

AMENDED IN ASSEMBLY MAY 4, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 740

Introduced by Assembly Member Huff

*(Coauthors: Assembly Members Benoit, DeVore, Garcia, Haynes,
Shirley Horton, and Maze)*

(Coauthors: Senators Dutton and Margett)

February 17, 2005

~~An act to repeal and add Section 47634.5 of, and to repeal Section 47634 of, the Education Code, relating to charter schools. An act to add Sections 47634.2, 47634.3, and 47634.4 to, to repeal Section 47634.5 of, and to repeal and add Section 47634 of, the Education Code, relating to charter schools.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 740, as amended, Huff. ~~Charter schools.~~ *Charter School Categorical Block Grant.*

Existing law requires the Superintendent annually to compute a categorical block grant amount for each charter school, as specified. Existing law requires the Director of Finance to make certain computations annually regarding charter school block grant funding and to provide that information to the Superintendent within 30 days of the enactment of the annual Budget Act.

This bill would repeal those provisions of existing law *and would establish the Charter School Categorical Block Grant to provide charter schools with funding for general education and disadvantaged pupil programs that would be in lieu of the funding received by charter schools pursuant to various categorical programs.* The bill would establish, for the 2005-06 fiscal year, and for the 2006-07 fiscal

year and thereafter, a different method for calculating the categorical block grant for charter schools.

~~This bill would require the State Department of Education, in any fiscal year in which the it identifies a deficiency in the Charter School Categorical Block Grant, to identify programs that are funded that will have unobligated funds for the year and the associated balances available. The bill would require the department, on or before July 1, to provide the Department of Finance with a list of those programs and their available balances, and the amount of the deficiency, if any, in the Charter School Categorical Block Grant. The bill would require the Director of Finance, within 45 days of the receipt of a notification of deficiency, to verify the amount of the deficiency in the Charter School Categorical Block Grant and would authorize the Director of Finance to direct the Controller to transfer from those programs to the Charter School Categorical Block Grant an amount equal to the lesser of the amount available or the amount needed to fully fund the Charter School Categorical Block Grant. The bill would require the Department of Finance to notify the Joint Legislative Budget Committee within 30 days of any transfer made pursuant to its provisions.~~

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

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

1 SECTION 1. Section 47634 of the Education Code is
2 repealed.

3 ~~SEC. 2. Section 47634 is added to the Education Code, to~~
4 ~~read:~~

5 ~~47634. (a) For the 2005-06 fiscal year, a categorical block~~
6 ~~grant for charter schools shall be calculated as follows:~~

7 ~~(1) The Superintendent shall divide the total amount of~~
8 ~~funding appropriated for the purpose of this block grant through~~
9 ~~the annual Budget Act or another statute, less the amount~~
10 ~~calculated in paragraph (2), by the statewide total of charter~~
11 ~~school average daily attendance as determined at the second~~
12 ~~principal apportionment.~~

13 ~~(2) The Superintendent shall compute the statewide average~~
14 ~~amount of funding per identified educationally disadvantaged~~
15 ~~pupil received by school districts in the current year pursuant to~~

1 Article 2 (commencing with Section 54020) of Chapter 1 of Part
2 29. This amount shall be multiplied by the number of
3 educationally disadvantaged pupils enrolled in the charter school.
4 For purposes of this subdivision, a pupil who is eligible for
5 subsidized meals pursuant to Section 49552 and is identified as
6 an English learner pursuant to subdivision (a) of Section 306
7 shall count as two pupils.

8 (3) For each charter school, the Superintendent shall multiply
9 the amount calculated in paragraph (1) by the school's average
10 daily attendance as determined at the second principal
11 apportionment.

12 (4) The Superintendent shall add the amounts computed in
13 paragraphs (1) and (2). The resulting amount shall be the charter
14 school's categorical block grant that the Superintendent shall
15 apportion to each charter school from funds appropriated for this
16 purpose in the annual Budget Act or another statute.

17 (b) For the 2006-07 fiscal year and each fiscal year thereafter,
18 a categorical block grant for charter schools shall be calculated as
19 follows:

20 (1) The amounts appropriated for the purposes of paragraph (1)
21 of subdivision (a) shall be increased annually by the growth in
22 charter school average daily attendance and by the inflation
23 factor determined pursuant to Section 42238.1.

24 (2) The Superintendent shall compute the statewide average
25 amount of funding per identified educationally disadvantaged
26 pupil received by school districts in the current year pursuant to
27 Article 2 (commencing with Section 54020) of Chapter 1 of Part
28 29. This amount shall be multiplied by the number of
29 educationally disadvantaged pupils enrolled in the charter school.
30 For purposes of this subdivision, a pupil who is eligible for
31 subsidized meals pursuant to Section 49552 and is identified as
32 an English learner pursuant to subdivision (a) of Section 306
33 shall count as two pupils.

34 (3) For each charter school, the superintendent shall multiply
35 the amount calculated in paragraph (1) by the school's average
36 daily attendance as determined at the second principal
37 apportionment.

38 (4) The Superintendent shall add the amounts computed in
39 paragraphs (1) and (2). The resulting amount shall be the charter
40 school's categorical block grant that the Superintendent shall

1 apportion to each charter school from funds appropriated for this
2 purpose in the annual Budget Act or another statute.

