

AMENDED IN SENATE JUNE 29, 2009

AMENDED IN SENATE FEBRUARY 14, 2009

AMENDED IN ASSEMBLY JANUARY 7, 2009

CALIFORNIA LEGISLATURE—2009–10 THIRD EXTRAORDINARY SESSION

**ASSEMBLY BILL**

**No. 4**

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**Introduced by Assembly Member Evans**

January 5, 2009

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~~An act to amend Sections 2558.46, 14041.5, 17592.71, 41203.1, 42238, 42238.146, 52124, and 60119 of, to amend, repeal, and add Section 17584.1 of, to add Sections 14041.6, 17070.766, 17592.74, 41207.3, 42238.49, 42605, 52124.3, and 92612.5 to, and to add and repeal Sections 1240.3 and 60422.1 of, the Education Code, to amend Items 6110-196-0001, 6110-234-0001, 6110-488, 6870-101-0001, and 6870-295-0001 of, to add Items 6110-111-0046 and 6110-111-3116 to, and to repeal Item 6110-111-0001 of, Section 2.00 of, and to add Section 12.42 to, and to repeal Sections 12.40 and 35.80 of, the Budget Act of 2008 (Chapters 268 and 269 of the Statutes of 2008), and to amend Sections 34, 35, and 37 of, and to repeal Section 33 of, Chapter 757 of the Statutes of 2008, relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~*An act to amend Sections 8879.65, 16965, and 65086.5 of the Government Code, to amend Sections 99312 and 99315 of, and to add and repeal Section 21683.3 of, the Public Utilities Code, to amend Section 7103 of the Revenue and Taxation Code, and to amend Sections 2102, 2103, 2104.1, 2106.3, 2106.4, 2107.1, 2107.2, 2107.3, 2107.6, 2109, 2111, 2112, 2113, 2114, and 2115 of the Streets and Highways Code, relating to transportation.*

## LEGISLATIVE COUNSEL'S DIGEST

AB 4, as amended, Evans. ~~Education-Transportation~~ finance.

~~(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 7.839%, and for the 2009-10 fiscal year by a deficit factor of 13.360%.~~

~~(3) Existing law specifies that the amount apportioned for revenue limits for a school year that are be deemed to attributed to the minimum funding obligation for school districts and community college districts for the following fiscal year shall be \$715,118,000.~~

~~This bill would change that amount and set the amount at \$1,101,655,000 for the 2008-09 and each school year thereafter.~~

~~(4) Existing law requires the Controller to draw warrants on the State Treasury in favor of the county treasurer of each county in each month of each year in prescribed amounts and in a prescribed manner.~~

~~This bill, commencing with the 2008-09 fiscal year, would require the warrants for the principal apportionments for the month of February in the amount of \$2,000,000,000 to be drawn in July of the same calendar year and would require those warrants to be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution for the year in which they are drawn.~~

~~(5) 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 to the 2012–13 fiscal years, inclusive, 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.~~

~~(6) 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 make this report requirement inoperative for the 2008–09 to 2012–13 fiscal years, inclusive.~~

~~(7) 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 are required to be used for the purpose of addressing emergency facilities needs.~~

~~This bill, for the 2009–10 fiscal year, would reduce the amount required to be transferred pursuant to the requirement above to zero.~~

~~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.~~

~~(8) Existing law requires, for the 1990–91 fiscal year and each fiscal year thereafter, that moneys to be applied by the state for the support of school districts, community college districts, and direct elementary and secondary level instructional services provided by the state be~~

~~distributed in accordance with certain calculations governing the proration of those moneys among the 3 segments of public education. Existing law makes that provision inapplicable to the fiscal years between the 1992–93 and 2008–09, inclusive.~~

~~This bill would make that provision inapplicable to the 2009–10 fiscal year.~~

~~(9) The California Constitution requires the state to apply a minimum amount of funding for each fiscal year for the support of school districts and community college districts. The Superintendent of Public Instruction and the Director of Finance, by January 1, 2006, are required 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 \$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 provide that, 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.~~

~~(10) Existing law requires a revenue limit to be calculated for each school district and each county superintendent of schools and requires the amount of the revenue limit to be adjusted for various factors.~~

~~This bill would, for the 2011–12 fiscal year, require the Superintendent to compute an equalization adjustment for each school district so that the prior year base revenue limit per unit of average daily attendance of a school district is not less than the prior year base revenue limit per unit of average daily attendance above which fall not more than 10% of the total statewide units of average daily attendance for the appropriate size and type of school district.~~

~~(11) 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 7.844%, and for the 2009–10 fiscal year by a deficit factor of 13.094%.~~

~~(12) Existing law establishes various categorical education programs and appropriates the funding for those programs in the annual Budget Act. That act authorizes local educational agencies to expend up to 10% of the amount apportioned under specified categorical education programs for the purposes of any other program for which the recipient is eligible for funding, as specified.~~

~~This bill would instead reduce by a percentage, calculated as specified, the appropriations made in the Budget Act of 2008 to school districts and county offices of education in enumerated items that fund specified categorical education programs. The bill would authorize school districts, for the 2008–09 to 2012–13 fiscal years, inclusive, to use the funds received pursuant to any of those budget items, with specified exceptions, for any educational purpose, to the extent permitted by federal law. The school districts and county offices of education would be required, at a regularly scheduled, open, public hearing, to take testimony from the public, discuss, and approve or disapprove the proposed use of funding, and to report to the State Department of Education, in the existing annual Standardized Accounting System reporting process, the purposes for which the funds were used and the amounts used for each of those purposes. The department would be required to collect and provide this information to the appropriate legislative policy and budget committees and the Department of Finance by February 28, 2010.~~

~~(13) Existing law establishes the Class Size Reduction Program under which a participating school district or county office of education reduces class size to 20 pupils per class in kindergarten and grades 1 to 3, inclusive. If a school district or county office of education receives funding for a class but fails to reduce the size of that class to 20 pupils, the school district or county office of education suffers a reduction in its next principal apportionment of state funds.~~

~~This bill would reduce the amount of this penalty for the 2008–09, 2009–10, 2010–11 and 2011–12 fiscal years, as specified.~~

~~(14) The Pupil Textbook and Instructional Materials Incentive Program Act requires the governing board of a school district to hold a public hearing and make a determination as to whether each pupil in each school in the district has sufficient textbooks or instructional materials in the subjects of mathematics, science, history-social science, and English/language arts that are aligned to the adopted content standards and that are consistent with the content and cycles of the curriculum framework adopted by the State Board of Education. Existing law subjects school districts that receive funds from any state source to this and specified requirements only in a fiscal year in which the Superintendent of Public Instruction determines that the base revenue limit for each school district will increase by at least 1% per unit of average daily attendance from the prior fiscal year.~~

~~This bill would delete the condition related to the increase in revenue limit funding so that school districts would be subject to the requirements when they receive funds for instructional materials from any state source.~~

~~(15) 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.~~

~~(16) Existing law establishes a statewide system of public postsecondary education that includes, among other segments, the various campuses of the University of California, which is administered by the Regents of the University of California.~~

~~This bill would state the intent of the Legislature that no new General Fund augmentation be made available for contributions to the University of California Retirement Plan.~~

~~(17) Existing law appropriates \$39,780,000 from the General Fund to the Board of Governors of the California Community Colleges, in augmentation of an amount appropriated pursuant to a specified item in the Budget Act of 2008, to provide 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 this provision:

~~(18) Existing law appropriates \$388,283,000 from the General Fund to the State Department of Education for 10 specified programs according to a specified schedule, and requires the department to encumber these funds by July 1, 2009. This appropriation reflects the June 2009 principal apportionment that is deferred to July 2009. Included in this appropriation is \$52,583,000 for home-to-school transportation.~~

~~This bill would eliminate that appropriation for home-to-school transportation and instead would appropriate \$570,000,000 for class size reduction in kindergarten and grades 1 to 3, inclusive. The bill would increase the total appropriation from \$388,283,000 to \$905,700,000 to reflect the February 2009 principal apportionment and the 2009 payment for class size reduction in kindergarten and grades 1 to 3, inclusive. The funds appropriated would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution for the 2009–10 fiscal year.~~

~~(19) The Budget Act of 2008 appropriates \$200,000,000 from the General Fund to the Board of Governors of the California Community Colleges for expenditure during the 2009–10 fiscal year.~~

~~This bill would increase that appropriation to a total of \$540,000,000, and would defer the disbursement of those funds until July 2010. The amount appropriated would represent \$115,000,000 of the January apportionment to community college districts, \$115,000,000 of the February apportionment to those districts, \$55,000,000 of the March apportionment and \$55,000,000 of the April apportionment, and \$200,000,000 of the June apportionment of those districts. The funds appropriated would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California constitution for the 2009–10 fiscal year.~~

~~(20) Existing law provides no cost-of-living adjustment for specified education programs for the 2008–09 fiscal year.~~

~~This bill would add the categorical block grant for charter schools to the list of programs not receiving a cost-of-living adjustment for the 2008–09 fiscal year.~~

~~(21) 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.

(22) This bill would appropriate \$198,446,000 from the Public Transportation Account in the State Transportation Fund to the State Department of Education for purposes of home-to-school transportation, to be allocated as specified.

(23) This bill would appropriate \$420,268,000 from the Mass Transportation Fund to the State Department of Education for purposes of home-to-school transportation, to be allocated as specified.

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

This bill would reduce specified General Fund appropriations made in that Budget Act for those purposes. The bill also would reappropriate the unobligated balances from other specified appropriations to the State Department of Education for CalWORKs Stage 2 Child Care services, as specified.

(25) This bill would reappropriate for the 2008–09 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 the Class Size Reduction Program in kindergarten and grades 1 to 3, inclusive.

(26) This bill would appropriate \$958,283,000 from the General Fund to the State Department of Education for 11 specified programs according to a specified schedule and would require the department to encumber these funds by July 31, 2010. The bill would provide that, for purposes of satisfying the minimum annual funding obligation for school districts required by the California Constitution, the appropriated funds are General Fund revenues appropriated for school districts and community college districts for the 2010–11 fiscal year.

(27) Existing law requires the Board of Governors of the California Community Colleges to adopt regulations providing for the payment of apportionments to community college districts on a schedule to include an advance apportionment on or before July 15 of each year, and a first and 2nd principal apportionment on or before February 20 and June 25 of each year, respectively.

Existing law requires the Controller to draw warrants on the State Treasury in favor of the county treasurer of each county in each month of each year during the fiscal year from the State School Fund to the school districts under the jurisdiction of the county superintendent of schools of the county, to the county school service fund, and to the

county school tuition fund of the county. Warrants for 6% of specified amounts allowed to the county school service funds and 6% of specified amounts apportioned to school districts and county school service funds for classes maintained by county superintendents of schools and to the county service fund are required to be drawn in July. For the 2008–09 fiscal year only the entire amount of the July warrant for the county school service fund and a specified percentage of the amount of the July warrant for school district apportionments, county school service fund apportionments for classes maintained by the county superintendent of schools, and county school tuition fund apportionments are deferred to the warrants drawn in September.

This bill would defer \$200,000,000 of the July 2009 community college advance apportionment to October 2009. The bill also would defer \$1,000,000,000 of the July 2009 and \$1,500,000,000 of the August 2009 apportionments for local educational agencies that maintain kindergarten or any of grades 1 to 12, inclusive, to October 2009.

(28) This bill would appropriate \$540,000,000 from the General Fund to the Board of Governors of the California Community Colleges for expenditure during the 2010–11 fiscal year according to a specified item in the Budget Act of 2009. The bill would defer until July 2011 the disbursement of those funds. The amount appropriated would represent \$115,000,000 of the January apportionment to community college districts, \$115,000,000 of the February apportionment to those districts, \$55,000,000 of the March apportionment and \$55,000,000 of the April apportionment, and \$200,000,000 of the June apportionment to those districts. The bill would provide that, for purposes of satisfying the minimum annual funding obligation for community college districts required by the California Constitution, those funds are General Fund revenues appropriated for community college districts for the 2010–11 fiscal year.

(29) 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, and balances in designated programs:

~~(30) 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.~~

~~(31) This bill would set the cost-of-living adjustment for community day schools, for specified items in the Budget Act of 2009, and for specified items in the Budget Act of 2008 for the 2009–10 fiscal year at 0% notwithstanding the cost-of-living adjustment specified in existing statutes.~~

~~(32) This bill would require funds appropriated pursuant to specified items in the Budget Act of 2009 to be encumbered by July 31, 2010.~~

*(1) The Motor Vehicle Fuel Tax Law imposes a tax of \$0.18 per gallon on motor vehicle fuel, commonly referred to as gasoline. The Diesel Fuel Tax Law imposes a tax of \$0.18 per gallon on diesel fuel. These revenues, after certain deductions for nonhighway fuel uses, are deposited in the Highway Users Tax Account. Approximately  $\frac{1}{3}$  of the revenues in the account are apportioned by various formulas to cities and counties, and most of the remaining revenues are deposited in the State Highway Account after specified transfers to the Bicycle Transportation Account and the State Parks and Recreation Fund. Under Article XIX of the California Constitution, the portion of fuel tax revenues that is derived from use in motor vehicles upon public streets and highways is restricted for expenditure on street and highway and certain mass transit guideway purposes, and up to 25% of these and other vehicle-related revenues that are available for street and highway purposes may be pledged or used for the payment of principal and interest on voter-approved bonds issued for those purposes.*

*This bill would modify the apportionment of fuel tax revenues designated for street and highway and guideway purposes for the 2009–10 and 2010–11 fiscal years. For those years, the bill would provide for 65% of revenues to be deposited in the State Highway Account and 25% to be deposited in the Transportation Debt Service Fund. Of the remaining 10% of revenue, additional fuel tax revenues would be transferred to the Transportation Debt Service Fund in an*

*amount equivalent to 25% of vehicle weight fee revenues for the 2009–10 fiscal year only, certain amounts would be made available to the Bicycle Transportation Account and the State Parks and Recreation Fund, and the remaining revenues would be apportioned to cities and counties by certain formulas.*

*(2) Existing law, pursuant to Proposition 116 of 1990, creates the Public Transportation Account as a trust fund in the State Transportation Fund, provides that revenues are to be deposited in that account from specified portions of the sales taxes on gasoline and diesel fuel, and provides that moneys in the account are available for expenditure only for transportation planning and mass transportation purposes. Existing law creates the Mass Transportation Fund in the State Treasury and provides that for the 2009–10 to 2012–13 fiscal years all of the gasoline sales tax revenues commonly known as the “spillover” that would otherwise be deposited in the Public Transportation Account shall be deposited instead in that fund. Existing law specifies the transportation purposes that may be funded by the fund, including payment of debt service on transportation general obligation bonds by transfer of funds from the Mass Transportation Fund to the Transportation Debt Service Fund. Existing law creates the Transportation Debt Service Fund in the State Treasury for the purpose, among other things, of using transportation revenues rather than the General Fund for the payment of debt service on transportation bonds or to reimburse the General Fund in that regard.*

*This bill, for the 2009–10 fiscal year, would provide that up to \$225,044,000 from the Public Transportation Account may be used to reimburse the General Fund for current debt service payments on transit-related general obligation bonds and up to \$101,826,000 from that account may be used to reimburse the General Fund for home-to-school transportation expenditures. The bill would also provide for transfer from the Mass Transportation Fund to the Transportation Debt Service Fund of any amount of the “spillover” funds received during the 2009–10 to 2012–13 fiscal years necessary to offset the cost of debt service payments made from the General Fund during any fiscal year for transportation-related general obligation bond expenditures.*

*This bill would also authorize the Director of Finance to reimburse the General Fund, from revenues transferred to the Transportation Debt Service Fund from the Highway Users Tax Account, any amount necessary to offset the cost of debt service payments made from the General Fund during any fiscal year for transportation-related general*

*obligation bond expenditures consistent with specified provisions of Article XIX of the California Constitution.*

*(3) Existing law establishes the Aeronautics Account in the State Transportation Fund. Existing law imposes a per gallon jet fuel tax on aircraft jet fuel dealers and requires that the funds be deposited in the State Treasury to the credit of the Motor Vehicle Fuel Account in the Transportation Tax Fund. Existing law requires that moneys deposited to the credit of the Motor Vehicle Fuel Account attributable to the distribution of motor vehicle fuel for use in propelling an aircraft in the state be transferred to the Aeronautics Account in the State Transportation Fund.*

*Existing law requires funds in the Aeronautics Account to be used to pay the Controller and the State Board of Equalization for their pro rata costs in carrying out the duties imposed on them by the Motor Vehicle Fuel Tax Law and to pay the Department of Transportation for the administration of the State Aeronautics Act. Existing law allows the remaining balance of moneys in the account to be used for preapproved eligible projects that are for airport and aviation purposes, to make allocations to public entities for the acquisition or development of airports if the department determines that it is feasible, and to allow the California Transportation Commission to provide local matching funds for federal Airport Improvement Program Grants.*

*This bill would suspend these grants and funding programs for the 2009–10 fiscal year. The bill would require \$4,000,000 to be transferred from the Aeronautics Account to the General Fund, upon the order of the Director of Finance. These provisions would be repealed on January 1, 2011.*

*(4) Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, authorizes the issuance of general obligation bonds for various transportation purposes, including \$2,000,000,000 for local street and road improvement, congestion relief, and traffic safety. Existing law requires a city or city and county that receives an allocation of those funds in the 2008–09 fiscal year to agree to encumber the funds before July 1, 2009.*

*This bill would instead require a city or city and county that receives an allocation of those funds in the 2008–09 fiscal year to agree to encumber the funds before July 1, 2010.*

*(5) Existing law requires the Department of Transportation, in consultation with transportation planning agencies, county transportation commissions, counties, and cities, to carry out long-term*

*state highway system planning. Existing law authorizes the department, to the extent that it does not jeopardize the delivery of projects in the adopted state transportation improvement program, to prepare a project studies report for capacity-increasing state highway projects. Existing law requires the department to review project studies reports performed by an entity other than the department. Existing law authorizes a local entity to request the department to prepare a project studies report for a capacity-increasing state highway project that is being proposed for inclusion in a future state transportation improvement program. If the department determines that it cannot complete the report in a timely fashion, existing law authorizes the requesting entity to prepare the report.*

*This bill would require the department to be reimbursed by a requesting entity for any work performed by the department when it reviews or prepares these project studies reports.*

*(6) This bill would make other related changes.*

~~(33)~~

*(7) 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 19, 2008.*

*This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on December 19, 2008, pursuant to the California Constitution.*

~~(34) This bill would declare that it is to take effect immediately as an urgency statute.~~

*Vote:  $\frac{2}{3}$ -majority. Appropriation: yes-no. Fiscal committee: yes. State-mandated local program: no.*

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

1 *SECTION 1. Section 8879.65 of the Government Code is*  
2 *amended to read:*

3 8879.65. (a) Funds appropriated from the Local Street and  
4 Road Improvement, Congestion Relief, and Traffic Safety Account  
5 of 2006, established by subdivision (l) of Section 8879.23, shall  
6 be made available to the Controller for allocation to cities, counties,  
7 and a city and county. From bond funds appropriated in the  
8 2007–08 fiscal year for cities, including a city and county, each

1 city, and city and county, shall receive at least a minimum  
2 allocation of four hundred thousand dollars (\$400,000), as  
3 described in subparagraph (B) of paragraph (1) of subdivision (I)  
4 of Section 8879.23. The remainder of the funds appropriated for  
5 cities, including a city and county, shall be allocated in the  
6 proportion described in subparagraph (B) of paragraph (1) of  
7 subdivision (I) of Section 8879.23. In no case shall a city, or a city  
8 and county, receive an allocation in excess of its total share, as  
9 described in subdivision (I) of Section 8879.23, except as described  
10 in subdivision (d).

11 (b) Prior to receiving an allocation of funds from the Controller  
12 in a fiscal year, an eligible local agency shall submit to the  
13 Department of Finance a list of projects expected to be funded  
14 with bond funds pursuant to an adopted city, county, or city and  
15 county budget. All projects proposed to be funded with funds from  
16 the account shall be included in a city, county, or city and county  
17 budget that is adopted by the applicable city council or board of  
18 supervisors at a regular public meeting. The list of projects  
19 expected to be funded with bond funds shall include a description  
20 and the location of the proposed project, a proposed schedule for  
21 the project's completion, and the estimated useful life of the  
22 improvement. The project list shall not limit the flexibility of an  
23 eligible local agency to fund projects in accordance with local  
24 needs and priorities so long as the projects are consistent with  
25 subparagraph (B) of paragraph (1) of subdivision (I) of Section  
26 8879.23.

27 (1) The Department of Finance shall report monthly to the  
28 Controller the eligible local agencies that have submitted a list of  
29 projects as described in this subdivision.

30 (2) Upon receipt of the information described in paragraph (1),  
31 the Controller shall allocate funds to those agencies that have  
32 submitted a list of projects, as reported by the Department of  
33 Finance.

34 (c) Each fiscal year upon expending funds from the account, a  
35 city, county, or city and county shall submit documentation to the  
36 Department of Finance which includes a description and location  
37 of each completed project, the amount of funds expended on the  
38 project, the completion date, and the project's estimated useful  
39 life. The documentation shall be forwarded to the department, in  
40 a manner and form approved by the department, at the end of each

1 fiscal year until the funds in the account are exhausted. The  
2 department may post the information contained in the  
3 documentation on the department’s official Web site.

4 (d) A city, county, or city and county receiving funds pursuant  
5 to this section shall have three fiscal years to expend the funds  
6 following the fiscal year in which the allocation was made by the  
7 Controller, and any funds not expended within that period shall  
8 be returned to the Controller and be reallocated to other cities,  
9 counties, or a city and county, as applicable, pursuant to the  
10 allocation formulas set forth in subparagraph (A) or (B) of  
11 paragraph (1) of subdivision (l) of Section 8879.23, but excluding  
12 the requirement for a minimum city allocation as described in  
13 subparagraph (B) of paragraph (1) of that subdivision and section.

14 (e) Subject to the requirements and conditions of this section,  
15 it is the intent of the Legislature to appropriate funds from the  
16 account so that the Controller may allocate the balance of these  
17 funds to eligible local agencies over the next four years, following  
18 the 2007–08 fiscal year. Nothing in this section shall prevent the  
19 Legislature from appropriating funds on a more expedited basis  
20 based on local agency need.

21 (f) The sum of three hundred fifty million dollars (\$350,000,000)  
22 is hereby appropriated from funds in the Local Street and Road  
23 Improvement, Congestion Relief, and Traffic Safety Account of  
24 2006 created pursuant to subdivision (l) of Section 8879.23, for  
25 allocation pursuant to this article, as an augmentation to the amount  
26 appropriated in Item 9350-104-6065 of the Budget Act of 2007.  
27 The total 2007–08 fiscal year appropriation of nine hundred fifty  
28 million dollars (\$950,000,000) shall be allocated as follows: four  
29 hundred million dollars (\$400,000,000) to counties and five  
30 hundred fifty million dollars (\$550,000,000) to cities.

31 (g) *Notwithstanding the provisions of Item 9350-104-6065 of*  
32 *the Budget Act of 2008, a city or city and county that receives any*  
33 *portion of the funds appropriated by that item shall agree to*  
34 *encumber the funds before July 1, 2010.*

35 SEC. 2. Section 16965 of the Government Code is amended to  
36 read:

37 16965. (a) The Transportation Debt Service Fund is hereby  
38 created in the State Treasury. Moneys in the fund shall, among  
39 other things, as provided in this section, be dedicated to payment  
40 of debt service on bonds including bonds issued pursuant to the

1 Clean Air and Transportation Improvement Act of 1990 (Part 11.5  
2 (commencing with Section 99600) of Division 10 of the Public  
3 Utilities Code), the Passenger Rail and Clean Air Bond Act of  
4 1990 (Chapter 17 (commencing with Section 2701) of Division 3  
5 of the Streets and Highways Code), and the Seismic Retrofit Bond  
6 Act of 1996 (Chapter 12.48 (commencing with Section 8879) of  
7 Division 1 of Title 2). If the moneys in the fund are insufficient to  
8 pay the balance of the debt consistent with existing obligations,  
9 the General Fund will be used to pay the balance of any debt  
10 service.

11 (b) (1) From moneys transferred to the fund pursuant to  
12 subdivision (b) of Section 7103 of the Revenue and Taxation Code,  
13 the Director of Finance is hereby authorized to reimburse the  
14 General Fund for up to three hundred thirty-nine million two  
15 hundred eighty-nine thousand three hundred forty-five dollars  
16 (\$339,289,345) for the purpose of offsetting the cost of debt service  
17 payments made from the General Fund during the 2007–08 fiscal  
18 year for public transportation-related general obligation bond  
19 expenditures in the following amounts:

20 (A) Clean Air and Transportation Improvement Act of 1990,  
21 one hundred twenty-three million nine hundred seventy-three  
22 thousand four hundred ninety-three dollars (\$123,973,493).

23 (B) Passenger Rail and Clean Air Bond Act of 1990, seventy  
24 million nine hundred eighty-three thousand three hundred  
25 sixty-three dollars (\$70,983,363).

26 (C) Seismic Retrofit Bond Act of 1996, one hundred forty-four  
27 million three hundred thirty-two thousand four hundred eighty-nine  
28 dollars (\$144,332,489).

29 (2) From moneys transferred to the fund pursuant to subdivision  
30 (b) of Section 7103 of the Revenue and Taxation Code, the Director  
31 of Finance is hereby authorized to reimburse the General Fund in  
32 the 2007–08 fiscal year for two hundred million dollars  
33 (\$200,000,000) for the purpose of offsetting the cost of debt service  
34 payments made in prior fiscal years from the General Fund for  
35 public transportation-related general obligation bond expenditures.

36 (c) From moneys transferred to the fund pursuant to ~~subdivision~~  
37 *subdivisions (c) and (d)* of Section 7103 of the Revenue and  
38 Taxation Code, the Director of Finance is hereby authorized to  
39 reimburse the General Fund any amount necessary to offset the  
40 cost of debt service payments made from the General Fund during

1 any fiscal year for transportation-related general obligation bond  
2 expenditures.

3 (d) From moneys transferred to the fund pursuant to an annual  
4 Budget Act or other statute from the State Highway Account in  
5 the State Transportation Fund; *or the Highway Users Tax Account*  
6 *in the Transportation Tax Fund*, the Director of Finance is hereby  
7 authorized to reimburse the General Fund any amount necessary  
8 to offset the cost of debt service payments made from the General  
9 Fund during any fiscal year for transportation-related general  
10 obligation bond expenditures consistent with Article XIX of the  
11 California Constitution.

12 *SEC. 3. Section 65086.5 of the Government Code is amended*  
13 *to read:*

14 65086.5. (a) To the extent that the work does not jeopardize  
15 the delivery of the projects in the adopted state transportation  
16 improvement program, the Department of Transportation may  
17 prepare a project studies report for capacity-increasing state  
18 highway projects that are not included in the state transportation  
19 improvement program. Preparation of the project studies report  
20 shall be limited by the resources available to the department for  
21 that work, supplemented, as appropriate, by regional or local  
22 resources. The project studies report shall include the  
23 project-related factors of limits, description, scope, costs, and the  
24 amount of time needed for initiating construction.

25 ~~(b) Whenever project studies reports are performed by an entity~~  
26 ~~other than the Department of Transportation, the department shall~~  
27 ~~review and approve the report.~~

28 (e)

29 (b) The Department of Transportation may be requested to  
30 prepare a project studies report for a capacity-increasing state  
31 highway project ~~which~~ *that* is being proposed for inclusion in a  
32 future state transportation improvement program. The department  
33 shall have 30 days to determine whether it can complete the  
34 requested report in a timely fashion. If the department determines  
35 that it cannot complete the report in a timely fashion, the requesting  
36 entity may prepare the report. *Whenever project studies reports*  
37 *are performed by an entity other than the department, the*  
38 *department shall review and approve the report.* Upon submission  
39 of a project studies report to the department by the entity, the  
40 department shall complete its review and provide its comments to

1 that entity within 60 days from the date of submission. The  
 2 department shall complete its review and final determination of a  
 3 report which has been revised to address the department's  
 4 comments within 30 days following submission of the revised  
 5 report. *The department shall be reimbursed by the requesting entity*  
 6 *for the work performed pursuant to this subdivision.*

7 (d)

8 (c) The Department of Transportation, in consultation with  
 9 representatives of cities, counties, and regional transportation  
 10 planning agencies, shall prepare draft guidelines for the preparation  
 11 of project studies reports by all entities. The guidelines shall  
 12 address the development of reliable cost estimates. The department  
 13 shall submit the draft guidelines to the California Transportation  
 14 Commission not later than July 1, 1991. The commission shall  
 15 adopt the final guidelines not later than October 1, 1991. Guidelines  
 16 adopted by the commission shall apply only to project studies  
 17 reports commenced after October 1, 1991.

