local priorities, and the method for measuring
24 the county office of education's progress toward achieving those
25 goals.

26 ~~SEC. 45.~~

27 *SEC. 44.* Section 52068 of the Education Code is amended to
28 read:

29 52068. (a) Before the county board of education considers the
30 adoption of a local control and accountability plan or an annual
31 update to the local control and accountability plan, all of the
32 following shall occur:

33 (1) The county superintendent of schools shall present the local
34 control and accountability plan or annual update to the local control
35 and accountability plan to a parent advisory committee established
36 pursuant to Section 52069 for review and comment. The county
37 superintendent of schools shall respond, in writing, to comments
38 received from the parent advisory committee.

39 (2) The county superintendent of schools shall present the local
40 control and accountability plan or annual update to the local control

1 and accountability plan to the English learner parent advisory
2 committee established pursuant to Section 52069, if applicable,
3 for review and comment. The county superintendent of schools
4 shall respond, in writing, to comments received from the English
5 learner parent advisory committee.

6 (3) The county superintendent of schools shall notify members
7 of the public of the opportunity to submit written comments
8 regarding the specific actions and expenditures proposed to be
9 included in the local control and accountability plan or annual
10 update to the local control and accountability plan, using the most
11 efficient method of notification possible. This paragraph shall not
12 require a county superintendent of schools to produce printed
13 notices or to send notices by mail. The county superintendent of
14 schools shall ensure that all written notifications related to the
15 local control and accountability plan or annual update to the local
16 control and accountability plan are provided consistent with Section
17 48985.

18 (4) The county superintendent of schools shall review school
19 plans submitted pursuant to Section 64001 for schools operated
20 by the county superintendent of schools and ensure that the specific
21 actions included in the local control and accountability plan or
22 annual update to the local control and accountability plan are
23 consistent with strategies included in the school plans submitted
24 pursuant to Section 64001.

25 (b) (1) The county board of education shall hold at least one
26 public hearing to solicit the recommendations and comments of
27 members of the public regarding the specific actions and
28 expenditures proposed to be included in the local control and
29 accountability plan or annual update to the local control and
30 accountability plan. The agenda for the public hearing shall be
31 posted at least 72 hours before the public hearing and shall include
32 the location where the local control and accountability plan or
33 annual update to the local control and accountability plan, and any
34 comments received pursuant to paragraphs (1) to (3), inclusive, of
35 subdivision (a), will be available for public inspection. The public
36 hearing shall be held at the same meeting as the public hearing
37 required by Section 1620.

38 (2) The county board of education shall adopt a local control
39 and accountability plan or annual update to the local control and
40 accountability plan in a public meeting. This meeting shall be held

1 after, but not on the same day as, the public hearing held pursuant
2 to paragraph (1). This meeting shall be the same meeting as that
3 during which the county board of education adopts a budget
4 pursuant to Section 1622.

5 (c) A county superintendent of schools may develop and present
6 to a county board of education for adoption revisions to a local
7 control and accountability plan during the period the local control
8 and accountability plan is in effect. The county board of education
9 may only adopt a revision to a local control and accountability
10 plan if it follows the process to adopt a local control and
11 accountability plan pursuant to this section and the revisions are
12 adopted in a public meeting.

13 ~~SEC. 46.~~

14 *SEC. 45.* Section 52070 of the Education Code is amended to
15 read:

16 52070. (a) Not later than five days after adoption of a local
17 control and accountability plan or annual update to a local control
18 and accountability plan, the governing board of a school district
19 shall file the local control and accountability plan or annual update
20 to the local control and accountability plan with the county
21 superintendent of schools.

22 (b) On or before August 15 of each year, the county
23 superintendent of schools may seek clarification, in writing, from
24 the governing board of a school district about the contents of the
25 local control and accountability plan or annual update to the local
26 control and accountability plan. Within 15 days the governing
27 board of a school district shall respond, in writing, to requests for
28 clarification.

29 (c) Within 15 days of receiving the response from the governing
30 board of the school district, the county superintendent of schools
31 may submit recommendations, in writing, for amendments to the
32 local control and accountability plan or annual update to the local
33 control and accountability plan. The governing board of a school
34 district shall consider the recommendations submitted by the county
35 superintendent of schools in a public meeting within 15 days of
36 receiving the recommendations.

37 (d) The county superintendent of schools shall approve a local
38 control and accountability plan or annual update to a local control
39 and accountability plan on or before October 8, if he or she
40 determines all of the following:

1 (1) The local control and accountability plan or annual update
2 to the local control and accountability plan adheres to the template
3 adopted by the state board pursuant to Section 52064.

4 (2) The budget for the applicable fiscal year adopted by the
5 governing board of the school district includes expenditures
6 sufficient to implement the specific actions and strategies included
7 in the local control and accountability plan adopted by the
8 governing board of the school district, based on the projections of
9 the costs included in the plan.

10 (3) The local control and accountability plan or annual update
11 to the local control and accountability plan adheres to the
12 expenditure requirements adopted pursuant to Section 42238.07
13 for funds apportioned on the basis of the number and concentration
14 of unduplicated pupils pursuant to Sections 42238.02 and 42238.03.

15 (e) If a county superintendent of schools has jurisdiction over
16 a single school district, the Superintendent shall designate a county
17 superintendent of schools of an adjoining county to perform the
18 duties specified in this section.

19 ~~SEC. 47.~~

20 *SEC. 46.* Section 52070.5 of the Education Code is amended
21 to read:

22 52070.5. (a) Not later than five days after adoption of a local
23 control and accountability plan or annual update to a local control
24 and accountability plan, the county board of education shall file
25 the local control and accountability plan or annual update to the
26 local control and accountability plan with the Superintendent.

27 (b) On or before August 15 of each year, the Superintendent
28 may seek clarification, in writing, from the county board of
29 education about the contents of the local control and accountability
30 plan or annual update to the local control and accountability plan.
31 Within 15 days the county board of education shall respond, in
32 writing, to requests for clarification.

33 (c) Within 15 days of receiving the response from the county
34 board of education, the Superintendent may submit
35 recommendations, in writing, for amendments to the local control
36 and accountability plan or annual update to the local control and
37 accountability plan. The county board of education shall consider
38 the recommendations submitted by the Superintendent in a public
39 meeting within 15 days of receiving the recommendations.

1 (d) The Superintendent shall approve a local control and
2 accountability plan or annual update to a local control and
3 accountability plan on or before October 8, if he or she determines
4 all of the following:

5 (1) The local control and accountability plan or annual update
6 to the local control and accountability plan adheres to the template
7 adopted by the state board pursuant to Section 52064.

8 (2) The budget for the applicable fiscal year adopted by the
9 county board of education includes expenditures sufficient to
10 implement the specific actions and strategies included in the local
11 control and accountability plan adopted by the county board of
12 education, based on the projections of the costs included in the
13 plan.

14 (3) The local control and accountability plan or annual update
15 to the local control and accountability plan adheres to the
16 expenditure requirements adopted pursuant to Section 42238.07
17 for funds apportioned on the basis of the number and concentration
18 of unduplicated pupils pursuant to Sections 2574 and 2575.

