

## Assembly Bill No. 825

### CHAPTER 871

An act to amend Sections 42243.7, 52904, 54686.2, and 58562 of, to amend and repeal Sections 37252.8, 37253, 42239.1, 42239.15, 48431.6, 48431.7, and 48644.5 of, to amend, repeal, and add Section 42239 of, to add Sections 18185, 32228.6, 32296.10, 42289.6, 44579.6, 47774, 48642, 52002, 52891, 53032, 53095, 54206, 54669, 54735, 54763, and 58737 to, and to add Chapter 3.2 (commencing with Section 41500) to Part 24 of, the Education Code, relating to education finance.

[Approved by Governor September 29, 2004. Filed with Secretary of State September 29, 2004.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 825, Firebaugh. Education finance: categorical education program reform.

Existing law establishes various categorical education programs under which funding is provided for specific educational purposes. Among these categorical education programs are school safety programs, teacher and staff preparation, induction, and professional development programs, and supplemental instruction programs.

This bill would establish block grants to be composed of funding for specified existing categorical education programs, make those programs inoperative on July 1, 2005, repeal them on January 1, 2006, with certain exceptions, and extend for one year the inoperative and repeal dates of the Early Intervention for School Success Program. The bill would establish a pupil retention block grant, school safety consolidated competitive grant, teacher credentialing block grant, professional development block grant, a new targeted instructional improvement block grant, and school library improvement block grant.

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

SECTION 1. (a) It is the intent of the Legislature to accomplish all of the following:

(1) Address the continuing concerns regarding the fragmentation of supplementary funding sources and the need for flexibility in order to respond to the special needs of all pupils.

(2) Refocus attention on the effect that the expenditure of categorical program funds has on pupil learning rather than on state spending and compliance with operational rules for categorical programs.



(3) Improve school performance by doing the following:

(A) Provide schools increased flexibility in the use of available funds in exchange for accountability.

(B) Ensure that funds intended for services to disadvantaged pupils and schools are expended for their stated purpose.

(C) Ensure that local governing boards develop and adopt the highest possible standards for pupils. The standards shall be as rigorous as current state standards and any that may be adopted pursuant to subsequent legislation.

(b) It is the intent of the Legislature to accomplish the goals set forth in subdivision (a) by establishing block grants to be composed of funding for certain current categorical education programs.

SEC. 2. Section 18185 is added to the Education Code, to read:

18185. This article shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Section 32228.6 is added to the Education Code, to read:

32228.6. This article shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. Section 32296.10 is added to the Education Code, to read:

32296.10. This article shall become inoperative on July 1, 2007, and, as of January 1, 2008, is repealed, unless a later enacted statute that is enacted before January 1, 2008, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 5. Section 37252.8 of the Education Code is amended to read:

37252.8. (a) The governing board of each district maintaining any or all of grades 2 to 6, inclusive, and any charter school, may offer programs of direct, systematic, and intensive supplemental instruction to pupils enrolled in grades 2 to 6, inclusive, who meet either of the following criteria:

(1) Pupils who have been identified as having a deficiency in mathematics, reading, or written expression based on the results of the tests administered under the Standardized Testing and Reporting Program established pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33.

(2) Pupils who have been identified as being at risk of retention pursuant to Section 48070.5.

(b) Supplemental educational services offered pursuant to this section may be offered during the summer, before school, after school, on Saturdays, or during intersession, or in a combination of summer



school, before school, after school, Saturday, or intersession instruction. Services shall not be provided during the pupil's regular instructional day. Any minor pupil whose parent or guardian informs the school district that the pupil is unable to attend a Saturday school program for religious reasons, or any pupil 18 years of age or older who states that he or she is unable to attend a Saturday school program for religious reasons, shall be given priority for enrollment in supplemental instruction offered at a time other than Saturday, over a pupil who is not unable to attend a Saturday school program for religious reasons.

(c) For purposes of this section, a pupil shall be considered to be enrolled in a grade immediately upon completion of the preceding grade. Summer school instruction may also be offered to pupils who were enrolled in grade 6 during the prior school year.

(d) An intensive remedial program in reading or written expression offered pursuant to this section shall, as needed, include instruction in phoneme awareness, systematic explicit phonics and decoding, word attack skills, spelling and vocabulary, explicit instruction of reading comprehension, writing, and study skills.

(e) Each school district or charter school shall seek the active involvement of parents and classroom teachers in the development and implementation of supplemental instructional programs provided pursuant to this section.

(f) It is the intent of the Legislature that pupils who are at risk of failing to meet state adopted standards, or who are at risk of retention, be identified as early in the school year, and as early in their school careers as possible and be provided the opportunity for supplemental instruction sufficient to assist them in attaining expected levels of academic achievement.

(g) (1) A school district or charter school that offers instruction pursuant to this section shall be entitled to receive reimbursement in an amount up to 5 percent of the district's or charter school's total enrollment in grades 2 to 6, inclusive, for the prior fiscal year multiplied by 120 hours, multiplied by the hourly rate for the current fiscal year determined pursuant to subdivision (c) of Section 42239.

