

AMENDED IN ASSEMBLY APRIL 14, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 387

Introduced by Assembly Member Arambula

February 11, 2005

An act to amend ~~Section 1240~~ of Sections 33127 and 42127 of, and to add Sections 42135 and 42136 to, the Education Code, relating to ~~textbooks~~: school districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 387, as amended, Arambula. ~~County superintendents of schools: textbooks.~~ School districts: post-retirement employee benefits.

Existing law requires the Superintendent of Public Instruction, the State Controller, and the Director of the State Department of Finance to develop standards and criteria to be reviewed and adopted by the State Board of Education, and to be used by local educational agencies in the development of annual budgets and the management of subsequent expenditures from that budget.

This bill would require the State Department of Education, with the assistance of the State Controller and the Director of the State Department of Finance, to develop standards and criteria for actuarial studies of retired employee health and welfare benefit liabilities, as specified.

Existing law requires the governing board of school districts to adopt an annual budget and to perform other specified tasks relating to the budget process, including, but not limited to, holding public hearings.

This bill would require the governing boards of school districts to determine whether the adopted budget includes the amount of funding

for retired employee health and welfare benefits identified in plans developed by the school district, as specified. This bill would require governing boards to identify, if necessary, the amount of funding that would be necessary to fully fund the plans developed by the school district, as specified.

Existing law requires the superintendent of each school district to submit reports, as specified, on the financial and budgetary status of the school district for each fiscal year to the governing board of the district.

This bill would require school districts that provide retired employees health and welfare benefits to develop a long-term plan, as specified, that identifies the manner in which the district will fund the benefits for current and future retired employees. This bill would require school districts that are required to conduct actuarial studies on retired employee health and welfare benefits to provide a copy of the most recent study to the county office of education by January 30, 2006. This bill would require the State Department of Education to submit reports, as specified, to the appropriate policy and fiscal committees of the Legislature, the State Legislative Analyst, and the State Department of Finance concerning the outstanding liabilities of school districts for retired employee health and welfare benefits.

By requiring school districts to perform additional duties, this bill would impose a state-mandated local program.

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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~Existing law requires a county superintendent of schools, among other things, to enforce the use of state textbooks and instructional materials and of high school textbooks and instructional materials regularly adopted by the proper authority. Existing law requires the county superintendent, if a school does not have sufficient textbooks or instructional materials, to provide the school district with the opportunity to remedy the deficiency, or, if the school district does not do so, to request the State Department of Education, with approval by the State Board of Education, to purchase textbooks or instructional~~

materials. Existing law requires the department to consult with the school district before purchasing the textbooks or instructional materials to determine which textbooks or instructional materials to purchase.

This bill would require the department to consult with the governing board of the school district and the county superintendent before purchasing those textbooks or instructional materials.

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

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

1 SECTION 1. Section 33127 of the Education Code is
2 amended to read:

3 33127. (a) The Superintendent of ~~Public Instruction~~, the
4 Controller, and the Director of the Department of Finance shall
5 develop, on or before March 1, 1989, standards and criteria to be
6 reviewed and adopted by the State Board of Education, and to be
7 used by local educational agencies in the development of annual
8 budgets and the management of subsequent expenditures from
9 that budget. During the development of the standards and criteria,
10 the Superintendent of ~~Public Instruction~~ shall convene a
11 committee composed of representatives from school districts,
12 county offices of education, state agencies, the Legislature, and
13 appropriate labor and professional organizations. The committee
14 may review and comment on the proposal standards and criteria
15 prior to their adoption. In addition, the standards and criteria
16 shall be used to monitor the fiscal stability of local educational
17 agencies as provided for in Sections 1240.1, 1240.2, 1621, 1623,
18 33131, 42127, and 42127.1.

19 (b) The Superintendent of ~~Public Instruction~~, the Controller,
20 and the Director of the Department of Finance shall update the
21 standards and criteria developed pursuant to subdivision (a) on or
22 before September 1, 2005. The updated standards and criteria
23 shall be reviewed and adopted pursuant to the procedure
24 established by subdivision (a) and are applicable to local
25 educational agency budgets commencing with the 2006-07 fiscal
26 year and each fiscal year thereafter.

