

**Assembly Bill No. 56**

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Passed the Assembly October 26, 2009

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*Chief Clerk of the Assembly*

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Passed the Senate October 14, 2009

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2009, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 5 of Chapter 3 of, and to repeal Section 39 of Chapter 2 of, the Fourth Extraordinary Session of the Statutes of 2009, relating to education finance, and making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

AB 56, Evans. Education finance.

Existing law appropriates the sum of \$402,000,000 from the General Fund to the Superintendent of Public Instruction for the 2009–10 fiscal year to be allocated to schoolsites selected to participate in the Quality Education Investment Act of 2006 (QEIA) program, as specified. Existing law requires the Superintendent, for each school district and chartering authority receiving an allocation pursuant to these provisions, to reduce its revenue limit or its general purpose entitlement, as specified, for the 2009–10 school year by the amount of the allocation received pursuant to these provisions.

This bill would repeal those provisions and would instead allocate the sum of \$355,000,000 from the General Fund to the Superintendent for the 2009–10 fiscal year to the schoolsites selected to participate in the QEIA program. The bill would require the Superintendent to allocate \$64,872,000 in specified one-time carryover funds provided to the state under Title I of the federal Elementary and Secondary Education Act (20 U.S.C. Sec. 6303 et seq.), and to allocate \$100,000,000 in ongoing funds and one-time funds allocated under Title I pursuant to the federal American Recovery and Reinvestment Act of 2009 for the purpose of awarding grants to local educational agencies that participate in the QEIA program. The bill would reduce the total amount appropriated from the General Fund by the amount of federal funds allocated pursuant to those provisions, to the extent that the federal funds are available for the purposes of awarding grants to local educational agencies that participate in the Quality Education Investment Act program in the 2009–10 fiscal year, as specified. The bill would appropriate the sum of \$20,000,000 from the Proposition 98 Reversion Account to the Superintendent to be

allocated to schoolsites selected to participate in the QEIA program, subject to reduction by the total amount of federal funds available pursuant to those provisions. The bill would require the Superintendent, on or before February 15, 2010, to submit a specified plan for the use of prior year and ongoing Federal School Improvement Funds.

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.

Appropriation: yes.

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

SECTION 1. Section 39 of Chapter 2 of the Fourth Extraordinary Session of the Statutes of 2009 is repealed:

SEC. 2. Section 5 of Chapter 3 of the Fourth Extraordinary Session of the Statutes of 2009 is amended, to read:

Sec. 5. (a) Notwithstanding any other provision of law, the following amounts from the following Controller’s office reference items, that would otherwise be in satisfaction of subdivision (b) of Section 8 of Article XVI of the California Constitution for the 2008–09 fiscal year, that were unallocated, unexpended, or not liquidated as of June 30, 2009, shall revert to the General Fund:

(1) 4450-102-0001.....	\$ 12,256,628.09
(2) 6100-103-0001.....	1,403,709.00
(3) 6100-104-0001.....	8,921,610.00
(4) 6100-105-0001.....	32,359,581.00
(5) 6100-107-0001.....	252,000.00
(6) 6100-108-0001.....	176,908,000.00
(7) 6100-113-0001.....	26,732,163.56
(8) 6100-119-0001.....	6,540,534.50
(9) 6100-122-0001.....	3,911,000.00
(10) 6100-123-0001.....	90,492,100.00
(11) 6100-124-0001.....	767,061.00

(12) 6100-125-0001.....	53,533,000.00
(13) 6100-128-0001.....	205,749.00
(14) 6100-137-0001.....	48,003,000.00
(15) 6100-144-0001.....	4,146,000.00
(16) 6100-150-0001.....	2,904.00
(17) 6100-156-0001.....	19,691,825.00
(18) 6100-158-0001.....	2,522,553.00
(19) 6100-161-0001.....	493,295,639.51
(20) 6100-166-0001.....	8,612,600.00
(21) 6100-167-0001.....	20,379.00
(22) 6100-181-0001.....	64,637.00
(23) 6100-190-0001.....	551,546.00
(24) 6100-193-0001.....	5,067,793.00
(25) 6100-195-0001.....	3,385,000.00
(26) 6100-196-0001.....	233,806,508.98
(27) 6100-198-0001.....	27,965,147.00
(28) 6100-201-0001.....	1,017,000.00
(29) 6100-203-0001.....	6,717,856.17
(30) 6100-209-0001.....	19,513.86
(31) 6100-211-0001.....	17,047,135.00
(32) 6100-220-0001.....	8,054,052.00
(33) 6100-228-0001.....	45,926,000.00
(34) 6100-232-0001.....	50,252,306.00
(35) 6100-234-0001.....	241,243.00
(36) 6100-240-0001.....	1,662,629.50
(37) 6100-244-0001.....	45,425,175.52
(38) 6100-245-0001.....	12.00
(39) 6100-248-0001.....	14,959,417.00
(40) 6100-265-0001.....	37,998,248.00
(41) 6100-267-0001.....	9,060,000.00
(42) 6100-268-0001.....	1,698,856.00
(43) 6100-295-0001.....	38,000.00
(44) 6100-611-0001.....	13,114,425.00
(45) 6100-619-0001.....	2,356.00
(46) 6100-624-0001.....	31.00
(47) 6100-628-0001.....	11,367.00
(48) 6100-633-0001.....	1,790,906.00
(49) 6100-649-0001.....	68,164,309.06
(50) 6100-664-0001.....	15,560,138.00
(51) 6360-101-0001.....	5,733,537.41

