

AMENDED IN SENATE JUNE 14, 2006  
AMENDED IN SENATE MAY 30, 2006  
AMENDED IN SENATE MAY 16, 2006  
AMENDED IN SENATE APRIL 26, 2006  
AMENDED IN SENATE FEBRUARY 6, 2006  
AMENDED IN ASSEMBLY MAY 26, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 318**

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**Introduced by Assembly Member Dymally**

February 10, 2005

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An act to amend Sections 41329.50 and 71093 of, to add Sections ~~41329.58, 41329.51, 41329.52, 41329.55, and 71093 of~~, to add Section and 41329.59 to, and to add Article 5 (commencing with Section 74292) to Chapter 5 of Part 46 of, the Education Code, and to amend Section 63049.67 of the Government Code, relating to community colleges, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 318, as amended, Dymally. Community colleges: Compton Community College District.

(1) Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges. Existing law requires the board of governors to appoint a chief executive officer, known as the Chancellor of the California Community Colleges. Existing law provides for the

establishment of community college districts throughout the state, including the Compton Community College District. Existing law authorizes these districts to provide instruction to students at the campuses operated by these districts.

This bill would express various findings and declarations of the Legislature with respect to the withdrawal of accreditation from the Compton Community College District and the impact the withdrawal would have on the students and residents of the Compton Community College District.

(2) Existing law authorizes emergency advance apportionments to be provided to a school district that complies with prescribed requirements, including the submission of a report issued by an independent auditor with respect to the financial conditions and budgetary controls of the district, a written management review conducted by a qualified management consultant approved by the county superintendent of schools, and a fiscal plan adopted by the governing board to resolve the financial problems of the district.

This bill would authorize a community college district that has had a trustee appointed pursuant to specified provisions to request, and receive an emergency apportionment. The bill would ~~specifically authorize a loan of \$31,500,000 to be extended to the Compton Community College District for activities relating to the provision of continuing services by that district in the absence of accreditation appropriate \$30,000,000 from the General Fund to the Compton Community College District as an emergency apportionment, as specified.~~

(3) Existing law establishes the County Office Fiscal Crisis and Management Assistance Team (FCMAT), which consists of persons having extensive experience in school district budgeting, accounting, data processing, telecommunications, risk management, food services, pupil transportation, purchasing and warehousing, facilities maintenance and operation, and personnel administration, organization, and staffing. Existing law authorizes community college districts to request the FCMAT to provide specified services, at that district's expense, as specified.

This bill would require the FCMAT to conduct an extraordinary audit of the Compton Community College District on or before October 30, 2006. The bill would require the FCMAT to conduct a comprehensive assessment and prepare a recovery plan, to be delivered to the Chancellor's Office of the California Community

Colleges and the Department of Finance, for the Compton Community College District addressing 5 specified operational areas, on or before January 31, 2007. The bill would require the FCMAT to file a written status report at regular intervals with the appropriate fiscal and policy committees of the Legislature, the advisory committee to the special trustee, the Chancellor of the California Community Colleges, the Director of Finance, and the Secretary for Education. The bill would require these status reports to include the progress that the Compton Community College District is making in meeting the recommendations of the FCMAT comprehensive assessment and addressing the deficiencies identified by the Accrediting Commission for Community and Junior Colleges.

(4) Existing law, until January 1, 2008, authorizes the board of governors to authorize the chancellor to suspend, for a period of up to one year, in accordance with a prescribed procedure, the authority of the Board of Trustees of the Compton Community College District, or of any of the members of the board, to exercise and any powers or responsibilities or to take any official actions with respect to the management of the district. Existing law authorizes the chancellor to renew a suspension under this provision as many times, and as often, as he or she finds it necessary during the period of the operation of the provision. Existing law authorizes the chancellor to appoint a special trustee, at district expense, to manage the district, in accordance with a prescribed procedure.

This bill would instead authorize the board of governors to suspend the authority of the Board of Trustees of the Compton Community College District under this provision for a period of *up to 5 years from the effective date of this bill*, plus a period lasting until the chancellor, the FCMAT, the Director of Finance, and the Secretary for Education concur with the special trustee that the district has, for 2 consecutive academic years, met the requirements of the comprehensive assessment conducted, and the recovery plan prepared, pursuant to the bill. The bill would delete the authority of the chancellor to renew a suspension under this provision as many times, and as often, as he or she finds it necessary during the period of the operation of the provision. The bill would exempt the chancellor from complying with specified requirements relating to preferences for disabled veterans, and from complying with the State Contract Act, in appointing the special trustee. The bill would authorize the chancellor to assume, and delegate to the special trustee, powers and duties of the Compton

Community College District Personnel Commission that the chancellor determines are necessary for the management of the personnel functions of the district. The bill would authorize the special trustee to be a member of the State Teachers' Retirement System or the Public Employees' Retirement System for the period of service as a special trustee, if that person has been a member of either of those systems, unless the special trustee elects, in writing, not to be a member.

The bill would authorize the special trustee to do all of the following: implement substantial changes in the fiscal policies and practices of the Compton Community College District, ~~including, if necessary, the filing of a petition under the federal Bankruptcy Act for the adjustment of indebtedness of the district;~~ revise the academic program of the Compton Community College District to reflect realistic income projections in response to the dramatic effect of the changes in fiscal policies and practices upon program quality; encourage all members of the college community to accept a fair share of the burden of the full recovery of the Compton Community College District in 5 specified operational areas; ~~and~~ enter into agreements on behalf of the Compton Community College District and, subject to any contractual and statutory obligation of the Compton Community College District, change any existing district rules, regulations, policies, or practices as necessary for the effective implementation of the recovery plan, *as specified; and appoint an advisory committee, as specified.*

The bill would extend the operation of this provision indefinitely.

(5) Existing law sets forth procedures to be followed in the event of the formation of a new community college district or the reorganization of an existing community college district.

This bill would set forth procedures to be followed in the event that the Compton Community College's accreditation is terminated by the regional accrediting body recognized by the board of governors.

The bill would authorize the chancellor to oversee all actions at the Compton Community College District related to the loss of the college's accreditation. The bill would require the district to complete the provision of instruction in all classes for which it intends to claim apportionment prior to the date of the loss of accreditation. The bill would provide that, notwithstanding any other provision of law, the Compton Community College District would continue to be eligible to

receive state funding as provided under the bill even if the accreditation is terminated.

The bill would require the Compton Community College District to identify a partner district that would agree to provide accredited instructional programs to students residing in the Compton Community College District. The bill would authorize the special trustee and the partner district to enter into one or more agreements for the provision of instructional services or other services. The bill would specify the educational services that the partner district would agree to provide to Compton Community College District students.

