

Assembly Bill No. 4

Passed the Assembly December 18, 2008

Chief Clerk of the Assembly

Passed the Senate December 18, 2008

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2008, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 2558.46, 17592.71, 42238.146, 47634.1, and 49452.8 of, to amend, repeal, and add Section 17584.1 of, to add Sections 17070.766, 17592.74, 41207.3, 41509, 52055.60, and 52055.651 to, and to add and repeal Sections 1240.3 and 60422.1 of, the Education Code, to amend Section 36 of, and to repeal Section 33 of, Chapter 757 of, the Statutes of 2008, to amend Items 6110-105-0001, 6110-196-0001, 6110-196-0890, 6110-244-0001, 6110-485, 6110-488, 6360-101-0001, 6870-101-0001, and 6870-295-0001 of, and to add Item 6870-485 to, Section 2.00 of, and to amend Section 12.40 of, the Budget Act of 2008 (Chapters 268 and 269 of the Statutes of 2008), relating to education finance, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 4, Evans. Budget Act of 2008.

(1) Existing law requires the county superintendent of schools of each county, among other specified duties, to make annual visits to each school in his or her county at reasonable intervals to observe its operation and to learn of its problems. Existing law requires that the priority objective of those visits be the determination of whether each school has sufficient textbooks, as defined.

This bill would revise the definition of sufficient textbooks for the 2008–09 and 2009–10 fiscal years and, during those fiscal years, would require a county superintendent of schools to use that revised definition to determine whether a school has sufficient textbooks. The bill would make these provisions inoperative on July 1, 2010, and repeal them on January 1, 2011.

(2) Existing law requires a revenue limit to be calculated for each county superintendent of schools, adjusted for various factors, and reduced, as specified. Existing law reduces the revenue limit for each county superintendent of schools for the 2008–09 fiscal year by a deficit factor of 4.396%.

This bill would instead reduce the revenue limit for each county superintendent of schools for the 2008–09 fiscal year by a deficit factor of 5.050%

(3) The Leroy F. Greene School Facilities Act of 1998 requires the State Allocation Board to require school districts applying for funds under that act to deposit, into a specified account for ongoing and major maintenance of school buildings, an amount equal to or greater than 3% of the total general fund expenditures of the applicant school district.

This bill, for the 2008–09 fiscal year, would reduce that deposit requirement to an amount equal to or greater than 1% of the total general fund expenditures of the applicant school district.

(4) Existing law requires a governing board of a school district to discuss proposals and plans for expenditure of funds for the deferred maintenance of school district facilities at a regularly scheduled public hearing. Existing law requires the governing board to make a report on the district’s spending priorities for the current fiscal year to the Legislature, with copies to the Superintendent of Public Instruction, the State Board of Education, the Department of Finance, and the State Allocation Board, by March 1 of any year that the school district does not set aside prescribed funds for the deferred maintenance of its facilities.

This bill would render this report requirement inoperative for the 2008–09 fiscal year.

(5) Existing law directs that an amount of moneys be transferred in the annual Budget Act from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account. The amount to be transferred is required to equal 50% of the unappropriated balance of the Proposition 98 Reversion Account or \$100,000,000, whichever amount is greater. The moneys transferred be used for the purpose of addressing emergency facilities needs.

This bill, for the 2008–09 and 2009–10 fiscal years, would reduce the amount required to be transferred pursuant to the requirement above to zero, and would transfer the appropriation made in the Budget Act of 2008 for purposes of funding the School Facilities Emergency Repair Account to the State Department of Education, on a one-time basis, to backfill regional occupational centers and programs.

The bill would prohibit funds provided to school districts from the School Facilities Emergency Repair Account for the purpose of emergency repair grants from being used either to supplant funds provided to local educational agencies for the deferred

maintenance of school facilities pursuant to specified statutes or for deposit into a school district deferred maintenance fund for expenditure for specified purposes.

(6) Existing provisions of the California Constitution require the state to apply a minimum amount of funding for each fiscal year for the support of school districts and community college districts. Existing law requires the Superintendent of Public Instruction and the Director of Finance, by January 1, 2006, to jointly determine the outstanding balance of the minimum funding obligation to school districts and community college districts pursuant to the California Constitution for the 1995–96 to 2003–04 fiscal years, inclusive. Existing law, commencing with the 2006–07 fiscal year, annually appropriates the sum of \$150,000,000 from the General Fund to the Controller for allocation to school districts and community college districts for the purpose of discharging in full the outstanding balance of the minimum funding obligation to school districts and community college districts pursuant to the California Constitution. Existing law cancels that annual appropriation for the 2008–09 fiscal year.

This bill, in addition, would cancel that annual appropriation for the 2009–10, 2010–11, 2011–12, and 2012–13 fiscal years. If the Superintendent and the Director of Finance jointly determine that, for the 2008–09 fiscal year, the state has applied moneys for the support of school districts and community college districts in an amount that exceeds the minimum amount required for that fiscal year pursuant to the California Constitution, the bill would deem \$1,100,590,000, as of June 30 of that fiscal year, as a payment in satisfaction of the outstanding balance, as defined, of the minimum funding obligation under that section for the 2002–03 and 2003–04 fiscal years, as specified.

(7) Existing law establishes a pupil retention block grant and, commencing with the 2005–06 fiscal year, requires the Superintendent to apportion funds to a school district in the same relative statewide proportion that the school district received in the 2003–04 fiscal year for those programs, adjusted for various factors, including changes in program participation, inflation, and for growth in average daily attendance, as specified.

This bill, for the 2008–09 fiscal year, would require the Superintendent to apportion pupil retention block grant funds only to school districts operating continuation high schools. The bill

would require that the share of funding for those fiscal years received by a school district equal its statewide share of total continuation high school funding received in the 2003–04 fiscal year, as specified.

(8) Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county, and requires the amount of the revenue limit to be adjusted for various factors. Existing law reduces the revenue limit for each school district for the 2008–09 fiscal year by a deficit factor of 4.713%.

This bill would instead reduce the revenue limit for each school district for the 2008–09 fiscal year by a deficit factor of 5.357%.

(9) Existing law, for the 2007–08 fiscal year, requires the categorical block grant allocated by the Superintendent for charter schools to be \$500 per unit of charter school average daily attendance, as determined at the second principal apportionment for the 2007–08 fiscal year. The per unit amount is required to be adjusted for each fiscal year thereafter for a cost-of-living adjustment, as determined pursuant to statute.

This bill, for the 2008–09 fiscal year, would reduce the categorical block grant for charter schools to \$400 per unit of charter school average daily attendance, as determined at the second principal apportionment for the 2008–09 fiscal year.

(10) Existing law requires a pupil, while enrolled in kindergarten in a public school, or while enrolled in first grade in a public school if the pupil was not previously enrolled in kindergarten in a public school, to present, no later than May 31 of the school year, proof of having received an oral health assessment by a licensed dentist, or other licensed or registered dental health professional operating within his or her scope of practice, that was performed no earlier than 12 months prior to the date of the initial enrollment of the pupil.

This bill would make that provision inoperative for the 2008–09 and 2009–10 fiscal years.

(11) The federal No Child Left Behind Act of 2001 requires a local educational agency to identify an elementary or secondary school that fails, for 2 consecutive years, to make adequate yearly progress, as defined by the state, for program improvement. The act requires a school that continues to fail to make adequate yearly progress after being identified for program improvement to take

additional corrective action or meet specified restructuring requirements.

The Public Schools Accountability Act of 1999 requires the State Department of Education to identify local educational agencies that are in danger of being identified for program improvement pursuant to the No Child Left Behind Act, and to notify those local educational agencies, in writing, of that status. The department also is required to provide those agencies with research-based criteria to conduct that voluntary self-assessment.

This bill, for the 2008–09 and 2009–10 fiscal years, would exempt a school, school district, county office of education, or charter school that has been identified for program improvement under the federal No Child Left Behind Act of 2001 from required participation in the Mathematics and Reading Professional Development Program or the Administrator Training Program.

(12) The Public Schools Accountability Act of 1999 establishes the High Priority Schools Grant Program, under which funds are made available to eligible low-performing schools for implementation of a school action plan that includes specified components. Under the act, a school that achieves positive growth in each year of the last 3 years of program implementation and achieves growth targets in 2 of those years exits the program. The act requires a school participating in the High Priority Schools Grant Program that does not meet its growth targets 36 months after funding, but shows significant growth, to continue to be monitored by the Superintendent. The act requires a school participating in the High Priority Schools Grant Program that does not meet its growth targets 36 months after funding, and fails to show significant growth to be deemed a state-monitored school. As a consequence, either the school is required to enter into a contract with a school assistance and intervention team or the Superintendent is required to assume all the legal rights, duties, and powers of the governing board of the school district with respect to the school.

This bill, for the 2008–09 fiscal year, would provide that a school participating in the High Priority Schools Grant Program is not subject to review by the state board, state monitoring, and sanctions. The bill, for the 2008–09 and 2009–10 fiscal years, would exempt a state-monitored school from required participation

in the Mathematics and Reading Professional Development Program or the Administrator Training Program.

(13) Existing law establishes the Instructional Materials Funding Realignment Program that requires the State Department of Education to apportion funds to school districts and requires the governing board of a school district to use that funding to ensure that each pupil is provided with a standards-aligned textbook or basic instructional materials by the beginning of the first school term that commences no later than 24 months after those materials were adopted by the State Board of Education, except as specified.

This bill, until July 1, 2010, would exempt school districts from that requirement.

(14) Existing law appropriates \$39,780,000 from the General Fund to the Board of Governors of the California Community Colleges, in the Budget Act of 2008, for the purpose of providing a 0.68% cost-of-living adjustment to apportionments to community college districts, for expenditure during the 2008–09 fiscal year.

This bill would repeal that provision.

(15) Each annual Budget Act makes various appropriations for purposes of public education.

This bill would reappropriate for the current fiscal year prescribed amounts or the unexpended balance of specified appropriations made in specified prior Budget Acts to the State Department of Education for allocation to regional occupational centers and programs and would reduce the appropriation made by the Budget Act of 2008 for purposes of regional occupational centers and programs by an amount equal to the reappropriation described above. The bill also would reappropriate \$1,408,536 from the Proposition 98 Reversion Account to the Board of Governors of the California Community Colleges, on a one-time basis, to backfill the Puente Project.

(16) The Budget Act of 2008 makes various appropriations for purposes of public education.

This bill would reduce or eliminate specified appropriations made in that Budget Act.

(17) The Budget Act of 2008 makes various appropriations for purposes of child care and development programs.

This bill would reduce specified appropriations made in that Budget Act for those purposes.

(18) The Budget Act of 2008 authorizes a local educational agency to expend not more than 10% of the amount apportioned under specified programs funded in the Budget Act of 2008 that were funded in a specified item of the Budget Act of 1999 that is commonly known as the Mega-Item for the purposes of other specified programs for which the recipient is eligible for funding. Among the programs from which 10% could be expended is the Home-to-School Transportation Program.

This bill would remove the Home-to-School Transportation Program from those programs from which the local educational agency could transfer 10% of funding, and would add that program to those programs into which funds could be transferred.

(19) Existing law requires the Superintendent of Public Instruction, the Controller, and the Director of Finance to develop standards and criteria to be reviewed 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 those budgets.

This bill, for the 2008–09 fiscal year only, would authorize the governing board of a school district or county office of education to use up to 100% of the balances, as of June 30, 2008, of restricted accounts in its general fund or cafeteria fund, excluding restricted reserves committed for capital outlay, bond funds, sinking funds, federal funds, funds from the Public Transportation Account, and balances in designated programs. The bill would require a governing board that elects to use balances in restricted accounts to report to the Superintendent of Public Instruction, in a manner determined by the Superintendent, regarding the programs and amounts of restricted balances used for specified purposes. The bill would require the Superintendent of Public Instruction to report statewide information and information for each school district and county office of education to the Joint Legislative Budget Committee by October 31, 2009.

(20) This bill would require the Superintendent of Public Instruction to reduce the principal apportionment for school districts and county offices of education for the 2008-09 fiscal year, as necessary, if, during that fiscal year, the Controller has disbursed funds from the appropriations reduced by the bill in amounts greater than the amounts remaining in those appropriations following the reductions and the Superintendent determines there

is no other way to recover the funds that have been disbursed during the 2008-09 fiscal year.

(21) This bill would provide that its provisions will become operative only if either AB 2 or SB 2 and either AB 9 or SB 9 of the 2009-10 1st Extraordinary Session of the Legislature are enacted and become effective on or before January 1, 2009.

(22) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 1, 2008.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on December 1, 2008, pursuant to the California Constitution.

Appropriation: yes.