27 (c) After September 1, 2005, to the extent necessary, any
28 revisions or updates to the standards and criteria shall be

1 developed by the Superintendent of ~~Public Instruction~~, the
2 Controller, and the Director of the Department of Finance
3 pursuant the procedures established by subdivision (a). The
4 revisions or updates shall specify the fiscal year in which the
5 revisions or updates are applicable.

6 *(d) The department, with the assistance of the Controller and*
7 *the Director of the Department of Finance, shall develop*
8 *standards and criteria for actuarial studies of retired employee*
9 *health and welfare benefit liabilities pursuant to Statement 45,*
10 *issued by the Governmental Accounting Standards Board in*
11 *June, 2004, and to plans developed by school districts pursuant*
12 *to Section 42135. The standards and criteria shall include*
13 *guidance on developing reasonable assumptions concerning*
14 *future increases in medical costs and appropriate methods for*
15 *identifying long-term discount rates.*

16 *SEC. 2. Section 42127 of the Education Code is amended to*
17 *read:*

18 42127. (a) On or before July 1 of each year, the governing
19 board of each school district shall accomplish the following:

20 (1) Hold a public hearing on the budget to be adopted for the
21 subsequent fiscal year. The budget to be adopted shall be
22 prepared in accordance with Section 42126. The agenda for that
23 hearing shall be posted at least 72 hours prior to the public
24 hearing and shall include the location where the budget will be
25 available for public inspection.

26 (2) Adopt a budget. Not later than five days after that adoption
27 or by July 1, whichever occurs first, the governing board shall
28 file that budget with the county superintendent of schools. That
29 budget and supporting data shall be maintained and made
30 available for public review. If the governing board of the district
31 does not want all or a portion of the property tax requirement
32 levied for the purpose of making payments for the interest and
33 redemption charges on indebtedness as described in paragraph
34 (1) or (2) of subdivision (b) of Section 1 of Article XIII A of the
35 California Constitution, the budget shall include a statement of
36 the amount or portion for which a levy shall not be made.

37 (b) The county superintendent of schools may accept changes
38 in any statement included in the budget, pursuant to subdivision
39 (a), of the amount or portion for which a property tax levy shall
40 not be made. The county superintendent or the county auditor

1 shall compute the actual amounts to be levied on the property tax
2 rolls of the district for purposes that exceed apportionments to
3 the district pursuant to Chapter 6 (commencing with Section 95)
4 of Part 0.5 of Division 1 of the Revenue and Taxation Code.
5 Each school district shall provide all data needed by the county
6 superintendent or the county auditor to compute the amounts. On
7 or before August 15, the county superintendent shall transmit the
8 amounts computed to the county auditor who shall compute the
9 tax rates necessary to produce the amounts. On or before
10 September 1, the county auditor shall submit the rate computed
11 to the board of supervisors for adoption.

12 (c) The county superintendent of schools shall do all of the
13 following:

14 (1) Examine the adopted budget to determine whether it
15 complies with the standards and criteria adopted by the State
16 Board of Education pursuant to Section 33127 for application to
17 final local educational agency budgets. The county
18 superintendent shall identify, if necessary, any technical
19 corrections that are required to be made to bring the budget into
20 compliance with those standards and criteria.

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

1 (3) Determine whether the adopted budget includes the
2 amount of funding for retired employee health and welfare
3 benefits identified in plans developed by the school district
4 pursuant to Section 42135.

5 (4) Identify, if necessary, the amount of funding that is
6 necessary to fully fund the plans developed by the school district
7 pursuant to Section 42135.