19 ~~SEC. 48.— Section 52074 of the Education Code is amended to~~
20 ~~read:~~

21 ~~52074.—(a) The California Collaborative for Educational~~
22 ~~Excellence is hereby established.~~

23 ~~(b) The purpose of the California Collaborative for Educational~~
24 ~~Excellence is to advise and assist school districts, county~~
25 ~~superintendents of schools, and charter schools in achieving the~~
26 ~~goals set forth in a local control and accountability plan adopted~~
27 ~~pursuant to this article.~~

28 ~~(c) The Superintendent shall, with the approval of the state~~
29 ~~board, contract with a local educational agency, or consortium of~~
30 ~~local educational agencies, to serve as the fiscal agent for the~~
31 ~~California Collaborative for Educational Excellence. The~~
32 ~~Superintendent shall apportion funds appropriated for the California~~
33 ~~Collaborative for Educational Excellence to the fiscal agent.~~

34 ~~(d) At the direction of the Superintendent and with the approval~~
35 ~~of the state board, the fiscal agent shall contract with individuals,~~
36 ~~local educational agencies, or organizations with the expertise,~~
37 ~~experience, and a record of success to carry out the purposes of~~
38 ~~this article. The areas of expertise, experience, and record of~~
39 ~~success shall include, but are not limited to, all of the following:~~

1 ~~(1) State priorities as described in subdivision (d) of Section~~
2 ~~52060.~~

3 ~~(2) Improving the quality of teaching.~~

4 ~~(3) Improving the quality of school district and schoolsite~~
5 ~~leadership.~~

6 ~~(4) Successfully addressing the needs of special pupil~~
7 ~~populations, including, but not limited to, English learners, pupils~~
8 ~~eligible to receive a free or reduced-price meal, pupils in foster~~
9 ~~care, and individuals with exceptional needs.~~

10 ~~(e) The Superintendent may direct the California Collaborative~~
11 ~~for Educational Excellence to advise and assist a school district,~~
12 ~~county superintendent of schools, or charter school in any of the~~
13 ~~following circumstances:~~

14 ~~(1) If the governing board of a school district, county board of~~
15 ~~education, or governing body of a charter school requests the advice~~
16 ~~and assistance of the California Collaborative for Educational~~
17 ~~Excellence.~~

18 ~~(2) If the county superintendent of schools of the county in~~
19 ~~which the school district or charter school is located determines,~~
20 ~~following the provision of technical assistance pursuant to Section~~
21 ~~52071 or 47607.3 as applicable, that the advice and assistance of~~
22 ~~the California Collaborative for Educational Excellence is~~
23 ~~necessary to help the school district or charter school accomplish~~
24 ~~the goals described in the local control and accountability plan~~
25 ~~adopted pursuant to this article.~~

26 ~~(3) If the Superintendent determines that the advice and~~
27 ~~assistance of the California Collaborative for Educational~~
28 ~~Excellence is necessary to help the school district, county~~
29 ~~superintendent of schools, or charter school accomplish the goals~~
30 ~~set forth in the local control and accountability plan adopted~~
31 ~~pursuant to this article.~~

32 ~~SEC. 49.~~

33 *SEC. 47.* Section 56836.11 of the Education Code is amended
34 to read:

35 56836.11. (a) For the purpose of computing the equalization
36 adjustment for special education local plan areas for the 1998–99
37 fiscal year, the Superintendent shall make the following
38 computations to determine the statewide target amount per unit of
39 average daily attendance for special education local plan areas:

1 (1) Total the amount of funding computed for each special
2 education local plan area exclusive of the amount of funding
3 computed for the special education local plan area identified as
4 the Los Angeles County Juvenile Court and Community
5 School/Division of Alternative Education Special Education Local
6 Plan Area, pursuant to Section 56836.09 for the 1997–98 fiscal
7 year.

8 (2) Total the number of units of average daily attendance
9 reported for each special education local plan area for the 1997–98
10 fiscal year, exclusive of average daily attendance for absences
11 excused pursuant to subdivision (b) of Section 46010 as that section
12 read on July 1, 1996, and exclusive of the units of average daily
13 attendance computed for the special education local plan area
14 identified as the Los Angeles County Juvenile Court and
15 Community School/Division of Alternative Education Special
16 Education Local Plan Area.

17 (3) Divide the sum computed in paragraph (1) by the sum
18 computed in paragraph (2) to determine the statewide target amount
19 for the 1997–98 fiscal year.

20 (4) Add the amount computed in paragraph (3) to the inflation
21 adjustment computed pursuant to subdivision (d) of Section
22 56836.08 for the 1998–99 fiscal year to determine the statewide
23 target amount for the 1998–99 fiscal year.

24 (b) Commencing with the 1999–2000 fiscal year to the 2004–05
25 fiscal year, inclusive, to determine the statewide target amount per
26 unit of average daily attendance for special education local plan
27 areas, the Superintendent shall multiply the statewide target amount
28 per unit of average daily attendance computed for the prior fiscal
29 year pursuant to this section by one plus the inflation factor
30 computed pursuant to subdivision (b) of Section 42238.1 for the
31 fiscal year in which the computation is made.

32 (c) Commencing with the 2005–06 fiscal year and ending with
33 the 2010–11 fiscal year, to determine the statewide target amount
34 per unit of average daily attendance for special education local
35 plan areas for the purpose of computing the incidence multiplier
36 pursuant to former Section 56836.155, the Superintendent shall
37 add the statewide target amount per unit of average daily attendance
38 computed for the prior fiscal year for this purpose to the amount
39 computed in paragraph (2) of subdivision (d) or paragraph (2) of
40 subdivision (e), as appropriate.

1 (d) For the 2005–06 fiscal year, the Superintendent shall make
2 the following computation to determine the statewide target amount
3 per unit of average daily attendance to determine the inflation
4 adjustment pursuant to paragraph (2) of subdivision (d) of Section
5 56836.08 and growth pursuant to subdivision (c) of Section
6 56836.15, as follows:

7 (1) The 2004–05 fiscal year statewide target amount per unit of
8 average daily attendance less the sum of the 2004–05 fiscal year
9 total amount of federal funds apportioned pursuant to Schedule
10 (1) in Item 6110-161-0890 of Section 2.00 of the Budget Act of
11 2004 for purposes of special education for individuals with
12 exceptional needs enrolled in kindergarten and grades 1 to 12,
13 inclusive, divided by the total average daily attendance computed
14 for the 2004–05 fiscal year.

15 (2) Multiply the amount computed in paragraph (1) by the
16 inflation factor computed pursuant to subdivision (b) of Section
17 42238.1 for the fiscal year in which the computation is made.

18 (3) Add the amounts computed in paragraphs (1) and (2).

19 (e) Commencing with the 2006–07 fiscal year and continuing
20 through the 2012–13 fiscal year, inclusive, the Superintendent
21 shall make the following computation to determine the statewide
22 target amount per unit of average daily attendance for special
23 education local plan areas for the purpose of computing the
24 inflation adjustment pursuant to paragraph (2) of subdivision (d)
25 of Section 56836.08 and growth pursuant to subdivision (c) of
26 Section 56836.15:

27 (1) The statewide target amount per unit of average daily
28 attendance computed for the prior fiscal year pursuant to this
29 section.

30 (2) Multiply the amount computed in paragraph (1) by the
31 inflation factor computed pursuant to subdivision (b) of Section
32 42238.1 for the fiscal year in which the computation is made.

33 (3) Add the amounts computed in paragraphs (1) and (2).

34 (f) For the 2013–14 fiscal year, the Superintendent shall make
35 the following computations to determine the statewide target
36 amount per unit of average daily attendance to determine the
37 inflation adjustment pursuant to subdivision (g) of Section
38 56836.08 and growth pursuant to subdivision (c) of Section
39 56836.15, as follows:

1 (1) Total the amount of funding computed for each special
2 education local plan area pursuant to the amount computed in
3 subdivision (b) of Section 56836.08, including the amount of funds
4 appropriated pursuant to Provision 22 of Item 6110-161-0001 of
5 Section 2.00 of the Budget Act of 2013, and excluding the amount
6 of funding computed for the special education local plan area
7 identified as the Los Angeles County Juvenile Court and
8 Community School/Division of Alternative Education Special
9 Education Local Plan Area, for the 2013–14 fiscal year.

