

AMENDED IN ASSEMBLY AUGUST 28, 2013

**SENATE BILL**

**No. 97**

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**Introduced by Committee on Budget and Fiscal Review**

January 10, 2013

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~~An act relating to the Budget Act of 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, 42283, 42284, 42285, 42285.5, 42287, 46200, 46201, 46202, 46208, 47612, 47614.5, 47631, 48664, 49085, 52060, 52061, 52062, 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, 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 6110-001-0001 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

SB 97, as amended, Committee on Budget and Fiscal Review. ~~Budget Act of 2013.~~ *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 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 in the State Treasury, 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 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 the same amount that authority 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 regional occupational center or program joint power authority. 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 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 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.

(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) 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) 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 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 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) 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) 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) 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) 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) 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) 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) 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.*

*(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 make conforming changes, correct cross-references, and make other nonsubstantive changes.*

*(20) 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.*

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

~~*This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2013.*~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~  
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 ~~defined~~ *described* in subdivision (b)  
26 of Section 17592.70, and shall include, among other things, his or  
27 her 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, ~~to the extent~~  
4 ~~that funds are appropriated for purposes of this paragraph,~~ the  
5 county superintendent, or his or her designee, annually shall submit  
6 a report, at a regularly scheduled November board meeting, to the  
7 governing board of each school district under his or her jurisdiction,  
8 the county board of education of his or her county, and the board  
9 of supervisors of his or her county describing the state of the  
10 schools in the county or of his or her office that are ranked in  
11 deciles 1 to 3, inclusive, of the 2006 base API, pursuant to Section  
12 52056. ~~As a condition for the receipt of funds, the~~ *The* annual  
13 report shall include the determinations for each school made by  
14 the county superintendent, or his or her designee, regarding the  
15 status of all of the circumstances listed in subparagraph (J) and  
16 teacher misassignments and teacher vacancies, and the county  
17 superintendent, or his or her designee, shall use a standardized  
18 template to report the circumstances listed in subparagraph (J) and  
19 teacher misassignments and teacher vacancies, unless the current  
20 annual report being used by the county superintendent, or his or  
21 her designee, already includes those details with the same level of  
22 specificity that is otherwise required by this subdivision. For  
23 purposes of this section, schools ranked in deciles 1 to 3, inclusive,  
24 on the 2006 base API shall include schools determined by the  
25 department to meet either of the following:

26 (i) The school meets all of the following criteria:

27 (I) Does not have a valid base API score for 2006.

28 (II) Is operating in fiscal year 2007–08 and was operating in  
29 fiscal year 2006–07 during the Standardized Testing and Reporting  
30 (STAR) Program testing period.

31 (III) Has a valid base API score for 2005 that was ranked in  
32 deciles 1 to 3, inclusive, in that year.

33 (ii) The school has an estimated base API score for 2006 that  
34 would be in deciles 1 to 3, inclusive.

35 (C) The department shall estimate an API score for any school  
36 meeting the criteria of subclauses (I) and (II) of clause (i) of  
37 subparagraph (B) and not meeting the criteria of subclause (III)  
38 of clause (i) of subparagraph (B), using available test scores and  
39 weighting or corrective factors it deems appropriate. The

1 department shall post the API scores on its Internet Web site on  
2 or before May 1.

3 (D) For purposes of this section, references to schools ranked  
4 in deciles 1 to 3, inclusive, on the 2006 base API shall exclude  
5 schools operated by county offices of education pursuant to Section  
6 56140, as determined by the department.

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

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

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

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

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

39 (iii) ~~As a condition for the receipt of funds, the~~ *The* annual report  
40 shall include the determinations for each school made by the county

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

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

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

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

- 28 (i) Minimize disruption to the operation of the school.
- 29 (ii) Be performed by individuals who meet the requirements of  
30 Section 45125.1.
- 31 (iii) Consist of not less than 25 percent unannounced visits in  
32 each county. During unannounced visits in each county, the county  
33 superintendent shall not demand access to documents or specific  
34 school personnel. Unannounced visits shall only be used to observe  
35 the condition of school repair and maintenance, and the sufficiency  
36 of instructional materials, as defined by Section 60119.

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

- 1 (i) Sufficient textbooks as defined in Section 60119 and as  
2 specified in subdivision (i).
- 3 (ii) The condition of a facility that poses an emergency or urgent  
4 threat to the health or safety of pupils or staff as ~~defined~~ *described*  
5 in *school* district policy or paragraph (1) of subdivision (c) of  
6 Section 17592.72.
- 7 (iii) The accuracy of data reported on the school accountability  
8 report card with respect to the availability of sufficient textbooks  
9 and instructional materials, as defined by Section 60119, and the  
10 safety, cleanliness, and adequacy of school facilities, including  
11 good repair as required by Sections 17014, 17032.5, 17070.75,  
12 and 17089.
- 13 (iv) The extent to which pupils who have not passed the high  
14 school exit examination by the end of grade 12 are informed that  
15 they are entitled to receive intensive instruction and services for  
16 up to two consecutive academic years after completion of grade  
17 12 or until the pupil has passed both parts of the high school exit  
18 examination, whichever comes first, pursuant to paragraphs (4)  
19 and (5) of subdivision (d) of Section 37254.
- 20 (v) The extent to which pupils who have elected to receive  
21 intensive instruction and services, pursuant to paragraphs (4) and  
22 (5) of subdivision (d) of Section 37254, are being served.
- 23 (K) The county superintendent may make the status  
24 determinations described in subparagraph (J) during a single visit  
25 or multiple visits. In determining whether to make a single visit  
26 or multiple visits for this purpose, the county superintendent shall  
27 take into consideration factors such as cost-effectiveness, disruption  
28 to the schoolsite, deadlines, and the availability of qualified  
29 reviewers.
- 30 (L) If the county superintendent determines that the condition  
31 of a facility poses an emergency or urgent threat to the health or  
32 safety of pupils or staff as ~~defined~~ *described* in *school* district  
33 policy or paragraph (1) of subdivision (c) of Section 17592.72, or  
34 is not in good repair, as specified in subdivision (d) of Section  
35 17002 and required by Sections 17014, 17032.5, 17070.75, and  
36 17089, the county superintendent, among other things, may do any  
37 of the following:
- 38 (i) Return to the school to verify repairs.
- 39 (ii) Prepare a report that specifically identifies and documents  
40 the areas or instances of noncompliance if the *school* district has

1 not provided evidence of successful repairs within 30 days of the  
2 visit of the county superintendent or, for major projects, has not  
3 provided evidence that the repairs will be conducted in a timely  
4 manner. The report may be provided to the governing board of the  
5 school district. If the report is provided to the school district, it  
6 shall be presented at a regularly scheduled meeting held in  
7 accordance with public notification requirements. The county  
8 superintendent shall post the report on his or her Internet Web site.  
9 The report shall be removed from the Internet Web site when the  
10 county superintendent verifies the repairs have been completed.

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

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

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

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

25 (h) Enforce the course of study.

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

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

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

1 superintendent shall make a diligent effort to conduct a visit to  
2 each school pursuant to this paragraph within 120 days of receipt  
3 of funds for this purpose.

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

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

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

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

34 (B) Provide within five business days of the review, a copy of  
35 the report to the school district, as provided in subdivision (c), or,  
36 if applicable, provide a copy of the report to the school district  
37 within 10 business days pursuant to subparagraph (B) of paragraph  
38 (3).

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

4 (D) If the deficiency is not remedied as required pursuant to  
5 subparagraph (C), the county superintendent shall request the  
6 department to purchase the textbooks or instructional materials  
7 necessary to comply with the sufficiency requirement of this  
8 subdivision. If the department purchases textbooks or instructional  
9 materials for the school district, the department shall issue a public  
10 statement at the first regularly scheduled meeting of the state board  
11 occurring immediately after the department receives the request  
12 of the county superintendent and that meets the applicable public  
13 notice requirements, indicating that the district superintendent and  
14 the governing board of the school district failed to provide pupils  
15 with sufficient textbooks or instructional materials as required by  
16 this subdivision. Before purchasing the textbooks or instructional  
17 materials, the department shall consult with the *school* district to  
18 determine which textbooks or instructional materials to purchase.  
19 ~~All purchases of textbooks or instructional materials shall comply~~  
20 ~~with Chapter 3.25 (commencing with Section 60420) of Part 33.~~  
21 The amount of funds necessary for the purchase of the textbooks  
22 and materials is a loan to the school district receiving the textbooks  
23 or instructional materials. Unless the school district repays the  
24 amount owed based upon an agreed-upon repayment schedule with  
25 the Superintendent, the Superintendent shall notify the Controller  
26 and the Controller shall deduct an amount equal to the total amount  
27 used to purchase the textbooks and materials from the next  
28 principal apportionment of the *school* district or from another  
29 apportionment of state funds.

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

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

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

37 (A) The first report shall cover the financial and budgetary status  
38 of the county office of education for the period ending October  
39 31. The second report shall cover the period ending January 31.  
40 Both reports shall be reviewed by the county board of education

1 and approved by the county superintendent no later than 45 days  
2 after the close of the period being reported.

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

30 (i) For the 2011–12 fiscal year, notwithstanding any of the  
31 standards and criteria adopted by the state board pursuant to Section  
32 33127, each county office of education budget shall project the  
33 same level of revenue per unit of average daily attendance as it  
34 received in the 2010–11 fiscal year and shall maintain staffing and  
35 program levels commensurate with that level.

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

1 (iii) For the 2011–12 fiscal year, notwithstanding any of the  
2 standards and criteria adopted by the state board pursuant to Section  
3 33127, the Superintendent, as a condition on approval of a county  
4 office of education budget, shall not require a county office of  
5 education to project a lower level of revenue per unit of average  
6 daily attendance than it received in the 2010–11 fiscal year nor  
7 require the county superintendent to certify in writing whether or  
8 not the county office of education is able to meet its financial  
9 obligations for the two subsequent fiscal years.

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

16 (3) This subdivision does not preclude the submission of  
17 additional budgetary or financial reports by the county  
18 superintendent to the county board of education or to the  
19 Superintendent.

20 (4) The county superintendent is not responsible for the fiscal  
21 oversight of the community colleges in the county, however, he  
22 or she may perform financial services on behalf of those  
23 community colleges.

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

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

34 (o) *If any activities authorized pursuant to this section are found*  
35 *to be a state reimbursable mandate pursuant to Section 6 of Article*  
36 *XIII B of the California Constitution, funding provided for school*  
37 *districts and county offices of education pursuant to Sections 2574,*  
38 *2575, 42238.02, and 42238.03 shall be used to directly offset any*  
39 *mandated costs.*

1     *SEC. 2. Section 1622 of the Education Code is amended to*  
2     *read:*

3     1622. (a) On or before July 1 of each fiscal year, the county  
4     board of education shall adopt an annual budget for the budget  
5     year and shall file the budget with the Superintendent, the county  
6     board of supervisors, and the county auditor. The budget, and  
7     supporting data, shall be maintained and made available for public  
8     review. The budget shall indicate the date, time, and location at  
9     which the county board of education held the public hearing  
10    required under Section 1620. For the 2014–15 fiscal year and each  
11    fiscal year thereafter, the county board of education shall not adopt  
12    a budget before the county board of education adopts a local control  
13    and accountability plan or approves an update to an existing local  
14    control and accountability plan if an existing local control and  
15    accountability plan or update to a local control and accountability  
16    plan is not effective during the budget year. The county board of  
17    education shall not adopt a budget that does not include the  
18    expenditures identified in the local control and accountability plan  
19    and any annual update to the local control and accountability plan  
20    that will be effective in the subsequent fiscal year. *Notwithstanding*  
21    *any other provision of this article, for the 2014–15 fiscal year and*  
22    *each fiscal year thereafter, the budget shall not be adopted or*  
23    *approved by the Superintendent before a local control and*  
24    *accountability plan or update to an existing local control and*  
25    *accountability plan for the budget year is approved.*

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

39    (2) For the 2011–12 fiscal year, notwithstanding any of the  
40    standards and criteria adopted by the state board pursuant to Section

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

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

11 (A) The Superintendent has not approved a local control and  
12 accountability plan or an annual update to the local control and  
13 accountability plan filed by a county superintendent of schools  
14 pursuant to Section 52067.

15 (B) The Superintendent determines that the budget does not  
16 include the expenditures necessary to implement the local control  
17 and accountability plan or an annual update to the local control  
18 and accountability plan that is effective for that budget year.

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

34 (d) (1) The Superintendent shall examine the revised budget  
35 to determine if it complies with the standards and criteria adopted  
36 by the state board pursuant to Section 33127 for application to  
37 final local educational agency budgets and, no later than October  
38 8, shall approve or disapprove the revised budget. For the 2014–15  
39 fiscal year and each fiscal year thereafter, the Superintendent shall  
40 disapprove a revised budget if the Superintendent determines that

1 the revised budget does not include the expenditures necessary to  
2 implement the local control and accountability or an annual update  
3 to the local control and accountability plan approved by the  
4 Superintendent pursuant to Section 52067. If the Superintendent  
5 disapproves the budget, he or she shall call for the formation of a  
6 budget review committee pursuant to Section 1623. For the  
7 2011–12 fiscal year, notwithstanding any of the standards and  
8 criteria adopted by the state board pursuant to Section 33127, the  
9 Superintendent, as a condition on approval of a county office of  
10 education budget, shall not require a county office of education to  
11 project a lower level of revenue per unit of average daily attendance  
12 than it received in the 2010–11 fiscal year nor require the county  
13 superintendent to certify in writing whether or not the county office  
14 of education is able to meet its financial obligations for the two  
15 subsequent fiscal years.

16 *(2) Notwithstanding any other law, for the 2014–15 fiscal year*  
17 *and each fiscal year thereafter, if the Superintendent disapproves*  
18 *the budget for the sole reason that the Superintendent has not*  
19 *approved a local control and accountability plan or an annual*  
20 *update to the local control and accountability plan filed by the*  
21 *county superintendent of schools pursuant to Section 52067, the*  
22 *Superintendent shall not call for the formation of a budget review*  
23 *committee pursuant to Section 1623.*

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

30 (1) In the event of the disapproval of the budget of a county  
31 office of education pursuant to subdivision (b), on or before  
32 September 8, the county superintendent of schools and the county  
33 board of education shall review the recommendations of the  
34 Superintendent at a regularly scheduled meeting of the county  
35 board of education and respond to those recommendations. That  
36 response shall include the proposed actions to be taken, if any, as  
37 a result of those recommendations.

38 (2) No later than October 8, after receiving the response required  
39 under paragraph (1), the Superintendent shall review that response  
40 and either approve or disapprove the budget of the county office

1 of education. For the 2014–15 fiscal year and each fiscal year  
2 thereafter, the Superintendent shall disapprove a budget if the  
3 Superintendent determines that the budget adopted by the county  
4 board of education does not include the expenditures necessary to  
5 implement the local control and accountability plan or an annual  
6 update to the local control and accountability plan approved by  
7 the Superintendent pursuant to Section 52067.—*If Except as*  
8 *provided in paragraph (2) of subdivision (d), if* the Superintendent  
9 disapproves the budget, he or she shall call for the formation of a  
10 budget review committee pursuant to Section 1623.

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

16 *SEC. 3. Section 1982 of the Education Code is repealed.*

17 ~~1982.—(a) County community schools shall be administered~~  
18 ~~by the county superintendent of schools.~~

19 ~~For purposes of making apportionments from the State School~~  
20 ~~Fund and the levying of local taxes, any attendance generated by~~  
21 ~~pupils in county community schools in kindergarten or any of~~  
22 ~~grades 1 to 12, inclusive, who are enrolled pursuant to subdivisions~~  
23 ~~(a), (b), and (d) of Section 1981 as well as any attendance generated~~  
24 ~~by pupils in county community schools in kindergarten or any of~~  
25 ~~grades 1 to 6, inclusive, who are enrolled pursuant to paragraph~~  
26 ~~(1) or (2) of subdivision (c) of Section 1981 shall be credited to~~  
27 ~~the district of residence. School districts shall pay to the county~~  
28 ~~for the purposes of the community schools the entire revenue limit~~  
29 ~~for each average daily attendance credited pursuant to this section.~~  
30 ~~No funds generated by average daily attendance credited pursuant~~  
31 ~~to this section shall be retained by the district of residence. The~~  
32 ~~county superintendent of schools may use funds derived from~~  
33 ~~existing tax revenues to provide additional funding per pupil~~  
34 ~~enrolled in county community schools but not to exceed the~~  
35 ~~difference between the amount derived per pupil from the district~~  
36 ~~and the amount available per pupil enrolled in juvenile court~~  
37 ~~schools.~~

38 ~~(b) For the purposes of making apportionments from the State~~  
39 ~~School Fund, pupils enrolled in county community schools~~  
40 ~~pursuant to subdivision (e) of Section 1981 shall be deemed to be~~

1 enrolled in a county juvenile hall or camp except pupils enrolled  
2 in kindergarten or any of grades 1 to 6, inclusive, who are enrolled  
3 pursuant to paragraph (1) or (2) of subdivision (c) of Section 1981.

4 (e) ~~For the purposes of this section, the county superintendent  
5 of schools providing educational services to homeless children  
6 shall be deemed to be the district of residence of those children.~~

7 *SEC. 4. Section 2558 of the Education Code is amended to*  
8 *read:*

9 2558. Notwithstanding any other law, for the 1979–80 fiscal  
10 year and each fiscal year thereafter, the Superintendent shall  
11 apportion state aid to county superintendents of schools pursuant  
12 to this section.

13 (a) The Superintendent shall total the amounts computed for  
14 the fiscal year pursuant to Sections 2550, 2551.3, 2554, 2555, and  
15 2557 and Section 2551, as that section read on January 1, 1999.  
16 For the 1979–80 fiscal year and for purposes of calculating the  
17 1979–80 fiscal year base amounts in succeeding fiscal years, the  
18 amounts in Sections 2550, 2551, 2552, 2554, 2555, and 2557, as  
19 they read in the 1979–80 fiscal year, shall be multiplied by a factor  
20 of 0.994. For the 1981–82 fiscal year and for purposes of  
21 calculating the 1981–82 fiscal year base amounts in succeeding  
22 fiscal years, the amount in this subdivision shall be multiplied by  
23 a factor of 0.97.

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

36 (1) Determine the amount of employer contributions that would  
37 have been made in the current fiscal year if the applicable Public  
38 Employees' Retirement System employee contribution rate in  
39 effect immediately before the enactment of Chapter 330 of the  
40 Statutes of 1982 were in effect during the current fiscal year.

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

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

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

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

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

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

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

38 (7) For the 2003–04 fiscal year and any fiscal year thereafter,  
39 the revenue limit reduction specified in Section 2558.46 may not  
40 be applied to the amount of the increase or decrease to the revenue

1 limits of each county superintendent of schools computed pursuant  
2 to paragraph (3).

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

5 (1) Local property tax revenues received pursuant to Section  
6 2573 in the then current fiscal year, and tax revenues received  
7 pursuant to Section 2556 in the then current fiscal year.

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

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

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

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

20 (6) The amount, if any, received pursuant to Sections 34177,  
21 34179.5, 34179.6, and 34188 of the Health and Safety Code.

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

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

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

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

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

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

9 SEC. 5. Section 2574 of the Education Code is amended to  
10 read:

11 2574. For the 2013–14 fiscal year and for each fiscal year  
12 thereafter, the Superintendent annually shall calculate a county  
13 local control funding formula for each county superintendent of  
14 schools as follows:

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

17 (1) Six hundred fifty-five thousand nine hundred twenty dollars  
18 (\$655,920).

19 (2) One hundred nine thousand three hundred twenty dollars  
20 (\$109,320) multiplied by the number of school districts for which  
21 the county superintendent of schools has jurisdiction pursuant to  
22 Section 1253.

23 (3) (A) Seventy dollars (\$70) multiplied by the number of units  
24 of countywide average daily attendance, up to a maximum of  
25 30,000 units. ~~For purposes of this section, countywide average~~  
26 ~~daily attendance means the aggregate number of annual units of~~  
27 ~~average daily attendance within the county attributable to all school~~  
28 ~~districts for which the county superintendent of schools has~~  
29 ~~jurisdiction pursuant to Section 1253, charter schools physically~~  
30 ~~located within the county, and the schools operated by the county~~  
31 ~~superintendent of schools.~~

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

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

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

4 (E) *For purposes of this section, countywide average daily*  
5 *attendance means the aggregate number of annual units of average*  
6 *daily attendance within the county attributable to all school*  
7 *districts for which the county superintendent of schools has*  
8 *jurisdiction pursuant to Section 1253, charter schools authorized*  
9 *by school districts for which the county superintendent of schools*  
10 *has jurisdiction, and charter schools authorized by the county*  
11 *superintendent of schools.*

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

26 (b) Determine the enrollment percentage of unduplicated pupils  
27 pursuant to the following:

28 (1) (A) For the 2013–14 fiscal year, divide the enrollment of  
29 unduplicated pupils in all schools operated by a county  
30 superintendent of schools in the 2013–14 fiscal year by the total  
31 enrollment in those schools in the 2013–14 fiscal year.

32 (B) For the 2014–15 fiscal year, divide the sum of the enrollment  
33 of unduplicated pupils in all schools operated by a county  
34 superintendent of schools in the 2013–14 and 2014–15 fiscal years  
35 by the sum of the total enrollment in those schools in the 2013–14  
36 and 2014–15 fiscal years.

37 (C) For the 2015–16 fiscal year and each fiscal year thereafter,  
38 divide the sum of the enrollment of unduplicated pupils in all  
39 schools operated by a county superintendent of schools in the  
40 current fiscal year and the two prior fiscal years by the sum of the

1 total enrollment in those schools in the current fiscal year and the  
2 two prior fiscal years.

3 (D) For purposes of determining the enrollment percentage of  
4 unduplicated pupils pursuant to this subdivision, enrollment in  
5 schools or classes established pursuant to Article 2.5 (commencing  
6 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title  
7 2 and the enrollment of pupils other than the pupils identified in  
8 clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4)  
9 of subdivision (c), shall be excluded from the calculation of the  
10 enrollment percentage of unduplicated pupils.

11 (2) For purposes of this section, an “unduplicated pupil” is a  
12 pupil who is classified as an English learner, eligible ~~to receive~~  
13 *for* a free or reduced-price meal, or a foster youth. For purposes  
14 of this section, the definitions in Section 42238.01 of an English  
15 learner, a pupil eligible ~~to receive~~ *for* a free or reduced-price meal,  
16 and foster youth shall apply. A pupil shall be counted only once  
17 for purposes of this section if any of the following apply:

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

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

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

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

26 (3) (A) ~~Commencing—~~*Under procedures and timeframes*  
27 *established by the Superintendent, commencing with the 2013–14*  
28 *fiscal year, a county superintendent of schools annually shall report*  
29 *the enrollment of unduplicated pupils, pupils classified as English*  
30 *learners, pupils eligible for free and reduced-price meals, and foster*  
31 *youth in schools operated by the county superintendent of schools*  
32 *to the Superintendent using the California Longitudinal Pupil*  
33 *Achievement Data System.*

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

37 (C) The Controller shall include instructions, as appropriate, in  
38 the audit guide required by subdivision (a) of Section ~~14502.1~~  
39 *14502.1*, for determining if the data reported by a county  
40 superintendent of schools using the California Longitudinal Pupil

1 Achievement Data System is consistent with pupil data records  
2 maintained by the county office of education.

3 (c) Compute an alternative education grant equal to the sum of  
4 the following:

5 (1) (A) For the 2013–14 fiscal year, a base grant equal to the  
6 2012–13 per pupil undeficitated statewide average juvenile court  
7 school base revenue limit calculated pursuant to Article 3  
8 (commencing with Section 2550) of *Chapter 12*, as that article  
9 read on January 1, 2013.

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

22 (2) A supplemental grant equal to 35 percent of the base grant  
23 described in paragraph (1) multiplied by the enrollment percentage  
24 calculated in subdivision (b). The supplemental grant shall be  
25 expended in accordance with the regulations adopted pursuant to  
26 Section 42238.07.

27 (3) (A) A concentration grant equal to 35 percent of the base  
28 grant described in paragraph (1) multiplied by the greater of either  
29 of the following:

30 (i) The enrollment percentage calculated in subdivision (b) less  
31 50 percent.

32 (ii) Zero.

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

35 (4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the  
36 total number of units of average daily attendance for pupils  
37 attending schools operated by a county office of education,  
38 excluding units of average daily attendance for pupils attending  
39 schools or classes established pursuant to Article 2.5 (commencing

1 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title  
2 2, who are *enrolled pursuant to* any of the following:

3 (i) Probation-referred pursuant to Sections 300, 601, 602, and  
4 654 of the Welfare and Institutions Code.

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

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

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

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

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

22 (e) Add all of the following to the amount calculated in  
23 subdivision (d):

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

30 (2) (A) The amount of funding a county superintendent of  
31 schools received for the 2012–13 fiscal year from funds allocated  
32 pursuant to the Home to School Transportation program, as set  
33 forth in Article 2 (commencing with Section 39820) of Chapter 1  
34 of Part 23.5 of Division 3 of Title 2, ~~and 2~~, Article 10 (commencing  
35 with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title  
36 2, *and the Small School District Transportation program, as set*  
37 *forth in Article 4.5 (commencing with Section 42290) of Chapter*  
38 *7 of Part 24 of Division 3 of Title 2*, as those articles read on  
39 January 1, 2013.