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

SECTION 1. Section 1240.3 is added to the Education Code, to read:

1240.3. (a) For the purposes of Section 1240, for the 2008-09 and 2009-10 fiscal years, sufficient textbooks or instructional materials include standards-aligned textbooks or instructional materials, or both, that were adopted by the state board and local governing boards pursuant to statute prior to July 1, 2008. It is the intent of the Legislature that each local education agency provide every pupil with the same standards-aligned textbook or instructional material as adopted.

(b) Notwithstanding Section 1240 or any other law, for the 2008-09 and 2009-10 fiscal years, a county superintendent of schools, in making visits to schools as specified in Section 1240, shall determine the status of sufficient textbooks as defined in subdivision (a).

(c) This section shall become inoperative on July 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute that is enacted before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 2558.46 of the Education Code is amended to read:

2558.46. (a) (1) For the 2003–04 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 1.195 percent deficit factor.

(2) For the 2004–05 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 0.323 percent deficit factor.

(3) For the 2003–04 and 2004–05 fiscal years, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced further by a 1.826 percent deficit factor.

(4) For the 2005–06 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced further by a 0.898 percent deficit factor.

(5) For the 2008–09 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 5.050 percent deficit factor.

(b) In computing the revenue limit for each county superintendent of schools for the 2006–07 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2003–04, 2004–05, and 2005–06 fiscal years without being reduced by the deficit factors specified in subdivision (a).

(c) In computing the revenue limit for each county superintendent of schools for the 2009–10 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2008–09 fiscal year without being reduced by the deficit factors specified in subdivision (a).

SEC. 3. Section 17070.766 is added to the Education Code, to read:

17070.766. Notwithstanding paragraph (2) of subdivision (b) of Section 17070.75, for the 2008–09 fiscal year, the board shall only require a school district to deposit into the account established pursuant to paragraph (1) of subdivision (b) of Section 17070.75 an amount equal to or greater than 1 percent of the total expenditures by a district from its general fund in the 2008–09 fiscal year.

SEC. 4. Section 17584.1 of the Education Code is amended to read:

17584.1. (a) The governing board of a school district shall discuss proposals and plans for expenditure of funds for the

deferred maintenance of school district facilities at a regularly scheduled public hearing.

(b) The purposes of this section are to inform the public regarding the local decisionmaking process relating to the deferred maintenance of school facilities and to provide a foundation for local accountability in that regard.

(c) This section shall become inoperative on July 1, 2009, and, as of January 1, 2010, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2010, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 5. Section 17584.1 is added to the Education Code, to read:

17584.1. (a) The governing board of a school district shall discuss proposals and plans for expenditure of funds for the deferred maintenance of school district facilities at a regularly scheduled public hearing.

(b) In any fiscal year that the school district does not set aside 0.5 percent of its current-year revenue limit average daily attendance for deferred maintenance, the governing board of a school district shall submit a report to the Legislature by March 1 of that year, with copies to the Superintendent, the state board, the Department of Finance, and the State Allocation Board.

(c) The report required pursuant to subdivision (b) shall include all of the following:

(1) A schedule of the complete school facilities deferred maintenance needs of the school district for the current fiscal year, including a schedule of costs per schoolsite and total costs.

(2) A detailed description of the school district's spending priorities for the current fiscal year, and an explanation of why those priorities, or any other considerations, have prevented the school district from setting aside sufficient local funds so as to permit it to fully fund its deferred maintenance program and, if eligible, to participate in the state deferred maintenance funding program as set forth in Section 17584.

(3) An explanation of how the governing board of a school district plans to meet its current-year facilities deferred maintenance needs without setting aside the funds set forth in Section 17584.

(d) Copies of the report shall be made available at each schoolsite within the school district and shall be provided to the public upon request.

(e) The purposes of this section are to inform the public regarding the local decisionmaking process relating to the deferred maintenance of school facilities and to provide a foundation for local accountability in that regard.

(f) This section shall become operative on July 1, 2009.

SEC. 6. Section 17592.71 of the Education Code is amended to read:

17592.71. (a) There is hereby established in the State Treasury the School Facilities Emergency Repair Account. The State Allocation Board shall administer the account.

(b) (1) Commencing with the 2005–06 fiscal year, an amount of moneys shall be transferred in the annual Budget Act from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account, equaling 50 percent of the unappropriated balance of the Proposition 98 Reversion Account or one hundred million dollars (\$100,000,000), whichever amount is greater. Moneys transferred pursuant to this subdivision shall be used for the purpose of addressing emergency facilities needs pursuant to Section 17592.72.

(2) Notwithstanding paragraph (1), for the 2008–09 and 2009–10 fiscal years, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero.

(c) The Legislature may transfer to the School Facilities Emergency Repair Account other one-time Proposition 98 funds, except funds specified pursuant to Section 41207. Donations by private entities shall be deposited in the account and, for tax purposes, be treated as otherwise provided by law.

(d) Funds shall be transferred pursuant to this section until a total of eight hundred million dollars (\$800,000,000) has been disbursed from the School Facilities Emergency Repair Account.

SEC. 7. Section 17592.74 is added to the Education Code, to read:

17592.74. Notwithstanding any other law, the funds provided to school districts from the School Facilities Emergency Repair Account pursuant to this article for the purpose of emergency repair grants shall not be used to do either of the following:

(a) Supplant funds provided to local educational agencies for the deferred maintenance of school facilities pursuant to Sections 17584 and 17587.

(b) Be deposited into a school district deferred maintenance fund for the purposes established pursuant to Section 17582.

SEC. 8. Section 41207.3 is added to the Education Code, to read:

41207.3. (a) If the Superintendent and the Director of Finance jointly determine that, for the 2008–09 fiscal year, the state has applied moneys for the support of school districts and community college districts in an amount that exceeds the minimum amount required for that fiscal year pursuant to Section 8 of Article XVI of the California Constitution, one billion one hundred million five hundred ninety thousand dollars (\$1,100,590,000) shall be deemed, as of June 30 of that fiscal year, a payment in satisfaction of the outstanding balance of the minimum funding obligation under that section for the 2002–03 and 2003–04 fiscal years in accordance with the following:

(1) Four hundred eighty-three million sixteen thousand dollars (\$483,016,000) in payment of the outstanding balance of the minimum funding obligation for the 2002–03 fiscal year.

(2) Six hundred seventeen million five hundred seventy-four thousand dollars (\$617,574,000) in payment of the outstanding balance of the minimum funding obligation for the 2003–04 fiscal year.

(b) For purposes of this section, the outstanding balance of the minimum funding obligation to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution for a fiscal year is the amount, if any, by which the amount required to be applied by the state for the support of school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution, including any maintenance factor that should have been allocated in that fiscal year pursuant to subdivision (e) of Section 8 of Article XVI, exceeds the amount applied by the state for the support of school districts and community college districts for that fiscal year.

(c) The amounts allocated pursuant to this section shall be deemed, for purposes of Section 8 of Article XVI of the California Constitution, to be appropriations made and allocated in the fiscal year in which the deficiencies resulting in the outstanding balance

were incurred. When the amount determined to be owed for each such fiscal year is fully allocated pursuant to this subdivision, the data used in the computations made under this section with regard to the total amount owed by the state for the support of school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution for that fiscal year, including as much of the maintenance factor for that fiscal year determined pursuant to subdivision (d) of Section 8 of Article XVI as has been allocated as required by subdivision (e) of Section 8 of Article XVI by virtue of the allocations made under this section, shall be deemed certified for purposes of Section 41206.

SEC. 9. Section 41509 is added to the Education Code, to read:

41509. Notwithstanding any other provision of law, for the 2008–09 fiscal year, the Superintendent shall apportion pupil retention block grant funds only to school districts operating continuation high schools, as set forth in Section 42243.7. The share of funding for the 2008–09 fiscal year received by a school district shall equal its statewide share of total continuation high school funding received in the 2003–04 fiscal year, adjusted for continuation high schools that have been opened or closed within the school district since the end of that fiscal year, as determined by the Superintendent.

SEC. 10. Section 42238.146 of the Education Code is amended to read:

42238.146. (a) (1) For the 2003–04 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 1.198 percent deficit factor.

(2) For the 2004–05 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 0.323 percent deficit factor.

(3) For the 2003–04 and 2004–05 fiscal years, the revenue limit for each school district determined pursuant to this article shall be further reduced by a 1.826 percent deficit factor.

(4) For the 2005–06 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 0.892 percent deficit factor.

(5) For the 2008–09 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 5.357 percent deficit factor.

(b) In computing the revenue limit for each school district for the 2006–07 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the 2003–04, 2004–05, and 2005–06 fiscal years without being reduced by the deficit factors specified in subdivision (a).

(c) In computing the revenue limit for each school district for the 2009–10 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the 2008–09 fiscal year without being reduced by the deficit factors specified in subdivision (a).

SEC. 11. Section 47634.1 of the Education Code is amended to read:

47634.1. (a) Notwithstanding subdivision (a) of Section 47634, a categorical block grant for charter schools for the 2005–06 fiscal year shall be calculated as follows:

(1) The Superintendent shall divide the total amount of funding appropriated for the purpose of this block grant in the annual Budget Act or another statute, less the total amount calculated in paragraph (2), by the statewide total of charter school average daily attendance, as determined at the second principal apportionment for the 2005–06 fiscal year.

(2) The statewide average amount, as computed by the Superintendent, of funding per identified educationally disadvantaged pupil received by school districts in the current fiscal year pursuant to Article 2 (commencing with Section 54020) of Chapter 1 of Part 29. This amount shall be multiplied by the number of educationally disadvantaged pupils enrolled in the charter school. The resulting amount, if greater than zero, may not be less than the minimum amount of Economic Impact Aid funding to which a school district of similar size would be entitled pursuant to Section 54022. For purposes of this subdivision, a pupil who is eligible for subsidized meals pursuant to Section 49552 and is identified as an English learner pursuant to subdivision (a) of Section 306 shall count as two pupils.

(3) For each charter school, the Superintendent shall multiply the amount calculated in paragraph (1) by the school’s average daily attendance as determined at the second principal apportionment for the 2005–06 fiscal year.

(4) The Superintendent shall add the amounts computed in paragraphs (2) and (3). The resulting amount shall be the charter school categorical block grant that the Superintendent shall apportion to each charter school from funds appropriated for this purpose in the annual Budget Act or another statute. The Superintendent shall allocate an advance payment of this grant as early as possible, but no later than October 31, 2005, based on prior year average daily attendance as determined at the second principal apportionment or, for a charter school in its first year of operation that commences instruction on or before September 30, 2005, on estimates of average daily attendance for the current fiscal year determined pursuant to Section 47652.

(b) (1) For the 2006–07 fiscal year, the categorical block grant allocated by the Superintendent for charter schools shall be four hundred dollars (\$400) per unit of charter school average daily attendance as determined at the second principal apportionment for the 2006–07 fiscal year. This amount shall be supplemented by the amount calculated in paragraph (2).

(2) The statewide average amount, as computed by the Superintendent, of funding per economic impact aid-eligible pupil count received by school districts in the current fiscal year, pursuant to Article 2 (commencing with Section 54020) of Chapter 1 of Part 29, shall be multiplied by the number of economic impact aid-eligible pupils enrolled in the charter school. The resulting amount, if greater than zero, may not be less than the minimum amount of Economic Impact Aid funding to which a school district of similar size would be entitled pursuant to Section 54022.

(c) (1) For the 2007–08 fiscal year, the categorical block grant allocated by the Superintendent for charter schools shall be five hundred dollars (\$500) per unit of charter school average daily attendance as determined at the second principal apportionment for the 2007–08 fiscal year. For each fiscal year thereafter, this per unit amount shall be adjusted for the cost-of-living adjustment, as determined pursuant to Section 42238.1, for that fiscal year. This amount shall be supplemented in the 2007–08 fiscal year and each fiscal year thereafter by the amount calculated in paragraph (2).

(2) The statewide average amount, as computed by the Superintendent, of funding per economic impact aid-eligible pupil count received by school districts in the current year, pursuant to

Article 2 (commencing with Section 54020) of Chapter 1 of Part 29, shall be multiplied by the number of economic impact aid-eligible pupils enrolled in the charter school. The resulting amount, if greater than zero, may not be less than the minimum amount of Economic Impact Aid funding to which a school district of similar size would be entitled pursuant to Section 54022.

(3) Notwithstanding paragraph (1), for the 2008–09 fiscal year, the categorical block grant allocated by the Superintendent for charter schools shall be four hundred dollars (\$400) per unit of charter school average daily attendance as determined at the second principal apportionment for the 2008–09 fiscal year. This amount shall be supplemented in the 2008–09 fiscal year by the amount calculated in paragraph (2).