The bill would require that the Compton Community College District receive an apportionment, as specified, for courses provided at the Compton Community Educational Center by the partner district. The bill would provide that a statute requiring that 50% of the current expense of education, as defined, be expended on the salaries of classroom instructors would not apply to the Compton Community College District from the 2003–04 fiscal year to the 2008–09 fiscal year, inclusive.

Because the bill would impose new duties on the Compton Community College District, it would constitute a state-mandated local program.

(6) A provision of the California Constitution requires that a local or a special statute is invalid in any case if a general statute can be made applicable.

This bill would express the finding and declaration of the Legislature that, due to the unique circumstances relating to the accreditation status of Compton Community College, a general statute cannot be made applicable, and the enactment of specified provisions of the bill as a special statute is therefore necessary.

(7) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(8) The bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: yes.

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

1 SECTION 1. With respect to the general background and  
2 intent of the act that adds this section, the Legislature finds and  
3 declares all of the following:

4 (a) Accreditation is a means for ensuring the academic quality  
5 and accountability for the colleges in the California Community  
6 College system. Additionally, students of the California  
7 Community Colleges must attend an accredited community  
8 college in order to participate in federal financial assistance  
9 programs.

10 (b) All colleges within the California Community Colleges  
11 system should be accredited by the recognized regional  
12 accrediting association serving California.

13 (c) The loss of accreditation by a college of the California  
14 Community Colleges presents a severe burden for the students of  
15 that college and for the residents of the community served by that  
16 college. Neither the students nor the residents should be deprived  
17 of educational opportunities due to the loss of accreditation by a  
18 community college.

19 (d) The Legislature finds that a California community college  
20 district whose colleges have lost accreditation presents the state  
21 with financial and educational emergencies and that  
22 extraordinary measures are required to address those  
23 emergencies.

24 (e) The Accrediting Commission for Community and Junior  
25 Colleges has found that Compton Community College does not  
26 meet accreditation standards, and has decided to withdraw  
27 accreditation. That decision may become effective on or before  
28 June 30, 2006. It is in the public interest to provide services  
29 through an accredited college to the persons adversely affected  
30 by the loss of accreditation by Compton Community College.  
31 Accordingly, it is the intent of the Legislature to provide for  
32 uninterrupted educational opportunities through another  
33 accredited community college for the students who currently  
34 attend the Compton Community College District and to provide  
35 continued meaningful access to that educational opportunity  
36 within the California Community College system to the residents  
37 of the Compton Community College District.

1 (f) In order to provide for continuing educational opportunities  
2 through an accredited college for the residents of the Compton  
3 Community College District and for the preservation of federal  
4 funding for students of the Compton Community College  
5 District, extraordinary legislative measures are required.

6 SEC. 2. With respect to meeting the needs of current students  
7 and residents of the Compton Community College District, the  
8 Legislature finds and declares all of the following:

9 (a) The appropriate way to provide for immediate continuing  
10 educational opportunities to the students and residents of the  
11 Compton Community College District is for the Compton  
12 Community College District to identify another community  
13 college district that is willing to serve as a partner and provide  
14 accredited educational and related administrative and support  
15 services using the facilities of the Compton Community College  
16 District as an educational center in that area. Those educational  
17 and support services should include offering a full range of credit  
18 courses leading to an associate degree for Compton students,  
19 making provisions for continuing or accelerating educational  
20 offerings for current Compton Community College students who  
21 are close to graduating, providing special counseling services to  
22 assist Compton Community College students who are  
23 considering transferring to other community colleges or  
24 baccalaureate institutions, and meeting the transitional needs of  
25 significant numbers of students who previously attended the  
26 Compton Community College District.

27 (b) Although uninterrupted service to existing students is the  
28 highest priority, a critically important measure of ongoing  
29 educational success in the Compton area will be the extent to  
30 which the community college system is able to identify problems  
31 that lead to the loss of accreditation and to construct a recovery  
32 plan to address those problems. In the near future, significant  
33 efforts must be made to determine the needs and desires of  
34 students served by the elementary and secondary schools within  
35 the Compton Community College District and to formulate  
36 long-term success strategies for them within the California  
37 Community College system.

38 (c) The Compton Community College District will require  
39 enhanced state assistance and resources in order to address the  
40 issues that led to loss of accreditation and to contract for

1 continued educational and support services for the students and  
 2 residents of the Compton Community College District. The  
 3 Board of Governors of the California Community Colleges will  
 4 also require additional resources to oversee federally required  
 5 actions resulting from the loss of accreditation and to support the  
 6 educational recovery efforts.

7 (d) The Compton Community College District will also have  
 8 responsibilities related to its loss of accreditation, including, but  
 9 not limited to, actions mandated by federal authorities for  
 10 reconciling student financial assistance programs. The Compton  
 11 Community College District must also continue to support the  
 12 efforts of the partner district to provide the services described in  
 13 this act. The Board of Governors of the California Community  
 14 Colleges must be authorized to continue its oversight role of the  
 15 Compton Community College District to ensure that these  
 16 transitional responsibilities are met.

17 (e) Because of circumstances beyond the control of the state,  
 18 there may be a period of time before the partner district is  
 19 authorized to distribute federal financial assistance to Compton  
 20 students. Should this occur, state resources should be available to  
 21 replace federal funding so as to allow affected students to  
 22 complete the academic term they began before federal funding  
 23 became unavailable.

24 SEC. 3. With respect to financing the activities described in  
 25 this act, the Legislature finds and declares all of the following:

26 (a) The Legislature must provide fiscal support to the  
 27 Compton Community College District to maximize its efforts to  
 28 contract for educational services and to provide stability for the  
 29 students and residents of the Compton Community College  
 30 District.

31 (b) It is not possible to identify all actions that may be required  
 32 to give effect to this bill or the expenses related to those actions.

33 (c) The Compton Community College District should also  
 34 have access to existing emergency funding resources.

35 SEC. 4. Section 41329.50 of the Education Code is amended  
 36 to read:

37 41329.50. The following definitions apply to this article, *and*,  
 38 *except as provided in subdivision (d), apply to Article 2*  
 39 *(commencing with Section 41320); and Article 2.5 (commencing*

1 with Section 41325), unless the context clearly indicates or  
2 requires another or different meaning:

3 (a) “Bank” means the California Infrastructure and Economic  
4 Development Bank.

5 (b) “Bonds” has the same meaning specified in Section 63010  
6 of the Government Code.

7 (c) “Loan” and “emergency apportionments” means the  
8 financing described in Sections 41329.51, 41329.52, and  
9 41329.53. The financing does not constitute a borrowing, but,  
10 instead, constitutes an advance payment of apportionments  
11 subject to repayment with interest as described in the article.