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

8 ~~(f) The funds apportioned pursuant to this section and Section~~  
 9 ~~2575 shall be available to implement the activities required~~  
 10 ~~pursuant to Article 4.5 (commencing with Section 52060) of~~  
 11 ~~Chapter 6.1 of Part 28 of Division 4 of Title 2.~~

12 *SEC. 6. Section 2575 of the Education Code is amended to*  
 13 *read:*

14 2575. (a) Commencing with the 2013–14 ~~budget~~ *fiscal* year  
 15 and for each fiscal year thereafter, the Superintendent shall  
 16 calculate a base entitlement for the transition to the county local  
 17 control funding formula for each county office of education based  
 18 on the sum of the amounts computed pursuant to paragraphs (1)  
 19 to (3), inclusive:

20 (1) Revenue limits in the 2012–13 fiscal year pursuant to Article  
 21 3 (commencing with Section 2550) of Chapter 12, as that article  
 22 read on January 1, 2013, adjusted only for changes in average daily  
 23 attendance claimed by the county superintendent of schools for  
 24 pupils identified in clauses (i), (ii), and (iii) of subparagraph (A)  
 25 of paragraph (4) of subdivision (c) of Section 2574 and for pupils  
 26 attending juvenile court schools. All other average daily attendance  
 27 claimed by the county superintendent of schools and any other  
 28 average daily attendance used for purposes of calculating revenue  
 29 limits pursuant to Article 3 (commencing with Section 2550) of  
 30 Chapter 12, as that article read on January 1, 2013, shall be  
 31 considered final for purposes of this section as of the annual  
 32 apportionment for the 2012–13 fiscal year, as calculated for  
 33 purposes of the certification required on or before February 20,  
 34 2014, pursuant to Section 41332.

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

36 (A) The amount of funding received from appropriations  
 37 contained in Section 2.00 of the Budget Act of 2012, as adjusted  
 38 by Section 12.42, in the following items: 6110-104-0001,  
 39 6110-105-0001, 6110-107-0001, 6110-108-0001, 6110-111-0001,  
 40 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001,

1 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001,  
2 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001,  
3 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001,  
4 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001,  
5 6110-234-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,  
6 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,  
7 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001,  
8 6110-267-0001, 6110-268-0001, and 6360-101-0001, 2012–13  
9 fiscal year funding for the Class Size Reduction Program pursuant  
10 to Chapter 6.10 (commencing with Section 52120) of Part 28 of  
11 Division 4 of Title 2, as ~~it~~ *that chapter* read on January 1, 2013,  
12 and 2012–13 fiscal year funding for pupils enrolled in community  
13 day schools who are mandatorily expelled pursuant to subdivision  
14 (e) (d) of Section 48915.

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

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

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

24 (1) Subtract the amount computed pursuant to subdivision (a)  
25 from the amount computed pursuant to subdivision (e) of Section  
26 2574. A difference of less than zero shall be deemed to be zero.

27 (2) Divide the difference for each county superintendent of  
28 schools calculated pursuant to paragraph (1) by the total sum of  
29 the differences for all county superintendents of schools calculated  
30 pursuant to paragraph (1).

31 (3) Multiply the proportion calculated for each county office of  
32 education pursuant to paragraph (2) by the amount of funding  
33 specifically appropriated for purposes of subdivision (f). The  
34 amount calculated shall not exceed the difference for the county  
35 superintendent of schools calculated pursuant to paragraph (1).

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

38 (1) Local property tax revenues received pursuant to Section  
39 2573 in the then current fiscal year.

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

6 (3) The amount received pursuant to subparagraph (C) of  
7 paragraph (3) of subdivision (a) of Section 33607.5 of the Health  
8 and Safety Code that is considered property taxes pursuant to that  
9 section.

10 (4) The amount, if any, received pursuant to Sections 34177,  
11 34179.5, 34179.6, 34183, and 34188 of the Health and Safety  
12 Code.

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

16 (d) The Superintendent shall subtract from the amount computed  
17 pursuant to subdivision (e) of Section 2574 the sum of the amounts  
18 computed pursuant to paragraphs (1) to (5), inclusive, of  
19 subdivision (c).

20 (e) The Superintendent shall annually apportion to each county  
21 superintendent of schools the amount calculated pursuant to  
22 subdivision (c) unless the amount computed pursuant to subdivision  
23 (c) is negative. If the amount computed is negative, except as  
24 provided in subdivision (f), an amount of property tax of the county  
25 superintendent of schools equal to the negative amount shall be  
26 deemed restricted and not available for expenditure during the  
27 fiscal year. In the following fiscal year, that amount, excluding  
28 any amount of funds used for purposes of subdivision (f), shall be  
29 considered restricted local property tax revenue for purposes of  
30 subdivision (a) of Section 2578. State aid shall not be apportioned  
31 to the county superintendent of schools pursuant to this subdivision  
32 if the amount computed pursuant to subdivision (c) is negative.

33 (f) (1) The Superintendent shall apportion, from an  
34 appropriation specifically made for this purpose, the amount  
35 computed pursuant to subdivision (b), or, if the amount computed  
36 pursuant to subdivision (c) is negative, the sum of the amounts  
37 computed pursuant to subdivisions (b) and (c) if the sum is greater  
38 than zero.

39 (2) The Superintendent shall apportion any portion of the  
40 appropriation made for purposes of paragraph (1) that is not

1 apportioned pursuant to paragraph (1) pursuant to the following  
2 calculation:

3 (A) Add the amount calculated pursuant to subdivision (b) to  
4 the amount computed pursuant to subdivision (a) for a county  
5 superintendent of schools.

6 (B) Subtract the amount computed pursuant to subparagraph  
7 (A) from the amount computed pursuant to subdivision (e) of  
8 Section 2574 for the county superintendent of schools.

9 (C) Divide the difference for the county superintendent of  
10 schools computed pursuant to subparagraph (B) by the sum of the  
11 differences for all county superintendents of schools computed  
12 pursuant to subparagraph (B).

13 (D) Multiply the proportion computed pursuant to subparagraph  
14 ~~(B)~~ (C) by the unapportioned balance in the appropriation.

15 (E) Apportion to each county superintendent of schools the  
16 amount calculated pursuant to subparagraph (D), or if subdivision  
17 (c) is negative, apportion the sums of subdivisions (b) and (c) and  
18 subparagraph (D) *of this subdivision* if the sum is greater than zero.

19 (F) The Superintendent shall repeat the computation made  
20 pursuant to this paragraph, accounting for any additional amounts  
21 apportioned after each computation, until the appropriation made  
22 for purposes of paragraph (1) is fully apportioned.

23 (G) The total amount apportioned pursuant to this subdivision  
24 to a county superintendent of schools shall not exceed the  
25 difference for the county superintendent of schools calculated  
26 pursuant to paragraph (1) of subdivision (b).

27 (g) (1) For a county superintendent of schools for whom, in the  
28 2013–14 fiscal year, the amount computed pursuant to subdivision  
29 (c) is less than the amount computed pursuant to subdivision (d),  
30 in the first fiscal year following the fiscal year in which the sum  
31 of the apportionments *computed* pursuant to subdivisions (e) and  
32 (f) is equal to, *or greater than*, the amount ~~calculated~~ *computed*  
33 pursuant to subdivision (d) of this section, the Superintendent shall  
34 apportion to the county superintendent of schools the amount  
35 computed in subdivision (d) in that fiscal year and each fiscal year  
36 thereafter instead of the amounts computed pursuant to subdivisions  
37 (e) and (f).

38 (2) For a county superintendent of schools for whom, in the  
39 2013–14 fiscal year, the amount computed pursuant to subdivision  
40 (c) is greater than the amount computed pursuant to subdivision

1 (d), in the first fiscal year in which the amount computed pursuant  
2 to subdivision (c) would be less than the amount computed pursuant  
3 to subdivision (d), the Superintendent shall apportion to the county  
4 superintendent of schools the amount computed in subdivision (d)  
5 in that fiscal year and each fiscal year thereafter instead of the  
6 amounts computed pursuant to subdivisions (e) and (f).

7 (3) In each fiscal year, the Superintendent shall determine the  
8 percentage of county superintendents of schools that are  
9 apportioned funding that is less than the amount computed pursuant  
10 to subdivision (d), as of the second principal apportionment of the  
11 fiscal year. If the percentage is less than 10 percent, the  
12 Superintendent shall apportion to those county superintendents of  
13 schools funding equal to the amount computed in subdivision (d)  
14 in that fiscal year and for each fiscal year thereafter instead of the  
15 amounts calculated pursuant to subdivisions (e) and (f).

16 (4) Commencing with the first fiscal year after the  
17 apportionments in paragraph (3) are made, the adjustments in  
18 paragraph (4) of subdivision (a) of Section 2574 and subparagraph  
19 (B) of paragraph (1) of subdivision (c) of Section 2574 shall be  
20 made only if an appropriation for those purposes is included in the  
21 annual Budget Act.

22 (5) If the calculation pursuant to subdivision (d) is negative and  
23 the Superintendent apportions to a county superintendent of schools  
24 the amount computed pursuant to subdivision (d) pursuant to  
25 paragraph (1), (2), or (3) of *this subdivision*, an amount of property  
26 tax of the county superintendent of schools equal to the negative  
27 amount shall be deemed restricted and not available for expenditure  
28 during that fiscal year. In the following fiscal year the restricted  
29 amount shall be considered restricted local property tax revenue  
30 for purposes of subdivision (a) of Section 2578.

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

36 (i) (1) For the 2013–14 and 2014–15 fiscal years only, a county  
37 superintendent of schools who, in the 2012–13 fiscal year, from  
38 any of the funding sources identified in paragraph (1) or (2) of  
39 subdivision (a), received funds on behalf of, or provided funds to,  
40 a regional occupational center or program joint powers agency

1 established in accordance with Article 1 (commencing with Section  
2 6500) of Chapter 5 of Division 7 of Title 1 of the Government  
3 Code for purposes of providing instruction to pupils enrolled in  
4 grades 9 to 12, inclusive, shall not redirect that funding for another  
5 purpose unless otherwise authorized in law or pursuant to an  
6 agreement between the regional occupational center or program  
7 joint powers agency and the contracting county superintendent of  
8 schools.

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

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

31 (k) (1) In addition to subdivision (j), of the funds a county  
32 superintendent of schools receives for home-to-school  
33 transportation ~~programs~~ *programs*, the county superintendent of  
34 schools shall expend, pursuant to Article 2 (commencing with  
35 Section 39820) of Chapter 1 of Part 23.5 of Division 3 of Title 2,  
36 ~~and 2~~, Article 10 (commencing with Section 41850) of Chapter 5  
37 of Part 24 of Division 3 of Title 2, *and the Small School District*  
38 *Transportation program, as set forth in Article 4.5 (commencing*  
39 *with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title*  
40 *2, no less for those programs than the amount of funds the county*

1 superintendent of schools expended for home-to-school  
2 transportation in the 2012–13 fiscal year.

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

13 ~~(2)~~

14 (3) *For the 2013–14 and 2014–15 fiscal years only, of the funds*  
15 *a county superintendent of schools receives for purposes of regional*  
16 *occupational centers or programs, or adult education, the county*  
17 *superintendent of schools shall expend no less for each of those*  
18 *programs than the amount of funds the county superintendent of*  
19 *schools expended for purposes of regional occupational centers*  
20 *or programs, or adult education, respectively, in the 2012–13 fiscal*  
21 *year. For purposes of this paragraph, a county office of education*  
22 *may include expenditures made by a school district within the*  
23 *county for purposes of regional occupational centers or programs*  
24 *so long as the total amount of expenditures made by the school*  
25 *districts and the county office of education equal or exceed the*  
26 *total amount required to be expended for purposes of regional*  
27 *occupational centers or programs pursuant to this paragraph and*  
28 *paragraph (7) of subdivision (a) of Section 42238.03.*

29 (l) *The funds apportioned pursuant to this section and Section*  
30 *2574 shall be available to implement the activities required*  
31 *pursuant to Article 4.5 (commencing with Section 52060) of*  
32 *Chapter 6.1 of Part 28 of Division 4 of Title 2.*

33 SEC. 7. *Section 2576 of the Education Code is amended to*  
34 *read:*

35 2576. (a) *If a county superintendent of schools enrolls in a*  
36 *school operated by the county superintendent of schools a pupil*  
37 *not funded pursuant to clause (i), (ii), or (iii) of subparagraph (A)*  
38 *of paragraph (4) of subdivision (c) of Section 2574, or Article 2.5*  
39 *(commencing with Section 48645) of Chapter 4 of Part 27 of*  
40 *Division 4 of Title 2, any attendance generated by that pupil shall*

1 be credited to the school district of residence. Enrollment of these  
2 pupils shall be transferred to the school district of residence for  
3 purposes of calculating the percentage of unduplicated pupils  
4 pursuant to Section 42238.02.

5 (b) For purposes of this section, the school district of residence  
6 for a homeless child, as defined in Section 1981.2, enrolled in a  
7 school operated by a county superintendent of schools shall be  
8 deemed to be the school district that last provided educational  
9 services to that child or, if it is not possible to determine that school  
10 district, the largest school district in the county.

11 *SEC. 8. Section 8150.5 of the Education Code is amended to*  
12 *read:*

13 8150.5. Attendance of apprentices enrolled in any class  
14 maintained by a ~~high school, unified school district, regional~~  
15 ~~occupation center or program, or adult school,~~ *local educational*  
16 *agency*, pursuant to Section 3074 of the Labor Code, shall be  
17 reimbursed pursuant to Section 8152 only if reported separately  
18 to the Chancellor of the California Community Colleges.  
19 Attendance reported pursuant to this section shall be used only for  
20 purposes of calculating allowances pursuant to Section 8152.

21 *SEC. 9. Section 8151 of the Education Code is amended to*  
22 *read:*

23 8151. An apprentice attending a ~~high school, unified school~~  
24 ~~district, regional occupational center or program, or adult school~~  
25 *local educational agency* in classes of related and supplemental  
26 instruction as provided under Section 3074 of the Labor Code and  
27 in accordance with the requirements of subdivision (d) of Section  
28 3078 of the Labor Code shall be exempt from the requirements of  
29 any interdistrict attendance agreement for those classes.

30 *SEC. 10. Section 8152 of the Education Code is amended to*  
31 *read:*

32 8152. (a) The reimbursement rate shall be established in the  
33 annual Budget Act and the rate shall be commonly applied to all  
34 providers of instruction specified in subdivision (d).

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

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

1 (d) The Chancellor of the California Community Colleges shall  
2 make the reimbursements specified in this section for teaching  
3 time provided by ~~high schools, unified school districts, regional~~  
4 ~~occupational centers or programs, or adult schools.~~ *local*  
5 *educational agencies.*

6 (e) The hours for related and supplemental instruction derived  
7 from funds appropriated pursuant to subdivision (b) of Section  
8 8150 shall be allocated by the Chancellor of California Community  
9 Colleges directly to participating local educational agencies that  
10 contract with apprenticeship programs pursuant to subdivision (f).

11 (f) Reimbursements may be made under this section for related  
12 and supplemental instruction provided to indentured apprentices  
13 only if the instruction is provided by a program approved by the  
14 Division of Apprenticeship Standards in the Department of  
15 Industrial Relations in accordance with Chapter 4 (commencing  
16 with Section 3070) of Division 3 of the Labor Code.

17 (g) The initial allocation of hours made pursuant to subdivision  
18 (e) for related and supplemental instruction at the beginning of  
19 any fiscal year when multiplied by the hourly reimbursement rate  
20 shall equal 100 percent of the total appropriation for  
21 apprenticeships.

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

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

30 (2) Reported related and supplemental instruction hours that  
31 were not reimbursed.

32 *SEC. 11. Section 8154 of the Education Code is amended to*  
33 *read:*

34 8154. (a) The Chancellor of the California Community  
35 Colleges, in consultation with the Division of Apprenticeship  
36 Standards of the Department of Industrial Relations and the  
37 Superintendent, shall annually review the amount of state funding  
38 necessary to provide the reimbursements specified in Section 8152,  
39 and shall include an estimate of required funds in its budget for  
40 each fiscal year.

1 (b) If the amounts appropriated in any fiscal year are insufficient  
2 to provide full reimbursement, the hourly rate specified ~~in~~ *pursuant*  
3 *to* Section 8152 shall be reduced on a pro rata basis only for  
4 reported hours that are in excess of the number of hours allocated  
5 at the beginning of the fiscal year so that the entire appropriation  
6 is allocated.

7 (c) If the amount appropriated is in excess of the amounts needed  
8 for full reimbursement pursuant to subdivision (h) of Section 8152,  
9 any excess shall be allocated to ~~school and community college~~  
10 ~~districts~~ *local educational agencies* to be used for the purpose of  
11 the state general apportionment.

12 *SEC. 12. Section 8155 of the Education Code is amended to*  
13 *read:*

14 8155. (a) The Chancellor of the California Community  
15 Colleges and the Division of Apprenticeship Standards of the  
16 Department of Industrial Relations, in consultation with the  
17 Superintendent, shall jointly develop a model format for  
18 agreements between apprenticeship programs and local educational  
19 agencies for instruction pursuant to Section 3074 of the Labor  
20 Code.

21 (b) By ~~March 15, 14, 2014~~, the Chancellor of the California  
22 Community Colleges and the Division of Apprenticeship Standards  
23 of the Department of Industrial Relations, with equal participation  
24 by local educational agencies and community college  
25 apprenticeship administrators, shall develop common  
26 administrative practices and treatment of costs and services, as  
27 well as other policies related to apprenticeship programs. Any  
28 policies developed pursuant to the this subdivision shall become  
29 operative upon approval by the California Apprenticeship Council.

30 (c) Apprenticeship programs offered through local educational  
31 agencies may maintain their existing curriculum and instructors  
32 separate from the requirements of the California Community  
33 Colleges. The person providing instruction may be a qualified  
34 journeyperson with experience and knowledge of the trade.

35 *SEC. 13. Section 35736.5 of the Education Code is amended*  
36 *to read:*

37 35736.5. Sections 35735 to 35736, inclusive, shall only apply  
38 to actions to reorganize school districts ~~initiated on or after July~~  
39 ~~1, 2013~~, for which the order to reorganize, pursuant to Section  
40 35765, is appropriately filed after December 1, 2013, pursuant to

1 Section 54902 of the Government Code. Actions to reorganize  
2 school districts ~~initiated before July 1, 2013~~, for which the order  
3 to reorganize is appropriately filed on or before December 1, 2013,  
4 shall be implemented pursuant to Sections 35735 to 35736,  
5 inclusive, as those sections read on January 1, 2013.

6 *SEC. 14. Section 41365 of the Education Code is amended to*  
7 *read:*

8 41365. (a) The Charter School Revolving Loan Fund is hereby  
9 created in the State Treasury. The Charter School Revolving Loan  
10 Fund shall be composed of federal funds obtained by the state for  
11 charter schools and any other funds appropriated or transferred to  
12 the fund through the annual budget process. Funds appropriated  
13 to the Charter School Revolving Loan Fund shall remain available  
14 for purposes of the fund until reappropriated or reverted by the  
15 Legislature through the annual Budget Act or any other act.

16 (b) Commencing with the 2013–14 fiscal year, the  
17 *administration of the* Charter School Revolving Loan Fund shall  
18 ~~be administered by~~ *transferred to* the California School Finance  
19 Authority.

20 (c) Loans may be made from moneys in the Charter School  
21 Revolving Loan Fund to a chartering authority for charter schools  
22 that are not a conversion of an existing school, or directly to a  
23 charter school that qualifies to receive funding pursuant to Chapter  
24 6 (commencing with Section 47630) *of Part 26.8 of Division 4*  
25 that is not a conversion of an existing school, upon application of  
26 a chartering authority or charter school and approval by the  
27 California School Finance Authority. Money loaned to a chartering  
28 authority for a charter school, or to a charter school, pursuant to  
29 this section shall be used only to meet the purposes of the charter  
30 granted pursuant to Section 47605. The loan to a chartering  
31 authority for a charter school, or to a charter school, pursuant to  
32 this subdivision shall not exceed two hundred fifty thousand dollars  
33 (\$250,000) over the lifetime of the charter school. A charter school  
34 may receive money obtained from multiple loans made directly  
35 to the charter school or to the school's chartering authority from  
36 the Charter School Revolving Loan Fund, as long as the total  
37 amount received from the fund over the lifetime of the charter  
38 school does not exceed two hundred fifty thousand dollars  
39 (\$250,000). This subdivision does not apply to a charter school  
40 that obtains renewal of a charter pursuant to Section 47607.

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

4 (1) Soundness of the financial business plans of the applicant  
5 charter school.

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

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

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

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

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

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

18 (f) Commencing with the first fiscal year following the fiscal  
19 year the charter school receives the loan, the Controller shall deduct  
20 from apportionments made to the chartering authority or charter  
21 school, as appropriate, an amount equal to the annual repayment  
22 of the amount loaned to the chartering authority or charter school  
23 for the charter school under this section and pay the same amount  
24 into the Charter School Revolving Loan Fund in the State Treasury.  
25 Repayment of the full amount loaned to the chartering authority  
26 *or charter school* shall be deducted by the Controller in equal  
27 annual amounts over a number of years agreed upon between the  
28 loan recipient and the ~~California School Finance Authority~~, *state*  
29 *agency authorized to administer the Charter School Revolving*  
30 *Loan Fund and the Charter School Security Fund*, not to exceed  
31 five years for any loan.

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

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

38 ~~(h) The California School Finance Authority shall adopt~~  
39 ~~emergency regulations to implement this section and Sections~~  
40 ~~41366.6 and 41367.~~

1     (h) *The California School Finance Authority may adopt any*  
2 *necessary rules and regulations for the implementation of this*  
3 *section and Sections 41366.6 and 41367. Any regulations adopted*  
4 *pursuant to this section may be adopted as emergency regulations*  
5 *in accordance with the Administrative Procedure Act (Chapter*  
6 *3.5 (commencing with Section 11340) of Part 1 of Division 3 of*  
7 *Title 2 of the Government Code). The adoption of these regulations*  
8 *shall be deemed to be an emergency and necessary for the*  
9 *immediate preservation of public peace, health and safety, or*  
10 *general welfare.*

11     SEC. 15. *Section 41367 of the Education Code is amended to*  
12 *read:*

13     41367. (a) *The Charter School Security Fund is hereby created*  
14 *in the State Treasury.*

15     (b) *Moneys in the fund shall be available for deposit into the*  
16 *Charter School Revolving Loan Fund in case of default on any*  
17 *loan made from the Charter School Revolving Loan Fund.*

18     (c) *Commencing with the 2013–14 fiscal year, the*  
19 *administration of the Charter School Security Fund shall be*  
20 *administered by transferred to the California School Finance*  
21 *Authority.*

22     SEC. 16. *Section 42127 of the Education Code is amended to*  
23 *read:*

24     42127. (a) *On or before July 1 of each year, the governing*  
25 *board of each school district shall accomplish the following:*

26     (1) *Hold a public hearing on the budget to be adopted for the*  
27 *subsequent fiscal year. The budget to be adopted shall be prepared*  
28 *in accordance with Section 42126. The agenda for that hearing*  
29 *shall be posted at least 72 hours before the public hearing and shall*  
30 *include the location where the budget will be available for public*  
31 *inspection.*

32     (A) *For the 2011–12 fiscal year, notwithstanding any of the*  
33 *standards and criteria adopted by the state board pursuant to Section*  
34 *33127, each school district budget shall project the same level of*  
35 *revenue per unit of average daily attendance as it received in the*  
36 *2010–11 fiscal year and shall maintain staffing and program levels*  
37 *commensurate with that level.*

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

1 (2) Adopt a budget. Not later than five days after that adoption  
2 or by July 1, whichever occurs first, the governing board of the  
3 school district shall file that budget with the county superintendent  
4 of schools. The budget and supporting data shall be maintained  
5 and made available for public review. If the governing board of  
6 the school district does not want all or a portion of the property  
7 tax requirement levied for the purpose of making payments for the  
8 interest and redemption charges on indebtedness as described in  
9 paragraph (1) or (2) of subdivision (b) of Section 1 of Article  
10 XIII A of the California Constitution, the budget shall include a  
11 statement of the amount or portion for which a levy shall not be  
12 made. For the 2014–15 fiscal year and each fiscal year thereafter,  
13 the governing board of the school district shall not adopt a budget  
14 before the governing board of the school district adopts a local  
15 control and accountability plan, if an existing local control and  
16 accountability plan or annual update to a local control and  
17 accountability plan is not effective for the budget year. The  
18 governing board of a school district shall not adopt a budget that  
19 does not include the expenditures necessary to implement the local  
20 control and accountability plan or the annual update to a local  
21 control and accountability plan that is effective during the  
22 subsequent fiscal year.

23 (b) The county superintendent of schools may accept changes  
24 in any statement included in the budget, pursuant to subdivision  
25 (a), of the amount or portion for which a property tax levy shall  
26 not be made. The county superintendent of schools or the county  
27 auditor shall compute the actual amounts to be levied on the  
28 property tax rolls of the school district for purposes that exceed  
29 apportionments to the school district pursuant to Chapter 6  
30 (commencing with Section 95) of Part 0.5 of Division 1 of the  
31 Revenue and Taxation Code. Each school district shall provide all  
32 data needed by the county superintendent of schools or the county  
33 auditor to compute the amounts. On or before August 15, the  
34 county superintendent of schools shall transmit the amounts  
35 computed to the county auditor who shall compute the tax rates  
36 necessary to produce the amounts. On or before September 1, the  
37 county auditor shall submit the rate computed to the board of  
38 supervisors for adoption.

39 (c) The county superintendent of schools shall do all of the  
40 following:

1 (1) Examine the adopted budget to determine whether it  
2 complies with the standards and criteria adopted by the state board  
3 pursuant to Section 33127 for application to final local educational  
4 agency budgets. The county superintendent of schools shall  
5 identify, if necessary, technical corrections that are required to be  
6 made to bring the budget into compliance with those standards  
7 and criteria.

8 (2) Determine whether the adopted budget will allow the school  
9 district to meet its financial obligations during the fiscal year and  
10 is consistent with a financial plan that will enable the school district  
11 to satisfy its multiyear financial commitments. In addition to his  
12 or her own analysis of the budget of each school district, the county  
13 superintendent of schools shall review and consider studies, reports,  
14 evaluations, or audits of the school district that were commissioned  
15 by the school district, the county superintendent of schools, the  
16 Superintendent, and state control agencies and that contain  
17 evidence that the school district is showing fiscal distress under  
18 the standards and criteria adopted in Section 33127 or that contain  
19 a finding by an external reviewer that more than three of the 15  
20 most common predictors of a school district needing intervention,  
21 as determined by the County Office Fiscal Crisis and Management  
22 Assistance Team, are present. The county superintendent of schools  
23 shall either conditionally approve or disapprove a budget that does  
24 not provide adequate assurance that the school district will meet  
25 its current and future obligations and resolve any problems  
26 identified in studies, reports, evaluations, or audits described in  
27 this paragraph.

