

Senate Bill No. 4

CHAPTER 12

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.

[Approved by Governor February 20, 2009. Filed with
Secretary of State February 20, 2009.]

LEGISLATIVE COUNSEL'S DIGEST

SB 4, Ducheny. Education 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.

(33) 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.

Appropriation: yes.

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

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

1240.3. (a) For the purposes of Section 1240, for the 2008–09 and 2009–10 fiscal years, sufficient textbooks or instructional materials include standards-aligned textbooks or instructional materials, or both, that were adopted prior to July 1, 2008, by the state board or local educational agency pursuant to statute, unless those local educational agencies purchased or arranged to purchase textbooks or instructional materials adopted by the state board after that date. It is the intent of the Legislature that each local educational agency provide each pupil with the same state-adopted, standards-aligned textbook or instructional material as is provided to every other pupil enrolled in the same grade and same course offered by the local educational agency.

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

(c) This section shall become inoperative on July 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute that is enacted before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

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

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

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

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

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

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

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

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

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

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

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

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

appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the fiscal year in which the warrants are drawn.

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

(d) For the 2004–05 school year to the 2007–08 school year, inclusive, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the following fiscal year shall be seven hundred fifteen million one hundred eighteen thousand dollars (\$715,118,000). Any amount in excess of seven hundred fifteen million one hundred eighteen thousand dollars (\$715,118,000) that is apportioned in July of any year is deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the prior fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the prior fiscal year.

(e) For the 2008–09 school year, and each school year thereafter, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the following fiscal year shall be one billion one hundred one million six hundred fifty-five thousand dollars (\$1,101,655,000). Any amount in excess of one billion one hundred one million six hundred fifty-five thousand dollars

(\$1,101,655,000) that is apportioned in July of any year is deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the prior fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the prior fiscal year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 9. Section 17592.74 is added to the Education Code, to read:

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

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

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

SEC. 10. Section 41203.1 of the Education Code is amended to read:

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

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

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

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

41207.3. (a) If the Superintendent and the Director of Finance jointly determine that, for the 2008–09 fiscal year, the state has applied moneys for the support of school districts and community college districts in an amount that exceeds the minimum amount required for that fiscal year

pursuant to Section 8 of Article XVI of the California Constitution, the excess, up to one billion one hundred million five hundred ninety thousand dollars (\$1,100,590,000), shall be deemed, as of June 30 of that fiscal year, a payment in satisfaction of the outstanding balance of the minimum funding obligation under that section for the 2002–03 and 2003–04 fiscal years in accordance with the following:

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

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

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

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

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

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

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

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

(1) The inflation adjustment specified in Section 42238.1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) The amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees’ Retirement System employer contribution rate in effect immediately after the enactment of Chapter 330 of the Statutes of 1982 was in effect during the 1983–84 fiscal year.

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

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

(A) Positions supported totally by federal funds that were subject to supplanting restrictions.

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

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

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

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

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

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

(4) Prior years’ taxes and taxes on the unsecured roll.

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

(6) The amount, if any, received pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), except for any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance, except for any amount received pursuant to Section 33492.15, paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

(7) For a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606, the amount of statewide average general-purpose funding per unit of average daily attendance received by school districts for each of four grade level ranges, as computed by the department pursuant to Section 47633, multiplied

by the average daily attendance, in corresponding grade level ranges, of any pupils who attend charter schools funded pursuant to Chapter 6 (commencing with Section 47630) of Part 26.8 for which the district is the sponsoring local educational agency, as defined in Section 47632, and who reside in and would otherwise have been eligible to attend a noncharter school of the district.

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

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

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

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

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

District	ADA
Elementary	less than 101
Elementary	more than 100
High School	less than 301
High School	more than 300
Unified	less than 1,501
Unified	more than 1,500

(c) The Superintendent shall compute a revenue limit equalization adjustment for each school district’s base revenue limit per unit of average daily attendance as follows:

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

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

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

(d) (1) For the purposes of this section, the 2010–11 statewide 90th percentile base revenue limit determined pursuant to paragraph (1) of

subdivision (a), and the fraction computed pursuant to paragraph (2) of subdivision (c) for the 2010–11 second principal apportionment, shall be final, and shall not be recalculated at subsequent apportionments. The fraction computed pursuant to paragraph (2) of subdivision (c) shall not exceed 1.00. For purposes of determining the size of a school district pursuant to subdivision (b), county superintendents of schools, in conjunction with the Superintendent, shall use school district revenue limit average daily attendance for the 2010–11 fiscal year as determined pursuant to Section 42238.5 and Article 4 (commencing with Section 42280).

