

AMENDED IN SENATE MAY 2, 2001
AMENDED IN SENATE APRIL 17, 2001

SENATE BILL

No. 246

Introduced by Senator Brulte

February 15, 2001

An act to amend Section 42238 of, and to add Section 35735.3 to, the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 246, as amended, Brulte. School finance: pupil transfers.

Under existing law, no transfer of 7th and 8th grade pupils between an elementary school district and a high school district may result in the receiving district receiving a revenue limit apportionment for those pupils that exceeds 105% of the statewide average revenue limit for the type and size of the receiving school district. Existing law provides for the recomputation of a school district's base revenue limit if the school district is newly organized.

This bill would instead provide that no transfer of 7th and 8th grade pupils between an elementary school district and a high school district may result in the receiving district receiving a base revenue limit that exceeds 105% of the statewide average revenue limit for the type *and size* of school district. The bill would also provide that the transfer of 7th and 8th grade pupils between an elementary school district and a high school district would trigger the recomputation of the receiving school district's base revenue limit per unit of average daily attendance as if the school district were newly organized, with specified exceptions.

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

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

1 SECTION 1. Section 35735.3 is added to the Education Code,
2 to read:
3 35735.3. (a) The transfer of 7th and 8th grade pupils between
4 an elementary school district and a high school district shall trigger
5 the recomputation, pursuant to Section 35735.1, of the base
6 revenue limit per unit of average daily attendance of the district
7 receiving the 7th and 8th grade pupils, except that the calculations
8 described in paragraphs (2) and (3) of subdivision (a) of Section
9 35735.1 shall not apply to a recomputation performed pursuant to
10 this section.

11 (b) For any school district that was the recipient of a transfer of
12 seventh and eighth grade pupils between January 1, 1994, and
13 January 1, 2002, that did not have its base revenue limit
14 recomputed as a result of the transfer, subdivision (a) shall apply.
15 A change in base revenue limit made pursuant to this subdivision
16 shall be calculated based on the data of the second year prior to the
17 year in which the transfer was effective, but shall not be effective
18 until the 2001–02 fiscal year.

19 SEC. 2. Section 42238 of the Education Code is amended to
20 read:
21 42238. (a) For the 1984–85 fiscal year and each fiscal year
22 thereafter, the county superintendent of schools shall determine a
23 revenue limit for each school district in the county pursuant to this
24 section.

25 (b) The base revenue limit for the current fiscal year shall be
26 determined by adding to the base revenue limit for the prior fiscal
27 year the following amounts:

28 (1) The inflation adjustment specified in Section 42238.1.
29 (2) For the 1995–96 fiscal year, the equalization adjustment
30 specified in Section 42238.4.
31 (3) For the 1996–97 fiscal year, the equalization adjustments
32 specified in Sections 42238.41, 42238.42, and 42238.43.
33 (4) For the 1985–86 fiscal year, the amount received per unit
34 of average daily attendance in the 1984–85 fiscal year pursuant to
35 Section 42238.7.



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

4 (c) Except for districts subject to subdivision (d), the base
5 revenue limit computed pursuant to subdivision (b) shall be
6 multiplied by the district average daily attendance computed
7 pursuant to Section 42238.5.

8 (d) (1) For districts for which the number of units of average
9 daily attendance determined pursuant to Section 42238.5 is greater
10 for the current fiscal year than for the 1982–83 fiscal year, compute
11 the following amount, in lieu of the amount computed pursuant to
12 subdivision (c):

13 (A) Multiply the base revenue limit computed pursuant to
14 subdivision (c) by the average daily attendance computed pursuant
15 to Section 42238.5 for the 1982–83 fiscal year.

16 (B) Multiply the lesser of the amount in subdivision (c) or 1.05
17 times the statewide average base revenue limit per unit of average
18 daily attendance for districts of similar type for the current fiscal
19 year by the difference between the average daily attendance
20 computed pursuant to Section 42238.5 for the current and
21 1982–83 fiscal years.

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

23 (2) This subdivision shall become inoperative on July 1, 1998.

24 (e) For districts electing to compute units of average daily
25 attendance pursuant to paragraph (3) of subdivision (a) of Section
26 42238.5, the amount computed pursuant to Article 4 (commencing
27 with Section 42280) shall be added to the amount computed in
28 subdivision (c) or (d), as appropriate.