10 (2) Total the number of units of average daily attendance
11 reported for each special education local plan area for the 2012–13
12 fiscal year, exclusive of the units of average daily attendance
13 computed for the special education local plan area identified as
14 the Los Angeles County Juvenile Court and Community
15 School/Division of Alternative Education Special Education Local
16 Plan Area.

17 (3) Divide the sum computed in paragraph (1) by the sum
18 computed in paragraph (2).

19 (g) Commencing with the 2014–15 fiscal year and continuing
20 each fiscal year thereafter, the Superintendent shall make the
21 following computations to determine the statewide target amount
22 per unit of average daily attendance for special education local
23 plan areas for the purpose of computing the inflation adjustment
24 pursuant to subdivision (g) of Section 56836.08 and growth
25 pursuant to subdivision (c) of Section 56836.15:

26 (1) The statewide target amount per unit of average daily
27 attendance computed for the prior fiscal year pursuant to this
28 section.

29 (2) Multiply the amount computed in paragraph (1) by the
30 inflation factor computed pursuant to Section 42238.1, as that
31 section read on January 1, 2013, or any successor section of law
32 enacted by the Legislature that specifies the inflation factor
33 contained in Section 42238.1, as that section read on January 1,
34 2013, for application to the 2014–15 fiscal year and each fiscal
35 year thereafter.

36 (3) Add the amounts computed in paragraphs (1) and (2).

37 ~~SEC. 50.~~

38 *SEC. 48.* Section 70022 of the Education Code is amended to
39 read:

1 70022. (a) (1) Subject to an available and sufficient
2 appropriation, commencing with the 2014–15 academic year, an
3 undergraduate student enrolled in the California State University
4 or the University of California who meets the requirements of
5 paragraph (2) is eligible for a scholarship award as described in
6 that paragraph.

7 (2) Each academic year, except as provided in paragraphs (3)
8 and (4), a student shall receive a scholarship award in an amount
9 that, combined with other publicly funded student financial aid
10 received by an eligible student, is up to 40 percent of the amount
11 charged to that student in that academic year for mandatory
12 systemwide tuition and fees, if all of the following requirements
13 are met:

14 (A) The student’s annual household income does not exceed
15 one hundred fifty thousand dollars (\$150,000). For purposes of
16 this article, annual household income shall be calculated in a
17 manner that is consistent with the requirements applicable to the
18 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
19 (Chapter 1.7 (commencing with Section 69430)) and Section
20 69506.

21 (B) The student satisfies the eligibility requirements for a Cal
22 Grant award pursuant to Section 69433.9, except that a student
23 who is exempt from nonresident tuition under Section 68130.5
24 shall not be required to satisfy the requirements of subdivision (a)
25 of Section 69433.9.

26 (C) The student is exempt from paying nonresident tuition.

27 (D) The student completes and submits a Free Application for
28 Federal Student Aid (FAFSA) application. If the student is not
29 able to complete a FAFSA application, the student submits an
30 application determined by the commission to be equivalent to the
31 FAFSA application for purposes of this article.

32 (E) The student makes a timely application or applications for
33 publicly funded student financial aid from programs for which he
34 or she is eligible, other than the program established by this article.
35 For purposes of this article, “publicly funded student financial aid”
36 shall be defined as the federal Pell Grant Program, the Cal Grant
37 Program, and institutional need-based grants.

38 (F) The student maintains satisfactory academic progress in a
39 manner that is consistent with the requirements applicable to the

1 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
2 pursuant to subdivision (m) of Section 69432.7.

3 (3) The scholarship award under this article to a student whose
4 annual household income is greater than one hundred thousand
5 dollars (\$100,000), and who otherwise meets the requirements of
6 paragraph (2), shall be reduced by 0.6-percent increments, from a
7 maximum 40 percent of mandatory systemwide tuition and fees
8 for an academic year to a minimum 10 percent of mandatory
9 systemwide tuition and fees for an academic year, per one thousand
10 dollars (\$1,000) of annual household income in excess of one
11 hundred thousand dollars (\$100,000), provided that no scholarship
12 award shall be provided to a student with an annual household
13 income exceeding one hundred fifty thousand dollars (\$150,000).
14 This reduction shall be in addition to any reduction required by
15 subdivision (e) of Section 70023.

16 (4) For the 2014–15, 2015–16, and 2016–17 academic years,
17 the maximum amount of a student’s scholarship award shall be 35
18 percent, 50 percent, and 75 percent, respectively, of the total
19 scholarship award amount that the student would otherwise be
20 eligible to receive.

21 (b) In order for students enrolled in their respective segments
22 to remain eligible to receive a scholarship under this article, the
23 University of California and the California State University shall
24 not supplant their respective institutional need-based grants with
25 the funds provided for scholarships under this article, and shall
26 maintain their funding amounts at a level that, at a minimum, is
27 equal to the level maintained for undergraduate students during
28 the 2013–14 academic year.

29 (c) The University of California and the California State
30 University shall report on the implementation of this article as part
31 of the report made pursuant to Section 66021.1.

32 ~~SEC. 51.~~

33 *SEC. 49.* Section 84321.6 of the Education Code, as added by
34 Section 74 of Chapter 48 of the Statutes of 2013, is amended to
35 read:

36 84321.6. (a) Notwithstanding any other law that governs the
37 regulations adopted by the Chancellor of the California Community
38 Colleges to disburse funds, the payment of apportionments to
39 community college districts pursuant to Sections 84320 and 84321
40 shall be adjusted by the following:

1 (1) For the month of February, fifty-two million four hundred
2 fifty-six thousand dollars (\$52,456,000) shall be deferred to July.

3 (2) For the month of March, one hundred thirty-five million
4 dollars (\$135,000,000) shall be deferred to July.

5 (3) For the month of April, one hundred thirty-five million
6 dollars (\$135,000,000) shall be deferred to July.

7 (4) For the month of May, one hundred thirty-five million dollars
8 (\$135,000,000) shall be deferred to July.

9 (5) For the month of June, one hundred thirty-five million dollars
10 (\$135,000,000) shall be deferred to July.

11 (b) In satisfaction of the moneys deferred pursuant to subdivision
12 (a), the sum of five hundred ninety-two million four hundred
13 fifty-six thousand dollars (\$592,456,000) is hereby appropriated
14 in July of the 2014–15 fiscal year from the General Fund to the
15 Board of Governors of the California Community Colleges for
16 apportionments to community college districts, for expenditure
17 during the 2014–15 fiscal year, to be expended in accordance with
18 Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget
19 Act of 2013.

20 (c) For purposes of making the computations required by Section
21 8 of Article XVI of the California Constitution, the appropriations
22 made by subdivision (b) shall be deemed to be “General Fund
23 revenues appropriated for community college districts,” as defined
24 in subdivision (d) of Section 41202, for the 2014–15 fiscal year,
25 and included within the “total allocations to school districts and
26 community college districts from General Fund proceeds of taxes
27 appropriated pursuant to Article XIII B,” as defined in subdivision
28 (e) of Section 41202, for the 2014–15 fiscal year.

29 (d) This section shall become operative on December 15, 2013.

30 (e) This section shall remain in effect only until January 1, 2015,
31 and as of that date is repealed, unless a later enacted statute, that
32 is enacted before January 1, 2015, deletes or extends that date.

33 ~~SEC. 52.~~

34 *SEC. 50.* Section 17581.7 of the Government Code is amended
35 to read:

36 17581.7. (a) Funding apportioned pursuant to this section shall
37 constitute reimbursement pursuant to Section 6 of Article XIII B
38 of the California Constitution for the performance of any state
39 mandates included in the statutes and executive orders identified
40 in subdivision (e).

1 (b) Any community college district may elect to receive block
2 grant funding pursuant to this section.