(b) Notwithstanding Section 41207.5 of the Education Code, the amounts reverted pursuant to subdivision (a) shall not be deposited in the Proposition 98 Reversion Account.

(c) Notwithstanding Section 41202 of the Education Code, the amounts reverted pursuant to subdivision (a) shall not be included in the calculation of the minimum funding obligation pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution.

(d) (1) The Superintendent of Public Instruction shall calculate the following amount: one billion five hundred sixteen million dollars (\$1,516,000,000) divided by the statewide sum of 2008–09 second principal apportionment average daily attendance for school districts, county offices of education, and charter schools.

(2) The Superintendent shall reduce the apportionment for each school district, county office of education, and charter school provided pursuant to Sections 2558, 42238, and 47633, respectively, of the Education Code for the 2009–10 fiscal year by the amount determined pursuant to paragraph (1) multiplied by the 2008–09 second principal apportionment average daily attendance for that local educational agency. Local educational agencies for which the reduction calculated pursuant to this paragraph exceeds their apportionment of state funds shall have their categorical funding reduced by the excess, except that the amount of the reduction shall be limited by both of the following:

(A) The amount of categorical funds to be reduced shall be limited to the extent that the provisions of Section 41975 of the Education Code cannot be met through other state aid, including amounts provided to a local educational agency pursuant to subdivision (f) of this section.

(B) Apportionments for special education, the After School Education and Safety Program, the Quality Education Investment Act of 2006, and child care and development shall not be reduced.

(e) For the amounts reverted pursuant to subdivision (a), the Superintendent shall determine the amounts that would have been allocated to each local educational agency or other recipient entity, other than amounts that would have been allocated for the High Priority School Grant Program pursuant to Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code, if those funds had not been reverted.

(f) The sum of one billion five hundred sixteen million dollars (\$1,516,000,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for the 2009–10 fiscal year for allocation pursuant to paragraphs (1) and (2).

(1) The sum of three hundred fifty-five million dollars (\$355,000,000) shall be allocated by the Superintendent of Public Instruction for the 2009–10 fiscal year to schoolsites selected to participate in the Quality Education Investment Act program pursuant to Section 52055.730 of the Education Code. Local educational agencies shall receive funding, on behalf of funded schools, at the rates established pursuant to subdivisions (a) and (i) of Section 52055.770 of the Education Code. Local educational agencies and schoolsites receiving this funding shall comply with all of the requirements of the Quality Education Investment Act program specified in Article 3.7 (commencing with Section 52055.700) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code. Notwithstanding any other provision of law, the amount allocated pursuant to this paragraph shall be in lieu of the appropriation required by subparagraph (B) of paragraph (2) of subdivision (c) of Section 52055.770 of the Education Code for the 2009–10 fiscal year.

(2) The Superintendent shall allocate the remaining amount to each local agency or other recipient entity identified pursuant to subdivision (e) in amounts equal to the amounts determined pursuant to subdivision (e) for that local educational agency or other recipient entity less any amount of federal State Federal Stabilization Funds allocated to that agency based on the reductions made pursuant to subdivision (a) of this section. Amounts received pursuant to this paragraph may be used to satisfy obligations incurred during the 2008–09 fiscal year.

(A) The payments made pursuant to this paragraph shall be considered as payments for the programs identified in subdivision (e), not including the High Priority School Grant Program pursuant to Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code, that are deferred from the 2008–09 fiscal year to the 2009–10 fiscal year.

(B) The Superintendent of Public Instruction shall transfer the amounts identified in paragraphs (1) and (51) of subdivision (a) to the appropriate state agency for distribution.