28 (3) Determine whether the adopted budget includes the  
29 expenditures necessary to implement the local control and  
30 accountability plan or annual update to the local control and  
31 accountability plan approved by the county superintendent of  
32 schools.

33 (d) (1) On or before August 15, the county superintendent of  
34 schools shall approve, conditionally approve, or disapprove the  
35 adopted budget for each school district. For the 2014–15 fiscal  
36 year and each fiscal year thereafter, the county superintendent of  
37 schools shall disapprove a budget if the county superintendent of  
38 schools determines that the budget does not include the  
39 expenditures necessary to implement a local control and  
40 accountability plan or an annual update to the local control and

1 accountability plan approved by the county superintendent of  
2 schools. If a school district does not submit a budget to the county  
3 superintendent of schools, the county superintendent of schools  
4 shall develop, at school district expense, a budget for that school  
5 district by September 15 and transmit that budget to the governing  
6 board of the school district. The budget prepared by the county  
7 superintendent of schools shall be deemed adopted, unless the  
8 county superintendent of schools approves any modifications made  
9 by the governing board of the school district. The approved budget  
10 shall be used as a guide for the school district's priorities. The  
11 Superintendent shall review and certify the budget approved by  
12 the county. If, pursuant to the review conducted pursuant to  
13 subdivision (c), the county superintendent of schools determines  
14 that the adopted budget for a school district does not satisfy  
15 paragraph ~~(1) or (2)~~ (1), (2), or (3) of that subdivision, he or she  
16 shall conditionally approve or disapprove the budget and, not later  
17 than August 15, transmit to the governing board of the school  
18 district, in writing, his or her recommendations regarding revision  
19 of the budget and the reasons for those recommendations,  
20 including, but not limited to, the amounts of any budget  
21 adjustments needed before he or she can approve that budget. The  
22 county superintendent of schools may assign a fiscal adviser to  
23 assist the school district to develop a budget in compliance with  
24 those revisions. In addition, the county superintendent of schools  
25 may appoint a committee to examine and comment on the  
26 superintendent's review and recommendations, subject to the  
27 requirement that the committee report its findings to the county  
28 superintendent of schools no later than August 20. For the 2011–12  
29 fiscal year, notwithstanding any of the standards and criteria  
30 adopted by the state board pursuant to Section 33127, the county  
31 superintendent of schools, as a condition on approval of a school  
32 district budget, shall not require a school district to project a lower  
33 level of revenue per unit of average daily attendance than it  
34 received in the 2010–11 fiscal year nor require the school district  
35 to demonstrate that it is able to meet its financial obligations for  
36 the two subsequent fiscal years.

37 (2) *Notwithstanding any other provision of this article, for the*  
38 *2014–15 fiscal year and each fiscal year thereafter, the budget*  
39 *shall not be adopted or approved by the county superintendent of*  
40 *schools before a local control and accountability plan or update*

1 *to an existing local control and accountability plan for the budget*  
2 *year is approved.*

3 (e) On or before September 8, the governing board of the school  
4 district shall revise the adopted budget to reflect changes in  
5 projected income or expenditures subsequent to July 1, and to  
6 include any response to the recommendations of the county  
7 superintendent of schools, shall adopt the revised budget, and shall  
8 file the revised budget with the county superintendent of schools.  
9 Before revising the budget, the governing board of the school  
10 district shall hold a public hearing regarding the proposed revisions,  
11 to be conducted in accordance with Section 42103. In addition, if  
12 the adopted budget is disapproved pursuant to subdivision (d), the  
13 governing board of the school district and the county  
14 superintendent of schools shall review the disapproval and the  
15 recommendations of the county superintendent of schools regarding  
16 revision of the budget at the public hearing. The revised budget  
17 and supporting data shall be maintained and made available for  
18 public review.

19 (1) For the 2011–12 fiscal year, notwithstanding any of the  
20 standards and criteria adopted by the state board pursuant to Section  
21 33127, each school district budget shall project the same level of  
22 revenue per unit of average daily attendance as it received in the  
23 2010–11 fiscal year and shall maintain staffing and program levels  
24 commensurate with that level.

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

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

31 (g) (1) The county superintendent of schools shall examine  
32 the revised budget to determine whether it (1) complies with the  
33 standards and criteria adopted by the state board pursuant to Section  
34 33127 for application to final local educational agency budgets,  
35 (2) allows the school district to meet its financial obligations during  
36 the fiscal year, (3) satisfies all conditions established by the county  
37 superintendent of schools in the case of a conditionally approved  
38 budget, and (4) is consistent with a financial plan that will enable  
39 the school district to satisfy its multiyear financial commitments,  
40 and, not later than October 8, shall approve or disapprove the

1 revised budget. If the county superintendent of schools disapproves  
2 the budget, he or she shall call for the formation of a budget review  
3 committee pursuant to Section 42127.1, unless the governing board  
4 of the school district and the county superintendent of schools  
5 agree to waive the requirement that a budget review committee be  
6 formed and the department approves the waiver after determining  
7 that a budget review committee is not necessary. Upon the grant  
8 of a waiver, the county superintendent of schools immediately has  
9 the authority and responsibility provided in Section 42127.3. Upon  
10 approving a waiver of the budget review committee, the department  
11 shall ensure that a balanced budget is adopted for the school district  
12 by November 30. If no budget is adopted by November 30, the  
13 Superintendent may adopt a budget for the school district. The  
14 Superintendent shall report to the Legislature and the Director of  
15 Finance by December 10 if any school district, including a school  
16 district that has received a waiver of the budget review committee  
17 process, does not have an adopted budget by November 30. This  
18 report shall include the reasons why a budget has not been adopted  
19 by the deadline, the steps being taken to finalize budget adoption,  
20 the date the adopted budget is anticipated, and whether the  
21 Superintendent has or will exercise his or her authority to adopt a  
22 budget for the school district. For the 2011–12 fiscal year,  
23 notwithstanding any of the standards and criteria adopted by the  
24 state board pursuant to Section 33127, the county superintendent  
25 of schools, as a condition on approval of a school district budget,  
26 shall not require a school district to project a lower level of revenue  
27 per unit of average daily attendance than it received in the 2010–11  
28 fiscal year nor require the school district to demonstrate that it is  
29 able to meet its financial obligations for the two subsequent fiscal  
30 years.

31 *(2) Notwithstanding any other law, for the 2014–15 fiscal year*  
32 *and each fiscal year thereafter, if the county superintendent of*  
33 *schools disapproves the budget for the sole reason that the county*  
34 *superintendent of schools has not approved a local control and*  
35 *accountability plan or an annual update to the local control and*  
36 *accountability plan filed by the school district pursuant to Section*  
37 *52061, the county superintendent of schools shall not call for the*  
38 *formation of a budget review committee pursuant to Section*  
39 *42127.1.*

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

7 (i) Notwithstanding any other provision of this section, the  
8 budget review for a school district shall be governed by paragraphs  
9 (1), (2), and (3), rather than by subdivisions (e) and (g), if the  
10 governing board of the school district so elects and notifies the  
11 county superintendent of schools in writing of that decision, not  
12 later than October 31 of the immediately preceding calendar year.  
13 On or before July 1, the governing board of a school district for  
14 which the budget review is governed by this subdivision, rather  
15 than by subdivisions (e) and (g), shall conduct a public hearing  
16 regarding its proposed budget in accordance with Section 42103.

17 (1) If the adopted budget of a school district is disapproved  
18 pursuant to subdivision (d), on or before September 8, the  
19 governing board of the school district, in conjunction with the  
20 county superintendent of schools, shall review the superintendent's  
21 recommendations at a regular meeting of the governing board of  
22 the school district and respond to those recommendations. The  
23 response shall include any revisions to the adopted budget and  
24 other proposed actions to be taken, if any, as a result of those  
25 recommendations.

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

29 (3) Not later than October 8, after receiving the response  
30 required under paragraph (1), the county superintendent of schools  
31 shall review that response and either approve or disapprove the  
32 budget. ~~If~~ *Except as provided in paragraph (2) of subdivision (g)*,  
33 *if* the county superintendent of schools disapproves the budget, he  
34 or she shall call for the formation of a budget review committee  
35 pursuant to Section 42127.1, unless the governing board of the  
36 school district and the county superintendent of schools agree to  
37 waive the requirement that a budget review committee be formed  
38 and the department approves the waiver after determining that a  
39 budget review committee is not necessary. Upon the grant of a  
40 waiver, the county superintendent has the authority and

1 responsibility provided to a budget review committee in Section  
2 42127.3. Upon approving a waiver of the budget review committee,  
3 the department shall ensure that a balanced budget is adopted for  
4 the school district by November 30. The Superintendent shall  
5 report to the Legislature and the Director of Finance by December  
6 10 if any school district, including a school district that has received  
7 a waiver of the budget review committee process, does not have  
8 an adopted budget by November 30. This report shall include the  
9 reasons why a budget has not been adopted by the deadline, the  
10 steps being taken to finalize budget adoption, and the date the  
11 adopted budget is anticipated. For the 2011–12 fiscal year,  
12 notwithstanding any of the standards and criteria adopted by the  
13 state board pursuant to Section 33127, the county superintendent  
14 of schools, as a condition on approval of a school district budget,  
15 shall not require a school district to project a lower level of revenue  
16 per unit of average daily attendance than it received in the 2010–11  
17 fiscal year nor require the school district to demonstrate that it is  
18 able to meet its financial obligations for the two subsequent fiscal  
19 years.

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

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

29 *SEC. 17. Section 42238.01 of the Education Code is amended*  
30 *to read:*

31 42238.01. For purposes of Section 42238.02, the following  
32 definitions shall apply:

33 (a) “Eligible for free or reduced-price-meal” *meals*” means  
34 determined to meet federal *income* eligibility criteria *or deemed*  
35 *to be categorically eligible* for free or reduced-price meals—as  
36 ~~specified in Section 49531, as that section read on January 1, 2013,~~  
37 ~~except in regard to meals in family day care homes.~~ *under the*  
38 *National School Lunch Program, as described in Part 245 of Title*  
39 *7 of the Code of Federal Regulations.*

1 (b) “Foster youth” means a foster child, as described in  
2 subdivision (a) of Section 48853.5, or a nonminor under the  
3 transition jurisdiction of the juvenile court, as described in Section  
4 450 of the Welfare and Institutions Code, who satisfies all of the  
5 following criteria:

6 (1) He or she has attained 18 years of age while under an order  
7 of foster care placement by the juvenile court, and is not more than  
8 19 years of age on or after January 1, 2012, not more than 20 years  
9 of age on or after January 1, 2013, and not more than 21 years of  
10 age, on or after January 1, 2014, and as described in Section  
11 10103.5 of the Welfare and Institutions Code.

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

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

23 (c) “Pupils of limited English proficiency” means pupils who  
24 do not have the clearly developed English language skills of  
25 comprehension, speaking, reading, and writing necessary to receive  
26 instruction only in English at a level substantially equivalent to  
27 pupils of the same age or grade whose primary language is English.  
28 “English learner” shall have the same meaning as is provided for  
29 in subdivision (a) of Section 306 and as “pupils of limited English  
30 proficiency.”

31 *SEC. 18. Section 42238.02 of the Education Code is amended*  
32 *to read:*

33 42238.02. (a) The amount computed pursuant to this section  
34 shall be known as the school district and charter school local  
35 control funding formula.

36 (b) (1) For purposes of this section “unduplicated pupil” means  
37 a pupil enrolled in a school district or a charter school who is either  
38 classified as an English learner, ~~eligible to receive~~ *for* a free or  
39 reduced-price meal, or is a foster youth. A pupil shall be counted  
40 only once for purposes of this section if any of the following apply:

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

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

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

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

9 (2) ~~Commencing~~ *Under procedures and timeframes established*  
10 *by the Superintendent, commencing with the 2013–14 fiscal year,*  
11 a school district or charter school shall annually ~~report~~ *submit* its  
12 enrolled free and reduced-price meal eligibility, foster youth, and  
13 English learner pupil-level records *for enrolled pupils* to the  
14 Superintendent using the California Longitudinal Pupil  
15 Achievement Data System.

16 (3) (A) Commencing with the 2013–14 fiscal year, a county  
17 office of education shall review and validate ~~reported~~ *certified*  
18 *aggregate* English learner, foster youth, and free or reduced-price  
19 meal eligible pupil data for school districts and charter schools  
20 under its jurisdiction to ensure the data is reported accurately. The  
21 Superintendent shall provide each county office of education with  
22 appropriate access to school district and charter school data reports  
23 in the California Longitudinal Pupil Achievement Data System  
24 for purposes of ensuring data reporting accuracy.

25 (B) The Controller shall include the instructions necessary to  
26 enforce paragraph (2) in the audit guide required by Section  
27 14502.1. The instructions shall include, but are not necessarily  
28 limited to, procedures for determining if the English learner, foster  
29 youth, and free or reduced-price meal eligible pupil counts are  
30 consistent with the school district’s or charter school’s English  
31 learner, foster youth, and free or reduced-price meal eligible pupil  
32 records.

33 (4) The Superintendent shall make the calculations pursuant to  
34 this section using the data submitted by local educational agencies,  
35 including charter schools, through the California Longitudinal  
36 Pupil Achievement Data System. ~~The Superintendent shall~~  
37 ~~authorize~~ *Under timeframes and procedures established by the*  
38 *Superintendent, school districts and charter schools to may* review  
39 and ~~revise, as necessary,~~ *revise* their submitted data on English  
40 learner, foster youth, and free or reduced-price meal eligible pupil

1 counts to ensure the accuracy of data reflected in the California  
2 Longitudinal Pupil Achievement Data System.

3 (5) The Superintendent shall annually compute the percentage  
4 of unduplicated pupils for each school district and charter school  
5 by dividing the enrollment of unduplicated pupils in a school  
6 district or charter school by the total enrollment in that school  
7 district or charter school pursuant to all of the following:

8 (A) For the 2013–14 fiscal year, divide the sum of unduplicated  
9 pupils for the 2013–14 fiscal year by the sum of the total pupil  
10 enrollment for the 2013–14 fiscal year.

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

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

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

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

24 (1) For the 2013–14 fiscal year, a base grant of:

25 (A) Six thousand eight hundred forty-five dollars (\$6,845) for  
26 average daily attendance in kindergarten and grades 1 to 3,  
27 inclusive.

28 (B) Six thousand nine hundred forty-seven dollars (\$6,947) for  
29 average daily attendance in grades 4 to 6, inclusive.

30 (C) Seven thousand one hundred fifty-four dollars (\$7,154) for  
31 average daily attendance in grades 7 and 8.

32 (D) Eight thousand two hundred eighty-nine dollars (\$8,289)  
33 for average daily attendance in grades 9 to 12, inclusive.

34 (2) In each year the grade span adjusted base grants in paragraph  
35 (1) shall be adjusted by the percentage change in the annual average  
36 value of the Implicit Price Deflator for State and Local Government  
37 Purchases of Goods and Services for the United States, as published  
38 by the United States Department of Commerce for the 12-month  
39 period ending in the third quarter of the prior fiscal year. This  
40 percentage change shall be determined using the latest data

1 available as of May 10 of the preceding fiscal year compared with  
2 the annual average value of the same deflator for the 12-month  
3 period ending in the third quarter of the second preceding fiscal  
4 year, using the latest data available as of May 10 of the preceding  
5 fiscal year, as reported by the Department of Finance.

6 (3) (A) The Superintendent shall compute an additional  
7 adjustment to the kindergarten and grades 1 to 3, inclusive, base  
8 grant as adjusted for inflation pursuant to paragraph (2) equal to  
9 10.4 percent. The additional grant shall be calculated by  
10 multiplying the kindergarten and grades 1 to 3, inclusive, base  
11 ~~grant~~ *grant*, as adjusted by paragraph ~~(2)~~ (2), by 10.4 percent.

12 (B) Until paragraph (4) of subdivision (b) of Section 42238.03  
13 is effective, as a condition of the receipt of funds in this paragraph,  
14 a school district shall make progress toward maintaining an average  
15 class enrollment of not more than 24 pupils for each schoolsite in  
16 kindergarten and grades 1 to 3, inclusive, unless a collectively  
17 bargained alternative annual average class enrollment for each  
18 schoolsite in those grades is agreed to by the school district,  
19 pursuant to the following calculation:

20 (i) Determine a school district's average class enrollment for  
21 each schoolsite for kindergarten and grades 1 to 3, inclusive, in  
22 the prior year. For the 2013–14 fiscal year, this amount shall be  
23 the average class enrollment for each schoolsite for kindergarten  
24 and grades 1 to 3, inclusive, in the 2012–13 fiscal year.

25 (ii) Determine a school district's ~~percentage~~ *proportion* of total  
26 need pursuant to paragraph (2) of subdivision (b) of Section  
27 42238.03.

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

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

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

38 (C) School districts that have an average class enrollment for  
39 each schoolsite for kindergarten and grades 1 to 3, inclusive, of  
40 24 pupils or less for each schoolsite in the 2012–13 fiscal year,

1 shall be exempt from the requirements of subparagraph (B) so long  
2 as the school district continues to maintain an average class  
3 enrollment for each schoolsite for kindergarten and grades 1 to 3,  
4 inclusive, of not more than 24 pupils, unless a collectively  
5 bargained alternative ratio is agreed to by the school district.

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

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

17 (F) The Controller shall include the instructions necessary to  
18 enforce this paragraph in the audit guide required by Section  
19 14502.1. The instructions shall include, but are not necessarily  
20 limited to, procedures for determining if the average class  
21 enrollment for each schoolsite for kindergarten and grades 1 to 3,  
22 inclusive, exceeds 24 *pupils*, or an alternative average class  
23 enrollment for each schoolsite pursuant to a collectively bargained  
24 alternative ratio. The procedures for determining average class  
25 enrollment for each schoolsite shall include criteria for employing  
26 sampling.

27 (4) The Superintendent shall compute an additional adjustment  
28 to the base grant for grades 9 to 12, inclusive, as adjusted for  
29 inflation pursuant to paragraph (2), equal to 2.6 percent. The  
30 additional grant shall be calculated by multiplying the base grant  
31 for grades 9 to 12, inclusive, as adjusted by paragraph (2), by 2.6  
32 percent.

33 (e) The Superintendent shall compute a supplemental grant  
34 add-on equal to 20 percent of the base grants as specified in  
35 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision  
36 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision  
37 (d), for each school district's or charter school's percentage of  
38 unduplicated pupils calculated pursuant to paragraph (5) of  
39 subdivision (b). The supplemental grant shall be calculated by  
40 multiplying the base grants as specified in subparagraphs (A) to

1 (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to  
2 (4), inclusive, of subdivision (d), by 20 percent and by the  
3 percentage of unduplicated pupils calculated pursuant to paragraph  
4 (5) of subdivision (b) in that school district or charter school. The  
5 supplemental grant shall be expended in accordance with the  
6 regulations adopted pursuant to Section 42238.07.

7 (f) (1) The Superintendent shall compute a concentration grant  
8 add-on equal to 50 percent of the base grants as specified in  
9 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision  
10 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision  
11 (d), for each school district's or charter school's percentage of  
12 unduplicated pupils calculated pursuant to paragraph (5) of  
13 subdivision (b) in excess of 55 percent of the school district's or  
14 charter school's total enrollment. The concentration grant shall be  
15 calculated by multiplying the base ~~grant~~ grants as specified in  
16 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision  
17 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision  
18 (d), by 50 percent and by the percentage of unduplicated pupils  
19 calculated pursuant to paragraph (5) of subdivision (b) in excess  
20 of 55 percent of the total enrollment in that school district or charter  
21 school. ~~For~~

22 (2) For a charter school physically located in only one school  
23 district, the percentage of unduplicated pupils calculated pursuant  
24 to paragraph (5) of subdivision (b) in excess of 55 percent used to  
25 calculate concentration grants shall not exceed the percentage of  
26 unduplicated pupils calculated pursuant to paragraph (5) of  
27 subdivision (b) in excess of 55 percent of the school district in  
28 which the charter school is physically located. For a charter school  
29 physically located in more than one school district *because of*  
30 *overlapping school district boundaries*, the charter school's  
31 percentage of unduplicated pupils calculated pursuant to paragraph  
32 (5) of subdivision (b) in excess of 55 percent used to calculate  
33 concentration grants shall not exceed that of the school district  
34 with the highest percentage of unduplicated pupils calculated  
35 pursuant to paragraph (5) of subdivision (b) in excess of 55 percent  
36 of the school districts in which the charter school has a school  
37 facility. ~~The concentration grant shall be expended in accordance~~  
38 ~~with the regulations adopted pursuant to Section 42238.07. For a~~  
39 *charter school physically located in more than one school district*  
40 *because it provides classroom-based instruction in more than one*

1 *physical location, the percentage of unduplicated pupils of that*  
2 *charter school shall not exceed the percentage of unduplicated*  
3 *pupils of the school district in which the highest proportion of the*  
4 *charter school's average daily attendance is generated through*  
5 *classroom-based instruction, as defined in paragraph (1) of*  
6 *subdivision (e) of Section 47612.5. If a charter school provides*  
7 *nonclassroom-based instruction, as defined in paragraph (2) of*  
8 *subdivision (e) of Section 47612.5, the percentage of unduplicated*  
9 *pupils of that charter school shall not exceed the percentage of*  
10 *unduplicated pupils of the charter school's chartering authority,*  
11 *or, for a charter school approved pursuant to paragraph (1) or*  
12 *(2) of subdivision (i) of Section 47632, the charter school's*  
13 *sponsoring school district.*

14 (3) (A) *Notwithstanding paragraph (2), for a charter school*  
15 *authorized by a county board of education pursuant to Section*  
16 *47605.5 or 47605.6, for purposes of calculating the concentration*  
17 *grant for the charter school, the percentage of unduplicated pupils*  
18 *shall not exceed the average percentage of unduplicated pupils*  
19 *within the boundaries of the county.*

20 (B) *Notwithstanding paragraph (2), for a charter school*  
21 *authorized by the state board pursuant to Section 47605.8, for*  
22 *purposes of calculating the concentration grant for the charter*  
23 *school, the percentage of unduplicated pupils shall not exceed the*  
24 *statewide average percentage of unduplicated pupils.*

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

28 (g) *The Superintendent shall compute an add-on to the total*  
29 *sum of a school district's or charter school's base, supplemental,*  
30 *and concentration grants equal to the amount of funding a school*  
31 *district or charter school received from funds allocated pursuant*  
32 *to the Targeted Instructional Improvement Block Grant program,*  
33 *as set forth in Article 6 (commencing with Section 41540) of*  
34 *Chapter 3.2, for the 2012–13 fiscal year, as that article read on*  
35 *January 1, 2013. A school district or charter school shall not receive*  
36 *a total funding amount from this add-on greater than the total*  
37 *amount of funding received by the school district or charter school*  
38 *from that program in the 2012–13 fiscal year. The amount*  
39 *computed pursuant to this subdivision shall reflect the reduction*  
40 *specified in paragraph (2) of subdivision (a) of Section 42238.03.*

1 (h) The Superintendent shall compute an add-on to the total  
2 sum of a school district's or charter school's base, supplemental,  
3 and concentration grants equal to the amount of funding a school  
4 district or charter school received from funds allocated pursuant  
5 to the Home-to-School Transportation program, as set forth in  
6 former Article 2 (commencing with Section 39820) of Chapter 1  
7 of Part 23.5, former Article 10 (commencing with Section 41850)  
8 of Chapter 5, and the Small School District Transportation  
9 program, as set forth in former Article 4.5 (commencing with  
10 Section 42290), for the 2012–13 fiscal year. A school district or  
11 charter school shall not receive a total funding amount from this  
12 add-on greater than the total amount received by the school district  
13 or charter school for ~~that program~~ *those programs* in the 2012–13  
14 fiscal year. The amount computed pursuant to this subdivision  
15 shall reflect the reduction specified in paragraph (2) of subdivision  
16 (a) of Section 42238.03.

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

20 (A) For school districts, the average daily attendance of the  
21 school district in the corresponding grade level ranges computed  
22 pursuant to Section 42238.05, *excluding the average daily*  
23 *attendance computed pursuant to paragraph (2) of subdivision (a)*  
24 *of Section 42238.05 for purposes of the computation specified in*  
25 *subdivision (d).*

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

28 (2) ~~(A)~~—The amount computed pursuant to Article 4  
29 (commencing with Section 42280) shall be added to the amount  
30 computed pursuant to paragraphs (1) to (4), inclusive, of  
31 subdivision (d), as multiplied by subparagraph (A) or (B) of  
32 paragraph (1), as appropriate.

33 ~~(B) The amount added pursuant to this paragraph shall not~~  
34 ~~change the calculation of a school district's or charter school's~~  
35 ~~supplemental grant or concentration grant.~~

36 (j) The Superintendent shall adjust the sum of each school  
37 district's or charter school's amount determined in subdivisions  
38 (g) to (i), inclusive, pursuant to the calculation specified in Section  
39 42238.03, less the sum of the following:

- 1 (1) (A) For school districts, the property tax revenue received
- 2 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter
- 3 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
- 4 Revenue and Taxation Code.
- 5 (B) For charter schools, the in-lieu property tax amount provided
- 6 to a charter school pursuant to Section 47635.
- 7 (2) The amount, if any, received pursuant to Part 18.5
- 8 (commencing with Section 38101) of Division 2 of the Revenue
- 9 and Taxation Code.
- 10 (3) The amount, if any, received pursuant to Chapter 3
- 11 (commencing with Section 16140) of Part 1 of Division 4 of Title
- 12 2 of the Government Code.
- 13 (4) Prior years' taxes and taxes on the unsecured roll.
- 14 (5) Fifty percent of the amount received pursuant to Section
- 15 41603.
- 16 (6) The amount, if any, received pursuant to the Community
- 17 Redevelopment Law (Part 1 (commencing with Section 33000)
- 18 of Division 24 of the Health and Safety Code), less any amount
- 19 received pursuant to Section 33401 or 33676 of the Health and
- 20 Safety Code that is used for land acquisition, facility construction,
- 21 reconstruction, or remodeling, or deferred maintenance and that
- 22 is not an amount received pursuant to Section 33492.15, or
- 23 paragraph (4) of subdivision (a) of Section 33607.5, or Section
- 24 33607.7 of the Health and Safety Code that is allocated exclusively
- 25 for educational facilities.
- 26 (7) The amount, if any, received pursuant to Sections ~~34183~~
- 27 *34177, 34179.5, 34179.6, 34183,* and 34188 of the Health and
- 28 Safety Code.
- 29 (8) Revenue received pursuant to subparagraph (B) of paragraph
- 30 (3) of subdivision (e) of Section 36 of Article XIII of the California
- 31 Constitution.
- 32 (k) A school district shall annually transfer to each of its charter
- 33 schools funding in lieu of property taxes pursuant to Section 47635.
- 34 (l) (1) Nothing in this section shall be interpreted to authorize
- 35 a school district that receives funding on behalf of a charter school
- 36 pursuant to Section 47651 to redirect this funding for another
- 37 purpose unless otherwise authorized in law pursuant to paragraph
- 38 (2) or pursuant to an agreement between ~~a~~ *the* charter school and
- 39 its chartering authority.