12 (d) “School district” means a school district ~~or a community~~  
13 ~~college district~~ that requests an emergency apportionment  
14 pursuant to Section 41320, including, ~~as applicable,~~ an  
15 administrator appointed pursuant to Article 2 (commencing with  
16 Section 41320) and a trustee appointed pursuant to Article 2.5  
17 (commencing with Section 41325), ~~Section 71093, or Section~~  
18 ~~84040~~ or, for the purposes of this article only, a community  
19 college district, including a special trustee appointed pursuant to  
20 Section 71093 or 84040.

21 *SEC. 5. Section 41329.51 of the Education Code is amended*  
22 *to read:*

23 41329.51. Notwithstanding any other law, an emergency  
24 apportionment is a financing provided to a *community college*  
25 *district as authorized by the Legislature or to a school district,*  
26 *other than a community college district,* complying with the  
27 requirements contained in Article 2 (commencing with Section  
28 41320) and Article 2.5 (commencing with Section 41325). The  
29 emergency apportionment shall be made pursuant to either  
30 Section 41329.52 or Section 41329.53, as determined by statute.  
31 The school district, the bank, and the Superintendent of Public  
32 Instruction, *or the Board of Governors of the California*  
33 *Community Colleges, as appropriate,* shall promptly perform the  
34 duties specified in the statute making the emergency  
35 apportionment.

36 *SEC. 6. Section 41329.52 of the Education Code is amended*  
37 *to read:*

38 41329.52. (a) A school district may receive a two-part  
39 financing designed to provide an advance of apportionments  
40 owed to the district from the State School Fund.

1 (b) The initial emergency apportionment shall be an interim  
2 loan from the General Fund to the school district. General Fund  
3 money shall not be advanced to a school district until that district  
4 agrees to obtain a lease financing as described in subdivision (c)  
5 and the bank adopts a reimbursement resolution governing the  
6 lease financing. The interim loan shall be repaid in full, with  
7 interest, from the proceeds of the lease financing pursuant to  
8 subdivision (c) ~~within one year of the date the district receives~~  
9 ~~the initial emergency apportionment disbursement~~ *at a time*  
10 *mutually agreed upon between the Department of Finance and*  
11 *the bank.* The interest rate on the interim loan shall be the rate  
12 earned by moneys in the Pooled Money Investment Account as  
13 of the date of the initial disbursement of emergency  
14 apportionments to the school district.

15 (c) The school district shall enter into a lease financing with  
16 the bank for the purpose of financing the emergency  
17 apportionment, including a repayment to the General Fund of the  
18 amount advanced pursuant to subdivision (b). In addition to the  
19 emergency apportionment, the lease financing may include funds  
20 necessary for reserves, capitalized interest, credit enhancements  
21 and costs of issuance. The bank shall issue bonds for that purpose  
22 pursuant to the powers granted pursuant to the Bergeson-Peace  
23 Infrastructure and Economic Development Bank Act as set forth  
24 in Division 1 (commencing with Section 63000) of Part 6.7 of  
25 the Government Code. The term of the lease shall not exceed 20  
26 years, except that if at the end of the lease term any rent payable  
27 is not fully paid, or if the rent payable has been abated, the term  
28 of the lease shall be extended for a period not to exceed 10 years.

29 *SEC. 7. Section 41329.55 of the Education Code is amended*  
30 *to read:*

31 41329.55. (a) Simultaneous with the execution of the lease  
32 financing authorized pursuant to Section 41329.52, the bank shall  
33 provide to the Controller and the school district a notification of  
34 its lease financing. The notice shall include a schedule of rent  
35 payments to become due to the bank from the school district and  
36 ~~the name of the~~ bond trustee. The Controller shall make the  
37 apportionment to the bond trustee of those amounts on the dates  
38 shown on the schedule. The bank may further authorize the  
39 apportionments to be used to pay or reimburse the provider of  
40 any credit enhancement of bonds and other ongoing or periodic

1 ancillary costs of the bond financing issued by the bank in  
2 connection with this article. If the amount of rent payments vary  
3 from the schedule as a result of variable interest rates on the  
4 bonds, early redemptions, or changes in expenses, the bank shall  
5 amend or supplement the schedule accordingly. ~~The~~

6 *(b) Except where financing is for a community college district,*  
7 *the Controller shall make the apportionment only from moneys*  
8 *in Section A of the State School Fund designated for*  
9 *apportionment to the district and any apportionment authorized*  
10 *pursuant to this subdivision shall constitute a lien senior to any*  
11 *other apportionment or payment of State School Fund moneys to*  
12 *or for that district not made pursuant to this subdivision.*

13 *(c) If financing is for the Compton Community College*  
14 *District, the Controller shall make the apportionment only from*  
15 *moneys in Section B of the State School Fund. Any*  
16 *apportionment authorized pursuant to this subdivision shall*  
17 *constitute a lien senior to any other apportionment or payment of*  
18 *Section B State School Fund moneys.*

19 ~~(b)~~

20 *(d) The amount apportioned for a school district pursuant to*  
21 *this section is an allocation to the district for purposes of*  
22 *subdivision (b) of Section 8 of Article XVI of the California*  
23 *Constitution. For purposes of computing revenue limits pursuant*  
24 *to Section 42238 for any school district, the revenue limit for any*  
25 *fiscal year in which funds are apportioned for the district*  
26 *pursuant to this section shall include any amounts apportioned by*  
27 *the Controller pursuant to subdivision (a), (b), or (c), as well as*  
28 *Section 41329.57.*

29 ~~(e)~~

30 *(e) No party, including the school district or any of its*  
31 *creditors, shall have any claim to the money apportioned or to be*  
32 *apportioned to the bond trustee by the Controller pursuant to this*  
33 *section.*

34 ~~SEC. 5.~~

35 *SEC. 8.* Section 41329.58 is added to the Education Code, to  
36 read:

37 ~~41329.58.~~ (a) Notwithstanding any other provision of law,  
38 the financing described in Section 41329.52 shall be available to  
39 the Compton Community College District for the activities  
40 described in Chapter 6 (commencing with Section 74292) of Part

1 46. A loan in the amount of thirty-one million five hundred  
 2 thousand dollars (\$31,500,000) shall be extended to the Compton  
 3 Community College District. Upon recommendation by the  
 4 special trustee appointed pursuant to Section 71093 and approval  
 5 by the Chancellor of the California Community Colleges, the  
 6 Compton Community College District may receive loan  
 7 proceeds, either in a lump sum or through a line of credit, to be  
 8 used to support those activities.