18 *SEC. 4. Section 21683.3 is added to the Public Utilities Code,*  
 19 *to read:*

20 *21683.3. (a) Notwithstanding any other provision of this*  
 21 *article, the grant or funding programs described in Sections 21682,*  
 22 *21683, and 21683.1 are suspended for the 2009–10 fiscal year.*

23 *(b) Upon the order of the Director of Finance, the Controller*  
 24 *shall transfer four million dollars (\$4,000,000) from the*  
 25 *Aeronautics Account to the General Fund.*

26 *(c) This section shall remain in effect only until January 1, 2011,*  
 27 *and as of that date is repealed, unless a later enacted statute, that*  
 28 *is enacted before January 1, 2011, deletes or extends that date.*

29 *SEC. 5. Section 99312 of the Public Utilities Code is amended*  
 30 *to read:*

31 *99312. ~~The~~ Except as provided in Sections 99311 and 99311.5,*  
 32 *the funds transferred to in the account pursuant to Section 7102*  
 33 *of the Revenue and Taxation Code shall be made available for the*  
 34 *following purposes:*

35 (a) Fifty percent for purposes of Section 99315.

36 (b) To the Controller, 25 percent for allocation to transportation  
 37 planning agencies, county transportation commissions, and the  
 38 San Diego Metropolitan Transit Development Board pursuant to  
 39 Section 99314.

1 (c) To the Controller, 25 percent for allocation to transportation  
2 agencies, county transportation commissions, and the San Diego  
3 Metropolitan Transit Development Board for purposes of Section  
4 99313.

5 (d) For the 2007–08 fiscal year, notwithstanding any other  
6 provision of this section, or any other provision of law, the  
7 allocations made pursuant to this section shall be adjusted as  
8 follows:

9 (1) From the funds transferred to the account pursuant to  
10 paragraph (1) of subdivision (a) of Section 7102 of the Revenue  
11 and Taxation Code, fifty million dollars (\$50,000,000) is hereby  
12 appropriated to the Controller and shall be allocated pursuant to  
13 subdivision (b); fifty million dollars (\$50,000,000) is hereby  
14 appropriated to the Controller and shall be allocated pursuant to  
15 subdivision (c); and the remainder of revenue shall remain in the  
16 Public Transportation Account to fund other state public  
17 transportation priorities. The Controller shall make these allocations  
18 in four equal quarterly amounts of twelve million five hundred  
19 thousand dollars (\$12,500,000), as achievable by the receipt of the  
20 specified revenue.

21 (2) The amount appropriated in Item 2640-101-0046 of the  
22 Budget Act of 2006 for state transit assistance pursuant to  
23 subdivision (b) and (c) was greater than the amount of revenues  
24 received to support state transit assistance pursuant to Section 7102  
25 of the Revenue and Taxation Code. Therefore, notwithstanding  
26 any other provision of law, the amount that would have otherwise  
27 been available for appropriation to state transit assistance in the  
28 2007–08 fiscal year pursuant to paragraphs (2) and (3) of  
29 subdivision (a) of Section 7102 of the Revenue and Taxation Code,  
30 shall be reduced by the excess amount that was appropriated to  
31 state transit assistance in the Budget Act of 2006, and that excess  
32 amount, as determined by the Department of Finance, shall instead  
33 remain in the Public Transportation Account to fund other state  
34 public transportation priorities. The funding for state transit  
35 assistance as described in this paragraph is hereby appropriated to  
36 the Controller for allocation. The Controller shall attempt to spread  
37 this adjustment equally over four quarterly payments, as achievable  
38 by revenue estimates.

39 (e) For the 2008–09 fiscal year and thereafter, notwithstanding  
40 any other provision of this section or any other provision of law,

1 and except as provided in subdivision (f), the funds transferred to  
 2 the account pursuant to paragraph (1) of subdivision (a) of Section  
 3 7102 of the Revenue and Taxation Code shall be made available  
 4 for the following purposes:

5 (1) For purposes of Section 99315, 33.34 percent, subject to  
 6 appropriation by the Legislature.

7 (2) To the Controller, 33.33 percent for allocation to  
 8 transportation planning agencies, county transportation  
 9 commissions, and the San Diego Metropolitan Transit Development  
 10 Board pursuant to Section 99314. These funds are hereby  
 11 continuously appropriated for purposes of this paragraph.

12 (3) To the Controller, 33.33 percent for the allocation to  
 13 transportation agencies, county transportation commissions, and  
 14 the San Diego Metropolitan Transit Development Board for  
 15 purposes of Section 99313. These funds are hereby continuously  
 16 appropriated for purposes of this paragraph.

17 (f) For the 2009–10 to 2012–13 fiscal years, inclusive,  
 18 notwithstanding any other provision of this section or any other  
 19 provision of law, the funds ~~transferred to~~ *in* the account ~~pursuant~~  
 20 ~~to Section 7102 of the Revenue and Taxation Code~~ *subject to this*  
 21 *section* shall be made available only for purposes of Section 99315,  
 22 subject to appropriation by the Legislature.

23 *SEC. 6. Section 99315 of the Public Utilities Code is amended*  
 24 *to read:*

25 99315. Funds made available pursuant to subdivision (a) of  
 26 Section 99312, shall be available for all of the following purposes:

27 (a) To the department for bus and passenger rail services  
 28 pursuant to Sections 14035, 14035.5, and 14038 of the Government  
 29 Code.

30 (b) To the department for funding of public transit capital  
 31 improvement projects in the state transportation improvement  
 32 program, pursuant to Section 14529 of the Government Code.

33 (c) To the department for its planning activities not payable  
 34 from the State Highway Account in the State Transportation Fund,  
 35 its mass transportation responsibilities, and its assistance in regional  
 36 transportation planning.

37 (d) To the department for allocation by the director to the  
 38 Institute of Transportation Studies of the University of California  
 39 for training and research in public transportation systems

1 engineering and management and coordination with other  
2 transportation modes.

3 (e) To the commission for its activities not payable from the  
4 State Highway Account.

5 (f) To the Public Utilities Commission for its passenger rail  
6 safety responsibilities specified in statute on commuter rail,  
7 intercity rail, and urban rail transit lines.

8 (g) To the State Department of Developmental Services for  
9 funding of regional center transportation.

10 (h) To the Department of Education for funding of  
11 home-to-school transportation, pursuant to Article 10 (commencing  
12 with Section 41850) of Chapter 5 of, and Small School District  
13 Transportation, pursuant to Article 4.5 (commencing with Section  
14 42290) of Chapter 7 of, Part 24 of Division 3 of Title 2 of the  
15 Education Code. *For the 2009–10 fiscal year, the Director of*  
16 *Finance is authorized to reimburse up to one hundred one million*  
17 *eight hundred twenty-six thousand dollars (\$101,826,000) in*  
18 *General Fund expenditures for home-to-school transportation.*

19 (i) *To reimburse the General Fund for current debt service*  
20 *payments on transit-related general obligation bonds. For the*  
21 *2009–10 fiscal year, the Director of Finance is authorized to*  
22 *reimburse up to two hundred twenty-five million forty-four*  
23 *thousand dollars (\$225,044,000) in General Fund expenditures*  
24 *for this purpose.*

25 *SEC. 7. Section 7103 of the Revenue and Taxation Code is*  
26 *amended to read:*

27 7103. (a) The Mass Transportation Fund is hereby created in  
28 the State Treasury. Upon appropriation by the Legislature, moneys  
29 in the Mass Transportation Fund may be used for, but shall not  
30 necessarily be limited to, the following transportation purposes:

31 (1) Payment of debt service on transportation bonds, or  
32 reimbursement to the General Fund for past debt service payments  
33 on transportation bonds.

34 (2) Funding of the Department of Developmental Services for  
35 regional center transportation.

36 (3) Reimbursement to the General Fund for payments made by  
37 the General Fund pursuant to subdivision (f) of Section 1 of Article  
38 XIX B of the California Constitution.

39 (4) Funding of home-to-school transportation, pursuant to Article  
40 10 (commencing with Section 41850) of Chapter 5 of Part 24 of

1 the Education Code, and Small School District Transportation,  
2 pursuant to Article 4.5 (commencing with Section 42290) of  
3 Chapter 7 of Part 24 of the Education Code.

4 (b) From moneys transferred to the fund pursuant to  
5 subparagraph (G) of paragraph (1) of subdivision (a) of Section  
6 7102 in the 2007–08 fiscal year, the sum of five hundred thirty-nine  
7 million two hundred eighty-nine thousand three hundred forty-eight  
8 dollars (\$539,289,348) shall be transferred to the Transportation  
9 Debt Service Fund, and the sum of eighty-two million six hundred  
10 seventy-eight thousand dollars (\$82,678,000) may be reimbursed  
11 by the Director of Finance in the 2007–08 fiscal year for the  
12 purpose of offsetting payments made by the General Fund pursuant  
13 to subdivision (f) of Section 1 of Article XIX B of the California  
14 Constitution.

15 (c) From moneys transferred to the fund pursuant to  
16 subparagraph (H) of paragraph (1) of subdivision (a) of Section  
17 7102 in the 2008–09 fiscal year, the sum of eighty-two million six  
18 hundred seventy-eight thousand dollars (\$82,678,000) may be  
19 reimbursed by the Director of Finance for the purpose of offsetting  
20 payments made by the General Fund pursuant to subdivision (f)  
21 of Section 1 of Article XIX B of the California Constitution, and  
22 the Director of Finance may transfer any funds remaining in the  
23 fund after this reimbursement of the General Fund to the  
24 Transportation Debt Service Fund.

25 (d) *From moneys transferred to the fund pursuant to*  
26 *subparagraph (I) of paragraph (1) of subdivision (a) of Section*  
27 *7102, the Director of Finance may transfer to the Transportation*  
28 *Debt Service Fund any amount necessary to offset the cost of debt*  
29 *service payments made from the General Fund during any fiscal*  
30 *year for transportation-related general obligation bond*  
31 *expenditures.*

32 *SEC. 8. Section 2102 of the Streets and Highways Code is*  
33 *amended to read:*

34 2102. Net revenue derived from a tax means the amount of  
35 revenue derived from a tax that is deposited into the Highway  
36 Users Tax Account in the Transportation Tax Fund, *less*  
37 *expenditures made from that account by the Controller for the*  
38 *purposes of administering the account.*

39 *SEC. 9. Section 2103 of the Streets and Highways Code is*  
40 *amended to read:*

1 2103. (a) At least 90 percent of the balance deposited to the  
2 credit of the Highway Users Tax Account in the Transportation  
3 Tax Fund by the 28th day of each month shall be apportioned by  
4 the State Controller by the second working day thereafter, except  
5 for June, in which case the apportionment shall be made the same  
6 day. These apportionments shall be made as provided for in  
7 Sections 2104 to 2122, inclusive. If information is not available  
8 to make the apportionment as required, the apportionment shall  
9 be made on the basis of the information of the previous month.  
10 Amounts not apportioned shall be included in the apportionment  
11 of the subsequent month.

12 (b) *Notwithstanding anything in subdivision (a) or this chapter*  
13 *to the contrary, for the 2009–10 and 2010–11 fiscal years, the net*  
14 *revenue in the Highway Users Tax Account in the Transportation*  
15 *Tax Fund shall be apportioned by the Controller as follows:*

16 (1) *Sixty-five percent of net revenues shall be transferred to the*  
17 *State Highway Account in the State Transportation Fund for*  
18 *expenditure in accordance with Section 163.*

19 (2) *Twenty-five percent of net revenues shall be transferred to*  
20 *the Transportation Debt Service Fund for purpose of payment of*  
21 *principal and interest on voter-approved bonds, consistent with*  
22 *Section 5 of Article XIX of the California Constitution, subject to*  
23 *appropriation by the Legislature.*

24 (3) *For the 2009–10 fiscal year only, an amount equal to 25*  
25 *percent of the revenues received by the Department of Motor*  
26 *Vehicles from vehicle weight fees pursuant to Section 9400 of the*  
27 *Vehicle Code and deposited in the State Highway Account pursuant*  
28 *to Section 42205 of the Vehicle Code shall be transferred from net*  
29 *revenue in the Highway Users Tax Account to the Transportation*  
30 *Debt Service Fund for the purpose of payment of principal and*  
31 *interest on voter-approved bonds, consistent with Section 5 of*  
32 *Article XIX of the California Constitution, subject to appropriation*  
33 *by the Legislature.*

34 (4) *The sum of six hundred thousand dollars (\$600,000) per*  
35 *month shall be transferred to the Bicycle Transportation Account*  
36 *in the State Transportation Fund.*

37 (5) *The sum appropriated by the Legislature in the annual*  
38 *Budget Act pursuant to Section 2107.7 shall be transferred to the*  
39 *State Parks and Recreation Fund.*

1 (6) *The money remaining after the transfers in paragraphs (1)*  
 2 *to (5), inclusive, shall be apportioned, as follows:*

3 (A) *Fifty and eight-tenths percent of the funds available shall*  
 4 *be apportioned among the counties, as follows:*

5 (i) *Seventy-five percent of the funds payable under this*  
 6 *subparagraph shall be apportioned among the counties monthly*  
 7 *in the respective proportions that the number of fee-paid and*  
 8 *exempt vehicles that are registered in each county bears to the*  
 9 *total number of fee-paid and exempt vehicles registered in the*  
 10 *state. In that regard, the Department of Motor Vehicles shall, as*  
 11 *soon as possible after the last day of each calendar month, furnish*  
 12 *to the Controller a verified statement showing the number of*  
 13 *fee-paid and exempt vehicles that are registered in each county*  
 14 *and in the state as of the last day of the calendar month as reflected*  
 15 *by the records of the Department of Motor Vehicles.*

16 (ii) *Twenty-five percent of the funds payable under this*  
 17 *subparagraph shall be apportioned among the counties monthly*  
 18 *in the respective proportions that the number of miles of maintained*  
 19 *county roads in each county bears to the total number of miles of*  
 20 *maintained county roads in the state.*

21 (B) *Forty-nine and two-tenths percent of the funds available*  
 22 *shall be apportioned among the cities, including a city and county,*  
 23 *in the respective proportions that the total population of the city*  
 24 *bears to the total population of all of the cities in the state.*

25 (c) *All other provisions of this chapter, to the extent not*  
 26 *inconsistent with subdivision (b), shall continue to apply for the*  
 27 *2009–10 and 2010–11 fiscal years.*

28 *SEC. 10. Section 2104.1 of the Streets and Highways Code is*  
 29 *amended to read:*

30 2104.1. *The Controller shall deduct annually, from the amount*  
 31 *apportioned pursuant to Section 2104 or subparagraph (A) of*  
 32 *paragraph (6) of subdivision (b) of Section 2103, as applicable,*  
 33 *the amount identified as applicable to counties in the report*  
 34 *submitted in the preceding fiscal year pursuant to Section 191, and*  
 35 *shall transfer the amount to the State Highway Account.*

36 *SEC. 11. Section 2106.3 of the Streets and Highways Code is*  
 37 *amended to read:*

38 2106.3. *If Los Angeles County elects to allocate any portion*  
 39 *of the revenues it receives pursuant to ~~Section 2104 or 2106~~ this*  
 40 *chapter to the cities within the county under any program in which*

1 those revenues are allocated to at least 70 percent of the cities, it  
2 shall make allocations to each city within the county based on the  
3 two following equally weighted factors:

4 (1) The population of the city to the total population of all the  
5 cities in the county.

6 (2) The city street mileage to the total street mileage of all the  
7 cities in the county, as determined from the county master plan.

8 *SEC. 12. Section 2106.4 of the Streets and Highways Code is*  
9 *amended to read:*

10 2106.4. From funds apportioned to the County of Los Angeles  
11 pursuant to ~~Sections 2104, 2105, and 2106 this chapter~~, or from  
12 other transportation funds available to the county, or from any  
13 combination of those funds, as determined by the county, the  
14 county shall, beginning in the 1996–97 fiscal year, commence the  
15 annual transfer to the Los Angeles County Metropolitan  
16 Transportation Authority of funds in an amount calculated to  
17 amortize, in equal annual installments over a 5-year period, the  
18 amount by which fiscal realignment revenues deposited in the  
19 county general fund exceed fifty million dollars (\$50,000,000).  
20 The highest priority for the use of the remaining funds apportioned  
21 to the county pursuant to this chapter shall be for safety and for  
22 maintenance of county facilities in urban areas with the highest  
23 backlog of maintenance and rehabilitation needs.

24 *SEC. 13. Section 2107.1 of the Streets and Highways Code is*  
25 *amended to read:*

26 2107.1. Any city or city and county may apply to the United  
27 States Bureau of Census to determine its population. Upon receipt  
28 from the bureau of its determination of population, the city or city  
29 and county may, at its option, file a certified copy of the  
30 determination with the Controller.

31 All apportionments *and payments to a city or city and county*  
32 *made under Section 2107 this chapter and all payments* under  
33 Section 11005 of the Revenue and Taxation Code ~~for any~~  
34 ~~apportionment made~~ beginning with the month following the filing  
35 of the determination shall be based upon the population so  
36 determined until such time as a subsequent determination is made  
37 by the bureau and a certified copy is filed by the city or city and  
38 county with the Controller or a certified copy of a subsequent  
39 estimate or census result validated by the Department of Finance  
40 is filed with the Controller as provided in Section 2107.2. For the

1 purposes of this section, a written or telegraphic certification from  
2 the Director of the Census to the Controller of the determination  
3 of population may be accepted by the Controller in lieu of the  
4 filing by the city or city and county of the certified copy of the  
5 determination.

6 The cost of any determination by the United States Bureau of  
7 Census or by the Department of Finance is a proper charge against  
8 the city or city and county applying therefor and shall be paid by  
9 it to the bureau or to the department.

10 This section does not apply to counties.

11 *SEC. 14. Section 2107.2 of the Streets and Highways Code is*  
12 *amended to read:*

13 2107.2. Any city or city and county may apply to the population  
14 research unit of the Department of Finance to estimate its  
15 population or the population of any inhabited territory annexed to  
16 the city subsequent to the last federal or state census validated by  
17 the population research unit of the Department of Finance. The  
18 department may make the estimate if in the opinion of the  
19 department there is available adequate information upon which to  
20 base the estimate. The department may develop or contract for the  
21 development of additional information if, in the opinion of the  
22 department, additional information may make an estimate feasible.  
23 Not less than 25 days nor more than 30 days after the completion  
24 of the estimate, the Department of Finance shall file a certified  
25 copy thereof with the Controller if the estimate is greater than the  
26 current certified population.

27 All apportionments *and payments to a city or city and county*  
28 ~~under Section 2107 this chapter and all payments under Section~~  
29 ~~11005 of the Revenue and Taxation Code for any apportionment~~  
30 made beginning with the month following the filing of the estimate  
31 shall be based upon the population so estimated until a subsequent  
32 estimate is made by the department and a certified copy is filed  
33 with the Controller or a subsequent determination is made by the  
34 United States Bureau of the Census and a certified copy is filed  
35 by the city or city and county with the Controller as provided in  
36 Section 2107.1.

37 The Department of Finance may assess a reasonable charge, not  
38 to exceed the actual cost thereof, for the preparation of population  
39 estimates pursuant to this section, which is a proper charge against  
40 the city or city and county applying therefor. The amount received

1 shall be deposited in the State Treasury as a reimbursement to be  
 2 credited to the appropriation from which the expenditure is made.  
 3 No more than one estimate of its total population shall be filed  
 4 each fiscal year for each city or city and county.

5 As of May 1, 1988, any population estimate prepared by the  
 6 Department of Finance pursuant to Section 2227 of the Revenue  
 7 and Taxation Code may be used for all purposes of this section  
 8 unless a written request not to certify is received by the department  
 9 from the city or city and county within 25 days of completion of  
 10 the estimate.

11 *SEC. 15. Section 2107.3 of the Streets and Highways Code is*  
 12 *amended to read:*

13 2107.3. The incorporation of a new city, or any annexation or  
 14 exclusion of territory to or from an existing city, shall be considered  
 15 for the purpose of apportionment of funds *to cities and cities and*  
 16 *counties* pursuant to ~~Section 2107 this chapter~~. The revenue shall  
 17 be apportioned among the cities *and cities and counties* monthly  
 18 as revenues are received in the Highway Users Tax ~~Fund~~ *Account*.  
 19 Any newly incorporated city or any increase in population due to  
 20 annexation shall be included in the monthly apportionment  
 21 following such incorporation or annexation.

22 In the event of the disincorporation of a city, or in the event the  
 23 incorporation of a city is adjudged invalid, any funds apportioned  
 24 pursuant to ~~Section 2107 this chapter~~ to ~~such that~~ city, but ~~which~~  
 25 *that* are unexpended, shall revert to the Highway Users Tax ~~Fund~~  
 26 *Account* and shall be reapportioned to all other cities and cities  
 27 and counties pursuant to ~~Section 2107 this chapter~~.

28 The Controller shall not be required to reapportion funds  
 29 previously apportioned for expenditure in the different cities of  
 30 the state by reason of any subsequent incorporation, invalidation  
 31 of incorporation, annexation or exclusion of territory.

32 *SEC. 16. Section 2107.6 of the Streets and Highways Code is*  
 33 *amended to read:*

34 2107.6. The Controller shall deduct annually, from the amount  
 35 apportioned pursuant to Section 2107 *or subparagraph (B) of*  
 36 *paragraph (6) of subdivision (b) of Section 2103, as applicable,*  
 37 the amount identified as applicable to cities in the report submitted  
 38 in the preceding fiscal year pursuant to Section 191, and shall  
 39 transfer the amount to the State Highway Account.

1     *SEC. 17. Section 2109 of the Streets and Highways Code is*  
2     *amended to read:*

3     2109. State highways shall be maintained, constructed, and  
4     improved out of the moneys received in the State Highway Account  
5     under ~~Section 2108~~ *this chapter*. Notwithstanding Section 81, the  
6     department is not required to maintain any route, or portion of a  
7     route, added after January 1, 1947, until it has been laid out and  
8     constructed as a state highway.

9     *SEC. 18. Section 2111 of the Streets and Highways Code is*  
10    *amended to read:*

11    2111. Apportionments from the Highway Users Tax ~~Fund~~  
12    *Account under this chapter* shall not be made to any incorporated  
13    city the streets of which are not public streets or which has not  
14    held an election of municipal officers within a period of 10 years  
15    preceding the date of such apportionment. Apportionments  
16    heretofore accumulated for expenditure within any such city shall  
17    be reapportioned to all other cities and cities and counties in the  
18    manner provided by ~~Sections 2106 and 2107~~, *respectively this*  
19    *chapter.*

20    *SEC. 19. Section 2112 of the Streets and Highways Code is*  
21    *amended to read:*

22    2112. No money apportioned from the Highway Users Tax  
23    ~~Fund as provided in Section 2106 or 2107~~ *Account to cities or*  
24    *counties* shall be used for the construction or improvement of any  
25    highway or street if the contract for such construction or  
26    improvement specifies the use of any patented or proprietary  
27    paving material, unless the contract has been awarded to the lowest  
28    responsible bidder therefor after alternate bids have been called  
29    for and opportunity afforded for bids to be submitted for  
30    nonpatented or nonproprietary paving material in competition with  
31    an equal thickness and like design of such patented or proprietary  
32    paving material. This section shall not be deemed nor construed  
33    to prohibit the use of any patented or proprietary paving material  
34    in the maintenance of any highway or street when such highway  
35    or street was constructed of such material and, in the opinion of  
36    the body, board or officer ordering such maintenance, it would be  
37    impractical to use a different paving material for such maintenance.

38    *SEC. 20. Section 2113 of the Streets and Highways Code is*  
39    *amended to read:*

1 2113. No apportionment of money from the Highway Users  
 2 Tax Fund as provided in Section 2106 or 2107 Account shall be  
 3 made to a city unless the city has set up by ordinance a “special  
 4 gas tax street improvement fund.”

5 All apportionments of such moneys shall be deposited in the  
 6 “special gas tax street improvement fund.”

7 In making any expenditure a city shall follow the law governing  
 8 it in regard to the doing of the particular type of work in cases  
 9 which are not exclusively municipal affairs.

10 No state officer or employee shall be liable for anything done,  
 11 or omitted to be done, by any city in the performance of any work.

12 Interest received by a city from the investment of money in its  
 13 special gas tax street improvement fund shall be deposited in the  
 14 fund and shall be used for street purposes.

15 *SEC. 21. Section 2114 of the Streets and Highways Code is*  
 16 *amended to read:*

17 2114. Contracts for any construction and improvement projects  
 18 on city streets for which funds apportioned to cities from the  
 19 Highway Users Tax Fund as provided in Section 2106 or 2107  
 20 Account may be expended during any fiscal year may be awarded  
 21 on and after the first day of January preceding the beginning of  
 22 the fiscal year.

23 *SEC. 22. Section 2115 of the Streets and Highways Code is*  
 24 *amended to read:*

25 2115. To permit the accomplishment of major cooperative  
 26 street or highway projects in their entirety, the legislative body of  
 27 a county or city may authorize the Controller to accumulate moneys  
 28 accruing to the county or city over a period of time from the  
 29 Highway Users Tax Fund pursuant to Section 2106 or 2107  
 30 Account.

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

33 ~~1240.3. (a) For the purposes of Section 1240, for the 2008-09~~  
 34 ~~and 2009-10 fiscal years, sufficient textbooks or instructional~~  
 35 ~~materials include standards-aligned textbooks or instructional~~  
 36 ~~materials, or both, that were adopted prior to July 1, 2008, by the~~  
 37 ~~state board or local educational agency pursuant to statute, unless~~  
 38 ~~those local educational agencies purchased or arranged to purchase~~  
 39 ~~textbooks or instructional materials adopted by the state board~~  
 40 ~~after that date. It is the intent of the Legislature that each local~~

1 educational agency provide each pupil with the same state-adopted,  
 2 standards-aligned textbook or instructional material as is provided  
 3 to every other pupil enrolled in the same grade and same course  
 4 offered by the local educational agency.

5 (b) Notwithstanding Section 1240 or any other law, for the  
 6 2008–09 and 2009–10 fiscal years, a county superintendent of  
 7 schools, in making visits to schools as specified in Section 1240,  
 8 shall determine the status of sufficient textbooks as defined in  
 9 subdivision (a).

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

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

16 2558.46. (a) (1) For the 2003–04 fiscal year, the revenue limit  
 17 for each county superintendent of schools determined pursuant to  
 18 this article shall be reduced by a 1.195 percent deficit factor.

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

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

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

28 (5) For the 2008–09 fiscal year, the revenue limit for each county  
 29 superintendent of schools determined pursuant to this article shall  
 30 be reduced by a 7.839 percent deficit factor.

31 (6) For the 2009–10 fiscal year, the revenue limit for each county  
 32 superintendent of schools determined pursuant to this article shall  
 33 be reduced by a 13.360 percent deficit factor.

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

1 ~~(e) In computing the revenue limit for each county~~  
 2 ~~superintendent of schools for the 2010–11 fiscal year pursuant to~~  
 3 ~~this article, the revenue limit shall be determined as if the revenue~~  
 4 ~~limit for that county superintendent of schools had been determined~~  
 5 ~~for the 2009–10 fiscal year without being reduced by the deficit~~  
 6 ~~factors specified in subdivision (a).~~

7 SEC. 3.— Section 14041.5 of the Education Code is amended to  
 8 read:

9 14041.5. (a) Notwithstanding subdivision (a) of Section 14041,  
 10 commencing with the 2002–03 fiscal year, warrants for the  
 11 principal apportionments for the month of June instead shall be  
 12 drawn in July of the same calendar year pursuant to the certification  
 13 made pursuant to Section 41335.

14 (b) Except as provided in subdivisions (c) and (d), for purposes  
 15 of making the computations required by Section 8 of Article XVI  
 16 of the California Constitution, the warrants drawn pursuant to  
 17 subdivision (a) shall be deemed to be “General Fund revenues  
 18 appropriated to school districts,” as defined in subdivision (c) of  
 19 Section 41202 for the fiscal year in which the warrants are drawn  
 20 and included within the “total allocations to school districts and  
 21 community college districts from General Fund proceeds of taxes  
 22 appropriated pursuant to Article XIII B” as defined in subdivision  
 23 (c) of Section 41202, for the fiscal year in which the warrants are  
 24 drawn.