1 (2) A school district that ~~receives~~ *received* funding on behalf  
2 of a locally funded charter school *in the 2012–13 fiscal year*  
3 pursuant to paragraph (2) of subdivision (b) of Section 42605,  
4 Section 42606, and subdivision (b) of Section ~~47634~~ *in the*  
5 ~~2012–13 fiscal year~~ *47634.1, as those sections read on January*  
6 *1, 2013, or a school district that was required to pass through*  
7 *funding to a conversion charter school in the 2012–13 fiscal year*  
8 *pursuant to paragraph (2) of subdivision (b) of Section 42606, as*  
9 *that section read on January 1, 2013, may annually redirect for*  
10 another purpose a percentage of the amount of the funding received  
11 on behalf of that charter school. The percentage of funding that  
12 may be redirected shall be determined pursuant to the following  
13 computation:

14 (A) (i) Determine the sum of the need fulfilled for that charter  
15 school pursuant to paragraph (3) of subdivision (b) of Section  
16 42238.03 in the then current fiscal year for the charter school.

17 (ii) Determine the sum of the need fulfilled in every fiscal year  
18 before the then current fiscal year pursuant to paragraph (3) of  
19 subdivision (b) of Section 42238.03 adjusted for changes in average  
20 daily attendance pursuant to paragraph (3) of subdivision (a) of  
21 Section 42238.03 for the charter school.

22 (iii) Subtract the amount computed pursuant to paragraphs (1)  
23 to (3), inclusive, of subdivision (a) of Section 42238.03 from the  
24 amount computed for that charter school under the local control  
25 funding formula entitlement computed pursuant to subdivision (i)  
26 of Section 42238.02.

27 (iv) Compute a percentage by dividing the sum of the amounts  
28 computed to clauses (i) and (ii) by the amount computed pursuant  
29 to clause (iii).

30 (B) Multiply the percentage computed pursuant to subparagraph  
31 (A) by the amount of funding the school district received on behalf  
32 of the charter school *in the 2012–13 fiscal year* pursuant to  
33 paragraph (2) of subdivision (b) of Section 42605, Section 42606,  
34 and subdivision (b) of Section ~~47634~~ *for the 2012–13 fiscal year:*  
35 *47634.1, as those sections read on January 1, 2013.*

36 (C) The maximum amount that may be redirected shall be the  
37 lesser of the amount of funding the school district received on  
38 behalf of the charter school *in the 2012–13 fiscal year* pursuant to  
39 paragraph (2) of subdivision (b) of Section 42605, Section 42606,  
40 and subdivision (b) of Section ~~47634~~ *for the 2012–13 fiscal year*

1 47634.1, as those sections read on January 1, 2013, or the amount  
2 computed pursuant to subparagraph (B).

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

8 (m) Any calculations in law that are used for purposes of  
9 determining if a local educational agency is an excess tax school  
10 entity or basic aid school district, including, but not limited to, this  
11 section and Sections 42238.03, 41544, ~~47660~~, 47632, 47660,  
12 47663, 48310, and 48359.5, and Section 95 of the Revenue and  
13 Taxation Code, shall be made exclusive of the revenue received  
14 pursuant to subparagraph (B) of paragraph (3) of subdivision (e)  
15 of Section 36 of Article XIII of the California Constitution.

16 (n) *The funds apportioned pursuant to this section and Section*  
17 *42238.03 shall be available to implement the activities required*  
18 *pursuant to Article 4.5 (commencing with Section 52060) of*  
19 *Chapter 6.1 of Part 28 of Division 4 of Title 2.*

20 ~~(n)~~

21 (o) A school district that does not receive an apportionment of  
22 state funds pursuant to this section, as implemented pursuant to  
23 Section 42238.03, excluding funds apportioned pursuant to the  
24 requirements of subdivision ~~(d)~~ (e) of Section 42238.03 shall be  
25 considered a “basic aid school district” or an “excess tax entity.”

26 ~~(o) The funds apportioned pursuant to this section and Section~~  
27 ~~42238.03 shall be available to implement the activities required~~  
28 ~~pursuant to Article 4.5 (commencing with Section 52060) of~~  
29 ~~Chapter 6.1 of Part 28 of Division 4 of Title 2.~~

30 *SEC. 19. Section 42238.025 of the Education Code is amended*  
31 *to read:*

32 42238.025. (a) In the 2013–14 fiscal year, the Superintendent  
33 shall compute an economic recovery target rate for each school  
34 district and charter school equal to the sum of the following:

35 (1) (A) For each school district, the school district’s revenue  
36 limit in the 2012–13 fiscal year as computed pursuant to this article,  
37 as this article read on January 1, 2013, divided by the 2012–13  
38 fiscal year average daily attendance of the school district computed  
39 pursuant to Section 42238.05. *For purposes of this section, average*  
40 *daily attendance shall include any applicable revenue limit average*

1 *daily attendance and shall be considered final for purposes of this*  
2 *section as of the annual apportionment for the 2012–13 fiscal year,*  
3 *as calculated for purposes of the certification required on or before*  
4 *February 20, 2014, pursuant to Sections 41332 and 41339.*

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

19 (C) The amounts determined pursuant to subparagraphs (A) and  
20 (B) ~~of this paragraph~~ shall not reflect the deficit factor adjustments  
21 set forth in Section 42238.146 as that section read on January 1,  
22 2013.

23 (D) The amounts determined pursuant to ~~this subdivision~~  
24 *subparagraphs (A) and (B)* shall be adjusted for the ~~cost of living~~  
25 *cost-of-living adjustment* for the 2013–14 fiscal year pursuant to  
26 paragraph (2) of subdivision (d) of Section 42238.02 and 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.

29 (2) (A) For each school district and charter school, the sum of  
30 the entitlements from items contained in Section 2.00 of the Budget  
31 Act of 2012 for Items 6110-104-0001, 6110-105-0001,  
32 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001,  
33 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001,  
34 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001,  
35 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001,  
36 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001,  
37 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001,  
38 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001,  
39 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001,  
40 6110-267-0001, 6110-268-0001, 6360-101-0001, 2012–13 fiscal

1 year funding for the Class Size Reduction Program pursuant to  
2 Chapter 6.10 (commencing with Section 52120) of Part 28 of  
3 Division 4, as it read on January 1, 2013, and 2012–13 fiscal year  
4 funding for the ~~community day school mandatorily expelled pupils~~  
5 ~~program~~ *pupils enrolled in community day schools who are*  
6 *mandatorily expelled* pursuant to subdivision ~~(e)~~ (d) of Section  
7 48915, divided by the 2012–13 fiscal year average daily attendance  
8 of the school district computed pursuant to Section 42238.05.

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

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

16 (c) The Superintendent shall compute a 2020–21 fiscal year  
17 local control funding formula rate for each school district and  
18 charter school equal to the amount computed pursuant to Section  
19 42238.02 for the 2013–14 fiscal year, adjusted for an annual  
20 average cost-of-living adjustment of 1.94 percent for the 2014–15  
21 fiscal year to the 2020–21 fiscal year, inclusive, divided by the  
22 2012–13 fiscal year average daily attendance of the school district  
23 or charter school computed pursuant to Section 42238.05.

24 (d) (1) For each school district and charter school that has a  
25 funding rate per unit of average daily attendance computed pursuant  
26 to subdivision (a) that is equal to, or below, the funding rate per  
27 unit of average daily attendance determined pursuant to subdivision  
28 (b), the Superintendent shall subtract the amount computed  
29 pursuant to subdivision (c) from the amount computed pursuant  
30 to subdivision (a). Each school district or charter school for which  
31 this calculation yields an amount greater than zero shall be eligible  
32 for an economic recovery target payment equal to the amount of  
33 the difference. A school district or charter school that has a funding  
34 rate per unit of average daily attendance calculated pursuant to  
35 subdivision (a) that exceeds the rate calculated pursuant to  
36 subdivision (b) shall not be eligible for an economic recovery  
37 target payment.

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

1 (A) For the 2013–14 fiscal year, one-eighth of the amount  
2 calculated pursuant to paragraph (1) multiplied by the 2012–13  
3 fiscal year average daily attendance computed pursuant to Section  
4 42238.05.

5 (B) For the 2014–15 fiscal year, two-eighths of the amount  
6 calculated pursuant to paragraph (1) multiplied by the 2012–13  
7 fiscal year average daily attendance computed pursuant to Section  
8 42238.05.

9 (C) For the 2015–16 fiscal year, three-eighths of the amount  
10 calculated pursuant to paragraph (1) multiplied by the 2012–13  
11 fiscal year average daily attendance computed pursuant to Section  
12 42238.05.

13 (D) For the 2016–17 fiscal year, four-eighths of the amount  
14 calculated pursuant to paragraph (1) multiplied by the 2012–13  
15 fiscal year average daily attendance computed pursuant to Section  
16 42238.05.

17 (E) For the 2017–18 fiscal year, five-eighths of the amount  
18 calculated pursuant to paragraph (1) multiplied by the 2012–13  
19 fiscal year average daily attendance computed pursuant to Section  
20 42238.05.

21 (F) For the 2018–19 fiscal year, six-eighths of the amount  
22 calculated pursuant to paragraph (1) multiplied by the 2012–13  
23 fiscal year average daily attendance computed pursuant to Section  
24 42238.05.

25 (G) For the 2019–20 fiscal year, seven-eighths of the amount  
26 calculated pursuant to paragraph (1) multiplied by the 2012–13  
27 fiscal year average daily attendance computed pursuant to Section  
28 42238.05.

29 (H) For the 2020–21 fiscal year and each fiscal year thereafter,  
30 the amount calculated pursuant to paragraph (1) multiplied by the  
31 2012–13 fiscal year average daily attendance computed pursuant  
32 to Section 42238.05.

33 (3) In each fiscal year until a determination has been made that  
34 all school districts and charter schools equal or exceed the local  
35 control funding formula target computed pursuant to Section  
36 42238.02, as determined by the calculation of a zero difference  
37 pursuant to paragraph (1) of subdivision (b) of Section 42238.03,  
38 the economic recovery target payment apportioned to each eligible  
39 school district or charter school pursuant to paragraph (2) shall be  
40 added to the school district’s or charter school’s funding amounts

1 that are continuously appropriated pursuant to subdivision (a) of  
 2 Section 42238.03 and included in the amount of funding that may  
 3 be offset pursuant to subdivision (c) of Section 42238.03. The  
 4 amount apportioned pursuant to paragraph (2) shall not receive a  
 5 cost-of-living adjustment.

6 (4) Commencing with the first fiscal year in which all school  
 7 districts and charter schools are apportioned funding pursuant to  
 8 Section 42238.02, the economic recovery target ~~payment amount~~  
 9 calculated pursuant to paragraph (2) ~~for the applicable fiscal year~~  
 10 shall be included as an add-on to the amounts computed pursuant  
 11 to subdivisions (c) to (i), inclusive, of Section 42238.02 and  
 12 included in the amount of funding that may be offset pursuant to  
 13 subdivision (j) of Section 42238.02. The amount included as an  
 14 add-on pursuant to this paragraph shall not receive a cost-of-living  
 15 adjustment.

16 *SEC. 20. Section 42238.03 of the Education Code is amended*  
 17 *to read:*

18 42238.03. (a) Commencing with the 2013–14 fiscal year and  
 19 each fiscal year thereafter, the Superintendent shall calculate a  
 20 base entitlement for the transition to the local control funding  
 21 formula for each school district and charter school equal to the  
 22 sum of the amounts computed pursuant to paragraphs (1) to (4),  
 23 inclusive. The amounts computed pursuant to paragraphs (1) to  
 24 ~~(6)~~, (4), inclusive, shall be continuously appropriated pursuant to  
 25 Section 14002.

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

28 (A) For school districts, revenue limits in the 2012–13 fiscal  
 29 year as computed pursuant to Article 2 (commencing with Section  
 30 42238), as that article read on January 1, 2013, divided by the  
 31 2012–13 average daily attendance of the school district computed  
 32 pursuant to Section 42238.05. That quotient shall be multiplied  
 33 by the current fiscal year average daily attendance of the school  
 34 district computed pursuant Section 42238.05. *A school district's*  
 35 *2012–13 fiscal year revenue limit funding shall exclude amounts*  
 36 *computed pursuant to Article 4 (commencing with Section 42280).*

37 (B) (i) For charter schools, general purpose funding as  
 38 computed pursuant to Article 2 (commencing with Section 47633)  
 39 of Chapter 6, as that article read on January 1, 2013, and the  
 40 amount of in-lieu property tax provided to the charter school

1 pursuant to Section 47635, as that section read on June 30, 2013,  
2 divided by the 2012–13 average daily attendance of the charter  
3 school computed pursuant to Section 42238.05. That quotient shall  
4 be multiplied by the current fiscal year average daily attendance  
5 of the charter school computed pursuant to Section 42238.05.

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

9 (C) The amount computed pursuant to ~~subparagraphs (A) and~~  
10 ~~(B) subparagraph (A)~~ shall exclude funds received pursuant to  
11 Section 47633, as that section read on January 1, 2013.

12 (D) ~~The amount computed pursuant to subparagraph (A) shall~~  
13 ~~exclude amounts computed pursuant to Article 4 (commencing~~  
14 ~~with Section 42280). Funding For school districts, funding for~~  
15 ~~qualifying necessary small high school and necessary small~~  
16 ~~elementary schools shall be adjusted to reflect the funding levels~~  
17 ~~that correspond to the 2012–13 necessary small high school and~~  
18 ~~necessary small elementary school allowances pursuant Article 4~~  
19 ~~(commencing with Section 42280) and Section 42238.146, as those~~  
20 ~~provisions read on January 1, 2013.~~

21 (2) Entitlements from items contained in Section 2.00, as  
22 adjusted pursuant to Section 12.42, of the Budget Act of 2012 for  
23 Items 6110-104-0001, 6110-105-0001, 6110-108-0001,  
24 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001,  
25 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001,  
26 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001,  
27 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001,  
28 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001,  
29 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,  
30 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,  
31 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001,  
32 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for  
33 the Class Size Reduction Program pursuant to Chapter 6.10  
34 (commencing with Section 52120) of Part 28 of Division 4, as it  
35 read on January 1, 2013, and 2012–13 fiscal year funding for pupils  
36 enrolled in community day schools who are mandatorily expelled  
37 pursuant to subdivision ~~(e)~~ (d) of Section 48915. The entitlement  
38 for basic aid school districts shall include the reduction of 8.92  
39 percent as applied pursuant to subparagraph (A) of paragraph (1)  
40 of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

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

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

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

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

36 (6) (A) (i) For the 2013–14 and 2014–15 fiscal years only, a  
37 school district that, in the 2012–13 fiscal year, from any of the  
38 funding sources identified in paragraph (1) or (2), received funds  
39 on behalf of, or provided funds to, a home-to-school transportation  
40 joint powers agency established in accordance with Article 1

1 (commencing with Section 6500) of Chapter 5 of Division 7 of  
2 Title 1 of the Government Code for purposes of providing pupil  
3 transportation shall not redirect that funding for another purpose  
4 unless otherwise authorized in law or pursuant to an agreement  
5 between the home-to-school transportation joint powers agency  
6 and the contracting school district.

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

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

27 (7) For the 2013–14 and 2014–15 fiscal years only, of the funds  
28 a school district receives for purposes of regional occupational  
29 centers or programs, or adult education, the school district shall  
30 expend no less than the amount of funds the school district  
31 expended for purposes of regional occupational centers or  
32 programs, or adult education, respectively, in the 2012–13 fiscal  
33 year. *For purposes of this paragraph, a school district may include*  
34 *expenditures made by its county office of education within the*  
35 *school district for purposes of regional occupational centers or*  
36 *programs so long as the total amount of expenditures by the school*  
37 *district and the county office of education equal or exceed the total*  
38 *amount required to be expended for purposes of regional*  
39 *occupational centers or programs pursuant to this paragraph and*  
40 *paragraph (3) of subdivision (k) of Section 2575.*

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

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

9 (2) Each school district's and charter school's total ~~need~~ *need*,  
10 as calculated pursuant to paragraph ~~(1)~~ (1), shall be divided by the  
11 sum of all school districts' and charter schools' total need to  
12 determine the school district's or charter school's respective  
13 proportions of total need.

14 (3) Each school district's and charter school's proportion of  
15 total need shall be multiplied by any available appropriations  
16 specifically made for purposes of this subdivision, and added to  
17 the school district's or charter school's funding amounts as  
18 calculated pursuant to subdivision (a).

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

26 (5) Commencing with the first fiscal year after either paragraph  
27 (4) *of this subdivision* or paragraph (2) of subdivision ~~(h)~~ (g)  
28 applies, the adjustments in paragraph (2) of subdivision (d) of  
29 Section 42238.02 shall be made only if an appropriation for those  
30 adjustments is included in the annual Budget Act.

31 (c) The Superintendent shall subtract from the amounts  
32 computed pursuant to subdivisions (a) and (b) the sum of the  
33 following:

34 (1) (A) For school districts, the property tax revenue received  
35 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter  
36 6 (commencing with Section 95) of Part 0.5 of Division 1 of the  
37 Revenue and Taxation Code.

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

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

4 (3) The amount, if any, received pursuant to Chapter 3  
5 (commencing with Section 16140) of Part 1 of Division 4 of Title  
6 2 of the Government Code.

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

8 (5) Fifty percent of the amount received pursuant to Section  
9 41603.

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

20 (7) The amount, if any, received pursuant to Sections ~~34183~~  
21 *34177, 34179.5, 34179.6, 34183, and 34188* of the Health and  
22 Safety Code.

23 (8) Revenue received pursuant to subparagraph (B) of paragraph  
24 (3) of subdivision (e) of Section 36 of Article XIII of the California  
25 Constitution.

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

31 (e) Notwithstanding the computations pursuant to subdivisions  
32 (b) to (d), inclusive, and Section 42238.02, commencing with the  
33 2013–14 fiscal year, a school district or charter school shall receive  
34 state-aid funding of no less than the sum of the amounts computed  
35 pursuant to paragraphs (1) to (3), inclusive.

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

1 by the current fiscal year average daily attendance of the school  
 2 district computed pursuant Section ~~42238.05~~ and then offset for  
 3 local revenues pursuant to subdivision (c) for the current fiscal  
 4 year. ~~42238.05. A school district's 2012–13 revenue limit funding~~  
 5 ~~shall exclude amounts computed pursuant to Article 4 (commencing~~  
 6 ~~with Section 42280).~~

7 (B) (i) For charter schools, general purpose funding in the  
 8 2012–13 fiscal year as computed pursuant to Article 2  
 9 (commencing with Section 47633) of Chapter 6, as that article  
 10 read on January 1, 2013, and the amount of in-lieu property tax  
 11 provided to the charter school in the 2012–13 fiscal year pursuant  
 12 to Section 47635, as that section read on January 1, 2013, divided  
 13 by the 2012–13 average daily attendance of the charter school  
 14 computed pursuant to Section 42238.05. That quotient shall be  
 15 multiplied by the current fiscal year average daily attendance of  
 16 the charter school computed pursuant to Section ~~42238.05~~ and  
 17 then offset for local revenues pursuant to subdivision (c) for the  
 18 current fiscal year. ~~42238.05.~~

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

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

25 (D) ~~The amount computed pursuant to subparagraph (A) shall~~  
 26 ~~exclude amounts computed pursuant to Article 4 (commencing~~  
 27 ~~with Section 42280). Funding For school districts, the 2012–13~~  
 28 ~~funding allowance provided for qualifying necessary small high~~  
 29 ~~school schools and necessary small elementary schools shall be~~  
 30 ~~adjusted pursuant to Article 4 (commencing with Section 42280)~~  
 31 and Section 42238.146, as those provisions read on January 1,  
 32 2013.

33 (E) The amount computed pursuant to subparagraphs (A) to  
 34 ~~(C)~~, (D), inclusive, shall be reduced by the sum of the amount  
 35 computed pursuant to paragraphs (1) to (8), inclusive, of  
 36 subdivision (c).

37 (2) (A) Entitlements from items contained in Section 2.00, as  
 38 adjusted pursuant to Section 12.42, of the Budget Act of 2012 for  
 39 Items 6110-104-0001, 6110-105-0001, 6110-108-0001,  
 40 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001,

1 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001,  
2 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001,  
3 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001,  
4 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001,  
5 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,  
6 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,  
7 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001,  
8 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for  
9 the Class Size Reduction Program pursuant to Chapter 6.10  
10 (commencing with Section 52120) of Part 28 of Division 4, as it  
11 read on January 1, 2013, and 2012–13 fiscal year funding for pupils  
12 enrolled in community day schools who are mandatorily expelled  
13 pursuant to subdivision ~~(e)~~ (d) of Section 48915. Notwithstanding  
14 Section 39 of Chapter 38 of the Statutes of 2012, the entitlement  
15 for basic aid school districts shall include the reduction of 8.92  
16 percent as applied pursuant to subparagraph (A) of paragraph (1)  
17 of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

18 *(B) The Superintendent shall annually apportion any entitlement*  
19 *provided to the state special schools from the items specified in*  
20 *subparagraph (A) to the state special schools in the same amount*  
21 *as the state special schools received from those items in the*  
22 *2012–13 fiscal year.*

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

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

36 (A) (i) The prior year funding amount per unit of average daily  
37 attendance for the school district in which the charter school is  
38 physically located. The Superintendent shall calculate the funding  
39 amount per unit of average daily attendance for this purpose by  
40 dividing the total local control funding formula entitlement,

1 *calculated pursuant to subdivisions (a) and (b), received by that*  
2 *school district in the prior year by prior year funded average daily*  
3 *attendance of that school district. For purposes of this paragraph*  
4 *subparagraph, a charter school that is physically located in more*  
5 *than one school district because of overlapping school district*  
6 *boundaries shall use the calculated local control funding*  
7 *entitlement per unit of average daily attendance of the school*  
8 *district with the highest prior year funding amount per unit of*  
9 *average daily attendance.*

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

26 (B) The charter school's local control funding formula rate  
27 computed pursuant to subdivisions (c) to (i), inclusive, of Section  
28 42238.02.

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

1 (D) (i) For purposes of subparagraph (A), a charter school  
2 authorized pursuant to Section 47605.6 or pursuant to subdivision  
3 (c) of Section 47631, shall use the countywide average calculated  
4 local control funding entitlement per unit of average daily  
5 attendance in lieu of the highest prior year funding amount per  
6 unit of average daily attendance for the school district in which  
7 the charter school is located.

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

14 (2) For charter schools funded pursuant to paragraph (1), the  
15 charter school shall be eligible to receive growth funding pursuant  
16 to subdivision (b) toward meeting the newly operational charter  
17 school's local control funding formula target.

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

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

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

37 *SEC. 21. Section 42238.05 of the Education Code is amended*  
38 *to read:*

39 42238.05. (a) For purposes of Sections 42238.02, 42238.025,  
40 and 42238.03, the fiscal year average daily attendance for a school

1 *district shall be computed pursuant to paragraph (1) or (2).*  
2 *paragraphs (1) to (3), inclusive, as applicable.*

3 (1) The second principal apportionment regular average daily  
4 attendance for either the current or prior fiscal year, whichever is  
5 greater. However, prior fiscal year average daily attendance shall  
6 be adjusted for any loss or gain of average daily attendance due  
7 to a reorganization or transfer of territory. *greater, excluding units*  
8 *of average daily attendance resulting from pupils attending schools*  
9 *funded pursuant to Article 4 (commencing with Section 42280).*

10 (2) A school district that elects to receive funding pursuant to  
11 Article 4 (commencing with Section 42280) shall compute its units  
12 of average daily attendance for purposes of paragraphs (1), (3),  
13 and (4), of subdivision (d) of Section 42238.02 by subtracting the  
14 amount determined in subparagraph (B) from the amount  
15 determined in subparagraph (A).

16 (A) The units of average daily attendance computed pursuant  
17 to paragraph (1):

18 (B)

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

22 (3) *Prior fiscal year average daily attendance shall be adjusted*  
23 *for any loss or gain of average daily attendance due to a*  
24 *reorganization or transfer of territory.*

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

27 (c) For purposes of this section, the Superintendent shall  
28 distribute total ungraded enrollment and average daily attendance  
29 among kindergarten and each of grades 1 to 12, inclusive, in  
30 proportion to the amounts of graded enrollment and average daily  
31 attendance, respectively, in each of these grades.

32 (d) For purposes of this section, the Superintendent shall  
33 distribute average daily attendance generated by the difference  
34 between prior year average daily attendance and current year  
35 average daily attendance, if positive, among kindergarten and each  
36 of grades 1 to 12, inclusive, in proportion to the amounts of graded  
37 average daily attendance, respectively, in each of these grades.

38 (e) This section shall only apply to average daily attendance  
39 generated by school districts and shall not apply to average daily  
40 attendance generated by charter schools.

1 (f) A pupil shall not be counted more than once for purposes of  
2 calculating average daily attendance pursuant to this section.