(d) It is the intent of the Legislature to fully fund the categorical block grant for charter schools as specified in this section and to appropriate additional funding that may be needed in order to compensate for unanticipated increases in average daily attendance and counts of economic impact aid-eligible pupils, pursuant to Article 2 (commencing with Section 54020) of Chapter 1 of Part 29, in charter schools. In any fiscal year in which the department identifies a deficiency in the categorical block grant, the department shall identify the available balance for programs that count towards meeting the requirements of Section 8 of Article XVI of the California Constitution and have unobligated funds for the year. On or before July 1, the department shall 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 categorical block grant. Within 45 days of the receipt of a notification of deficiency, the Director of Finance shall verify the amount of the deficiency in the categorical block grant and direct the Controller to transfer an amount, equal to the lesser of the amount available or the amount needed to fully fund the categorical block grant, from those programs to the categorical block grant. The Department of Finance shall notify the Joint Legislative Budget Committee within 30 days of any transfer made pursuant to this section.

(e) Commencing October 1, 2007, the Legislative Analyst's Office shall triennially convene a work group to review, commencing with appropriations proposed for the 2008–09 fiscal year, the appropriateness of the funding level provided by the categorical block grant established in this section.

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

SEC. 12. Section 49452.8 of the Education Code is amended to read:

49452.8. (a) A pupil, while enrolled in kindergarten in a public school, or while enrolled in first grade in a public school if the pupil was not previously enrolled in kindergarten in a public school, no later than May 31 of the school year, shall present proof of having received an oral health assessment by a licensed dentist, or other licensed or registered dental health professional operating within his or her scope of practice, that was performed no earlier than 12 months prior to the date of the initial enrollment of the pupil.

(b) The parent or legal guardian of a pupil may be excused from complying with subdivision (a) by indicating on the form described in subdivision (d) that the oral health assessment could not be completed because of one or more of the reasons provided in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (d).

(c) A public school shall notify the parent or legal guardian of a pupil described in subdivision (a) concerning the assessment requirement. The notification, at a minimum, shall consist of a letter that includes all of the following:

(1) An explanation of the administrative requirements of this section.

(2) Information on the importance of primary teeth.

(3) Information on the importance of oral health to overall health and to learning.

(4) A toll-free telephone number to request an application for Healthy Families, Medi-Cal, or other government-subsidized health insurance programs.

(5) Contact information for county public health departments.

(6) A statement of privacy applicable under state and federal laws and regulations.

(d) In order to ensure uniform data collection, the department, in consultation with interested persons, shall develop and make available on the Internet Web site of the department, a standardized notification form as specified in subdivision (c) that shall be used by each school district. The standardized form shall include all of the following:

(1) A section that can be used by the licensed dentist or other licensed or registered dental health professional performing the assessment to record information that is consistent with the information collected on the oral health assessment form developed by the Association of State and Territorial Dental Directors.

(2) A section in which the parent or legal guardian of a pupil can indicate the reason why an assessment could not be completed by marking the box next to the appropriate reason. The reasons for not completing an assessment shall include all of the following:

(A) Completion of an assessment poses an undue financial burden on the parent or legal guardian.

(B) Lack of access by the parent or legal guardian to a licensed dentist or other licensed or registered dental health professional.

(C) The parent or legal guardian does not consent to an assessment.

(e) Upon receiving completed assessments, all school districts, by December 31 of each year, shall submit a report to the county office of education of the county in which the school district is located. The report shall include all of the following:

(1) The total number of pupils in the district, by school, who are subject to the requirement to present proof of having received an oral health assessment pursuant to subdivision (a).

(2) The total number of pupils described in paragraph (1) who present proof of an assessment.

(3) The total number of pupils described in paragraph (1) who could not complete an assessment due to financial burden.

(4) The total number of pupils described in paragraph (1) who could not complete an assessment due to lack of access to a licensed dentist or other licensed or registered dental health professional.

(5) The total number of pupils described in paragraph (1) who could not complete an assessment because their parents or legal guardians did not consent to their child receiving the assessment.

(6) The total number of pupils described in paragraph (1) who are assessed and found to have untreated decay.

(7) The total number of pupils described in paragraph (1) who did not return either the assessment form or the waiver request to the school.

(f) Each county office of education shall maintain the data described in subdivision (e) in a manner that allows the county office to release it upon request.

(g) This section does not prohibit any of the following:

(1) County offices of education from sharing aggregate data collected pursuant to this section with other governmental agencies, philanthropic organizations, or other nonprofit organizations for the purpose of data analysis.

(2) Use of assessment data that is compliant with the federal Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191) for purposes of conducting research and analysis on the oral health status of public school pupils in California.

(h) This section does not preclude a school district or county office of education from developing a schoolsite-based oral health assessment program to meet the requirements of this section.

(i) The Office of Oral Health of the Chronic Disease Control Branch of the State Department of Public Health shall conduct an evaluation of the requirements imposed by this section and prepare and submit a report to the Legislature by January 1, 2010, that discusses improvements in the oral health of children resulting from the imposition of those requirements. The Office of Oral Health may receive private funds and contract with the University of California to fulfill the duties described in this subdivision.

(j) Funds appropriated in the annual Budget Act for the activities required by this section shall first be used to offset reimbursement provided to local educational agencies pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for state-mandated costs imposed by this section.

(k) This section shall be inoperative for the 2008–09 and 2009–10 fiscal years only.

SEC. 13. Section 52055.60 is added to the Education Code, to read:

52055.60. Notwithstanding any other provision of law, for the 2008–09 and 2009–10 fiscal years, a school, school district, county office of education, or charter school that has been identified for program improvement under the federal No Child Left Behind Act of 2001 shall not be required to participate in the Mathematics and Reading Professional Development Program (Article 3 (commencing with Section 99230) of Chapter 5 of Part 65 of Division 14 of Title 3) or the Administrator Training Program

(Article 4.6 (commencing with Section 44510) of Chapter 3 of Part 25 of Division 3).

SEC. 14. Section 52055.651 is added to the Education Code, to read:

52055.651. (a) Notwithstanding Section 52055.650, for the 2008–09 fiscal year, a school participating in the High Priority Schools Grant Program shall not be subject to review by the state board, state monitoring, and sanctions.

(b) Notwithstanding any other provision of a law, for the 2008–09 and 2009–10 fiscal years, a state-monitored school pursuant to Section 52055.650 shall not be required to participate in the Mathematics and Reading Professional Development Program (Article 3 (commencing with Section 99230) of Chapter 5 of Part 65 of Division 14 of Title 3) or the Administrator Training Program (Article 4.6 (commencing with Section 44510) of Chapter 3 of Part 25 of Division 3).

SEC. 15. Section 60422.1 is added to the Education Code, to read:

60422.1. (a) Notwithstanding subdivision (i) of Section 60200, Section 60422, or any other provision of law, for the 2008–09 and 2009–10 fiscal years, the governing board of a school district shall not be required to provide pupils with instructional materials by a specified period of time following adoption of those materials by the state board.

(b) Notwithstanding subdivision (a), this section shall not be construed to relieve school districts of their obligations under the law to provide every pupil with standards-aligned textbooks or instructional materials, as provided in Section 60119.

(c) This section shall not be construed to relieve school districts of the obligation to hold a public hearing or hearings pursuant to subparagraphs (A) and (B) of paragraph (1) of subdivision (a) of Section 60119.

(d) This section shall become inoperative on July 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 16. Section 33 of Chapter 757 of the Statutes of 2008 is repealed.

SEC. 17. Section 36 of Chapter 757 of the Statutes of 2008 is amended to read:

SEC. 36. Notwithstanding subdivision (d) of Section 41207 of the Education Code, there shall be no annual appropriation in the 2008–09, 2009–10, 2010–11, 2011–12, and 2012–13 fiscal years from the General Fund to the Controller for allocation by the Controller to school districts and community colleges for the purposes described in Section 41207.

SEC. 18. Item 6110-105-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-105-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-Instruction, for transfer to Section A of the State School Fund, for the purposes of Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code.... 244,621,584

Schedule:

- (1) 10.10.004-Instruction Program—
School Apportionments, Regional Occupational Centers and Programs..... 251,938,584
- (2) Reimbursements..... -7,317,000

Provisions:

- 1. Notwithstanding any other provision of law, the funds appropriated in this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the current fiscal year pursuant to Sections 14002 and 14004 of the Education Code, in an amount as needed for apportionment pursuant to Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code.
- 2. Notwithstanding any other provision of law, the funds appropriated in this item may not be expended for the purposes of providing or continuing incentive funding for a longer instructional year pursuant to Section 46200 of the Education Code.
- 3. Notwithstanding any other provision of law, funds appropriated in this item for average daily attendance (ADA) generated by participants in welfare-to-work activities under the CalWORKs program established

in Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code may be appropriated on an advance basis to local educational agencies based on anticipated units of ADA if a prior application for this additional ADA funding has been approved by the Superintendent of Public Instruction.

- 4. Of the amount appropriated in this item, \$1,161,000 is to fund remedial educational services for participants in welfare-to-work activities under the CalWORKs program.
- 5. The funds appropriated in this item reflect a reduction to the base funding of 0.55 percent for a statewide decline in 11th and 12th grade average daily attendance. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$0 is for the purpose of providing a cost-of-living adjustment.
- 6. An additional \$39,630,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.

SEC. 19. Item 6110-196-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-196-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for the purposes of Proposition 98 educational programs funded in this item, in lieu of the amount that otherwise would be appropriated pursuant to any other statute..... 1,677,749,238

Schedule:

- (1) 30.10.010-Special Program, Child Development, Preschool Education..... 426,327,218
- (1.5) 30.10.020-Child Care Services..... 1,797,309,020

- (a) 30.10.020.001-Special Program, Child Development, General Child Development Programs..... 773,811,162
- (c) 30.10.020.004-Special Program, Child Development, Migrant Day Care..... 35,965,924
- (d) 30.10.020.007-Special Program, Child Development, Alternative Payment Program..... 257,037,000
- (e) 30.10.020.011-Special Program, Child Development, Alternative Payment Program—Stage 2..... 349,960,000
- (f) 30.10.020.012-Special Program, Child Development, Alternative Payment Program—Stage 3 Set-aside..... 245,204,000
- (g) 30.10.020.008-Special Program, Child Development, Resource and Referral..... 19,437,396
- (i) 30.10.020.015-Special Program, Child Development, Extended Day Care..... 31,552,943
- (j) 30.10.020.096-Special Program, Child Development, Allowance for Handicapped..... 1,983,000

- (k) 30.10.020.106-Special Program, Child Development, California Child Care Initiative..... 250,000
- (l) 30.10.020.901-Special Program, Child Development, Quality Improvement..... 67,572,000
- (m) 30.10.020.911-Special Program, Child Development, Centralized Eligibility List..... 7,900,000
- (n) 30.10.020.920-Special Program, Child Development, Local Planning Councils..... 6,635,595
- (3) 30.10.020.908-Special Program, Child Development, Cost-of-Living Adjustments..... 0
- (4) 30.10.020.909-Special Program, Child Development, Growth Adjustments..... 10,917,000
- (5) Amount payable from the Federal Trust Fund (Item 6110-196-0890)..... -556,804,000

Provisions:

1. Notwithstanding Section 8278 of the Education Code, funds available for expenditure pursuant to that section shall be expended in the current fiscal year pursuant to the following schedule:
 - (a) \$4,000,000 or whatever lesser or greater amount is necessary for accounts payable pursuant to paragraph (1) of subdivision (b) of Section 8278 of the Education Code.
 - (b) \$22,963,000 shall be available for CalWORKs Stage 3 child care.
 - (c) The Controller shall establish an account entitled "Section 8278 Expenditures in 2007" in Item 6110-196-0001, Program 30.10.060. Any unexpended General Fund balances as of June 30, 2008, or subsequent abatements, from those

amounts listed in Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), (1.5)(k), (1.5)(l), and (1.5)(n), that are available pursuant to Section 8278 of the Education Code, shall be transferred to the account for the purpose of making expenditures pursuant to that section and as specified in this provision.

2. (a) Notwithstanding any other provision of law, alternative payment child care programs shall be subject to the rate ceilings established in the Regional Market Rate Survey of California child care and development providers for provider payments. When approved pursuant to Section 8447 of the Education Code, any changes to the market rate limits, adjustment factors, or regions shall be utilized by the State Department of Education and the State Department of Social Services in various programs under the jurisdiction of either department.
- (b) Notwithstanding any other provision of law, the funds appropriated in this item for the cost of licensed child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse child care costs up to the 85th percentile of the rates charged by providers offering the same type of child care for the same age child in that region effective March 1, 2009, based on the 2007 Regional Market Rate Survey data. The State Department of Education shall cause to be developed rate limits at the 85th percentile, based on the 2007 survey data, and submit for approval in accordance with law to the Department of Finance no later than October 1, 2008, to enable the rate limits to be reviewed and then implemented by March 1, 2009. The State Department of Education may redirect funding from

funds normally reserved for new surveys to achieve this goal, as necessary.