25 (c) For the 2003–04 school year, the amount of apportionments  
 26 for revenue limits computed pursuant to Section 42238 from any  
 27 of the apportionments made pursuant to Section 14041 that are  
 28 deemed “General Fund revenues appropriated for school districts,”  
 29 as defined in subdivision (c) of Section 41202 for the following  
 30 fiscal year and included within the “total allocations to school  
 31 districts and community college districts from General Fund  
 32 proceeds of taxes appropriated pursuant to Article XIII B” as  
 33 defined in subdivision (c) of Section 41202, for the 2004–05 fiscal  
 34 year shall be seven hundred twenty-six million two hundred  
 35 seventy thousand dollars (\$726,270,000). Any amount in excess  
 36 of seven hundred twenty-six million two hundred seventy thousand  
 37 dollars (\$726,270,000) that is apportioned in July of 2004 is  
 38 deemed “General Fund revenues appropriated for school districts,”  
 39 as defined in subdivision (c) of Section 41202 for the 2003–04  
 40 fiscal year and included within the “total allocations to school

1 ~~districts and community college districts from General Fund~~  
2 ~~proceeds of taxes appropriated pursuant to Article XIII B” as~~  
3 ~~defined in subdivision (e) of Section 41202, for the 2003–04 fiscal~~  
4 ~~year.~~

5 (d) ~~For the 2004–05 school year to the 2007–08 school year,~~  
6 ~~inclusive, the amount of apportionments for revenue limits~~  
7 ~~computed pursuant to Section 42238 from any of the~~  
8 ~~apportionments made pursuant to Section 14041 that are deemed~~  
9 ~~“General Fund revenues appropriated for school districts,” as~~  
10 ~~defined in subdivision (e) of Section 41202 for the following fiscal~~  
11 ~~year and included within the “total allocations to school districts~~  
12 ~~and community college districts from General Fund proceeds of~~  
13 ~~taxes appropriated pursuant to Article XIII B” as defined in~~  
14 ~~subdivision (e) of Section 41202, for the following fiscal year shall~~  
15 ~~be seven hundred fifteen million one hundred eighteen thousand~~  
16 ~~dollars (\$715,118,000). Any amount in excess of seven hundred~~  
17 ~~fifteen million one hundred eighteen thousand dollars~~  
18 ~~(\$715,118,000) that is apportioned in July of any year is deemed~~  
19 ~~“General Fund revenues appropriated for school districts,” as~~  
20 ~~defined in subdivision (e) of Section 41202 for the prior fiscal year~~  
21 ~~and included within the “total allocations to school districts and~~  
22 ~~community college districts from General Fund proceeds of taxes~~  
23 ~~appropriated pursuant to Article XIII B” as defined in subdivision~~  
24 ~~(e) of Section 41202, for the prior fiscal year.~~

25 (e) ~~For the 2008–09 school year, and each school year thereafter,~~  
26 ~~the amount of apportionments for revenue limits computed pursuant~~  
27 ~~to Section 42238 from any of the apportionments made pursuant~~  
28 ~~to Section 14041 that are deemed “General Fund revenues~~  
29 ~~appropriated for school districts,” as defined in subdivision (e) of~~  
30 ~~Section 41202 for the following fiscal year and included within~~  
31 ~~the “total allocations to school districts and community college~~  
32 ~~districts from General Fund proceeds of taxes appropriated pursuant~~  
33 ~~to Article XIII B” as defined in subdivision (e) of Section 41202,~~  
34 ~~for the following fiscal year shall be one billion one hundred one~~  
35 ~~million six hundred fifty-five thousand dollars (\$1,101,655,000).~~  
36 ~~Any amount in excess of one billion one hundred one million six~~  
37 ~~hundred fifty-five thousand dollars (\$1,101,655,000) that is~~  
38 ~~apportioned in July of any year is deemed “General Fund revenues~~  
39 ~~appropriated for school districts,” as defined in subdivision (e) of~~  
40 ~~Section 41202 for the prior fiscal year and included within the~~

1 “total allocations to school districts and community college districts  
2 from General Fund proceeds of taxes appropriated pursuant to  
3 Article XIII B” as defined in subdivision (c) of Section 41202, for  
4 the prior fiscal year.

5 SEC. 4. Section 14041.6 is added to the Education Code, to  
6 read:

7 14041.6. (a) Notwithstanding subdivision (a) of Section 14041,  
8 or any other law, commencing with the 2008–09 fiscal year,  
9 warrants for the principal apportionments for the month of February  
10 in the amount of two billion dollars (\$2,000,000,000) instead shall  
11 be drawn in July of the same calendar year pursuant to the  
12 certification made pursuant to Section 41339.

13 (b) Except as provided in subdivisions (c) and (e) of Section  
14 41202, for purposes of making the computations required by  
15 Section 8 of Article XVI of the California Constitution, the  
16 warrants drawn pursuant to subdivision (a) shall be deemed to be  
17 “General Fund revenues appropriated to school districts,” as  
18 defined in subdivision (c) of Section 41202, for the fiscal year in  
19 which the warrants are drawn and included within the “total  
20 allocations to school districts and community college districts from  
21 General Fund proceeds of taxes appropriated pursuant to Article  
22 XIII B,” as defined in subdivision (c) of Section 41202, for the  
23 fiscal year in which the warrants are drawn.

24 SEC. 5. Section 17070.766 is added to the Education Code, to  
25 read:

26 17070.766. Notwithstanding paragraph (2) of subdivision (b)  
27 of Section 17070.75, for the 2008–09, 2009–10, 2010–11, 2011–12,  
28 and 2012–13 fiscal years, the board shall require a school district  
29 to deposit into the account established pursuant to paragraph (1)  
30 of subdivision (b) of Section 17070.75 only an amount equal to 1  
31 percent of the total expenditures by a district from its general fund  
32 in the 2008–09, 2009–10, 2010–11, 2011–12, and 2012–13 fiscal  
33 years respectively. A school district may elect to deposit into the  
34 account an amount that is greater than the amount required by the  
35 board pursuant to this section.

36 SEC. 6. Section 17584.1 of the Education Code is amended to  
37 read:

38 17584.1. (a) The governing board of a school district shall  
39 discuss proposals and plans for expenditure of funds for the

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

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

7 ~~(c) This section shall become inoperative on July 1, 2013, and,~~  
 8 ~~as of January 1, 2014, is repealed, unless a later enacted statute,~~  
 9 ~~that becomes operative on or before January 1, 2014, deletes or~~  
 10 ~~extends the dates on which it becomes inoperative and is repealed.~~

11 ~~SEC. 7. Section 17584.1 is added to the Education Code, to~~  
 12 ~~read:~~

13 ~~17584.1. (a) The governing board of a school district shall~~  
 14 ~~discuss proposals and plans for expenditure of funds for the~~  
 15 ~~deferred maintenance of school district facilities at a regularly~~  
 16 ~~scheduled public hearing.~~

17 ~~(b) In any fiscal year that the school district does not set aside~~  
 18 ~~0.5 percent of its current-year revenue limit average daily~~  
 19 ~~attendance for deferred maintenance, the governing board of a~~  
 20 ~~school district shall submit a report to the Legislature by March 1~~  
 21 ~~of that year, with copies to the Superintendent, the state board, the~~  
 22 ~~Department of Finance, and the State Allocation Board.~~

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

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

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

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

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

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

8 ~~(f) This section shall become operative on July 1, 2013.~~

9 ~~SEC. 8. Section 17592.71 of the Education Code is amended~~  
10 ~~to read:~~

11 ~~17592.71. (a) There is hereby established in the State Treasury~~  
12 ~~the School Facilities Emergency Repair Account. The State~~  
13 ~~Allocation Board shall administer the account.~~

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

23 ~~(2) Notwithstanding paragraph (1), for the 2008-09 fiscal year,~~  
24 ~~the amount of money to be transferred from the Proposition 98~~  
25 ~~Reversion Account to the School Facilities Emergency Repair~~  
26 ~~Account pursuant to paragraph (1) shall not exceed one hundred~~  
27 ~~one million dollars (\$101,000,000).~~

28 ~~(3) Notwithstanding paragraph (1), for the 2009-10 fiscal year,~~  
29 ~~the amount of money to be transferred from the Proposition 98~~  
30 ~~Reversion Account to the School Facilities Emergency Repair~~  
31 ~~Account pursuant to paragraph (1) shall be zero.~~

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

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

1     ~~SEC. 9.— Section 17592.74 is added to the Education Code, to~~  
2     ~~read:~~

3     ~~17592.74.— Notwithstanding any other law, the funds provided~~  
4     ~~to school districts from the School Facilities Emergency Repair~~  
5     ~~Account pursuant to this article for the purpose of emergency repair~~  
6     ~~grants shall not be used to do either of the following:~~

7     ~~(a) Supplant funds provided to local educational agencies for~~  
8     ~~the deferred maintenance of school facilities pursuant to Sections~~  
9     ~~17584 and 17587.~~

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

12    ~~SEC. 10.— Section 41203.1 of the Education Code is amended~~  
13    ~~to read:~~

14    ~~41203.1.— (a) For the 1990–91 fiscal year and each fiscal year~~  
15    ~~thereafter, allocations calculated pursuant to Section 41203 shall~~  
16    ~~be distributed in accordance with calculations provided in this~~  
17    ~~section. Notwithstanding Section 41203, and for the purposes of~~  
18    ~~this section, school districts, community college districts, and direct~~  
19    ~~elementary and secondary level instructional services provided by~~  
20    ~~the State of California shall be regarded as separate segments of~~  
21    ~~public education, and each of these three segments of public~~  
22    ~~education shall be entitled to receive respective shares of the~~  
23    ~~amount calculated pursuant to Section 41203 as though the~~  
24    ~~calculation made pursuant to subdivision (b) of Section 8 of Article~~  
25    ~~XVI of the California Constitution were to be applied separately~~  
26    ~~to each segment and the base year for the purposes of this~~  
27    ~~calculation under paragraph (1) of subdivision (b) of Section 8 of~~  
28    ~~Article XVI of the California Constitution were based on the~~  
29    ~~1989–90 fiscal year. Calculations made pursuant to this subdivision~~  
30    ~~shall be made so that each segment of public education is entitled~~  
31    ~~to the greater of the amounts calculated for that segment pursuant~~  
32    ~~to paragraph (1) or (2) of subdivision (b) of Section 8 of Article~~  
33    ~~XVI of the California Constitution.~~

34    ~~(b) If the single calculation made pursuant to Section 41203~~  
35    ~~yields a guaranteed amount of funding that is less than the sum of~~  
36    ~~the amounts calculated pursuant to subdivision (a), the amount~~  
37    ~~calculated pursuant to Section 41203 shall be prorated for the three~~  
38    ~~segments of public education.~~

39    ~~(c) Notwithstanding any other law, this section does not apply~~  
40    ~~to the 1992–93 to 2009–10 fiscal years, inclusive.~~

1 SEC. 11.— Section 41207.3 is added to the Education Code, to  
2 read:

3 41207.3.— (a) If the Superintendent and the Director of Finance  
4 jointly determine that, for the 2008–09 fiscal year, the state has  
5 applied moneys for the support of school districts and community  
6 college districts in an amount that exceeds the minimum amount  
7 required for that fiscal year pursuant to Section 8 of Article XVI  
8 of the California Constitution, the excess, up to one billion one  
9 hundred million five hundred ninety thousand dollars  
10 (\$1,100,590,000), shall be deemed, as of June 30 of that fiscal  
11 year, a payment in satisfaction of the outstanding balance of the  
12 minimum funding obligation under that section for the 2002–03  
13 and 2003–04 fiscal years in accordance with the following:

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

17 (2) The next six hundred seventeen million five hundred  
18 seventy-four thousand dollars (\$617,574,000) in payment of the  
19 outstanding balance of the minimum funding obligation for the  
20 2003–04 fiscal year.

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

32 (c) The amounts allocated pursuant to this section shall be  
33 deemed, for purposes of Section 8 of Article XVI of the California  
34 Constitution, to be appropriations made and allocated in the fiscal  
35 year in which the deficiencies resulting in the outstanding balance  
36 were incurred. When the amount determined to be owed for each  
37 such fiscal year is fully allocated pursuant to this subdivision, the  
38 data used in the computations made under this section with regard  
39 to the total amount owed by the state for the support of school  
40 districts and community college districts pursuant to Section 8 of

1 Article XVI of the California Constitution for that fiscal year,  
 2 including as much of the maintenance factor for that fiscal year  
 3 determined pursuant to subdivision (d) of Section 8 of Article XVI  
 4 as has been allocated as required by subdivision (e) of Section 8  
 5 of Article XVI by virtue of the allocations made under this section,  
 6 shall be deemed certified for purposes of Section 41206.

7 (d) The amount described in subdivision (a) shall be deemed a  
 8 payment in full satisfaction of the amounts owed pursuant to  
 9 Section 41207.

10 SEC. 12. Section 42238 of the Education Code is amended to  
 11 read:

12 42238. (a) For the 1984–85 fiscal year and each fiscal year  
 13 thereafter, the county superintendent of schools shall determine a  
 14 revenue limit for each school district in the county pursuant to this  
 15 section.

16 (b) The base revenue limit for a fiscal year shall be determined  
 17 by adding to the base revenue limit for the prior fiscal year the  
 18 following amounts:

19 (1) The inflation adjustment specified in Section 42238.1.

20 (2) For the 1995–96 fiscal year, the equalization adjustment  
 21 specified in Section 42238.4.

22 (3) For the 1996–97 fiscal year, the equalization adjustments  
 23 specified in Sections 42238.41, 42238.42, and 42238.43.

24 (4) For the 1985–86 fiscal year, the amount received per unit  
 25 of average daily attendance in the 1984–85 fiscal year pursuant to  
 26 Section 42238.7.

27 (5) For the 1985–86, 1986–87, and 1987–88 fiscal years, the  
 28 amount per unit of average daily attendance received in the prior  
 29 fiscal year pursuant to Section 42238.8.

30 (6) For the 2004–05 fiscal year, the equalization adjustment  
 31 specified in Section 42238.44.

32 (7) For the 2006–07 fiscal year, the equalization adjustment  
 33 specified in Section 42238.48.

34 (8) For the 2011–12 fiscal year, the equalization adjustment  
 35 specified in Section 42238.49.

36 (e) Except for districts subject to subdivision (d), the base  
 37 revenue limit computed pursuant to subdivision (b) shall be  
 38 multiplied by the district average daily attendance computed  
 39 pursuant to Section 42238.5.

1 ~~(d) (1) For districts for which the number of units of average~~  
2 ~~daily attendance determined pursuant to Section 42238.5 is greater~~  
3 ~~for the current fiscal year than for the 1982-83 fiscal year, compute~~  
4 ~~the following amount, in lieu of the amount computed pursuant to~~  
5 ~~subdivision (c):~~

6 ~~(A) Multiply the base revenue limit computed pursuant to~~  
7 ~~subdivision (c) by the average daily attendance computed pursuant~~  
8 ~~to Section 42238.5 for the 1982-83 fiscal year.~~

9 ~~(B) Multiply the lesser of the amount in subdivision (c) or 1.05~~  
10 ~~times the statewide average base revenue limit per unit of average~~  
11 ~~daily attendance for districts of similar type for the current fiscal~~  
12 ~~year by the difference between the average daily attendance~~  
13 ~~computed pursuant to Section 42238.5 for the current and 1982-83~~  
14 ~~fiscal years.~~

15 ~~(C) Add the amounts in subparagraphs (A) and (B).~~

16 ~~(2) This subdivision shall become inoperative on July 1, 1998.~~

17 ~~(e) For districts electing to compute units of average daily~~  
18 ~~attendance pursuant to paragraph (2) of subdivision (a) of Section~~  
19 ~~42238.5, the amount computed pursuant to Article 4 (commencing~~  
20 ~~with Section 42280) shall be added to the amount computed in~~  
21 ~~subdivision (c) or (d), as appropriate.~~

22 ~~(f) For the 1984-85 fiscal year only, the county superintendent~~  
23 ~~shall reduce the total revenue limit computed in this section by the~~  
24 ~~amount of the decreased employer contributions to the Public~~  
25 ~~Employees' Retirement System resulting from enactment of~~  
26 ~~Chapter 330 of the Statutes of 1982, offset by any increase in those~~  
27 ~~contributions, as of the 1983-84 fiscal year, resulting from~~  
28 ~~subsequent changes in employer contribution rates.~~

29 ~~(g) The reduction required by subdivision (f) shall be calculated~~  
30 ~~as follows:~~

31 ~~(1) Determine the amount of employer contributions that would~~  
32 ~~have been made in the 1983-84 fiscal year if the applicable Public~~  
33 ~~Employees' Retirement System employer contribution rate in effect~~  
34 ~~immediately prior to the enactment of Chapter 330 of the Statutes~~  
35 ~~of 1982 was in effect during the 1983-84 fiscal year.~~

36 ~~(2) Subtract from the amount determined in paragraph (1) the~~  
37 ~~greater of subparagraph (A) or (B):~~

38 ~~(A) The amount of employer contributions that would have been~~  
39 ~~made in the 1983-84 fiscal year if the applicable Public~~  
40 ~~Employees' Retirement System employer contribution rate in effect~~

1 immediately after the enactment of Chapter 330 of the Statutes of  
2 1982 was in effect during the 1983–84 fiscal year.

3 ~~(B) The actual amount of employer contributions made to the  
4 Public Employees' Retirement System in the 1983–84 fiscal year.~~

5 ~~(3) For purposes of this subdivision, employer contributions to  
6 the Public Employees' Retirement System for either of the  
7 following shall be excluded from the calculation specified above:~~

8 ~~(A) Positions supported totally by federal funds that were subject  
9 to supplanting restrictions:~~

10 ~~(B) Positions supported, to the extent of employer contributions  
11 not exceeding twenty-five thousand dollars (\$25,000) by any single  
12 educational agency, from a revenue source determined on the basis  
13 of equity to be properly excludable from the provisions of this  
14 subdivision by the Superintendent with the approval of the Director  
15 of Finance.~~

16 ~~(4) For accounting purposes, the reduction made by this  
17 subdivision may be reflected as an expenditure from appropriate  
18 sources of revenue as directed by the Superintendent.~~

19 ~~(h) The Superintendent shall apportion to each school district  
20 the amount determined in this section less the sum of:~~

21 ~~(1) The district's property tax revenue received pursuant to  
22 Chapter 3 (commencing with Section 75) and Chapter 6  
23 (commencing with Section 95) of Part 0.5 of the Revenue and  
24 Taxation Code.~~

25 ~~(2) The amount, if any, received pursuant to Part 18.5  
26 (commencing with Section 38101) of the Revenue and Taxation  
27 Code.~~

28 ~~(3) The amount, if any, received pursuant to Chapter 3  
29 (commencing with Section 16140) of the Government Code.~~

30 ~~(4) Prior years' taxes and taxes on the unsecured roll.~~

31 ~~(5) Fifty percent of the amount received pursuant to Section  
32 41603.~~

33 ~~(6) The amount, if any, received pursuant to the Community  
34 Redevelopment Law (Part 1 (commencing with Section 33000)  
35 of Division 24 of the Health and Safety Code), except for any  
36 amount received pursuant to Section 33401 or 33676 of the Health  
37 and Safety Code that is used for land acquisition, facility  
38 construction, reconstruction, or remodeling, or deferred  
39 maintenance, except for any amount received pursuant to Section  
40 33492.15, paragraph (4) of subdivision (a) of Section 33607.5, or~~

1 Section 33607.7 of the Health and Safety Code that is allocated  
2 exclusively for educational facilities:

3 (7) For a unified school district, other than a unified school  
4 district that has converted all of its schools to charter status  
5 pursuant to Section 47606, the amount of statewide average  
6 general-purpose funding per unit of average daily attendance  
7 received by school districts for each of four grade level ranges, as  
8 computed by the department pursuant to Section 47633, multiplied  
9 by the average daily attendance, in corresponding grade level  
10 ranges, of any pupils who attend charter schools funded pursuant  
11 to Chapter 6 (commencing with Section 47630) of Part 26.8 for  
12 which the district is the sponsoring local educational agency, as  
13 defined in Section 47632, and who reside in and would otherwise  
14 have been eligible to attend a noncharter school of the district.

15 (i) A transfer of seventh and eighth grade pupils between an  
16 elementary school district and a high school district shall not result  
17 in the receiving district receiving a revenue limit apportionment  
18 for those pupils that exceeds 105 percent of the statewide average  
19 revenue limit for the type and size of the receiving school district.

20 SEC. 13. Section 42238.49 is added to the Education Code, to  
21 immediately follow Section 42238.48, to read:

22 42238.49. (a) (1) For the 2011-12 fiscal year, the  
23 Superintendent shall compute an equalization adjustment for each  
24 school district, so that the 2010-11 base revenue limit per unit of  
25 average daily attendance of a school district is not less than the  
26 2010-11 base revenue limit per unit of average daily attendance  
27 above which fall not more than 10 percent of the total statewide  
28 units of average daily attendance for each category of school  
29 district set forth in subdivision (b):

30 (2) For purposes of this section, the base revenue limit shall not  
31 include any amounts attributable to Section 45023.4, 46200, or  
32 46201.

33 (b) Subdivision (a) shall apply to the following school districts,  
34 which shall be grouped according to size and type as follows:

35	—District	—ADA
36	Elementary .....	less than 101
37	Elementary .....	more than 100
38	High School .....	less than 301
39	High School .....	more than 300
40		

1 Unified ..... less than 1,501  
 2 Unified ..... more than 1,500

3  
 4 ~~(e) The Superintendent shall compute a revenue limit~~  
 5 ~~equalization adjustment for each school district's base revenue~~  
 6 ~~limit per unit of average daily attendance as follows:~~

7 ~~(1) Multiply the amount computed for each school district~~  
 8 ~~pursuant to subdivision (a) by the average daily attendance used~~  
 9 ~~to calculate the revenue limit for the 2011-12 fiscal year of a school~~  
 10 ~~district.~~

11 ~~(2) Divide the amount appropriated from the Supplemental~~  
 12 ~~Education Payment Account for purposes of this section for the~~  
 13 ~~2011-12 fiscal year by the statewide sum of the amounts computed~~  
 14 ~~pursuant to paragraph (1).~~

15 ~~(3) Multiply the amount computed for the school district~~  
 16 ~~pursuant to paragraph (1) of subdivision (a) by the amount~~  
 17 ~~computed pursuant to paragraph (2).~~

18 ~~(d) (1) For the purposes of this section, the 2010-11 statewide~~  
 19 ~~90th percentile base revenue limit determined pursuant to paragraph~~  
 20 ~~(1) of subdivision (a), and the fraction computed pursuant to~~  
 21 ~~paragraph (2) of subdivision (e) for the 2010-11 second principal~~  
 22 ~~apportionment, shall be final, and shall not be recalculated at~~  
 23 ~~subsequent apportionments. The fraction computed pursuant to~~  
 24 ~~paragraph (2) of subdivision (e) shall not exceed 1.00. For purposes~~  
 25 ~~of determining the size of a school district pursuant to subdivision~~  
 26 ~~(b), county superintendents of schools, in conjunction with the~~  
 27 ~~Superintendent, shall use school district revenue limit average~~  
 28 ~~daily attendance for the 2010-11 fiscal year as determined pursuant~~  
 29 ~~to Section 42238.5 and Article 4 (commencing with Section~~  
 30 ~~42280).~~

31 ~~(2) For the purposes of calculating the size of a school district~~  
 32 ~~pursuant to subdivision (b), the Superintendent shall include units~~  
 33 ~~of average daily attendance of any charter school for which the~~  
 34 ~~school district is the sponsoring local educational agency.~~

35 ~~(3) For the purposes of computing the target amounts pursuant~~  
 36 ~~to subdivision (a), the Superintendent shall count all charter school~~  
 37 ~~average daily attendance toward the average daily attendance of~~  
 38 ~~the school district that is the sponsoring local educational agency.~~

39 ~~SEC. 14. Section 42238.146 of the Education Code is amended~~  
 40 ~~to read:~~

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

4 (2) For the 2004–05 fiscal year, the revenue limit for each school  
5 district determined pursuant to this article shall be reduced by a  
6 0.323 percent deficit factor.

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

10 (4) For the 2005–06 fiscal year, the revenue limit for each school  
11 district determined pursuant to this article shall be reduced by a  
12 0.892 percent deficit factor.

13 (5) For the 2008–09 fiscal year, the revenue limit for each school  
14 district determined pursuant to this article shall be reduced by a  
15 7.844 percent deficit factor.

16 (6) For the 2009–10 fiscal year, the revenue limit for each school  
17 district determined pursuant to this article shall be reduced by a  
18 13.094 percent deficit factor.

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

25 (c) In computing the revenue limit for each school district for  
26 the 2010–11 fiscal year pursuant to this article, the revenue limit  
27 shall be determined as if the revenue limit for that school district  
28 had been determined for the 2009–10 fiscal year without being  
29 reduced by the deficit factors specified in subdivision (a).

30 SEC. 15. Section 42605 is added to the Education Code, to  
31 read:

32 42605. (a) (1) Unless otherwise prohibited under federal law  
33 or otherwise specified in subdivision (c), for the 2008–09 fiscal  
34 year to the 2012–13 fiscal year, inclusive, school districts, charter  
35 schools, and county offices of education may use funding received,  
36 pursuant to subdivision (b), from any of these items listed in  
37 paragraph (2) that are contained in an annual Budget Act, for any  
38 educational purpose:

39 (2) 6110-104-0001, 6110-105-0001, 6110-108-0001,  
40 6110-122-0001, 6110-123-0001, 6110-124-0001, 6110-137-0001,

1 6110-144-0001, 6110-150-0001, 6110-151-0001, 6110-156-0001,  
 2 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001,  
 3 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001,  
 4 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-227-0001,  
 5 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001,  
 6 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001,  
 7 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001,  
 8 6110-266-0001, — 6110-267-0001, — 6110-268-0001, — and  
 9 6360-101-0001.

10 (b) For the 2009–10 fiscal year to the 2012–13 fiscal year,  
 11 inclusive, the Superintendent shall apportion from the amounts  
 12 provided in the annual Budget Act for the items enumerated in  
 13 paragraph (2) of subdivision (a), an amount to a school district,  
 14 charter school, and county office of education based on the same  
 15 relative proportion that the local education agency received in the  
 16 2008–09 fiscal year for the programs funded through the items  
 17 enumerated in paragraph (2) of subdivision (a). A school district  
 18 that receives funding on behalf of a charter school pursuant to  
 19 Sections 47634.1 and 47651 shall continue to distribute the funds  
 20 to those charter schools based on the amounts distributed in the  
 21 2008–09 fiscal year, and shall adjust those amounts as specified  
 22 in this section. The amounts allocated shall be adjusted for any  
 23 greater or lesser amount appropriated for the items enumerated in  
 24 paragraph (2) of subdivision (a).

25 (c) (1) This section does not obligate the state to refund or repay  
 26 reductions made pursuant to this section. A decision by a school  
 27 district to reduce funding pursuant to this section for a  
 28 state-mandated local program shall constitute a waiver of the  
 29 subvention of funds that the school district is otherwise entitled to  
 30 pursuant to Section 6 of Article XIII B of the California  
 31 Constitution on the amount so reduced.

32 (2) As a condition of receipt of funds the governing board of  
 33 the school district or board of the county office of education, as  
 34 appropriate, at a regularly scheduled open public hearing shall take  
 35 testimony from the public, discuss, and approve or disapprove the  
 36 proposed use of funding.

37 (d) For the 2008–09 fiscal year to the 2012–13 fiscal year,  
 38 inclusive, local education agencies that use the flexibility provision  
 39 of the section shall be deemed to be in compliance with the  
 40 program and funding requirements contained in statutory,

1 regulatory, and provisional language, associated with the items  
2 enumerated in subdivision (a):

3 (e) Notwithstanding subdivision (d), the following requirements  
4 shall continue to apply:

5 (1) For Items 6110-105-0001 and 6110-156-0001, the amount  
6 authorized for flexibility shall exclude the funding provided for  
7 instruction of CalWORKs eligible students pursuant to schedules  
8 (2) and (3), and provisions 2 and 4.

9 (2) (A) Any instructional materials purchased by a local  
10 education agency shall be the materials adopted by the state board  
11 for kindergarten and grades 1 to 8, inclusive, and for grades 9 to  
12 12, inclusive, the materials purchased shall be aligned with state  
13 standards as defined by Section 60605, and shall also meet the  
14 reporting and sufficiency requirements contained in Section 60119.

15 (B) For purposes of this section, “sufficiency” means that each  
16 pupil has sufficient textbooks and instructional materials in the  
17 four core areas as defined by Section 60119, and that all pupils  
18 within the local education agency who are enrolled in the same  
19 course shall have identical textbooks and instructional materials.

20 (3) For Item 6110-195-0001, the item shall exclude monies that  
21 are required to fund awards for teachers that have previously met  
22 the requirements necessary to obtain these awards, until the award  
23 is paid in full.

24 (4) As a condition of exercising the authority conferred on local  
25 educational agencies to transfer funds to their general funds  
26 pursuant to subdivision (a), both of the following requirements  
27 shall be met:

28 (A) The governing board of the school district, or the county  
29 board of education, as appropriate, at a regularly scheduled open  
30 public hearing, shall take testimony from the public, discuss, and  
31 approve each transfer and the proposed use of funding.