(2) The balance of the appropriation made for the purposes of funding programs offered pursuant to this section to serve pupils in grades 2 to 6, inclusive, shall be allocated for reimbursement of pupil attendance in instruction pursuant to subdivision (a) that is in excess of 5 percent, but not in excess of 7 percent, of the district's enrollment for the prior year in grades 2 to 6, inclusive, multiplied by 120 hours, multiplied by the hourly rate for the current fiscal year determined pursuant to subdivision (c) of Section 42239.



(h) Notwithstanding any other provision of law, neither the State Board of Education nor the Superintendent of Public Instruction may waive any provision of this section.

(i) This section shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 6. Section 37253 of the Education Code is amended to read:

37253. (a) The governing board of any school district and a charter school may offer supplemental instructional programs in mathematics, science, or other core academic areas designated by the Superintendent of Public Instruction.

(b) The Superintendent of Public Instruction shall adopt rules and regulations necessary to implement this section, including, but not limited to, the designation of academic areas other than mathematics and science as core academic areas.

(c) The maximum entitlement of a school district or charter school for reimbursement for pupil hours of attendance in supplemental instructional programs offered pursuant to this section shall be an amount equal to 5 percent of the total enrollment of the school district or charter school for the prior fiscal year multiplied by 120 hours, multiplied by the hourly rate for the current fiscal year, as determined pursuant to subdivision (c) of Section 42239.

(d) To the extent appropriated funding allows, a school district or charter school may enroll more than 5 percent of its pupils, or may enroll pupils for more than 120 hours per year, in supplemental instructional programs offered pursuant to this section, if the total state apportionment to the district or charter school for these programs does not exceed an amount computed equal to 10 percent of the total enrollment of the school district or charter school for the prior fiscal year multiplied by 120 hours, multiplied by the hourly rate for the current fiscal year, as determined pursuant to subdivision (c) of Section 42239.

(e) Instructional programs may be offered pursuant to this section during the summer, before school, after school, on Saturday, or during intersession, or in any combination of summer, before school, after school, Saturday, or intersession instruction, but shall be in addition to the regular schoolday. Any minor pupil whose parent or guardian informs the school district that the pupil is unable to attend a Saturday school program for religious reasons, or any pupil 18 years of age or older who states that he or she is unable to attend a Saturday school program for religious reasons, shall be given priority for enrollment in supplemental instruction offered at a time other than Saturday, over a



pupil who is not unable to attend a Saturday school program for religious reasons.

(f) Notwithstanding any other law, neither the State Board of Education nor the Superintendent of Public Instruction may waive compliance with any provision of this section.

(g) This section shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 7. Chapter 3.2 (commencing with Section 41500) is added to Part 24 of the Education Code, to read:

CHAPTER 3.2. CATEGORICAL EDUCATION BLOCK GRANT FUNDING

Article 1. General Provisions

41500. (a) Notwithstanding any other provision of law, a school district and county office of education may expend in a fiscal year up to 15 percent of the amount apportioned for the block grants set forth in Article 3 (commencing with Section 41510), Article 5 (commencing with Section 41530), Article 6 (commencing with Section 41540), or Article 7 (commencing with Section 41570) for any other programs for which the school district or county office is eligible for funding, including programs whose funding is not included in any of the block grants established pursuant to this chapter. The total amount of funding a school district or county office of education may expend for a program to which funds are transferred pursuant to this section may not exceed 120 percent of the amount of state funding allocated to the school district or county office for purposes of that program in a fiscal year. For purposes of this subdivision, “total amount” means the amount of state funding allocated to a school district or county office for purposes of a particular program in a fiscal year plus the amount transferred in that fiscal year to that program pursuant to this section.

(b) A school district and county office of education shall not, pursuant to this section, transfer funds from Article 2 (commencing with Section 41505) and Article 4 (commencing with Section 41520).

(c) Before a school district or county office of education may expend funds pursuant to this section, the governing board of the school district or the county board of education, as applicable, shall discuss the matter at a noticed public meeting.

(d) A school district shall continue to track transfers made pursuant to this section by using object code 8998 of the Standardized Account Code Structure.



41501. (a) The reduction made to categorical education program funding received by a basic aid school district pursuant to Section 38 of Chapter 227 of the Statutes of 2003 shall be deemed not to have occurred for purposes of calculating the amount of block grants a basic aid school district shall receive pursuant to this chapter.

(b) For purposes of this section, “basic aid school district” means a school district that does not receive from the state, for any fiscal year in which the section is applied, an apportionment of state funds pursuant to subdivision (h) of Section 42238.

41502. By January 1, 2007, and subject to an appropriation in the annual Budget Act for this purpose, the Legislative Analyst’s Office shall report and make recommendations on the effectiveness and distribution effects of this chapter on pupil achievement and recommendations on the continuation or elimination of categorical education programs whose funding is not part of the block grants established pursuant to this chapter.

41503. The department shall annually compile and update information for each state and federal categorical education program, including the distribution of funds from each program to each school district and county office of education, in a form similar to the November 2003 audit of the department performed by the Bureau of State Audits.