29 (f) For the 1984–85 fiscal year only, the county superintendent
30 shall reduce the total revenue limit computed in this section by the
31 amount of the decreased employer contributions to the Public
32 Employees' Retirement System resulting from enactment of
33 Chapter 330 of the Statutes of 1982, offset by any increase in those
34 contributions, as of the 1983–84 fiscal year, resulting from
35 subsequent changes in employer contribution rates.

36 (g) The reduction required by subdivision (f) shall be
37 calculated as follows:

38 (1) Determine the amount of employer contributions that
39 would have been made in the 1983–84 fiscal year if the applicable
40 Public Employees' Retirement System employer contribution rate



1 in effect immediately prior to the enactment of Chapter 330 of the
2 Statutes of 1982 were in effect during the 1983–84 fiscal year.

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

5 (A) The amount of employer contributions that would have
6 been made in the 1983–84 fiscal year if the applicable Public
7 Employees' Retirement System employer contribution rate in
8 effect immediately after the enactment of Chapter 330 of the
9 Statutes of 1982 were in effect during the 1983–84 fiscal year.

10 (B) The actual amount of employer contributions made to the
11 Public Employees' Retirement System in the 1983–84 fiscal year.

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

15 (A) Positions supported totally by federal funds that were
16 subject to supplanting restrictions.

17 (B) Positions supported by funds received pursuant to Section
18 42243.6.

19 (C) Positions supported, to the extent of employer
20 contributions not exceeding twenty-five thousand dollars
21 (\$25,000) by any single educational agency, from a revenue source
22 determined on the basis of equity to be properly excludable from
23 the provisions of this subdivision by the Superintendent of Public
24 Instruction with the approval of the Director of Finance.

25 (4) For accounting purposes, the reduction made by this
26 subdivision may be reflected as an expenditure from appropriate
27 sources of revenue as directed by the Superintendent of Public
28 Instruction.

29 (h) The Superintendent of Public Instruction shall apportion to
30 each school district the amount determined in this section less the
31 sum of:

32 (1) The district's property tax revenue received pursuant to
33 Chapter 3 (commencing with Section 75) and Chapter 6
34 (commencing with Section 95) of Part 0.5 of the Revenue and
35 Taxation Code.

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

39 (3) The amount, if any, received pursuant to Chapter 3
40 (commencing with Section 16140) of the Government Code.



- 1 (4) Prior years' taxes and taxes on the unsecured roll.
2 (5) Fifty percent of the amount received pursuant to Section
3 41603.
4 (6) The amount of motor vehicle license fees distributed
5 pursuant to Section 11003.4 of the Revenue and Taxation Code.
6 (7) The amount, if any, received pursuant to any provision of
7 the Community Redevelopment Law (Part 1 (commencing with
8 Section 33000) of Division 24 of the Health and Safety Code),
9 except for any amount received pursuant to Section 33401 or
10 33676 of the Health and Safety Code that is used for land
11 acquisition, facility construction, reconstruction, or remodeling,
12 or deferred maintenance, except for any amount received pursuant
13 to Section 33492.15, paragraph (4) of subdivision (a) of Section
14 33607.5, or Section 33607.7 of the Health and Safety Code that is
15 allocated exclusively for educational facilities.
16 (8) For a unified school district, other than a unified school
17 district that has converted all of its schools to charter status
18 pursuant to Section 47606, the amount of statewide average
19 general-purpose funding per unit of average daily attendance
20 received by school districts for each of four grade level ranges, as
21 computed by the State Department of Education pursuant to
22 Section 47633, multiplied by the average daily attendance, in
23 corresponding grade level ranges, of any pupils who attend charter
24 schools funded pursuant to Chapter 6 (commencing with Section
25 47630) of Part 26.8 for which the district is the sponsoring local
26 educational agency, as defined in Section 47632, and who reside
27 in and would otherwise have been eligible to attend a noncharter
28 school of the district.
29 (i) Notwithstanding Section 35735.3, no transfer of 7th and 8th
30 grade pupils between an elementary school district and a high
31 school district shall result in the receiving district receiving a base
32 revenue limit that exceeds 105 percent of the statewide average
33 revenue limit for the type *and size* of school district.

O