3 (c) (1) A community college district that elects to receive block
4 grant funding pursuant to this section in a given fiscal year shall
5 submit a letter requesting funding to the Chancellor of the
6 California Community Colleges on or before August 30 of that
7 fiscal year.

8 (2) The Chancellor of the California Community Colleges shall
9 apportion, in the month of November of each year, block grant
10 funding appropriated in Item 6870-296-0001 of Section 2.00 of
11 the annual Budget Act to all community college districts that
12 submitted letters requesting funding in that fiscal year according
13 to the provisions of that item.

14 (3) A community college district that receives block grant
15 funding pursuant to this section shall not be eligible to submit
16 claims to the Controller for reimbursement pursuant to Section
17 17560 for any costs of any state mandates included in the statutes
18 and executive orders identified in subdivision (e) incurred in the
19 same fiscal year during which the community college district
20 received funding pursuant to this section.

21 (d) All funding apportioned pursuant to this section is subject
22 to annual financial and compliance audits required by Section
23 84040 of the Education Code.

24 (e) Block grant funding apportioned pursuant to this section is
25 specifically intended to fund the costs of the following programs:

26 (1) Agency Fee Arrangements (00-TC-17 and 01-TC-14;
27 Chapter 893 of the Statutes of 2000; and Chapter 805 of the
28 Statutes of 2001).

29 (2) Cal Grants (02-TC-28; Chapter 403 of the Statutes of 2000).

30 (3) California State Teachers' Retirement System (CalSTRS)
31 Service Credit (02-TC-19; Chapter 603 of the Statutes of 1994;
32 Chapters 383, 634, and 680 of the Statutes of 1996; Chapter 838
33 of the Statutes of 1997; Chapter 965 of the Statutes of 1998;
34 Chapter 939 of the Statutes of 1999; and Chapter 1021 of the
35 Statutes of 2000).

36 (4) Collective Bargaining and Collective Bargaining Agreement
37 Disclosure (CSM 4425 and 97-TC-08; Chapter 961 of the Statutes
38 of 1975; Chapter 1213 of the Statutes of 1991).

39 (5) 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 Chapter
3 758 of the Statutes of 1995).

4 (6) 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 (7) Enrollment Fee Collection and Waivers (99-TC-13 and
13 00-TC-15).

14 (8) Health Fee Elimination (CSM 4206; Chapter 1 of the Statutes
15 of 1984, Second Extraordinary Session).

16 (9) Minimum Conditions for State Aid (02-TC-25 and 02-TC-31;
17 Chapter 802 of the Statutes of 1975; Chapters 275, 783, 1010, and
18 1176 of the Statutes of 1976; Chapters 36 and 967 of the Statutes
19 of 1977; Chapters 797 and 977 of the Statutes of 1979; Chapter
20 910 of the Statutes of 1980; Chapters 470 and 891 of the Statutes
21 of 1981; Chapters 1117 and 1329 of the Statutes of 1982; Chapters
22 143 and 537 of the Statutes of 1983; Chapter 1371 of the Statutes
23 of 1984; Chapter 1467 of the Statutes of 1986; Chapters 973 and
24 1514 of the Statutes of 1988; Chapters 1372 and 1667 of the
25 Statutes of 1990; Chapters 1038, 1188, and 1198 of the Statutes
26 of 1991; Chapters 493 and 758 of the Statutes of 1995; Chapters
27 365, 914, and 1023 of the Statutes of 1998; Chapter 587 of the
28 Statutes of 1999; Chapter 187 of the Statutes of 2000; and Chapter
29 1169 of the Statutes of 2002).

30 (10) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the
31 Statutes of 1978).

32 (11) Reporting Improper Governmental Activities (02-TC-24;
33 Chapter 416 of the Statutes of 2001; and Chapter 81 of the Statutes
34 of 2002).

35 (12) Threats Against Peace Officers (CSM 96-365-02; Chapter
36 1249 of the Statutes of 1992; and Chapter 666 of the Statutes of
37 1995).

38 (13) Tuition Fee Waivers (02-TC-21; Chapter 36 of the Statutes
39 of 1977; Chapter 580 of the Statutes of 1980; Chapter 102 of the
40 Statutes of 1981; Chapter 1070 of the Statutes of 1982; Chapter

1 753 of the Statutes of 1988; Chapters 424, 900, and 985 of the
2 Statutes 1989; Chapter 1372 of the Statutes of 1990; Chapter 455
3 of the Statutes of 1991; Chapter 8 of the Statutes of 1993; Chapter
4 389 of the Statutes of 1995; Chapter 438 of the Statutes of 1997;
5 Chapter 952 of the Statutes of 1998; Chapters 571 and 949 of the
6 Statutes of 2000; Chapter 814 of the Statutes of 2001; and Chapter
7 450 of the Statutes of 2002).

8 (f) Notwithstanding Section 10231.5, on or before November
9 1 of each fiscal year, the Chancellor of the California Community
10 Colleges shall produce a report that indicates the total amount of
11 block grant funding each community college district received in
12 the current fiscal year pursuant to this section. The chancellor shall
13 provide this report to the appropriate fiscal and policy committees
14 of the Legislature, the Controller, the Department of Finance, and
15 the Legislative Analyst’s Office.

16 ~~SEC. 53.~~

17 *SEC. 51.* Section 26225 of the Public Resources Code is
18 amended to read:

19 26225. For the purposes of this chapter, the following terms
20 have the following meanings:

21 (a) “Chancellor” means the Chancellor of the California
22 Community Colleges.

23 (b) “Energy Commission” means the State Energy Resources
24 Conservation and Development Commission.

25 (c) “Local education agency,” “local educational agency,” or
26 “LEA” means a school district, county office of education, charter
27 school, or state special school.

28 (d) “Job Creation Fund” means the Clean Energy Job Creation
29 Fund established in Section 26205.

30 ~~SEC. 54.~~

31 *SEC. 52.* Section 26233 of the Public Resources Code is
32 amended to read:

33 26233. (a) Commencing with the 2013–14 fiscal year and
34 through the 2017–18 fiscal year, inclusive, the funds deposited
35 annually in the Job Creation Fund and remaining after the transfer
36 pursuant to Section 26227 and the appropriation pursuant to Section
37 26230 shall be allocated, to the extent consistent with this division,
38 as follows:

1 (1) Eighty-nine percent of the funds shall be available to local
2 educational agencies and allocated by the Superintendent of Public
3 Instruction pursuant to subdivision (b).

4 (2) Eleven percent of the funds shall be available to community
5 college districts and allocated by the Chancellor of the California
6 Community Colleges at his or her discretion.

7 (b) The Superintendent of Public Instruction shall allocate the
8 funds provided in paragraph (1) of subdivision (a) as follows:

9 (1) Eighty-five percent on the basis of average daily attendance
10 reported as of the second principal apportionment for the prior
11 fiscal year. For purposes of this section, average daily attendance
12 for the state special schools shall be deemed to be 97 percent of
13 the prior year enrollment as reported in the California Longitudinal
14 Pupil Achievement Data System.

15 (A) For every local educational agency with average daily
16 attendance as reported pursuant to this subdivision of 100 or less,
17 the amount awarded shall be fifteen thousand dollars (\$15,000).

18 (B) For every local educational agency with average daily
19 attendance as reported pursuant to this subdivision in excess of
20 100, but 1,000 or less, the amount awarded shall be either that
21 local educational agency's proportional award on the basis of
22 average daily attendance or fifty thousand dollars (\$50,000),
23 whichever amount is larger.

24 (C) For every local educational agency with average daily
25 attendance as reported pursuant to this subdivision in excess of
26 1,000, but less than 2,000, the amount awarded shall be either that
27 local educational agency's proportional award on the basis of
28 average daily attendance or one hundred thousand dollars
29 (\$100,000), whichever amount is larger.