## Article 2. Pupil Retention Block Grant

41505. (a) There is hereby established the pupil retention block grant. Commencing with the 2005–06 fiscal year, the Superintendent of Public Instruction shall apportion block grant funds to a school district in the same relative statewide proportion that the school district received in the 2003–04 fiscal year for the programs listed in Section 41506.

(b) A school district may expend funds received pursuant to this article for any purpose authorized by the programs listed in Section 41506 as the statutes governing those programs read on January 1, 2004.

(c) For purposes of this article, “school district” includes a county office of education if county offices of education are eligible to receive funds for the programs that are listed in Section 41506. The block grant of a county office of education shall be based only on those programs for which it was eligible to receive funds in the 2003–04 fiscal year.

41505.5. The department shall make an initial allocation of funds to each local educational agency eligible for funding pursuant to this article. This initial allocation shall be 75 percent of the allocation for each local educational agency that is determined pursuant to Section 41505. The remaining portion of each district’s allocation shall be made only after supplemental instruction provided under Sections 37252 and



37252.2 is fully funded as required pursuant to Section 42239. If the Superintendent of Public Instruction notifies the Director of Finance pursuant to paragraph (4) subdivision (c) of Section 42239 that there is a deficiency of funding for purposes of Sections 37252 and 37252.2, the Controller shall transfer from funding provided for purposes of this article any amounts needed to fully fund supplemental instruction provided under Sections 37252 and 37252.2. The transfer of funds pursuant to this section shall be to the item or items in the annual Budget Act that appropriate funds for supplemental instruction provided under Sections 37252 and 37252.2. If the amount of funds remaining after the initial 75 percent allocation is insufficient in any year to fully fund supplemental instruction provided pursuant to Sections 37252 and 37252.2, the amount of the remaining insufficiency shall be deducted from funds appropriated for purposes of this article for the subsequent fiscal year.

41506. The pupil retention block grant shall include funding previously apportioned to school districts for purposes of the following programs:

(a) Supplemental instruction as set forth in Sections 37252.8 and 37253, Article 1 (commencing with Section 53025) of Chapter 16 and Chapter 18 (commencing with Section 53091) of Part 28. Notwithstanding any other provision of law, funding attributable to the programs identified in this subdivision shall be adjusted annually at both the statewide and local educational agency levels to reflect actual participation, and local educational agency funding eligibility shall not exceed the statutory limitations for these programs, as the statutes governing these programs read on January 1, 2004.

(b) Continuation high schools as set forth in Section 42243.7.

(c) High-Risk Youth Education and Public Safety as set forth in Part 26.95 (commencing with Section 47750).

(d) Tenth grade counseling as set forth in Sections 48431.6 and 48431.7.

(e) Opportunity programs as set forth in Article 1 (commencing with Section 48630) and Article 2.3 (commencing with Section 48643) of Chapter 4 of Part 27. The pupil retention block grant shall not include funding apportioned to county offices of education for opportunity schools and programs administered under Sections 48640 and 48641.

(f) Dropout prevention and recovery as set forth in Article 6 (commencing with Section 52890) and Article 7 (commencing with Section 52900) of Chapter 12 of Part 28, Article 3 (commencing with Section 54660) and Article 7 (commencing with Section 54720) of Chapter 9 of Part 29, and Chapter 3.5 (commencing with Section 58550) of Part 31. A school district that received funds pursuant to the programs



listed in this subdivision in the 2003–04 fiscal year shall utilize funds received pursuant to this article to maintain at least the same number of outreach consultants as described in Section 52890 that were utilized by the school district in the 2004–05 fiscal year. A school district shall place consultants first in the school that has the highest percentage of pupils eligible for the federal free and reduced price lunch program. The school district shall then place consultants in the school with the next highest percentage of those pupils and continue in this manner until the school district places in its schools all the outreach consultants required to be placed pursuant to this section.

(g) Early intervention for school success as set forth in Article 4.5 (commencing with Section 54685) of Chapter 9 of Part 29.

(h) An at-risk youth program operated by the Los Angeles Unified School District that is funded pursuant to Item 6110-280-0001 of Section 2.0 of the annual Budget Act.

41507. A school district that receives funds pursuant to this article shall have a school level advisory committee as required pursuant to Chapter 6 (commencing with Section 52000) of Part 28, as that chapter read on January 1, 2004, and shall have a single school plan that incorporates the requirements of Sections 52014 and 52015, as those sections read on January 1, 2004.

41508. Commencing with the 2006–07 fiscal year, the amount of funding a school district receives pursuant to this article shall be adjusted for inflation by the amount calculated pursuant to Section 42238.1 and for growth as measured by the regular average daily attendance used to calculate the second principal apportionment for kindergarten and grades 1 to 12, inclusive.

### Article 3. School Safety Consolidated Competitive Grant

41510. (a) There is hereby established the school safety consolidated competitive grant. Notwithstanding any other provision of law, commencing with the 2005–06 fiscal year, the Superintendent of Public Instruction, in partnership with the Attorney General’s Office, shall distribute grant funds through a competitive process to school districts in order to carry out one or more of the purposes for which the programs listed in Section 41511 and Article 10.4 (commencing with Section 35294.10) of Chapter 2 of Part 21 were established, as the statutes governing those programs read on January 1, 2004. A grant may be made for up to a five-year period.