8 (d) On or before August 15, the county superintendent of
9 schools shall approve, conditionally approve, or disapprove the
10 adopted budget for each school district. If a school district does
11 not submit a budget to the county superintendent of schools, the
12 county superintendent of schools shall, at district expense,
13 develop a budget for that school district by September 15 and
14 transmit that budget to the governing board of the school district.
15 The budget prepared by the county superintendent of schools
16 shall be deemed adopted, unless the county superintendent of
17 schools approves any modifications made by the governing board
18 of the school district. The approved budget shall be used as a
19 guide for the district's priorities. The Superintendent shall review
20 and certify the budget approved by the county. If, pursuant to the
21 review conducted pursuant to subdivision (c), the county
22 superintendent of schools determines that the adopted budget for
23 a school district does not satisfy paragraph (1) or (2) of that
24 subdivision, he or she shall conditionally approve or disapprove
25 the budget and, not later than August 15, transmit to the
26 governing board of the school district, in writing, his or her
27 recommendations regarding revision of the budget and the
28 reasons for those recommendations, including, but not limited to,
29 the amounts of any budget adjustments needed before he or she
30 can conditionally approve that budget. The county superintendent
31 of schools may assign a fiscal adviser to assist the district to
32 develop a budget in compliance with those revisions. In addition,
33 the county superintendent of schools may appoint a committee to
34 examine and comment on the superintendent's review and
35 recommendations, subject to the requirement that the committee
36 report its findings to the superintendent no later than August 20.

37 (e) On or before September 8, the governing board of the
38 school district shall revise the adopted budget to reflect changes
39 in projected income or expenditures subsequent to July 1, and to
40 include any response to the recommendations of the county

1 superintendent of schools, shall adopt the revised budget, and
2 shall file the revised budget with the county superintendent of
3 schools. Prior to revising the budget, the governing board shall
4 hold a public hearing regarding the proposed revisions, to be
5 conducted in accordance with Section 42103. The revised budget
6 and supporting data shall be maintained and made available for
7 public review.

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

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

1 has not been adopted by the deadline, the steps being taken to
2 finalize budget adoption, the date the adopted budget is
3 anticipated, and whether the Superintendent has or will exercise
4 his or her authority to adopt a budget for the school district.

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

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

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

31 (2) On or before September 22, the county superintendent of
32 schools will provide a list to the Superintendent of Public
33 Instruction identifying all school districts for which a budget may
34 be tentatively disapproved.

35 (3) Not later than October 8, after receiving the response
36 required under paragraph (1), the county superintendent of
37 schools shall review that response and either approve or
38 disapprove the budget. If the county superintendent of schools
39 disapproves the budget, he or she shall call for the formation of a
40 budget review committee pursuant to Section 42127.1, unless the

1 governing board of the school district and the county
2 superintendent of schools agree to waive the requirement that a
3 budget review committee be formed and the department approves
4 the waiver after determining that a budget review committee is
5 not necessary. Upon the grant of a waiver, the county
6 superintendent has the authority and responsibility provided to a
7 budget review committee in Section 42127.3. Upon approving a
8 waiver of the budget review committee, the department shall
9 ensure that a balanced budget is adopted for the school district by
10 November 30. The Superintendent shall report to the Legislature
11 and the Director of Finance by December 10 if any district,
12 including a district that has received a waiver of the budget
13 review committee process, does not have an adopted budget by
14 November 30. This report shall include the reasons why a budget
15 has not been adopted by the deadline, the steps being taken to
16 finalize budget adoption, and the date the adopted budget is
17 anticipated.

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

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

27 *SEC. 3. Section 42135 is added to the Education Code, to*
28 *read:*

29 *42135. (a) (1) The Legislature finds and declares all of the*
30 *following:*

31 *(A) School districts have made significant long-term financial*
32 *commitments by agreeing to provide benefits such as health*
33 *insurance to employees upon retirement.*

34 *(B) School districts may be unaware of the long-term costs of*
35 *retired employee health and welfare benefits or the impact of*
36 *these costs on local education programs.*

37 *(2) It is the intent of the Legislature that the plans developed*
38 *pursuant to this section assist school districts in meeting*
39 *long-term retirement employee health and welfare benefit*
40 *obligations.*

1 (b) School districts that provide health and welfare benefits
2 for retired employees, other than pensions, shall develop a
3 long-term plan that identifies the manner in which the school
4 district will fund the benefits for current and future retirees. The
5 plan shall be based on an actuarial assessment conducted by the
6 school district pursuant to Section 42140 or on Statement 45,
7 issued by the Governmental Accounting Standards Board in
8 June, 2004. The plan shall describe the amount of funding
9 necessary for school districts to fund retired employee health and
10 welfare benefits over a 30-year period.