9 (b) If the loan proceeds received by the Compton Community  
 10 College District pursuant to this section are provided through a  
 11 line of credit, the district shall only be liable for repayment of  
 12 interest on amounts actually disbursed. The loan shall be repaid  
 13 over a period of 20 years through withholding amounts  
 14 designated in the loan agreement from apportionments the  
 15 Compton Community College District would otherwise receive.  
 16 Should these payments prove inadequate to repay the loan for  
 17 any reason, the Compton Community College District is required  
 18 to use any revenue sources available to it for repayment  
 19 purposes. Nothing in this section shall be construed to prevent  
 20 the district from repaying the loan in less than 20 years and, if it  
 21 does so, no penalty may be assessed for early repayment.

22 (c) The amounts required to be repaid pursuant to this section  
 23 shall include the amount specified in subdivision (a) and the  
 24 amounts calculated pursuant to paragraphs (2), (3), and (4) of  
 25 subdivision (a) of Section 74295.

26 ~~SEC. 6.~~

27 *SEC 9.* Section 41329.59 is added to the Education Code, to  
 28 read:

29 41329.59. (a) On or before October 30, 2006, the Fiscal  
 30 Crisis and Management Assistance Team (FCMAT) shall  
 31 conduct an extraordinary audit of the Compton Community  
 32 College District, to be delivered to the ~~Chancellor~~ *Board of*  
 33 *Governors* of the California Community Colleges and the  
 34 Director of Finance, focused upon an examination of alleged  
 35 fraud, misappropriation of funds, or other illegal fiscal practices.  
 36 The audit shall be conducted in a timely and efficient manner.

37 (b) On or before January 31, 2007, the FCMAT shall conduct  
 38 a comprehensive assessment and prepare a recovery plan, to be  
 39 delivered to the ~~Chancellor's Office~~ *Board of Governors* of the  
 40 California Community Colleges and the Department of Finance,

1 for the Compton Community College District addressing the five  
2 operational areas: financial management, academic achievement,  
3 personnel management, facilities management, and  
4 governance/community relations.

5 (c) The FCMAT shall file a written status report at regular  
6 intervals with the appropriate fiscal and policy committees of the  
7 Legislature, the advisory committee to the special trustee, the  
8 ~~Chancellor~~ *Board of Governors* of the California Community  
9 Colleges, the Director of Finance, and the Secretary for  
10 Education. The status reports shall include the progress that the  
11 Compton Community College District is making in meeting the  
12 recommendations of the FCMAT comprehensive assessment and  
13 addressing the deficiencies identified by the Accrediting  
14 Commission for Community and Junior Colleges.

15 (d) *It is the intent of the Legislature that an amount of up to*  
16 *five hundred thousand dollars (\$500,000) be provided to the*  
17 *Compton Community College District from any funds budgeted*  
18 *for FCMAT in Item 6110-107-0001 of Section 2.00 of the annual*  
19 *Budget Act or any other funds available from prior budget years*  
20 *for FCMAT for the purpose of funding the audit described in*  
21 *subdivision (a) of this section.*

22 ~~SEC. 7.~~

23 *SEC 10.* Section 71093 of the Education Code is amended to  
24 read:

25 71093. Notwithstanding any other provision of law:

26 (a) The board of governors may authorize the chancellor to  
27 suspend the authority of the Board of Trustees of the Compton  
28 Community College District, or of any of the members of that  
29 board, to exercise any powers or responsibilities or to take any  
30 official actions with respect to the management of the district,  
31 including any of the district's assets, contracts, expenditures,  
32 facilities, funds, personnel, or property. The board of governors  
33 ~~may suspend the authority of the Board of Trustees of the~~  
34 ~~Compton Community College District, or any of the members of~~  
35 ~~that board, for a period of five years~~ *authorize suspension for a*  
36 *period up to five years from the effective date of Assembly Bill*  
37 *318 of the 2005–06 Regular Session, plus a period lasting until*  
38 the chancellor, the Fiscal Crisis and Management Assistance  
39 Team, the Director of Finance, and the Secretary for Education  
40 concur with the special trustee that the district has, for two

1 consecutive academic years, met the requirements of the  
2 comprehensive assessment conducted, and the recovery plan  
3 prepared, pursuant to Section 41329.59.

4 (b) A suspension authorized by this section becomes effective  
5 immediately upon the delivery of a document to the  
6 administrative offices of the Compton Community College  
7 District that sets forth the finding of the chancellor that a  
8 suspension pursuant to this section is necessary for the  
9 establishment of fiscal integrity and security in that district.

10 (c) (1) If and when the chancellor suspends the authority of  
11 the Board of Trustees of the Compton Community College  
12 District or any of its members pursuant to this section, the  
13 chancellor may appoint a special trustee as provided in paragraph  
14 (3) of subdivision (c) of Section 84040, at district expense, to  
15 manage the district. The chancellor is authorized to assume, and  
16 delegate to the special trustee, those powers and duties of the  
17 Board of Trustees of the Compton Community College District  
18 that the chancellor determines, with the approval of the board of  
19 governors, are necessary for the management of that district. The  
20 Board of Trustees of the Compton Community College District  
21 may not exercise any of the duties or powers assumed by the  
22 chancellor under this section.

23 (2) The chancellor may appoint as a special trustee under this  
24 section a person who has served in a similar capacity prior to the  
25 enactment of the act that adds this section. A special trustee  
26 appointed under this section shall serve at the pleasure of the  
27 chancellor.

28 (3) Notwithstanding any other provision of law, in order to  
29 facilitate the appointment of the special trustee, the chancellor is  
30 exempt, for the purposes of this section, from the requirements of  
31 Article 6 (commencing with Section 999) of Chapter 6 of  
32 Division 4 of the Military and Veterans Code and Part 2  
33 (commencing with Section 10100) of the Public Contract Code.

34 (d) Notwithstanding any other provision of law, at any time  
35 that this section is in effect, the chancellor is authorized to  
36 assume, and delegate to the special trustee, those powers and  
37 duties of the Compton Community College District Personnel  
38 Commission that the chancellor determines are necessary for the  
39 management of the personnel functions of the Compton

1 Community College District. The personnel commission may not  
2 exercise any of the powers or duties assumed by the chancellor.

3 (e) Notwithstanding any other provision of law, if the special  
4 trustee has been a member of the State Teachers' Retirement  
5 System or the Public Employees' Retirement System at any time  
6 prior to appointment, he or she shall, for the period of service as  
7 special trustee, be a member of the system to which he or she  
8 belonged, unless the special trustee elects, in writing, not to be a  
9 member. If the special trustee chooses to be a member, the  
10 special trustee shall be placed on the payroll of the district, or the  
11 payroll of another local education agency or other entity with  
12 which the district has an exchange agreement pursuant to Section  
13 87422 or other applicable provisions of law, for the purpose of  
14 providing appropriate contributions to the applicable retirement  
15 system.