3 (g) *Notwithstanding subdivisions (a) to (f), inclusive, for*  
4 *purposes of Sections 42238.02, 42238.025, and 42238.03, average*  
5 *daily attendance for a charter school shall be the total current*  
6 *year average daily attendance in the corresponding grade level*  
7 *ranges for the charter school as computed pursuant to Section*  
8 *47634.3. Subdivision (d) shall not apply to the calculation of*  
9 *current year average daily attendance for a charter school.*

10 SEC. 22. Section 42238.20 of the Education Code is repealed.

11 ~~42238.20. (a) Notwithstanding any other law, commencing in~~  
12 ~~the 2008-09 fiscal year, the minimum schoolday for a pupil~~  
13 ~~concurrently enrolled in regular secondary school classes and~~  
14 ~~classes operating pursuant to a joint powers agreement that became~~  
15 ~~effective before January 1, 2008, is 180 minutes. These regular~~  
16 ~~secondary school classes constitute regular school classes for the~~  
17 ~~purposes of Section 46010.3.~~

18 ~~(b) Notwithstanding any other law, for purposes of computing~~  
19 ~~the average daily attendance of a pupil described in subdivision~~  
20 ~~(a), the 180-minute minimum schoolday permitted by this section~~  
21 ~~shall be computed and reported as attendance for three-quarters~~  
22 ~~of the full 240-minute minimum schoolday prescribed by Section~~  
23 ~~46141.~~

24 ~~(c) For a pupil described in subdivision (a), the average daily~~  
25 ~~attendance shall be included as school district average daily~~  
26 ~~attendance computed pursuant to Section 42238.5.~~

27 ~~(d) (1) Commencing with the 2008-09 fiscal year, the~~  
28 ~~Superintendent shall compute funding for each pupil enrolled in~~  
29 ~~classes as described in subdivision (a), for the period of time each~~  
30 ~~day during which the pupil attends classes pursuant to a joint~~  
31 ~~powers agreement, by multiplying the annual clock hours of~~  
32 ~~attendance, up to a maximum of three clock hours per schoolday,~~  
33 ~~by the rate described in subdivision (c) or (f), as applicable.~~

34 ~~(2) The Superintendent shall add the amount computed pursuant~~  
35 ~~to paragraph (1) to the revenue limit calculated pursuant to Section~~  
36 ~~42238 for the school district of attendance of the pupil.~~

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

39 ~~(e) The hourly rate for the 2008-09 fiscal year shall be~~  
40 ~~determined as follows:~~

- 1     ~~(1) Subtract 73.3 percent of the school district revenue limit~~  
2 ~~funding per unit of average daily attendance computed pursuant~~  
3 ~~to Section 42238 for the 2007–08 fiscal year for the school districts~~  
4 ~~that entered into the joint powers agreement from the statewide~~  
5 ~~average revenue limit funding per unit of average daily attendance~~  
6 ~~received by high school districts computed pursuant to paragraph~~  
7 ~~(1) of subdivision (a) of Section 47633 for the 2007–08 fiscal year.~~  
8     ~~(2) Divide the amount computed in paragraph (1) by 540.~~  
9     ~~(3) Multiply the amount in paragraph (2) by the cost of living,~~  
10 ~~deficit factor, and equalization adjustments applied to revenue~~  
11 ~~limits for the 2008–09 fiscal year.~~  
12     ~~(f) Commencing with the 2009–10 fiscal year, the hourly rate~~  
13 ~~for the current fiscal year shall be determined by multiplying the~~  
14 ~~prior year hourly rate by the cost of living, deficit factor, and~~  
15 ~~equalization adjustments applied to the current year revenue limit~~  
16 ~~computed pursuant to Section 42238.~~  
17     ~~(g) For purposes of computing attendance pursuant to Section~~  
18 ~~46300 or any other law, immediate supervision and control of~~  
19 ~~pupils while attending classes pursuant to a joint powers agreement~~  
20 ~~described in subdivision (a) is deemed satisfied regardless of the~~  
21 ~~school district employing the certificated employee providing the~~  
22 ~~supervision and control, provided the school district is a party to~~  
23 ~~the joint powers agreement.~~  
24     ~~(h) The auditor who conducts the annual audit pursuant to~~  
25 ~~Section 41020 shall verify compliance with this section by each~~  
26 ~~school district that is a party to the joint powers agreement as~~  
27 ~~described in subdivision (a). An instance of noncompliance shall~~  
28 ~~be reported as an audit exception. If the noncompliance is a~~  
29 ~~condition of eligibility for the receipt of funds, the audit report~~  
30 ~~shall include a statement of the number of units of average daily~~  
31 ~~attendance or hours, if any, that were inappropriately reported for~~  
32 ~~apportionment.~~  
33     ~~(i) Notwithstanding any other law, the number of hours of~~  
34 ~~instruction at regional occupational centers or programs that are~~  
35 ~~claimed for funding pursuant to subdivision (d) shall be used, in~~  
36 ~~addition to the hourly rate determined pursuant to subdivision (e)~~  
37 ~~or (f), whichever subdivision is applicable, in the computation of~~  
38 ~~the average daily attendance of the regional occupational center~~  
39 ~~or program.~~

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

5 *SEC. 23. Section 42283 of the Education Code is amended to*  
6 *read:*

7 42283. (a) For purposes of Sections 42281 and 42282, a  
8 “necessary small school” is an elementary school with an average  
9 daily attendance of less than 97, exclusive of pupils attending the  
10 seventh and eighth grades of a junior high school, maintained by  
11 a school district to which ~~school~~ any of the following conditions  
12 apply:

13 (1) If as many as five 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 10 miles one  
18 way from a point on a well-traveled road nearest their home to the  
19 nearest other public elementary school.

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

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

1 (b) For purposes of this section, “other public elementary  
2 school” is a public school, including a charter school, that serves  
3 kindergarten or any of grades 1 to 8, inclusive, exclusive of grades  
4 7 and 8 of a junior high school.

5 SEC. 24. Section 42284 of the Education Code is amended to  
6 read:

7 42284. (a) For each district with fewer than 2,501 units of  
8 average daily attendance, on account of each necessary small high  
9 school, the county superintendent of schools shall make one of the  
10 following computations selected with regard only to the number  
11 of certificated employees employed or average daily attendance,  
12 whichever provides the lesser amount:

15	Average daily	Minimum number	Amount to be
16	attendance	of certificated employees	computed
18	1- 19 .....	less than 3	\$42,980
19			per teacher
20	1- 19 .....	3	191,340
21	20- 38 .....	4	234,320
22	39- 57 .....	5	277,300
23	58- 71 .....	6	320,280
24	72- 86 .....	7	363,260
25	87- 100 .....	8	406,240
26	<del>01-114</del> 101-114 .....	9	449,220
27	115-129 .....	10	492,200
28	130-143 .....	11	535,180
29	<del>44-171</del> 144-171 .....	12	578,160
30	172-210 .....	13	621,140
31	211-248 .....	14	664,120
32	249-286 .....	15	707,100

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

1 (c) A school district that qualifies under this section may use  
2 the funding calculation as provided in this section until the local  
3 control funding formula allocation pursuant to Section 42238.02,  
4 as implemented by Section 42238.03, per unit of average daily  
5 attendance multiplied by the average daily attendance produces  
6 state aid equal to the funding provided under this section.

7 *SEC. 25. Section 42285 of the Education Code is amended to*  
8 *read:*

9 42285. (a) For ~~the~~ purposes of Section 42284, a necessary  
10 small high school is a high school with an average daily attendance  
11 of less than 287 that comes within any of the following conditions:

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

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

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

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

34 (C) The high school had an average daily attendance of 144 or  
35 more and less than 192 in grades 9 to 12, inclusive, during the  
36 preceding fiscal year and is more than 7½ miles by well-traveled  
37 road from the nearest other public high school and either 90 percent  
38 of the pupils would be required to travel 15 miles or 25 percent of  
39 the pupils would be required to travel 20 miles one way from a

1 point on a well-traveled road nearest their homes to the nearest  
2 other public high school.

3 (D) The high school had an average daily attendance of 192 or  
4 more and less than 287 in grades 9 to 12, inclusive, during the  
5 preceding fiscal year and is more than five miles by well-traveled  
6 road from the nearest other public high school and either 90 percent  
7 of the pupils would be required to travel 10 miles or 25 percent of  
8 the pupils would be required to travel 15 miles to the nearest other  
9 public high school.

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

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

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

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

27 (d) For purposes of this section, “other public high school” is  
28 a public school, including a charter school, that serves any of  
29 grades 9 to 12, ~~inclusive, or grades 7 and 8 in a junior high school.~~  
30 *inclusive.*

31 *SEC. 26. Section 42285.5 of the Education Code is amended*  
32 *to read:*

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

39 ~~(b) Notwithstanding Sections 42284 and 42285, for purposes~~  
40 ~~of this section, with respect to a school district eligible to utilize~~

1 ~~subdivision (a), any references to grades 9 to 12, inclusive, in~~  
2 ~~Sections 42284 and 42285 shall be deemed instead to be references~~  
3 ~~to grades 7 to 12, inclusive.~~

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

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

12 (b) Commencing with the 2013–14 fiscal year, the  
13 Superintendent shall increase the funding amounts specified in  
14 Sections 42281, 42282, and 42284, as previously increased  
15 pursuant to subdivision (a) and Sections 42289 to 42289.5,  
16 inclusive, ~~by an amount proportionate to the increase in the~~  
17 ~~statewide average local control funding formula allocations~~  
18 ~~pursuant to Section 42238.02, as implemented by Section 42238.03,~~  
19 *the percentage calculated pursuant to paragraph (2) of subdivision*  
20 *(d) of Section 42238.02, subject to the criteria specified in*  
21 *paragraph (5) of subdivision (b) of Section 42238.03, for the then*  
22 *current fiscal year.*

23 *SEC. 28. Section 46200 of the Education Code is amended to*  
24 *read:*

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

1 *was required in subdivision (a) of this section, as it read on*  
2 *January 1, 2013, up to a maximum of five days.*

3 *SEC. 29. Section 46201 of the Education Code is amended to*  
4 *read:*

5 46201. (a) For each school district that received an  
6 apportionment pursuant to subdivision (a) of this section, as it read  
7 on January 1, 2013, and that reduces the amount of instructional  
8 time offered below the minimum amounts specified in subdivision  
9 (b), the Superintendent shall withhold from the school district's  
10 local control funding formula grant apportionment pursuant to  
11 Section 42238.02, as implemented by Section 42238.03, for the  
12 average daily attendance of each affected grade level, the sum of  
13 ~~the apportionment received pursuant to subdivision (a) of this~~  
14 ~~section, as it read on January 1, 2013; that apportionment~~  
15 multiplied by the percentage of the minimum offered minutes at  
16 that grade level that the school district failed to offer.

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

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

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

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

22 (4) Sixty-four thousand eight hundred minutes in grades 9 to  
23 12, inclusive.

24 *SEC. 30. Section 46202 of the Education Code is amended to*  
25 *read:*

26 46202. If a school district that does not participate in the  
27 program set forth in Sections 46200 to 46206, inclusive, as those  
28 sections read on January 1, 2013, offers less instructional time in  
29 a fiscal year than the amount of instructional time fixed for the  
30 1982–83 fiscal year, the Superintendent shall withhold for that  
31 fiscal year, from the school district's local control funding formula  
32 grant apportionment pursuant to ~~Section 42238.03; 42238.02~~, as  
33 implemented by Section 42238.03, for the average daily attendance  
34 of each affected grade level, the amount of that apportionment  
35 multiplied by the percentage of instructional minutes fixed in the  
36 1982–83 school year, at that grade level, that the school district  
37 failed to offer.

38 *SEC. 31. Section 46208 of the Education Code is amended to*  
39 *read:*

1 46208. (a) Notwithstanding Sections 46200 to 46205,  
2 inclusive, upon a determination that a school district equals or  
3 exceeds its local control funding formula target computed pursuant  
4 to Section 42238.02 as determined by the calculation of a zero  
5 difference pursuant to paragraph (1) of subdivision (b) of Section  
6 42238.03, each school district, as a condition of apportionment  
7 pursuant to Section 42238.02, as implemented pursuant to Section  
8 42238.03, shall offer 180 days or more of instruction per school  
9 year. A school operating *as* a multitrack year-round school shall  
10 be deemed to be in compliance with the 180-day requirement if it  
11 certifies to the Superintendent that it is a multitrack year-round  
12 school and maintains its school for a minimum of 163 schooldays.

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

19 (c) *For a school district that has met its local control funding*  
20 *formula target and that offers fewer than the number of*  
21 *instructional days required pursuant to this section, the*  
22 *Superintendent shall withhold from the school district's local*  
23 *control funding formula grant apportionment pursuant to Section*  
24 *42238.02, as implemented by Section 42238.03, for the average*  
25 *daily attendance of each affected grade level, the sum of 0.0056*  
26 *multiplied by that apportionment for each day less than what was*  
27 *required pursuant to this section, for up to five days.*

28 *SEC. 32. Section 46610 of the Education Code is repealed.*

29 ~~46610.—Notwithstanding any other provision of law, the~~  
30 ~~Fallbrook Union High School District shall enter into an~~  
31 ~~interdistrict attendance agreement with the Capistrano Unified~~  
32 ~~School District to allow any pupil, at the request of his or her parent~~  
33 ~~or guardian, to attend schools of the Capistrano Unified School~~  
34 ~~District when the pupil resides in the San Onofre housing area of~~  
35 ~~the Marine Corps Base, Camp Joseph H. Pendleton. No more than~~  
36 ~~150 pupils from the Fallbrook Union High School District may~~  
37 ~~attend school in the Capistrano Unified School District pursuant~~  
38 ~~to this interdistrict attendance agreement.~~

39 ~~The Fallbrook Union High School District shall be credited with~~  
40 ~~the average daily attendance of these pupils for the purpose of~~

1 determining state apportionments and revenue limits and for the  
 2 purpose of receiving federal grants pursuant to Public Law 81-874.

3 The Fallbrook Union High School District shall pay tuition to  
 4 the Capistrano Unified School District for the attendance of these  
 5 pupils only in the amount of the state apportionments paid to the  
 6 Fallbrook Union High School District for the attendance of these  
 7 pupils, plus an amount computed as follows:

8 (a) Divide the amount of funds paid pursuant to Section 3 of  
 9 Public Law 81-874 (20 U.S.C. 238) to the Fallbrook Union High  
 10 School District in the current fiscal year by the average daily  
 11 attendance of the district in the current fiscal year.

12 (b) Multiply the amount in subdivision (a) by the average daily  
 13 attendance, for the year of attendance for secondary school pupils  
 14 attending the schools of the Capistrano Unified School District  
 15 pursuant to Section 46610.

16 *SEC. 33. Section 46611 of the Education Code is repealed.*

17 46611. (a) When an interdistrict attendance agreement is  
 18 entered into pursuant to Section 46610, the Superintendent of  
 19 Public Instruction shall apportion from Section A of the State  
 20 School Fund to the Capistrano Unified School District the  
 21 allowance computed in subdivision (b) for educating secondary  
 22 school pupils attending pursuant to the agreement during the year  
 23 the pupils are in attendance in that district reduced by the amounts  
 24 payable to Capistrano Unified School District by the Fallbrook  
 25 Union High School District pursuant to Section 46610.

26 (b) The Superintendent of Public Instruction shall compute an  
 27 allowance for educating secondary school pupils, as follows:

28 (1) Compute, for the year of attendance, the statewide average  
 29 revenue limit per unit of average daily attendance for high school  
 30 districts with more than 300 units of average daily attendance.

31 (2) From the amount in paragraph (1), subtract one hundred  
 32 dollars (\$100).

33 (3) Multiply the amount in paragraph (2) by the average daily  
 34 attendance, for the year of attendance, for secondary school pupils  
 35 attending the schools of the Capistrano Unified School District  
 36 pursuant to Section 46610.

37 *SEC. 34. Section 47612 of the Education Code is amended to*  
 38 *read:*

39 47612. (a) A charter school shall be deemed to be under the  
 40 exclusive control of the officers of the public schools for purposes

1 of Section 8 of Article IX of the California Constitution, with  
2 regard to the appropriation of public moneys to be apportioned to  
3 any charter school, including, but not necessarily limited to,  
4 appropriations made for purposes of this chapter.

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

12 (c) A charter school shall be deemed to be a “school district”  
13 for purposes of Article 1 (commencing with Section 14000) of  
14 Chapter 1 of Part 9 of *Division 1 of Title 1*, Section 41301, Section  
15 41302.5, Article 10 (commencing with Section 41850) of Chapter  
16 5 of Part 24 of *Division 3*, Section 47638, and Sections 8 and 8.5  
17 of Article XVI of the California Constitution.

18 (d) For purposes of calculating average daily attendance, no  
19 pupil shall generate more than one day of attendance in a calendar  
20 day. Notwithstanding any other law, a charter school that operates  
21 a ~~multitask~~ *multitrack* calendar shall comply with all of the  
22 following:

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

26 (2) Operate no more than five tracks.

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

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

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

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

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

1     *SEC. 35. Section 47614.5 of the Education Code is amended*  
2 *to read:*

3     47614.5. (a) The Charter School Facility Grant Program is  
4 hereby established, and, commencing with the 2013–14 fiscal year,  
5 shall be administered by the California School Finance Authority.  
6 The grant program is intended to provide assistance with facilities  
7 rent and lease costs for pupils in charter schools.

8     (b) Subject to the annual Budget Act, eligible schools shall  
9 receive an amount of up to, but not more than, seven hundred fifty  
10 dollars (\$750) per unit of average daily attendance, as certified at  
11 the second principal apportionment, to provide an amount of up  
12 to, but not more than, 75 percent of the annual facilities rent and  
13 lease costs for the charter school. In any fiscal year, if the funds  
14 appropriated for the purposes of this section by the annual Budget  
15 Act are insufficient to fund the approved amounts fully, the  
16 California School Finance Authority shall apportion the available  
17 funds on a pro rata basis.

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

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

21     (2) Upon application by a charter school, determine eligibility,  
22 based on the geographic location of the charter schoolsite, pupil  
23 eligibility for free or reduced-price meals, and a preference in  
24 admissions, as appropriate. Eligibility for funding shall not be  
25 limited to the grade level or levels served by the school whose  
26 attendance area is used to determine eligibility. Charter schoolsite  
27 are eligible for funding pursuant to this section if the charter  
28 schoolsite meets either of the following conditions:

29     (A) The charter schoolsite is physically located in the attendance  
30 area of a public elementary school in which 70 percent or more of  
31 the pupil enrollment is eligible for free or reduced-price meals and  
32 the schoolsite gives a preference in admissions to pupils who are  
33 currently enrolled in that public elementary school and to pupils  
34 who reside in the elementary school attendance area where the  
35 charter schoolsite is located.

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

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

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

4 (A) An initial apportionment by August 31 of each fiscal year  
5 or 30 days after enactment of the annual Budget Act, whichever  
6 is later, provided the charter school has submitted a timely  
7 application for funding, as determined by the California School  
8 Finance Authority. The initial apportionment shall be 50 percent  
9 of the school’s estimated annual entitlement as determined by this  
10 section.

11 (B) A second apportionment by March 1 of each fiscal year.  
12 This apportionment shall be 75 percent of the charter school’s  
13 estimated annual entitlement, as adjusted for any revisions in cost,  
14 enrollment, and other data relevant to computing the charter  
15 school’s annual entitlement, less any funding already apportioned  
16 to the charter school.

17 (C) A third apportionment within 30 days of the end of each  
18 fiscal year or 30 days after receiving the data and documentation  
19 needed to compute the charter school’s total annual entitlement,  
20 whichever is later. This apportionment shall be the charter school’s  
21 total annual entitlement less any funding already apportioned to  
22 the charter school.

23 (D) Notwithstanding subparagraph (A), the initial apportionment  
24 in the 2013–14 fiscal year shall be made by October 15, 2013, or  
25 105 days after enactment of the Budget Act of 2013, whichever is  
26 later.

27 (d) For the purposes of this section:

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

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

38 (3) The California School Finance Authority shall verify that  
39 the grant amount awarded to each charter school is consistent with  
40 eligibility requirements as specified in this section and in

1 regulations adopted by the authority. If it is determined by the  
2 California School Finance Authority that a charter school did not  
3 receive the proper grant award amount, either the charter school  
4 shall transfer funds back to the authority as necessary within 60  
5 days of being notified by the authority, or the authority shall  
6 provide an additional apportionment as necessary to the charter  
7 school within 60 days of notifying the charter school, subject to  
8 the availability of funds.

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

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

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

20 (3) Charter schools receiving reasonably equivalent facilities  
21 from their chartering authorities pursuant to Section 47614, except  
22 that charter schools shall be eligible for the portions of their  
23 facilities that are not reasonably equivalent facilities received from  
24 their chartering authorities.

25 (f) Funds appropriated for purposes of this section shall be used  
26 for costs associated with facilities rents and leases, consistent with  
27 the definitions used in the California School Accounting Manual  
28 or regulations adopted by the California School Finance Authority.  
29 These funds also may be used for costs, including, but not limited  
30 to, costs associated with remodeling buildings, deferred  
31 maintenance, initially installing or extending service systems and  
32 other built-in equipment, and improving sites.

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

39 (h) The California School Finance Authority annually shall  
40 report to the department and the Director of Finance, and post

1 information on its Internet Web site, regarding the use of funds  
2 that have been made available during the fiscal year to each charter  
3 school pursuant to the grant program.

4 (i) The California School Finance Authority, commencing with  
5 the 2013–14 fiscal year, shall annually allocate the facilities grants  
6 to eligible charter schools according to the schedule in paragraph  
7 (4) of subdivision (c) for the current school year rent and lease  
8 costs. However, the California School Finance Authority shall first  
9 use the funding appropriated for this program to reimburse eligible  
10 charter schools for unreimbursed rent or lease costs for the prior  
11 school year.

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

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

19 (l) The California School Finance Authority, effective with the  
20 2013–14 fiscal year, shall be considered the senior creditor for  
21 purposes of satisfying audit findings pursuant to the audit  
22 instructions to be developed pursuant to subdivision (k).

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

32 *SEC. 36. Section 47631 of the Education Code is amended to*  
33 *read:*

34 47631. (a) Article 3 (commencing with Section 47636) shall  
35 not apply to a charter granted pursuant to Section 47605.5.

36 (b) ~~A county-sponsored~~ charter school *authorized pursuant to*  
37 *Section 47605.5* shall receive the average daily attendance rate  
38 calculated pursuant to paragraph (1) of subdivision (c) of Section  
39 2574 for enrolled pupils who are identified as any of the following:

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

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

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

6 (c) ~~A county-sponsored~~ charter school *authorized pursuant to*  
7 *Section 47605.5* shall be funded pursuant to the local control  
8 funding formula pursuant to Section 42238.02, as implemented  
9 by Section 42238.03, for all pupils except for pupils funded  
10 pursuant to subdivision (b).

11 *SEC. 37. Section 47633 of the Education Code is amended to*  
12 *read:*

13 47633. The Superintendent shall annually compute a  
14 general-purpose entitlement, funded from a combination of state  
15 aid and local funds, for each charter school as follows:

16 (a) The Superintendent shall annually compute the statewide  
17 average amount of general-purpose funding per unit of average  
18 daily attendance received by school districts for each of four grade  
19 level ranges: kindergarten and grades 1, 2, and 3; grades 4, 5, and  
20 6; grades 7 and 8; and, grades 9 to 12, inclusive. For purposes of  
21 making these computations, both of the following conditions shall  
22 apply:

23 (1) Revenue limit funding attributable to pupils in kindergarten  
24 and grades 1 to 5, inclusive, shall equal the statewide average  
25 revenue limit funding per unit of average daily attendance received  
26 by elementary school districts; revenue limit funding attributable  
27 to pupils in grades 6, 7, and 8, shall equal the statewide average  
28 revenue limit funding per unit of average daily attendance received  
29 by unified school districts; and revenue limit funding attributable  
30 to pupils in grades 9 to 12, inclusive, shall equal the statewide  
31 average revenue limit funding per unit of average daily attendance  
32 received by high school districts.

33 (2) Revenue limit funding received by school districts shall  
34 exclude the value of any benefit attributable to the presence of  
35 necessary small schools or necessary small high schools within  
36 the school district.

37 (b) The Superintendent shall multiply each of the four amounts  
38 computed in subdivision (a) by the charter school's average daily  
39 attendance in the corresponding grade level ranges. The resulting  
40 figure shall be the amount of the charter school's general-purpose

1 entitlement, which shall be funded through a combination of state  
2 aid and local funds. From funds appropriated for this purpose  
3 pursuant to Section 14002, the superintendent shall apportion to  
4 each charter school this amount, less local funds allocated to the  
5 charter school pursuant to Section 47635 and any amount received  
6 pursuant to subparagraph (B) of paragraph (3) of subdivision (e)  
7 of Section 36 of Article XIII of the California Constitution.

8 (c) General-purpose entitlement funding may be used for any  
9 public school purpose determined by the governing body of the  
10 charter school.

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

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

19 SEC. 38. *Section 48664 of the Education Code is amended to*  
20 *read:*

21 48664. (a) (1) In addition to funds from all other sources, the  
22 Superintendent of ~~Public Instruction~~ shall apportion to each school  
23 district that operates a community day school four thousand dollars  
24 (\$4,000) per year, and for each county office of education that  
25 operates a community day school three thousand dollars (\$3,000)  
26 per year, for each unit of average daily attendance reported at the  
27 annual apportionment for pupil attendance at community day  
28 schools, adjusted annually commencing with the 1999–2000 fiscal  
29 year for the inflation adjustment calculated pursuant to subdivision  
30 (b) of Section 42238.1. Average daily attendance reported for this  
31 program shall not exceed 0.375 percent of a *school* district’s prior  
32 year P2 average daily attendance in an elementary school district,  
33 0.5 percent of a *school* district’s prior year P2 average daily  
34 attendance in a unified school district, or 0.625 percent of a *school*  
35 district’s prior year P2 average daily attendance in a high school  
36 district. The units of average daily attendance of a community day  
37 school operated by a county office of education shall not exceed  
38 the unused units of average daily attendance of the community  
39 day schools operated by the school districts within the jurisdiction  
40 of that county office of education.