11 (c) The plans shall be consistent with the standards and
12 criteria developed by the department pursuant to Section 33127.

13 (d) It is the intent of the Legislature that school districts
14 develop sound plans that recognize all of the following:

15 (1) The annual liability for retired employee health and
16 welfare benefits incurred for each employee each year.

17 (2) Existing unfunded liability created for current and past
18 employees.

19 (e) The Legislature encourages school districts, to the extent
20 possible, to establish financing plans that fund benefits before
21 any liability exists, and that address existing liability by
22 establishing an amortization schedule that spreads payment of
23 benefit liabilities over a 30-year period.

24 (f) School districts that are required to conduct an actuarial
25 study pursuant to Section 42140 shall, by June 30, 2006, develop
26 an initial plan using the results of the most recent actuarial study
27 available. All school districts that are required to develop a plan
28 pursuant to subdivision (b) shall develop the plan or update the
29 existing plan one year after the school district is advised to
30 conduct an actuarial study by Statement 45 of the Governmental
31 Accounting Standards Board.

32 SEC. 4. Section 42136 is added to the Education Code, to
33 read:

34 42136. (a) School districts that are required to have
35 actuarial studies conducted pursuant to Section 42140 shall
36 provide a copy of the most recent report to the county office of
37 education by January 30, 2006.

38 (b) The department shall submit all of the following reports to
39 the appropriate policy and fiscal committees of the Legislature,
40 the Legislative Analyst, and the Department of Finance:

1 (1) A report on the outstanding liability of school districts for
2 retired employee health and welfare benefits other than pensions.

3 (2) To the extent that data is available, a report on the annual
4 “normal” cost of health and welfare benefits for current
5 employees, the actuarial cost of health and welfare benefits for
6 current and retired employees, and the amount of health and
7 welfare benefits that have been prefunded.

8 (3) A report on the manner in which school districts have
9 prefunded health and welfare benefits.

10 (4) By January 1, 2007, a report on the liabilities of school
11 districts that provide health and welfare benefits to retired
12 employees over 65 years of age.

13 (5) By July 1, 2008, a report on the liabilities of school
14 districts that provide retired employee health and welfare
15 benefits.

16 SEC. 5. If the Commission on State Mandates determines that
17 this act contains costs mandated by the state, reimbursement to
18 local agencies and school districts for those costs shall be made
19 pursuant to Part 7 (commencing with Section 17500) of Division
20 4 of Title 2 of the Government Code.

21 SECTION 1. Section 1240 of the Education Code is amended
22 to read:

23 1240. The county superintendent of schools shall do all of the
24 following:

25 (a) ~~Superintend the schools of his or her county.~~

26 (b) ~~Maintain responsibility for the fiscal oversight of each
27 school district in his or her county pursuant to the authority
28 granted by this code.~~

29 (c) ~~(1) Visit and examine each school in his or her county at
30 reasonable intervals to observe its operation and to learn of its
31 problems. He or she may annually present a report of the state of
32 the schools in his or her county, and of his or her office,
33 including, but not limited to, his or her observations while
34 visiting the schools, to the board of education and the board of
35 supervisors of his or her county.~~

36 (2) ~~(A) To the extent that funds are appropriated for purposes
37 of this paragraph, the county superintendent, or his or her
38 designee, shall annually present a report to the governing board
39 of each school district under his or her jurisdiction, the county
40 board of education of his or her county, and the board of~~

1 supervisors of his or her county describing the state of the
2 schools in the county or of his or her office that are ranked in
3 deciles 1 to 3, inclusive, of the 2003 base Academic Performance
4 Index, as defined in subdivision (b) of Section 17592.70, and
5 shall include, among other things, his or her observations while
6 visiting the schools.

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

12 (C) The results of the visit shall be reported to the governing
13 board of the school district on a quarterly basis at a regularly
14 scheduled meeting held in accordance with public notification
15 requirements.

16 (D) The visits made pursuant to this paragraph shall be
17 conducted at least annually and shall meet the following criteria:

18 (i) Not disrupt the operation of the school.