16 (f) The special trustee appointed pursuant to this section is  
17 authorized to do all of the following:

18 (1) Implement substantial changes in the fiscal policies and  
19 practices of the Compton Community College District, ~~including,~~  
20 ~~if necessary, the filing of a petition under Chapter 9 of the federal~~  
21 ~~Bankruptcy Act for the adjustment of indebtedness of the~~  
22 ~~district.~~

23 (2) Revise the academic program of the Compton Community  
24 College District to reflect realistic income projections in response  
25 to the dramatic effect of the changes in fiscal policies and  
26 practices upon program quality.

27 (3) Encourage all members of the college community to accept  
28 a fair share of the burden of the full recovery of the Compton  
29 Community College District in the five operational areas of  
30 finance, academics, personnel facilities, and governance.

31 (4) Enter into agreements on behalf of the Compton  
32 Community College District and, subject to any contractual and  
33 statutory obligation of the Compton Community College District,  
34 change any existing district rules, regulations, policies, or  
35 practices as necessary for the effective implementation of the  
36 recovery plan. *Any agreement authorized by this section shall be*  
37 *binding upon the district for the term of the agreement,*  
38 *notwithstanding the removal of the special trustee for any reason*  
39 *or the reinstatement of any powers or responsibilities of the*  
40 *board of trustees. No agreement authorized by this paragraph*

1 shall materially impair the security and other interests of the  
 2 holders of any bonds issued pursuant to Article 9 (commencing  
 3 with Section 63049.67) of Chapter 2 of Division 1 of Title 6.7 of  
 4 the Government Code.

5 (5) Appoint an advisory committee to advise the special  
 6 trustee with respect to the management of the Compton  
 7 Community College District and the establishment and  
 8 implementation of the arrangements for provision of services by  
 9 a partner district pursuant to Article 5 (commencing with Section  
 10 74292) of Chapter 5 of Part 46. This advisory committee may  
 11 include residents of the communities served by the Compton  
 12 Community College District, and any outside experts deemed  
 13 appropriate by the special trustee. No member of the advisory  
 14 committee shall receive any compensation or benefits for his or  
 15 her services as a member of the advisory committee.

16 (g) In the event of a vacancy in the special trustee position, the  
 17 chancellor shall temporarily assume all of the powers and duties  
 18 of the special trustee until another special trustee can be  
 19 appointed pursuant to this section.

20 ~~SEC. 8:~~

21 *SEC. 11.* Article 5 (commencing with Section 74292) is  
 22 added to Chapter 5 of Part 46 of the Education Code, to read:

23  
 24 Article 5. Continuing Services If Compton Community  
 25 College Loses Accreditation

26  
 27 74292. Notwithstanding any other provision of law, the  
 28 following steps shall be taken to address the imminent risk that  
 29 Compton Community College’s accreditation will be terminated  
 30 by the regional accrediting body recognized by the Board of  
 31 Governors of the California Community Colleges:

32 (a) The Chancellor of the California Community Colleges is  
 33 authorized to oversee all actions at the Compton Community  
 34 College District related to the loss of the college’s accreditation  
 35 and efforts described in this article to address that situation. *The*  
 36 *Compton Community College District shall reimburse the Board*  
 37 *of Governors of the California Community Colleges for any*  
 38 *expenses incurred by the chancellor or his or her staff in*  
 39 *carrying out this oversight responsibility.*

1 (b) The Compton Community College District shall complete  
2 the provision of instruction for all classes for which it intends to  
3 claim apportionment prior to the date of its loss of accreditation.

4 (c) Notwithstanding any other provision of law, the Compton  
5 Community College District shall continue to be eligible to  
6 receive state funding as provided in this article even if its  
7 accreditation is terminated.

8 (d) (1) The Compton Community College District shall  
9 identify a partner district that will agree to provide accredited  
10 instructional programs to students residing in the Compton  
11 Community College District. The special trustee assigned to the  
12 Compton Community College District pursuant to Section 71093  
13 and the partner district are authorized to enter into one or more  
14 agreements to provide instructional services or other services,  
15 and to make any other necessary preparations to implement the  
16 educational programs described in this article, as well as any  
17 related necessary administrative or support services, in a timely  
18 manner so as to ensure that services to Compton Community  
19 College students will not be interrupted and that those students  
20 will remain eligible for federal financial assistance. The  
21 agreement or agreements shall provide that the partner district is  
22 entitled to receive a reasonable administrative fee to be fixed by  
23 the mutual agreement of the parties.

24 (2) The partner district shall be a district in good standing with  
25 the Accrediting Commission for Community and Junior Colleges  
26 (ACCJC), and shall have successfully completed the  
27 accreditation cycle and secured accreditation for its colleges. A  
28 district with a college that is on warning, probation, or  
29 show-cause status with the ACCJC, or that is being monitored for  
30 fiscal stability by the chancellor's office is not considered a  
31 district in good standing for the purposes of this article.

32 (e) The partner district may offer any programs or courses for  
33 which it has secured applicable approvals. In addition, any  
34 programs and courses that were previously approved by the  
35 board of governors to be offered by the Compton Community  
36 College District may continue to be offered by the partner district  
37 in the territory of the Compton Community College District  
38 without additional state approval until June 30, 2011.

39 (f) No later than 30 days after Compton Community College's  
40 loss of accreditation, the board of governors shall approve the

1 facilities of Compton Community College as an off-campus  
2 educational center of the partner district. The center shall be  
3 known as the Compton Community Educational Center. The  
4 board of governors shall give notice of its approval to the county  
5 committee and county superintendent having jurisdiction over  
6 any territory affected by the action.

7 (g) The board of governors may permanently or temporarily  
8 waive any of its regulatory requirements necessary to effectuate  
9 this article, including, but not necessarily limited to, its  
10 regulations regarding educational centers.

11 (h) The partner district is eligible to provide instruction at the  
12 center without the recommendation of the California  
13 Postsecondary Education Commission under Section 66904 until  
14 the district secures the commission's recommendation for the  
15 facility to operate as an off-campus educational center or until  
16 June 30, 2011, whichever occurs first.

17 (i) The partner district shall comply with all federal  
18 requirements to ensure that students taking classes offered by the  
19 partner district at the Compton Community Educational Center  
20 remain eligible for federal financial assistance.

21 (j) Students enrolled in the Compton Community College  
22 District as of January 31, 2006, shall be subject to the following  
23 conditions:

24 (1) The partner district shall ensure that any student who, by  
25 the end of the Spring 2006 term, has completed at least 75  
26 percent of the courses required for the degree or certificate he or  
27 she is pursuing will be able to complete that program. Every  
28 reasonable effort shall be made to allow other students who have  
29 begun work toward a certificate or degree, but who have not  
30 completed 75 percent of the required coursework, to continue  
31 and complete their programs.