3. Of the amount appropriated in Schedule (1), \$50,000,000 is available for Prekindergarten and Family Literacy preschool programs pursuant to Chapter 211 of the Statutes of 2006. Of the amount appropriated in Schedule (1), \$5,000,000 is available for the provision of wraparound care to children enrolled in state preschool programs. The Superintendent of Public Instruction shall assign priority for these funds to children enrolled in prekindergarten and family literacy programs authorized by Section 8238.4 of the Education Code.
4. Funds in Schedule (1.5)(l) shall be reserved for activities to improve the quality and availability of child care, pursuant to the following:
 - (a) \$2,014,056 is for the schoolage care and resource and referral earmark.
 - (b) \$11,359,176 is for the infant and toddler earmark and shall be used for increasing the supply of quality child care for infants and toddlers.
 - (c) \$7,237,000 in one-time federal funding is available for use in the 2008–09 fiscal year. Of that amount, \$200,000 shall be used for Trustline registration workload (Chapter 3.35 (commencing with Section 1596.60) of Division 2 of the Health and Safety Code). The remaining funds shall be used for child care and development quality expenditures identified by the State Department of Education (SDE) and approved by the Department of Finance.
 - (d) From the remaining funds in Schedule (1.5)(l), the following amounts shall be allocated for the following purposes: \$4,000,000 to train former CalWORKs recipients as child care teachers, \$2,700,000 for contracting with the State Department of Social Services (DSS) for increased inspections of child care facilities, \$1,000,000 for Trustline registration workload (Chapter 3.35 (commencing with Section 1596.60) of Division

2 of the Health and Safety Code), \$500,000 for health and safety training for licensed and exempt child care providers, \$300,000 for the Health Hotline, and \$300,000 to implement a technical assistance program to child care providers in accessing financing for renovation, expansion, or construction of child care facilities.

5. Of the amount appropriated in Schedule (1.5)(l), \$15,000,000 shall be for child care worker recruitment and retention programs pursuant to Section 8279.7 of the Education Code, and \$320,000 shall be for the Child Development Training Consortium.
6. (a) The State Department of Education (SDE) shall conduct monthly analyses of CalWORKs Stage 2 and Stage 3 caseloads and expenditures and adjust agency contract maximum reimbursement amounts and allocations as necessary to ensure funds are distributed proportionally to need. The SDE shall share monthly caseload analyses with the State Department of Social Services (DSS).
 - (b) The SDE shall provide quarterly information regarding the sufficiency of funding for Stage 2 and Stage 3 to DSS. The SDE shall provide caseloads, expenditures, allocations, unit costs, family fees, and other key variables and assumptions used in determining the sufficiency of state allocations. Detailed backup by month and on a county-by-county basis shall be provided to the DSS at least on a quarterly basis for comparisons with Stage 1 trends.
 - (d) By September 30 and March 30 of each year, the SDE shall ensure that detailed caseload and expenditure data, through the most recent period for Stage 2 and Stage 3 Setaside along with all relevant assumptions, is provided to DSS to facilitate budget development. The detailed data provided shall include actual and projected monthly caseload from Stage 2 scheduled to time off of their transitional child care benefit from the last actual month reported by agencies through the

next two fiscal years as well as local attrition experience. DSS shall utilize data provided by the SDE, including key variables from the prior fiscal year and the first two months of the current fiscal year, to provide coordinated estimates in November of each year for each of the three stages of care for preparation of the Governor's Budget, and shall utilize data from at least the first two quarters of the current fiscal year, and any additional monthly data as they become available for preparation of the May Revision. The DSS shall share its assumptions and methodology with the SDE in the preparation of the Governor's Budget.

- (e) The SDE shall coordinate with the DSS to identify annual general subsidized child care program expenditures for Temporary Assistance for Needy Families-eligible children. The SDE shall modify existing reporting forms as necessary to capture this data.
 - (f) The SDE shall provide to the DSS, upon request, access to the information and data elements necessary to comply with federal reporting requirements and any other information deemed necessary to improve estimation of child care budgeting needs.
7. Notwithstanding any other provision of law, the funds in Schedule (1.5)(f) are reserved exclusively for continuing child care for the following: (a) former CalWORKs families who are working, have left cash aid, and have exhausted their two-year eligibility for transitional services in either Stage 1 or 2 pursuant to subdivision (c) of Section 8351 or Section 8353 of the Education Code, respectively, but still meet eligibility requirements for receipt of subsidized child care services, and (b) families who received lump-sum diversion payments or diversion services under Section 11266.5 of the Welfare and Institutions Code and have spent two years in Stage 2 off of cash aid, but still meet eligibility requirements for receipt of subsidized child care services.

8. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
9. (a) Notwithstanding any other provision of law, the income eligibility limits pursuant to Section 8263.1 of the Education Code that were applicable to the 2007–08 fiscal year shall remain in effect for the 2008–09 fiscal year.
10. Of the amounts provided in this item, \$0 is available to provide a cost-of-living adjustment for Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), and (1.5)(n). The maximum standard reimbursement rate shall not exceed \$34.38 per day for general child care programs and \$21.22 per day for state preschool programs. Furthermore, the migrant child care and Cal-SAFE child care programs shall adhere to the maximum standard reimbursement rates as prescribed for the general child care programs. All other rates and adjustment factors shall be revised to conform.
11. Of the amounts provided in this item, \$10,917,000 is available to provide a growth adjustment for Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(i), and (1.5)(j).
12. (a) Notwithstanding any other provision of law, the funds in Schedule (1.5)(m) are appropriated exclusively for developing and maintaining a centralized eligibility list in each county pursuant to Section 8227 of the Education Code. By November 1 of each year, the State Department of Education shall provide a status report on implementing eligibility lists in each county, which shall include, but is not limited to, the cost of implementation and operation of the eligibility lists in each county, and number of children and families on the list for each county.

- 13. Notwithstanding Section 8278.3 of the Education Code or any other provision of law, up to \$5,000,000 of the Child Care Facilities Revolving Fund balance may be allocated for use on a one-time basis for renovations and repairs to meet health and safety standards, to comply with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and to perform emergency repairs, that were the result of an unforeseen event and are necessary to maintain continued normal operation of the child care and development program. These funds shall be made available to school districts and contracting agencies that provide subsidized center-based services pursuant to the Child Care and Development Services Act (Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of the Education Code).
- 14. It is the intent of the Legislature to fully fund the third stage of child care for former CalWORKs recipients.

SEC. 20. Item 6110-196-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-196-0890—For local assistance, Department of Education, payable from the Federal Trust Fund..... 556,804,000

Provisions:

- 1. Notwithstanding any other provision of law, the funds appropriated in this item, to the extent permissible under federal law, are subject to Section 8262 of the Education Code.
- 2. Of the funds appropriated in this item, \$10,000,000 is from the transfer of funds, pursuant to Item 5180-402, from the federal Temporary Assistance for Needy Families (TANF) Block Grant administered by the State Department of Social Services to the federal Child Care and Development Block Grant for Stage 2 child care.
- 4. Of the funds appropriated in this item, \$7,237,000 is available on a one-time basis for quality projects from federal Child Care and Development Block Grant funds appropriated prior to the 2008 federal fiscal year.

- 5. Of the funds appropriated in this item, \$19,293,000 is available on a one time basis from prior year carryover funds.

SEC. 21. Item 6110-244-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-244-0001—For local assistance, Department of Education (Proposition 98), Program 20.60 for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction for the Teacher Credentialing Block Grant pursuant to Article 4 (commencing with Section 41520) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 92,240,000

Provisions:

- 1. Of the funds appropriated in this item, \$2,480,000 is available to support the Teacher Credentialing Block Grant regional infrastructure.
- 2. It is the intent of the Legislature that first-year holders of preliminary teaching credentials, as defined in subdivision (b) of Section 44259 of the Education Code, be afforded first priority for funding appropriated in this item. To the extent that any funds appropriated in this item remain after all first-year holders of preliminary teaching credentials have been served, those funds may be used to serve second-year holders of preliminary teaching credentials.
- 3. If funds are insufficient to service all second-year holders of preliminary teaching credentials, the State Department of Education shall prorate the funds to conform to the amount remaining in this item, consistent with Provision 2. It is the intent of the Legislature that second-year holders of preliminary teaching credentials receive focused mentoring, support, and assistance to ensure that they complete program requirements and qualify for the professional credential by the end of the second year. No funding shall be provided beyond the second year.

4. Of the funds appropriated in this item, \$0 is provided for a cost-of-living adjustment for a total per-participant rate of \$4,069.
5. The funds in this item shall be made available only to beginning teachers, as defined in Section 44279.1 of the Education Code, serving in their first or second year of service in California.

SEC. 22. Item 6110-485 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-485—Reappropriation, (Proposition 98), Department of Education. The sum of \$100,000,000 is hereby reappropriated from the Proposition 98 Reversion Account, for the following purpose:

0001—General Fund

- (1) \$100,000,000 to the State Department of Education, on a one-time basis, to backfill regional occupational centers and programs.

SEC. 23. Item 6110-488 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-488—Reappropriation (Proposition 98), Department of Education. Notwithstanding any other provision of law, the unobligated balances from the following items are available for reappropriation for the purposes specified in Provisions 3, 4, and 5:

0001—General Fund

- (1) \$12,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003), as carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (2) \$1,441,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of

the Budget Act of 2004 (Ch. 208, Stats. 2004), as carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

- (3) \$3,663,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), \$1,749,000 of which was carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (4) \$12,921,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKs Stage 2 and Stage 3 child care in Schedules (1.5)(e) and (1.5)(f) of Item 6110-196-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (6) \$18,120,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), with the exception of Schedules (1.5)(e) and (1.5)(f) for CalWORKs child care programs.
- (7) \$8,000,000 of the amount appropriated to the Child Care Facilities Revolving Fund established pursuant to Section 8278.3 of the Education Code from Section 2.00 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (8) \$5,000,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the provision of wraparound care to children enrolled in preschool programs pursuant to Section 8238.6 of the Education Code (Ch. 211, Stats. 2006).
- (9) \$48,000 or whatever greater or lesser amount reflects the unexpended funds from subdivision (a) of Section 9 of Chapter 734 of the Statutes of 1999.
- (10) \$21,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated

for Community-Based English Tutoring pursuant to Section 315 of the Education Code, as enacted by Proposition 227 in 1998.

- (11) \$9,200,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for juvenile education in Item 5225-011-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (12) \$76,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Small School District Bus Replacement in Schedule (2) of Item 6110-111-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (13) \$488,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Home to School Transportation in Schedule (1) of Item 6110-111-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (14) \$545,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California High School Exit Examination in Schedule (4) of Item 6110-113-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (15) \$2,060,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Assessment Review and Reporting and the STAR Program in Schedules (1) and (2) of Item 6110-113-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (16) \$19,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for specialized secondary programs in Item 6110-122-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (17) \$17,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Immediate Intervention/Underperforming Schools Program Corrective Actions in Schedule (3) of Item 6110-123-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).

- (18) \$2,993,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the implementation of the Public Schools Accountability Act of 1999 for the Immediate Intervention/Underperforming Schools Program Corrective Actions in Schedule (2) of Item 6110-123-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (19) \$615,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the implementation of the Public Schools Accountability Act of 1999 for the Immediate Intervention/Underperforming Schools Program Corrective Actions in Schedule (2) of Item 6110-123-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (20) \$5,149,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Learners Program in Schedule (2) of Item 6110-125-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (21) \$5,149,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Acquisition Program in Schedule (2) of Item 6110-125-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (22) \$109,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for Economic Impact Aid in Schedule (1) of Item 6110-128-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (23) \$4,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for Economic Impact Aid in Item 6110-128-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (24) \$1,500,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Administrator Training Program in Item 6110-144-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).

- (25) \$7,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the American Indian Early Childhood Education Program in Item 6110-150-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (26) \$110,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for American Indian Education Centers in Schedule (1) of Item 6110-151-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (27) \$177,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for American Indian Education Centers in Item 6110-151-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (28) \$1,385,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for adults in correctional facilities in Item 6110-158-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (29) \$107,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (30) \$21,919,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (31) \$57,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for vocational education for partnership academies in Item 6110-166-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (32) \$23,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Agricultural Vocational Education Incentive Program in Item 6110-167-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).