19 (ii) Be performed by individuals who meet the requirements of
20 Section 45125.1.

21 (iii) Consist of not less than 25 percent unannounced visits in
22 each county. During unannounced visits in each county, the
23 county superintendent shall not demand access to documents or
24 specific school personnel. Unannounced visits shall only be used
25 to observe the condition of school repair and maintenance and
26 the sufficiency of instructional materials, as defined by Section
27 60119.

28 (E) The priority objective of the visits made pursuant to this
29 paragraph shall be to determine the status of all of the following
30 circumstances:

31 (i) Sufficient textbooks as defined in Section 60119 and as
32 specified in subdivision (i).

33 (ii) The condition of a facility that poses an emergency or
34 urgent threat to the health or safety of pupils or staff as defined in
35 district policy, or as defined by paragraph (1) of subdivision (c)
36 of Section 17592.72.

37 (iii) The accuracy of data reported on the school accountability
38 report card with respect to the availability of sufficient textbooks
39 and instructional materials as defined by Section 60119 and the
40 safety, cleanliness, and adequacy of school facilities, including

1 good repair as required by Sections 17014, 17032.5, 17070.75,
2 and 17089.

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

6 (e) ~~Annually present a report to the governing board of the~~
7 ~~school district and the Superintendent of Public Instruction~~
8 ~~regarding the fiscal solvency of any school district with a~~
9 ~~disapproved budget, qualified interim certification, or a negative~~
10 ~~interim certification, or that is determined at any time to be in a~~
11 ~~position of fiscal uncertainty pursuant to Section 42127.6.~~

12 (f) ~~Keep in his or her office the reports of the Superintendent~~
13 ~~of Public Instruction.~~

14 (g) ~~Keep a record of his or her official acts, and of all the~~
15 ~~proceedings of the county board of education, including a record~~
16 ~~of the standing, in each study, of all applicants for certificates~~
17 ~~who have been examined, which shall be open to the inspection~~
18 ~~of any applicant or his or her authorized agent.~~

19 (h) ~~Enforce the course of study.~~

20 (i) (1) ~~Enforce the use of state textbooks and instructional~~
21 ~~materials and of high school textbooks and instructional~~
22 ~~materials regularly adopted by the proper authority.~~

23 (2) ~~For purposes of this subdivision, sufficient textbooks or~~
24 ~~instructional materials has the same meaning as in subdivision (c)~~
25 ~~of Section 60119.~~

26 (3) ~~If a school is ranked in any of deciles 1 to 3, inclusive, of~~
27 ~~the 2003 base Academic Performance Index, as defined in~~
28 ~~subdivision (b) of Section 17592.70, and is not currently under~~
29 ~~review through a state or federal intervention program, the~~
30 ~~county superintendent shall specifically review that school at~~
31 ~~least annually as a priority school. A review conducted for~~
32 ~~purposes of this paragraph shall be conducted within the first~~
33 ~~four weeks of the school year. For the 2004-05 fiscal year only,~~
34 ~~the county superintendent shall make a diligent effort to conduct~~
35 ~~a visit to each school pursuant to this paragraph within 120 days~~
36 ~~of receipt of funds for this purpose.~~

37 (4) ~~If the county superintendent determines that a school does~~
38 ~~not have sufficient textbooks or instructional materials in~~
39 ~~accordance with subparagraph (A) of paragraph (1) of~~
40 ~~subdivision (a) of Section 60119 and as defined by subdivision~~

1 (c) of Section 60119, the county superintendent shall do all of the
2 following:

3 (A) Prepare a report that specifically identifies and documents
4 the areas or instances of none compliance.

5 (B) Provide within five business days of the review, a copy of
6 the report to the school district, as provided in subdivision (c),
7 and forward the report to the Superintendent of Public
8 Instruction.

9 (C) Provide the school district with the opportunity to remedy
10 the deficiency. The county superintendent shall ensure
11 remediation of the deficiency no later than the second month of
12 the school term.