32 (B) In the existing Standardized Account Code Structure (SACS)  
33 reporting process, a local educational agency shall report the  
34 amounts transferred pursuant to this section by using the  
35 appropriate program code for which these funds were expended.  
36 The State Department of Education shall collect and provide this  
37 information to the Department of Finance and to the appropriate  
38 policy and budget committees of the Legislature by February 28,  
39 2010.

1     ~~(5) For Item 6110-266-0001, a county office of education shall~~  
2     ~~conduct at least one site visit to each of the required schoolsites~~  
3     ~~pursuant to Section 1240.~~

4     ~~SEC. 16. Section 52124 of the Education Code, as amended~~  
5     ~~by Section 1 of Chapter 515 of the Statutes of 2008, is amended~~  
6     ~~to read:~~

7     ~~52124. (a) A school district that implements a class size~~  
8     ~~reduction program pursuant to this chapter is subject to this section.~~

9     ~~(b) A school district may establish a program to reduce class~~  
10    ~~size in kindergarten and grades 1 to 3, inclusive, and that program~~  
11    ~~shall be implemented at each schoolsite according to the following~~  
12    ~~priorities:~~

13    ~~(1) If only one grade level is reduced at a schoolsite, the grade~~  
14    ~~level shall be grade 1.~~

15    ~~(2) If only two grade levels are reduced at a schoolsite, the grade~~  
16    ~~levels shall be grades 1 and 2.~~

17    ~~(3) If three grade levels are reduced at a schoolsite, then those~~  
18    ~~grade levels shall be kindergarten and grades 1 and 2 or grades 1~~  
19    ~~to 3, inclusive. Priority shall be given to the reduction of class~~  
20    ~~sizes in grades 1 and 2 before the class sizes of kindergarten or~~  
21    ~~grade 3 are reduced.~~

22    ~~(4) If four grade levels are reduced at a schoolsite, then those~~  
23    ~~grade levels shall be kindergarten and grades 1 to 3, inclusive.~~  
24    ~~First priority shall be given to the reduction of class sizes in grades~~  
25    ~~1 and 2, and second priority shall be given to the reduction of class~~  
26    ~~size in kindergarten and grade 3. This paragraph shall be operative~~  
27    ~~only in those fiscal years for which funds are appropriated~~  
28    ~~expressly for the purposes of this paragraph.~~

29    ~~(e) It is the intent of the Legislature to continue to permit the~~  
30    ~~use of combination classes of more than one grade level to the~~  
31    ~~extent that school districts are otherwise permitted to use that~~  
32    ~~instructional strategy. However, a school district that uses a~~  
33    ~~combination class in a class for which funding is received pursuant~~  
34    ~~to this chapter shall not claim funding pursuant to this chapter if~~  
35    ~~the total number of pupils in the combination class, regardless of~~  
36    ~~grade level, exceeds 20 pupils per certificated teacher assigned to~~  
37    ~~provide direct instructional services.~~

38    ~~(d) The governing board of a school district shall certify to the~~  
39    ~~Superintendent that it has met the requirements of this section in~~  
40    ~~implementing its class size reduction program. If a school district~~

1 receives funding pursuant to this chapter but has not implemented  
2 its class size reduction program for all grades and classes for which  
3 it received funding pursuant to this chapter, the Superintendent  
4 shall notify the Controller and the school district in writing and  
5 the Controller shall deduct an amount equal to the amount received  
6 by the school district under this chapter for each class that the  
7 school district failed to reduce to a class size of 20 or fewer pupils  
8 from the next principal apportionment or apportionments of state  
9 funds to the district, other than basic aid apportionments required  
10 by Section 6 of Article IX of the California Constitution.

11 (e) Except for a school district participating pursuant to  
12 subdivision (h) of Section 52122, and except as set forth in Section  
13 52124.3, the amount deducted pursuant to subdivision (d) shall be  
14 adjusted as follows:

15 (1) Twenty percent of the amount to which the district would  
16 otherwise be eligible for each class for which the annual enrollment  
17 determined pursuant to Section 52124.5 is greater than or equal  
18 to 20.5 but less than 21.0.

19 (2) Forty percent of the amount to which the district would  
20 otherwise be eligible for each class for which the annual average  
21 enrollment determined pursuant to Section 52124.5 is greater than  
22 or equal to 21.0 but less than 21.5.

23 (3) Eighty percent of the amount to which the district would  
24 otherwise be eligible for each class for which the annual average  
25 enrollment determined pursuant to Section 52124.5 is greater than  
26 or equal to 21.5 but less than 21.9.

27 (4) The amount deducted pursuant to subdivision (d) for each  
28 class for which the annual average enrollment determined pursuant  
29 to Section 52124.5 is greater than or equal to 21.9 shall be the  
30 amount of funding the district received for the class pursuant to  
31 this chapter.

32 (f) Notwithstanding any other provision of this chapter, a school  
33 district located in the County of Los Angeles, Riverside, San  
34 Bernardino, San Diego, or Ventura may claim funding pursuant  
35 to this chapter for the 2003–04 school year based on enrollment  
36 counts before the October 2003 fires, in classes for which the class  
37 size reduction program is implemented, if the following criteria  
38 are met:

39 (1) The school district submits to the Superintendent a “Request  
40 for Allowance of Attendance because of Emergency Conditions”

1 pursuant to Section 46392 and the emergency conditions were  
2 caused by the October 2003 fires.

3 (2) The school district certifies that it suffered a loss of  
4 enrollment in classes in which the class size reduction program is  
5 implemented and this loss of enrollment is due to the October 2003  
6 fires and would result in a decrease in funding that the district  
7 receives pursuant to this chapter.

8 (g) This section shall become inoperative on July 1, 2014, and  
9 as of January 1, 2015, is repealed, unless a later enacted statute  
10 that is enacted before January 1, 2015, deletes or extends the dates  
11 on which it becomes inoperative or is repealed.

12 SEC. 17. Section 52124.3 is added to the Education Code, to  
13 read:

14 52124.3. (a) For the 2008-09, 2009-10, 2010-11, and 2011-12  
15 fiscal years only, the amounts deducted pursuant to subdivision  
16 (d) of Section 52124 shall be as follows:

17 (1) Five percent of the amount to which the school district would  
18 otherwise be eligible for each class for which the annual enrollment  
19 determined pursuant to Section 52124.5 is greater than or equal  
20 to 20.5 but less than 21.5.

21 (2) Ten percent of the amount to which the school district would  
22 otherwise be eligible for each class for which the annual average  
23 enrollment determined pursuant to Section 52124.5 is greater than  
24 or equal to 21.5 but less than 22.5.

25 (3) Fifteen percent of the amount to which the school district  
26 would otherwise be eligible for each class for which the annual  
27 average enrollment determined pursuant to Section 52124.5 is  
28 greater than or equal to 22.5 but less than 23.0.

29 (4) Twenty percent of the amount to which the school district  
30 would otherwise be eligible for each class for which the annual  
31 average enrollment determined pursuant to Section 52124.5 is  
32 greater than or equal to 23.0 but less than 25.0.

33 (5) Thirty percent of the amount to which the school district  
34 would otherwise be eligible for each class for which the annual  
35 average enrollment determined pursuant to Section 52124.5 is  
36 greater than or equal to 25.0.

37 (b) A local educational agency is eligible to receive funding  
38 pursuant to this section only if it was participating in the K-3 Class  
39 Size Reduction Program as of December 10, 2008. An eligible  
40 local educational agency may only receive funding for the grade

1 level or levels for which it had applied to receive funding as of  
2 December 10, 2008.

3 ~~SEC. 18.~~ Section 60119 of the Education Code is amended to  
4 read:

5 60119. (a) In order to be eligible to receive funds available  
6 for the purposes of this article, the governing board of a school  
7 district shall take the following actions:

8 (1) (A) The governing board shall hold a public hearing or  
9 hearings at which the governing board shall encourage participation  
10 by parents, teachers, members of the community interested in the  
11 affairs of the school district, and bargaining unit leaders, and shall  
12 make a determination, through a resolution, as to whether each  
13 pupil in each school in the district has sufficient textbooks or  
14 instructional materials, or both, that are aligned to the content  
15 standards adopted pursuant to Section 60605 in each of the  
16 following subjects, as appropriate, that are consistent with the  
17 content and cycles of the curriculum framework adopted by the  
18 state board:

19 (i) Mathematics.

20 (ii) Science.

21 (iii) History-social science.

22 (iv) English/language arts, including the English language  
23 development component of an adopted program.

24 (B) The public hearing shall take place on or before the end of  
25 the eighth week from the first day pupils attend school for that  
26 year. A school district that operates schools on a multitrack,  
27 year-round calendar shall hold the hearing on or before the end of  
28 the eighth week from the first day pupils attend school for that  
29 year on any tracks that begin a school year in August or September.  
30 For purposes of the 2004-05 fiscal year only, the governing board  
31 of a school district shall make a diligent effort to hold a public  
32 hearing pursuant to this section on or before December 1, 2004.

33 (C) As part of the hearing required pursuant to this section, the  
34 governing board also shall make a written determination as to  
35 whether each pupil enrolled in a foreign language or health course  
36 has sufficient textbooks or instructional materials that are consistent  
37 with the content and cycles of the curriculum frameworks adopted  
38 by the state board for those subjects. The governing board also  
39 shall determine the availability of laboratory science equipment  
40 as applicable to science laboratory courses offered in grades 9 to

1 12, inclusive. The provision of the textbooks, instructional  
2 materials, or science equipment specified in this subparagraph is  
3 not a condition of receipt of funds provided by this subdivision.

4 (2) (A) If the governing board determines that there are  
5 insufficient textbooks or instructional materials, or both, the  
6 governing board shall provide information to classroom teachers  
7 and to the public setting forth, in the resolution, for each school  
8 in which an insufficiency exists, the percentage of pupils who lack  
9 sufficient standards-aligned textbooks or instructional materials  
10 in each subject area and the reasons that each pupil does not have  
11 sufficient textbooks or instructional materials, or both, and take  
12 any action, except an action that would require reimbursement by  
13 the Commission on State Mandates, to ensure that each pupil has  
14 sufficient textbooks or instructional materials, or both, within two  
15 months of the beginning of the school year in which the  
16 determination is made.

17 (B) In carrying out subparagraph (A), the governing board may  
18 use money in any of the following funds:

19 (i) Any funds available for textbooks or instructional materials,  
20 or both, from categorical programs, including any funds allocated  
21 to school districts that have been appropriated in the annual Budget  
22 Act.

23 (ii) Any funds of the school district that are in excess of the  
24 amount available for each pupil during the prior fiscal year to  
25 purchase textbooks or instructional materials, or both.

26 (iii) Any other funds available to the school district for textbooks  
27 or instructional materials, or both.

28 (b) The governing board shall provide 10 days' notice of the  
29 public hearing or hearings set forth in subdivision (a). The notice  
30 shall contain the time, place, and purpose of the hearing and shall  
31 be posted in three public places in the school district. The hearing  
32 shall be held at a time that will encourage the attendance of teachers  
33 and parents and guardians of pupils who attend the schools in the  
34 district and shall not take place during or immediately following  
35 school hours.

36 (c) (1) For purposes of this section, "sufficient textbooks or  
37 instructional materials" means that each pupil, including English  
38 learners, has a standards-aligned textbook or instructional materials,  
39 or both, to use in class and to take home. This paragraph does not

1 require two sets of textbooks or instructional materials for each  
2 pupil.

3 (2) Sufficient textbooks or instructional materials as defined in  
4 paragraph (1), does not include photocopied sheets from only a  
5 portion of a textbook or instructional materials copied to address  
6 a shortage.

7 (d) The governing board of a school district that receives funds  
8 for instructional materials from any state source is subject to the  
9 requirements of this section.

10 SEC. 19. Section 60422.1 is added to the Education Code, to  
11 read:

12 60422.1. (a) Notwithstanding subdivision (i) of Section 60200,  
13 Section 60422, or any other provision of law, for the 2008–09 and  
14 2009–10 fiscal years, the governing board of a school district is  
15 not required to provide pupils with instructional materials by a  
16 specified period of time following adoption of those materials by  
17 the state board.

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

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

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

29 SEC. 20. Section 92612.5 is added to the Education Code, to  
30 read:

31 92612.5. It is the intent of the Legislature that no new General  
32 Fund augmentation be made available for contributions to the  
33 University of California Retirement Plan.

34 SEC. 21. Section 33 of Chapter 757 of the Statutes of 2008 is  
35 repealed.

36 SEC. 22. Section 34 of Chapter 757 of the Statutes of 2008 is  
37 amended to read:

38 Sec. 34. (a) The sum of nine hundred five million seven  
39 hundred thousand dollars (\$905,700,000) is hereby appropriated  
40 from the General Fund to the State Department of Education. This

1 appropriation reflects the portions of the February 2009 principal  
2 apportionment and the 2009 payment for the class size reduction,  
3 as set forth in Chapter 6.10 (commencing with Section 52120) of  
4 Part 28 of Division 4 of the Education Code, for kindergarten and  
5 grades 1 to 3, inclusive, and the June 2009 principal apportionment  
6 that are to be deferred until July 2009 and attributed to the 2009–10  
7 fiscal year. Notwithstanding any other law, the department shall  
8 encumber the funds appropriated in this section by July 31, 2009.  
9 It is the intent of the Legislature that, by extending the  
10 encumbrance authority for the funds appropriated in this section  
11 to July 31, 2009, the funds will be treated in a manner consistent  
12 with Section 1.80 of the Budget Act of 2008. The appropriation  
13 is made in accordance with the following schedule:

14 (1) Six million two hundred twenty-seven thousand dollars  
15 (\$6,227,000) for apprenticeship programs to be expended consistent  
16 with the requirements specified in Item 6110-103-0001 of Section  
17 2.00 of the Budget Act of 2008.

18 (2) Ninety million one hundred seventeen thousand dollars  
19 (\$90,117,000) for supplemental instruction to be expended  
20 consistent with the requirements specified in Item 6110-104-0001  
21 of Section 2.00 of the Budget Act of 2008. Of the amount  
22 appropriated by this paragraph, fifty-one million sixty-one thousand  
23 dollars (\$51,061,000) shall be expended consistent with Schedule  
24 (1) of Item 6110-104-0001 of Section 2.00 of the Budget Act of  
25 2008, twelve million three hundred thirty thousand dollars  
26 (\$12,330,000) shall be expended consistent with Schedule (2) of  
27 that item, four million six hundred ninety thousand dollars  
28 (\$4,690,000) shall be expended consistent with Schedule (3) of  
29 that item, and twenty-two million thirty-six thousand dollars  
30 (\$22,036,000) shall be expended consistent with Schedule (4) of  
31 that item.

32 (3) Thirty-nine million six hundred thirty thousand dollars  
33 (\$39,630,000) for regional occupational centers and programs to  
34 be expended consistent with the requirements specified in Schedule  
35 (1) of Item 6110-105-0001 of Section 2.00 of the Budget Act of  
36 2008.

37 (4) Four million two hundred ninety-four thousand dollars  
38 (\$4,294,000) for the Gifted and Talented Pupil Program to be  
39 expended consistent with the requirements specified in Item  
40 6110-124-0001 of Section 2.00 of the Budget Act of 2008.

1 ~~(5) Forty-five million eight hundred ninety-six thousand dollars~~  
2 ~~(\$45,896,000) for adult education to be expended consistent with~~  
3 ~~the requirements specified in Schedule (1) of Item 6110-156-0001~~  
4 ~~of Section 2.00 of the Budget Act of 2008.~~

5 ~~(6) Four million seven hundred fifty-one thousand dollars~~  
6 ~~(\$4,751,000) for community day schools to be expended consistent~~  
7 ~~with the requirements specified in Item 6110-190-0001 of Section~~  
8 ~~2.00 of the Budget Act of 2008.~~

9 ~~(7) Five million nine hundred forty-seven thousand dollars~~  
10 ~~(\$5,947,000) for categorical block grants for charter schools to be~~  
11 ~~expended consistent with the requirements specified in Item~~  
12 ~~6110-211-0001 of Section 2.00 of the Budget Act of 2008.~~

13 ~~(8) Thirty-eight million seven hundred twenty thousand dollars~~  
14 ~~(\$38,720,000) for the School Safety Block Grant to be expended~~  
15 ~~consistent with the requirements specified in Schedule (1) of Item~~  
16 ~~6110-228-0001 of Section 2.00 of the Budget Act of 2008.~~

17 ~~(9) Five hundred seventy million dollars (\$570,000,000) for~~  
18 ~~class-size reduction in kindergarten and grades 1 to 3, inclusive,~~  
19 ~~to be expended consistent with the requirements specified in Item~~  
20 ~~6110-234-0001 of Section 2.00 of the Budget Act of 2008.~~

21 ~~(10) One hundred million one hundred eighteen thousand dollars~~  
22 ~~(\$100,118,000) for the Targeted Instructional Improvement Grant~~  
23 ~~Program to be expended consistent with the requirements specified~~  
24 ~~in Item 6110-246-0001 of Section 2.00 of the Budget Act of 2008.~~

25 ~~(b) For the purposes of making the computations required by~~  
26 ~~Section 8 of Article XVI of the California Constitution, the~~  
27 ~~appropriations made by subdivision (a) shall be deemed to be~~  
28 ~~“General Fund revenues appropriated for school districts,” as~~  
29 ~~defined in subdivision (c) of Section 41202 of the Education Code;~~  
30 ~~for the 2009–10 fiscal year, and included within the “total~~  
31 ~~allocations to school districts and community college districts from~~  
32 ~~General Fund proceeds of taxes appropriated pursuant to Article~~  
33 ~~XIII B,” as defined in subdivision (c) of Section 41202 of the~~  
34 ~~Education Code, for the 2009–10 fiscal year.~~

35 ~~SEC. 23. Section 35 of Chapter 757 of the Statutes of 2008 is~~  
36 ~~amended to read:~~

37 ~~Sec. 35. (a) The sum of five hundred forty million dollars~~  
38 ~~(\$540,000,000) is hereby appropriated from the General Fund to~~  
39 ~~the Board of Governors of the California Community Colleges for~~  
40 ~~apportionments to community college districts, for expenditure~~

1 during the 2009–10 fiscal year, to be expended in accordance with  
 2 Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget  
 3 Act of 2008.

4 (b) ~~The disbursement of funds appropriated in subdivision (a) shall~~  
 5 ~~be deferred until July of the 2009–10 fiscal year. This appropriation~~  
 6 ~~and deferral represent one hundred fifteen million dollars~~  
 7 ~~(\$115,000,000) of the January apportionment to community college~~  
 8 ~~districts, one hundred fifteen million dollars (\$115,000,000) of the~~  
 9 ~~February apportionment to community college districts, fifty-five~~  
 10 ~~million dollars (\$55,000,000) of the March apportionment to~~  
 11 ~~community college districts and fifty-five million dollars~~  
 12 ~~(\$55,000,000) of the April apportionment to community college~~  
 13 ~~districts, and two hundred million dollars (\$200,000,000) of the~~  
 14 ~~June apportionment to community college districts.~~

15 (c) ~~For the purposes of making the computations required by~~  
 16 ~~Section 8 of Article XVI of the California Constitution, the~~  
 17 ~~appropriation made by subdivision (a) shall be deemed to be~~  
 18 ~~“General Fund revenues appropriated for community college~~  
 19 ~~districts,” as defined in subdivision (d) of Section 41202 of the~~  
 20 ~~Education Code, for the 2009–10 fiscal year, and included within~~  
 21 ~~the “total allocations to school districts and community college~~  
 22 ~~districts from General Fund proceeds of taxes appropriated pursuant~~  
 23 ~~to Article XIII B,” as defined in subdivision (e) of Section 41202~~  
 24 ~~of the Education Code, for the 2009–10 fiscal year.~~

25 ~~SEC. 24. Section 37 of Chapter 757 of the Statutes of 2008 is~~  
 26 ~~amended to read:~~

27 ~~Sec. 37. (a) Notwithstanding Sections 42238.1 and 42238.15~~  
 28 ~~of the Education Code or any other provision of law, the~~  
 29 ~~cost-of-living adjustment for Items 6110-104-0001,~~  
 30 ~~6110-105-0001, 6110-119-0001, 6110-122-0001, 6110-124-0001,~~  
 31 ~~6110-128-0001, 6110-150-0001, 6110-156-0001, 6110-158-0001,~~  
 32 ~~6110-161-0001, 6110-167-0001, 6110-181-0001, 6110-189-0001,~~  
 33 ~~6110-190-0001, 6110-193-0001, 6110-196-0001, 6110-203-0001,~~  
 34 ~~6110-209,0001, 6110-211-0001, 6110-224-0001, 6110-232-0001,~~  
 35 ~~6110-234-0001, 6110-244-0001, and 6110-246-0001 of the Budget~~  
 36 ~~Act of 2008 (Chapters 268 and 269 of the Statutes of 2008) is zero~~  
 37 ~~percent for the 2008–09 fiscal year. All funds appropriated in the~~  
 38 ~~Budget Act of 2008 in the items identified in this section are in~~  
 39 ~~lieu of the amounts that would otherwise be appropriated pursuant~~  
 40 ~~to any other provision of law.~~

1 ~~(b) Notwithstanding Section 42238.1 of the Education Code or~~  
2 ~~any other provision of law, for purposes of Section 48664 of the~~  
3 ~~Education Code the cost-of-living adjustment is zero percent for~~  
4 ~~the 2008-09 fiscal year.~~

5 SEC. 25. ~~Item 6110-111-0001 of Section 2.00 of the Budget~~  
6 ~~Act of 2008 is repealed.~~

7  
8 -

9 SEC. 26. ~~Item 6110-111-0046 is added to Section 2.00 of the~~  
10 ~~Budget Act of 2008, to read:~~

11  
12 6110-111-0046—~~For local assistance, Department of Education~~  
13 ~~(from the Public Transportation Account, State Transporta-~~  
14 ~~tion Fund) Program 10-Instruction, for transfer to Section~~  
15 ~~A of the State School Fund, Home to School Transporta-~~  
16 ~~tion, pursuant to Article 10 (commencing with Section~~  
17 ~~41850) of Chapter 5 of Part 24 of Division 3 of Title 2 of~~  
18 ~~the Education Code..... 198,446,000~~

19 Provisions:

- 20 1. ~~Notwithstanding any other provision of law, these~~  
21 ~~funds shall be used to provide mass transportation~~  
22 ~~services for pupils enrolled in school districts that re-~~  
23 ~~ceive these funds.~~

24 -

25 SEC. 27. ~~Item 6110-111-3116 is added to Section 2.00 of the~~  
26 ~~Budget Act of 2008, to read:~~

27  
28 6110-111-3116—~~For local assistance, Department of Education~~  
29 ~~(from the Mass Transportation Fund) Program 10-Instruc-~~  
30 ~~tion, for transfer to Section A of the State School Fund,~~  
31 ~~Home to School Transportation, pursuant to Article 10~~  
32 ~~(commencing with Section 41850) of Chapter 5 of Part 24~~  
33 ~~of Division 3 of Title 2 of the Education Code, and Small~~  
34 ~~School District Transportation, pursuant to Article 4.5~~  
35 ~~(commencing with Section 42290) of Chapter 7 of Part 24~~  
36 ~~of Division 3 of Title 2 of the Education Code..... 420,268,000~~

37 Schedule:

- 38 (1) ~~10.10.006-Pupil Transportation..... 414,182,000~~  
39 (2) ~~10.10.008-Small School District Bus~~  
40 ~~Replacement..... 6,086,000~~

- 1 Provisions:
- 2 1. Of the funds appropriated in this item, \$0 is for the
- 3 purpose of providing a cost-of-living adjustment.
- 4 2. Notwithstanding any other provision of law, these
- 5 funds shall be used to provide mass transportation
- 6 services for pupils enrolled in school districts that re-
- 7 ceive these funds.

8 -

9 SEC. 28. Item 6110-196-0001 of Section 2.00 of the Budget  
10 Act of 2008 is amended to read:

11

12 6110-196-0001—For local assistance, Department of Educa-  
13 tion (Proposition 98), for transfer by the Controller to  
14 Section A of the State School Fund, for allocation by the  
15 Superintendent of Public Instruction to school districts,  
16 county offices of education, and other agencies for the  
17 purposes of Proposition 98 educational programs funded  
18 in this item, in lieu of the amount that otherwise would  
19 be appropriated pursuant to any other statute..... 1,675,043,000

20 Schedule:

- 21 (1) 30.10.010-Special Program, Child De-
- 22 velopment, Preschool Education..... 426,327,000
- 23 (1.5) 30.10.020-Child Care Services..... 1,775,310,000
- 24 (a) 30.10.020.001-Spe-
- 25 cial Program, Child
- 26 Development, Gen-
- 27 eral Child Develop-
- 28 ment Programs..... 773,796,000
- 29 (e) 30.10.020.004-Spe-
- 30 cial Program, Child
- 31 Development, Mi-
- 32 grant Day Care..... 35,966,000
- 33 (d) 30.10.020.007-Spe-
- 34 cial Program, Child
- 35 Development, Alter-
- 36 native Payment Pro-
- 37 gram..... 257,037,000

1	(e) 30.10.020.011-Spe-	
2	cial Program, Child	
3	Development, Alter-	
4	native Payment Pro-	
5	gram—Stage 2.....	342,960,000
6	(f) 30.10.020.012-Spe-	
7	cial Program, Child	
8	Development, Alter-	
9	native Payment Pro-	
10	gram—Stage 3 Seta-	
11	side.....	230,204,000
12	(g) 30.10.020.008-Spe-	
13	cial Program, Child	
14	Development, —Re-	
15	source and Refer-	
16	ral.....	19,438,000
17	(i) 30.10.020.015-Spe-	
18	cial Program, Child	
19	Development, Extend-	
20	ed Day Care.....	31,553,000
21	(j) 30.10.020.096-Special	
22	Program, Child Devel-	
23	opment, Allowance for	
24	Handicapped.....	1,997,000
25	(k) 30.10.020.106-Special	
26	Program, Child Devel-	
27	opment, —California	
28	Child Care Initia-	
29	tive.....	250,000
30	(l) 30.10.020.901-Spe-	
31	cial Program, Child	
32	Development, Quali-	
33	ty Improvement.....	67,572,000
34	(m) 30.10.020.911-Special	
35	Program, Child Devel-	
36	opment, —Centralized	
37	Eligibility List.....	7,900,000

1	(n)	30.10.020.920-Special	
2		Program, Child Devel-	
3		opment, Local Plan-	
4		ning Councils.....	6,637,000
5	(3)	30.10.020.908-Special Program, Child	
6		Development, Cost-of-Living Adjust-	
7		ments.....	0
8	(4)	30.10.020.909-Special Program, Child	
9		Development, Growth Adjustments.....	10,917,000
10	(5)	Amount payable from the Federal	
11		Trust Fund (Item 6110-196-0890).....	-537,511,000

- 12 Provisions:
- 13 1. Notwithstanding Section 8278 of the Education Code,
- 14 funds available for expenditure pursuant to that section
- 15 shall be expended in the current fiscal year pursuant
- 16 to the following schedule:
- 17 (a) \$4,000,000 or whatever lesser or greater amount
- 18 is necessary for accounts payable pursuant to
- 19 paragraph (1) of subdivision (b) of Section 8278
- 20 of the Education Code.
- 21 (b) \$22,963,000 shall be available for CalWORKs
- 22 Stage 3 child care.
- 23 (c) The Controller shall establish an account entitled
- 24 “Section 8278 Expenditures in 2007” in Item
- 25 6110-196-0001, Program 30.10.060. Any unex-
- 26 pended General Fund balances as of June 30,
- 27 2008, or subsequent abatements, from those
- 28 amounts listed in Schedules (1), (1.5)(a), (1.5)(c),
- 29 (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), (1.5)(k),
- 30 (1.5)(l), and (1.5)(n), that are available pursuant
- 31 to Section 8278 of the Education Code, shall be
- 32 transferred to the account for the purpose of
- 33 making expenditures pursuant to that section and
- 34 as specified in this provision.
- 35 2. (a) Notwithstanding any other provision of law, alter-
- 36 native payment child care programs shall be sub-
- 37 ject to the rate ceilings established in the Regional
- 38 Market Rate Survey of California child care and
- 39 development providers for provider payments.
- 40 When approved pursuant to Section 8447 of the

1 Education Code, any changes to the market rate  
2 limits, adjustment factors, or regions shall be uti-  
3 lized by the State Department of Education and  
4 the State Department of Social Services in various  
5 programs under the jurisdiction of either depart-  
6 ment.