(b) If a school district has a school safety plan for each of the schools under its jurisdiction, a school district may expend funds received pursuant to this article subject to the parameters, conditions, or



guidelines established by the Superintendent of Public Instruction and the Attorney General’s office for this purpose. For purposes of this article, a school safety plan may be integrated into any single plan developed by a school.

(c) For purposes of this article, “school district” includes a county office of education if county offices of education are eligible to receive funds for the programs that are listed in Section 41511. The block grant of a county office of education shall be based only on those programs for which it was eligible to receive funds in the 2003–04 fiscal year.

41511. Funding for the school safety consolidated competitive grant shall include the funding previously apportioned to school districts for carrying out the purposes of the following programs:

(a) Safe school planning and partnership minigrants, as funded pursuant to Item 6110-226-0001 of Section 2.0 of the annual Budget Act.

(b) School community policing as set forth in Article 6 (commencing with Section 32296) of Chapter 2.5 of Part 19.

(c) Gang-risk intervention as set forth in Chapter 5.5 (commencing with Section 58730) of Part 31.

(d) Safety plans for new schools, as funded pursuant to Item 6110-226-0001 of Section 2.00 of the annual Budget Act.

(e) School community violence prevention, as funded pursuant to Item 6110-226-0001 of Section 2.00 of the annual Budget Act.

(f) Conflict resolution, as funded pursuant to Item 6110-226-0001 of Section 2.00 of the annual Budget Act.

41512. The Superintendent of Public Instruction shall work in partnership with the Office of the Attorney General to ensure proper and efficient distribution of grant funds to school districts in order to carry out one or more of the purposes for which the programs listed in Section 41511 and Article 10.4 (commencing with Section 35294.10) of Chapter 2 of Part 21 were established, as the statutes governing those programs read on January 1, 2004.

41513. The Superintendent of Public Instruction and the Attorney General’s office shall adopt emergency regulations to implement this article as soon as possible.

41514. Funds appropriated for purposes of this article are available for encumbrance for five years from the date of appropriation.

Article 4. Teacher Credentialing Block Grant

41520. (a) There is hereby established the teacher credentialing block grant. Commencing with the 2005–06 fiscal year, the Superintendent of Public Instruction shall apportion block grant funds to a school district offering approved programs pursuant to Section



41521 based on the number of eligible participants in each of those programs.

(b) (1) The Legislature finds that the Superintendent of Public Instruction and the Commission on Teacher Credentialing established requirements for reviewing and approving teacher induction programs. The Legislature further finds that 135 of 150 programs are jointly approved as of July 1, 2004. It is the intent of the Legislature that these requirements remain in effect until the superintendent and commission jointly agree to modify them. The Superintendent of Public Instruction and the Commission on Teacher Credentialing shall jointly review new programs developed pursuant to paragraph (1) of subdivision (a) based on established approval requirements.

(2) As provided for in Section 44259, the Commission on Teacher Credentialing retains authority to issue credentials to candidates who complete an induction program that meets the Standards of Program Quality and Effectiveness adopted by the commission. A previously approved program that is deemed as no longer meeting the Standards of Program Quality and Effectiveness shall be considered a new program for purposes of becoming an approved program pursuant to this article.

(3) A school district may expend funds received pursuant to this article for any purpose authorized by the programs listed in Section 41521, as the statutes governing those programs read on January 1, 2004, for the purpose of providing equivalent program services for beginning teachers. For the purpose of statewide program support and accountability, equivalent program services include regional support and technical assistance that existed under the Beginning Teacher Support and Assessment system on January 1, 2004.

(c) For purposes of this article, “school district” includes a consortia of school districts, a consortia of school districts and county offices of education, and a county office of education if county offices of education are eligible to receive funds for the programs that are listed in Section 41521.

41521. (a) The teacher credentialing block grant shall include funding previously apportioned to school districts for purposes of beginning teacher support and assessment as set forth in Article 4.5 (commencing with Section 44279.1) of Chapter 2 of Part 25.

(b) For purposes of issuing teaching credentials, certificates, or other authorizations, the Commission on Teacher Credentialing shall approve the programs in paragraphs (1) and (2) of subdivision (a). To ensure the Superintendent of Public Instruction has the requisite information to allocate funding based on the number of participating credential candidates pursuant to this article, the commission shall inform the Superintendent of Public Instruction on an ongoing basis of the approval



status of these programs and numbers of participating candidates in each approved program.

41522. Commencing with the 2006–07 fiscal year, the amount of funding a school district receives pursuant to this article shall be adjusted for inflation by the amount calculated pursuant to Section 42238.1 and for growth as measured by the regular average daily attendance used for the second principal apportionment for kindergarten and grades 1 to 12, inclusive.

Article 5. Professional Development Block Grant

41530. (a) There is hereby established the professional development block grant. Commencing with the 2005–06 fiscal year, the Superintendent of Public Instruction shall apportion block grant funds to a school district based on the number of certificated teachers employed by the school district in the immediately prior fiscal year.