3 ~~(e) It is the intent of the Legislature to fully fund the~~
4 ~~categorical block grant and to appropriate additional funding that~~
5 ~~may be needed in order to compensate for unanticipated~~
6 ~~increases in average daily attendance in charter schools. In any~~
7 ~~fiscal year in which the department identifies a deficiency in the~~
8 ~~Charter School Categorical Block Grant, the department shall~~
9 ~~identify programs that are funded toward meeting the~~
10 ~~requirements of Section 8 of Article XVI of the California~~
11 ~~Constitution that will have unobligated funds for the year and the~~
12 ~~associated balances available. On or before July 1, the~~
13 ~~department shall provide the Department of Finance with a list of~~
14 ~~those programs and their available balances, and the amount of~~
15 ~~the deficiency, if any, in the Charter School Categorical Block~~
16 ~~Grant. Within 45 days of the receipt of a notification of~~
17 ~~deficiency, the Director of Finance shall verify the amount of the~~
18 ~~deficiency in the Charter School Categorical Block Grant and~~
19 ~~may direct the Controller to transfer from those programs to the~~
20 ~~Charter School Categorical Block Grant an amount equal to the~~
21 ~~lesser of the amount available or the amount needed to fully fund~~
22 ~~the Charter School Categorical Block Grant. The Department of~~
23 ~~Finance shall notify the Joint Legislative Budget Committee~~
24 ~~within 30 days of any transfer made pursuant to this section.~~

25 ~~(d) It is the intent of the Legislature to triennially review,~~
26 ~~commencing with appropriations proposed for the 2008-09 fiscal~~
27 ~~year, the growth in funding for the charter school block grant~~
28 ~~pursuant to Section 47633 relative to the growth in funding for~~
29 ~~Proposition 98-funded categorical programs for noncharter~~
30 ~~schools less funding for adult education, special education~~
31 ~~programs, child development programs, Economic Impact Aid,~~
32 ~~regional occupational centers and programs, county office of~~
33 ~~education fiscal oversight, and appropriations made to a single~~
34 ~~local education agency.~~

35 ~~(e) Categorical block grant funding may be used for any~~
36 ~~purpose determined by the governing body of the charter school.~~

37 *SEC. 2. Section 47634 is added to the Education Code, to*
38 *read:*

39 *47634. (a) The Charter School Categorical Block Grant is*
40 *hereby created. This block grant shall provide charter schools*

1 *with funding for general education and disadvantaged pupil*
2 *programs that will be in lieu of the funding received by charter*
3 *schools pursuant to various categorical programs.*

4 *(b) For purposes of subdivision (a), “general education*
5 *programs” includes all programs for which school districts*
6 *receive funding on a per-pupil basis for their general pupil*
7 *population.*

8 *(c) For purposes of subdivision (a), “disadvantaged pupil*
9 *programs” includes programs for which school districts receive*
10 *funding for their disadvantaged pupil populations.*
11 *Disadvantaged pupil populations includes English language*
12 *learners, low-income pupils, and other high-cost or high-need*
13 *pupil populations.*

14 *SEC. 3. Section 47634.2 is added to the Education Code, to*
15 *read:*

16 *47634.2. (a) A charter school shall apply separately for*
17 *programs funded as reimbursements, categorical programs*
18 *funded through competitive grants, and categorical programs*
19 *funded using differential eligibility criteria.*

20 *(b) Consistent with subdivision (a), a charter school shall*
21 *apply separately for all of the following categorical programs:*

22 *(1) _____.*

23 *(2) _____.*

24 *(3) _____.*

25 *SEC. 4. Section 47634.3 is added to the Education Code, to*
26 *read:*

27 *47634.3. (a) A charter school may not apply directly for*
28 *categorical programs for which services are exclusively or*
29 *almost exclusively provided by a county office of education.*

30 *(b) Consistent with subdivision (a), a charter school may not*
31 *receive direct funding for any of the following*
32 *county-administered categorical programs:*

33 *(1) American Indian Education Centers.*

34 *(2) The California Association of Student Councils.*

35 *(3) California Technology Assistance Project established*
36 *pursuant to Article 15 (commencing with Section 51870) of*
37 *Chapter 5 of Part 28.*

38 *(4) The Center for Civic Education.*

39 *(5) County Office Fiscal Crisis and Management Assistance*
40 *Team.*

1 (6) *The K-12 High Speed Network.*

2 (c) *A charter school may apply separately for district-level or*
3 *school-level grants associated with any of the categorical*
4 *programs specified in subdivision (b).*

5 SEC. 5. *Section 47634.4 is added to the Education Code, to*
6 *read:*

7 47634.4. (a) *For purposes of the Charter School Categorical*
8 *Block Grant, categorical programs created after January 1,*
9 *2005, shall be classified according to the criteria specified in*
10 *Sections 47634, 47634.2, and 47634.3.*

11 (b) *Section 47634.2 specifies a comprehensive list of all*
12 *categorical programs for which charter schools must apply*
13 *separately. Categorical programs created after January 1, 2005,*
14 *for which charter schools are to apply separately pursuant to*
15 *Section 47634.2 are included in the list of categorical programs*
16 *enumerated in subdivision (b) of that section.*

17 (c) *Section 47634.3 specifies a comprehensive list of all*
18 *categorical programs from which charter schools are prohibited*
19 *from receiving direct funding. Categorical programs created*
20 *after January 1, 2005, for which charter schools are to be*
21 *prohibited from applying directly pursuant to Section 47634.3*
22 *are included in the list of categorical programs enumerated in*
23 *subdivision (b) of that section.*

24 (d) *If a categorical program is not listed in Section 47634.2 or*
25 *47634.3 or deemed to be included in the list of categorical*
26 *programs in those sections pursuant to subdivision (b) or (c), it is*
27 *also included in the Charter School Block Grant.*

28 SEC. 3. *Section 47634.5 of the Education Code is repealed.*