7 (b) Notwithstanding any other provision of law, the  
8 funds appropriated in this item for the cost of li-  
9 censed child care services provided through alter-  
10 native payment or voucher programs, including  
11 those provided under Article 3 (commencing with  
12 Section 8220) and Article 15.5 (commencing with  
13 Section 8350) of Chapter 2 of Part 6 of Division  
14 1 of Title 1 of the Education Code, shall be used  
15 only to reimburse child care costs up to the 85th  
16 percentile of the rates charged by providers offer-  
17 ing the same type of child care for the same age  
18 child in that region based on the 2005 regional  
19 market rate survey. Notwithstanding Section 8357  
20 of the Education Code, it is the intent of the Leg-  
21 islatre to consider new rate limits based on the  
22 2007 regional market rate survey data for the  
23 2009-10 fiscal year.

24 3. ~~Of the amount appropriated in Schedule (1),~~  
25 ~~\$50,000,000 is available for Prekindergarten and~~  
26 ~~Family Literacy preschool programs pursuant to~~  
27 ~~Chapter 211 of the Statutes of 2006. Of the amount~~  
28 ~~appropriated in Schedule (1), \$5,000,000 is available~~  
29 ~~for the provision of wraparound care to children en-~~  
30 ~~rolled in state preschool programs. The Superintendent~~  
31 ~~of Public Instruction shall assign priority for these~~  
32 ~~funds to children enrolled in prekindergarten and~~  
33 ~~family literacy programs authorized by Section 8238.4~~  
34 ~~of the Education Code.~~

35 4. Funds in Schedule (1.5)(l) shall be reserved for activ-  
36 ities to improve the quality and availability of child  
37 care, pursuant to the following:

38 (a) \$2,014,056 is for the schoolage care and resource  
39 and referral earmark.

- 1 (b) \$11,359,176 is for the infant and toddler earmark  
 2 and shall be used for increasing the supply of  
 3 quality child care for infants and toddlers.
- 4 (c) \$7,237,000 in one-time federal funding is avail-  
 5 able for use in the 2008-09 fiscal year. Of that  
 6 amount, \$200,000 shall be used for Trustline  
 7 registration workload (Chapter 3.35 (commencing  
 8 with Section 1596.60) of Division 2 of the Health  
 9 and Safety Code). The remaining funds shall be  
 10 used for child care and development quality ex-  
 11 penditures identified by the State Department of  
 12 Education (SDE) and approved by the Department  
 13 of Finance.
- 14 (d) From the remaining funds in Schedule (1.5)(f),  
 15 the following amounts shall be allocated for the  
 16 following purposes: \$4,000,000 to train former  
 17 CalWORKs recipients as child care teachers;  
 18 \$2,700,000 for contracting with the State Depart-  
 19 ment of Social Services (DSS) for increased in-  
 20 spections of child care facilities; \$1,000,000 for  
 21 Trustline registration workload (Chapter 3.35  
 22 (commencing with Section 1596.60) of Division  
 23 2 of the Health and Safety Code); \$500,000 for  
 24 health and safety training for licensed and exempt  
 25 child care providers; \$300,000 for the Health  
 26 Hotline; and \$300,000 to implement a technical  
 27 assistance program to child care providers in ac-  
 28 cessing financing for renovation, expansion, or  
 29 construction of child care facilities.
- 30 5. Of the amount appropriated in Schedule (1.5)(f),  
 31 \$15,000,000 shall be for child care worker recruitment  
 32 and retention programs pursuant to Section 8279.7 of  
 33 the Education Code, and \$320,000 shall be for the  
 34 Child Development Training Consortium.
- 35 6. (a) The State Department of Education (SDE) shall  
 36 conduct monthly analyses of CalWORKs Stage  
 37 2 and Stage 3 caseloads and expenditures and  
 38 adjust agency contract maximum reimbursement  
 39 amounts and allocations as necessary to ensure  
 40 funds are distributed proportionally to need. The

- 1 SDE shall share monthly caseload analyses with  
2 the State Department of Social Services (DSS):
- 3 (b) The SDE shall provide quarterly information re-  
4 garding the sufficiency of funding for Stage 2 and  
5 Stage 3 to DSS. The SDE shall provide caseloads,  
6 expenditures, allocations, unit costs, family fees,  
7 and other key variables and assumptions used in  
8 determining the sufficiency of state allocations.  
9 Detailed backup by month and on a county-by-  
10 county basis shall be provided to the DSS at least  
11 on a quarterly basis for comparisons with Stage  
12 1 trends.
- 13 (d) By September 30 and March 30 of each year, the  
14 SDE shall ensure that detailed caseload and expendi-  
15 ture data, through the most recent period for  
16 Stage 2 and Stage 3-Setaside along with all rele-  
17 vant assumptions, is provided to DSS to facilitate  
18 budget development. The detailed data provided  
19 shall include actual and projected monthly  
20 caseload from Stage 2 scheduled to time off of  
21 their transitional child care benefit from the last  
22 actual month reported by agencies through the  
23 next two fiscal years as well as local attrition ex-  
24 perience. DSS shall utilize data provided by the  
25 SDE, including key variables from the prior fiscal  
26 year and the first two months of the current fiscal  
27 year, to provide coordinated estimates in  
28 November of each year for each of the three stages  
29 of care for preparation of the Governor's Budget,  
30 and shall utilize data from at least the first two  
31 quarters of the current fiscal year, and any addi-  
32 tional monthly data as they become available for  
33 preparation of the May Revision. The DSS shall  
34 share its assumptions and methodology with the  
35 SDE in the preparation of the Governor's Budget.
- 36 (e) The SDE shall coordinate with the DSS to identify  
37 annual general subsidized child care program ex-  
38 penditures for Temporary Assistance for Needy  
39 Families-eligible children. The SDE shall modify

- 1 existing reporting forms as necessary to capture  
 2 this data.
- 3 (f) The SDE shall provide to the DSS, upon request,  
 4 access to the information and data elements nec-  
 5 essary to comply with federal reporting require-  
 6 ments and any other information deemed neces-  
 7 sary to improve estimation of child care budgeting  
 8 needs.
- 9 7. Notwithstanding any other provision of law, the funds  
 10 in Schedule (1.5)(f) are reserved exclusively for con-  
 11 tinuing child care for the following: (a) former Cal-  
 12 WORKS families who are working, have left cash aid,  
 13 and have exhausted their two-year eligibility for tran-  
 14 sitional services in either Stage 1 or 2 pursuant to  
 15 subdivision (c) of Section 8351 or Section 8353 of the  
 16 Education Code, respectively, but still meet eligibility  
 17 requirements for receipt of subsidized child care ser-  
 18 vices, and (b) families who received lump-sum diver-  
 19 sion payments or diversion services under Section  
 20 H1266.5 of the Welfare and Institutions Code and have  
 21 spent two years in Stage 2 off of cash aid, but still  
 22 meet eligibility requirements for receipt of subsidized  
 23 child care services.
- 24 8. Nonfederal funds appropriated in this item which have  
 25 been budgeted to meet the state's Temporary Assis-  
 26 tance for Needy Families maintenance-of-effort require-  
 27 ment established pursuant to the federal Personal Re-  
 28 sponsibility and Work Opportunity Reconciliation Act  
 29 of 1996 (P.L. 104-193) may not be expended in any  
 30 way that would cause their disqualification as a feder-  
 31 ally allowable maintenance-of-effort expenditure.
- 32 9. (a) Notwithstanding any other provision of law, the  
 33 income eligibility limits pursuant to Section  
 34 8263.1 of the Education Code that were applicable  
 35 to the 2007-08 fiscal year shall remain in effect  
 36 for the 2008-09 fiscal year.
- 37 10. Of the amounts provided in this item, \$0 is available  
 38 to provide a cost-of-living adjustment for Schedules  
 39 (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i),  
 40 (1.5)(j), and (1.5)(n). The maximum standard reim-

1 bursement rate shall not exceed \$34.38 per day for  
2 general child care programs and \$21.22 per day for  
3 state preschool programs. Furthermore, the migrant  
4 child care and Cal-SAFE child care programs shall  
5 adhere to the maximum standard reimbursement rates  
6 as prescribed for the general child care programs. All  
7 other rates and adjustment factors shall be revised to  
8 conform:

- 9 11. Of the amounts provided in this item, \$10,917,000 is  
10 available to provide a growth adjustment for Schedules  
11 (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(i), and (1.5)(j):
- 12 12. (a) Notwithstanding any other provision of law, the  
13 funds in Schedule (1.5)(m) are appropriated exclu-  
14 sively for developing and maintaining a central-  
15 ized eligibility list in each county pursuant to  
16 Section 8227 of the Education Code. By Novem-  
17 ber 1 of each year, the State Department of Edu-  
18 cation shall provide a status report on implement-  
19 ing eligibility lists in each county, which shall  
20 include, but is not limited to, the cost of implemen-  
21 tation and operation of the eligibility lists in each  
22 county, and number of children and families on  
23 the list for each county:
- 24 13. Notwithstanding Section 8278.3 of the Education Code  
25 or any other provision of law, up to \$5,000,000 of the  
26 Child Care Facilities Revolving Fund balance may be  
27 allocated for use on a one-time basis for renovations  
28 and repairs to meet health and safety standards, to  
29 comply with the federal Americans with Disabilities  
30 Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and to  
31 perform emergency repairs, that were the result of an  
32 unforeseen event and are necessary to maintain contin-  
33 ued normal operation of the child care and develop-  
34 ment program. These funds shall be made available  
35 to school districts and contracting agencies that provide  
36 subsidized center-based services pursuant to the Child  
37 Care and Development Services Act (Chapter 2  
38 (commencing with Section 8200) of Part 6 of Division  
39 1 of Title 1 of the Education Code):

1 14. It is the intent of the Legislature to fully fund the third  
2 stage of child care for former CalWORKs recipients.

3 -

4 ~~SEC. 29. Item 6110-234-0001 of the Budget Act of 2008 is~~  
5 ~~amended to read:~~

6

7 6110-234-0001—For local assistance, Department of Educa-  
8 tion (Proposition 98), Program 10.25, for transfer by the  
9 Controller to Section A of the State School Fund, for  
10 allocation by the Superintendent of Public Instruction  
11 for the Class Size Reduction Program pursuant to  
12 Chapter 6.10 (commencing with Section 52120) of Part  
13 28 of Division 4 of Title 2 of the Education Code..... 1,769,291,231

14 Provisions:

- 15 1. Schools participating in Option One shall receive a  
16 per-pupil rate of \$1,071. Schools participating in Op-  
17 tion Two shall receive a per-pupil rate of \$535.

18 -

19 ~~SEC. 30. Item 6110-488 of Section 2.00 of the Budget Act of~~  
20 ~~2008 is amended to read:~~

21

22 6110-488—Reappropriation (Proposition 98), Department of  
23 Education. Notwithstanding any other provision of law,  
24 the unobligated balances from the following items are  
25 available for reappropriation for the purposes specified in  
26 Provisions 3, 4, and 5:

27 0001—General Fund

- 28 (1) \$12,000 or whatever greater or lesser amount reflects  
29 the unexpended balance of the amount appropriated  
30 for preschool education and child care programs in  
31 Schedules (1) and (1.5) of Item 6110-196-0001 of the  
32 Budget Act of 2003 (Ch. 157, Stats. 2003), as carried  
33 forward per Provision 1 of Item 6110-196-0001 of the  
34 Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).

- 35 (2) \$1,441,000 or whatever greater or lesser amount re-  
36 flects the unexpended balance of the amount appropri-  
37 ated for preschool education and child care programs  
38 in Schedules (1) and (1.5) of Item 6110-196-0001 of  
39 the Budget Act of 2004 (Ch. 208, Stats. 2004), as  
40 carried forward per Provision 1 of Item 6110-196-0001

- 1 of the Budget Act of 2006 (Chs. 47 and 48, Stats.  
2 2006);
- 3 (3) \$3,663,000 or whatever greater or lesser amount re-  
4 flects the unexpended balance of the amount appropri-  
5 ated for preschool education and child care programs  
6 in Schedules (1) and (1.5) of Item 6110-196-0001 of  
7 the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005);  
8 \$1,749,000 of which was carried forward per Provision  
9 1 of Item 6110-196-0001 of the Budget Act of 2007  
10 (Chs. 171 and 172, Stats. 2007).
- 11 (4) \$12,921,000 or whatever greater or lesser amount re-  
12 flects the unexpended balance of the amount appropri-  
13 ated for CalWORKs Stage 2 and Stage 3 child care in  
14 Schedules (1.5)(e) and (1.5)(f) of Item 6110-196-0001  
15 of the Budget Act of 2006 (Chs. 47 and 48, Stats.  
16 2006).
- 17 (6) \$18,120,000 or whatever greater or lesser amount re-  
18 flects the unexpended balance of the amount appropri-  
19 ated for preschool education and child care programs  
20 in Schedules (1) and (1.5) of Item 6110-196-0001 of  
21 the Budget Act of 2007 (Chs. 171 and 172, Stats.  
22 2007), with the exception of Schedules (1.5)(e) and  
23 (1.5)(f) for CalWORKs child care programs.
- 24 (7) \$8,000,000 of the amount appropriated to the Child  
25 Care Facilities Revolving Fund established pursuant  
26 to Section 8278.3 of the Education Code from Section  
27 2.00 of the Budget Act of 2007 (Chs. 171 and 172,  
28 Stats. 2007).
- 29 (8) \$5,000,000 or whatever greater or lesser amount re-  
30 flects the unexpended balance of the amount appropri-  
31 ated for the provision of wraparound care to children  
32 enrolled in preschool programs pursuant to Section  
33 8238.6 of the Education Code (Ch. 211, Stats. 2006).
- 34 (9) \$48,000 or whatever greater or lesser amount reflects  
35 the unexpended funds from subdivision (a) of Section  
36 9 of Chapter 734 of the Statutes of 1999.
- 37 (10) \$21,000 or whatever greater or lesser amount reflects  
38 the unexpended balance of the amount appropriated  
39 for Community-Based English Tutoring pursuant to

- 1 Section 315 of the Education Code, as enacted by  
 2 Proposition 227 in 1998.  
 3 (11) \$9,200,000 or whatever greater or lesser amount re-  
 4 flects the unexpended balance of the amount appropri-  
 5 ated for juvenile education in Item 5225-011-0001 of  
 6 the Budget Act of 2007 (Chs. 171 and 172, Stats.  
 7 2007).  
 8 (12) \$76,000 or whatever greater or lesser amount reflects  
 9 the unexpended balance of the amount appropriated  
 10 for Small School District Bus Replacement in  
 11 Schedule (2) of Item 6110-111-0001 of the Budget  
 12 Act of 2005 (Chs. 38 and 39, Stats. 2005).  
 13 (13) \$488,000 or whatever greater or lesser amount reflects  
 14 the unexpended balance of the amount appropriated  
 15 for Home to School Transportation in Schedule (1)  
 16 of Item 6110-111-0001 of the Budget Act of 2006  
 17 (Chs. 47 and 48, Stats. 2006).  
 18 (14) \$545,000 or whatever greater or lesser amount reflects  
 19 the unexpended balance of the amount appropriated  
 20 for the California High School Exit Examination in  
 21 Schedule (4) of Item 6110-113-0001 of the Budget  
 22 Act of 2006 (Chs. 47 and 48, Stats. 2006).  
 23 (15) \$2,060,000 or whatever greater or lesser amount re-  
 24 flects the unexpended balance of the amount appropri-  
 25 ated for Assessment Review and Reporting and the  
 26 STAR Program in Schedules (1) and (2) of Item 6110-  
 27 113-0001 of the Budget Act of 2007 (Chs. 171 and  
 28 172, Stats. 2007).  
 29 (16) \$19,000 or whatever greater or lesser amount reflects  
 30 the unexpended balance of the amount appropriated  
 31 for transfer to the State School Fund for specialized  
 32 secondary programs in Item 6110-122-0001 of the  
 33 Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).  
 34 (17) \$17,000 or whatever greater or lesser amount reflects  
 35 the unexpended balance of the amount appropriated  
 36 for the Immediate Intervention/Underperforming  
 37 Schools Program Corrective Actions in Schedule (3)  
 38 of Item 6110-123-0001 of the Budget Act of 2005  
 39 (Chs. 38 and 39, Stats. 2005).

- 1 (18) ~~\$2,993,000 or whatever greater or lesser amount re-~~  
2 ~~fects the unexpended balance of the amount appropri-~~  
3 ~~ated for the implementation of the Public Schools~~  
4 ~~Accountability Act of 1999 for the Immediate Inter-~~  
5 ~~vention/Underperforming Schools Program Corrective~~  
6 ~~Actions in Schedule (2) of Item 6110-123-0001 of the~~  
7 ~~Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).~~
- 8 (19) ~~\$615,000 or whatever greater or lesser amount reflects~~  
9 ~~the unexpended balance of the amount appropriated~~  
10 ~~for the implementation of the Public Schools Account-~~  
11 ~~ability Act of 1999 for the Immediate Intervention/Un-~~  
12 ~~derperforming Schools Program Corrective Actions~~  
13 ~~in Schedule (2) of Item 6110-123-0001 of the Budget~~  
14 ~~Act of 2007 (Chs. 171 and 172, Stats. 2007).~~
- 15 (20) ~~\$5,149,000 or whatever greater or lesser amount re-~~  
16 ~~fects the unexpended balance of the amount appropri-~~  
17 ~~ated for the English Language Learners Program in~~  
18 ~~Schedule (2) of Item 6110-125-0001 of the Budget~~  
19 ~~Act of 2006 (Chs. 47 and 48, Stats. 2006).~~
- 20 (21) ~~\$5,149,000 or whatever greater or lesser amount re-~~  
21 ~~fects the unexpended balance of the amount appropri-~~  
22 ~~ated for the English Language Acquisition Program~~  
23 ~~in Schedule (2) of Item 6110-125-0001 of the Budget~~  
24 ~~Act of 2007 (Chs. 171 and 172, Stats. 2007).~~
- 25 (22) ~~\$109,000 or whatever greater or lesser amount reflects~~  
26 ~~the unexpended balance of the amount appropriated~~  
27 ~~for transfer to the State School Fund for Economic~~  
28 ~~Impact Aid in Schedule (1) of Item 6110-128-0001~~  
29 ~~of the Budget Act of 2005 (Chs. 38 and 39, Stats.~~  
30 ~~2005).~~
- 31 (23) ~~\$4,000 or whatever greater or lesser amount reflects~~  
32 ~~the unexpended balance of the amount appropriated~~  
33 ~~for transfer to the State School Fund for Economic~~  
34 ~~Impact Aid in Item 6110-128-0001 of the Budget Act~~  
35 ~~of 2006 (Chs. 47 and 48, Stats. 2006).~~
- 36 (24) ~~\$1,500,000 or whatever greater or lesser amount re-~~  
37 ~~fects the unexpended balance of the amount appropri-~~  
38 ~~ated for the Administrator Training Program in Item~~  
39 ~~6110-144-0001 of the Budget Act of 2007 (Chs. 171~~  
40 ~~and 172, Stats. 2007).~~

- 1       (25) \$7,000 or whatever greater or lesser amount reflects
- 2           the unexpended balance of the amount appropriated
- 3           for the American Indian Early Childhood Education
- 4           Program in Item 6110-150-0001 of the Budget Act
- 5           of 2006 (Chs. 47 and 48, Stats. 2006):
- 6       (26) \$110,000 or whatever greater or lesser amount reflects
- 7           the unexpended balance of the amount appropriated
- 8           for American Indian Education Centers in Schedule
- 9           (1) of Item 6110-151-0001 of the Budget Act of 2005
- 10          (Chs. 38 and 39, Stats. 2005):
- 11       (27) \$177,000 or whatever greater or lesser amount reflects
- 12           the unexpended balance of the amount appropriated
- 13           for American Indian Education Centers in Item 6110-
- 14           151-0001 of the Budget Act of 2006 (Chs. 47 and 48,
- 15           Stats. 2006):
- 16       (28) \$1,385,000 or whatever greater or lesser amount re-
- 17           flects the unexpended balance of the amount appropri-
- 18           ated for adults in correctional facilities in Item 6110-
- 19           158-0001 of the Budget Act of 2006 (Chs. 47 and 48,
- 20           Stats. 2006):
- 21       (29) \$107,000 or whatever greater or lesser amount reflects
- 22           the unexpended balance of the amount appropriated
- 23           for special education instruction in Schedule (1) of
- 24           Item 6110-161-0001 of the Budget Act of 2005 (Chs.
- 25           38 and 39, Stats. 2005):
- 26       (30) \$21,919,000 or whatever greater or lesser amount re-
- 27           flects the unexpended balance of the amount appropri-
- 28           ated for special education instruction in Schedule (1)
- 29           of Item 6110-161-0001 of the Budget Act of 2006
- 30           (Chs. 47 and 48, Stats. 2006):
- 31       (31) \$57,000 or whatever greater or lesser amount reflects
- 32           the unexpended balance of the amount appropriated
- 33           for vocational education for partnership academies in
- 34           Item 6110-166-0001 of the Budget Act of 2006 (Chs.
- 35           47 and 48, Stats. 2006):
- 36       (32) \$23,000 or whatever greater or lesser amount reflects
- 37           the unexpended balance of the amount appropriated
- 38           for the Agricultural Vocational Education Incentive
- 39           Program in Item 6110-167-0001 of the Budget Act
- 40           of 2005 (Chs. 38 and 39, Stats. 2005):

- 1 (33) \$369,000 or whatever greater or lesser amount reflects  
2 the unexpended balance of the amount appropriated  
3 for educational technology programs in Item 6110-  
4 181-0001 of the Budget Act of 2005 (Chs. 38 and 39,  
5 Stats. 2005):
- 6 (34) \$369,000 or whatever greater or lesser amount reflects  
7 the unexpended balance of the amount transferred to  
8 the State School Fund for educational technology  
9 programs in Item 6110-181-0001 of the Budget Act  
10 of 2006 (Chs. 47 and 48, Stats. 2006):
- 11 (35) \$27,000 or whatever greater or lesser amount reflects  
12 the unexpended balance of the amount appropriated  
13 for staff development for teacher peer review in  
14 Schedule (2) of Item 6110-193-0001 of the Budget  
15 Act of 2005 (Chs. 38 and 39, Stats. 2005):
- 16 (36) \$95,000 or whatever greater or lesser amount reflects  
17 the unexpended balance of the amount appropriated  
18 for the Bilingual Teacher Training Assistance Program  
19 and teacher peer review in Schedules (1) and (2) of  
20 Item 6110-193-0001 of the Budget Act of 2006 (Chs.  
21 47 and 48, Stats. 2006):
- 22 (37) \$43,000 or whatever greater or lesser amount reflects  
23 the unexpended balance of the amount appropriated  
24 for transfer to the State School Fund for teacher dis-  
25 missal apportionments in Item 6110-209-0001 of the  
26 Budget Act of 2006 (Chs. 47 and 48, Stats. 2006):
- 27 (38) \$13,000 or whatever greater or lesser amount reflects  
28 the unexpended balance of the amount appropriated  
29 for School Community Policing Partnership Compet-  
30 itive Grants Program in Schedule (5) of Item 6110-  
31 228-0001 of the Budget Act of 2004 (Ch. 208, Stats.  
32 2004):
- 33 (39) \$21,000 or whatever greater or lesser amount reflects  
34 the unexpended balance of the amount appropriated  
35 for the International Baccalaureate Diploma Program  
36 in Schedule (1) of Item 6110-240-0001 of the Budget  
37 Act of 2005 (Chs. 38 and 39, Stats. 2005):
- 38 (40) \$6,000 or whatever greater or lesser amount reflects  
39 the unexpended balance of the amount appropriated  
40 for the Teacher Credentialing Block Grant Program

- 1           in Item 6110-244-0001 of the Budget Act of 2006
- 2           (Chs. 47 and 48, Stats. 2006):
- 3       (41) \$79,000 or whatever greater or lesser amount reflects
- 4           the unexpended balance of the amount appropriated
- 5           for the School and Library Improvement Block Grant
- 6           Program in Item 6110-247-0001 of the Budget Act
- 7           of 2006 (Chs. 47 and 48, Stats. 2006):
- 8       (42) \$186,000 or whatever greater or lesser amount reflects
- 9           the unexpended balance of the amount appropriated
- 10          for the School and Library Improvement Block Grant
- 11          Program in Item 6110-247-0001 of the Budget Act
- 12          of 2007 (Chs. 171 and 172, Stats. 2007):
- 13       (43) \$30,000 or whatever greater or lesser amount reflects
- 14          the unexpended balance of the amount appropriated
- 15          for the Physical Education Teacher Incentive Grant
- 16          Program in Item 6110-260-0001 of the Budget Act
- 17          of 2006 (Chs. 47 and 48, Stats. 2006):
- 18       (44) \$641,000 or whatever greater or lesser amount reflects
- 19          the unexpended balance of the amount appropriated
- 20          to county offices of education for site visits for
- 21          Williams audits in Item 6110-266-0001 of the Budget
- 22          Act of 2007 (Chs. 171 and 172, Stats. 2007):
- 23       (45) \$101,000 or whatever greater or lesser amount reflects
- 24          the unexpended balance of the amount appropriated
- 25          for the Charter School Facility Grant Program in
- 26          Schedule (7) of Item 6110-485 of the Budget Act of
- 27          2005 (Chs. 38 and 39, Stats. 2005):
- 28       (46) \$600,000 or whatever greater or lesser amount reflects
- 29          the unexpended balance of the amount appropriated
- 30          for the Principal Training Program in Schedule (8) of
- 31          Item 6110-485 of the Budget Act of 2006 (Chs. 47
- 32          and 48, Stats. 2006):
- 33       (47) \$25,645,000 or whatever greater or lesser amount re-
- 34          flects the unexpended balance for the After School
- 35          Education and Safety Program in Item 6110-649-0001
- 36          from the 2004-05 fiscal year appropriation pursuant
- 37          to Section 8483.5 of the Education Code, as enacted
- 38          by Proposition 49 in 2002:
- 39       (48) \$178,352,000 or whatever greater or lesser amount
- 40          reflects the unexpended balance for the After School

- 1 Education and Safety Program in Item 6110-649-0001  
2 from the 2007–08 fiscal year appropriation pursuant  
3 to Section 8483.5 of the Education Code, as enacted  
4 by Proposition 49 in 2002, and pursuant to Section  
5 8483.51 of the Education Code as enacted by Chapter  
6 2 of the Statutes of 2008, Third Extraordinary Session.
- 7 (49) \$20,000,000 or whatever greater or lesser amount re-  
8 flects the unexpended balance of the amount appropri-  
9 ated for special education instruction in Schedule (1)  
10 of Item 6110-161-0001 of the Budget Act of 2007  
11 (Chs. 171 and 172, Stats. 2007):
- 12 (50) \$520,000 or whatever greater or lesser amount reflects  
13 the unexpended balance for the After School Educa-  
14 tion and Safety Program in Item 6110-649-0001 from  
15 the 2006–07 fiscal year appropriation pursuant to  
16 Section 8483.5 of the Education Code, as enacted by  
17 Proposition 49 in 2002, and pursuant to Section  
18 8483.51 of the Education Code, as enacted by Chapter  
19 2 of the Statutes of 2008, Third Extraordinary Session.
- 20 (51) \$3,207,465 or whatever greater or lesser amount re-  
21 flects the unexpended balance of the amount appropri-  
22 ated for special education programs in Schedule (1)  
23 of Item 6110-161-0001 of the Budget Act of 2003  
24 (Ch. 157, Stats. 2003):
- 25 (52) \$10,922 or whatever greater or lesser amount reflects  
26 the unexpended balance of the amount appropriated  
27 for the School Safety Consolidated Competitive Grant  
28 in Item 6110-248-0001 of the Budget Act of 2005  
29 (Chs. 38 and 39, Stats. 2005):
- 30 (53) \$10,000 or whatever greater or lesser amount reflects  
31 the unexpended balance of the amount appropriated  
32 for the adult education program and regional occupa-  
33 tional programs pursuant to Article 2 (commencing  
34 with Section 51120) of Chapter 1.5 of Part 28 of Di-  
35 vision 4 of Title 2 of the Education Code in Schedule  
36 (3) of Section 43 of Chapter 79 of the Statutes of  
37 2006.
- 38 (54) \$27,500 or whatever greater or lesser amount reflects  
39 the unexpended balance of the amount appropriated  
40 for the parental involvement program pursuant to