30 (D) For every local educational agency with average daily
31 attendance as reported pursuant to this subdivision of 2,000 or
32 more, the amount awarded shall be the local educational agency's
33 proportional award on the basis of average daily attendance.

34 (2) Fifteen percent on the basis of students eligible for free and
35 reduced-price meals in the prior year.

36 (3) For every local educational agency that receives over one
37 million dollars (\$1,000,000) pursuant to this subdivision, not less
38 than 50 percent of the funds shall be used for projects larger than
39 two hundred fifty thousand dollars (\$250,000) that achieve
40 substantial energy efficiency, clean energy, and jobs benefits.

1 (c) A local educational agency subject to subparagraph (A) or
2 (B) of paragraph (1) of subdivision (b) may submit a written
3 request to the Superintendent of Public Instruction, by September
4 1 of each year, to receive in the current year its funding allocation
5 for both the current year and the following year, both of which
6 would be based on the average daily attendance used in the current
7 year for determining funding pursuant to the applicable
8 subparagraph. A local educational agency requesting funding
9 pursuant to this subdivision shall not receive a funding allocation
10 in the year following the request. This election applies to the
11 funding available pursuant to paragraphs (1) and (2) of subdivision
12 (b).

13 (d) A local educational agency shall encumber funds received
14 pursuant to this section by June 30, 2018.

15 ~~SEC. 55.~~

16 *SEC. 53.* Section 26235 of the Public Resources Code is
17 amended to read:

18 26235. (a) The Energy Commission, in consultation with the
19 Superintendent of Public Instruction, the Chancellor of the
20 California Community Colleges, and the Public Utilities
21 Commission, shall establish guidelines for the following:

22 (1) Standard methods for estimating energy benefits, including
23 reasonable assumptions for current and future costs of energy, and
24 guidelines to compute the cost of energy saved as a result of
25 implementing eligible projects funded by this chapter.

26 (2) Contractor qualifications, licensing, and certifications
27 appropriate for the work to be performed, provided that the Energy
28 Commission shall not create any new qualification, license, or
29 certification pursuant to this subparagraph.

30 (3) Project evaluation, including the following:

31 (A) Benchmarks or energy rating systems to select best
32 candidate facilities.

33 (B) Use of energy surveys or audits to inform project
34 opportunities, costs, and savings.

35 (C) Sequencing of facility improvements.

36 (D) Methodologies for cost-effectiveness determination.

37 (4) To ensure that adequate energy audit, measurement, and
38 verification procedures are employed to ensure that energy savings
39 and greenhouse gas emissions reductions occur as a result of any
40 funding provided pursuant to this section. The Energy Commission

1 shall develop a simple preinstallation verification form that includes
2 project description, estimated energy savings, expected number
3 of jobs created, current energy usage, and costs. The Energy
4 Commission may develop benchmarking and other innovative
5 facility evaluation systems in coordination with the University of
6 California.

7 (5) Achievement of the maximum feasible energy efficiency or
8 clean energy benefits, as well as job creation benefits for
9 Californians, resulting from projects implemented pursuant to this
10 chapter.

11 (6) Where applicable, ensuring LEAs assist classified school
12 employees with training and information to better understand how
13 they can support and maximize the achievement of energy savings
14 envisioned by the funded project.

15 (b) The Energy Commission shall allow the use of data analytics
16 of energy usage data, where possible, in the energy auditing,
17 evaluation, inventorying, measuring, and verification of projects.
18 To ensure quality of results, data analytics providers shall have
19 received prior technical validation by the Energy Commission, a
20 local utility, or the Public Utilities Commission.

21 (c) A community college district or LEA shall not use a sole
22 source process to award funds pursuant to this chapter. A
23 community college district or LEA may use the best value criteria
24 as defined in paragraph (1) of subdivision (c) of Section 20133 of
25 the Public Contract Code to award funds pursuant to this chapter.

26 (d) The Energy Commission shall adopt the guidelines in
27 accordance with this section at a publicly noticed meeting and
28 provide an opportunity for public comment. The Energy
29 Commission shall provide written public notice of a meeting at
30 least 30 days prior to the meeting.

31 (1) For substantive revision of the guidelines, the Energy
32 Commission shall provide written notice of a meeting at least 15
33 days prior to the meeting at which the revision is to be considered
34 or adopted.

35 (2) The adoption or revision of guidelines pursuant to this
36 subdivision is exempt from Chapter 3.5 (commencing with Section
37 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

38 (e) Each participating LEA shall prioritize the eligible projects
39 within its jurisdiction taking into consideration, as applicable, at
40 least the following factors:

1 (1) The age of the school facilities, as well as any plans to close
2 or demolish the facilities.

3 (2) The proportion of pupils eligible for funds under Title I of
4 the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301
5 et seq.) at particular schoolsites.

6 (3) Whether the facilities have been recently modernized.

7 (4) The facilities' hours of operation, including whether the
8 facilities are operated on a year-round basis.

9 (5) The school's energy intensity as determined from an energy
10 rating or benchmark system such as the United States
11 Environmental Protection Agency's Energy Star system or other
12 acceptable benchmarking approach that may be available from
13 local utilities, the American Society for Heating, Refrigerating,
14 and Air-Conditioning Engineers, Inc., or reputable building analysis
15 software as is appropriate to the size, budget, and expertise
16 available to the school.

17 (6) The estimated financial return of each project's investment
18 over the expected lifecycle of the project, in terms of net present
19 value and return on investment.

20 (7) Each project's potential for energy demand reduction.

21 (8) The anticipated health and safety improvements or other
22 nonenergy benefits for each project.

23 (9) The individual or collective project's ability to facilitate
24 matriculation of local residents into state-certified apprenticeship
25 programs.

26 (10) The expected number of trainees and direct full-time
27 employees likely to be engaged for each LEA's annual funding
28 commitments based upon a formula to be made available by the
29 Energy Commission or California Workforce Investment Board.
30 The formula shall be stated as labor-intensities per total project
31 dollar expended, and may differentiate by type of improvement,
32 equipment, or building trade involved.

33 (11) The ability of the project to enhance workforce
34 development and employment opportunities, utilize members of
35 the California Conservation Corps, certified local conservation
36 corps, Youth Build, veterans, Green Partnership Academies,
37 nonprofit organizations, high school career technical academies,
38 high school regional occupational programs, or state-certified
39 apprenticeship programs, or to accommodate learning opportunities
40 for school pupils or at-risk youth in the community.

1 (f) The Superintendent of Public Instruction shall not distribute
 2 funds to an LEA unless the LEA has submitted to the Energy
 3 Commission, and the Energy Commission has approved, an
 4 expenditure plan that outlines the energy projects to be funded.
 5 An LEA shall utilize a simple form expenditure plan developed
 6 by the Energy Commission. The Energy Commission shall
 7 promptly review the plan to ensure that it meets the criteria
 8 specified in this section and in the guidelines developed by the
 9 Energy Commission. A portion of the funds may be distributed to
 10 an LEA upon request for energy audits and other plan development
 11 activities prior to submission of the plan.

12 (g) This section shall not affect the eligibility of any eligible
 13 entity awarded a grant pursuant to this section to receive other
 14 incentives available from federal, state, and local government, or
 15 from public utilities or other sources, or to leverage the grant from
 16 this section with any other incentive.

17 (h) Any limitation of funds awarded to individual projects
 18 pursuant to this chapter shall not preclude or otherwise limit the
 19 total amount of funds that a recipient LEA or community college
 20 may otherwise be eligible to receive as a result of identifying
 21 multiple projects that meet the overall objectives and criteria
 22 described in this chapter.