1 (2) The Superintendent of ~~Public Instruction~~ may reallocate to  
2 any school district any unexpended balance of the appropriations  
3 made for ~~the~~ purposes of this subdivision for actual pupil  
4 attendance in excess of the percentage specified in this subdivision  
5 for the school district in an amount not to exceed one-half of that  
6 percentage. However, the average daily attendance generated by  
7 pupils expelled pursuant to subdivision (d) of Section 48915, shall  
8 not be subject to these percentage caps on average daily attendance.

9 (b) The average daily attendance of a community day school  
10 shall be determined by dividing the total number of days of  
11 attendance in all full school months, by a divisor of 70 in the first  
12 period of each fiscal year, by a divisor of 135 in the second period  
13 of each fiscal year, and by a divisor of 180 at the annual time of  
14 each fiscal year.

15 (c) The Superintendent of ~~Public Instruction~~ shall apportion to  
16 each school district that operates a community day school an  
17 amount equal to four dollars (\$4), adjusted annually commencing  
18 with the 1999–2000 fiscal year for inflation pursuant to subdivision  
19 (b) of Section 42238.1, multiplied by the total of the number of  
20 hours each schoolday, up to a maximum of two hours daily, that  
21 each community day school pupil remains at the community day  
22 school under the supervision of an employee of the school district,  
23 or a consortium of school districts pursuant to Section 48916.1,  
24 reporting the attendance of the pupils for apportionment funding  
25 following completion of the full six-hour instructional day.

26 (d) It is the intent of the Legislature that *school* districts enter  
27 into consortia, as feasible, for ~~the purpose~~ *purposes* of providing  
28 community day school programs. ~~Any~~ A school district with fewer  
29 than 2,501 units of average daily attendance may request a waiver  
30 for any fiscal year of the funding limitations set forth in this  
31 section. The Superintendent of ~~Public Instruction~~ shall approve a  
32 waiver if he or she deems it necessary in order to permit the  
33 operation of a community day school of reasonably comparable  
34 quality to those offered in a school district with 2,501 or more  
35 units of average daily attendance. In no event shall the amount  
36 allocated pursuant to a waiver exceed the amount provided for one  
37 teacher pursuant to Section 42284, for pupils enrolled in  
38 kindergarten and grades 1 to 6, inclusive, or the amount provided  
39 for one teacher pursuant to Section 42284, for pupils enrolled in  
40 grades 7 to 12, inclusive. The provisions of this act shall not apply

1 to ~~any~~ a school district that applied for a waiver within the funding  
2 limits established by this subdivision but was denied funding or  
3 not fully funded.

4 (e) ~~The State Department of Education~~ *department* shall evaluate  
5 and report to the appropriate legislative policy committees and  
6 budget committees on or before October 1, 1998, and for two years  
7 thereafter the following programmatic and fiscal issues:

8 (1) The number of expulsions statewide.

9 (2) The number of school districts operating community day  
10 schools.

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

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

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

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

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

23 (8) Pupil outcome data and other data as required under Section  
24 48916.1.

25 (9) Other programmatic or fiscal matters as determined by the  
26 ~~State Department of Education.~~ *department*.

27 (f) The additional funds provided in subdivisions (a), (c), and  
28 (d) shall only be allocated to the extent that funds are appropriated  
29 for this purpose in the annual Budget Act or other legislation, or  
30 ~~both, except for pupils expelled pursuant to subdivision (d) of~~  
31 ~~Section 48915. For pupils expelled pursuant to subdivision (d) of~~  
32 ~~Section 48915, the funds apportioned under subdivision (a) are~~  
33 ~~continuously appropriated from the General Fund to Section A of~~  
34 ~~the State School Fund.~~ *both*.

35 (g) A one-time adjustment shall be made to the amount specified  
36 in subdivision (a), for the 1998–99 fiscal year and subsequent fiscal  
37 years, by increasing that amount by the statewide average quotient  
38 resulting from dividing the average daily attendance specified in  
39 subparagraph (B) of paragraph (3) of subdivision (a) of Section

1 42238.8 by the amount specified in subparagraph (C) of paragraph  
2 (3) of subdivision (a) of Section 42238.8.

3 *SEC. 39. Section 48667 of the Education Code is repealed.*

4 ~~48667. (a) For the purposes of this article, each county office~~  
5 ~~of education shall be deemed to be a school district.~~

6 ~~(b) The Superintendent of Public Instruction shall use the~~  
7 ~~revenue limit per unit of average daily attendance of the statewide~~  
8 ~~average juvenile court school revenue limit per unit of average~~  
9 ~~daily attendance for a community day school operated by a county~~  
10 ~~office of education.~~

11 *SEC. 40. Section 49085 of the Education Code is amended to*  
12 *read:*

13 49085. (a) ~~The~~ *On or before February 1, 2014, the* department  
14 and the State Department of Social Services shall develop and  
15 enter into a memorandum of understanding that shall, at a  
16 minimum, require the State Department of Social Services, at least  
17 once per week, to share with the department both of the following:

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

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

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

29 (c) To the extent allowable under federal law, the  
30 Superintendent, on or before ~~February 15~~ *July 1* of each  
31 even-numbered year, shall report to the Legislature and the  
32 Governor on the educational outcomes for pupils in foster care at  
33 both the individual schoolsite level and school district level. The  
34 report shall include, but is not limited to, all of the following:

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

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

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

2 (4) The incidence of suspension and expulsion for pupils in  
3 foster care.

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

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

8 (1) Inform school districts and charter schools of any pupils  
9 enrolled in those school districts or charter schools who are in  
10 foster care.

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

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

16 (e) For purposes of this section “pupil in foster care” ~~means a~~  
17 ~~pupil who is under the jurisdiction of the juvenile court pursuant~~  
18 ~~to Section 300, 601, or 602 of the Welfare and Institutions Code.~~  
19 *has the same meaning as “foster youth,” as defined in Section*  
20 *42238.01.*

21 *SEC. 41. Section 52060 of the Education Code is amended to*  
22 *read:*

23 52060. (a) On or before July 1, 2014, the governing board of  
24 each school district shall adopt a local control and accountability  
25 plan using a template adopted by the state board.

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

30 (c) A local control and accountability plan adopted by a  
31 governing board of a school district shall include, for the school  
32 district and each school within the school district, ~~a description of~~  
33 ~~both~~ *all* of the following:

34 (1) ~~The~~ *A description of the* annual goals, for all pupils and each  
35 subgroup of pupils identified pursuant to Section 52052, to be  
36 achieved for each of the state priorities identified in subdivision

37 (d) and for any additional local priorities identified by the  
38 governing board of the school district. For purposes of this article,  
39 a subgroup of pupils identified pursuant to Section 52052 shall be

1 a numerically significant pupil subgroup as specified in paragraphs  
2 (2) and (3) of subdivision (a) of Section 52052.

3 (2) ~~The~~ *A description of the specific actions the school district*  
4 *will take during each year of the local control and accountability*  
5 *plan to achieve the goals identified in paragraph (1), including the*  
6 *enumeration of any specific actions necessary for that year to*  
7 *correct any deficiencies in regard to the state priorities listed in*  
8 *paragraph (1) of subdivision (d). The specific actions shall be*  
9 *consistent with local collective bargaining agreements within the*  
10 *jurisdiction of the school districts.*

11 (3) *A listing and description of the expenditures for the 2014–15*  
12 *fiscal year implementing the specific actions included in the local*  
13 *control and accountability plan.*

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

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

19 (1) The degree to which the teachers of the school district are  
20 appropriately assigned in accordance with Section 44258.9, and  
21 fully credentialed in the subject areas, and, for the pupils they are  
22 teaching, every pupil in the school district has sufficient access to  
23 the standards-aligned instructional materials as determined pursuant  
24 to Section 60119, and school facilities are maintained in good  
25 repair as specified in subdivision (d) of Section 17002.

26 (2) Implementation of the academic content and performance  
27 standards adopted by the state board, including how the programs  
28 and services will enable English learners to access the common  
29 core academic content standards adopted pursuant to Section  
30 60605.8 and the English language development standards adopted  
31 pursuant to Section 60811.3 for purposes of gaining academic  
32 content knowledge and English language proficiency.

33 (3) Parental involvement, including efforts the school district  
34 makes to seek parent input in making decisions for the school  
35 district and each individual schoolsite, and including how the  
36 school district will promote parental participation in programs for  
37 unduplicated pupils and individuals with exceptional needs.

38 (4) Pupil achievement, as measured by all of the following, as  
39 applicable:

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

4 (B) The Academic Performance Index, as described in Section  
5 52052.

6 (C) The percentage of pupils who have successfully completed  
7 courses that satisfy the requirements for entrance to the University  
8 of California and the California State University, or career technical  
9 education sequences or ~~clusters of courses that satisfy the~~  
10 ~~requirements of programs of study that align with state~~  
11 ~~board-approved career technical educational standards and~~  
12 ~~frameworks, including, but not limited to, those described in~~  
13 subdivision (a) of Section 52302, subdivision (a) of Section  
14 52372.5, or paragraph (2) of subdivision (e) of Section ~~54692, and~~  
15 ~~align with state board-approved career technical education~~  
16 ~~standards and frameworks. 54692.~~

17 (D) The percentage of English learner pupils who make progress  
18 toward English proficiency as measured by the California English  
19 Language Development Test or any subsequent assessment of  
20 English proficiency, as certified by the state board.

21 (E) The English learner reclassification rate.

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

24 (G) The percentage of pupils who participate in, and demonstrate  
25 college preparedness pursuant to, the Early Assessment Program,  
26 as described in Chapter 6 (commencing with Section 99300) of  
27 Part 65 of Division 14 of Title 3, or any subsequent assessment of  
28 college preparedness.

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

31 (A) School attendance rates.

32 (B) Chronic absenteeism rates.

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

35 (D) High school dropout rates.

36 (E) High school graduation rates.

37 (6) School climate, as measured by all of the following, as  
38 applicable:

39 (A) Pupil suspension rates.

40 (B) Pupil expulsion rates.

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

3 (7) The extent to which pupils have access to, and are enrolled  
4 in, a broad course of study that includes all of the subject areas  
5 described in Section 51210 and subdivisions (a) to (i), inclusive,  
6 of Section 51220, as applicable, including the programs and  
7 services developed and provided to unduplicated pupils and  
8 individuals with exceptional needs, and the program and services  
9 that are provided to benefit these pupils as a result of the funding  
10 received pursuant to Section 42238.02, as implemented by Section  
11 42238.03.

12 (8) Pupil outcomes, if available, in the subject areas described  
13 in Section 51210 and subdivisions (a) to (i), inclusive, of Section  
14 51220, as applicable.

15 (e) For purposes of the descriptions required by subdivision (c),  
16 a governing board of a school district may consider qualitative  
17 information, including, but not limited to, findings that result from  
18 school quality reviews conducted pursuant to subparagraph (J) or  
19 paragraph (4) of subdivision (a) of Section 52052 or any other  
20 reviews.

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

24 (g) A governing board of a school district shall consult with  
25 teachers, principals, administrators, other school personnel, *local*  
26 *bargaining units of the school district*, parents, and pupils in  
27 developing a local control and accountability plan.

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

31 *SEC. 42. Section 52061 of the Education Code is amended to*  
32 *read:*

33 52061. (a) On or before July 1, 2015, and each year thereafter,  
34 a school district shall update the local control and accountability  
35 plan. The annual update shall be developed using a template  
36 developed pursuant to Section 52064 and shall include all of the  
37 following:

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

1 (2) A review of the progress toward the goals included in the  
2 existing local control and accountability plan, an assessment of  
3 the effectiveness of the specific actions described in the existing  
4 local control and accountability plan toward achieving the goals,  
5 and a description of changes to the specific actions the school  
6 district will make as a result of the review and assessment.

7 (3) A listing and description of the expenditures for the fiscal  
8 year implementing the specific actions included in the local control  
9 and accountability plan *and the changes to the specific actions*  
10 *made* as a result of the reviews and assessment required by  
11 paragraphs (1) and (2).

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

16 (b) The expenditures identified in subdivision (a) shall be  
17 classified using the California School Accounting Manual pursuant  
18 to Section 41010.

19 *SEC. 43. Section 52062 of the Education Code is amended to*  
20 *read:*

21 52062. (a) Before the governing board of a school district  
22 considers the adoption of a local control and accountability plan  
23 or an annual update to the local control and accountability plan,  
24 all of the following shall occur:

25 (1) The superintendent of the school district shall present the  
26 local control and accountability plan or annual update to the local  
27 control and accountability plan to the parent advisory committee  
28 established pursuant to Section 52063 for review and comment.  
29 The superintendent of the school district shall respond, in writing,  
30 to comments received from the parent advisory committee.

31 (2) The superintendent of the school district shall present the  
32 local control and accountability plan or annual update to the local  
33 control and accountability plan to the English learner parent  
34 advisory committee established pursuant to Section 52063, if  
35 applicable, for review and comment. The superintendent of the  
36 school district shall respond, in writing, to comments received  
37 from the English learner parent advisory committee.

38 (3) The superintendent of the school district shall notify  
39 members of the public of the opportunity to submit written  
40 comments regarding the specific actions and expenditures proposed

1 to be included in the local control and accountability plan or annual  
2 update to the local control and accountability plan, using the most  
3 efficient method of notification possible. This paragraph shall not  
4 require a school district to produce printed notices or to send  
5 notices by mail. *The superintendent of the school district shall*  
6 *ensure that all written notifications related to the local control*  
7 *and accountability plan or annual update to the local control and*  
8 *accountability plan are provided consistent with Section 48985.*

9 (4) The superintendent of the school district shall review school  
10 plans submitted pursuant to Section 64001 for schools within the  
11 school district and ensure that the specific actions included in the  
12 local control and accountability plan or annual update to the local  
13 control and accountability plan are consistent with strategies  
14 included in the school plans submitted pursuant to Section 64001.

15 (b) (1) A governing board of a school district shall hold at least  
16 one public hearing to solicit the recommendations and comments  
17 of members of the public regarding the specific actions and  
18 expenditures proposed to be included in the local control and  
19 accountability plan or annual update to the local control and  
20 accountability plan. The agenda for the public hearing shall be  
21 posted at least 72 hours before the public hearing and shall include  
22 the location where the local control and accountability plan or  
23 annual update to the local control and accountability plan will be  
24 available for public inspection. The public hearing shall be held  
25 at the same meeting as the public hearing required by paragraph  
26 (1) of subdivision (a) of Section 42127.

27 (2) A governing board of a school district shall adopt a local  
28 control and accountability plan or annual update to the local control  
29 and accountability plan in a public meeting. This meeting shall be  
30 held after, but not on the same day as, the public hearing held  
31 pursuant to paragraph (1). This meeting shall be the same meeting  
32 as that during which the governing board of the school district  
33 adopts a budget pursuant to paragraph (2) of subdivision (a) of  
34 Section 42127.

35 (c) A governing board of a school district may adopt revisions  
36 to a local control and accountability plan during the period the  
37 local control and accountability plan is in effect. A governing board  
38 of a school district may only adopt a revision to a local control  
39 and accountability plan if it follows the process to adopt a local

1 control and accountability plan pursuant to this section and the  
2 revisions are adopted in a public meeting.

3 *SEC. 44. Section 52066 of the Education Code is amended to*  
4 *read:*

5 52066. (a) On or before July 1, 2014, each county  
6 superintendent of schools shall develop, and present to the county  
7 board of education for adoption, a local control and accountability  
8 plan using a template adopted by the state board.

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

12 (c) A local control and accountability plan adopted by a county  
13 board of education shall include, for each school or program  
14 operated by the county superintendent of schools, ~~a description of~~  
15 ~~both~~ *all of the following:*

16 (1) ~~The~~ *A description of the annual goals, for all pupils and each*  
17 *subgroup of pupils identified pursuant to Section 52052, to be*  
18 *achieved for each of the state priorities identified in subdivision*  
19 *(d), as applicable to the pupils served, and for any additional local*  
20 *priorities identified by the county board of education.*

21 (2) ~~The~~ *A description of the specific actions the county*  
22 *superintendent of schools will take during each year of the local*  
23 *control and accountability plan to achieve the goals identified in*  
24 *paragraph (1), including the enumeration of any specific actions*  
25 *necessary for that year to correct any deficiencies in regard to the*  
26 *state priorities listed in paragraph (1) of subdivision (d). The*  
27 *specific actions shall be consistent with local collective bargaining*  
28 *agreements within the jurisdiction of the county superintendent of*  
29 *schools.*

30 (3) *A listing and description of the expenditures for the fiscal*  
31 *year implementing the specific actions included in the local control*  
32 *and accountability plan pursuant to paragraph (2).*

33 (4) *A listing and description of the expenditures for the fiscal*  
34 *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 in the schools or programs  
39 operated by the county superintendent of schools are appropriately  
40 assigned in accordance with Section 44258.9 and fully credentialed

1 in the subject areas, and, for the pupils they are teaching, every  
2 pupil in the schools or programs operated by the county  
3 superintendent of schools has sufficient access to the  
4 standards-aligned instructional materials as determined pursuant  
5 to Section 60119, and school facilities are maintained in good  
6 repair as specified in subdivision (d) of Section 17002.

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

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

21 (4) Pupil achievement, as measured by all of the following, as  
22 applicable:

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

26 (B) The Academic Performance Index, as described in Section  
27 52052.

28 (C) The percentage of pupils who have successfully completed  
29 courses that satisfy the requirements for entrance to the University  
30 of California and the California State University, or career technical  
31 education sequences or ~~clusters of courses that satisfy the~~  
32 ~~requirements of programs of study that align with state~~  
33 ~~board-approved career technical education standards and~~  
34 ~~frameworks, including, but not limited to, those described in~~  
35 subdivision (a) of Section 52302, subdivision (a) of Section  
36 52372.5, or paragraph (2) of subdivision (e) of Section ~~54692, and~~  
37 ~~align with state board-approved career technical education~~  
38 ~~standards and frameworks. 54692.~~

39 (D) The percentage of English learner pupils who make progress  
40 toward English proficiency as measured by the California English

- 1 Language Development Test or any subsequent assessment of  
2 English proficiency, as certified by the state board.
- 3 (E) The English learner reclassification rate.
- 4 (F) The percentage of pupils who have passed an advanced  
5 placement examination with a score of 3 or higher.
- 6 (G) The percentage of pupils who participate in, and demonstrate  
7 college preparedness pursuant to, the Early Assessment Program,  
8 as described in Chapter 6 (commencing with Section 99300) of  
9 Part 65 of Division 14 of Title 3, or any subsequent assessment of  
10 college preparedness.
- 11 (5) Pupil engagement, as measured by all of the following, as  
12 applicable:
- 13 (A) School attendance rates.
- 14 (B) Chronic absenteeism rates.
- 15 (C) Middle school dropout rates, as described in paragraph (3)  
16 of subdivision (a) of Section 52052.1.
- 17 (D) High school dropout rates.
- 18 (E) High school graduation rates.
- 19 (6) School climate, as measured by all of the following, as  
20 applicable:
- 21 (A) Pupil suspension rates.
- 22 (B) Pupil expulsion rates.
- 23 (C) Other local measures, including surveys of pupils, parents,  
24 and teachers on the sense of safety and school connectedness.
- 25 (7) The extent to which pupils have access to, and are enrolled  
26 in, a broad course of study that includes all of the subject areas  
27 described in Section 51210 and subdivisions (a) to (i), inclusive,  
28 of Section 51220, as applicable, including the programs and  
29 services developed and provided to unduplicated pupils and  
30 individuals with exceptional needs, and the program and services  
31 that are provided to benefit these pupils as a result of the funding  
32 received pursuant to Section 42238.02, as implemented by Section  
33 42238.03.
- 34 (8) Pupil outcomes, if available, in the subject areas described  
35 in Section 51210 and subdivisions (a) to (i), inclusive, of Section  
36 51220, as applicable.
- 37 (9) How the county superintendent of schools will coordinate  
38 instruction of expelled pupils pursuant to Section 48926.

1 (10) How the county superintendent of schools will coordinate  
2 services for foster children, including, but not limited to, all of the  
3 following:

4 (A) Working with the county child welfare agency to minimize  
5 changes in school placement.

6 (B) Providing education-related information to the county child  
7 welfare agency to assist the county child welfare agency in the  
8 delivery of services to foster children, including, but not limited  
9 to, educational status and progress information that is required to  
10 be included in court reports.

11 (C) Responding to requests from the juvenile court for  
12 information and working with the juvenile court to ensure the  
13 delivery and coordination of necessary educational services.

14 (D) Establishing a mechanism for the efficient expeditious  
15 transfer of health and education records and the health and  
16 education passport.

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

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

25 (g) The county superintendent of schools shall consult with  
26 teachers, principals, administrators, other school personnel, *local*  
27 *bargaining units of the county office of education*, parents, and  
28 pupils in developing a local control and accountability plan.

29 (h) A county board of education may identify local priorities,  
30 goals in regard to the local priorities, and the method for measuring  
31 the county office of education's progress toward achieving those  
32 goals.

33 *SEC. 45. Section 52068 of the Education Code is amended to*  
34 *read:*

35 52068. (a) Before the county board of education considers the  
36 adoption of a local control and accountability plan or an annual  
37 update to the local control and accountability plan, all of the  
38 following shall occur:

39 (1) 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 a parent advisory committee established  
2 pursuant to Section 52069 for review and comment. The county  
3 superintendent of schools shall respond, in writing, to comments  
4 received from the parent advisory committee.

5 (2) The county superintendent of schools shall present the local  
6 control and accountability plan or annual update to the local control  
7 and accountability plan to the English learner parent advisory  
8 committee established pursuant to Section 52069, if applicable,  
9 for review and comment. The county superintendent of schools  
10 shall respond, in writing, to comments received from the English  
11 learner parent advisory committee.

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

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

31 (b) (1) The county board of education shall hold at least one  
32 public hearing to solicit the recommendations and comments of  
33 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, and any  
40 comments received pursuant to paragraphs (1) to (3), inclusive, of

1 subdivision (a), will be available for public inspection. The public  
2 hearing shall be held at the same meeting as the public hearing  
3 required by Section 1620.

4 (2) The county board of education shall adopt a local control  
5 and accountability plan or annual update to the local control and  
6 accountability plan in a public meeting. This meeting shall be held  
7 after, but not on the same day as, the public hearing held pursuant  
8 to paragraph (1). This meeting shall be the same meeting as that  
9 during which the county board of education adopts a budget  
10 pursuant to Section 1622.

11 (c) A county superintendent of schools may develop and present  
12 to a county board of education for adoption revisions to a local  
13 control and accountability plan during the period the local control  
14 and accountability plan is in effect. The county board of education  
15 may only adopt a revision to a local control and accountability  
16 plan if it follows the process to adopt a local control and  
17 accountability plan pursuant to this section and the revisions are  
18 adopted in a public meeting.

19 *SEC. 46. Section 52070 of the Education Code is amended to*  
20 *read:*

21 52070. (a) Not later than five days after adoption of a local  
22 control and accountability plan or annual update to a local control  
23 and accountability plan, the governing board of a school district  
24 shall file the local control and accountability plan or annual update  
25 to the local control and accountability plan with the county  
26 superintendent of schools.

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

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

1 superintendent of schools in a public meeting within 15 days of  
2 receiving the recommendations.

3 (d) The county superintendent of schools shall approve a local  
4 control and accountability plan or annual update to a local control  
5 and accountability plan on or before October 8, if he or she  
6 determines ~~both~~ *all* of the following:

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

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

16 (3) *The local control and accountability plan or annual update*  
17 *to the local control and accountability plan adheres to the*  
18 *expenditure requirements adopted pursuant to Section 42238.07*  
19 *for funds apportioned on the basis of the number and concentration*  
20 *of unduplicated pupils pursuant to Sections 42238.02 and*  
21 *42238.03.*

22 (e) If a county superintendent of schools has jurisdiction over  
23 a single school district, the Superintendent shall designate a county  
24 superintendent of schools of an adjoining county to perform the  
25 duties specified in this section.

26 *SEC. 47. Section 52070.5 of the Education Code is amended*  
27 *to read:*

28 52070.5. (a) Not later than five days after adoption of a local  
29 control and accountability plan or annual update to a local control  
30 and accountability plan, the county board of education shall file  
31 the local control and accountability plan or annual update to the  
32 local control and accountability plan with the Superintendent.

33 (b) On or before August 15 of each year, the Superintendent  
34 may seek clarification, in writing, from the county board of  
35 education about the contents of the local control and accountability  
36 plan or annual update to the local control and accountability plan.  
37 Within 15 days the county board of education shall respond, in  
38 writing, to requests for clarification.

39 (c) Within 15 days of receiving the response from the county  
40 board of education, the Superintendent may submit

1 recommendations, in writing, for amendments to the local control  
2 and accountability plan or annual update to the local control and  
3 accountability plan. The county board of education shall consider  
4 the recommendations submitted by the Superintendent in a public  
5 meeting within 15 days of receiving the recommendations.

6 (d) The Superintendent shall approve a local control and  
7 accountability plan or annual update to a local control and  
8 accountability plan on or before October 8, if he or she determines  
9 ~~both~~ *all* of the following:

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

13 (2) The budget for the applicable fiscal year adopted by the  
14 county board of education includes expenditures sufficient to  
15 implement the specific actions and strategies included in the local  
16 control and accountability plan adopted by the county board of  
17 education, based on the projections of the costs included in the  
18 plan.

19 (3) *The local control and accountability plan or annual update*  
20 *to the local control and accountability plan adheres to the*  
21 *expenditure requirements adopted pursuant to Section 42238.07*  
22 *for funds apportioned on the basis of the number and concentration*  
23 *of unduplicated pupils pursuant to Sections 2574 and 2575.*

24 *SEC. 48. Section 52074 of the Education Code is amended to*  
25 *read:*

26 52074. (a) The California Collaborative for Educational  
27 Excellence is hereby established.

28 (b) The purpose of the California Collaborative for Educational  
29 Excellence is to advise and assist school districts, county  
30 superintendents of schools, and charter schools in achieving the  
31 goals set forth in a local control and accountability plan adopted  
32 pursuant to this article.