- 1           Article 2 (commencing with Section 51120) of  
2           Chapter 1.5 of Part 28 of Division 4 of Title 2 of the  
3           Education Code in Schedule (9) of Section 43 of  
4           Chapter 79 of the Statutes of 2006.
- 5           (55) \$114,395 or whatever greater or lesser amount reflects  
6           the unexpended balance of the amount appropriated  
7           for teacher recruitment and retention pursuant to Arti-  
8           cle 2 (commencing with Section 51120) of Chapter  
9           1.5 of Part 28 of Division 4 of Title 2 of the Education  
10          Code in Schedule (20) of Section 43 of Chapter 79 of  
11          the Statutes of 2006.
- 12          (56) \$25,725 or whatever greater or lesser amount reflects  
13          the unexpended balance of the amount appropriated  
14          for start-up school breakfast and summer food pro-  
15          gram pursuant to Article 2 (commencing with Section  
16          51120) of Chapter 1.5 of Part 28 of Division 4 of Title  
17          2 of the Education Code in Schedule (8) of Section  
18          43 of Chapter 79 of the Statutes of 2006.
- 19          (57) \$831,523 or whatever greater or lesser amount reflects  
20          the unexpended balance of the amount appropriated  
21          for prior year mandate claims made by local education  
22          agencies pursuant to Article 2 (commencing with  
23          Section 51120) of Chapter 1.5 of Part 28 of Division  
24          4 of Title 2 of the Education Code in Schedule (1) of  
25          Section 43 of Chapter 79 of the Statutes of 2006.
- 26          (58) \$3,115,995 or whatever greater or lesser amount re-  
27          flects the unexpended balance of the amount appropri-  
28          ated for the High Priority Schools Grant Program in  
29          Schedule (1) of Item 6110-123-0001 of the Budget  
30          Act of 2006 (Chs. 47 and 48, Stats. 2006).
- 31          (59) \$247,611 or whatever greater or lesser amount reflects  
32          the unexpended balance of the amount appropriated  
33          for the Special Education Infant Program in Schedule  
34          (1) of Item 6110-161-0001 of the Budget Act of 2006  
35          (Chs. 47 and 48, Stats. 2006).
- 36          (60) \$730,454 or whatever greater or lesser amount reflects  
37          the unexpended balance of the amount appropriated  
38          for the Early Education for Individuals with Excep-  
39          tional Needs in Schedule (2) of Item 6110-161-0001

- 1 of the Budget Act of 2006 (Chs. 47 and 48, Stats.  
2 2006):
- 3 (61) \$44,135 or whatever greater or lesser amount reflects  
4 the unexpended balance of the amount appropriated  
5 for the Agricultural Vocational Education in Item  
6 6110-167-0001 of the Budget Act of 2006 (Chs. 47  
7 and 48, Stats. 2006):
- 8 (62) \$29,837 or whatever greater or lesser amount reflects  
9 the unexpended balance of the amount appropriated  
10 for the California High School Exit Exam Intensive  
11 Intervention Program in Item 6110-204-0001 of the  
12 Budget Act of 2006 (Chs. 47 and 48, Stats. 2006):
- 13 (63) \$6,057 or whatever greater or lesser amount reflects  
14 the unexpended balance of the amount appropriated  
15 for the School Safety Block Grant in Schedule (1) of  
16 Item 6110-228-0001 of the Budget Act of 2006 (Chs.  
17 47 and 48, Stats. 2006):
- 18 (64) \$8,500,000 or whatever greater or lesser amount re-  
19 flects the unexpended balance of the amount appropri-  
20 ated for the K-3 Class Size Reduction Program in  
21 Item 6110-234-0001 of the Budget Act of 2006 (Chs.  
22 47 and 48, Stats. 2006):
- 23 (65) \$339,439 or whatever greater or lesser amount reflects  
24 the unexpended balance of the amount appropriated  
25 for the Pupil Retention Block Grant in Item 6110-243-  
26 0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats.  
27 2006):
- 28 (66) \$98,647 or whatever greater or lesser amount reflects  
29 the unexpended balance of the amount appropriated  
30 for the Professional Development Block Grant in Item  
31 6110-245-0001 of the Budget Act of 2006 (Chs. 47  
32 and 48, Stats. 2006):
- 33 (67) \$5,130 or whatever greater or lesser amount reflects  
34 the unexpended balance of the amount appropriated  
35 for the Arts and Music Block Grant in Item 6110-265-  
36 0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats.  
37 2006):
- 38 (68) \$1,941,700 or whatever greater or lesser amount re-  
39 flects the unexpended balance of the amount appropri-  
40 ated for the Certificated Staff Mentoring Program in

- 1           Item 6110-267-0001 of the Budget Act of 2006 (Chs.
- 2           47 and 48, Stats. 2006):
- 3       (69) \$12,844 or whatever greater or lesser amount reflects
- 4           the unexpended balance of the amount appropriated
- 5           for the School Safety Block Grant Program pursuant
- 6           to subparagraph (J) of paragraph (2) of subdivision
- 7           (a) of Section 31 of Chapter 73 of the Statutes of 2005.
- 8       (70) \$11,705,886 or whatever greater or lesser amount re-
- 9           flects the unexpended balance of the amount appropri-
- 10          ated for adult education programs pursuant to subpara-
- 11          graph (G) of paragraph (2) of subdivision (a) of Sec-
- 12          tion 31 of Chapter 73 of the Statutes of 2005.
- 13       (71) \$1,217,782 or whatever greater or lesser amount re-
- 14           flects the unexpended balance of the amount appropri-
- 15           ated for the Prior Year K-12 Education Mandate
- 16           Claims in Schedule (10) of Item 6110-485 of the
- 17           Budget Act of 2006 (Chs. 47 and 48, Stats. 2006):
- 18       (72) \$57,239 or whatever greater or lesser amount reflects
- 19           the unexpended balance of the amount appropriated
- 20           for the Prior Year K-12 Education Mandate Claims
- 21           in Schedule (12) of Item 6110-485 of the Budget Act
- 22           of 2006 (Chs. 47 and 48, Stats. 2006):
- 23       (73) \$40,000 or whatever greater or lesser amount reflects
- 24           the unexpended balance of the amount appropriated
- 25           for the specialized secondary programs in Item 6110-
- 26           122-0001 of the Budget Act of 2007 (Chs. 171 and
- 27           172, Stats. 2007):
- 28       (74) \$658,800 or whatever greater or lesser amount reflects
- 29           the unexpended balance of the amount appropriated
- 30           for the High Priority Schools Grant Program in
- 31           Schedule (1) of Item 6110-123-0001 of the Budget
- 32           Act of 2007 (Chs. 171 and 172, Stats. 2007):
- 33       (75) \$40,310 or whatever greater or lesser amount reflects
- 34           the unexpended balance of the amount appropriated
- 35           for the Partnership Academies Program in Item 6110-
- 36           166-0001 of the Budget Act of 2007 (Chs. 171 and
- 37           172, Stats. 2007):
- 38       (76) \$145,000 or whatever greater or lesser amount reflects
- 39           the unexpended balance of the amount appropriated
- 40           for the National Board Certification Program in Item

- 1           6110-195-0001 of the Budget Act of 2007 (Chs. 171  
2           and 172, Stats. 2007):
- 3       (77) \$49,774 or whatever greater or lesser amount reflects  
4           the unexpended balance of the amount appropriated  
5           for the California High School Exit Exam Intensive  
6           Instruction Program in Item 6110-204-0001 of the  
7           Budget Act of 2007 (Chs. 171 and 172, Stats. 2007):
- 8       (78) \$41,445 or whatever greater or lesser amount reflects  
9           the unexpended balance of the amount appropriated  
10          for the Teacher Dismissal Apportionment Program in  
11          Item 6110-209-0001 of the Budget Act of 2007 (Chs.  
12          171 and 172, Stats. 2007):
- 13       (79) \$1,003,040 or whatever greater or lesser amount re-  
14          flects the unexpended balance of the amount appropri-  
15          ated for the Pupil Retention Program in Item 6110-  
16          243-0001 of the Budget Act of 2007 (Chs. 171 and  
17          172, Stats. 2007):
- 18       (80) \$167,158 or whatever greater or lesser amount reflects  
19          the unexpended balance of the amount appropriated  
20          for the Professional Development Block Grant in Item  
21          6110-245-0001 of the Budget Act of 2007 (Chs. 171  
22          and 172, Stats. 2007):
- 23       (81) \$429,880 or whatever greater or lesser amount reflects  
24          the unexpended balance of the amount appropriated  
25          for the Certificated Staff Mentoring Program in Item  
26          6110-267-0001 of the Budget Act of 2007 (Chs. 171  
27          and 172, Stats. 2007):
- 28       (82) \$7,821 or whatever greater or lesser amount reflects  
29          the unexpended balance of the amount appropriated  
30          for the Home to School Transportation Program in  
31          Schedule (14) of Item 6110-485 of the Budget Act of  
32          2007 (Chs. 171 and 172, Stats. 2007):
- 33       (83) \$281,207 or whatever greater or lesser amount reflects  
34          the unexpended balance of the amount appropriated  
35          for the Quality Education Improvement Act in sub-  
36          paragraph (B) of paragraph (1) of subdivision (c) of  
37          Section 52055.770 of the Education Code.
- 38       (84) \$499,639 or whatever greater or lesser amount reflects  
39          the unexpended balance of the amount appropriated  
40          to the California Community Colleges in Schedule

- 1           (15) of Item 6870-101-0001 of the Budget Act of 2006
- 2           (Chs. 47 and 48, Stats. 2006):
- 3           (85) \$145,359 or whatever greater or lesser amount reflects
- 4           the unexpended balance of the amount appropriated
- 5           to the California Community Colleges for nursing
- 6           faculty recruitment and retention in paragraph (30) of
- 7           subdivision (a) of Section 43 of Chapter 79 of the
- 8           Statutes of 2006:
- 9           (86) \$229,653 or whatever greater or lesser amount reflects
- 10          the unexpended balance of the amount appropriated
- 11          to the California Community Colleges in Schedule
- 12          (18) of Item 6870-101-0001 of the Budget Act of 2006
- 13          (Chs. 47 and 48, Stats. 2006):
- 14          (87) \$40,000 or whatever greater or lesser amount reflects
- 15          the unexpended balance of the amount appropriated
- 16          to the California Community Colleges in Schedule
- 17          (15) of Item 6870-101-0001 of the Budget Act of 2007
- 18          (Chs. 171 and 172, Stats. 2007):
- 19          (88) \$59,931 or whatever greater or lesser amount reflects
- 20          the unexpended balance of the amount appropriated
- 21          to the California Community Colleges in Schedule
- 22          (20) of Item 6870-101-0001 of the Budget Act of 2007
- 23          (Chs. 171 and 172, Stats. 2007):
- 24          (89) \$81,824 or whatever greater or lesser amount reflects
- 25          the unexpended balance of the amount appropriated
- 26          to the California Community Colleges in Schedule
- 27          (23) of Item 6870-101-0001 of the Budget Act of 2007
- 28          (Chs. 171 and 172, Stats. 2007):
- 29          (90) \$404,091 or whatever greater or lesser amount reflects
- 30          the unexpended balance of the amount appropriated
- 31          to the California Community Colleges in Schedule
- 32          (18) of Item 6870-101-0001 of the Budget Act of 2007
- 33          (Chs. 171 and 172, Stats. 2007):
- 34          (91) \$817,973 or whatever greater or lesser amount reflects
- 35          the unexpended balance of the amount appropriated
- 36          to the California Community Colleges in Schedule
- 37          (6) of Item 6870-101-0001 of the Budget Act of 2007
- 38          (Chs. 171 and 172, Stats. 2007):
- 39          (92) \$8,738,578 or whatever greater or lesser amount re-
- 40          flects the unexpended balance of the amount appropri-

ated 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 \$38,631,987 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 \$46,161,769 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 Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2 of the Education Code.

SEC. 31. 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).....	3,649,230,000
Schedule:	
(1) 10.10.010-Apportionments.....	2,830,717,000
(2) 10.10.020-Apprenticeship.....	
	14,641,000
(3) 10.10.030-Growth for Apportionments.....	
	113,500,000

1	(4) 20.10.004-Student Success for Basic	
2	Skills Students.....	33,100,000
3	(5) 20.10.005-Student Financial Aid Admin-	
4	istration.....	51,269,000
5	(6) 20.10.020-Disabled Students.....	115,011,000
6	(7) 20.10.045-Special Services for Cal-	
7	WORKS Recipients.....	43,580,000
8	(8) 20.10.060-Foster Care Education Pro-	
9	gram.....	
10		5,254,000
11	(9) 20.10.070-Matriculation.....	101,803,000
12	(10) 20.20.020-Academic Senate for the	
13	Community Colleges.....	
14		467,000
15	(11) 20.20.041-Equal Employment Opportu-	
16	nity pursuant to Ch. 1169, Stats.	
17	2002.....	
18		1,747,000
19	(12) 20.20.050-Part-time Faculty Health In-	
20	surance.....	
21		1,000,000
22	(13) 20.20.051-Part-time Faculty Compensa-	
23	tion.....	
24		50,828,000
25	(14) 20.20.055-Part-time Faculty Office	
26	Hours.....	
27		7,172,000
28	(15) 20.30.011-Telecommunications and	
29	Technology Services.....	
30		26,197,000
31	(16) 20.30.050-Economic Development....	
32		46,790,000
33	(17) 20.30.070-Transfer Education and Ar-	
34	ticulation.....	
35		1,424,000
36	(18) 20.40.026-Physical Plant and Instruc-	
37	tional Support.....	
38		27,345,000

1	(19) 20.10.010-Extended Opportunity Pro-	
2	grams and Services and Special Ser-	
3	vices.....	122,291,000
4	(20) 20.30.045-Fund for Student Success...	
5		6,158,000
6	(21) 20.70.010-Career Technical Educa-	
7	tion.....	
8		20,000,000
9	(22) 20.80.010-Campus Childcare Tax	
10	Bailout.....	
11		6,836,000
12	(23) 20.95.010-Nursing Program Support...	
13		22,100,000

Provisions:

- 14 1. The funds appropriated in Schedules (1), (2), (3), (4),
- 15 (5), (6), (7), (8), (9), (11), (12), (13), (14), (15), (16),
- 16 (18), (19), and (22) are for transfer by the Controller
- 17 during the 2008-09 fiscal year to Section B of the
- 18 State School Fund.
- 19
- 20 2. Notwithstanding any other provision of law, apportion-
- 21 ment funding for community college districts shall be
- 22 based on the greater of the current year or prior year
- 23 level of full-time equivalent students (FTES), consis-
- 24 tent with K-12 declining enrollment practices pursuant
- 25 to Section 42238.5 of the Education Code. Decreases
- 26 in FTES shall result in a revenue reduction at the dis-
- 27 trict's average level of apportionment funding per
- 28 FTES and shall be made in the year following the ini-
- 29 tial year of decrease in FTES.
- 30 3. The funds appropriated in Schedule (1) for Apportion-
- 31 ments include \$31,409,000 to encourage district-level
- 32 accountability efforts pursuant to Section 84754.5 of
- 33 the Education Code. It is intended that the Chancellor
- 34 of the California Community Colleges submit an an-
- 35 nual report on district-specific accountability measures
- 36 by March 19 of each year. This report shall reflect
- 37 outcomes from the most recently completed fiscal year
- 38 for which data is available pursuant to Section 84754.5
- 39 of the Education Code.

- 1       4. ~~Of the funds appropriated in Schedule (1), Apportion-~~
- 2       ~~ments:~~
- 3       (a) ~~Up to \$100,000 is for a maintenance allowance,~~
- 4       ~~pursuant to Section 54200 of Title 5 of the Cali-~~
- 5       ~~formia Code of Regulations.~~
- 6       (b) ~~Up to \$500,000 is to reimburse colleges for the~~
- 7       ~~costs of federal aid repayments related to assessed~~
- 8       ~~fees for fee waiver recipients. This reimbursement~~
- 9       ~~only applies to students who completely withdraw~~
- 10       ~~from college before the census date pursuant to~~
- 11       ~~Section 58508 of Title 5 of the California Code~~
- 12       ~~of Regulations.~~
- 13       5. ~~Notwithstanding any other provision of law, the~~
- 14       ~~Chancellor of the California Community Colleges~~
- 15       ~~shall not reduce district workload obligations for a~~
- 16       ~~lack of a funded cost-of-living adjustment.~~
- 17       6. (a) ~~Of the amount appropriated in Schedule (2) for~~
- 18       ~~the Apprenticeship Program, up to \$14,641,000~~
- 19       ~~shall be available as necessary upon certification~~
- 20       ~~by the Chancellor of the California Community~~
- 21       ~~Colleges for the purpose of funding community~~
- 22       ~~college-related and supplemental instruction pur-~~
- 23       ~~suant to Section 3074 of the Labor Code, as pro-~~
- 24       ~~vided in Section 8152 of the Education Code. No~~
- 25       ~~community college district shall use funds avail-~~
- 26       ~~able under this provision to offer any new appren-~~
- 27       ~~ticeship training program or the expansion of any~~
- 28       ~~existing program unless the new program or ex-~~
- 29       ~~pansion has been approved by the chancellor.~~
- 30       (b) ~~Notwithstanding Section 8152 of the Education~~
- 31       ~~Code, each 60-minute hour of teaching time de-~~
- 32       ~~voted to each indentured apprentice enrolled in~~
- 33       ~~and attending classes of related and supplemental~~
- 34       ~~instruction as provided under Section 3074 of the~~
- 35       ~~Labor Code shall be reimbursed at the rate of~~
- 36       ~~\$5.06 per hour. For purposes of this provision,~~
- 37       ~~each hour of teaching time may include up to 10~~
- 38       ~~minutes for passing time and breaks.~~
- 39       7. ~~Funds appropriated in Schedule (3), Growth for Ap-~~
- 40       ~~portionments, shall be available first to any districts~~

1 bringing online in the current fiscal year newly accredited  
2 colleges or California Postsecondary Education  
3 Commission-approved educational centers. It is the  
4 intent of the Legislature that increases in basic founda-  
5 tion allocations to each college be funded prior to ad-  
6 ditional growth in full-time equivalent students. The  
7 Chancellor of the California Community Colleges  
8 shall provide a report by November 1 of each year, to  
9 the Department of Finance and the Legislative Analyst,  
10 on the number of new centers and colleges added for  
11 the current fiscal year and those anticipated to be added  
12 for the prospective budget year. This report shall also  
13 detail the specific funding adjustments provided for  
14 basic foundation allocations to each college and center  
15 for the current fiscal year.

16 8. Notwithstanding any other provision of law, funds  
17 appropriated in Schedule (3) for Growth for Apportion-  
18 ments shall only be allocated for growth in full-time  
19 equivalent students (FTES), on a district-by-district  
20 basis, as determined by the Chancellor of the Califor-  
21 nia Community Colleges. The chancellor shall not in-  
22 clude any FTES from concurrent enrollment in physi-  
23 cal education, dance, recreation, study skills, and per-  
24 sonal development courses and other courses in con-  
25 flict with existing law for the purpose of calculating  
26 a district's three-year overcap adjustment. The Board  
27 of Governors of the California Community Colleges  
28 shall implement the criteria required by subdivision  
29 (a) of Provision 5 of Item 6870-101-0001 of the Bud-  
30 get Act of 2003 (Ch. 157, Stats. 2003) for the alloca-  
31 tion of funds appropriated in Schedules (1) and (3);  
32 so as to ensure that courses related to student needs  
33 for transfer, basic skills, and vocational/workforce  
34 training are accorded the highest priority and are pro-  
35 vided to the maximum extent possible within budgeted  
36 funds.

37 10. Of the amount appropriated in Schedule (1),  
38 \$10,000,000 shall only be available for noncredit in-  
39 struction to prepare pupils to pass the California High  
40 School Exit Examination (CAHSEE). The first priority

1 shall be to serve high school pupils from the class of  
 2 2007 who met all other graduation requirements except  
 3 for passage of the CAHSEE. Remaining funds may  
 4 be used to support other necessary noncredit courses  
 5 for other pupils who not only did not pass the CAH-  
 6 SEE, but who did not complete other coursework  
 7 necessary to meet high school graduation requirements.  
 8 These funds are intended to supplement but not sup-  
 9 plant existing funding for these purposes.

10 11. The funds appropriated in Schedule (4), Student Suc-  
 11 cess for Basic Skills Students, shall be allocated as  
 12 follows:

13 (a) \$1,600,000 for faculty and staff development to  
 14 improve curriculum, instruction, student services,  
 15 and program practices in the areas of basic skills  
 16 and English as a Second Language (ESL) pro-  
 17 grams. The Office of the Chancellor of the Cali-  
 18 fornia Community Colleges shall select a district,  
 19 utilizing a competitive process, to carry out these  
 20 faculty and staff development activities. All col-  
 21 leges receiving funds pursuant to subdivision (b)  
 22 shall be provided with the opportunity to partici-  
 23 pate in the faculty and staff development programs  
 24 specified in this subdivision. The chancellor shall  
 25 report on the use of these funds by the selected  
 26 district to the Legislative Analyst and the Depart-  
 27 ment of Finance not later than September 1, 2009.

28 (b) \$31,500,000 for allocation by the chancellor to  
 29 community college districts for improving out-  
 30 comes of students who enter college needing at  
 31 least one course in ESL or basic skills, with par-  
 32 ticular emphasis on students transitioning from  
 33 high school.

34 (c) Funding specified in subdivisions (a) and (b) shall  
 35 be distributed to eligible applicants pursuant to  
 36 Chapter 489 of the Statutes of 2007.

37 (d) The Office of the Chancellor shall work jointly  
 38 with the Department of Finance and the Legisla-  
 39 tive Analyst to develop annual accountability  
 40 measures for this program. It is the intent of the

1 Legislature that annual performance accountabil-  
2 ity measures for this program utilize, to the extent  
3 possible, data available as part of the accountabil-  
4 ity system developed pursuant to Section 84754.5  
5 of the Education Code. By November 1, 2009,  
6 the chancellor shall submit a report to the Govern-  
7 or and Legislature on the annual accountability  
8 measures developed pursuant to this process.

9 12. (a) ~~Of the funds appropriated in Schedule (5) for~~  
10 ~~Student Financial Aid Administration, not less~~  
11 ~~than \$9,864,000 is available to provide \$0.91 per~~  
12 ~~unit reimbursement to community college districts~~  
13 ~~for the provision of board of governors (BOG)~~  
14 ~~fee waiver awards pursuant to paragraph (2) of~~  
15 ~~subdivision (m) of Section 76300 of the Education~~  
16 ~~Code.~~

17 (b) ~~Of the funds appropriated in Schedule (5), not~~  
18 ~~less than \$4,405,000 is available to provide reim-~~  
19 ~~bursment of 2 percent of total waiver value to~~  
20 ~~community college districts for the provision of~~  
21 ~~BOG fee waiver awards pursuant to paragraph~~  
22 ~~(2) of subdivision (m) of Section 76300 of the~~  
23 ~~Education Code.~~

24 (c) ~~Funding provided to community college districts~~  
25 ~~in subdivisions (a) and (b) of Provision 15 is~~  
26 ~~provided to directly offset any mandated costs~~  
27 ~~claimed by community college districts pursuant~~  
28 ~~to Commission on State Mandates Test Claims~~  
29 ~~99-TC-13 (Enrollment Fee Collection) and 00-~~  
30 ~~TC-15 (Enrollment Fee Waivers).~~

31 (d) (1) ~~Of the amount appropriated in Schedule (5);~~  
32 ~~\$2,800,000 shall be for a contract with a~~  
33 ~~community college district to conduct a~~  
34 ~~statewide media campaign to promote the~~  
35 ~~general message to prospective students as~~  
36 ~~follows: (A) the California Community Col-~~  
37 ~~leges (CCC) remain affordable, (B) financial~~  
38 ~~aid and tax credits are available to cover en-~~  
39 ~~rollment fees and help with books and other~~  
40 ~~costs, and (C) the active encouragement of~~

1 contact between pupils and local CCC finan-  
 2 cial aid offices. Any funds used from this  
 3 source to produce radio, television, or mail  
 4 campaigns must emphasize the availability  
 5 of financial aid, the easiest and most reliable  
 6 method of accessing the aid, a contact tele-  
 7 phone number, an Internet Web site address,  
 8 where applicable, and the physical location  
 9 of a financial aid office. Any mail campaign  
 10 must give priority to existing pupils, recent  
 11 high school graduates, and 12th graders. The  
 12 outreach and information campaign should  
 13 target its efforts in high schools, welfare of-  
 14 fices, unemployment offices, churches,  
 15 community centers, and any other location  
 16 that will most effectively reach low-income  
 17 and disadvantaged students who must over-  
 18 come barriers in accessing postsecondary  
 19 education. The community college district  
 20 awarded the contract shall consult with the  
 21 Chancellor of the California Community  
 22 Colleges and the Student Aid Commission  
 23 prior to performing any activities to ensure  
 24 appropriate coordination with any other state  
 25 efforts in this area and ensure compliance  
 26 with this provision.

(2) Of the amount appropriated in Schedule (5),  
 27 not more than \$34,200,000 shall be for direct  
 28 contact with potential and current financial  
 29 aid applicants. Each CCC campus shall re-  
 30 ceive a minimum allocation of \$50,000. The  
 31 remainder of the funding shall be allocated  
 32 to campuses based upon a formula reflecting  
 33 full-time equivalent students (FTES)  
 34 weighted by a measure of low-income popu-  
 35 lations as demonstrated by BOG fee waiver  
 36 program participation within a district. It is  
 37 the intent of the Legislature, to the extent that  
 38 funds are provided in this item, that all cam-  
 39 puses provide additional staff resources to  
 40

1 increase both financial aid participation and  
2 student access to low-income and disadvan-  
3 tagged students who must overcome barriers  
4 in accessing postsecondary education. Funds  
5 may be used for screening current students  
6 for possible financial aid eligibility and offer-  
7 ing personal assistance to these students in  
8 accessing financial aid, providing individual  
9 help in multiple languages for families and  
10 students in filling out the necessary paper-  
11 work to apply for financial aid, and increas-  
12 ing financial aid staff to process additional  
13 financial aid forms.

14 (3) Funds allocated to a community college dis-  
15 trict for financial aid personnel, outreach de-  
16 termination of financial need, and delivery  
17 of student financial aid services shall supple-  
18 ment, and shall not supplant, the level of  
19 funds allocated for the administration of stu-  
20 dent financial aid programs during the  
21 2001-02 fiscal year.

22 (4) It is the intent of the Legislature that the Of-  
23 fice of the Chancellor of the California  
24 Community Colleges provide the Legislature  
25 with a report not later than April 1, 2009, on  
26 the use of the funds allocated pursuant to  
27 paragraphs (1) and (2) of this subdivision (d),  
28 including the distribution of the funds, specifi-  
29 c uses of the funds, strategies employed to  
30 reach low-income and disadvantaged students  
31 potentially eligible for financial aid, and the  
32 extent to which districts were successful in  
33 increasing the number of students accessing  
34 financial aid, particularly the maximum Pell  
35 Grant award.

36 (5) It is the intent of the Legislature that the  
37 chancellor report by September 1, 2008, in  
38 the manner and using the factors set forth in  
39 paragraph (5) of subdivision (b) of Provision  
40 11 of Item 6870-101-0001 of Section 2.00 of

- 1 the Budget Act of 2004 (Ch. 208, Stats.  
 2 2004), on the impact of outreach efforts on  
 3 student headcount and FTES enrollment for  
 4 the 2005–06 and 2006–07 academic years.
- 5 13. Of the funds appropriated in Schedule (19) for Extend-  
 6 ed Opportunity Programs and Services, \$106,786,000  
 7 is for Extended Opportunity Programs and Services  
 8 (EOPS) in accordance with Article 8 (commencing  
 9 with Section 69640) of Chapter 2 of Part 42 of Divi-  
 10 sion 5 of Title 3 of the Education Code. Funds provid-  
 11 ed in this item for EOPS shall be available to students  
 12 on all campuses within the California Community  
 13 College system, including those students on new  
 14 campuses or in new districts. In addition, \$15,505,000  
 15 is for funding, at all colleges, the Cooperative Agen-  
 16 cies Resources for Education (CARE) program in ac-  
 17 cordance with Article 4 (commencing with Section  
 18 79150) of Chapter 9 of Part 48 of Division 7 of Title  
 19 3 of the Education Code. The Board of Governors of  
 20 the California Community Colleges shall allocate  
 21 funds on a priority basis to local programs on the basis  
 22 of need for student services.
- 23 14. Of the funds appropriated in Schedule (19) for the  
 24 Extended Opportunity Programs and Services,  
 25 \$1,900,000 shall be available to support additional  
 26 textbook assistance grants to community college stu-  
 27 dents as an allowable expenditure consistent with  
 28 paragraph (10) of subdivision (b) of Section 69648 of  
 29 the Education Code.
- 30 15. The funds appropriated in Schedule (20) for the Fund  
 31 for Student Success is for additional targeted student  
 32 services, to be expended as follows:
- 33 (a) \$1,921,000 is for the Puente Project to support up  
 34 to 75 colleges. These funds are available if  
 35 matched by \$200,000 of private funds and the  
 36 participating community colleges and University  
 37 of California campuses maintain their 1995–96  
 38 fiscal year support level for the Puente Project.  
 39 All funding shall be allocated directly to partici-

- 1           pating districts in accordance with their participa-
- 2           tion agreement.
- 3       (b) Up to \$2,459,000 is for the Mathematics, Engi-
- 4           neering and Science Achievement (MESA) Pro-
- 5           gram. For each dollar allocated, the recipient dis-
- 6           trict shall provide \$1 in matching funds.
- 7       (e) No less than \$1,778,000 is for the Middle College
- 8           High School Program. With the exception of fully
- 9           compliant special part-time students at the com-
- 10          munity colleges pursuant to Sections 48802 and
- 11          76001 of the Education Code, student workload
- 12          based on participation in the Middle College High
- 13          School Program shall not be eligible for commu-
- 14          nity college state apportionment. Further, no
- 15          community college state apportionment shall be
- 16          made available for physical education classes,
- 17          noncredit classes, nor other courses specified in
- 18          Provision 8.
- 19    16. (a) The funds appropriated in Schedule (6) for the
- 20          Disabled Students Program are for assisting dis-
- 21          tricts in funding the excess direct instructional
- 22          cost of providing special support services or in-
- 23          struction, or both, to disabled students enrolled at
- 24          community colleges, and for state hospital pro-
- 25          grams, as mandated by federal law.
- 26       (b) Of the amount appropriated in Schedule (6), no
- 27          less than \$3,945,000 shall be used to address de-
- 28          ficiencies identified by the federal Office of Civil
- 29          Rights (OCR), as determined by the Office of the
- 30          Chancellor of the California Community Colleges.
- 31       (e) Of the amount appropriated in Schedule (6), at
- 32          least \$943,000 shall be used for support of the
- 33          High Tech Centers for activities including, but
- 34          not limited to, training of district employees, staff,
- 35          and students in the use of specialized computer
- 36          equipment for the disabled. All High Tech Centers
- 37          shall meet standards developed by the Office of
- 38          the Chancellor. Colleges that receive these aug-
- 39          mentations shall not supplant existing resources
- 40          provided to the centers.