(b) A school district may expend funds received pursuant to this article for any purpose authorized by the programs listed in Section 41531, as the statutes governing those programs read on January 1, 2004, if the school district provides each teacher of kindergarten or any of grades 1 to 6, inclusive, with opportunities to participate in professional development activities in reading language arts/English language development. In providing teachers of kindergarten and any of grades 1 to 6, inclusive, with opportunities to participate in professional development activities in reading language arts/English language development, a school district shall expend at least an amount that is equal to the proportion that funding calculated pursuant to Article 3 (commencing with Section 99230) of Chapter 5 of Part 65 bears to the statewide total amount of block grant funds appropriated for purposes of this article. For purposes of this article, professional development in reading language arts/English language development shall be equivalent in rigor to the professional development provided pursuant to Article 3 (commencing with Section 99230) of Chapter 5 of Part 65, as that article read on January 1, 2004.

(c) For purposes of this article, “school district” includes a county office of education if county offices of education are eligible to receive funds for the programs that are listed in Section 41531. The block grant of a county office of education shall be based only on those programs for which it was eligible to receive funds in the 2003–04 fiscal year.

41531. The professional development block grant shall include funding apportioned to school districts prior to January 1, 2005, for purposes of the following programs:



(a) Staff development as set forth in Article 7.5 (commencing with Section 44579) of Chapter 3 of Part 25.

(b) Teaching as a Priority Block Grant as set forth in Chapter 3.36 (commencing with Section 44735) of Part 25.

(c) Intersegmental programs funded pursuant to Item 6110-197-0001 of Section 2.00 of the annual Budget Act.

41532. Commencing with the 2006–07 fiscal year, the amount of funding a school district receives pursuant to this article shall be adjusted for inflation by the amount calculated pursuant to Section 42238.1 and for growth as measured by the regular average daily attendance used to calculate the second principal apportionment for kindergarten and grades 1 to 12, inclusive.

#### Article 6. Targeted Instructional Improvement Block Grant

41540. (a) There is hereby established the targeted instructional improvement block grant. Commencing with the 2005–06 fiscal year, the Superintendent of Public Instruction shall apportion block grant funds to a school district in the same relative statewide proportion that the school district received in the 2003–04 fiscal year for the programs listed in Section 41541.

(b) If a school district is not in violation of a court order regarding desegregation, the school district may expend funds received pursuant to this article for any purpose authorized by the programs listed in Section 41541 as the statutes governing those programs read on January 1, 2004.

(c) For purposes of this article, “school district” includes a county office of education if county offices of education are eligible to receive funds for the programs that are listed in Section 41541. The block grant of a county office of education shall be based only on those programs for which it was eligible to receive funds in the 2003–04 fiscal year.

41541. The targeted instructional improvement block grant shall include funding apportioned to school districts prior to January 1, 2005, for purposes of the following programs:

(a) Targeted instructional improvement as set forth in Chapter 2.5 (commencing with Section 54200) of Part 29.

(b) Supplemental grants as set forth in Article 9 (commencing with Section 54760) of Chapter 9 of Part 29.

41542. Commencing with the 2006–07 fiscal year, the amount of funding a school district receives pursuant to this article shall be adjusted for inflation by the amount calculated pursuant to Section 42238.1 and for growth as measured by the regular average daily attendance used to



calculate the second principal apportionment for kindergarten and grades 1 to 12, inclusive.

41543. In expending funds received pursuant to this article, a school district shall give first priority to funding the costs of a court-ordered desegregation program if the order exists and is still in force.

#### Article 7. School and Library Improvement Block Grant

41570. (a) There is hereby established the school and library improvement block grant. Commencing with the 2005–06 fiscal year, the Superintendent of Public Instruction shall apportion block grant funds to a school district in the same relative statewide proportion that the school district received in the 2003–04 fiscal year for the programs listed in Section 41571.

(b) (1) Except as specified in paragraph (2), a school district may expend funds received pursuant to this article for any purpose authorized by the programs listed in Section 41571, as the statutes governing those programs read on January 1, 2004.

(2) If a school district did not participate before January 1, 2004, in the school improvement program as set forth in Chapter 6 (commencing with Section 52000) of Part 28, the school district shall use grant funds received pursuant to this article for school library materials as set forth in Article 7 (commencing with Section 18180) of Chapter 2 of Part 11, as that article read on January 1, 2004.

(c) For purposes of this article, “school district” includes a county office of education if county offices of education are eligible to receive funds for the programs that are listed in Section 41571. The block grant of a county office of education shall be based only on those programs for which it was eligible to receive funds in the 2003–04 fiscal year.

41571. The school and library improvement block grant shall include funding previously apportioned to school districts for purposes of the following programs:

(a) School library materials as set forth in Article 7 (commencing with Section 18180) of Chapter 2 of Part 11.

(b) School improvement programs as set forth in Chapter 6 (commencing with Section 52000) of Part 28.