32 (2) Students enrolling in classes provided by the partner  
33 district pursuant to this section shall be considered students of the  
34 partner district, shall receive credit from the partner district for  
35 classes they successfully complete, shall receive certificates or  
36 degrees they earn from the partner district, and shall receive  
37 financial aid through the partner district if they meet all  
38 applicable eligibility requirements.

1 (3) The partner district shall maintain student records related  
2 to the attendance of students in classes it offers pursuant to this  
3 section in accordance with all applicable state and federal laws.

4 (4) The partner district shall consider each student who enrolls  
5 for classes no later than the Spring 2007 term to be a continuing  
6 student for purposes of enrollment priorities.

7 (5) Any regulations of the board of governors relating to  
8 minimum residence at the college granting a degree shall not be  
9 applicable.

10 (k) The board of governors shall adopt any regulations  
11 necessary to implement this article. These regulations may be  
12 adopted as emergency regulations that may remain in effect for  
13 up to one year from the date of adoption, and shall not be subject  
14 to paragraph (5) or (6) of subdivision (a) of Section 70901.5 or to  
15 Chapter 3.5 (commencing with Section 11340) of Part 1 of  
16 Division 3 of Title 2 of the Government Code.

17 (l) (1) The partner district shall provide the services described  
18 in this article for a minimum of five years from the date those  
19 services commence pursuant to subdivision (d), and shall  
20 thereafter provide the services for ~~a maximum of three years~~, as  
21 *any additional period* determined necessary by the board of  
22 governors. In addition, the board of governors may require, in its  
23 sole discretion, that the services described herein be modified or  
24 terminated at an earlier date based on the best interests of the  
25 California Community Colleges system and its students.

26 (2) Notwithstanding paragraph (1), either the partner district or  
27 the special trustee appointed pursuant to Section 71093 may  
28 initiate termination of the agreements described in subdivision  
29 (d) by giving 180 days' written notice to the other party and to  
30 the board of governors. No termination pursuant to this  
31 subdivision may take effect until the end of the semester  
32 following the notice provided under this paragraph, so as to  
33 protect students from a mid-term interruption of educational  
34 services. Should the partner district provide notice of a desire to  
35 terminate any agreements at a time when the trustee determines  
36 that services provided under those agreements are still necessary  
37 to serve the interests of Compton students and residents *or at a*  
38 *time when the Compton Community College District is not fully*  
39 *accredited and bonds issued pursuant to Section 41329.52 are*  
40 *outstanding*, the partner district shall continue the services until it

1 can secure a district to provide uninterrupted comparable services  
2 to the satisfaction of the special trustee.

3 (m) (1) The Compton Community College District shall  
4 continue to be responsible for ensuring that all of its permanent  
5 records are retained and stored as required by state law and that  
6 all records related to its administration of programs under Title  
7 IV of the federal Higher Education Act are retained for a  
8 minimum of three years after the conclusion of its participation  
9 in those programs.

10 (2) The Compton Community College District shall be  
11 responsible for institutional actions related to the loss of  
12 accreditation, including actions that are required under Section  
13 688.26 of Title 34 of the Code of Federal Regulations, related to  
14 the ending of the participation of the Compton Community  
15 College District in programs under Title IV of the federal Higher  
16 Education Act, refunding any students' unearned tuition and fees,  
17 refunding to the federal government any unexpended federal  
18 student financial aid funds, returning to lenders any loan  
19 proceeds not distributed to students, or the collection of  
20 outstanding student debts to the Compton Community College  
21 District.

22 (n) *In addition to addressing the ongoing educational needs of*  
23 *the students of the Compton Community College District, the*  
24 *partner district and the special trustee appointed pursuant to*  
25 *Section 71093 shall take steps aimed at achieving the goal of*  
26 *seeking renewed accreditation for Compton Community College*  
27 *at the earliest feasible date. Progress toward achieving this goal*  
28 *shall be periodically reported to the board of governors.*

29 (~~n~~)

30 (o) No person, firm or organization shall, without the  
31 permission of the Compton Community College District, use the  
32 name "Compton Community College," or any name of which  
33 these words are a part, or any abbreviation thereof.

34 74292.5. *Notwithstanding any other provision of law, so long*  
35 *as any bond issued pursuant to Section 63049.67 of the*  
36 *Government Code for the Compton Community College District*  
37 *is outstanding, all real property leases securing those bonds*  
38 *shall be leased by the Compton Community College District, and*  
39 *not the Compton Community Educational Center or any other*  
40 *partner district.*

1 74292.7. *Cal Grant awards to students of the Compton*  
2 *Community College District shall not be adversely affected by*  
3 *this article.*

4 74293. Notwithstanding any other provision of law:

5 (a) The partner district shall provide educational programs, as  
6 described in Section 74292, at the Compton Community  
7 Educational Center on the following terms:

8 (1) To the extent determined necessary by agreement between  
9 the Compton Community College District and the partner  
10 district, the Compton Community College District shall assign its  
11 current employees, or reemploy former employees, to provide  
12 educational or support services to students under the instructional  
13 services or other agreements described in Section 74292. The  
14 Compton Community College District has no obligation to assign  
15 or to reemploy persons who occupy or previously occupied  
16 administrative or supervisory positions to those positions.  
17 Notwithstanding any other provision of law, a person who  
18 provides services pursuant to this paragraph shall not be deemed  
19 to be an employee of the partner district or gain any status with  
20 the partner district for any purpose.

21 (2) Individuals providing educational or support services  
22 pursuant to paragraph (1) who serve as academic employees or  
23 educational administrators shall meet applicable minimum  
24 qualifications established by the Board of Governors of the  
25 California Community Colleges as well as any other job-related  
26 qualifications for service that are established by the partner  
27 district.

28 (3) The partner district shall have the primary right to direct  
29 activities under the contract or contracts in a manner that is  
30 consistent with the role of Compton Community College District  
31 as the employer of the individuals who are assigned duties under  
32 the agreements by the partner district. The partner district shall  
33 provide performance assessments to the special trustee appointed  
34 pursuant to Section 71093 regarding the services provided by  
35 employees of the Compton Community College District.

36 (b) Nothing in this section shall be construed to limit the  
37 ability of the Compton Community College District to employ  
38 employees of any type or class as otherwise authorized by law as  
39 needed to provide necessary services.

1 (c) The Compton Community College District shall continue  
 2 to be responsible for all retiree benefits that it offered its  
 3 employees prior to the date of its loss of accreditation and for  
 4 retirement and other benefits for its employees assigned to  
 5 provide services pursuant to subdivision (a). The partner district  
 6 shall have no responsibility for any retiree or other benefits for  
 7 persons provided by the Compton Community College District to  
 8 serve under instructional services or other agreements described  
 9 in this article.