- (33) \$369,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for educational technology programs in Item 6110-181-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (34) \$369,000 or whatever greater or lesser amount reflects the unexpended balance of the amount transferred to the State School Fund for educational technology programs in Item 6110-181-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (35) \$27,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for staff development for teacher peer review in Schedule (2) of Item 6110-193-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (36) \$95,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Bilingual Teacher Training Assistance Program and teacher peer review in Schedules (1) and (2) of Item 6110-193-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (37) \$43,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for teacher dismissal apportionments in Item 6110-209-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (38) \$13,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for School Community Policing Partnership Competitive Grants Program in Schedule (5) of Item 6110-228-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (39) \$21,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the International Baccalaureate Diploma Program in Schedule (1) of Item 6110-240-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (40) \$6,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Teacher Credentialing Block Grant Program

- in Item 6110-244-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (41) \$79,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School and Library Improvement Block Grant Program in Item 6110-247-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (42) \$186,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School and Library Improvement Block Grant Program in Item 6110-247-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (43) \$30,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Physical Education Teacher Incentive Grant Program in Item 6110-260-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (44) \$641,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to county offices of education for site visits for Williams audits in Item 6110-266-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (45) \$101,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Charter School Facility Grant Program in Schedule (7) of Item 6110-485 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (46) \$600,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Principal Training Program in Schedule (8) of Item 6110-485 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (47) \$25,645,000 or whatever greater or lesser amount reflects the unexpended balance for the After School Education and Safety Program in Item 6110-649-0001 from the 2004–05 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002.
 - (48) \$178,352,000 or whatever greater or lesser amount reflects the unexpended balance for the After School

- Education and Safety Program in Item 6110-649-0001 from the 2007–08 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002, and pursuant to Section 8483.51 of the Education Code as enacted by Chapter 2 of the Statutes of 2008, Third Extraordinary Session.
- (49) \$20,000,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (50) \$520,000 or whatever greater or lesser amount reflects the unexpended balance for the After School Education and Safety Program in Item 6110-649-0001 from the 2006–07 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002, and pursuant to Section 8483.51 of the Education Code, as enacted by Chapter 2 of the Statutes of 2008, Third Extraordinary Session.
- (51) \$3,207,465 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education programs in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (52) \$10,922 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School Safety Consolidated Competitive Grant in Item 6110-248-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (53) \$10,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the adult education program and regional occupational programs pursuant to Article 2 (commencing with Section 51120) of Chapter 1.5 of Part 28 of Division 4 of Title 2 of the Education Code in Schedule (3) of Section 43 of Chapter 79 of the Statutes of 2006.
- (54) \$27,500 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the parental involvement program pursuant to

- Article 2 (commencing with Section 51120) of Chapter 1.5 of Part 28 of Division 4 of Title 2 of the Education Code in Schedule (9) of Section 43 of Chapter 79 of the Statutes of 2006.
- (55) \$114,395 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for teacher recruitment and retention pursuant to Article 2 (commencing with Section 51120) of Chapter 1.5 of Part 28 of Division 4 of Title 2 of the Education Code in Schedule (20) of Section 43 of Chapter 79 of the Statutes of 2006.
- (56) \$25,725 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for start-up school breakfast and summer food program pursuant to Article 2 (commencing with Section 51120) of Chapter 1.5 of Part 28 of Division 4 of Title 2 of the Education Code in Schedule (8) of Section 43 of Chapter 79 of the Statutes of 2006.
- (57) \$831,523 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for prior year mandate claims made by local education agencies pursuant to Article 2 (commencing with Section 51120) of Chapter 1.5 of Part 28 of Division 4 of Title 2 of the Education Code in Schedule (1) of Section 43 of Chapter 79 of the Statutes of 2006.
- (58) \$3,115,995 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the High Priority Schools Grant Program in Schedule (1) of Item 6110-123-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (59) \$247,611 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Special Education Infant Program in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (60) \$730,454 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Early Education for Individuals with Exceptional Needs in Schedule (2) of Item 6110-161-0001

- of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (61) \$44,135 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Agricultural Vocational Education in Item 6110-167-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (62) \$29,837 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California High School Exit Exam Intensive Intervention Program in Item 6110-204-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (63) \$6,057 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School Safety Block Grant in Schedule (1) of Item 6110-228-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (64) \$8,500,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the K–3 Class Size Reduction Program in Item 6110-234-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (65) \$339,439 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Pupil Retention Block Grant in Item 6110-243-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (66) \$98,647 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Professional Development Block Grant in Item 6110-245-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (67) \$5,130 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Arts and Music Block Grant in Item 6110-265-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (68) \$1,941,700 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Certificated Staff Mentoring Program in

- Item 6110-267-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (69) \$12,844 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School Safety Block Grant Program pursuant to subparagraph (J) of paragraph (2) of subdivision (a) of Section 31 of Chapter 73 of the Statutes of 2005.
 - (70) \$11,705,886 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for adult education programs pursuant to subparagraph (G) of paragraph (2) of subdivision (a) of Section 31 of Chapter 73 of the Statutes of 2005.
 - (71) \$1,217,782 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Prior Year K–12 Education Mandate Claims in Schedule (10) of Item 6110-485 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (72) \$57,239 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Prior Year K–12 Education Mandate Claims in Schedule (12) of Item 6110-485 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (73) \$40,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the specialized secondary programs in Item 6110-122-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (74) \$658,800 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the High Priority Schools Grant Program in Schedule (1) of Item 6110-123-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (75) \$40,310 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Partnership Academies Program in Item 6110-166-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (76) \$145,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the National Board Certification Program in Item

- 6110-195-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (77) \$49,774 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California High School Exit Exam Intensive Instruction Program in Item 6110-204-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (78) \$41,445 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Teacher Dismissal Apportionment Program in Item 6110-209-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (79) \$1,003,040 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Pupil Retention Program in Item 6110-243-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (80) \$167,158 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Professional Development Block Grant in Item 6110-245-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (81) \$429,880 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Certificated Staff Mentoring Program in Item 6110-267-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (82) \$7,821 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Home to School Transportation Program in Schedule (14) of Item 6110-485 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (83) \$281,207 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Quality Education Improvement Act in subparagraph (B) of paragraph (1) of subdivision (c) of Section 52055.770 of the Education Code.
- (84) \$52,571,647 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Economic Impact Aid Program in Item

- 6110-128-0001 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).
- (85) \$499,639 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule (15) of Item 6870-101-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (86) \$145,359 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges for nursing faculty recruitment and retention in paragraph (30) of subdivision (a) of Section 43 of Chapter 79 of the Statutes of 2006.
 - (87) \$229,653 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule (18) of Item 6870-101-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (88) \$40,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule (15) of Item 6870-101-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (89) \$59,931 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule (20) of Item 6870-101-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (90) \$81,824 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule (23) of Item 6870-101-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (91) \$404,091 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule (18) of Item 6870-101-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (92) \$817,973 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated

to the California Community Colleges in Schedule (6) of Item 6870-101-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).

- (93) \$8,738,578 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Prior Year K–12 Education Mandate Claims of subparagraph (A) of paragraph (3) of subdivision (a) of Section 44 of Chapter 79 of the Statutes of 2006.

Provisions:

- 3. The sum of \$146,651,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the purpose of funding CalWORKs Stage 2 child care. The amount reappropriated pursuant to this provision is for use in the 2008–09 fiscal year.
- 4. The sum of \$164,686,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the purpose of funding CalWORKs Stage 3 child care. The amount reappropriated pursuant to this provision is for use in the 2008–09 fiscal year.
- 5. The sum of \$98,733,416 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for regional occupational centers and programs pursuant to Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code.

SEC. 24. Item 6360-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6360-101-0001—For local assistance, Commission on Teacher Credentialing (Proposition 98), Program 10, Standards for Preparation and Licensing of Teachers.....	25,871,000
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Schedule:

- (1) 10.20.001-Alternative Certification Program..... 19,710,000
- (2) 10.20.002-California School Paraprofessional Teacher Training Program..... 6,161,000

Provisions:

- 1. The funds appropriated in Schedule (1) are for school districts and county offices of education participating in the alternative certification programs established pursuant to Article 11 (commencing with Section 44380) of Chapter 2 of Part 25 of Division 3 of Title 2 of the Education Code.
- 2. The funds appropriated in Schedule (2) are for school districts and county offices of education participating in the California School Paraprofessional Teacher Training Program established pursuant to Article 12 (commencing with Section 44390) of Chapter 2 of Part 25 of Division 3 of Title 2 of the Education Code at a per-participant rate of \$3,500.

SEC. 25. Item 6870-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98)..... 3,879,557,000

Schedule:

- (1) 10.10.010-Apportionments..... 3,160,717,000
- (2) 10.10.020-Apprenticeship..... 11,680,000
- (3) 10.10.030-Growth for Apportionments..... 99,727,000
- (4) 20.10.004-Student Success for Basic Skills Students..... 33,100,000
- (5) 20.10.005-Student Financial Aid Administration..... 51,269,000
- (6) 20.10.020-Disabled Students..... 115,011,000
- (7) 20.10.045-Special Services for CalWORKs Recipients..... 43,580,000
- (8) 20.10.060-Foster Care Education Program..... 4,191,000

(9) 20.10.070-Matriculation.....	101,803,000
(10) 20.20.020-Academic Senate for the Community Colleges.....	373,000
(11) 20.20.041-Equal Employment Opportu- nity pursuant to Ch. 1169, Stats. 2002.....	1,394,000
(12) 20.20.050-Part-time Faculty Health In- surance.....	798,000
(13) 20.20.051-Part-time Faculty Compensa- tion.....	40,547,000
(14) 20.20.055-Part-time Faculty Office Hours.....	5,721,000
(15) 20.30.011-Telecommunications and Technology Services.....	20,898,000
(16) 20.30.050-Economic Development.....	37,326,000
(17) 20.30.070-Transfer Education and Artic- ulation.....	1,136,000
(18) 20.40.026-Physical Plant and Instruc- tional Support.....	0
(19) 20.10.010-Extended Opportunity Pro- grams and Services and Special Ser- vices.....	122,291,000
(20) 20.30.045-Fund for Student Success....	4,912,000
(21) 20.70.010-Career Technical Educa- tion.....	0
(22) 20.80.010-Campus Childcare Tax Bailout.....	5,453,000
(23) 20.95.010-Nursing Program Support....	17,630,000

Provisions:

1. The funds appropriated in Schedules (1), (2), (3), (4), (5), (6), (7), (8), (9), (11), (12), (13), (14), (15), (16), (18), (19), and (22) are for transfer by the Controller during the 2008–09 fiscal year to Section B of the State School Fund.
2. Notwithstanding any other provision of law, apportionment funding for community college districts shall be based on the greater of the current year or prior year level of full-time equivalent students (FTES), consistent with K–12 declining enrollment practices pursuant to Section 42238.5 of the Education Code. Decreases

in FTES shall result in a revenue reduction at the district's average level of apportionment funding per FTES and shall be made in the year following the initial year of decrease in FTES.

3. The funds appropriated in Schedule (1) for Apportionments include \$25,056,000 to encourage district-level accountability efforts pursuant to Section 84754.5 of the Education Code. It is intended that the Chancellor of the California Community Colleges submit an annual report on district-specific accountability measures by March 19 of each year. This report shall reflect outcomes from the most recently completed fiscal year for which data is available pursuant to Section 84754.5 of the Education Code.
4. Of the funds appropriated in Schedule (1), Apportionments:
 - (a) Up to \$100,000 is for a maintenance allowance, pursuant to Section 54200 of Title 5 of the California Code of Regulations.
 - (b) Up to \$500,000 is to reimburse colleges for the costs of federal aid repayments related to assessed fees for fee waiver recipients. This reimbursement only applies to students who completely withdraw from college before the census date pursuant to Section 58508 of Title 5 of the California Code of Regulations.
5. Notwithstanding any other provision of law, the Chancellor of the California Community Colleges shall not reduce district workload obligations for a lack of a funded cost-of-living adjustment.
6. (a) Of the amount appropriated in Schedule (2) for the Apprenticeship Program, up to \$11,680,000 shall be available as necessary upon certification by the Chancellor of the California Community Colleges for the purpose of funding community college-related and supplemental instruction pursuant to Section 3074 of the Labor Code, as provided in Section 8152 of the Education Code. No community college district shall use funds available under this provision to offer any new appren-

- ticeship training program or the expansion of any existing program unless the new program or expansion has been approved by the chancellor.
- (b) Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of \$5.06 per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.
7. Funds appropriated in Schedule (3), Growth for Apportionments, shall be available first to any districts bringing online in the current fiscal year newly accredited colleges or California Postsecondary Education Commission-approved educational centers. It is the intent of the Legislature that increases in basic foundation allocations to each college be funded prior to additional growth in full-time equivalent students. The Chancellor of the California Community Colleges shall provide a report by November 1 of each year, to the Department of Finance and the Legislative Analyst, on the number of new centers and colleges added for the current fiscal year and those anticipated to be added for the prospective budget year. This report shall also detail the specific funding adjustments provided for basic foundation allocations to each college and center for the current fiscal year.
8. Notwithstanding any other provision of law, funds appropriated in Schedule (3) for Growth for Apportionments shall only be allocated for growth in full-time equivalent students (FTES), on a district-by-district basis, as determined by the Chancellor of the California Community Colleges. The chancellor shall not include any FTES from concurrent enrollment in physical education, dance, recreation, study skills, and personal development courses and other courses in conflict with existing law for the purpose of calculating a district's three-year overcap adjustment. The Board

of Governors of the California Community Colleges shall implement the criteria required by subdivision (a) of Provision 5 of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003) for the allocation of funds appropriated in Schedules (1) and (3), so as to ensure that courses related to student needs for transfer, basic skills, and vocational/workforce training are accorded the highest priority and are provided to the maximum extent possible within budgeted funds.

