

ASSEMBLY BILL

No. 691

Introduced by Assembly Member Gilmore

February 26, 2009

An act to amend Section 42238.1 of the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 691, as introduced, Gilmore. Education finance: inflation adjustment.

Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county pursuant to a specified formula that is based on the base revenue limit of the school district for the prior year, adjusted for inflation, and the average daily attendance for the school district, as specified.

This bill would make various technical, nonsubstantive changes in the statute that sets forth the procedures for the calculation by the Superintendent of Public Instruction of the annual inflation adjustment for school districts.

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

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

1 SECTION 1. Section 42238.1 of the Education Code is
2 amended to read:
3 42238.1. (a) For the 1986–87 fiscal year, and each *subsequent*
4 fiscal year up to and including the 1998–99 fiscal year, the

1 Superintendent of ~~Public Instruction~~ shall compute an inflation
2 adjustment equal to the product of paragraphs (1) and (2):

3 (1) Compute the sum of the following:

4 (A) The statewide average base revenue limit per unit of average
5 daily attendance for the prior fiscal year for districts of similar
6 type.

7 (B) The amount, if any, per unit of average daily attendance
8 received by the district pursuant to Article 8 (commencing with
9 Section 46200) of Chapter 2 of Part 26 of *Division 4* for the prior
10 fiscal year.

11 (2) The percentage change in the annual average value of the
12 Implicit Price Deflator for State and Local Government Purchases
13 of Goods and Services for the United States, as published by the
14 United States Department of Commerce for the 12-month period
15 ending in the third quarter of the prior fiscal year. This percentage
16 change shall be determined using the latest data available as of
17 May 1 of the preceding fiscal year compared with the annual
18 average value of the same deflator for the 12-month period ending
19 in the third quarter of the second preceding fiscal year, using the
20 latest data available as of May 1 of the second preceding fiscal
21 year, as reported by the Department of Finance.

22 (b) For the 1999–2000 fiscal year and each fiscal year thereafter,
23 the Superintendent of ~~Public Instruction~~ shall compute an inflation
24 adjustment equal to the product of paragraphs (1) and (2):

25 (1) Compute the sum of the following:

26 (A) The statewide average base revenue limit per unit of average
27 daily attendance for the prior fiscal year for districts of similar
28 type.

29 (B) The amount, if any, per unit of average daily attendance
30 received by the district pursuant to Article 8 (commencing with
31 Section 46200) of Chapter 2 of Part 26 of *Division 4* for the prior
32 fiscal year.

33 (2) The percentage change in the annual average value of the
34 Implicit Price Deflator for State and Local Government Purchases
35 of Goods and Services for the United States, as published by the
36 United States Department of Commerce for the 12-month period
37 ending in the third quarter of the prior fiscal year. This percentage
38 change shall be determined using the latest data available as of
39 May 10 of the preceding fiscal year compared with the annual
40 average value of the same deflator for the 12-month period ending

- 1 in the third quarter of the second preceding fiscal year, using the
- 2 latest data available as of May 10 of the preceding fiscal year, as
- 3 ~~report~~ *reported* by the Department of Finance.
- 4 (c) This section shall become operative July 1, 1986.

O