13 (D) If the deficiency is not remedied as required pursuant to
14 subparagraph (C), the county superintendent shall request the
15 department, with approval by the State Board of Education, to
16 purchase the textbooks or instructional materials necessary to
17 comply with the sufficiency requirement of this subdivision. If
18 the state board approves a recommendation from the department
19 to purchase textbooks or instructional materials for the school
20 district, the board shall issue a public statement at a regularly
21 scheduled meeting indicating that the district superintendent and
22 the governing board of the school district failed to provide pupils
23 with sufficient textbooks or instructional materials as required by
24 this subdivision. Before purchasing the textbooks or instructional
25 materials, the department shall consult with the governing board
26 of the school district and the county superintendent of schools to
27 determine which textbooks or instructional materials to purchase.
28 All purchases of textbooks or instructional materials shall
29 comply with Chapter 3.25 (commencing with Section 60420) of
30 Part 33. The amount of funds necessary to the purchase the
31 textbooks and materials is a loan to the school district receiving
32 the textbooks or instructional materials. Unless the school district
33 repays the amount owed based upon an agreed-upon repayment
34 schedule with the Superintendent of Public Instruction, the
35 Superintendent of Public Instruction shall notify the Controller
36 and the Controller shall deduct an amount equal to the total
37 amount used to purchase the textbooks and materials, from the
38 next principal apportionment of the district or from another
39 apportionment of state funds.

1 ~~(j) Preserve carefully all reports of school officers and~~
2 ~~teachers.~~

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

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

9 ~~(A) The first report shall cover the financial and budgetary~~
10 ~~status of the county office of education for the period ending~~
11 ~~October 31. The second report shall cover the period ending~~
12 ~~January 31. Both reports shall be reviewed by the county board~~
13 ~~of education and approved by the county superintendent of~~
14 ~~schools no later than 45 days after the close of the period being~~
15 ~~reported.~~

16 ~~(B) As part of each report, the county superintendent shall~~
17 ~~certify in writing whether or not the county office of education is~~
18 ~~able to meet its financial obligations for the remainder of the~~
19 ~~fiscal year and, based on current forecasts, for two subsequent~~
20 ~~fiscal years. The certifications shall be classified as positive,~~
21 ~~qualified, or negative, pursuant to standards prescribed by the~~
22 ~~Superintendent of Public Instruction, for the purposes of~~
23 ~~determining subsequent state agency actions pursuant to Section~~
24 ~~1240.1. For purposes of this subdivision, a negative certification~~
25 ~~shall be assigned to any county office of education that, based~~
26 ~~upon current projections, will be unable to meet its financial~~
27 ~~obligations for the remainder of the fiscal year or for the~~
28 ~~subsequent fiscal year. A qualified certification shall be assigned~~
29 ~~to any county office of education that may not meet its financial~~
30 ~~obligations for the current fiscal year or two subsequent fiscal~~
31 ~~years. A positive certification shall be assigned to any county~~
32 ~~office of education that will meet its financial obligations for the~~
33 ~~current fiscal year and subsequent two fiscal years. In accordance~~
34 ~~with those standards, the Superintendent of Public Instruction~~
35 ~~may reclassify any certification. If a county office of education~~
36 ~~receives a negative certification, the Superintendent of Public~~
37 ~~Instruction, or his or her designee, may exercise the authority set~~
38 ~~forth in subdivision (e) of Section 1630. Copies of each~~
39 ~~certification, and of the report containing that certification, shall~~
40 ~~be sent to the Superintendent of Public Instruction at the time the~~

1 certification is submitted to the county board of education.
2 Copies of each qualified or negative certification and the report
3 containing that certification shall be sent to the Controller at the
4 time the certification is submitted to the county board of
5 education.

6 (2) All reports and certifications required under this
7 subdivision shall be in a format or on forms prescribed by the
8 Superintendent of Public Instruction, and shall be based on
9 standards and criteria for fiscal stability adopted by the State
10 Board of Education pursuant to Section 33127. The reports and
11 supporting data shall be made available by the county
12 superintendent of schools to any interested party upon request.

13 (3) This subdivision does not preclude the submission of
14 additional budgetary or financial reports by the county
15 superintendent to the county board of education or to the
16 Superintendent of Public Instruction.

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

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

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