33 (c) The Superintendent shall, with the approval of the state  
34 board, contract with ~~individuals~~, *a local educational agency, or*  
35 *consortium of local educational agencies, to serve as the fiscal*  
36 *agent for the California Collaborative for Educational Excellence.*  
37 *The Superintendent shall apportion funds appropriated for the*  
38 *California Collaborative for Educational Excellence to the fiscal*  
39 *agent.*

1 (d) At the direction of the Superintendent and with the approval  
2 of the state board, the fiscal agent shall contract with individuals,  
3 local educational agencies, or organizations with the expertise,  
4 experience, and a record of success to carry out the purposes of  
5 this article. The areas of expertise, experience, and record of  
6 success shall include, but are not limited to, all of the following:

7 (1) State priorities as described in subdivision (d) of Section  
8 52060.

9 (2) Improving the quality of teaching.

10 (3) Improving the quality of school district and schoolsite  
11 leadership.

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

16 ~~(d)~~

17 (e) The Superintendent may direct the California Collaborative  
18 for Educational Excellence to advise and assist a school district,  
19 county superintendent of schools, or charter school in any of the  
20 following circumstances:

21 (1) If the governing board of a school district, county board of  
22 education, or governing body or a charter school requests the advice  
23 and assistance of the California Collaborative for Educational  
24 Excellence.

25 (2) If the county superintendent of schools of the county in  
26 which the school district or charter school is located determines,  
27 following the provision of technical assistance pursuant to Section  
28 52071 or 47607.3 as applicable, that the advice and assistance of  
29 the California Collaborative for Educational Excellence is  
30 necessary to help the school district or charter school accomplish  
31 the goals described in the local control and accountability plan  
32 adopted pursuant to this article.

33 (3) If the Superintendent determines that the advice and  
34 assistance of the California Collaborative for Educational  
35 Excellence is necessary to help the school district, county  
36 superintendent of schools, or charter school accomplish the goals  
37 set forth in the local control and accountability plan adopted  
38 pursuant to this article.

39 *SEC. 49. Section 56836.11 of the Education Code is amended*  
40 *to read:*

1 56836.11. (a) For the purpose of computing the equalization  
2 adjustment for special education local plan areas for the 1998–99  
3 fiscal year, the Superintendent shall make the following  
4 computations to determine the statewide target amount per unit of  
5 average daily attendance for special education local plan areas:

6 (1) Total the amount of funding computed for each special  
7 education local plan area exclusive of the amount of funding  
8 computed for the special education local plan area identified as  
9 the Los Angeles County Juvenile Court and Community  
10 School/Division of Alternative Education Special Education Local  
11 Plan Area, pursuant to Section 56836.09 for the 1997–98 fiscal  
12 year.

13 (2) Total the number of units of average daily attendance  
14 reported for each special education local plan area for the 1997–98  
15 fiscal year, exclusive of average daily attendance for absences  
16 excused pursuant to subdivision (b) of Section 46010 as that section  
17 read on July 1, 1996, and exclusive of the units of average daily  
18 attendance computed for the special education local plan area  
19 identified as the Los Angeles County Juvenile Court and  
20 Community School/Division of Alternative Education Special  
21 Education Local Plan Area.

22 (3) Divide the sum computed in paragraph (1) by the sum  
23 computed in paragraph (2) to determine the statewide target amount  
24 for the 1997–98 fiscal year.

25 (4) Add the amount computed in paragraph (3) to the inflation  
26 adjustment computed pursuant to subdivision (d) of Section  
27 56836.08 for the 1998–99 fiscal year to determine the statewide  
28 target amount for the 1998–99 fiscal year.

29 (b) Commencing with the 1999–2000 fiscal year to the 2004–05  
30 fiscal year, inclusive, to determine the statewide target amount per  
31 unit of average daily attendance for special education local plan  
32 areas, the Superintendent shall multiply the statewide target amount  
33 per unit of average daily attendance computed for the prior fiscal  
34 year pursuant to this section by one plus the inflation factor  
35 computed pursuant to subdivision (b) of Section 42238.1 for the  
36 fiscal year in which the computation is made.

37 (c) Commencing with the 2005–06 fiscal year and ~~each fiscal~~  
38 ~~year thereafter, ending with the 2010–11 fiscal year,~~ to determine  
39 the statewide target amount per unit of average daily attendance  
40 for special education local plan areas for the purpose of computing

1 the incidence multiplier pursuant to *former* Section 56836.155,  
2 the Superintendent shall add the statewide target amount per unit  
3 of average daily attendance computed for the prior fiscal year for  
4 this purpose to the amount computed in paragraph (2) of  
5 subdivision (d) or paragraph (2) of subdivision (e), as appropriate.

6 (d) For the 2005–06 fiscal year, the Superintendent shall make  
7 the following computation to determine the statewide target amount  
8 per unit of average daily attendance to determine the inflation  
9 adjustment pursuant to paragraph (2) of subdivision (d) of Section  
10 56836.08 and growth pursuant to subdivision (c) of Section  
11 56836.15, as follows:

12 (1) The 2004–05 fiscal year statewide target amount per unit of  
13 average daily attendance less the sum of the 2004–05 fiscal year  
14 total amount of federal funds apportioned pursuant to Schedule  
15 (1) in Item 6110-161-0890 of Section 2.00 of the Budget Act of  
16 2004 for purposes of special education for individuals with  
17 exceptional needs enrolled in kindergarten and grades 1 to 12,  
18 inclusive, divided by the total average daily attendance computed  
19 for the 2004–05 fiscal year.

20 (2) Multiply the amount computed in paragraph (1) by the  
21 inflation factor computed pursuant to subdivision (b) of Section  
22 42238.1 for the fiscal year in which the computation is made.

23 (3) Add the amounts computed in paragraphs (1) and (2).

24 (e) Commencing with the 2006–07 fiscal year and continuing  
25 through the 2012–13 fiscal year, inclusive, the Superintendent  
26 shall make the following computation to determine the statewide  
27 target amount per unit of average daily attendance for special  
28 education local plan areas for the purpose of computing the  
29 inflation adjustment pursuant to paragraph (2) of subdivision (d)  
30 of Section 56836.08 and growth pursuant to subdivision (c) of  
31 Section 56836.15:

32 (1) The statewide target amount per unit of average daily  
33 attendance computed for the prior fiscal year pursuant to this  
34 section.

35 (2) Multiply the amount computed in paragraph (1) by the  
36 inflation factor computed pursuant to subdivision (b) of Section  
37 42238.1 for the fiscal year in which the computation is made.

38 (3) Add the amounts computed in paragraphs (1) and (2).

39 (f) For the 2013–14 fiscal year, the Superintendent shall make  
40 the following computations to determine the statewide target

1 amount per unit of average daily attendance to determine the  
2 inflation adjustment pursuant to subdivision (g) of Section  
3 56836.08 and growth pursuant to subdivision (c) of Section  
4 56836.15, as follows:

5 (1) Total the amount of funding computed for each special  
6 education local plan area pursuant to the amount computed in  
7 subdivision (b) of Section 56836.08 ~~exclusive of~~, *including the*  
8 *amount of funds appropriated pursuant to Provision 22 of Item*  
9 *6110-161-0001 of Section 2.00 of the Budget Act of 2013, and*  
10 *excluding* the amount of funding computed for the special  
11 education local plan area identified as the Los Angeles County  
12 Juvenile Court and Community School/Division of Alternative  
13 Education Special Education Local Plan Area, for the 2013–14  
14 fiscal year.

15 (2) Total the number of units of average daily attendance  
16 reported for each special education local plan area for the 2012–13  
17 fiscal year, exclusive of the units of average daily attendance  
18 computed for the special education local plan area identified as  
19 the Los Angeles County Juvenile Court and Community  
20 School/Division of Alternative Education Special Education Local  
21 Plan Area.

22 (3) Divide the sum computed in paragraph (1) by the sum  
23 computed in paragraph (2).

24 (g) Commencing with the 2014–15 fiscal year and continuing  
25 each fiscal year thereafter, the Superintendent shall make the  
26 following computations to determine the statewide target amount  
27 per unit of average daily attendance for special education local  
28 plan areas for the purpose of computing the inflation adjustment  
29 pursuant to subdivision (g) of Section 56836.08 and growth  
30 pursuant to subdivision (c) of Section 56836.15:

31 (1) The statewide target amount per unit of average daily  
32 attendance computed for the prior fiscal year pursuant to this  
33 section.

34 (2) Multiply the amount computed in paragraph (1) by the  
35 inflation factor computed pursuant to Section 42238.1, as that  
36 section read on January 1, 2013, or any successor section of law  
37 enacted by the Legislature that specifies the inflation factor  
38 contained in Section 42238.1, as that section read on January 1,  
39 2013, for application to the 2014–15 fiscal year and each fiscal  
40 year thereafter.

1 (3) Add the amounts computed in paragraphs (1) and (2).  
2 *SEC. 50. Section 70022 of the Education Code is amended to*  
3 *read:*

4 70022. (a) (1) Subject to an available and sufficient  
5 appropriation, commencing with the 2014–15 academic year, an  
6 undergraduate student enrolled in the California State University  
7 or the University of California who meets the requirements of  
8 paragraph (2) is eligible for a scholarship award as described in  
9 that paragraph.

10 (2) Each academic year, except as provided in paragraphs (3)  
11 and (4), a student shall receive a scholarship award in an amount  
12 that, combined with other publicly funded student financial aid  
13 received by an eligible student, is up to 40 percent of the amount  
14 charged to that student in that academic year for mandatory  
15 systemwide tuition *and fees*, if all of the following requirements  
16 are met:

17 (A) The student’s annual household income does not exceed  
18 one hundred fifty thousand dollars (\$150,000). For purposes of  
19 this article, annual household income shall be calculated in a  
20 manner that is consistent with the requirements applicable to the  
21 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program  
22 (Chapter 1.7 (commencing with Section 69430)) and Section  
23 69506.

24 (B) The student satisfies the eligibility requirements for a Cal  
25 Grant award pursuant to Section 69433.9, except that a student  
26 who is exempt from nonresident tuition under Section 68130.5  
27 shall not be required to satisfy the requirements of subdivision (a)  
28 of Section 69433.9.

29 (C) The student is exempt from paying nonresident tuition.

30 (D) The student completes and submits a Free Application for  
31 Federal Student Aid (FAFSA) application. If the student is not  
32 able to complete a FAFSA application, the student submits an  
33 application determined by the commission to be equivalent to the  
34 FAFSA application for purposes of this article.

35 (E) The student makes a timely application or applications for  
36 publicly funded student financial aid from programs for which he  
37 or she is eligible, other than the program established by this article.  
38 For purposes of this article, “publicly funded student financial aid”  
39 shall be defined as the federal Pell Grant Program, the Cal Grant  
40 Program, and institutional need-based grants.

1 (F) The student maintains ~~at least a 2.0 grade point average~~  
2 *satisfactory academic progress* in a manner that is consistent with  
3 the requirements applicable to the  
4 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program  
5 (~~Chapter 1.7 (commencing with Section 69430))~~; *pursuant to*  
6 *subdivision (m) of Section 69432.7.*

7 (3) The scholarship award under this article to a student whose  
8 annual household income is greater than one hundred thousand  
9 dollars (\$100,000), and who otherwise meets the requirements of  
10 paragraph (2), shall be reduced by 0.6-percent increments, from a  
11 maximum 40 percent of mandatory systemwide tuition *and fees*  
12 for an academic year to a minimum 10 percent of mandatory  
13 systemwide tuition *and fees* for an academic year, per one thousand  
14 dollars (\$1,000) of annual household income in excess of one  
15 hundred thousand dollars (\$100,000), provided that no scholarship  
16 award shall be provided to a student with an annual household  
17 income ~~of exceeding one hundred fifty thousand dollars (\$150,000)~~  
18 ~~or more. (\$150,000)~~. This reduction shall be in addition to any  
19 reduction required by subdivision (e) of Section 70023.

20 (4) For the 2014–15, 2015–16, and 2016–17 academic years,  
21 the maximum amount of a student’s scholarship award shall be 35  
22 percent, 50 percent, and 75 percent, respectively, of the total  
23 scholarship award amount that the student would otherwise be  
24 eligible to receive.

25 (b) In order for students enrolled in their respective segments  
26 to remain eligible to receive a scholarship under this article, the  
27 University of California and the California State University shall  
28 ~~maintain not supplant~~ their respective institutional need-based  
29 ~~grant program policies; grants with the funds provided for~~  
30 *scholarships under this article*, and shall maintain their funding  
31 amounts at a level that, at a minimum, is equal to the level  
32 maintained *for undergraduate students* during the 2013–14  
33 academic year.

34 (c) The University of California and the California State  
35 University shall report on the implementation of this article as part  
36 of the report made pursuant to Section 66021.1.

37 *SEC. 51. Section 84321.6 of the Education Code, as added by*  
38 *Section 74 of Chapter 48 of the Statutes of 2013, is amended to*  
39 *read:*

1 84321.6. (a) Notwithstanding any other law that governs the  
2 regulations adopted by the Chancellor of the California Community  
3 Colleges to disburse funds, the payment of apportionments to  
4 community college districts pursuant to Sections 84320 and 84321  
5 shall be adjusted by the following:

6 (1) For the month of February, ~~fifty-five million two hundred~~  
7 ~~thirty-three~~ *fifty-two million four hundred fifty-six* thousand dollars  
8 ~~(\$55,233,000)~~ *(\$52,456,000)* shall be deferred to July.

9 (2) For the month of March, one hundred thirty-five million  
10 dollars (\$135,000,000) shall be deferred to July.

11 (3) For the month of April, one hundred thirty-five million  
12 dollars (\$135,000,000) shall be deferred to July.

13 (4) For the month of May, one hundred thirty-five million dollars  
14 (\$135,000,000) shall be deferred to July.

15 (5) For the month of June, one hundred thirty-five million dollars  
16 (\$135,000,000) shall be deferred to July.

17 (b) In satisfaction of the moneys deferred pursuant to subdivision  
18 (a), the sum of five hundred ~~ninety-one million two hundred~~  
19 ~~thirty-three~~ *ninety-two million four hundred fifty-six* thousand  
20 dollars ~~(\$591,233,000)~~ *(\$592,456,000)* is hereby appropriated in  
21 July of the 2014–15 fiscal year from the General Fund to the Board  
22 of Governors of the California Community Colleges for  
23 apportionments to community college districts, for expenditure  
24 during the 2014–15 fiscal year, to be expended in accordance with  
25 Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget  
26 Act of 2013.

27 (c) For purposes of making the computations required by Section  
28 8 of Article XVI of the California Constitution, the appropriations  
29 made by subdivision (b) shall be deemed to be “General Fund  
30 revenues appropriated for community college districts,” as defined  
31 in subdivision (d) of Section 41202, for the 2014–15 fiscal year,  
32 and included within the “total allocations to school districts and  
33 community college districts from General Fund proceeds of taxes  
34 appropriated pursuant to Article XIII B,” as defined in subdivision  
35 (e) of Section 41202, for the 2014–15 fiscal year.

36 (d) This section shall become operative on December 15, 2013.

37 (e) This section shall remain in effect only until January 1, 2015,  
38 and as of that date is repealed, unless a later enacted statute, that  
39 is enacted before January 1, 2015, deletes or extends that date.

1     *SEC. 52. Section 17581.7 of the Government Code is amended*  
2     *to read:*

3     17581.7. (a) Funding apportioned pursuant to this section shall  
4     constitute reimbursement pursuant to Section 6 of Article XIII B  
5     of the California Constitution for the performance of any state  
6     mandates included in the statutes and executive orders identified  
7     in subdivision (e).

8     (b) Any community college district may elect to receive block  
9     grant funding pursuant to this section.

10    (c) (1) A community college district that elects to receive block  
11    grant funding pursuant to this section in a given fiscal year shall  
12    submit a letter requesting funding to the Chancellor of the  
13    California Community Colleges on or before August 30 of that  
14    fiscal year.

15    (2) The Chancellor of the California Community Colleges shall  
16    apportion, in the month of November of each year, block grant  
17    funding appropriated in Item 6870-296-0001 of Section 2.00 of  
18    the annual Budget Act to all community college districts that  
19    submitted letters requesting funding in that fiscal year according  
20    to the provisions of that item.

21    (3) A community college district that receives block grant  
22    funding pursuant to this section shall not be eligible to submit  
23    claims to the Controller for reimbursement pursuant to Section  
24    17560 for any costs of any state mandates included in the statutes  
25    and executive orders identified in subdivision (e) incurred in the  
26    same fiscal year during which the community college district  
27    received funding pursuant to this section.

28    (d) All funding apportioned pursuant to this section is subject  
29    to annual financial and compliance audits required by Section  
30    84040 of the Education Code.

31    (e) Block grant funding apportioned pursuant to this section is  
32    specifically intended to fund the costs of the following programs:

33    (1) Agency Fee Arrangements (00-TC-17 and 01-TC-14;  
34    Chapter 893 of the Statutes of 2000; and Chapter 805 of the  
35    Statutes of 2001).

36    (2) Cal Grants (02-TC-28; Chapter 403 of the Statutes of 2000).

37    (3) California State ~~Teachers~~ *Teachers'* Retirement System  
38    (*CalSTRS*) Service Credit (02-TC-19; Chapter 603 of the Statutes  
39    of 1994; Chapters 383, 634, and 680 of the Statutes of 1996;  
40    Chapter 838 of the Statutes of 1997; Chapter 965 of the Statutes

1 of 1998; Chapter 939 of the Statutes of 1999; and Chapter 1021  
2 of the Statutes of 2000).

3 (4) *Collective Bargaining and Collective Bargaining Agreement*  
4 *Disclosure* (CSM 4425 and 97-TC-08; Chapter 961 of the Statutes  
5 of 1975); 1975; Chapter 1213 of the Statutes of 1991).

6 (5) Community College Construction (02-TC-47; Chapter 910  
7 of the Statutes of 1980; Chapters 470 and 891 of the Statutes of  
8 1981; Chapter 973 of the Statutes of 1988; Chapter 1372 of the  
9 Statutes of 1990; Chapter 1038 of the Statutes of 1991; and Chapter  
10 758 of the Statutes of 1995).

11 (6) Discrimination Complaint Procedures (02-TC-42 and  
12 portions of 02-TC-25 and 02-TC-31; Chapter 1010 of the Statutes  
13 of 1976; Chapter 470 of the Statutes of 1981; Chapter 1117 of the  
14 Statutes of 1982; Chapter 143 of the Statutes of 1983; Chapter  
15 1371 of the Statutes of 1984; Chapter 973 of the Statutes of 1988;  
16 Chapter 1372 of the Statutes of 1990; Chapter 1198 of the Statutes  
17 of 1991; Chapter 914 of the Statutes of 1998; Chapter 587 of the  
18 Statutes of 1999; and Chapter 1169 of the Statutes of 2002).

19 (7) Enrollment Fee Collection and Waivers (99-TC-13 and  
20 00-TC-15).

21 (8) Health Fee Elimination (CSM 4206; Chapter 1 of the Statutes  
22 of 1984, Second Extraordinary Session).

23 (9) Minimum Conditions for State Aid (02-TC-25 and 02-TC-31;  
24 Chapter 802 of the Statutes of 1975; Chapters 275, 783, 1010, and  
25 1176 of the Statutes of 1976; Chapters 36 and 967 of the Statutes  
26 of 1977; Chapters 797 and 977 of the Statutes of 1979; Chapter  
27 910 of the Statutes of 1980; Chapters 470 and 891 of the Statutes  
28 of 1981; Chapters 1117 and 1329 of the Statutes of 1982; Chapters  
29 143 and 537 of the Statutes of 1983; Chapter 1371 of the Statutes  
30 of 1984; Chapter 1467 of the Statutes of 1986; Chapters 973 and  
31 1514 of the Statutes of 1988; Chapters 1372 and 1667 of the  
32 Statutes of 1990; Chapters 1038, 1188, and 1198 of the Statutes  
33 of 1991; Chapters 493 and 758 of the Statutes of 1995; Chapters  
34 365, 914, and 1023 of the Statutes of 1998; Chapter 587 of the  
35 Statutes of 1999; Chapter 187 of the Statutes of 2000; and Chapter  
36 1169 of the Statutes of 2002).

37 (10) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the  
38 Statutes of 1978).

1 (11) Reporting Improper Governmental Activities (02-TC-24;  
2 Chapter 416 of the Statutes of 2001; and Chapter 81 of the Statutes  
3 of 2002).

4 (12) Threats Against Peace Officers (CSM 96-365-02; Chapter  
5 1249 of the Statutes of 1992; and Chapter 666 of the Statutes of  
6 1995).

7 (13) Tuition Fee Waivers (02-TC-21; Chapter 36 of the Statutes  
8 of 1977; Chapter 580 of the Statutes of 1980; Chapter 102 of the  
9 Statutes of 1981; Chapter 1070 of the Statutes of 1982; Chapter  
10 753 of the Statutes of 1988; Chapters 424, 900, and 985 of the  
11 Statutes 1989; Chapter 1372 of the Statutes of 1990; Chapter 455  
12 of the Statutes of 1991; Chapter 8 of the Statutes of 1993; Chapter  
13 389 of the Statutes of 1995; Chapter 438 of the Statutes of 1997;  
14 Chapter 952 of the Statutes of 1998; Chapters 571 and 949 of the  
15 Statutes of 2000; Chapter 814 of the Statutes of 2001; and Chapter  
16 450 of the Statutes of 2002).

17 (f) Notwithstanding Section 10231.5, on or before November  
18 1 of each fiscal year, the Chancellor of the California Community  
19 Colleges shall produce a report that indicates the total amount of  
20 block grant funding each community college district received in  
21 the current fiscal year pursuant to this section. The chancellor shall  
22 provide this report to the appropriate fiscal and policy committees  
23 of the Legislature, the Controller, the Department of Finance, and  
24 the Legislative Analyst's Office.

25 *SEC. 53. Section 26225 of the Public Resources Code is*  
26 *amended to read:*

27 26225. For the purposes of this chapter, the following terms  
28 have the following meanings:

29 (a) "Chancellor" means the Chancellor of the California  
30 Community Colleges.

31 (b) "Energy Commission" means the State Energy Resources  
32 Conservation and Development Commission.

33 (c) "~~Local education agency~~ agency," "*local educational*  
34 *agency,*" or "LEA" means a school district, county office of  
35 education, charter school, or state special school.

36 (d) "Job Creation Fund" means the Clean Energy Job Creation  
37 Fund established in Section 26205.

38 *SEC. 54. Section 26233 of the Public Resources Code is*  
39 *amended to read:*

1 26233. (a) Commencing with the 2013–14 fiscal year and  
2 through the 2017–18 fiscal year, inclusive, the funds deposited  
3 annually in the Job Creation Fund and remaining after the transfer  
4 pursuant to Section 26227 and the appropriation pursuant to Section  
5 26230 shall be allocated, to the extent consistent with this division,  
6 as follows:

7 (1) Eighty-nine percent of the funds shall be available to local  
8 educational agencies and allocated by the Superintendent of Public  
9 Instruction pursuant to subdivision (b).

10 (2) Eleven percent of the funds shall be available to community  
11 college districts and allocated by the Chancellor of the California  
12 Community Colleges at his or her discretion.

13 (b) The Superintendent of Public Instruction shall allocate the  
14 funds provided in paragraph (1) of subdivision (a) as follows:

15 (1) Eighty-five percent on the basis of average daily attendance  
16 reported as of the second principal apportionment for the prior  
17 fiscal year. *For purposes of this section, average daily attendance*  
18 *for the state special schools shall be deemed to be 97 percent of*  
19 *the prior year enrollment as reported in the California*  
20 *Longitudinal Pupil Achievement Data System.*

21 (A) For every local-~~education~~ *educational* agency with average  
22 daily attendance as reported pursuant to this subdivision of 100 or  
23 less, the amount awarded shall be fifteen thousand dollars  
24 (\$15,000).

25 (B) For every local-~~education~~ *educational* agency with average  
26 daily attendance as reported pursuant to this subdivision in excess  
27 of 100, but 1,000 or less, the amount awarded shall be either that  
28 local educational agency’s proportional award on the basis of  
29 average daily attendance or fifty thousand dollars (\$50,000),  
30 whichever amount is larger.

31 (C) For every local-~~education~~ *educational* agency with average  
32 daily attendance as reported pursuant to this subdivision in excess  
33 of 1,000, but less than 2,000, the amount awarded shall be either  
34 that local-~~education~~ *educational* agency’s proportional award on  
35 the basis of average daily attendance or one hundred thousand  
36 dollars (\$100,000), whichever amount is larger.

37 (D) For every local-~~education~~ *educational* agency with average  
38 daily attendance as reported pursuant to this subdivision of 2,000  
39 or more, the amount awarded shall be the local-~~education~~

1 *educational* agency's proportional award on the basis of average  
2 daily attendance.

3 (2) Fifteen percent on the basis of students eligible for free and  
4 reduced-price meals in the prior year.

5 (3) For every local ~~education~~ *educational* agency that receives  
6 over one million dollars (\$1,000,000) pursuant to this subdivision,  
7 not less than 50 percent of the funds shall be used for projects  
8 larger than two hundred fifty thousand dollars (\$250,000) that  
9 achieve substantial energy efficiency, clean energy, and jobs  
10 benefits.

11 (c) A local ~~education~~ *educational* agency subject to  
12 subparagraph (A) or (B) of paragraph (1) of subdivision (b) may  
13 submit a written request to the Superintendent of Public Instruction,  
14 by ~~August~~ *September* 1 of each year, to receive in the current year  
15 its funding allocation for both the current year and the following  
16 year, both of which would be based on the average daily attendance  
17 used in the current year for determining funding pursuant to the  
18 applicable subparagraph. A local ~~education~~ *educational* agency  
19 requesting funding pursuant to this subdivision shall not receive  
20 a funding allocation in the year following the request. *This election*  
21 *applies to the funding available pursuant to paragraphs (1) and*  
22 *(2) of subdivision (b).*

23 (d) A local ~~education~~ *educational* agency shall encumber funds  
24 received pursuant to this section by June 30, 2018.

25 *SEC. 55. Section 26235 of the Public Resources Code is*  
26 *amended to read:*

27 26235. (a) The Energy Commission, in consultation with the  
28 Superintendent of Public Instruction, the Chancellor of the  
29 California Community Colleges, and the Public Utilities  
30 Commission, shall establish guidelines for the following:

31 (1) Standard methods for estimating energy benefits, including  
32 reasonable assumptions for current and future costs of energy, and  
33 guidelines to compute the cost of energy saved as a result of  
34 implementing eligible projects funded by this chapter.