41572. A school district that receives funds pursuant to this section shall have a school level advisory committee as required by Chapter 6 (commencing with Section 52000) of Part 28, as it read on January 1, 2004, and shall have a single school plan that incorporates the requirements of Sections 18181, 52014, and 52015, as those sections read on January 1, 2004.



41573. Commencing with the 2006–07 fiscal year, the amount of funding a school district receives pursuant to this article shall be adjusted annually for inflation by the amount calculated pursuant to Section 42238.1 and for growth as measured by enrollment in kindergarten and grades 1 to 12, inclusive, as reported in the CBEDS report. For purposes of this subdivision, “CBEDS report” means the report submitted by the school district to the department for purposes of the California Basic Education Data System.

SEC. 8. Section 42239 of the Education Code is amended to read:

42239. For the 2000–01 fiscal year, and each fiscal year thereafter, the Superintendent of Public Instruction shall compute funding for supplemental instruction for each school district or charter school in the following manner:

(a) Multiply the number of pupil hours of supplemental instruction claimed pursuant to Sections 37252 and 37252.2 by the pupil hour allowance specified in subdivision (c) or by a pupil hour allowance specified in the annual Budget Act in lieu of the amount computed in subdivision (c).

(b) Multiply the number of pupil hours of supplemental instruction claimed pursuant to Sections 37252.6, 37252.8, and 37253 by the pupil hour allowance specified in subdivision (c) or by a per-pupil hour allowance specified in the annual Budget Act in lieu of the amount computed in subdivision (c). The total number of pupil hours of supplemental instruction that may be claimed pursuant to Section 37253 may not exceed the limits on pupil hours that may be claimed as established by subdivisions (c) and (d) of Section 37253. The total number of pupil hours of supplemental instruction that may be claimed pursuant to Section 37252.6 may not exceed the limits on pupil hours that may be claimed as established in subdivision (g) of that section.

(c) Commencing with the 2000–01 fiscal year, hours of supplemental instruction shall be reimbursed at a rate of three dollars and twenty-five cents (\$3.25) per pupil hour, adjusted in future years as specified in this section, provided that a different reimbursement rate may be specified for each fiscal year in the annual Budget Act that appropriates funding for that fiscal year. This amount shall be increased annually by the percentage increase pursuant to subdivision (b) of Section 42238.1 granted to school districts or charter schools for base revenue limit cost-of-living increases.

(d) (1) If appropriated funding is insufficient to pay all claims made in any fiscal year pursuant to Section 37252 or 37252.2, the superintendent shall use any available funding appropriated for the purposes of reimbursing school districts pursuant to Section 37252, 37252.2, 37252.5, or subdivision (d) of Section 37253.



(2) If appropriated funding is still insufficient to pay all claims made in any fiscal year pursuant to Section 37252, 37252.2, or 37252.5, the superintendent shall use any available funding appropriated for the purposes of reimbursing school districts for supplemental instruction in the prior fiscal year.

(3) If appropriated funding is still insufficient to pay all claims made in any fiscal year pursuant to Section 37252 or 37252.2, the superintendent shall use any available funding appropriated for the purposes of reimbursing school districts for supplemental instruction in the current fiscal year.

(4) The superintendent shall notify the Director of Finance that there is a deficiency of funding appropriated for the purposes of Sections 37252, 37252.2, and 37252.5 only after the superintendent has exhausted all available balances of appropriations made for the current or prior fiscal years for the reimbursement of school districts for supplemental instruction.

(e) Notwithstanding any other provision of law, neither the State Board of Education nor the Superintendent of Public Instruction may waive any provision of this section.

(f) This section shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 9. Section 42239 is added to the Education Code, to read:

42239. (a) For the 2005–06 fiscal year, and each fiscal year thereafter, the Superintendent of Public Instruction shall compute funding for supplemental instruction for each school district or charter school by multiplying the number of pupil hours of supplemental instruction claimed pursuant to Sections 37252 and 37252.2 by the pupil hour allowance specified in subdivision (b) or by a pupil hour allowance specified in the annual Budget Act in lieu of the amount computed in subdivision (b).

(b) Commencing with the 2000–01 fiscal year, hours of supplemental instruction shall be reimbursed at a rate of three dollars and twenty-five cents (\$3.25) per pupil hour, adjusted in future years as specified in this section, provided that a different reimbursement rate may be specified for each fiscal year in the annual Budget Act that appropriates funding for that fiscal year. This amount shall be increased annually by the percentage increase pursuant to subdivision (b) of Section 42238.1 granted to school districts or charter schools for base revenue limit cost-of-living increases.

(c) (1) If appropriated funding is insufficient to pay all claims made in any fiscal year pursuant to Sections 37252 and 37252.2, the



superintendent shall use any available funding appropriated for the purposes of reimbursing school districts pursuant to Sections 37252 and 37252.2.

(2) If appropriated funding is still insufficient to pay all claims made in any fiscal year pursuant to Sections 37252 and 37252.2, the superintendent shall use any available funding appropriated for the purposes of reimbursing school districts for supplemental instruction in the prior fiscal year.

(3) If appropriated funding is still insufficient to pay all claims made in any fiscal year pursuant to Sections 37252 and 37252.2, the superintendent shall use any available funding appropriated for the purposes of reimbursing school districts for supplemental instruction in the current fiscal year.

