

AMENDED IN ASSEMBLY APRIL 8, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2081

**Introduced by Committee on Education (Brownley (Chair),
Nestande (Vice Chair), Ammiano, Arambula, ~~Buchanan~~, Carter,
Eng, ~~Solorio~~, and Torlakson)**

February 18, 2010

An act to amend Sections 1274 ~~and 5200~~, 5200, 35534, and 35542 of the Education Code, relating to education.

LEGISLATIVE COUNSEL'S DIGEST

AB 2081, as amended, Committee on Education. Education.

(1) Existing law authorizes a county superintendent of schools to establish a fund or funds for losses and payments, including, but not limited to, property of the superintendent, any liability, and workers' compensation, in the county treasury for the purpose of covering the deductible amount under deductible types of insurance policies, losses or payments arising from self-insurance programs, or losses or payments due to noninsured perils. Existing law specifies that these provisions do not preclude a county superintendent from providing protection against those losses and liability partly by means of insurance written by acceptable insurers.

This bill would delete an obsolete cross-reference relating to insurance and would make technical changes.

(2) Existing law requires a unified school district that is coterminous with or includes within its boundaries a chartered city or city and county to be governed by the board of education provided for in the charter of the city or city and county. Existing law exempts such a unified school district from certain provisions of law, except as specified.

This bill would delete an obsolete cross-reference relating to these provisions and would make technical changes.

(3) Existing law provides that any action to reorganize a school district shall be effective for all purposes on July 1 of the calendar year following the calendar year in which the action is completed, except as specified.

This bill would correct an erroneous cross-reference relating to these provisions.

(4) Existing law provides that whenever the boundaries of an elementary school district and a high school district become coterminous, the districts are merged into a new unified district. Existing law authorizes an elementary school district that has boundaries within a high school district to be excluded from an action to unify those districts if the governing board receives approval from the State Board of Education.

This bill would instead authorize an elementary school district that has boundaries within a high school district to be excluded from an action to unify those districts if the governing board receives approval from the county committee, if specified conditions are met, or from the state board if these conditions are not met.

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 1274 of the Education Code is amended
 2 to read:
 3 1274. The county superintendent of schools may establish a
 4 fund or funds for losses, and payments, including, but not limited
 5 to, property of the county superintendent of schools, any liability,
 6 and workers' compensation, in the county treasury for the purpose
 7 of covering the deductible amount under deductible types of
 8 insurance policies, losses or payments arising from self-insurance
 9 programs, or losses or payments due to noninsured perils. In the
 10 fund or funds shall be placed such sums, to be provided in the
 11 budget of the county superintendent of schools, as will create an
 12 amount which, together with investments made from the fund or
 13 funds, will be sufficient in the judgment of the county
 14 superintendent of schools to protect the county superintendent of
 15 schools from those losses or to provide for payments on the

1 deductible amount under deductible types of insurance policies,
2 losses or payments arising from self-insurance programs, or losses
3 or payments due to noninsured perils. Nothing in this section shall
4 be construed as prohibiting the county superintendent of schools
5 from providing protection against those losses or liability for the
6 payment of claims partly by means of the fund or funds and partly
7 by means of insurance written by acceptable insurers.

8 The fund or funds shall be considered as separate and apart from
9 all other funds of the county superintendent of schools, and the
10 balance therein shall not be considered as being part of the working
11 cash of the county superintendent of schools in compiling annual
12 budgets.

13 Warrants may be drawn on, or transfers made from, the fund or
14 funds so created only to reimburse or indemnify the county
15 superintendent of schools for losses as herein specified, and for
16 the payment of claims, administrative costs, related services, and
17 to provide for deductible insurance amounts and purchase of excess
18 insurance. The warrants or transfers shall be within the purpose
19 of the fund or funds as established by the county superintendent
20 of schools.

21 The cash placed in the fund or funds may be invested and
22 reinvested by the county treasurer, with the advice and consent of
23 the county superintendent of schools, in securities which are legal
24 investments for surplus county funds in this state. The income
25 derived from the investments, together with interest earned on
26 uninvested funds, shall be considered revenue of and be deposited
27 in the fund. The cost of contracts or services authorized by this
28 section are appropriate charges against the respective fund.