11. The funds appropriated in Schedule (4), Student Success for Basic Skills Students, shall be allocated as follows:
 - (a) \$1,600,000 for faculty and staff development to improve curriculum, instruction, student services, and program practices in the areas of basic skills and English as a Second Language (ESL) programs. The Office of the Chancellor of the California Community Colleges shall select a district, utilizing a competitive process, to carry out these faculty and staff development activities. All colleges receiving funds pursuant to subdivision (b) shall be provided with the opportunity to participate in the faculty and staff development programs specified in this subdivision. The chancellor shall report on the use of these funds by the selected district to the Legislative Analyst and the Department of Finance not later than September 1, 2009.
 - (b) \$31,500,000 for allocation by the chancellor to community college districts for improving outcomes of students who enter college needing at least one course in ESL or basic skills, with particular emphasis on students transitioning from high school.
 - (c) Funding specified in subdivisions (a) and (b) shall be distributed to eligible applicants pursuant to Chapter 489 of the Statutes of 2007.
 - (d) The Office of the Chancellor shall work jointly with the Department of Finance and the Legisla-

tive Analyst to develop annual accountability measures for this program. It is the intent of the Legislature that annual performance accountability measures for this program utilize, to the extent possible, data available as part of the accountability system developed pursuant to Section 84754.5 of the Education Code. By November 1, 2009, the chancellor shall submit a report to the Governor and Legislature on the annual accountability measures developed pursuant to this process.

12. (a) Of the funds appropriated in Schedule (5) for Student Financial Aid Administration, not less than \$9,864,000 is available to provide \$0.91 per unit reimbursement to community college districts for the provision of board of governors (BOG) fee waiver awards pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
- (b) Of the funds appropriated in Schedule (5), not less than \$4,405,000 is available to provide reimbursement of 2 percent of total waiver value to community college districts for the provision of BOG fee waiver awards pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
- (c) Funding provided to community college districts in subdivisions (a) and (b) of Provision 15 is provided to directly offset any mandated costs claimed by community college districts pursuant to Commission on State Mandates Test Claims 99-TC-13 (Enrollment Fee Collection) and 00-TC-15 (Enrollment Fee Waivers).
- (d) (1) Of the amount appropriated in Schedule (5), \$2,800,000 shall be for a contract with a community college district to conduct a statewide media campaign to promote the general message to prospective students as follows: (A) the California Community Colleges (CCC) remain affordable, (B) financial aid and tax credits are available to cover en-

rollment fees and help with books and other costs, and (C) the active encouragement of contact between pupils and local CCC financial aid offices. Any funds used from this source to produce radio, television, or mail campaigns must emphasize the availability of financial aid, the easiest and most reliable method of accessing the aid, a contact telephone number, an Internet Web site address, where applicable, and the physical location of a financial aid office. Any mail campaign must give priority to existing pupils, recent high school graduates, and 12th graders. The outreach and information campaign should target its efforts in high schools, welfare offices, unemployment offices, churches, community centers, and any other location that will most effectively reach low-income and disadvantaged students who must overcome barriers in accessing postsecondary education. The community college district awarded the contract shall consult with the Chancellor of the California Community Colleges and the Student Aid Commission prior to performing any activities to ensure appropriate coordination with any other state efforts in this area and ensure compliance with this provision.

- (2) Of the amount appropriated in Schedule (5), not more than \$34,200,000 shall be for direct contact with potential and current financial aid applicants. Each CCC campus shall receive a minimum allocation of \$50,000. The remainder of the funding shall be allocated to campuses based upon a formula reflecting full-time equivalent students (FTES) weighted by a measure of low-income populations as demonstrated by BOG fee waiver program participation within a district. It is the intent of the Legislature, to the extent that

funds are provided in this item, that all campuses provide additional staff resources to increase both financial aid participation and student access to low-income and disadvantaged students who must overcome barriers in accessing postsecondary education. Funds may be used for screening current students for possible financial aid eligibility and offering personal assistance to these students in accessing financial aid, providing individual help in multiple languages for families and students in filling out the necessary paperwork to apply for financial aid, and increasing financial aid staff to process additional financial aid forms.

- (3) Funds allocated to a community college district for financial aid personnel, outreach determination of financial need, and delivery of student financial aid services shall supplement, and shall not supplant, the level of funds allocated for the administration of student financial aid programs during the 2001–02 fiscal year.
- (4) It is the intent of the Legislature that the Office of the Chancellor of the California Community Colleges provide the Legislature with a report not later than April 1, 2009, on the use of the funds allocated pursuant to paragraphs (1) and (2) of this subdivision (d), including the distribution of the funds, specific uses of the funds, strategies employed to reach low-income and disadvantaged students potentially eligible for financial aid, and the extent to which districts were successful in increasing the number of students accessing financial aid, particularly the maximum Pell Grant award.
- (5) It is the intent of the Legislature that the chancellor report by September 1, 2008, in the manner and using the factors set forth in

paragraph (5) of subdivision (b) of Provision 11 of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 (Ch. 208, Stats. 2004), on the impact of outreach efforts on student headcount and FTES enrollment for the 2005–06 and 2006–07 academic years.

13. Of the funds appropriated in Schedule (19) for Extended Opportunity Programs and Services, \$106,786,000 is for Extended Opportunity Programs and Services (EOPS) in accordance with Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. Funds provided in this item for EOPS shall be available to students on all campuses within the California Community College system, including those students on new campuses or in new districts. In addition, \$15,505,000 is for funding, at all colleges, the Cooperative Agencies Resources for Education (CARE) program in accordance with Article 4 (commencing with Section 79150) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. The Board of Governors of the California Community Colleges shall allocate funds on a priority basis to local programs on the basis of need for student services.
14. Of the funds appropriated in Schedule (19) for the Extended Opportunity Programs and Services, \$1,900,000 shall be available to support additional textbook assistance grants to community college students as an allowable expenditure consistent with paragraph (10) of subdivision (b) of Section 69648 of the Education Code.
15. The funds appropriated in Schedule (20) for the Fund for Student Success is for additional targeted student services, to be expended as follows:
 - (a) \$1,532,000 is for the Puente Project to support up to 75 colleges. These funds are available if matched by \$200,000 of private funds and the participating community colleges and University of California campuses maintain their 1995–96 fiscal year support level for the Puente Project.

All funding shall be allocated directly to participating districts in accordance with their participation agreement.

- (b) Up to \$1,962,000 is for the Mathematics, Engineering and Science Achievement (MESA) Program. For each dollar allocated, the recipient district shall provide \$1 in matching funds.
 - (c) No less than \$1,418,000 is for the Middle College High School Program. With the exception of fully compliant special part-time students at the community colleges pursuant to Sections 48802 and 76001 of the Education Code, student workload based on participation in the Middle College High School Program shall not be eligible for community college state apportionment. Further, no community college state apportionment shall be made available for physical education classes, noncredit classes, nor other courses specified in Provision 8.
16. (a) The funds appropriated in Schedule (6) for the Disabled Students Program are for assisting districts in funding the excess direct instructional cost of providing special support services or instruction, or both, to disabled students enrolled at community colleges, and for state hospital programs, as mandated by federal law.
- (b) Of the amount appropriated in Schedule (6), no less than \$3,945,000 shall be used to address deficiencies identified by the federal Office of Civil Rights (OCR), as determined by the Office of the Chancellor of the California Community Colleges.
 - (c) Of the amount appropriated in Schedule (6), at least \$943,000 shall be used for support of the High Tech Centers for activities including, but not limited to, training of district employees, staff, and students in the use of specialized computer equipment for the disabled. All High Tech Centers shall meet standards developed by the Office of the Chancellor. Colleges that receive these aug-

mentations shall not supplant existing resources provided to the centers.

- (d) Notwithstanding any other provision of law, of the funds appropriated in Schedule (6), \$1,246,000 shall be for state hospital adult education programs at the hospitals served by the Coast and Kern Community College Districts since the 1986–87 fiscal year. If adult education services at any of the three hospitals are not supported by the community colleges in any portion of the 2008–09 fiscal year, remaining funds shall, upon order of the Department of Finance, after 30 days’ notice to the Chairperson of the Joint Legislative Budget Committee, be transferred to the State Department of Developmental Services (DDS). For any transfer of funds to DDS during the 2008–09 fiscal year, the Proposition 98 base funding levels for community colleges and DDS shall be adjusted accordingly.
 - (e) Of the funds appropriated in Schedule (6) for the Disabled Student Services, no less than \$9,600,000 shall be allocated to support high-cost sign language interpreter services and real-time captioning equipment or other communication accommodations for hearing-impaired students based on a 4-to-1 state-to-local district match.
17. The funds appropriated in Schedule (7), Special Services for CalWORKs Recipients, are for the purpose of assisting welfare recipient students and those in transition off of welfare to achieve long-term self-sufficiency through coordinated student services offered at community colleges, including workstudy, other educational related work experience, job placement services, child care services, and coordination with county welfare offices to determine eligibility and availability of services. All services funded in Schedule (7) shall be for current CalWORKs recipients or prior CalWORKs recipients who are in transition off of cash assistance for no more than two years. Current cash-assistance recipients may utilize these

services until their initial educational objectives are met. Former recipients in transition off of cash assistance may utilize these services for a period of up to two years after leaving cash assistance subject to the conditions of this provision. These funds shall be used to supplement and not supplant existing funds and services provided for CalWORKs recipients attending community colleges. The Chancellor of the California Community Colleges shall develop an equitable method for allocating funds to all districts and colleges based on the relative numbers of CalWORKs recipients in attendance and shall allocate funds for the following purposes:

- (a) Job placement.
- (b) Coordination with county welfare offices and other local agencies, including local workforce investment boards.
- (c) Curriculum development and redesign.
- (d) Child care and workstudy.
- (e) Instruction.
- (f) Postemployment skills training and related skills.
- (g) Campus-based case management, limited to on-campus assistance and services not provided by county case workers that do not supplant other counseling and academic support services funded through existing California Community Colleges categorical programs.

Of the amount appropriated in Schedule (7), \$15,000,000 is for child care and does not require a district match. For the remaining funds, districts shall, as a condition of receipt of these funds, provide a \$1 match for every \$1 provided by the state.

Funds utilized for subsidized child care shall be for children of CalWORKs recipients through campus-based centers or parental choice vouchers at rates and with rules consistent with those applied to related programs operated by the State Department of Education in the 2008–09 fiscal year, including eligibility, reimbursement rates, and parental contribution schedules. Subsidized campus child care for Cal-

WORKs recipients may be provided during the period they are engaged in qualifying state and federal work activities through attainment of their initial education and training plan and for up to three months thereafter or until the end of the academic year, whichever period of time is greater.

Funds utilized for workstudy shall be used solely for payments to employers that currently participate in campus-based workstudy programs or are providing work experiences that are directly related to and in furtherance of student educational programs and work participation requirements, provided that those payments may not exceed 75 percent of the wage for the workstudy positions, and the employers shall pay at least 25 percent of the wage for the workstudy positions. These funds may be expended only if the total hours of education, employment, and workstudy for the student are sufficient to meet both state and federal minimum requirements for qualifying work-related activities.

Funds may be used to provide credit or noncredit classes for CalWORKs students if a district has committed all of its funded full-time equivalent students (FTES) and is unable to offer the additional instructional services to meet the demand for CalWORKs students. This determination shall be based on fall enrollment information. Districts shall submit applications to the Office of the Chancellor by October 15 of each year. If the chancellor approves the use of funds for direct instructional workload, the Office of the Chancellor shall submit a report to the Department of Finance and the Joint Legislative Budget Committee by November 15, 2008, that (a) identifies the enrollment of new CalWORKs students, (b) states whether and why additional classes were needed to accommodate the needs of CalWORKs students, and (c) sets forth an expenditure plan for the balance of funds.

As a condition of receipt of the funds appropriated in Schedule (7), by the fourth week following the end of the semester or quarter term commencing in January

2009, each participating community college shall submit to the Office of the Chancellor a report, in the format specified by the chancellor in consultation with the State Department of Social Services, that includes, but is not limited to, the funded components, the number of hours of child care provided, the average monthly enrollment of CalWORKs dependents served in child care, the number of workstudy hours provided, the hourly salaries and type of jobs, the number of students being case managed, the short-term programs available, the student participation rates, and other outcome data. It is intended that, to the extent practical, reporting from colleges utilize data gathered for federal reporting requirements at the state and local level. Further, it is intended that the Office of the Chancellor compile the information for annual reports to the Legislature, the Governor, the Legislative Analyst, the Department of Finance, and the State Department of Social Services by November 15 of each year.