(4) If appropriated funding is still insufficient to pay all claims made in any fiscal year pursuant to Sections 37252 and 37252.2, the superintendent shall certify to the Controller the amount of funds needed to fully fund claims pursuant to Sections 37252 and 37252.2. Upon receipt of certification from the superintendent, the Controller shall transfer the amount from any funds available for that fiscal year for the Pupil Retention Block Grant program provided pursuant to Article 1 (commencing with Section 41505) of Chapter 3.2 of Part 24. If insufficient funds are available from the appropriation for the Pupil Retention Block Grant program for the fiscal year, the Controller shall transfer any remaining funds needed from any amount appropriated for the Pupil Retention Block Grant program for the following fiscal year.

(5) The superintendent shall notify the Director of Finance that there is an insufficiency of funding appropriated for the purposes of Sections 37252 and 37252.2 only after the superintendent has exhausted all available balances of appropriations made for the current or prior fiscal years for the reimbursement of school districts for supplemental instruction and shall report the amount certified to be transferred from the Pupil Retention Block Grant to eliminate that insufficiency.

(d) Notwithstanding any other provision of law, neither the State Board of Education nor the Superintendent of Public Instruction may waive any provision of this section.

(e) This section shall become operative on July 1, 2005.

SEC. 10. Section 42239.1 of the Education Code is amended to read:

42239.1. (a) For the 1999–2000 fiscal year and each fiscal year thereafter, each school district is eligible for reimbursement for hours of pupil attendance claimed for intensive reading programs offered pursuant to Article 1 (commencing with Section 53025) of Chapter 16 of Part 28 in an amount up to 10 percent of the district's total enrollment



in kindergarten and grades 1 to 4, inclusive, for the prior fiscal year multiplied by 120 hours, multiplied by the hourly rate for the current fiscal year determined pursuant to subdivision (c) of Section 42239. This amount shall be provided in addition to amounts claimed pursuant to Sections 37252, 37252.2, 37252.5, 35252.6, 37252.8, and 37253.

(b) In expending funds received pursuant to this section, a school district shall give first priority for the purpose specified in paragraph (1) of subdivision (c) of Section 53027.

(c) Reimbursement pursuant to this section is contingent on an appropriation being made for that purpose in the annual Budget Act.

(d) This section shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 11. Section 42239.15 of the Education Code is amended to read:

42239.15. (a) For the 2000–01 fiscal year and each fiscal year thereafter, each school district and charter school is eligible for reimbursement for hours of pupil attendance claimed for intensive algebra instruction academies offered pursuant to Chapter 18 (commencing with Section 53091) of Part 28 in an amount up to 6 percent of the total enrollment in grades 7 and 8 of the school district or charter school for the prior fiscal year multiplied by 120 hours, multiplied by the hourly rate for the current fiscal year determined pursuant to subdivision (c) of Section 42239. This amount shall be provided in addition to the amount provided pursuant to Section 42239.

(b) In expending funds received pursuant to this section, a school district shall give first priority for the purpose specified in paragraph (1) of subdivision (d) of Section 53092.

(c) Reimbursement pursuant to this section is contingent on an appropriation being made for that purpose in the annual Budget Act.

(d) This section shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 12. Section 42243.7 of the Education Code is amended to read:

42243.7. (a) For any school district that commenced operations on or after June 30, 1978, or for any school district that receives approval from the department for a new continuation education high school for the 1979–80 fiscal year, or any fiscal year thereafter, the Superintendent of Public Instruction shall compute an adjustment to the district revenue limit pursuant to this section.



(b) Determine the amount of foundation program that the district would have been entitled to pursuant to subdivision (a) of Section 41711, as that section read on July 1, 1977, if the district had operated during the 1977–78 fiscal year, utilizing the number of units of average daily attendance attending high school in the district in the fiscal year for which the revenue limit is being computed.

(c) Determine the amount of foundation program that the district would have been entitled to pursuant to paragraph (1) of subdivision (b) of Section 41711, as that section read on July 1, 1977, if the district had operated during the 1977–78 fiscal year, utilizing the same number of units of average daily attendance used in subdivision (b) of this section.

(d) Subtract the amount determined pursuant to subdivision (c) from the amount computed pursuant to subdivision (b).

(e) The amount computed pursuant to subdivision (d), if greater than zero, shall be added to the revenue limit computed pursuant to subdivision (c) of Section 42237 or pursuant to Section 42238. If the amount in subdivision (d) is less than zero there is no adjustment.

(f) The Superintendent of Public Instruction shall reduce by the amount computed pursuant to subdivision (e) the revenue limit computed pursuant to Section 42238 of any district discontinuing the operation of a continuation education school approved pursuant to subdivision (a).

(g) (1) For the 1994–95 to 2002–03 fiscal years, inclusive, the adjustment computed pursuant to this section may not be adjusted by the deficit factor applied to the revenue limit of each school district pursuant to Section 42238.145.