23 (i) For a school facility that is not publicly owned, an LEA
 24 receiving moneys pursuant to this chapter for a project for that
 25 facility shall require that the school repay to the state all moneys
 26 received from the Job Creation Fund for the project if the school
 27 voluntarily vacates the facility within five years of project
 28 completion. The facility owner shall repay to the state all moneys
 29 received from the Job Creation Fund for the project if the school
 30 was forced to vacate the facility within the life of the project
 31 completion. All benefits of these public funds should be received
 32 by the school utilizing the facility.

33 (j) It is the intent of the Legislature that monetary savings at
 34 eligible institutions from retrofit and installation projects pursuant
 35 to this section be used to benefit students and learning at those
 36 institutions.

37 ~~SEC. 56.~~

38 *SEC. 54.* Section 115 of Chapter 47 of the Statutes of 2013 is
 39 amended to read:

1 SEC. 115. (a) The sum of two billion one hundred one million
2 one hundred sixty-one thousand dollars (\$2,101,161,000) is hereby
3 appropriated from the General Fund for the purposes of this act as
4 follows:

5 (1) Two million dollars (\$2,000,000) shall be appropriated to
6 the Governor’s Office of Planning and Research for purposes of
7 implementing Sections 42238.07, 52064, and 52064.5 of the
8 Education Code.

9 (2) Two billion sixty-seven million one hundred forty thousand
10 dollars (\$2,067,140,000) shall be appropriated to the
11 Superintendent of Public Instruction and shall be allocated pursuant
12 to the calculation in subdivision (b) of Section 42238.03 of the
13 Education Code.

14 (3) Thirty-two million twenty-one thousand dollars
15 (\$32,021,000) shall be appropriated to the Superintendent of Public
16 Instruction and shall be allocated pursuant to the calculation in
17 subdivision (f) of Section 2575 of the Education Code.

18 (b) For purposes of making the computations required by Section
19 8 of Article XVI of the California Constitution, the amount
20 appropriated in *paragraphs (2) and (3) of* subdivision (a) shall be
21 deemed to be “General Fund revenues appropriated for school
22 districts,” as defined in subdivision (c) of Section 41202 of the
23 Education Code, for the 2013–14 fiscal year, and included within
24 the “total allocations to school districts and community college
25 districts from General Fund proceeds of taxes appropriated pursuant
26 to Article XIII B,” as defined in subdivision (e) of Section 41202
27 of the Education Code, for the 2013–14 fiscal year.

28 ~~SEC. 57.~~

29 *SEC. 55.* Section 83 of Chapter 48 of the Statutes of 2013 is
30 amended to read:

31 Sec. 83. (a) Notwithstanding any other law, the Inglewood
32 Unified School District, through the State Department of Education,
33 may request cashflow loans from the General Fund for a total of
34 up to fifty-five million dollars (\$55,000,000) for emergency
35 operational purposes.

36 (b) Unless otherwise specified in this section, the terms and
37 conditions of any General Fund cashflow loan provided pursuant
38 to this section shall be subject to approval by the Director of
39 Finance and shall be consistent with the terms and conditions of
40 the General Fund emergency apportionment issued pursuant to

1 Chapter 325 of the Statutes of 2012. The terms and conditions of
2 the General Fund cashflow loan shall include authorization for the
3 payment of costs incurred before June 15, 2013, by the California
4 Infrastructure and Economic Development Bank to implement
5 Section 10 of Chapter 325 of the Statutes of 2012. Notwithstanding
6 the interest rates specified in the terms and conditions of the
7 General Fund loan issued pursuant to Chapter 325 of the Statutes
8 of 2012, the interest on these loans shall be charged at the annual
9 rate of return of the Pooled Money Investment Account, plus an
10 additional 2 percent.

11 (c) Once a General Fund cashflow loan is approved pursuant
12 to this section, and upon the order of the Director of Finance, the
13 Controller shall draw warrants against General Fund cash to the
14 Inglewood Unified School District to provide a cashflow loan.

15 (d) Upon approval of a General Fund cashflow loan pursuant
16 to this section, a repayment schedule shall be determined by the
17 Department of Finance. If a required payment is not made within
18 60 days after a scheduled date, upon order of the Department of
19 Finance, the Controller shall pay the defaulted General Fund
20 cashflow loan repayment by withholding that amount from the
21 next available payment that would otherwise be made to the county
22 treasurer on behalf of the school district pursuant to Section 14041
23 of the Education Code.

24 (e) The Department of Finance shall notify the Legislature
25 within 15 days of authorizing a General Fund cashflow loan
26 pursuant to this section.

27 (f) A cashflow loan from the General Fund authorized by this
28 section does not constitute budgetary expenditures. A cashflow
29 loan, and the repayment of a cashflow loan, made under this section
30 shall not affect the General Fund reserve.

31 (g) Issuance of a General Fund cashflow loan authorized
32 pursuant to this section shall require the Inglewood Unified School
33 District to abide by all provisions associated with the issuance of
34 the emergency loan specified in Chapter 325 of the Statutes of
35 2012, including those cited in Article 2 (commencing with Section
36 41320) and Article 2.5 (commencing with Section 41325) of
37 Chapter 3 of Part 24 of Division 3 of Title 2 of the Education Code.

38 (h) As a condition of requesting a General Fund cashflow loan
39 pursuant to this section, the Inglewood Unified School District
40 shall repay the twenty-nine million dollar (\$29,000,000) General

1 Fund loan issued pursuant to Chapter 325 of the Statutes of 2012
2 from the proceeds of the school district’s initial request for a
3 General Fund cashflow loan.

4 ~~SEC. 58.~~

5 SEC. 56. Item 6110-001-0001 of Section 2.00 of the Budget
6 Act of 2013 is amended to read:

7

8 6110-001-0001—For support of Department of Education..... 38,652,000

9 Schedule:

10 (2) 20-Instructional Support..... 148,109,000

11 (3) 30-Special Programs..... 69,267,000

12 (6) 42.01-Department Management and
13 Special Services..... 34,901,000

14 (7) 42.02-Distributed Department Manage-
15 ment and Special Services..... -34,901,000

16 (8) Reimbursements..... -16,104,000

17 (9) Amount payable from the Federal
18 Trust Fund (Item 6110-001-0890)..... -165,605,000

19 (10) Amount payable from the Mental
20 Health Services Fund (Item 6110-001-
21 3085)..... -179,000

22 Provisions:

23 1. Notwithstanding Section 33190 of the Education Code
24 or any other provision of law, the State Department
25 of Education shall expend no funds to prepare (a) a
26 statewide summary of pupil performance on school
27 district proficiency assessments or (b) a compilation
28 of information on private schools with five or fewer
29 pupils.