10 (d) Nothing in this section shall be construed to limit the  
 11 ability of the partner district to assign its existing personnel to  
 12 oversee or manage services provided under instructional services  
 13 or other agreements described in Section 74292 or to employ  
 14 employees of any type or class as otherwise authorized by law as  
 15 needed to provide oversight and management of those services.  
 16 Any person who provides services pursuant to this subdivision  
 17 shall not be deemed to be an employee of the Compton  
 18 Community College District or gain any status with that district  
 19 for any purpose, and that person shall not lose any rights,  
 20 benefits, or status that he or she had previously acquired with the  
 21 partner district.

22 (e) Nothing in this article shall be construed to interfere with,  
 23 or require any change in, the existing bargaining units and  
 24 collective bargaining agreements of the Compton Community  
 25 College District.

26 (f) All existing statutory due process protections for  
 27 employees of the Compton Community College District shall  
 28 remain in effect including, but not necessarily limited to, the  
 29 provisions governing layoff or dismissal, acquisition of tenure,  
 30 and all other provisions of the Education Code except as  
 31 expressly provided in this article.

32 (g) Nothing in this article shall be construed to interfere with  
 33 or preclude negotiations with employee organizations in either of  
 34 the districts over the effects, if any, of the partner district's  
 35 operation of the Compton Community College District.

36 74295. Notwithstanding any other provision of law:

37 (a) The Compton Community College District shall receive  
 38 apportionment for courses provided at the Compton Community  
 39 Educational Center by the partner district pursuant to Section  
 40 74292, ~~subject to withholding of amounts required for repayment~~

1 ~~of the loan described in Section 41329.58~~ *the transfer of moneys*  
2 *described in Sections 41329.53 and 41329.55* and in accordance  
3 with the following schedule:

4 (1) For the 2005–06 fiscal year, an amount not less than the  
5 amount that was received by the Compton Community College  
6 District for the attendance of full-time equivalent students for the  
7 2004–05 fiscal year.

8 (2) For the 2006–07 fiscal year, an amount not less than 90  
9 percent of the amount that was received by the Compton  
10 Community College District for the attendance of full-time  
11 equivalent students for the 2004–05 fiscal year, ~~except that the~~  
12 ~~difference, if any, between the amount received for the 2006–07~~  
13 ~~fiscal year and the amount computed in paragraph (1) may be~~  
14 ~~added to the amount received, provided that it is also added to the~~  
15 ~~outstanding balance of the loan described in Section 41329.58..~~

16 (3) For the 2007–08 fiscal year, an amount not less than 80  
17 percent of the amount that was received by the Compton  
18 Community College District for the attendance of full-time  
19 equivalent students for the 2004–05 fiscal year, ~~except that the~~  
20 ~~difference, if any, between the amount received for the 2007–08~~  
21 ~~fiscal year and the amount computed in paragraph (1), may be~~  
22 ~~added to the amount received, provided that it is also added to the~~  
23 ~~outstanding balance of the loan described in Section 41329.58..~~

24 (4) For the 2008–09 fiscal year, an amount not less than 70  
25 percent of the amount that was received by the Compton  
26 Community College District for the attendance of full-time  
27 equivalent students for the 2004–05 fiscal year, ~~except that the~~  
28 ~~difference, if any, between the amount received for the 2008–09~~  
29 ~~fiscal year and the amount computed in paragraph (1), may be~~  
30 ~~added to the amount received, provided that it is also added to the~~  
31 ~~outstanding balance of the loan described in Section 41329.58..~~

32 (b) In allocating funds for categorical aid to the Compton  
33 Community College District, the Chancellor of the California  
34 Community Colleges shall treat the Compton Community  
35 Educational Center as a separate college.

36 (c) The Compton Community College District shall not be  
37 subject to Section 84362 for the 2003–04 fiscal year to the  
38 2008–09 fiscal year, inclusive.

39 (d) Should the loss of accreditation by the Compton  
40 Community College result in a lapse of federal financial

1 assistance to otherwise eligible students before their eligibility is  
2 recognized through the partner district, the Compton Community  
3 College District may use *a portion of the* proceeds from the loan  
4 described in Section 41329.58 to provide comparable amounts of  
5 assistance to eligible students. This replacement funding shall not  
6 extend beyond the end of the term during which the lapse of  
7 federal funding occurred.

8 (e) The provisions of subdivision (a) shall be used solely to  
9 determine the apportionment funding to be allocated to the  
10 Compton Community College District. In computing statewide  
11 entitlements to funding based upon the attendance of full-time  
12 equivalent students, neither the Compton Community College  
13 District nor its partner district shall be credited with more  
14 full-time equivalent students for the Compton Community  
15 College District than were actually enrolled in attendance. It is  
16 the intent of the Legislature that any amounts necessary to make  
17 the apportionments required pursuant to subdivision (a) shall be  
18 drawn from the total statewide funding available for community  
19 college apportionments.

20 74296. Notwithstanding any other provision of law:

21 (a) In any action in which a court finds that any provision of  
22 this article is unlawful, or in any action challenging the  
23 implementation of this article, the Board of Governors of the  
24 California Community Colleges, the partner district, the  
25 Compton Community College District, and their respective  
26 officers, employees, and agents, are immune from the imposition  
27 of any award of money damages, including the award of  
28 attorney's fees, *except to the extent that any liability for those*  
29 *claims arises from the gross negligence or willful misconduct of*  
30 *the party claiming the immunity.*

31 (b) The state shall, from funds specifically appropriated for  
32 that purpose, indemnify and defend the partner district from and  
33 against any claims, *other than claims based upon gross*  
34 *negligence or wilful misconduct*, arising out of its participation in  
35 the activities specified in this article.

36 *SEC. 12. Section 63049.67 of the Government Code is*  
37 *amended to read:*

38 63049.67. (a) Notwithstanding any other provision of this  
39 division, a financing of emergency apportionments upon the  
40 request of a school district pursuant to Article 2.7 (commencing

1 with Section 41329.50) of Chapter 3 of Part 24 of the Education  
2 Code, is deemed to be in the public interest and eligible for  
3 financing by the bank. Article 3 (commencing with Section  
4 63041), Article 4 (commencing with Section 63042) and Article  
5 5 (commencing with Section 63043) do not apply to the  
6 financing provided by the bank in connection with an emergency  
7 apportionment.

8 (b) The bank may issue bonds pursuant to Chapter 5  
9 (commencing with Section 63070) and provide the proceeds to a  
10 school district pursuant to a lease agreement. The proceeds may  
11 be used as an emergency apportionment, to reimburse the interim  
12 emergency apportionment from the General Fund authorized  
13 pursuant to subdivision (b) of Section 41329.52 of the Education  
14 Code, or to refund bonds previously issued under this section.  
15 Bond proceeds may also be used to fund necessary reserves,  
16 capitalized interest, credit enhancement costs, and costs of  
17 issuance.