(C) Any of the amounts identified in paragraphs (1) to (51), inclusive, of subdivision (a) that were transferred to Section A of the State School Fund in the 2008–09 fiscal year shall be distributed through Section A of the State School Fund.

(3) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by this subdivision shall be included in the “[t]otal allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in Section 41202 of the Education Code, for the 2009–10 fiscal year.

(g) The amounts reverted pursuant to subdivision (a) shall not affect the determination of base year amounts for categorical funding set forth in Section 42605 of the Education Code.

(h) The Superintendent of Public Instruction shall allocate sixty-four million eight hundred seventy-two thousand dollars (\$64,872,000) in one-time carryover funds provided to the state under subsection (a) of Section 1003 of Title I of the Elementary and Secondary Education Act (20 U.S.C. Sec. 6303 et seq.), as appropriated pursuant to Provision 7 of Item 6110-134-0890 of Chapter 3 of the Fourth Extraordinary Session of the Statutes of 2009 for the purposes of awarding grants to local educational agencies that participate in the Quality Education Investment Act program in the 2009–10 fiscal year.

(i) The Superintendent of Public Instruction shall allocate one hundred million dollars (\$100,000,000) in ongoing funds provided to the state under subsection (a) of Section 1003 of Title I of the Elementary and Secondary Education Act (20 U.S.C. Sec. 6303 et seq.) and one-time funds provided to the state under subsection (a) of Section 1003 of Title I of the Elementary and Secondary Education Act (20 U.S.C. Sec. 6303 et seq.) pursuant to the federal American Recovery and Reinvestment Act of 2009, as appropriated pursuant to Item 6110-134-0890 for purposes of awarding grants to local educational agencies that participate in the Quality Education Investment Act program in the 2009–10 fiscal year.

(j) The total amount appropriated in paragraph (1) of subdivision (f) shall be reduced by the sum of the federal funds allocated in subdivisions (h) and (i), to the extent these federal funds are available for the purposes of awarding grants to local educational agencies that participate in the Quality Education Investment Act

program in the 2009–10 fiscal year, as determined by the Superintendent of Public Instruction. It is the intent of the Legislature that the Superintendent of Public Instruction determine the availability of the federal funds on or before November 15, 2009.

SEC. 3. (a) The sum of twenty million dollars (\$20,000,000) is appropriated from the Proposition 98 Reversion Account to the Superintendent of Public Instruction for the 2009–10 fiscal year to be allocated to schoolsites selected to participate in the Quality Education Investment Act program pursuant to Section 52055.730 of the Education Code. Local educational agencies shall receive funding, on behalf of funded schools, at the rates established pursuant to subdivisions (a) and (i) of Section 52055.770 of the Education Code. Local educational agencies and schoolsites receiving this funding shall comply with all of the requirements of the Quality Education Investment Act program specified in Article 3.7 (commencing with Section 52055.700) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code.

(b) Notwithstanding any provision of law, the appropriation made in this subdivision shall be in lieu of the appropriation required by subparagraph (B) of paragraph (2) of subdivision (c) of Section 52055.770 of the Education Code for the 2009–10 fiscal year.

(c) The funds appropriated in subdivision (a) shall be reduced by the total amount of federal funds available in subdivision (j) of Section 2 of this act.

SEC. 4. On or before February 15, 2010, the Superintendent of Public Instruction shall submit to the Joint Legislative Budget Committee, the appropriate fiscal and policy committees of the Legislature, the Legislative Analyst’s Office, and the Department of Finance a plan for the use of prior year and ongoing Federal School Improvement Funds. This plan shall do all of the following:

(a) Adhere to the requirements set forth in this bill, as well as legislation passed as part of any extraordinary session of 2009.

(b) Ensure that any prior year funds provided pursuant to subdivisions (a) and (g) of Section 1003 of Title I of the federal Elementary and Secondary Act of 1965 and available to the state as of October 1, 2009, are being used for the purpose of supporting schools identified pursuant to Section 52055.770 of the Education Code.

(c) Use funds provided during the 2009–10 fiscal year pursuant to subdivision (a) of Section 1003 of Title I of the federal Elementary and Secondary Act of 1965 to the state for the purpose of supporting schools identified pursuant to Section 52055.770 of the Education Code.

SEC. 5. This act addresses the fiscal emergency declared by the Governor by proclamation on December 19, 2008, pursuant to subdivision (f) of Section 10 of Article IV of the California Constitution.













Approved \_\_\_\_\_, 2009

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*Governor*