29 The county superintendent of schools may contract for
30 investigative, administrative, and claims adjustment services
31 relating to claims. The contract may provide that the contracting
32 firm may reject, settle, compromise, and approve claims against
33 the county superintendent of schools, its officers or employees,
34 within those limits and for those amounts as the county
35 superintendent of schools may specify, and may provide that the
36 contracting firm may execute and issue checks in payment of those
37 claims, which checks shall be payable only from a trust account
38 which may be established by the county superintendent of schools.
39 Funds in the trust account established by the county superintendent
40 of schools pursuant to the provisions of this section shall not exceed

1 a sum sufficient as determined by the superintendent to provide
2 for the settlement of claims for a 30-day period. The rejection or
3 settlement and approval of a claim by the contracting firm in
4 accordance with the terms of the contract shall have the same effect
5 as would the rejection or settlement and approval of the claim by
6 the county superintendent of schools. The contract may also
7 provide that the contracting firm may employ legal counsel, subject
8 to those terms and limitations as the county superintendent of
9 schools may prescribe, to advise the contracting firm concerning
10 the legality and advisability of rejecting, settling, compromising,
11 and paying claims referred to the contracting firm by the county
12 superintendent of schools for investigation and adjustment, or to
13 represent the superintendent in litigation concerning the claims.
14 The compensation and expenses of the attorney for services
15 rendered to the county superintendent of schools shall be an
16 appropriate charge against the appropriate fund.

17 The contract provided for in this section may contain any other
18 terms and conditions the county superintendent of schools may
19 consider necessary or desirable to effectuate the superintendent's
20 self-insured programs.

21 In lieu of, or in addition to, contracting for the services described
22 in this section, the county superintendent of schools may authorize
23 an employee or employees to perform any or all of the services
24 and functions which the county superintendent of schools may
25 contract for under the provisions of this section.

26 As used in this section, "firm" includes a person, corporation,
27 or other legal entity.

28 A county superintendent of schools may participate in, or
29 administer, insurance for one or more school or community college
30 districts pursuant to this section, and Section 81602.

31 SEC. 2. Section 5200 of the Education Code is amended to
32 read:

33 5200. Any unified school district that is coterminous with or
34 includes within its boundaries a chartered city or city and county
35 shall be governed by the board of education provided for in the
36 charter of the city or city and county. Sections 5000, 5017, 5090,
37 5091, 35013, 35101, and 35105 shall not apply to such unified
38 school districts, except as follows:

39 (a) As provided in the charter of the city or city and county.

1 (b) If the charter of the city or city and county fails to provide
2 for a board of education or for any or all of the matters specified
3 in Sections 5000, 5017, 5090, 5091, 5222, 35013, 35101, and
4 35105, those sections shall apply as to the matter not provided for
5 in the charter.

6 *SEC. 3. Section 35534 of the Education Code is amended to*
7 *read:*

8 35534. Except as provided in Sections ~~35535 and~~ 35536 and
9 35786 and subject to compliance with Section 54900 of the
10 Government Code, any action to reorganize a school district shall
11 be effective for all purposes on July 1 of the calendar year
12 following the calendar year in which the action is completed.

13 *SEC. 4. Section 35542 of the Education Code is amended to*
14 *read:*

15 35542. (a) Whenever the boundaries of an elementary school
16 district and a high school district become coterminous, the districts
17 are merged into a new unified district.

18 (b) Notwithstanding subdivision (a), an elementary school
19 district that has boundaries that are totally within a high school
20 district may be excluded from an action to unify those districts if
21 the governing board receives approval for an exclusion from the
22 ~~State Board of Education~~ *county committee if the conditions of*
23 *subdivision (b) of Section 35710 are met or from the state board*
24 *if those conditions are not met.* Any elementary school district so
25 authorized ~~by the State Board of Education~~ to be excluded from
26 an action to unify, may continue to feed into the coterminous high
27 school under the same terms that existed before any action to unify
28 pursuant to subdivision (a).