30 2. Funds appropriated in this item may be expended or
31 encumbered to make one or more payments under a
32 personal services contract of a visiting educator pur-
33 suant to Section 19050.8 of the Government Code, a
34 long-term special consultant services contract, or an
35 employment contract between an entity that is not a
36 state agency and a person who is under the direct or
37 daily supervision of a state agency, only if all of the
38 following conditions are met:

39 (a) The person providing service under the contract
40 provides full financial disclosure to the Fair Polit-

- 1 ical Practices Commission in accordance with the
- 2 rules and regulations of the Commission.
- 3 (b) The service provided under the contract does not
- 4 result in the displacement of any represented civil
- 5 service employee.
- 6 (c) The rate of compensation for salary and health
- 7 benefits for the person providing service under
- 8 the contract does not exceed by more than 10
- 9 percent the current rate of compensation for salary
- 10 and health benefits determined by the Department
- 11 of Human Resources for civil service personnel
- 12 in a comparable position. The payment of any
- 13 other compensation or any reimbursement for
- 14 travel or per diem expenses shall be in accordance
- 15 with the State Administrative Manual and the
- 16 rules and regulations of the California Victim
- 17 Compensation and Government Claims Board.
- 18 3. The funds appropriated in this item may not be expend-
- 19 ed for any REACH program.
- 20 4. The funds appropriated in this item may not be expend-
- 21 ed for the development or dissemination of program
- 22 advisories, including, but not limited to, program ad-
- 23 visories on the subject areas of reading, writing, and
- 24 mathematics, unless explicitly authorized by the State
- 25 Board of Education.
- 26 5. Of the funds appropriated in this item, \$206,000 shall
- 27 be available as matching funds for the State Depart-
- 28 ment of Rehabilitation to provide coordinated services
- 29 to disabled pupils. Expenditure of the funds shall be
- 30 identified in the memorandum of understanding or
- 31 other written agreement with the State Department of
- 32 Rehabilitation to ensure an appropriate match to feder-
- 33 al vocational rehabilitation funds.
- 34 6. Of the funds appropriated in this item, no less than
- 35 \$1,973,000 is available for support of child care ser-
- 36 vices, including state preschool.
- 37 7. By October 31 of each year, the State Department of
- 38 Education (SDE) shall provide to the Department of
- 39 Finance a file of all charter school average daily atten-
- 40 dance (ADA) and state and local revenue associated

1 with charter school general purpose entitlements as
2 part of the P2 Revenue Limit File. By March 1 of each
3 year, the SDE shall provide to the Department of Fi-
4 nance a file of all charter school ADA and state and
5 local revenue associated with charter school general
6 purpose entitlements as part of the P1 Revenue Limit
7 File. It is the expectation that such reports will be
8 provided annually.

- 9 8. On or before April 15 of each year, the State Depart-
10 ment of Education (SDE) shall provide to the Depart-
11 ment of Finance an electronic file that includes com-
12 plete district- and county-level state appropriations
13 limit information reported to the SDE. The SDE shall
14 make every effort to ensure that all districts have sub-
15 mitted the necessary information requested on the
16 relevant reporting forms.
- 17 9. The State Department of Education shall make infor-
18 mation available to the Department of Finance, the
19 Legislative Analyst’s Office, and the budget commit-
20 tees of each house of the Legislature by October 31,
21 March 31, and May 31 of each year regarding the
22 amount of Proposition 98 savings estimated to be
23 available for reversion by June 30 of that year.
- 24 10. Of the reimbursement funds appropriated in this item,
25 \$1,300,000 shall be available to the State Department
26 of Education for nutrition education and physical ac-
27 tivity promotion pursuant to an interagency agreement
28 with the State Department of State Hospitals.
- 29 11. Reimbursement expenditures pursuant to this item re-
30 sulting from the imposition by the State Department
31 of Education (SDE) of a commercial copyright fee
32 may not be expended sooner than 30 days after the
33 SDE submits to the Department of Finance a legal
34 opinion affirming the authority to impose such fees
35 and the arguments supporting that position against any
36 objections or legal challenges to the fee filed with the
37 SDE. Any funds received pursuant to imposition of a
38 commercial copyright fee may only be expended as
39 necessary for outside counsel contingent on a certifi-
40 cation of the Superintendent of Public Instruction that

- 1 sufficient expertise is not available within departmental
2 legal staff. The SDE shall not expend greater than
3 \$300,000 for such purposes without first notifying the
4 Department of Finance of the necessity therefor, and
5 upon receiving approval in writing.
- 6 12. Of the amount appropriated in this item, \$139,000
7 from reimbursement funds may be expended for ad-
8 ministering the Education Technology K–12 Voucher
9 Program pursuant to the Microsoft settlement.
- 10 13. Of the funds appropriated in this item, up to
11 \$1,011,000 is for dispute resolution services, including
12 mediation and fair hearing services, provided through
13 contract for special education programs.
- 14 14. Of the reimbursement funds appropriated in this item,
15 \$422,000 shall be available to the State Department
16 of Education (SDE) to contract for assistance in devel-
17 oping an approved listing of food and beverage items
18 that comply with the nutrition standards of Chapters
19 235 and 237 of the Statutes of 2005. In order to fund
20 the development and maintenance of the approved
21 product listing, the SDE shall collect a fee, as it deems
22 appropriate, from vendors seeking to have their prod-
23 ucts reviewed for potential placement on the approved
24 product listing.
- 25 15. Of the reimbursement funds appropriated in this item,
26 \$612,000 is provided to the State Department of Edu-
27 cation for the oversight of State Board of Education-
28 authorized charter schools. The Department of Finance
29 may administratively establish up to 2.0 positions for
30 this purpose as workload materializes.
- 31 16. Of the funds appropriated in this item, \$158,000 and
32 1.5 positions are provided to support new requirements
33 contained in Chapter 723 of the Statutes of 2011,
34 which strengthens antidiscrimination and antibullying
35 policies in schools.
- 36 17. Of the funds appropriated in this item, \$109,000 and
37 1.0 position is provided to support new requirements
38 contained in Chapter 776 of the Statutes of 2012,
39 which clarifies the prohibition against public schools

- 1 charging pupil fees for participation in educational
2 activities.
- 3 18. Of the funds appropriated in this item, \$217,000 and
4 2.0 positions are available for workload to implement
5 Chapter 577 of the Statutes of 2012, including activi-
6 ties necessary to revise the Academic Performance
7 Index.
- 8 19. Of the funds appropriated in this item, \$109,000 shall
9 be for 1.0 position within the State Department of
10 Education to support activities associated with the
11 Clean Energy Job Creation Fund.
- 12 20. Of the funds appropriated in this item, \$233,000 is
13 available in one-time funds for the Instructional
14 Quality Commission to support activities necessary
15 to meet the deadlines required pursuant to Section
16 60207 of the Education Code for development of
17 common core curriculum frameworks for mathematics
18 and English language arts.
- 19 22. Of the amount appropriated in this item, \$459,000 is
20 provided to support the Career Technical Education
21 Pathways Trust one-time grant program pursuant to
22 Chapter 48 of the Statutes of 2013 in the 2013–14
23 fiscal year. The funds appropriated in this item shall
24 support the activities authorized by Section 86 of
25 Chapter 48 of the Statutes of 2013, as follows:
- 26 (a) 3.0 limited-term 3-year positions to administer
27 and oversee the one-time California Career
28 Technical Education Pathways Trust competitive
29 grant program.
- 30 (b) Grant application development and distribution,
31 and grantee selection.
- 32 (c) Desk monitoring of grant recipients and technical
33 assistance.
- 34 (d) An external data repository, data collection, and
35 outcome measures reporting.
- 36 23. Of the amount appropriated in this item, \$570,000 and
37 5.0 positions are provided to support the Local Control
38 Accountability Plan state-level activities pursuant to
39 Chapter 48 of the Statutes of 2013. These funds and
40 positions shall be used by the State Department of

1 Education to support activities including, but not lim-
 2 ited to, departmentwide coordination of consistent
 3 Local Control Funding Formula information and its
 4 dissemination, and assisting the development of regu-
 5 lations and Local Control and Accountability Plan
 6 templates. Of the amount appropriated in this item, up
 7 to an additional seven hundred twenty-three thousand
 8 dollars (\$723,000) and 6.0 positions may be expended
 9 for these state-level activities by the State Department
 10 of Education upon approval of an expenditure plan,
 11 or plans, for those funds by the Department of Finance.
 12 The Department of Finance shall notify, in writing,
 13 the chairpersons of the committees in each house of
 14 the Legislature that consider appropriations, the
 15 chairpersons of the committees and appropriate sub-
 16 committees that consider the State Budget, and the
 17 Chairperson of the Joint Legislative Budget Commit-
 18 tee, of any expenditure plan approvals and positions
 19 established pursuant to the authority authorized in this
 20 provision.