18 (c) Bonds issued under this article are not deemed to constitute  
19 a debt or liability of the state or of any political subdivision of the  
20 state, other than a limited obligation of the bank, or a pledge of  
21 the faith and credit of the state or of any political subdivision. All  
22 bonds issued under this article shall contain on the face of the  
23 bonds a statement to the same effect.

24 (d) Any fund or account established in connection with the  
25 bonds shall be established outside of the centralized treasury  
26 system. Notwithstanding any other law, the bank shall select the  
27 financing team and the trustee for the bonds, and the trustee shall  
28 be a corporation or banking association authorized to exercise  
29 corporate trust powers.

30 (e) Pursuant to Section 41329.55 of the Education Code, ~~the a~~  
31 school district *other than the Compton Community College*  
32 *District* shall instruct the Controller to repay the lease from  
33 moneys in the State School Fund designated for apportionment to  
34 the school district. *Pursuant to Section 41329.55, if the school*  
35 *district is the Compton Community College District, the*  
36 *Controller shall be instructed to repay the lease from moneys in*  
37 *Section B of the State School Fund. Any amounts necessary to*  
38 *make this repayment shall be drawn from the total statewide*  
39 *funding available for community college apportionment.*  
40 *Thereafter the Controller shall transfer to Section B of the State*

1 *School Fund, either in a single or multiple transfers, an amount*  
 2 *equal to the total repayment, which amount shall be transferred*  
 3 *from the amount designated for apportionment to the Compton*  
 4 *Community College District from the State School Fund. If these*  
 5 *transfers from the district prove inadequate to repay any*  
 6 *repayments for any reason, the Compton Community College*  
 7 *District is required to use any revenue sources available to it for*  
 8 *transfer and repayment purposes.*

9 (f) Notwithstanding any other law, as long as any bonds issued  
 10 pursuant to this section are outstanding, the following  
 11 requirements apply;~~the~~

12 (1) *The school district for which the bonds were issued is not*  
 13 *eligible to be a debtor in a case under Chapter 9 of the United*  
 14 *States Bankruptcy Code, as it may be amended from time to*  
 15 *time, and no governmental officer or organization is or may be*  
 16 *empowered to authorize the school district to be a debtor under*  
 17 *that chapter.*

18 (2) *It is the intent of the Legislature that the Legislature*  
 19 *should not in the future abolish the Compton Community College*  
 20 *District or take any action that would prevent the Compton*  
 21 *Community College from entering into or performing binding*  
 22 *agreements or invalidate any prior binding agreements of the*  
 23 *Compton Community College District, where invalidation may*  
 24 *have a material adverse effect on the bonds issued pursuant to*  
 25 *this section.*

26 (3) *The Compton Community College District shall not be*  
 27 *reorganized or merged with another community college district*  
 28 *unless all of the following apply:*

29 (A) *The successor district becomes by operation of law the*  
 30 *owner of all property previously owned by the Compton*  
 31 *Community College District.*

32 (B) *Any agreement entered into by the Compton Community*  
 33 *College District in connection with bonds issued pursuant to this*  
 34 *section are assumed by the successor district.*

35 (C) *The apportionment authorized by subdivision (e) remains*  
 36 *in effect.*

37 (D) *Receipt by the bank of an opinion of bond counsel that the*  
 38 *bonds issued for the Compton Community College District will*  
 39 *remain tax exempt following the reorganization or merger.*

1 (g) Nothing in this section limits the authority of the  
2 Legislature to abolish the Compton Community College District  
3 when bonds issued for that district are no longer outstanding.  
4 Further, the Legislature may provide for the redemption or  
5 defeasance the bonds at any time so that no bonds are  
6 outstanding. If the Legislature provides for the redemption or  
7 defeasance of the bonds issued for the Compton Community  
8 College District in order to abolish that district, it is the intent of  
9 the Legislature that the funds required for the redemption or  
10 defeasance should be appropriated from Section B of the State  
11 School Fund.

12 ~~(g) The~~

13 (h) The bank may enter into contracts or agreements with  
14 banks, insurers, or other financial institutions or parties that it  
15 determines are necessary or desirable to improve the security and  
16 marketability of, or to manage interest rates or other risks  
17 associated with, the bonds issued pursuant to this section. The  
18 bank may pledge apportionments made by the Controller directly  
19 to the bond trustee pursuant to Section 41329.55 of the Education  
20 Code as security for repayment of any obligation owed to a bank,  
21 insurer, or other financial institution pursuant to this subdivision.

22 *SEC. 13. It is the intent of the Legislature that the funds*  
23 *provided in Item 6110-107-0001 of Section 2.00 of the annual*  
24 *Budget Act for the County Office Fiscal Crisis and Management*  
25 *Assistance Team (FCMAT) be available for FCMAT to undertake*  
26 *activities related to community colleges as authorized pursuant*  
27 *to Sections 84040 and 84041 of the Education Code.*

28 ~~SEC. 9.~~

29 *SEC. 14.* The Legislature finds and declares that, due to the  
30 unique circumstances relating to the accreditation status of  
31 Compton Community College, a general statute cannot be made  
32 applicable, and the enactment of Sections 5 and 8 of this act as a  
33 special statute is therefore necessary.

34 ~~SEC. 10.~~

35 *SEC. 15.* No reimbursement is required by this act pursuant to  
36 Section 6 of Article XIII B of the California Constitution because  
37 this act provides for offsetting savings to local agencies or school  
38 districts that result in no net costs to the local agencies or school  
39 districts, within the meaning of Section 17556 of the Government  
40 Code.

1     *SEC. 16. The sum of thirty million dollars (\$30,000,000) is*  
2 *hereby appropriated from the General Fund to the Board of*  
3 *Governors of the California Community Colleges for*  
4 *apportionment to the Compton Community College District as an*  
5 *emergency apportionment to finance, among other things, the*  
6 *activities described in Article 5 (commencing with Section*  
7 *74292) of Chapter 5 of Part 46 of the Education Code.*

8     ~~SEC. 11.~~

9     *SEC. 17. This act is an urgency statute necessary for the*  
10 *immediate preservation of the public peace, health, or safety*  
11 *within the meaning of Article IV of the Constitution and shall go*  
12 *into immediate effect. The facts constituting the necessity are:*

13     In order for educational programs and services to continue in  
14 the Compton Community College District to address financial  
15 hardships and accreditation challenges in time for the  
16 commencement of the 2006–07 academic year, it is necessary  
17 that this act take effect immediately.