First priority for expenditures of any funds appropriated in Schedule (7) shall be in support of current CalWORKs recipients. However, if caseloads are insufficient to fully utilize all of the funding in this schedule in a cost-beneficial way, it is intended that up to \$5,000,000 of the funds subject to local matching requirements may be allocated for providing postemployment services to former CalWORKs recipients who have been off of cash assistance for no longer than two years to assist them in upgrading skills, job retention, and advancement. Allowable services include direct instruction that cannot be funded under available growth funding, child care to support attendance in these classes consistent with this provision, job development and placement services, and career counseling and assessment activities which cannot be funded through other programs. Child care services may only be provided for periods commensurate with a student's need for postemployment training within the two-year transitional period.

Prior to allocation of funds for postemployment services, the chancellor shall first secure the approval of the Department of Finance for the allocations, complete a cumulative report on the outcomes, activities, and cost-effectiveness of the program no later than November 15, 2008, in compliance with the Budget Acts of 1998 (Ch. 324, Stats. 1998) and 1999 (Ch. 50, Stats. 1999) and this act, and shall provide the rationale and justification for the proposed allocation of postemployment services to districts for transitional students.

If a district is unable to fully expend its share of child care funds, it may request that the Office of the Chancellor approve a reallocation to other CalWORKs purposes authorized by this provision, subject to all pertinent limitations and district match required for these purposes under this provision.

Of the funds appropriated in Schedule (7) for the Special Services for CalWORKs Recipients Program, no less than \$8,000,000 is to provide direct workstudy wage reimbursement for students served under this program, and \$1,000,000 is available for campus job development and placement services.

18. Funds appropriated in Schedule (7) for the Special Services for CalWORKs Recipients Program have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) and may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
19. (a) Funds provided in Schedule (8) for the Foster Care Education Program shall be allocated to provide foster and relative/kinship care education and training. Districts shall ensure that education and training required by Sections 1529.1 and 1529.2 of the Health and Safety Code and Section 16003 of the Welfare and Institutions Code re-

- ceive priority. Districts may use any remaining funds for additional parenting skills training.
- (b) Funds provided in Schedule (8) shall be used for foster parent and relative/kinship care provider education training services consistent with the following criteria:
- (1) The Chancellor of the California Community Colleges shall use these funds exclusively for foster parent and relative/kinship care provider education and training, as specified by the chancellor in consultation with an advisory committee that includes foster parents, representatives of statewide foster parent organizations, parent and relative/kinship care providers, and representatives from the State Department of Social Services.
 - (2) Acceptance of funds under this program shall constitute agreement by the district to comply with such reporting requirements, guidelines, and other conditions for receipt of funding as the chancellor may establish.
 - (3) Each college plan for foster and relative/kinship care education programs shall include the provision of training to facilitate the development of foster family homes, small family homes, and relative/kinship homes to care for no more than six children who have special mental, emotional, developmental, or physical needs.
 - (4) The State Department of Social Services shall facilitate the participation of county welfare departments in the foster and relative/kinship care education program.
20. (a) Funds appropriated in Schedule (9) for the Matriculation Program are for the purpose of student matriculation pursuant to Article 1 (commencing with Section 78210) of Chapter 2 of Part 48 of Division 7 of Title 3 of the Education Code.
- (b) Of the amount appropriated in Schedule (9), \$20,000,000 shall be allocated to community

college districts on a one-to-one matching funds basis to provide matriculation services, including, but not limited to, orientation, assessment, and counseling, for students enrolled in designated noncredit classes and programs who may benefit most, as determined by the Chancellor of the California Community Colleges pursuant to Sections 78216 to 78218, inclusive, of the Education Code.

21. The funds in Schedule (13) for the Part-time Faculty Compensation Program shall be allocated solely to increase compensation for part-time faculty from the amounts previously authorized. Funds shall be distributed to districts based on the total actual full-time equivalent students served in the previous fiscal year and include a small district factor as determined by the Chancellor of the California Community Colleges. These funds are to be used to assist districts in making part-time faculty salaries more comparable to full-time salaries for similar work, as determined through each district's local collective bargaining process. These funds shall not supplant the amount of resources each district used to compensate part-time faculty or be used to exceed parity of each part-time faculty employed by each district with regular full-time faculty at the same district, as certified by the chancellor. If a district achieves parity, its allocation may be used for any other educational purpose.
22. (a) \$19,303,000 of the funds provided in Schedule (15) for the Telecommunications and Technology Services Program shall be for the purpose of supporting technical and application innovations and for coordination of activities that serve to maximize the utility of the technology investments of the community college system towards improving learning outcomes. Allocations shall be made by the Chancellor of the California Community Colleges, based on criteria and guidelines as developed by the chancellor, on a competitive basis

through the RFA/RFP application process for the following purposes:

- (1) Provision of access to statewide multimedia hosting and delivery services for system colleges and districts.
- (2) Provision of systemwide Internet, audio bridging, and telephony.
- (3) Technical assistance and planning, cooperative purchase agreements, and faculty and staff development in a manner consistent with paragraph (3) of subdivision (b) of Provision 17 of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996).
- (4) Ongoing support for the California Virtual University Distance Education Program.
- (5) Ongoing support for programs designed to use technology in assisting accreditation and the alignment of curricula across K–20 segments in California.
- (6) Support for technology pilots and ongoing technology programs and applications that serve to maximize the utility and economy of scale of the technology investments of the community college system towards improving learning outcomes.

In addition, a portion of the funds provided in this subdivision shall be available for allocations to districts. It is the intent of the Legislature that these funds be used by colleges to maintain the technology capabilities specified in subdivision (a) of Provision 21 of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003). These funds shall not supplant existing funds used for those purposes, and colleges shall match maintenance and ongoing costs with other funds as provided by Provision 21(a) of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).

- (b) The Office of the Chancellor of the California Community Colleges shall develop the reporting

criteria for all programs funded by this item and shall submit that for review along with an annual progress report on program implementation to the Legislative Analyst, the Office of the Secretary for Education, and the Department of Finance no later than December 1 of each year. Reporting shall include summaries of allocations and expenditures by program and by district, where applicable.

- (c) Of the funds provided in Schedule (15), \$1,596,000 is for ongoing support and expansion of the California Partnership for Achieving Student Success (Cal-PASS) program. As a condition of receipt of these funds, the grantee shall submit to the Office of the Chancellor, by October 15 of each year, all of the following: (1) a report that includes the numbers and percentages of institutions and school districts that have signed agreements and the number and percentage that have actively submitted data in the current year, (2) the results of an annual program evaluation, as prescribed by the chancellor, that sufficiently documents the value and productivity of the program, and (3) an annual financial audit, as prescribed by the chancellor, that includes an accounting of all funding sources and all uses of funds by funding source. It is the intent of the Legislature that all reporting requirements contained in this subdivision shall be completed using funds provided to the grantee.
23. Of the funds provided in Schedule (16) for the Economic and Workforce Development Program:
- (a) \$18,212,000 is allocated for grants for regional business resources assistance and innovation network centers. Each grant awarded to a district for Centers for International Development shall contain sufficient funds, as determined by the Chancellor of the California Community Colleges, for the continued operation of Mexican International Trade Centers.

- (b) \$6,240,000 is allocated for industry-driven regional education and training collaboratives. These grants shall be made on a competitive basis and the award amounts shall not be restricted to any predetermined limit, but rather shall be funded on their individual merits.
- (c) \$2,879,000 is allocated for statewide network leadership, organizational development, coordination, information and support services, or other program purposes.
- (d) \$3,613,000 is available for Job Development Incentive Training programs focused on job creation for public assistance recipients. Any annual savings from this subdivision shall only be available for expenditure for one-time activities listed under subdivision (j) of Section 88531 of the Education Code.
- (e) \$6,382,000 is allocated for the establishment of a Responsive Incumbent Worker Training Fund, which will serve to expand the delivery of performance improvement training to employers and incumbent workers in high-growth industries. Funds shall also be used to develop programs that integrate basic skills and career technical education curriculum in ways that provide students with seamless educational coursework that transitions students into high-tech and high-demand job sectors.
- (f) The following provisions apply to the expenditure of funds within subdivisions (a) and (b): Funds allocated for centers and regional collaboratives shall seek to maximize the use of state funds for subdivisions (g) to (j), inclusive, of Section 88531 of the Education Code. Funds allocated to districts for purposes of subdivisions (g) and (i) of Section 88531 of the Education Code for performance-based training and student internships shall be matched by a minimum of \$1 of private business and industry funding for each \$1 of state funds. Funds allocated for purposes of subdivision (h)

of Section 88531 of the Education Code for credit and noncredit instruction may be transferred to Schedule (1) or (3) to facilitate distribution at the chancellor's discretion. Any funds that become available from network centers due to savings, discontinuance, or reduction of amounts shall first be made available for additional allocations in subdivision (b) to increase the level of subsidized training otherwise available.

- (g) Funds allocated by the Board of Governors of the California Community Colleges under this provision may not be used by community college districts to supplant existing courses or contract education offerings. The chancellor shall ensure that funds are spent only for expanded services and shall implement accountability reporting for districts receiving these funds to ensure that training, credit, and noncredit programs remain relevant to business needs. Programs that do not demonstrate continued relevance and support by business shall not be eligible for continued funding. The board of governors shall consider the level of involvement and financial commitments of business and industry as primary factors in making awards. The chancellor shall incorporate grant requirements into the guidelines for audits of economic development grants.
- (h) Primary objectives of the Economic and Workforce Development Program are to maximize instruction, to prepare students for entry-level jobs, to increase skills of the current workforce, and to stimulate the growth of businesses through training so that more jobs are created. As part of the annual report on the performance of the Economic and Workforce Development Program, the chancellor shall provide disaggregated data detailing the funding provided to each economic development regional center and each industry-driven regional education and training collaborative, and to the extent practicable, the total number of hours

- of contract education services, performance improvement training, credit and noncredit instruction, and job placements created as a result of each center and collaborative.
24. (a) The funds appropriated in Schedule (17) for the Transfer Education and Articulation Program are available to support transfer and articulation projects and common course numbering projects.
 - (b) Funding provided to community college districts from Schedule (17) is provided to directly offset any mandated costs claimed by community college districts pursuant to Chapter 737 of the Statutes of 2004.
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26. Pursuant to Sections 69648.5, 78216, and 84850, and subdivision (b) of Section 87108, of the Education Code, the Board of Governors of the California Community Colleges may allocate funds appropriated in Schedules (6), (9), (11), and (19) by grant or contract, or through the apportionment process, to one or more districts for the purpose of providing program evaluation, accountability, monitoring, or program development services, as appropriate under the applicable statute.
 27. Funds appropriated for the Career Technical Education Program are for the purpose of aligning career-technical education curriculum between K–12 and community colleges in targeted industry-driven programs offered through the Economic and Workforce Development Program. Prior to the allocation of any funds for career technical education, the Chancellor of the California Community Colleges, in conjunction with the State Department of Education, shall submit a proposed expenditure plan for the funds contained in this

item, and the rationale therefor, to the Department of Finance by August 1, 2008, for approval.

28. The funds appropriated in Schedule (22) for the Campus Childcare Tax Bailout shall be allocated by the Chancellor of the California Community Colleges to community college districts that levied child care permissive override taxes in the 1977–78 fiscal year pursuant to Sections 8329 and 8330 of the Education Code in an amount equal to the property tax revenues, tax relief subventions, and state aid required to be made available by the district to its child care and development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979, increased by any cost-of-living increases granted in subsequent fiscal years. These funds shall be used only for the purpose of community college child care and development programs.
29. With regard to the funds appropriated in Schedule (23), Nursing Program Support, all of the following shall apply:
 - (a) \$11,168,000 shall be used to provide support for nursing program enrollment and equipment needs consistent with paragraph (2) of subdivision (a) of Section 2 of Chapter 514 of the Statutes of 2001. Grant funding for nursing enrollment shall provide a marginal increase in funding in addition to the amount provided for each full-time equivalent student for regular growth in apportionments.
 - (b) \$6,462,000 shall be used to provide diagnostic and support services, preentry coursework, alternative program delivery model development, and other services to reduce the incidence of student attrition in nursing programs.
 - (d) The Board of Governors of the California Community Colleges shall develop a request for applications (RFA) to allocate the additional \$4,163,000 of funds in subdivision (b) to community college districts. Criteria for assessing each RFA shall include all of the following:

- (1) The degree to which the funds provided would be used to increase student enrollment in nursing programs beyond the level of full-time equivalent students served in the 2007–08 academic year.
 - (2) The district’s level of attrition from nursing programs and the suitability of planned expenditures to address attrition levels.
 - (3) The degree to which funds provided would be used to support infrastructure or equipment needs with the intent of building capacity and increasing the number of nursing students served.
 - (4) For districts with attrition rates of 15 percent or more, new grant funding shall focus on attrition reduction. For districts with attrition rates below 15 percent, new grant funding shall focus on enrollment expansion.
- (e) The board of governors shall release the RFA no sooner than 30 days after submitting it to the Legislature and the Department of Finance for review.
- (f) On or before March 1 of each year, the Chancellor of the California Community Colleges shall provide the Legislature and the Department of Finance with a report on the allocation of funding. For each district receiving funding under this item, the report shall include all of the following: (1) the amount of funding received, (2) the number of nursing full-time equivalent students served in the 2006–07 academic year, and the additional number of nursing full-time equivalent students served with funding provided in this item in each subsequent year, (3) the district’s attrition and completion rates in the 2006–07 academic year and subsequent years, (4) any equipment or infrastructure-related items acquired with the funds appropriated in this item, and (5) the number of new and existing faculty receiving annual stipend awards.