- 1           (d) ~~Notwithstanding any other provision of law, of~~
- 2           ~~the funds appropriated in Schedule (6), \$1,246,000~~
- 3           ~~shall be for state hospital adult education pro-~~
- 4           ~~grams at the hospitals served by the Coast and~~
- 5           ~~Kern Community College Districts since the~~
- 6           ~~1986-87 fiscal year. If adult education services~~
- 7           ~~at any of the three hospitals are not supported by~~
- 8           ~~the community colleges in any portion of the~~
- 9           ~~2008-09 fiscal year, remaining funds shall, upon~~
- 10           ~~order of the Department of Finance, after 30 days'~~
- 11           ~~notice to the Chairperson of the Joint Legislative~~
- 12           ~~Budget Committee, be transferred to the State~~
- 13           ~~Department of Developmental Services (DDS).~~
- 14           ~~For any transfer of funds to DDS during the~~
- 15           ~~2008-09 fiscal year, the Proposition 98 base~~
- 16           ~~funding levels for community colleges and DDS~~
- 17           ~~shall be adjusted accordingly.~~
- 18           (e) ~~Of the funds appropriated in Schedule (6) for the~~
- 19           ~~Disabled Student Services, no less than~~
- 20           ~~\$9,600,000 shall be allocated to support high-cost~~
- 21           ~~sign language interpreter services and real-time~~
- 22           ~~captioning equipment or other communication~~
- 23           ~~accommodations for hearing-impaired students~~
- 24           ~~based on a 4-to-1 state-to-local district match.~~
- 25           17. ~~The funds appropriated in Schedule (7), Special Ser-~~
- 26           ~~vices for CalWORKs Recipients, are for the purpose~~
- 27           ~~of assisting welfare recipient students and those in~~
- 28           ~~transition off of welfare to achieve long-term self-~~
- 29           ~~sufficiency through coordinated student services of-~~
- 30           ~~fered at community colleges, including workstudy,~~
- 31           ~~other educational related work experience, job place-~~
- 32           ~~ment services, child care services, and coordination~~
- 33           ~~with county welfare offices to determine eligibility~~
- 34           ~~and availability of services. All services funded in~~
- 35           ~~Schedule (7) shall be for current CalWORKs recipients~~
- 36           ~~or prior CalWORKs recipients who are in transition~~
- 37           ~~off of cash assistance for no more than two years.~~
- 38           ~~Current cash-assistance recipients may utilize these~~
- 39           ~~services until their initial educational objectives are~~
- 40           ~~met. Former recipients in transition off of cash assis-~~

1 tance may utilize these services for a period of up to  
 2 two years after leaving cash assistance subject to the  
 3 conditions of this provision. These funds shall be used  
 4 to supplement and not supplant existing funds and  
 5 services provided for CalWORKs recipients attending  
 6 community colleges. The Chancellor of the California  
 7 Community Colleges shall develop an equitable  
 8 method for allocating funds to all districts and colleges  
 9 based on the relative numbers of CalWORKs recipients  
 10 in attendance and shall allocate funds for the following  
 11 purposes:

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

26 —Of the amount appropriated in Schedule (7),  
 27 \$15,000,000 is for child care and does not require a  
 28 district match. For the remaining funds, districts shall,  
 29 as a condition of receipt of these funds, provide a \$1  
 30 match for every \$1 provided by the state.

31 —Funds utilized for subsidized child care shall be for  
 32 children of CalWORKs recipients through campus-  
 33 based centers or parental choice vouchers at rates and  
 34 with rules consistent with those applied to related  
 35 programs operated by the State Department of Educa-  
 36 tion in the 2008–09 fiscal year, including eligibility,  
 37 reimbursement rates, and parental contribution  
 38 schedules. Subsidized campus child care for Cal-  
 39 WORKs recipients may be provided during the period  
 40 they are engaged in qualifying state and federal work

1 activities through attainment of their initial education  
 2 and training plan and for up to three months thereafter  
 3 or until the end of the academic year, whichever period  
 4 of time is greater.  
 5 —Funds utilized for workstudy shall be used solely  
 6 for payments to employers that currently participate  
 7 in campus-based workstudy programs or are providing  
 8 work experiences that are directly related to and in  
 9 furtherance of student educational programs and work  
 10 participation requirements, provided that those pay-  
 11 ments may not exceed 75 percent of the wage for the  
 12 workstudy positions, and the employers shall pay at  
 13 least 25 percent of the wage for the workstudy posi-  
 14 tions. These funds may be expended only if the total  
 15 hours of education, employment, and workstudy for  
 16 the student are sufficient to meet both state and federal  
 17 minimum requirements for qualifying work-related  
 18 activities.  
 19 —Funds may be used to provide credit or noncredit  
 20 classes for CalWORKs students if a district has com-  
 21 mitted all of its funded full-time equivalent students  
 22 (FTES) and is unable to offer the additional instruc-  
 23 tional services to meet the demand for CalWORKs  
 24 students. This determination shall be based on fall  
 25 enrollment information. Districts shall submit applica-  
 26 tions to the Office of the Chancellor by October 15 of  
 27 each year. If the chancellor approves the use of funds  
 28 for direct instructional workload, the Office of the  
 29 Chancellor shall submit a report to the Department of  
 30 Finance and the Joint Legislative Budget Committee  
 31 by November 15, 2008, that (a) identifies the enroll-  
 32 ment of new CalWORKs students, (b) states whether  
 33 and why additional classes were needed to accommo-  
 34 date the needs of CalWORKs students, and (c) sets  
 35 forth an expenditure plan for the balance of funds.  
 36 —As a condition of receipt of the funds appropriated  
 37 in Schedule (7), by the fourth week following the end  
 38 of the semester or quarter term commencing in January  
 39 2009, each participating community college shall  
 40 submit to the Office of the Chancellor a report, in the

1 format specified by the chancellor in consultation with  
2 the State Department of Social Services, that includes,  
3 but is not limited to, the funded components, the  
4 number of hours of child care provided, the average  
5 monthly enrollment of CalWORKs dependents served  
6 in child care, the number of workstudy hours provided,  
7 the hourly salaries and type of jobs, the number of  
8 students being case managed, the short-term programs  
9 available, the student participation rates, and other  
10 outcome data. It is intended that, to the extent practical,  
11 reporting from colleges utilize data gathered for federal  
12 reporting requirements at the state and local level.  
13 Further, it is intended that the Office of the Chancellor  
14 compile the information for annual reports to the  
15 Legislature, the Governor, the Legislative Analyst, the  
16 Department of Finance, and the State Department of  
17 Social Services by November 15 of each year.  
18 —First priority for expenditures of any funds appropri-  
19 ated in Schedule (7) shall be in support of current  
20 CalWORKs recipients. However, if caseloads are in-  
21 sufficient to fully utilize all of the funding in this  
22 schedule in a cost-beneficial way, it is intended that  
23 up to \$5,000,000 of the funds subject to local matching  
24 requirements may be allocated for providing postem-  
25 ployment services to former CalWORKs recipients  
26 who have been off of cash assistance for no longer  
27 than two years to assist them in upgrading skills, job  
28 retention, and advancement. Allowable services in-  
29 clude direct instruction that cannot be funded under  
30 available growth funding, child care to support atten-  
31 dance in these classes consistent with this provision,  
32 job development and placement services, and career  
33 counseling and assessment activities which cannot be  
34 funded through other programs. Child care services  
35 may only be provided for periods commensurate with  
36 a student's need for postemployment training within  
37 the two-year transitional period.  
38 —Prior to allocation of funds for postemployment  
39 services, the chancellor shall first secure the approval  
40 of the Department of Finance for the allocations;

1 complete a cumulative report on the outcomes, activi-  
 2 ties, and cost-effectiveness of the program no later  
 3 than November 15, 2008, in compliance with the  
 4 Budget Acts of 1998 (Ch. 324, Stats. 1998) and 1999  
 5 (Ch. 50, Stats. 1999) and this act, and shall provide  
 6 the rationale and justification for the proposed alloca-  
 7 tion of postemployment services to districts for transi-  
 8 tional students.  
 9 —If a district is unable to fully expend its share of child  
 10 care funds, it may request that the Office of the  
 11 Chancellor approve a reallocation to other CalWORKs  
 12 purposes authorized by this provision, subject to all  
 13 pertinent limitations and district match required for  
 14 these purposes under this provision.  
 15 —Of the funds appropriated in Schedule (7) for the  
 16 Special Services for CalWORKs Recipients Program,  
 17 no less than \$8,000,000 is to provide direct workstudy  
 18 wage reimbursement for students served under this  
 19 program, and \$1,000,000 is available for campus job  
 20 development and placement services.  
 21 18. Funds appropriated in Schedule (7) for the Special  
 22 Services for CalWORKs Recipients Program have  
 23 been budgeted to meet the state’s Temporary Assis-  
 24 tance for Needy Families maintenance-of-effort require-  
 25 ment pursuant to the federal Personal Responsibility  
 26 and Work Opportunity Reconciliation Act of 1996  
 27 (P.L. 104-193) and may not be expended in any way  
 28 that would cause their disqualification as a federally  
 29 allowable maintenance-of-effort expenditure.  
 30 19. (a) Funds provided in Schedule (8) for the Foster  
 31 Care Education Program shall be allocated to  
 32 provide foster and relative/kinship care education  
 33 and training. Districts shall ensure that education  
 34 and training required by Sections 1529.1 and  
 35 1529.2 of the Health and Safety Code and Section  
 36 16003 of the Welfare and Institutions Code re-  
 37 ceive priority. Districts may use any remaining  
 38 funds for additional parenting skills training.  
 39 (b) Funds provided in Schedule (8) shall be used for  
 40 foster parent and relative/kinship care provider

1 education training services consistent with the  
2 following criteria:

3 (1) The Chancellor of the California Community  
4 Colleges shall use these funds exclusively  
5 for foster parent and relative/kinship care  
6 provider education and training, as specified  
7 by the chancellor in consultation with an ad-  
8 visory committee that includes foster parents,  
9 representatives of statewide foster parent or-  
10 ganizations, parent and relative/kinship care  
11 providers, and representatives from the State  
12 Department of Social Services.

13 (2) Acceptance of funds under this program shall  
14 constitute agreement by the district to comply  
15 with such reporting requirements, guidelines,  
16 and other conditions for receipt of funding  
17 as the chancellor may establish.

18 (3) Each college plan for foster and relative/kin-  
19 ship care education programs shall include  
20 the provision of training to facilitate the de-  
21 velopment of foster family homes, small  
22 family homes, and relative/kinship homes to  
23 care for no more than six children who have  
24 special mental, emotional, developmental, or  
25 physical needs.

26 (4) The State Department of Social Services shall  
27 facilitate the participation of county welfare  
28 departments in the foster and relative/kinship  
29 care education program.

30 20. (a) Funds appropriated in Schedule (9) for the Matric-  
31 ulation Program are for the purpose of student  
32 matriculation pursuant to Article 1 (commencing  
33 with Section 78210) of Chapter 2 of Part 48 of  
34 Division 7 of Title 3 of the Education Code.

35 (b) Of the amount appropriated in Schedule (9),  
36 \$20,000,000 shall be allocated to community  
37 college districts on a one-to-one matching funds  
38 basis to provide matriculation services, including,  
39 but not limited to, orientation, assessment, and  
40 counseling, for students enrolled in designated

1 noncredit classes and programs who may benefit  
 2 most, as determined by the Chancellor of the  
 3 California Community Colleges pursuant to Sec-  
 4 tions 78216 to 78218, inclusive, of the Education  
 5 Code.

6 21. The funds in Schedule (13) for the Part-time Faculty  
 7 Compensation Program shall be allocated solely to  
 8 increase compensation for part-time faculty from the  
 9 amounts previously authorized. Funds shall be distribut-  
 10 ed to districts based on the total actual full-time  
 11 equivalent students served in the previous fiscal year  
 12 and include a small district factor as determined by  
 13 the Chancellor of the California Community Colleges.  
 14 These funds are to be used to assist districts in making  
 15 part-time faculty salaries more comparable to full-time  
 16 salaries for similar work, as determined through each  
 17 district's local collective bargaining process. These  
 18 funds shall not supplant the amount of resources each  
 19 district used to compensate part-time faculty or be  
 20 used to exceed parity of each part-time faculty em-  
 21 ployed by each district with regular full-time faculty  
 22 at the same district, as certified by the chancellor. If  
 23 a district achieves parity, its allocation may be used  
 24 for any other educational purpose.

25 22. (a) \$24,197,000 of the funds provided in Schedule  
 26 (15) for the Telecommunications and Technology  
 27 Services Program shall be for the purpose of  
 28 supporting technical and application innovations  
 29 and for coordination of activities that serve to  
 30 maximize the utility of the technology investments  
 31 of the community college system towards improv-  
 32 ing learning outcomes. Allocations shall be made  
 33 by the Chancellor of the California Community  
 34 Colleges, based on criteria and guidelines as de-  
 35 veloped by the chancellor, on a competitive basis  
 36 through the RFA/RFP application process for the  
 37 following purposes:

38 (1) Provision of access to statewide multimedia  
 39 hosting and delivery services for system col-  
 40 leges and districts.

- 1           (2) ~~Provision of systemwide Internet, audio~~
- 2           ~~bridging, and telephony.~~
- 3           (3) ~~Technical assistance and planning, coopera-~~
- 4           ~~tive purchase agreements, and faculty and~~
- 5           ~~staff development in a manner consistent with~~
- 6           ~~paragraph (3) of subdivision (b) of Provision~~
- 7           ~~17 of Item 6870-101-0001 of Section 2.00 of~~
- 8           ~~the Budget Act of 1996 (Ch. 162, Stats.~~
- 9           ~~1996).~~
- 10          (4) ~~Ongoing support for the California Virtual~~
- 11          ~~University Distance Education Program.~~
- 12          (5) ~~Ongoing support for programs designed to~~
- 13          ~~use technology in assisting accreditation and~~
- 14          ~~the alignment of curricula across K-20 seg-~~
- 15          ~~ments in California.~~
- 16          (6) ~~Support for technology pilots and ongoing~~
- 17          ~~technology programs and applications that~~
- 18          ~~serve to maximize the utility and economy~~
- 19          ~~of scale of the technology investments of the~~
- 20          ~~community college system towards improv-~~
- 21          ~~ing learning outcomes.~~

22           In addition, a portion of the funds provided in  
 23           this subdivision shall be available for allocations  
 24           to districts. It is the intent of the Legislature that  
 25           these funds be used by colleges to maintain the  
 26           technology capabilities specified in subdivision  
 27           (a) of Provision 21 of Item 6870-101-0001 of the  
 28           Budget Act of 2003 (Ch. 157, Stats. 2003). These  
 29           funds shall not supplant existing funds used for  
 30           those purposes, and colleges shall match mainte-  
 31           nance and ongoing costs with other funds as pro-  
 32           vided by Provision 21(a) of Item 6870-101-0001  
 33           of the Budget Act of 2003 (Ch. 157, Stats. 2003).

- 34          (b) ~~The Office of the Chancellor of the California~~
- 35          ~~Community Colleges shall develop the reporting~~
- 36          ~~criteria for all programs funded by this item and~~
- 37          ~~shall submit that for review along with an annual~~
- 38          ~~progress report on program implementation to the~~
- 39          ~~Legislative Analyst, the Office of the Secretary~~
- 40          ~~for Education, and the Department of Finance no~~

- 1 later than December 1 of each year. Reporting
- 2 shall include summaries of allocations and expend-
- 3 ditures by program and by district, where applica-
- 4 ble.
- 5 (e) ~~Of the funds provided in Schedule (15),~~
- 6 ~~\$2,000,000 is for ongoing support and expansion~~
- 7 ~~of the California Partnership for Achieving Stu-~~
- 8 ~~dent Success (Cal-PASS) program. As a condition~~
- 9 ~~of receipt of these funds, the grantee shall submit~~
- 10 ~~to the Office of the Chancellor, by October 15 of~~
- 11 ~~each year, all of the following: (1) a report that~~
- 12 ~~includes the numbers and percentages of institu-~~
- 13 ~~tions and school districts that have signed agree-~~
- 14 ~~ments and the number and percentage that have~~
- 15 ~~actively submitted data in the current year, (2) the~~
- 16 ~~results of an annual program evaluation, as pre-~~
- 17 ~~scribed by the chancellor, that sufficiently docu-~~
- 18 ~~ments the value and productivity of the program,~~
- 19 ~~and (3) an annual financial audit, as prescribed~~
- 20 ~~by the chancellor, that includes an accounting of~~
- 21 ~~all funding sources and all uses of funds by~~
- 22 ~~funding source. It is the intent of the Legislature~~
- 23 ~~that all reporting requirements contained in this~~
- 24 ~~subdivision shall be completed using funds pro-~~
- 25 ~~vided to the grantee.~~
- 26 23. ~~Of the funds provided in Schedule (16) for the Eco-~~
- 27 ~~nomie and Workforce Development Program:~~
- 28 (a) ~~\$22,830,000 is allocated for grants for regional~~
- 29 ~~business resources assistance and innovation net-~~
- 30 ~~work centers. Each grant awarded to a district for~~
- 31 ~~Centers for International Development shall con-~~
- 32 ~~tain sufficient funds, as determined by the Chan-~~
- 33 ~~cellor of the California Community Colleges, for~~
- 34 ~~the continued operation of Mexican International~~
- 35 ~~Trade Centers.~~
- 36 (b) ~~\$7,822,000 is allocated for industry-driven region-~~
- 37 ~~al education and training collaboratives. These~~
- 38 ~~grants shall be made on a competitive basis and~~
- 39 ~~the award amounts shall not be restricted to any~~

- 1           predetermined limit, but rather shall be funded on  
2           their individual merits.
- 3           (e) ~~\$3,609,000 is allocated for statewide network~~  
4           ~~leadership, organizational development, coordina-~~  
5           ~~tion, information and support services, or other~~  
6           ~~program purposes.~~
- 7           (d) ~~\$4,529,000 is available for Job Development In-~~  
8           ~~centive Training programs focused on job creation~~  
9           ~~for public assistance recipients. Any annual sav-~~  
10           ~~ings from this subdivision shall only be available~~  
11           ~~for expenditure for one-time activities listed under~~  
12           ~~subdivision (j) of Section 88531 of the Education~~  
13           ~~Code.~~
- 14           (e) ~~\$8,000,000 is allocated for the establishment of~~  
15           ~~a Responsive Incumbent Worker Training Fund,~~  
16           ~~which will serve to expand the delivery of perfor-~~  
17           ~~mance improvement training to employers and~~  
18           ~~incumbent workers in high-growth industries.~~  
19           ~~Funds shall also be used to develop programs that~~  
20           ~~integrate basic skills and career technical educa-~~  
21           ~~tion curriculum in ways that provide students with~~  
22           ~~seamless educational coursework that transitions~~  
23           ~~students into high-tech and high-demand job sec-~~  
24           ~~tors.~~
- 25           (f) ~~The following provisions apply to the expenditure~~  
26           ~~of funds within subdivisions (a) and (b): Funds~~  
27           ~~allocated for centers and regional collaboratives~~  
28           ~~shall seek to maximize the use of state funds for~~  
29           ~~subdivisions (g) to (j), inclusive, of Section 88531~~  
30           ~~of the Education Code. Funds allocated to districts~~  
31           ~~for purposes of subdivisions (g) and (i) of Section~~  
32           ~~88531 of the Education Code for performance-~~  
33           ~~based training and student internships shall be~~  
34           ~~matched by a minimum of \$1 of private business~~  
35           ~~and industry funding for each \$1 of state funds.~~  
36           ~~Funds allocated for purposes of subdivision (h)~~  
37           ~~of Section 88531 of the Education Code for~~  
38           ~~credit and noncredit instruction may be transferred~~  
39           ~~to Schedule (1) or (3) to facilitate distribution at~~  
40           ~~the chancellor's discretion. Any funds that become~~

1 available from network centers due to savings,  
 2 discontinuance, or reduction of amounts shall first  
 3 be made available for additional allocations in  
 4 subdivision (b) to increase the level of subsidized  
 5 training otherwise available.

6 (g) Funds allocated by the Board of Governors of the  
 7 California Community Colleges under this provi-  
 8 sion may not be used by community college dis-  
 9 tricts to supplant existing courses or contract edu-  
 10 cation offerings. The chancellor shall ensure that  
 11 funds are spent only for expanded services and  
 12 shall implement accountability reporting for dis-  
 13 tricts receiving these funds to ensure that training,  
 14 credit, and noncredit programs remain relevant  
 15 to business needs. Programs that do not demon-  
 16 strate continued relevance and support by business  
 17 shall not be eligible for continued funding. The  
 18 board of governors shall consider the level of in-  
 19 volvement and financial commitments of business  
 20 and industry as primary factors in making awards.  
 21 The chancellor shall incorporate grant require-  
 22 ments into the guidelines for audits of economic  
 23 development grants.

24 (h) Primary objectives of the Economic and Work-  
 25 force Development Program are to maximize in-  
 26 struction, to prepare students for entry-level jobs,  
 27 to increase skills of the current workforce, and to  
 28 stimulate the growth of businesses through train-  
 29 ing so that more jobs are created. As part of the  
 30 annual report on the performance of the Economic  
 31 and Workforce Development Program, the chan-  
 32 cellor shall provide disaggregated data detailing  
 33 the funding provided to each economic develop-  
 34 ment regional center and each industry-driven  
 35 regional education and training collaborative, and  
 36 to the extent practicable, the total number of hours  
 37 of contract education services, performance im-  
 38 provement training, credit and noncredit instruc-  
 39 tion, and job placements created as a result of  
 40 each center and collaborative.

- 1 24. (a) The funds appropriated in Schedule (17) for the  
2 Transfer Education and Articulation Program are  
3 available to support transfer and articulation pro-  
4 jects and common course numbering projects.
- 5 (b) Funding provided to community college districts  
6 from Schedule (17) is provided to directly offset  
7 any mandated costs claimed by community col-  
8 lege districts pursuant to Chapter 737 of the  
9 Statutes of 2004.
- 10 25. (a) \$13,673,000 of the funds appropriated in Schedule  
11 (18) is available for the following purposes:
- 12 (1) Scheduled maintenance and special repairs  
13 of facilities. The Chancellor of the California  
14 Community Colleges shall allocate funds to  
15 districts on the basis of actual reported full-  
16 time equivalent students (FTES), and may  
17 establish a minimum allocation per district.  
18 As a condition for receiving and expending  
19 these funds for maintenance or special re-  
20 pairs, a district shall certify that it will in-  
21 crease its operations and maintenance  
22 spending from the 1995-96 fiscal year by the  
23 amount it allocates from this appropriation  
24 for maintenance and special repairs, plus an  
25 equal amount to be provided from district  
26 discretionary funds. The chancellor may  
27 waive all or a portion of the matching require-  
28 ment based upon a review of a district's finan-  
29 cial condition. The question of whether a  
30 district has complied with its resolution shall  
31 be reviewed under the annual audit of that  
32 district. For every \$1 a district expends from  
33 this appropriation for scheduled maintenance  
34 and special repairs, the recipient district shall  
35 provide \$1 in matching funds.
- 36 (2) Hazardous substances abatement, cleanup,  
37 and repairs.
- 38 (3) Architectural barrier removal projects that  
39 meet the requirements of the federal Ameri-  
40 cans with Disabilities Act of 1990 (42 U.S.C.

1                   Sec. 12101 et seq.) and seismic retrofit pro-  
 2                   jects limited to \$400,000. Districts that re-  
 3                   ceive funds for architectural barrier removal  
 4                   projects shall provide a \$1 match for every  
 5                   \$1 provided by the state.

6                   (b) \$13,672,000 of the funds appropriated in Schedule  
 7                   (18) is available for replacement of instructional  
 8                   equipment and library materials. For every \$3 a  
 9                   district expends from this appropriation for re-  
 10                  placement of instructional equipment or library  
 11                  materials, the recipient district shall provide \$1  
 12                  in matching funds. The chancellor may waive all  
 13                  or a portion of the matching requirement based  
 14                  upon a review of a district's financial condition.  
 15                  The funds provided for instructional equipment  
 16                  and library materials shall not be used for personal  
 17                  services costs or operating expenses. The chancel-  
 18                  lor shall allocate funds to districts on the basis of  
 19                  actual reported FTES and may establish a mini-  
 20                  mum allocation per district. The question of  
 21                  whether a district has complied with its resolution  
 22                  shall be reviewed under the annual audit of that  
 23                  district.

24                  (c) The funds appropriated in Schedule (18) shall be  
 25                  available for expenditure until June 30, 2010.

26                  26. Pursuant to Sections 69648.5, 78216, and 84850, and  
 27                  subdivision (b) of Section 87108, of the Education  
 28                  Code, the Board of Governors of the California Com-  
 29                  munity Colleges may allocate funds appropriated in  
 30                  Schedules (6), (9), (11), and (19) by grant or contract,  
 31                  or through the apportionment process, to one or more  
 32                  districts for the purpose of providing program evalua-  
 33                  tion, accountability, monitoring, or program develop-  
 34                  ment services, as appropriate under the applicable  
 35                  statute.

36                  27. The funds appropriated in Schedule (21) for the Career  
 37                  Technical Education Program are for the purpose of  
 38                  aligning career-technical education curriculum be-  
 39                  tween K-12 and community colleges in targeted indus-  
 40                  try-driven programs offered through the Economic

1 and Workforce Development Program. Prior to the  
2 allocation of these funds, the Chancellor of the Cali-  
3 fornia Community Colleges, in conjunction with the  
4 State Department of Education, shall submit a pro-  
5 posed expenditure plan for the funds contained in this  
6 item, and the rationale therefor, to the Department of  
7 Finance by August 1, 2008, for approval.

8 —Of the funds appropriated in Schedule (21),  
9 \$2,500,000 is available for the development and en-  
10 hancement of health-related career pathway programs  
11 in grades 7 to 12, inclusive, and for the articulation  
12 and alignment of health-related curriculum between  
13 schools with pupils in kindergarten and grades 1 to  
14 12, inclusive, and the California Community Colleges.

15 28. The funds appropriated in Schedule (22) for the  
16 Campus Childcare Tax Bailout shall be allocated by  
17 the Chancellor of the California Community Colleges  
18 to community college districts that levied child care  
19 permissive override taxes in the 1977-78 fiscal year  
20 pursuant to Sections 8329 and 8330 of the Education  
21 Code in an amount equal to the property tax revenues,  
22 tax relief subventions, and state aid required to be  
23 made available by the district to its child care and de-  
24 velopment program for the 1979-80 fiscal year pur-  
25 suant to Section 30 of Chapter 1035 of the Statutes of  
26 1979, increased by any cost-of-living increases granted  
27 in subsequent fiscal years. These funds shall be used  
28 only for the purpose of community college child care  
29 and development programs.