35 (2) Contractor qualifications, licensing, and certifications  
36 appropriate for the work to be performed, provided that the Energy  
37 Commission shall not create any new qualification, license, or  
38 certification pursuant to this subparagraph.

39 (3) Project evaluation, including the following:

1 (A) Benchmarks or energy rating systems to select best  
2 candidate facilities.

3 (B) Use of energy surveys or audits to inform project  
4 opportunities, costs, and savings.

5 (C) Sequencing of facility improvements.

6 (D) Methodologies for cost-effectiveness determination.

7 (4) To ensure that adequate energy audit, measurement, and  
8 verification procedures are employed to ensure that energy savings  
9 and greenhouse gas emissions reductions occur as a result of any  
10 funding provided pursuant to this section. The Energy Commission  
11 shall develop a simple preinstallation verification form that includes  
12 project description, estimated energy savings, expected number  
13 of jobs created, current energy usage, and costs. The Energy  
14 Commission may develop benchmarking and other innovative  
15 facility evaluation systems in coordination with the University of  
16 California.

17 (5) Achievement of the maximum feasible energy efficiency or  
18 clean energy benefits, as well as job creation benefits for  
19 Californians, resulting from projects implemented pursuant to this  
20 chapter.

21 (6) Where applicable, ensuring LEAs assist classified school  
22 employees with training and information to better understand how  
23 they can support and maximize the achievement of energy savings  
24 envisioned by the funded project.

25 (b) The Energy Commission shall allow the use of data analytics  
26 of energy usage data, where possible, in the energy auditing,  
27 evaluation, inventorying, measuring, and verification of projects.  
28 To ensure quality of results, data analytics providers shall have  
29 received prior technical validation by the Energy Commission, a  
30 local utility, or the Public Utilities Commission.

31 (c) A community college district or LEA shall not use a sole  
32 source process to award funds pursuant to this chapter. A  
33 community college district or LEA may use the best value criteria  
34 as defined in paragraph (1) of subdivision (c) of Section 20133 of  
35 the Public Contract Code to award funds pursuant to this chapter.

36 (d) The Energy Commission shall adopt the guidelines in  
37 accordance with this section at a publicly noticed meeting and  
38 provide an opportunity for public comment. The Energy  
39 Commission shall provide written public notice of a meeting at  
40 least 30 days prior to the meeting.

- 1 (1) For substantive revision of the guidelines, the Energy  
2 Commission shall provide written notice of a meeting at least 15  
3 days prior to the meeting at which the revision is to be considered  
4 or adopted.
- 5 (2) The adoption or revision of guidelines pursuant to this  
6 subdivision is exempt from Chapter 3.5 (commencing with Section  
7 11340) of Part 1 of Division 3 of Title 2 of the Government Code.
- 8 (e) Each participating LEA shall prioritize the eligible projects  
9 within its jurisdiction taking into consideration, as applicable, at  
10 least the following factors:
  - 11 (1) The age of the school facilities, as well as any plans to close  
12 or demolish the facilities.
  - 13 (2) The proportion of pupils eligible for funds under Title I of  
14 the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301  
15 et seq.) at particular schoolsites.
  - 16 (3) Whether the facilities have been recently modernized.
  - 17 (4) The facilities' hours of operation, including whether the  
18 facilities are operated on a year-round basis.
  - 19 (5) The school's energy intensity as determined from an energy  
20 rating or benchmark system such as the United States  
21 Environmental Protection Agency's Energy Star system or other  
22 acceptable benchmarking approach that may be available from  
23 local utilities, the American Society for Heating, Refrigerating,  
24 and Air-Conditioning Engineers, Inc., or reputable building analysis  
25 software as is appropriate to the size, budget, and expertise  
26 available to the school.
  - 27 (6) The estimated financial return of each project's investment  
28 over the expected lifecycle of the project, in terms of net present  
29 value and return on investment.
  - 30 (7) Each project's potential for energy demand reduction.
  - 31 (8) The anticipated health and safety improvements or other  
32 nonenergy benefits for each project.
  - 33 (9) The individual or collective project's ability to facilitate  
34 matriculation of local residents into state-certified apprenticeship  
35 programs.
  - 36 (10) The expected number of trainees and direct full-time  
37 employees likely to be engaged for each LEA's annual funding  
38 commitments based upon a formula to be made available by the  
39 Energy Commission or California Workforce Investment Board.  
40 The formula shall be stated as labor-intensities per total project

1 dollar expended, and may differentiate by type of improvement,  
2 equipment, or building trade involved.

3 (11) The ability of the project to enhance workforce  
4 development and employment opportunities, utilize members of  
5 the California Conservation Corps, certified local conservation  
6 corps, Youth Build, veterans, Green Partnership Academies,  
7 nonprofit organizations, high school career technical academies,  
8 high school regional occupational programs, or state-certified  
9 apprenticeship programs, or to accommodate learning opportunities  
10 for school pupils or at-risk youth in the community.

11 (f) The Superintendent of Public Instruction shall not distribute  
12 funds to an LEA unless the LEA has submitted to the Energy  
13 Commission, and the Energy Commission has approved, an  
14 expenditure plan that outlines the energy projects to be funded.  
15 An LEA shall utilize a simple form expenditure plan developed  
16 by the Energy Commission. The Energy Commission shall  
17 promptly review the plan to ensure that it meets the criteria  
18 specified in this section and in the guidelines developed by the  
19 Energy Commission. A portion of the funds may be distributed to  
20 an LEA upon request for energy audits and other plan development  
21 activities prior to submission of the plan.

22 (g) This section shall not affect the eligibility of any eligible  
23 entity awarded a grant pursuant to this section to receive other  
24 incentives available from federal, state, and local government, or  
25 from public utilities or other sources, or to leverage the grant from  
26 this section with any other incentive.

27 (h) Any limitation of funds awarded to individual projects  
28 pursuant to this chapter shall not preclude or otherwise limit the  
29 total amount of funds that a recipient LEA or community college  
30 may otherwise be eligible to receive as a result of identifying  
31 multiple projects that meet the overall objectives and criteria  
32 described in this chapter.

33 (i) For a school facility that is not publicly owned, ~~a school~~  
34 ~~district~~ *an LEA* receiving moneys pursuant to this chapter for a  
35 project for that facility shall require that the school repay to the  
36 state all moneys received from the Job Creation Fund for the  
37 project if the school voluntarily vacates the facility within five  
38 years of project completion. The facility owner shall repay to the  
39 state all moneys received from the Job Creation Fund for the  
40 project if the school was forced to vacate the facility within the

1 life of the project completion. All benefits of these public funds  
2 should be received by the school utilizing the facility.

3 (j) It is the intent of the Legislature that monetary savings at  
4 eligible institutions from retrofit and installation projects pursuant  
5 to this section be used to benefit students and learning at those  
6 institutions.

7 *SEC. 56. Section 115 of Chapter 47 of the Statutes of 2013 is*  
8 *amended to read:*

9 SEC. 115. (a) The sum of two billion ~~ninety-nine~~ *one hundred*  
10 *one million one hundred sixty-one thousand* dollars  
11 ~~(\$2,099,161,000)~~ *(\$2,101,161,000)* is hereby appropriated from  
12 the General Fund for the purposes of this act as follows:

13 (1) Two million dollars (\$2,000,000) shall be appropriated to  
14 the Governor’s Office of Planning and Research for purposes of  
15 implementing Sections 42238.07, 52064, and 52064.5 of the  
16 Education Code.

17 (2) Two billion sixty-seven million one hundred forty thousand  
18 dollars (\$2,067,140,000) shall be appropriated to the  
19 Superintendent of Public Instruction and shall be allocated pursuant  
20 to the calculation in subdivision (b) of Section 42238.03 of the  
21 Education Code.

22 (3) Thirty-two million twenty-one thousand dollars  
23 (\$32,021,000) shall be appropriated to the Superintendent of Public  
24 Instruction and shall be allocated pursuant to the calculation in  
25 subdivision (f) of Section 2575 of the Education Code.

26 (b) For purposes of making the computations required by Section  
27 8 of Article XVI of the California Constitution, the ~~appropriation~~  
28 ~~made by amount appropriated in~~ subdivision (a) shall be deemed  
29 to be “General Fund revenues appropriated for school districts,”  
30 as defined in subdivision (c) of Section 41202 of the Education  
31 Code, for the 2013–14 fiscal year, and included within the “total  
32 allocations to school districts and community college districts from  
33 General Fund proceeds of taxes appropriated pursuant to Article  
34 XIII B,” as defined in subdivision (e) of Section 41202 of the  
35 Education Code, for the 2013–14 fiscal year.

36 *SEC. 57. Section 83 of Chapter 48 of the Statutes of 2013 is*  
37 *amended to read:*

38 Sec. 83. (a) Notwithstanding any other law, the Inglewood  
39 Unified School District, through the State Department of Education,  
40 may request cashflow loans from the General Fund for a total of

1 up to fifty-five million dollars (\$55,000,000) for emergency  
2 operational purposes.

3 (b) Unless otherwise specified in this section, the terms and  
4 conditions of any General Fund cashflow loan provided pursuant  
5 to this section shall be subject to approval by the Director of  
6 Finance and shall be consistent with the terms and conditions of  
7 the General Fund emergency apportionment issued pursuant to  
8 Chapter 325 of the Statutes of 2012. *The terms and conditions of*  
9 *the General Fund cashflow loan shall include authorization for*  
10 *the payment of costs incurred before June 15, 2013, by the*  
11 *California Infrastructure and Economic Development Bank to*  
12 *implement Section 10 of Chapter 325 of the Statutes of 2012.*  
13 Notwithstanding the interest rates specified in the terms and  
14 conditions of the General Fund loan issued pursuant to Chapter  
15 325 of the Statutes of 2012, the interest on these loans shall be  
16 charged at the annual rate of return of the Pooled Money  
17 Investment Account, plus an additional 2 percent.

18 (c) Once a General Fund cashflow loan is approved pursuant  
19 to this section, and upon the order of the Director of Finance, the  
20 Controller shall draw warrants against General Fund cash to the  
21 Inglewood Unified School District to provide a cashflow loan.

22 (d) Upon approval of a General Fund cashflow loan pursuant  
23 to this section, a repayment schedule shall be determined by the  
24 Department of Finance. If a required payment is not made within  
25 60 days after a scheduled date, upon order of the Department of  
26 Finance, the Controller shall pay the defaulted General Fund  
27 cashflow loan repayment by withholding that amount from the  
28 next available payment that would otherwise be made to the county  
29 treasurer on behalf of the school district pursuant to Section 14041  
30 of the Education Code.

31 (e) The Department of Finance shall notify the Legislature  
32 within 15 days of authorizing a General Fund cashflow loan  
33 pursuant to this section.

34 (f) A cashflow loan from the General Fund authorized by this  
35 section does not constitute budgetary expenditures. A cashflow  
36 loan, and the repayment of a cashflow loan, made under this section  
37 shall not affect the General Fund reserve.

38 (g) Issuance of a General Fund cashflow loan authorized  
39 pursuant to this section shall require the Inglewood Unified School  
40 District to abide by all provisions associated with the issuance of

1 the emergency loan specified in Chapter 325 of the Statutes of  
2 2012, including those cited in Article 2 (commencing with Section  
3 41320) and Article 2.5 (commencing with Section 41325) of  
4 Chapter 3 of Part 24 of Division 3 of Title 2 of the Education Code.

5 (h) As a condition of requesting a General Fund cashflow loan  
6 pursuant to this section, the Inglewood Unified School District  
7 shall repay the twenty-nine million dollar (\$29,000,000) General  
8 Fund loan issued pursuant to Chapter 325 of the Statutes of 2012  
9 from the proceeds of the school district’s initial request for a  
10 General Fund cashflow loan.

11 *SEC. 58. Item 6110-001-0001 of Section 2.00 of the Budget*  
12 *Act of 2013 is amended to read:*

13  
14 6110-001-0001—For support of Department of Education..... 35,488,000  
15 38,652,000

16 Schedule:

- 17 (2) 20-Instructional Support..... 148,109,000
- 18 (3) 30-Special Programs..... 69,267,000
- 19 (6) 42.01-Department Management and
- 20 Special Services..... 34,901,000
- 21 (7) 42.02-Distributed Department Manage-
- 22 ment and Special Services..... -34,901,000
- 23 (8) Reimbursements..... -16,104,000
- 24 (9) Amount payable from the Federal
- 25 Trust Fund (Item 6110-001-0890)....
- 26 -165,605,000
- 27 (10) Amount payable from the Mental
- 28 Health Services Fund (Item 6110-001-
- 29 3085)..... -179,000
- 30

31 Provisions:

- 32 1. Notwithstanding Section 33190 of the Education Code
- 33 or any other provision of law, the State Department
- 34 of Education shall expend no funds to prepare (a) a
- 35 statewide summary of pupil performance on school
- 36 district proficiency assessments or (b) a compilation
- 37 of information on private schools with five or fewer
- 38 pupils.
- 39 2. Funds appropriated in this item may be expended or
- 40 encumbered to make one or more payments under a

1 personal services contract of a visiting educator pur-  
2 suant to Section 19050.8 of the Government Code, a  
3 long-term special consultant services contract, or an  
4 employment contract between an entity that is not a  
5 state agency and a person who is under the direct or  
6 daily supervision of a state agency, only if all of the  
7 following conditions are met:

- 8 (a) The person providing service under the contract  
9 provides full financial disclosure to the Fair Polit-  
10 ical Practices Commission in accordance with the  
11 rules and regulations of the Commission.
- 12 (b) The service provided under the contract does not  
13 result in the displacement of any represented civil  
14 service employee.
- 15 (c) The rate of compensation for salary and health  
16 benefits for the person providing service under  
17 the contract does not exceed by more than 10  
18 percent the current rate of compensation for salary  
19 and health benefits determined by the Department  
20 of Human Resources for civil service personnel  
21 in a comparable position. The payment of any  
22 other compensation or any reimbursement for  
23 travel or per diem expenses shall be in accordance  
24 with the State Administrative Manual and the  
25 rules and regulations of the California Victim  
26 Compensation and Government Claims Board.

- 27 3. The funds appropriated in this item may not be expend-  
28 ed for any REACH program.
- 29 4. The funds appropriated in this item may not be expend-  
30 ed for the development or dissemination of program  
31 advisories, including, but not limited to, program ad-  
32 visories on the subject areas of reading, writing, and  
33 mathematics, unless explicitly authorized by the State  
34 Board of Education.
- 35 5. Of the funds appropriated in this item, \$206,000 shall  
36 be available as matching funds for the State Depart-  
37 ment of Rehabilitation to provide coordinated services  
38 to disabled pupils. Expenditure of the funds shall be  
39 identified in the memorandum of understanding or  
40 other written agreement with the State Department of

- 1 Rehabilitation to ensure an appropriate match to feder-  
2 al vocational rehabilitation funds.
- 3 6. Of the funds appropriated in this item, no less than  
4 \$1,973,000 is available for support of child care ser-  
5 vices, including state preschool.
- 6 7. By October 31 of each year, the State Department of  
7 Education (SDE) shall provide to the Department of  
8 Finance a file of all charter school average daily atten-  
9 dance (ADA) and state and local revenue associated  
10 with charter school general purpose entitlements as  
11 part of the P2 Revenue Limit File. By March 1 of each  
12 year, the SDE shall provide to the Department of Fi-  
13 nance a file of all charter school ADA and state and  
14 local revenue associated with charter school general  
15 purpose entitlements as part of the P1 Revenue Limit  
16 File. It is the expectation that such reports will be  
17 provided annually.
- 18 8. On or before April 15 of each year, the State Depart-  
19 ment of Education (SDE) shall provide to the Depart-  
20 ment of Finance an electronic file that includes com-  
21 plete district- and county-level state appropriations  
22 limit information reported to the SDE. The SDE shall  
23 make every effort to ensure that all districts have sub-  
24 mitted the necessary information requested on the  
25 relevant reporting forms.
- 26 9. The State Department of Education shall make infor-  
27 mation available to the Department of Finance, the  
28 Legislative Analyst's Office, and the budget commit-  
29 tees of each house of the Legislature by October 31,  
30 March 31, and May 31 of each year regarding the  
31 amount of Proposition 98 savings estimated to be  
32 available for reversion by June 30 of that year.
- 33 10. Of the reimbursement funds appropriated in this item,  
34 \$1,300,000 shall be available to the State Department  
35 of Education for nutrition education and physical ac-  
36 tivity promotion pursuant to an interagency agreement  
37 with the State Department of State Hospitals.
- 38 11. Reimbursement expenditures pursuant to this item re-  
39 sulting from the imposition by the State Department  
40 of Education (SDE) of a commercial copyright fee

- 1 may not be expended sooner than 30 days after the  
2 SDE submits to the Department of Finance a legal  
3 opinion affirming the authority to impose such fees  
4 and the arguments supporting that position against any  
5 objections or legal challenges to the fee filed with the  
6 SDE. Any funds received pursuant to imposition of a  
7 commercial copyright fee may only be expended as  
8 necessary for outside counsel contingent on a certifi-  
9 cation of the Superintendent of Public Instruction that  
10 sufficient expertise is not available within departmental  
11 legal staff. The SDE shall not expend greater than  
12 \$300,000 for such purposes without first notifying the  
13 Department of Finance of the necessity therefor, and  
14 upon receiving approval in writing.
- 15 12. Of the amount appropriated in this item, \$139,000  
16 from reimbursement funds may be expended for ad-  
17 ministering the Education Technology K–12 Voucher  
18 Program pursuant to the Microsoft settlement.
- 19 13. Of the funds appropriated in this item, up to  
20 \$1,011,000 is for dispute resolution services, including  
21 mediation and fair hearing services, provided through  
22 contract for special education programs.
- 23 14. Of the reimbursement funds appropriated in this item,  
24 \$422,000 shall be available to the State Department  
25 of Education (SDE) to contract for assistance in devel-  
26 oping an approved listing of food and beverage items  
27 that comply with the nutrition standards of Chapters  
28 235 and 237 of the Statutes of 2005. In order to fund  
29 the development and maintenance of the approved  
30 product listing, the SDE shall collect a fee, as it deems  
31 appropriate, from vendors seeking to have their prod-  
32 ucts reviewed for potential placement on the approved  
33 product listing.
- 34 15. Of the reimbursement funds appropriated in this item,  
35 \$612,000 is provided to the State Department of Edu-  
36 cation for the oversight of State Board of Education-  
37 authorized charter schools. The Department of Finance  
38 may administratively establish up to 2.0 positions for  
39 this purpose as workload materializes.

- 1 16. Of the funds appropriated in this item, \$158,000 and  
2 1.5 positions are provided to support new requirements  
3 contained in Chapter 723 of the Statutes of 2011,  
4 which strengthens antidiscrimination and antibullying  
5 policies in schools.
- 6 17. Of the funds appropriated in this item, \$109,000 and  
7 1.0 position is provided to support new requirements  
8 contained in Chapter 776 of the Statutes of 2012,  
9 which clarifies the prohibition against public schools  
10 charging pupil fees for participation in educational  
11 activities.
- 12 18. Of the funds appropriated in this item, \$217,000 and  
13 2.0 positions are available for workload to implement  
14 Chapter 577 of the Statutes of 2012, including activi-  
15 ties necessary to revise the Academic Performance  
16 Index.
- 17 19. Of the funds appropriated in this item, \$109,000 shall  
18 be for 1.0 position within the State Department of  
19 Education to support activities associated with the  
20 Clean Energy Job Creation Fund.
- 21 20. Of the funds appropriated in this item, \$233,000 is  
22 available in one-time funds for the Instructional  
23 Quality Commission to support activities necessary  
24 to meet the deadlines required pursuant to Section  
25 60207 of the Education Code for development of  
26 common core curriculum frameworks for mathematics  
27 and English language arts.
- 28 22. *Of the amount appropriated in this item, \$459,000 is*  
29 *provided to support the Career Technical Education*  
30 *Pathways Trust one-time grant program pursuant to*  
31 *Chapter 48 of the Statutes of 2013 in the 2013–14 fis-*  
32 *cal year. The funds appropriated in this item shall*  
33 *support the activities authorized by Section 86 of*  
34 *Chapter 48 of the Statutes of 2013, as follows:*
- 35 (a) *3.0 limited-term 3-year positions to administer*  
36 *and oversee the one-time California Career*  
37 *Technical Education Pathways Trust competitive*  
38 *grant program.*
- 39 (b) *Grant application development and distribution,*  
40 *and grantee selection.*

- 1           (c) Desk monitoring of grant recipients and technical  
2           assistance.
- 3           (d) An external data repository, data collection, and  
4           outcome measures reporting.
- 5       23. Of the amount appropriated in this item, \$570,000 and  
6       5.0 positions are provided to support the Local Control  
7       Accountability Plan state-level activities pursuant to  
8       Chapter 48 of the Statutes of 2013. These funds and  
9       positions shall be used by the State Department of  
10      Education to support activities including, but not lim-  
11      ited to, department-wide coordination of consistent  
12      Local Control Funding Formula information and its  
13      dissemination, and assisting the development of regu-  
14      lations and Local Control and Accountability Plan  
15      templates. Of the amount appropriated in this item,  
16      up to an additional seven hundred twenty-three thou-  
17      sand dollars (\$723,000) and 6.0 positions may be ex-  
18      pended for these state-level activities by the State De-  
19      partment of Education upon approval of an expendi-  
20      ture plan, or plans, for those funds by the Department  
21      of Finance. The Department of Finance shall notify,  
22      in writing, the chairpersons of the committees in each  
23      house of the Legislature that consider appropriations,  
24      the chairpersons of the committees and appropriate  
25      subcommittees that consider the State Budget, and the  
26      Chairperson of the Joint Legislative Budget Commit-  
27      tee, of any expenditure plan approvals and positions  
28      established pursuant to the authority authorized in  
29      this provision.
- 30      24. Of the amount appropriated in this item, \$933,000 and  
31      6.0 positions are provided to support the Local Control  
32      Funding Formula administration pursuant to Chapter  
33      48 of the Statutes of 2013. These funds and positions  
34      shall be used by the State Department of Education to  
35      support the apportionment of, and fiscal oversight of,  
36      funding pursuant to the Local Control Funding For-  
37      mula. Of the amount appropriated in this item, up to  
38      an additional four hundred seventy nine thousand  
39      dollars (\$479,000) and 5.0 positions may be expended  
40      to support Local Control Funding Formula adminis-

1            *tration by the State Department of Education upon*  
2            *approval of an expenditure plan, or plans, for those*  
3            *funds by the Department of Finance. The Department*  
4            *of Finance shall notify, in writing, the chairpersons*  
5            *of the committees in each house of the Legislature that*  
6            *consider appropriations, the chairpersons of the*  
7            *committees and appropriate subcommittees that con-*  
8            *sider the State Budget, and the Chairperson of the*  
9            *Joint Legislative Budget Committee, of any expenditure*  
10           *plan approvals and positions established pursuant to*  
11           *the authority authorized in this provision.*  
12

13           *SEC. 59. For purposes of calculating the local control funding*  
14           *formula transition adjustment pursuant to subdivision (b) of Section*  
15           *42238.03 of the Education Code for the Torrance Unified School*  
16           *District for the 2013–14 and 2014–15 fiscal years, the*  
17           *Superintendent of Public Instruction shall reduce the amount of*  
18           *entitlement for Item 6110-105-0001, as set forth in paragraph (2)*  
19           *of subdivision (a) of Section 42238.03 of the Education Code, by*  
20           *three million four hundred seventy-three thousand five hundred*  
21           *seventy-four dollars (\$3,473,574). For the 2013–14 and 2014–15*  
22           *fiscal years, the Torrance Unified School District shall continue*  
23           *to allocate three million four hundred seventy-three thousand five*  
24           *hundred seventy-four dollars (\$3,473,574) in accordance with*  
25           *paragraph (5) of subdivision (a) of Section 42238.03 of the*  
26           *Education Code.*

27           *SEC. 60. (a) On or before June 30, 2014, the Board of*  
28           *Governors of the California Community Colleges is authorized to*  
29           *increase the total General Fund apportionment allocations to be*  
30           *made between July 1, 2013, and February 1, 2014, specified in*  
31           *subdivisions (d) and (e) of Section 58770 of Title 5 of the California*  
32           *Code of Regulations and authorized in subdivision (b) of Section*  
33           *70901 of the Education Code, by an amount to be determined by*  
34           *the Director of Finance.*

35           *(b) The funds in subdivision (a) shall be increased only to the*  
36           *extent that revenues distributed to community college districts*  
37           *pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the*  
38           *Health and Safety Code are less than the estimated amount*  
39           *reflected in the Budget Act of 2012, as determined by the Director*  
40           *of Finance.*

1 (c) In making the determinations pursuant to subdivision (b),  
2 the Director of Finance shall consider any other local property  
3 tax revenue, student fee revenue, or other sources of revenue  
4 collected in excess of, or in deficit of, the estimated amount  
5 reflected in the Budget Act of 2012.

6 (d) The Director of Finance shall notify the Chairperson of the  
7 Joint Legislative Budget Committee, or his or her designee, of his  
8 or her intent to increase the total allocations to be made between  
9 July 1, 2013, and February 1, 2014, and the amount needed to  
10 address the shortfall determined pursuant to subdivision (b). The  
11 Controller shall make the funds available not sooner than five  
12 days after this notification and the Office of the Chancellor of the  
13 California Community Colleges shall work with the Controller to  
14 allocate these funds to community college districts as soon as  
15 practicable.

16 SEC. 61. The Legislature finds and declares that a special law,  
17 as set forth in Section 57 of this act, is necessary and that a general  
18 law cannot be made applicable within the meaning of Section 16  
19 of Article IV of the California Constitution because of the unique  
20 circumstances relating to the fiscal emergency in the Inglewood  
21 Unified School District.

22 SEC. 62. This act is a bill providing for appropriations related  
23 to the Budget Bill within the meaning of subdivision (e) of Section  
24 12 of Article IV of the California Constitution, has been identified  
25 as related to the budget in the Budget Bill, and shall take effect  
26 immediately.

27 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
28 ~~changes relating to the Budget Act of 2013.~~