SEC. 26. Item 6870-295-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6870-295-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98), for reimbursement, in accordance with provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, for disbursement by the Controller..... 3,000

Schedule:

- (1) 98.01.000.184-Health Fees (Ch. 1, Stats. 1984, 2nd Ex. Sess.) (CSM-4206)..... 1,000
- (2) 98.01.090.896-Sex Offenders: Disclosure Requirements (Ch. 908, Stats. 1996) (CSM-97-TC-15)..... 1,000
- (3) 98.01.028.498-Law Enforcement Jurisdiction Agreements (Ch. 284, Stats. 1998) (CSM-98-TC-20)..... 1,000

Provisions:

- 1. Allocation of funds appropriated in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated by this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
- 2. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein.

No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations, and the Chairperson of the Joint Legislative Budget Committee or his or her designee.

SEC. 27. Item 6870-485 is added to Section 2.00 of the Budget Act of 2008, to read:

6870-485—Reappropriation, Board of Governors of the California Community Colleges (Proposition 98). The sum of \$1,408,536 is hereby reappropriated from the Proposition 98 Reversion Account, for the following purpose:

101-0001—Local Assistance

- (1) \$1,408,536 to the Board of Governors of the California Community Colleges, on a one-time basis, to backfill the Puente Project in Schedule (20) of Item 6870-101-0001.

SEC. 28. Section 12.40 of the Budget Act of 2008 is amended to read:

Sec. 12.40. (a) Notwithstanding any other provision of law, not more than 10 percent of the amount apportioned to any local educational agency under the programs funded in this act that were funded in Item 6110-230-0001 of Section 2.00 of Senate Bill 160 of the 1999–2000 Regular Session, as introduced on January 8, 1999, may be expended by that recipient for the purposes of any other program for which the recipient is eligible for funding under those items, except that the total amount of funding allocated to the recipient under this item that is expended by the recipient for the purposes of any of those programs shall not exceed 115 percent of the amount of state funding allocated pursuant to the appropriations to that recipient for those programs in this act for the fiscal year. Notwithstanding any other provision of law, for the fiscal year, local educational agencies may also use this authority to provide the funds necessary to initiate a conflict resolution program pursuant to Chapter 2.5 (commencing with Section 32260) of Part 19 of Division 1 of Title 1 of the Education

Code, and to continue to support following the three-to-five year state grant period.

(b) The education programs that are eligible for the flexibility provided in subdivision (a) included the following items: Items 6110-122-0001, 6110-124-0001, 6110-150-0001, 6110-167-0001, 6110-181-0001, 6110-193-0001, 6110-209-0001, and 6110-224-0001 of Section 2.00.

(c) Notwithstanding any other provision of law, not more than 10 percent of the amount apportioned to any local educational agency from each of Items 6110-122-0001, 6110-124-0001, 6110-167-0001, 6110-181-0001, 6110-193-0001, 6110-209-0001, and 6110-224-0001 may be expended by that recipient for programs in Items 6110-111-0001, 6110-119-0001, 6110-128-0001, and 6110-203-0001 so that the total expended does not exceed 115 percent of the state funding for the programs in Items 6110-111-0001, 6110-119-0001, 6110-128-0001, and 6110-203-0001 for the 2008–09 fiscal year.

(d) As a condition of receiving the funds provided for the programs identified in subdivision (b), local educational agencies shall report to the State Department of Education by October 15 of each year, on any amounts shifted between these programs pursuant to the flexibility provided in subdivision (a). The State Department of Education shall collect and provide this information to the Joint Legislative Budget Committee, chairpersons and vice chairpersons of the fiscal committees of each house of the Legislature for education, and the Department of Finance by February 1 of each year.

SEC. 29. (a) Notwithstanding any other law, one hundred fourteen million two hundred nine thousand dollars (\$114,209,000) is reduced from the amount appropriated to the State Department of Education for the High Priority Schools Grant Program for Low Performing Schools in Schedule 1 of Item 6110-123-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(b) Notwithstanding any other law, fifty-six million seven hundred twenty-eight thousand dollars (\$56,728,000) is reduced from the amount appropriated to the State Department of Education for the Mathematics Reading and Professional Development Program in Item 6110-137-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(c) Notwithstanding any other law, four million nine hundred thousand dollars (\$4,900,000) is reduced from the amount appropriated to the State Department of Education for the Administrator Training Program in Item 6110-144-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(d) Notwithstanding any other law, forty-five million dollars (\$45,000,000) is reduced from the amount appropriated to the State Department of Education for the Adult Education Program in Item 6110-156-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(e) Notwithstanding any other law, seventeen million six hundred eleven thousand dollars (\$17,611,000) is reduced from the amount appropriated to the State Department of Education for Educational Technology Programs in Item 6110-181-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(f) Notwithstanding any other law, one million eight hundred thousand dollars (\$1,800,000) is reduced from the amount appropriated to the State Department of Education for the K–12 High Speed Network in Item 6110-182-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(g) Notwithstanding any other law, two hundred seventy-seven million three hundred eighty-two thousand dollars (\$277,382,000) is reduced from the amount appropriated to the State Department of Education for the Deferred Maintenance Program in Item 6110-188-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(h) Notwithstanding any other law, four hundred seventeen million five hundred ninety-one thousand dollars (\$417,591,000) is reduced from the amount appropriated to the State Department of Education for the Instructional Materials Block Grant in Item 6110-189-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(i) Notwithstanding any other law, twenty-nine million nine hundred forty-four thousand dollars (\$29,944,000) is reduced from the amount appropriated to the State Department of Education for the Peer Assistance and Review Program in Schedule (2) of Item 6110-193-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(j) Notwithstanding any other law, six million dollars (\$6,000,000) is reduced from the amount appropriated to the State Department of Education for the National Board Certification Program in Item 6110-195-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(k) Notwithstanding any other law, twenty-three million dollars (\$23,000,000) is reduced from the amount appropriated to the State Department of Education for the Charter School Categorical Block Grant in Item 6110-211-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(l) Notwithstanding any other law, ninety-nine million thirty thousand dollars (\$99,030,000) is reduced from the amount appropriated to the State Department of Education for the School Safety Block Grant in Item 6110-228-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(m) Notwithstanding any other law, sixty-one million eight hundred fifty-four thousand dollars (\$61,854,000) is reduced from the amount appropriated to the State Department of Education for the Pupil Retention Block Grant in Item 6110-243-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(n) Notwithstanding any other law, two hundred seventy-three million two hundred eighty-nine thousand dollars (\$273,289,000) is reduced from the amount appropriated to the State Department of Education for the Professional Development Block Grant in Item 6110-245-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(o) Notwithstanding any other law, one hundred sixty-eight million eighty-six thousand six hundred twenty-eight dollars (\$168,086,628) is reduced from the amount appropriated to the State Department of Education for the School Library and Improvement Block Grant in Item 6110-247-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(p) Notwithstanding any other law, seventeen million nine hundred fifty-six thousand dollars (\$17,956,000) is reduced from the amount appropriated to the State Department of Education for the School Safety Competitive Grant in Item 6110-248-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(q) Notwithstanding any other law, forty one million eight hundred twelve thousand dollars (\$41,812,000) is reduced from

the amount appropriated to the State Department of Education for the Physical Education Teacher Incentive Grant Program in Item 6110-260-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(r) Notwithstanding any other law, one hundred nine million seven hundred fifty-seven thousand dollars (\$109,757,000) is reduced from the amount appropriated to the State Department of Education for the Arts and Music Block Grant in Item 6110-265-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(s) Notwithstanding any other law, eleven million seven hundred seven thousand dollars (\$11,707,000) is reduced from the amount appropriated to the State Department of Education for the Certificated Staff Mentoring Program in Item 6110-267-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(t) Notwithstanding any other law, four million four hundred thousand dollars (\$4,400,000) is reduced from the amount appropriated to the State Department of Education for the Child Oral Health Assessments Program in Item 6110-268-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

(u) Notwithstanding any other law, one million four hundred eight thousand five hundred thirty-six dollars (\$1,408,536) is reduced from the amount appropriated to the California Community Colleges for the Puente Project in Schedule (20) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).

SEC. 30. (a) For the 2008–09 fiscal year only, in order to provide local budgeting flexibility as a result of budget reductions for categorical programs made by the Legislature for the 2008–09 fiscal year in Section 28 of this act, the governing board of a school district or county office of education may use up to 100 percent of the balances, as of June 30, 2008, of restricted accounts in its general fund or cafeteria fund, excluding restricted reserves committed for capital outlay, bond funds, sinking funds, and federal funds, and excluding balances in the following programs:

(1) Economic Impact Aid (Article 2 (commencing with Section 54020) of Chapter 1 of Part 29 of Division 4 of Title 2 of the Education Code).

(2) Targeted Instructional Improvement Grant (former Chapter 2.5 (commencing with Section 54200) of Part 29 of Division 4 of Title 2 of the Education Code).

(3) Instructional materials.

(4) Special education.

(5) Quality Education Investment Act of 2006 (Article 3.7 (commencing with Section 52055.700) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code).

(6) California High School Exit Exam Intensive Intervention Program.

(7) Home-to-school transportation.

(b) For purposes of this section, balances of restricted accounts do not include the amounts deferred from the 2006–07 fiscal year to the 2007–08 fiscal year or the amounts deferred from the 2007–08 fiscal year to the 2008–09 fiscal year.

(c) A governing board shall not use the ending balance in any restricted account if that use would violate a federal maintenance of effort requirement.

(d) This section does not obligate the state to refund or repay funds used pursuant to this section. If a school district uses an ending balance in a restricted account that consists, in whole or in part, of funds reimbursed to the district as a subvention of funds for a state-mandated local program, the school district shall not submit a claim to the state for a subsequent reimbursement of the funds that were reimbursed pursuant to Section 6 of Article XIII B of the California Constitution and used pursuant to the authority granted to a school district pursuant to this section.

(e) The use of balances of restricted accounts permitted by this section shall be limited to the 2008–09 fiscal year. Those funds shall not be used for any subsequent fiscal year. The total amount of the balances of restricted accounts used pursuant to this section by a school district or county office of education shall not exceed the total amount of the categorical program reductions for the school district or county office of education made in Section 28 of this act.

(f) A governing board that elects to use balances in restricted accounts pursuant to this section shall report to the Superintendent, in a manner determined by the Superintendent, regarding the programs and amounts of restricted balances used pursuant to subdivision (a). The Superintendent shall report statewide

information and information for each school district and county office of education to the Joint Legislative Budget Committee by October 31, 2009.

SEC. 31. (a) Notwithstanding any other provision of law, in order to effectuate the General Fund savings associated with the reductions in appropriations made by this act, the Superintendent of Public Instruction shall reduce the principal apportionment for school districts and county offices of education for the 2008-09 fiscal year, as necessary, if both of the following occur during the 2008-09 fiscal year:

(1) The Controller has disbursed funds from the appropriations reduced by this act in amounts greater than the amounts remaining in those appropriations following the reductions.

(2) The Superintendent determines there is no other way to recover the funds that have been disbursed.

(b) This section shall be broadly construed to effectuate its purpose.

SEC. 32. This act shall become operative only if either Assembly Bill 2 or Senate Bill 2 and either Assembly Bill 9 or Senate Bill 9 of the 2009–10 First Extraordinary Session of the Legislature are enacted and become effective on or before January 1, 2009.

SEC. 33. This act addresses the fiscal emergency declared by the Governor by proclamation on December 1, 2008, pursuant to subdivision (f) of Section 10 of Article IV of the California Constitution.

Approved _____, 2008

Governor