21 24. Of the amount appropriated in this item, \$933,000 and
 22 6.0 positions are provided to support the Local Control
 23 Funding Formula administration pursuant to Chapter
 24 48 of the Statutes of 2013. These funds and positions
 25 shall be used by the State Department of Education to
 26 support the apportionment of, and fiscal oversight of,
 27 funding pursuant to the Local Control Funding Formu-
 28 la. Of the amount appropriated in this item, up to an
 29 additional four hundred seventy-nine thousand dollars
 30 (\$479,000) and 5.0 positions may be expended to
 31 support Local Control Funding Formula administration
 32 by the State Department of Education upon approval
 33 of an expenditure plan, or plans, for those funds by
 34 the Department of Finance. The Department of Finance
 35 shall notify, in writing, the chairpersons of the commit-
 36 tees in each house of the Legislature that consider ap-
 37 propriations, the chairpersons of the committees and
 38 appropriate subcommittees that consider the State
 39 Budget, and the Chairperson of the Joint Legislative
 40 Budget Committee, of any expenditure plan approvals

1 and positions established pursuant to the authority
2 authorized in this provision.

3
4 *SEC. 57. Item 6110-280-0001 of Section 2.00 of the Budget*
5 *Act of 2013 is amended to read:*

6
7 6110-280-0001—For local assistance, Department of Education
8 (Proposition 98), Program 20.40.800 Instructional Support
9 - Career Technical Education..... 250,000,000

10 Provisions:

- 11 1. ~~The~~ *Of the funds appropriated in this item are item,*
12 *\$249,750,000 is available for one-time grants for the*
13 *Career Technical Education Pathways Grant Program*
14 *pursuant to legislation to be adopted during the*
15 *2013–14 fiscal year.*
- 16 2. *Of the funds appropriated in this item, \$250,000 is*
17 *provided on a one-time basis for an independent*
18 *evaluation of the Career Technical Education Path-*
19 *ways Grant Program. The State Department of Educa-*
20 *tion shall allocate the funding to a local educational*
21 *agency that the State Department of Education has*
22 *identified to contract for the evaluation.*

23
24 ~~SEC. 59.~~

25 *SEC. 58. For purposes of calculating the local control funding*
26 *formula transition adjustment pursuant to subdivision (b) of Section*
27 *42238.03 of the Education Code for the Torrance Unified School*
28 *District for the 2013–14 and 2014–15 fiscal years, the*
29 *Superintendent of Public Instruction shall reduce the amount of*
30 *entitlement for Item 6110-105-0001, as set forth in paragraph (2)*
31 *of subdivision (a) of Section 42238.03 of the Education Code, by*
32 *three million four hundred seventy-three thousand five hundred*
33 *seventy-four dollars (\$3,473,574). For the 2013–14 and 2014–15*
34 *fiscal years, the Torrance Unified School District shall continue*
35 *to allocate three million four hundred seventy-three thousand five*
36 *hundred seventy-four dollars (\$3,473,574) in accordance with*
37 *paragraph (5) of subdivision (a) of Section 42238.03 of the*
38 *Education Code.*

1 ~~SEC. 60.~~

2 *SEC. 59.* (a) On or before June 30, 2014, the Board of
3 Governors of the California Community Colleges is authorized to
4 increase the total General Fund apportionment allocations to be
5 made between July 1, 2013, and February 1, 2014, specified in
6 subdivisions (d) and (e) of Section 58770 of Title 5 of the
7 California Code of Regulations and authorized in subdivision (b)
8 of Section 70901 of the Education Code, by an amount to be
9 determined by the Director of Finance.

10 (b) The funds in subdivision (a) shall be increased only to the
11 extent that revenues distributed to community college districts
12 pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188
13 of the Health and Safety Code are less than the estimated amount
14 reflected in the Budget Act of 2012, as determined by the Director
15 of Finance.

16 (c) In making the determinations pursuant to subdivision (b),
17 the Director of Finance shall consider any other local property tax
18 revenue, student fee revenue, or other sources of revenue collected
19 in excess of, or in deficit of, the estimated amount reflected in the
20 Budget Act of 2012.

21 (d) 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 increase the total allocations to be made between
24 July 1, 2013, and February 1, 2014, and the amount needed to
25 address the shortfall determined pursuant to subdivision (b). The
26 Controller shall make the funds available not sooner than five days
27 after this notification and the Office of the Chancellor of the
28 California Community Colleges shall work with the Controller to
29 allocate these funds to community college districts as soon as
30 practicable.

31 *SEC. 60. (a) On or before December 31, 2013, an amount to*
32 *be determined by the Director of Finance of up to, but not more*
33 *than, one hundred million dollars (\$100,000,000) is hereby*
34 *appropriated from the General Fund to the Board of Governors*
35 *of the California Community Colleges in augmentation of Schedule*
36 *(1) in Item 6870-101-0001 of Section 2.00 of the Budget Act of*
37 *2012.*

38 *(b) The funds appropriated in subdivision (a) shall be available*
39 *only to the extent that revenues distributed to community college*
40 *districts pursuant to Sections 34177, 34179.5, 34179.6, 34183,*

1 and 34188 of the Health and Safety Code are less than the
2 estimated amount reflected in the Budget Act of 2012, as
3 determined by the Director of Finance.

4 (c) On or before December 31, 2013, the Director of Finance
5 shall determine if the revenues distributed to community college
6 districts pursuant to Sections 34177, 34179.5, 34179.6, 34183,
7 and 34188 of the Health and Safety Code exceed the estimated
8 amount reflected in the Budget Act of 2012, and shall reduce
9 Schedule (1) in Item 6870-101-0001 of Section 2.00 of the Budget
10 Act of 2012 by the amount of that excess.

11 (d) In making the determinations pursuant to subdivisions (b)
12 and (c), the Director of Finance shall consider any other local
13 property tax revenue, student fee revenue, or other sources of
14 revenue collected in excess of, or in deficit of, the estimated amount
15 reflected in the Budget Act of 2012.

16 (e) The Director of Finance shall notify the Chairperson of the
17 Joint Legislative Budget Committee, or his or her designee, of his
18 or her intent to notify the Controller of the necessity to release
19 funds appropriated in subdivision (a), or to make the reduction
20 pursuant to subdivision (c), and of the amount needed to address
21 the property tax shortfall determined pursuant to subdivision (b),
22 or the amount of the reduction made pursuant to subdivision (c).
23 The Controller shall make the funds available not sooner than five
24 days after this notification and the Office of the Chancellor of the
25 California Community Colleges shall work with the Controller to
26 allocate these funds to community college districts as soon as
27 practicable.

28 (f) For purposes of making the computations required by Section
29 8 of Article XVI of the California Constitution, the appropriations
30 made by subdivision (a) shall be deemed to be “General Fund
31 revenues appropriated for community college districts,” as defined
32 in subdivision (d) of Section 41202 of the Education Code, for the
33 2012–13 fiscal year, and included within the “total allocations to
34 school districts and community college districts from General
35 Fund proceeds of taxes appropriated pursuant to Article XIII B,”
36 as defined in subdivision (e) of Section 41202 of the Education
37 Code, for the 2012–13 fiscal year.

38 SEC. 61. The Legislature finds and declares that a special law,
39 as set forth in Section ~~57~~ 55 of this act, is necessary and that a
40 general law cannot be made applicable within the meaning of

1 Section 16 of Article IV of the California Constitution because of
2 the unique circumstances relating to the fiscal emergency in the
3 Inglewood Unified School District.

4 SEC. 62. This act is a bill providing for appropriations related
5 to the Budget Bill within the meaning of subdivision (e) of Section
6 12 of Article IV of the California Constitution, has been identified
7 as related to the budget in the Budget Bill, and shall take effect
8 immediately.

O