30 29. With regard to the funds appropriated in Schedule  
31 (23), Nursing Program Support, all of the following  
32 shall apply:

33 (a) \$14,000,000 shall be used to provide support for  
34 nursing program enrollment and equipment needs  
35 consistent with paragraph (2) of subdivision (a)  
36 of Section 2 of Chapter 514 of the Statutes of  
37 2001. Grant funding for nursing enrollment shall  
38 provide a marginal increase in funding in addition  
39 to the amount provided for each full-time equiva-  
40 lent student for regular growth in apportionments.

- 1           (b) ~~\$8,100,000 shall be used to provide diagnostic~~
- 2           ~~and support services, preentry coursework, alter-~~
- 3           ~~native program delivery model development, and~~
- 4           ~~other services to reduce the incidence of student~~
- 5           ~~attrition in nursing programs.~~
- 6           (d) ~~The Board of Governors of the California Com-~~
- 7           ~~munity Colleges shall develop a request for appli-~~
- 8           ~~cations (RFA) to allocate the additional~~
- 9           ~~\$5,214,000 of funds in subdivision (b) to commu-~~
- 10          ~~nity college districts. Criteria for assessing each~~
- 11          ~~RFA shall include all of the following:~~
- 12          (1) ~~The degree to which the funds provided~~
- 13             ~~would be used to increase student enrollment~~
- 14             ~~in nursing programs beyond the level of full-~~
- 15             ~~time equivalent students served in the~~
- 16             ~~2007-08 academic year.~~
- 17          (2) ~~The district's level of attrition from nursing~~
- 18             ~~programs and the suitability of planned ex-~~
- 19             ~~penditures to address attrition levels.~~
- 20          (3) ~~The degree to which funds provided would~~
- 21             ~~be used to support infrastructure or equip-~~
- 22             ~~ment needs with the intent of building capac-~~
- 23             ~~ity and increasing the number of nursing~~
- 24             ~~students served.~~
- 25          (4) ~~For districts with attrition rates of 15 percent~~
- 26             ~~or more, new grant funding shall focus on~~
- 27             ~~attrition reduction. For districts with attrition~~
- 28             ~~rates below 15 percent, new grant funding~~
- 29             ~~shall focus on enrollment expansion.~~
- 30          (e) ~~The board of governors shall release the RFA no~~
- 31             ~~sooner than 30 days after submitting it to the~~
- 32             ~~Legislature and the Department of Finance for~~
- 33             ~~review.~~
- 34          (f) ~~On or before March 1 of each year, the Chancellor~~
- 35             ~~of the California Community Colleges shall pro-~~
- 36             ~~vide the Legislature and the Department of Fi-~~
- 37             ~~nance with a report on the allocation of funding.~~
- 38             ~~For each district receiving funding under this item,~~
- 39             ~~the report shall include all of the following: (1)~~
- 40             ~~the amount of funding received, (2) the number~~

1 of nursing full-time equivalent students served in  
 2 the 2006-07 academic year, and the additional  
 3 number of nursing full-time equivalent students  
 4 served with funding provided in this item in each  
 5 subsequent year, (3) the district's attrition and  
 6 completion rates in the 2006-07 academic year  
 7 and subsequent years, (4) any equipment or infra-  
 8 structure-related items acquired with the funds  
 9 appropriated in this item, and (5) the number of  
 10 new and existing faculty receiving annual stipend  
 11 awards.

12  
 13 SEC. 32. Item 6870-295-0001 of Section 2.00 of the Budget  
 14 Act of 2008 is amended to read:

15  
 16 6870-295-0001—For local assistance, Board of Governors of  
 17 the California Community Colleges (Proposition 98), for  
 18 reimbursement, in accordance with provisions of Section  
 19 6 of Article XIII B of the California Constitution or Section  
 20 17561 of the Government Code, of the costs of any new  
 21 program or increased level of service of an existing pro-  
 22 gram mandated by statute or executive order, for disburse-  
 23 ment by the Controller..... 3,000

24 Schedule:

- 25 (1) 98.01.000.184-Health Fees (Ch. 1, Stats.  
 26 1984, 2nd Ex. Sess.) (CSM-4206)..... 1,000
- 27 (2) 98.01.090.896-Sex Offenders: Disclo-  
 28 sure Requirements (Ch. 908, Stats.  
 29 1996) (CSM-97-TC-15)..... 1,000
- 30 (3) 98.01.028.498-Law Enforcement Juris-  
 31 diction Agreements (Ch. 284, Stats.  
 32 1998) (CSM-98-TC-20)..... 1,000

33 Provisions:

- 34 †. Allocation of funds appropriated in this item to the  
 35 appropriate local entities shall be made by the Con-  
 36 troller in accordance with the provisions of each statute  
 37 or executive order that mandates the reimbursement  
 38 of the costs, and shall be audited to verify the actual  
 39 amount of the mandated costs in accordance with  
 40 subdivision (d) of Section 17561 of the Government

1 Code. Audit adjustments to prior year claims may be  
 2 paid from this item. Funds appropriated by this item  
 3 may be used to provide reimbursement pursuant to  
 4 Article 5 (commencing with Section 17615) of Chapter  
 5 4 of Part 7 of Division 4 of Title 2 of the Government  
 6 Code.

7 2. If any of the scheduled amounts are insufficient to  
 8 provide full reimbursement of costs, the Controller  
 9 may, upon notifying the Director of Finance in writing,  
 10 augment those deficient amounts from the unencum-  
 11 bered balance of any other scheduled amounts therein.  
 12 No order may be issued pursuant to this provision un-  
 13 less written notification of the necessity therefor is  
 14 provided to the chairpersons of the committees in each  
 15 house of the Legislature that consider appropriations,  
 16 and the Chairperson of the Joint Legislative Budget  
 17 Committee or his or her designee.

18 -

19 SEC. 33.— Section 12.40 of the Budget Act of 2008 is repealed.

20 SEC. 34.— Section 12.42 is added to the Budget Act of 2008, to  
 21 read:

22 Sec. 12.42. (a) The amounts appropriated in the items set forth  
 23 in subdivision (b) are each hereby reduced by the percentage  
 24 determined by dividing 943,773,000 by the sum of the amounts  
 25 appropriated in the items set forth in subdivision (b).

26 (b) Subdivision (a) shall apply to Items 6110-103-0001,  
 27 6110-104-0001, 6110-105-0001, 6110-107-0001, 6110-108-0001,  
 28 6110-113-0001, 6110-119-0001, 6110-122-0001, 6110-123-0001,  
 29 6110-124-0001, 6110-125-0001, 6110-137-0001, 6110-144-0001,  
 30 6110-150-0001, 6110-151-0001, 6110-156-0001, 6110-158-0001,  
 31 6110-166-0001, 6110-167-0001, 6110-181-0001, 6110-182-0001,  
 32 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001,  
 33 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001,  
 34 6110-209-0001, 6110-211-0001, 6110-220-0001, 6110-224-0001,  
 35 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001,  
 36 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001,  
 37 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001,  
 38 6110-265-0001, 6110-266-0001, 6110-267-0001, 6110-268-0001,  
 39 as amended by Chapter 269, Statutes of 2008 and 6360-101-0001  
 40 of Section 2.00 of the Budget Act of 2008.

1     ~~SEC. 35.— Section 35.80 of the Budget Act of 2008 is repealed.~~

2     ~~SEC. 36.— (a) Notwithstanding any other law, fifty-two million~~  
3 ~~eight hundred nineteen thousand nine hundred thirty-five dollars~~  
4 ~~(\$52,819,935) is reduced from the amount appropriated to the~~  
5 ~~Economic Impact Aid Program in Item 6110-128-0001 of Section~~  
6 ~~2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).~~

7     ~~(b) Notwithstanding any other law, two million dollars~~  
8 ~~(\$2,000,000) is reduced from the amount appropriated to the K-12~~  
9 ~~High-Speed Network in Item 6110-182-0001 of Section 2.00 of~~  
10 ~~the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).~~

11     ~~(c) Notwithstanding any other law, two million dollars~~  
12 ~~(\$2,000,000) is reduced from the amount appropriated to the~~  
13 ~~Teacher Incentives National Board Certification Program in Item~~  
14 ~~6110-195-0001 of Section 2.00 of the Budget Act of 2008 (Chs.~~  
15 ~~268 and 269, Stats. 2008).~~

16     ~~(d) Notwithstanding any other law, five hundred seventy million~~  
17 ~~dollars (\$570,000,000) is reduced from the amount appropriated~~  
18 ~~to the State Department of Education for class-size reduction in~~  
19 ~~kindergarten and grades 1 to 3, inclusive, in Item 6110-234-0001~~  
20 ~~of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats.~~  
21 ~~2008).~~

22     ~~(e) Notwithstanding any other law, one million dollars~~  
23 ~~(\$1,000,000) is reduced from the amount appropriated to the Pupil~~  
24 ~~Retention Block Grant Program in Item 6110-243-0001 of Section~~  
25 ~~2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).~~

26     ~~(f) Notwithstanding any other law, one million dollars~~  
27 ~~(\$1,000,000) is reduced from the amount appropriated to the~~  
28 ~~Certificated Staff Mentoring Program in Item 6110-267-0001 of~~  
29 ~~Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats.~~  
30 ~~2008).~~

31     ~~(g) Notwithstanding any other law, one million dollars~~  
32 ~~(\$1,000,000) is reduced from the amount appropriated to the~~  
33 ~~California School Paraprofessional Teacher Training Program in~~  
34 ~~Item 6360-101-0001 of Section 2.00 of the Budget Act of 2008~~  
35 ~~(Chs. 268 and 269, Stats. 2008).~~

36     ~~SEC. 37.— Notwithstanding any other provision of law, the~~  
37 ~~unobligated balances from the following items are reappropriated~~  
38 ~~to the State Department of Education for CalWORKs Stage 2 Child~~  
39 ~~Care services, in augmentation of, and for the purposes specified~~

1 in, Schedule (1.5) (e) of Item 6110-196-0001 of Section 2.00 of  
2 the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008):

3 (a) ~~Forty-three million two thousand six hundred fifteen dollars~~  
4 ~~(\$43,002,615) from Schedule (1) of Item 6110-196-0001 of Section~~  
5 ~~2.00 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).~~

6 (b) ~~Fifty-one million thirty-six thousand five hundred fifty-three~~  
7 ~~dollars (\$51,036,553) from Schedule (1.5)(a) of Item~~  
8 ~~6110-196-0001 of Section 2.00 of the Budget Act of 2007 (Chs.~~  
9 ~~171 and 172, Stats. 2007).~~

10 (c) ~~Two million eight hundred forty-five thousand six hundred~~  
11 ~~forty-seven dollars (\$2,845,647) from Schedule (1.5)(c) of Item~~  
12 ~~6110-196-0001 of Section 2.00 of the Budget Act of 2007 (Chs.~~  
13 ~~171 and 172, Stats. 2007).~~

14 (d) ~~Six million three hundred ninety-nine thousand seven~~  
15 ~~hundred one dollars (\$6,399,701) from Schedule (1.5)(d) of Item~~  
16 ~~6110-196-0001 of Section 2.00 of the Budget Act of 2007 (Chs.~~  
17 ~~171 and 172, Stats. 2007).~~

18 (e) ~~Two hundred seventeen thousand three hundred fifty-three~~  
19 ~~dollars (\$217,353) from Schedule (1.5)(g) of Item 6110-196-0001~~  
20 ~~of Section 2.00 of the Budget Act of 2007 (Chs. 171 and 172, Stats.~~  
21 ~~2007).~~

22 (f) ~~Four million one hundred twenty-three thousand five hundred~~  
23 ~~seventy-two dollars (\$4,123,572) from Schedule (1.5)(i) of Item~~  
24 ~~6110-196-0001 of Section 2.00 of the Budget Act of 2007 (Chs.~~  
25 ~~171 and 172, Stats. 2007).~~

26 (g) ~~Two hundred seventy-four thousand three hundred~~  
27 ~~eighty-one dollars (\$274,381) from Schedule (1.5)(j) of Item~~  
28 ~~6110-196-0001 of Section 2.00 of the Budget Act of 2007 (Chs.~~  
29 ~~171 and 172, Stats. 2007).~~

30 (h) ~~Three thousand seventy-six dollars (\$3,076) from Schedule~~  
31 ~~(1.5)(k) of Item 6110-196-0001 of Section 2.00 of the Budget Act~~  
32 ~~of 2007 (Chs. 171 and 172, Stats. 2007).~~

33 (i) ~~One hundred sixteen thousand one hundred fifteen dollars~~  
34 ~~(\$116,115) from Schedule (1.5)(n) of Item 6110-196-0001 of~~  
35 ~~Section 2.00 of the Budget Act of 2007 (Chs. 171 and 172, Stats.~~  
36 ~~2007).~~

37 SEC. 38. (a) ~~The sum of nine hundred five million seven~~  
38 ~~hundred thousand dollars (\$905,700,000) is hereby appropriated~~  
39 ~~from the General Fund to the State Department of Education. This~~  
40 ~~appropriation reflects the portion of the February 2010 payment~~

1 for the class size reduction in kindergarten and grades 1 to 3,  
2 inclusive, and the June 2010 principal apportionment that is to be  
3 deferred until July 2010 and attributed to the 2010-11 fiscal year.  
4 Notwithstanding any other law, the department shall encumber  
5 the funds appropriated in this section by July 31, 2010. It is the  
6 intent of the Legislature that, by extending the encumbrance  
7 authority for the funds appropriated in this section to July 31, 2010,  
8 the funds will be treated in a manner consistent with Section 1.80  
9 of the Budget Act of 2009. The appropriation is made in accordance  
10 with the following schedule:

11 (1) ~~Six million two hundred twenty-seven thousand dollars~~  
12 ~~(\$6,227,000) for apprenticeship programs to be expended consistent~~  
13 ~~with the requirements specified in Item 6110-103-0001 of Section~~  
14 ~~2.00 of the Budget Act of 2009.~~

15 (2) ~~Ninety million one hundred seventeen thousand dollars~~  
16 ~~(\$90,117,000) for supplemental instruction to be expended~~  
17 ~~consistent with the requirements specified in Item 6110-104-0001~~  
18 ~~of Section 2.00 of the Budget Act of 2009. Of the amount~~  
19 ~~appropriated by this paragraph, fifty-one million sixty-one thousand~~  
20 ~~dollars (\$51,061,000) shall be expended consistent with Schedule~~  
21 ~~(1) of Item 6110-104-0001 of Section 2.00 of the Budget Act of~~  
22 ~~2009, twelve million three hundred thirty thousand dollars~~  
23 ~~(\$12,330,000) shall be expended consistent with Schedule (2) of~~  
24 ~~that item, four million six hundred ninety thousand dollars~~  
25 ~~(\$4,690,000) shall be expended consistent with Schedule (3) of~~  
26 ~~that item, and twenty-two million thirty-six thousand dollars~~  
27 ~~(\$22,036,000) shall be expended consistent with Schedule (4) of~~  
28 ~~that item.~~

29 (3) ~~Thirty-nine million six hundred thirty thousand dollars~~  
30 ~~(\$39,630,000) for regional occupational centers and programs to~~  
31 ~~be expended consistent with the requirements specified in Schedule~~  
32 ~~(1) of Item 6110-105-0001 of Section 2.00 of the Budget Act of~~  
33 ~~2009.~~

34 (4) ~~Four million two hundred ninety-four thousand dollars~~  
35 ~~(\$4,294,000) for the Gifted and Talented Pupil Program to be~~  
36 ~~expended consistent with the requirements specified in Item~~  
37 ~~6110-124-0001 of Section 2.00 of the Budget Act of 2009.~~

38 (5) ~~Forty-five million eight hundred ninety-six thousand dollars~~  
39 ~~(\$45,896,000) for adult education to be expended consistent with~~

1 the requirements specified in Schedule (1) of Item 6110-156-0001  
2 of Section 2.00 of the Budget Act of 2009.

3 ~~(6) Four million seven hundred fifty-one thousand dollars~~  
4 ~~(\$4,751,000) for community day schools to be expended consistent~~  
5 ~~with the requirements specified in Item 6110-190-0001 of Section~~  
6 ~~2.00 of the Budget Act of 2009.~~

7 ~~(7) Five million nine hundred forty-seven thousand dollars~~  
8 ~~(\$5,947,000) for categorical block grants for charter schools to be~~  
9 ~~expended consistent with the requirements specified in Item~~  
10 ~~6110-211-0001 of Section 2.00 of the Budget Act of 2009.~~

11 ~~(8) Thirty-eight million seven hundred twenty thousand dollars~~  
12 ~~(\$38,720,000) for the School Safety Block Grant to be expended~~  
13 ~~consistent with the requirements specified in Schedule (1) of Item~~  
14 ~~6110-228-0001 of Section 2.00 of the Budget Act of 2009.~~

15 ~~(9) Five hundred seventy million dollars (\$570,000,000) for~~  
16 ~~class size reduction in kindergarten and grades 1 to 3, inclusive,~~  
17 ~~to be expended consistent with the requirements specified in Item~~  
18 ~~6110-234-0001 of Section 2.00 of the Budget Act of 2009.~~

19 ~~(10) One hundred million one hundred eighteen thousand dollars~~  
20 ~~(\$100,118,000) for the Targeted Instructional Improvement Grant~~  
21 ~~Program to be expended consistent with the requirements specified~~  
22 ~~in Item 6110-246-0001 of Section 2.00 of the Budget Act of 2009.~~

23 ~~(b) For the purposes of making the computations required by~~  
24 ~~Section 8 of Article XVI of the California Constitution, the~~  
25 ~~appropriations made by subdivision (a) shall be deemed to be~~  
26 ~~“General Fund revenues appropriated for school districts,” as~~  
27 ~~defined in subdivision (e) of Section 41202 of the Education Code,~~  
28 ~~for the 2010–11 fiscal year, and included within the “total~~  
29 ~~allocations to school districts and community college districts from~~  
30 ~~General Fund proceeds of taxes appropriated pursuant to Article~~  
31 ~~XIII B,” as defined in subdivision (e) of Section 41202 of the~~  
32 ~~Education Code, for the 2010–11 fiscal year.~~

33 ~~SEC. 39. (a) Notwithstanding Sections 84320, 84321, and~~  
34 ~~84321.5 of the Education Code and any other law that covers the~~  
35 ~~regulations adopted by the Chancellor of the California Community~~  
36 ~~Colleges to disburse funds, two hundred million dollars~~  
37 ~~(\$200,000,000) from the payment of apportionments to districts~~  
38 ~~pursuant to Sections 84320, 84321, and 84321.5 of the Education~~  
39 ~~Code for July 2009, shall be deferred to October 2009.~~

1 ~~(b) Notwithstanding any other law, one billion dollars~~  
2 ~~(\$1,000,000,000) from the payment of apportionments pursuant~~  
3 ~~to Section 14041 of the Education Code for July 2009, to local~~  
4 ~~educational agencies that maintain kindergarten and any of grades~~  
5 ~~1 to 12, inclusive, shall be deferred to October 2009.~~

6 ~~(c) Notwithstanding any other law, one billion five hundred~~  
7 ~~million dollars (\$1,500,000,000) from the payment of~~  
8 ~~apportionments pursuant to Section 14041 of the Education Code~~  
9 ~~for August 2009, to local educational agencies that maintain~~  
10 ~~kindergarten or any of grades 1 to 12, inclusive, shall be deferred~~  
11 ~~to October 2009.~~

12 ~~(d) Notwithstanding subdivisions (b) and (c) and subject to the~~  
13 ~~approval of the Director of Finance, the Controller shall issue~~  
14 ~~warrants pursuant to Section 14041 of the Education Code that~~  
15 ~~include the full amount of the apportionment payments for the~~  
16 ~~months of July and August for a local educational agency for which~~  
17 ~~the county superintendent of schools certifies to the Superintendent~~  
18 ~~of Public Instruction and to the Director of Finance on or before~~  
19 ~~May 15, 2009, that the deferral of warrants pursuant to subdivisions~~  
20 ~~(b) and (c) will result in qualifying the local educational agency~~  
21 ~~for an emergency apportionment pursuant to Article 2~~  
22 ~~(commencing with Section 41320) of Chapter 3 of Part 24 of~~  
23 ~~Division 3 of Title 2 of the Education Code.~~

24 ~~(e) Notwithstanding subdivision (a) and subject to the approval~~  
25 ~~of the Director of Finance, the Controller shall issue warrants~~  
26 ~~pursuant to Sections 84320, 84321, and 84321.5 of the Education~~  
27 ~~Code that include the full amount of the apportionment payments~~  
28 ~~for the month of July for a community college for which the~~  
29 ~~Chancellor of the California Community Colleges determines, in~~  
30 ~~consultation with the Director of Finance, on or before May 15,~~  
31 ~~2008, that the deferral of warrants pursuant to subdivision (a) will~~  
32 ~~present an imminent threat to the fiscal integrity and security of~~  
33 ~~the community college.~~

34 ~~(f) This section shall apply to payments in the 2009-10 fiscal~~  
35 ~~year only.~~

36 ~~SEC. 40. (a) Notwithstanding Sections 84320, 84321, and~~  
37 ~~84321.5 of the Education Code and any other law that covers the~~  
38 ~~regulations adopted by the Chancellor of the California Community~~  
39 ~~Colleges to disburse funds, the payment of apportionments to~~  
40 ~~districts pursuant to Sections 84320, 84321, and 84321.5 of the~~

1 Education Code for the months of January and February, in the  
2 amount of one hundred fifteen million dollars (\$115,000,000) for  
3 each month, and the months of March and April, in the amounts  
4 of fifty-five million dollars (\$55,000,000) for each month, shall  
5 be deferred to July. The total amount of these payments deferred  
6 to the month of July shall be three hundred forty million dollars  
7 (\$340,000,000).

8 (b) This section is retroactively operative commencing with the  
9 2008–09 fiscal year.

10 SEC. 41. (a) The sum of five hundred forty million dollars  
11 (\$540,000,000) is hereby appropriated from the General Fund to  
12 the Board of Governors of the California Community Colleges for  
13 apportionments to community college districts, for expenditure  
14 during the 2010–11 fiscal year, to be expended in accordance with  
15 Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget  
16 Act of 2009.

17 (b) The disbursement of funds appropriated in subdivision (a) shall  
18 be deferred until July of the 2010–11 fiscal year. This appropriation  
19 and deferral represent one hundred fifteen million dollars  
20 (\$115,000,000) of the January apportionment to community college  
21 districts, one hundred fifteen million dollars (\$115,000,000) of the  
22 February apportionment to community college districts, fifty-five  
23 million dollars (\$55,000,000) of the March apportionment to  
24 community college districts and fifty-five million dollars  
25 (\$55,000,000) of the April apportionment to community college  
26 districts, and two hundred million dollars (\$200,000,000) of the  
27 June apportionment to community college districts.

28 (c) For the purposes of making the computations required by  
29 Section 8 of Article XVI of the California Constitution, the  
30 appropriation made by subdivision (a) shall be deemed to be  
31 “General Fund revenues appropriated for community college  
32 districts,” as defined in subdivision (d) of Section 41202 of the  
33 Education Code, for the 2010–11 fiscal year, and included within  
34 the “total allocations to school districts and community college  
35 districts from General Fund proceeds of taxes appropriated pursuant  
36 to Article XIII B,” as defined in subdivision (e) of Section 41202  
37 of the Education Code, for the 2010–11 fiscal year.

38 SEC. 42. (a) For the 2008–09 and 2009–10 fiscal years, in  
39 order to provide local budgeting flexibility as a result of budget  
40 reductions made by the Legislature for the 2008–09 and 2009–10

1 fiscal years, the governing board of a school district or county  
2 office of education may use up to 100 percent of the balances, as  
3 of June 30, 2008, of restricted accounts in its general fund or  
4 cafeteria fund, excluding restricted reserves committed for capital  
5 outlay, bond funds, sinking funds, and federal funds, and excluding  
6 balances in the following programs:

7 (1) Economic Impact Aid (Article 2 (commencing with Section  
8 54020) of Chapter 1 of Part 29 of Division 4 of Title 2 of the  
9 Education Code).

10 (2) Targeted Instructional Improvement Grant (former Chapter  
11 2.5 (commencing with Section 54200) of Part 29 of Division 4 of  
12 Title 2 of the Education Code).

13 (3) Instructional materials.

14 (4) Special education.

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

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

20 (7) Home-to-school transportation.

21 (b) For purposes of this section, balances of restricted accounts  
22 do not include the amounts deferred from the 2006–07 fiscal year  
23 to the 2007–08 fiscal year or the amounts deferred from the  
24 2007–08 fiscal year to the 2008–09 fiscal year.

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

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

37 (e) A governing board that elects to use balances in restricted  
38 accounts pursuant to this section shall report to the Superintendent,  
39 in a manner determined by the Superintendent, regarding the  
40 programs and amounts of restricted balances used pursuant to

1 ~~subdivision (a). The Superintendent shall report statewide~~  
 2 ~~information and information for each school district and county~~  
 3 ~~office of education to the Joint Legislative Budget Committee by~~  
 4 ~~October 31, 2009.~~

5 ~~SEC. 43. (a) Notwithstanding any other provision of law, in~~  
 6 ~~order to effectuate the General Fund savings associated with the~~  
 7 ~~reductions in appropriations made by this act, the Superintendent~~  
 8 ~~of Public Instruction shall reduce the principal apportionment for~~  
 9 ~~school districts and county offices of education for the 2008-09~~  
 10 ~~fiscal year, as necessary, if both of the following occur during the~~  
 11 ~~2008-09 fiscal year:~~

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

15 ~~(2) The Superintendent determines there is no other way to~~  
 16 ~~recover the funds that have been disbursed prior to the end of the~~  
 17 ~~2008-09 fiscal year.~~

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

20 ~~SEC. 44. (a) Notwithstanding Sections 42238.1 and 42238.15~~  
 21 ~~of the Education Code or any other law, the cost-of-living~~  
 22 ~~adjustment for Items 6110-104-0001, 6110-105-0001,~~  
 23 ~~6110-119-0001, 6110-122-0001, 6110-124-0001, 6110-128-0001,~~  
 24 ~~6110-150-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001,~~  
 25 ~~6110-167-0001, 6110-181-0001, 6110-189-0001, 6110-190-0001,~~  
 26 ~~6110-193-0001, 6110-196-0001, 6110-203-0001, 6110-209-0001,~~  
 27 ~~6110-211-0001, 6110-224-0001, 6110-232-0001, 6110-234-0001,~~  
 28 ~~6110-244-0001, and 6110-246-0001 of Section 2.00 of the Budget~~  
 29 ~~Act of 2009 is zero percent for the 2009-10 fiscal year. All funds~~  
 30 ~~appropriated in the Budget Act of 2009 in the items identified in~~  
 31 ~~this section are in lieu of the amounts that would otherwise be~~  
 32 ~~appropriated pursuant to any other provision of law.~~

33 ~~(b) Notwithstanding Section 42238.1 of the Education Code or~~  
 34 ~~any other law, for purposes of Section 48664 of the Education~~  
 35 ~~Code the cost-of-living adjustment is zero percent for the 2009-10~~  
 36 ~~fiscal year.~~

37 ~~SEC. 45. Notwithstanding any other provision of law, the funds~~  
 38 ~~appropriated pursuant to Items 6110-103-0001, 6110-104-0001,~~  
 39 ~~6110-105-0001, 6110-124-0001, 6110-156-0001, 6110-158-0001,~~  
 40 ~~6110-161-0001, 6110-190-0001, 6110-211-0001, 6110-234-0001,~~

1 and 6110-243-0001 of Section 2.00 of the Budget Act of 2009  
2 shall be encumbered by July 31, 2010. This one-month extension  
3 of encumbrance authority is provided due to the effect of the  
4 deferral of the June 2010 principal apportionment on the budget  
5 items specified in this section. It is the intent of the Legislature  
6 that, by extending the encumbrance authority for the funds  
7 identified in this section to July 31, 2010, the funds will be treated  
8 in a manner consistent with Section 1.80 of the Budget Act of  
9 2009.

10 ~~SEC. 46.~~

11 *SEC. 23.* This act addresses the fiscal emergency declared by  
12 the Governor by proclamation on December 19, 2008, pursuant  
13 to subdivision (f) of Section 10 of Article IV of the California  
14 Constitution.

15 ~~SEC. 47.~~ This act is an urgency statute necessary for the  
16 immediate preservation of the public peace, health, or safety within  
17 the meaning of Article IV of the Constitution and shall go into  
18 immediate effect. The facts constituting the necessity are:

19 In order to make the necessary statutory changes to implement  
20 the Budget Act of 2008 at the earliest time possible, it is necessary  
21 that this act take effect immediately.

O