(2) For the 2003–04 fiscal year and each fiscal year thereafter, the revenue limit reduction specified in Section 42238.146 may not be applied to the adjustment computed pursuant to this section.

(h) The adjustment computed pursuant to this section for a new continuation education high school may be applicable for any unified school district that was not fully operational during the first year of operation of the continuation education high school. The number of units of average daily attendance to be used in computing the adjustment shall be the number of units of average daily attendance generated by the continuation education high school in the district for the first year that the district is fully operational in all grades.

(i) In the 1998–99 fiscal year and each fiscal year thereafter, the ranges of average daily attendance resulting from the calculation set forth in this section pursuant to Section 41711, as that section read on July 1, 1977, shall be reduced by the statewide average percentage that absences excused pursuant to subdivision (b) of Section 46010, as that section read on July 1, 1996, were of total second principal



apportionment regular average daily attendance for high schools in 1996–97, with the reduced ranges then rounded to the nearest integer.

(j) Commencing with the 2005–06 fiscal year and notwithstanding any provision of law, the amount of the adjustment calculated pursuant to this section shall not be added to the revenue limit of a school district, but shall be used in determining the amount of the pupil retention block grant awarded a school district pursuant to Article 1 (commencing with Section 41500) of Chapter 3.2.

SEC. 13. Section 42289.6 is added to the Education Code, to read:

42289.6. (a) It is the intent of the Legislature that the Quality Education Commission review the eligibility provisions for the establishment of necessary small schools as specified in Sections 42280, 42282, 42283, 42284, and 42285, including the following:

(1) The appropriate size for a necessary small elementary school, a necessary small middle school, and a necessary small high school.

(2) Whether mileage and other eligibility requirements are appropriate or need to be modified.

(b) It is further the intent of the Legislature that by January 1, 2006, the Quality Education Commission recommend to the Legislature modifications regarding the size, eligibility requirements, and funding of necessary small schools.

SEC. 14. Section 44579.6 is added to the Education Code, to read:

44579.6. This article shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 15. Section 47774 is added to the Education Code, to read:

47774. This part shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 16. Section 48431.6 of the Education Code is amended to read:

48431.6. (a) The governing board of each district maintaining high schools and accepting funds made available for purposes of this section shall establish and maintain a program which ensures that each pupil, upon reaching the age of 16 years or prior to the end of grade 10, whichever occurs first, has received a systematic review of his or her academic progress and counseling regarding his or her educational options during the final two years of high school. The program shall be adopted at a public meeting of the governing board and shall include all of the following:



(1) Provision for individualized review of the pupil's academic and deportment records.

(2) Provision for a meeting with the pupil and where feasible, with the pupil's parent or guardian, to explain the pupil's record, his or her educational options, the coursework and academic progress needed for satisfactory completion of high school, and the effect of that coursework and academic progress upon the pupil's options for postsecondary education and employment. Educational options shall include regional occupational centers and programs, continuation schools, academic programs, and any other alternatives available to pupils of the district.

(3) Provision for services of teachers, counselors, and others designated by the governing board to provide the individualized review and assistance to pupils pursuant to paragraphs (1) and (2). To the maximum extent feasible, regional occupational center or program counselors shall actively participate in, and the local business community shall be involved in, career guidance activities.

(b) The program shall give first priority to identifying pupils who are not earning credits at a rate that will enable them to graduate with the rest of their class, and to providing these pupils with counseling services funded pursuant to Section 48431.7.

(c) This section shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 17. Section 48431.7 of the Education Code is amended to read:

48431.7. (a) Funds appropriated for purposes of Section 48431.6 shall supplement, and shall not supplant, existing funding for counseling services. Out of funds appropriated for those purposes, the Superintendent of Public Instruction shall apportion twenty dollars (\$20) per prior year's enrollment in grade 10 to each school district that has adopted a program pursuant to Section 48431.6.

(b) This section shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 18. Section 48642 is added to the Education Code, to read:

48642. This article shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 19. Section 48644.5 of the Education Code is amended to read:



48644.5. This article shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 20. Section 52002 is added to the Education Code, to read:

52002. This chapter shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that becomes operative on or before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 21. Section 52891 is added to the Education Code, to read:

52891. This article shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 22. Section 52904 of the Education Code is amended to read:

52904. This article shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative is repealed.

SEC. 23. Section 53032 is added to the Education Code, to read:

53032. This article shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 24. Section 53095 is added to the Education Code, to read:

53095. This chapter shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 25. Section 54206 is added to the Education Code, to read:

54206. This chapter shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 26. Section 54669 is added to the Education Code, to read:

54669. This article shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 27. Section 54686.2 of the Education Code is amended to read:

54686.2. This article shall become inoperative on July 1, 2005, and as of January 1, 2006, is repealed, unless a later enacted statute, which



becomes effective on or before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 28. Section 54735 is added to the Education Code, to read:

54735. This article shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 29. Section 54763 is added to the Education Code, to read:

54763. This article shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 30. Section 58562 of the Education Code is amended to read:

58562. This chapter shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 31. Section 58737 is added to the Education Code, to read:

58737. This chapter shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