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) 6110-104-0001, 6110-105-0001, 6110-108-0001, 6110-122-0001, 6110-123-0001, 6110-124-0001, 6110-137-0001, 6110-144-0001, 6110-150-0001, 6110-151-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001, 6110-267-0001, 6110-268-0001, and 6360-101-0001.

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

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

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

(d) For the 2008–09 fiscal year to the 2012–13 fiscal year, inclusive, local education agencies that use the flexibility provision of the section shall be deemed to be in compliance with the program and funding requirements contained in statutory, regulatory, and provisional language, associated with the items enumerated in subdivision (a).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) The governing board of a school district shall certify to the Superintendent that it has met the requirements of this section in implementing its class size reduction program. If a school district receives funding pursuant to this chapter but has not implemented its class size reduction program for all grades and classes for which it received funding pursuant to this chapter, the Superintendent shall notify the Controller and the school district in writing and the Controller shall deduct an amount equal to the amount received by the school district under this chapter for each class that the school district failed to reduce to a class size of 20 or fewer pupils from the next principal apportionment or apportionments of state funds to the district, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution.

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

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

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

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

(4) The amount deducted pursuant to subdivision (d) for each class for which the annual average enrollment determined pursuant to Section 52124.5

is greater than or equal to 21.9 shall be the amount of funding the district received for the class pursuant to this chapter.

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

(1) The school district submits to the Superintendent a “Request for Allowance of Attendance because of Emergency Conditions” pursuant to Section 46392 and the emergency conditions were caused by the October 2003 fires.

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

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

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

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

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

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

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

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

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

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

may only receive funding for the grade level or levels for which it had applied to receive funding as of December 10, 2008.

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

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

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

(i) Mathematics.

(ii) Science.

(iii) History-social science.

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

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

(C) As part of the hearing required pursuant to this section, the governing board also shall make a written determination as to whether each pupil enrolled in a foreign language or health course has sufficient textbooks or instructional materials that are consistent with the content and cycles of the curriculum frameworks adopted by the state board for those subjects. The governing board also shall determine the availability of laboratory science equipment as applicable to science laboratory courses offered in grades 9 to 12, inclusive. The provision of the textbooks, instructional materials, or science equipment specified in this subparagraph is not a condition of receipt of funds provided by this subdivision.

(2) (A) If the governing board determines that there are insufficient textbooks or instructional materials, or both, the governing board shall provide information to classroom teachers and to the public setting forth, in the resolution, for each school in which an insufficiency exists, the percentage of pupils who lack sufficient standards-aligned textbooks or instructional materials in each subject area and the reasons that each pupil does not have sufficient textbooks or instructional materials, or both, and take any action, except an action that would require reimbursement by the Commission on State Mandates, to ensure that each pupil has sufficient

textbooks or instructional materials, or both, within two months of the beginning of the school year in which the determination is made.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 34. (a) The sum of nine hundred five million seven hundred thousand dollars (\$905,700,000) is hereby appropriated from the General Fund to the State Department of Education. This appropriation reflects the portions of the February 2009 principal apportionment and the 2009 payment for the class size reduction, as set forth in Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of the Education Code, for kindergarten and grades 1 to 3, inclusive, and the June 2009 principal apportionment that are to be deferred until July 2009 and attributed to the 2009–10 fiscal year. Notwithstanding any other law, the department shall encumber the funds appropriated in this section by July 31, 2009. It is the intent of the Legislature that, by extending the encumbrance authority for the funds appropriated in this section to July 31, 2009, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2008. The appropriation is made in accordance with the following schedule:

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 35. (a) The sum of five hundred forty million dollars (\$540,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts, for expenditure during the 2009–10 fiscal year, to be expended in accordance with Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2008.

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

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

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

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

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

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

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

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

Provisions:

- 1. Notwithstanding any other provision of law, these funds shall be used to provide mass transportation services for pupils enrolled in school districts that receive these funds.

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

6110-111-3116—For local assistance, Department of Education (from the Mass Transportation Fund) Program 10-Instruction, for transfer to Section A of the State School Fund, Home to School Transportation, pursuant to Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2 of the Education Code, and Small School District Transportation, pursuant to Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2 of the Education Code..... 420,268,000

Schedule:

(1) 10.10.006-Pupil Transportation..... 414,182,000

(2) 10.10.008-Small School District Bus Replacement..... 6,086,000

Provisions:

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

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

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

Schedule:

(1) 30.10.010-Special Program, Child Development, Preschool Education..... 426,327,000

(1.5) 30.10.020-Child Care Services..... 1,775,310,000

(a) 30.10.020.001-Special Program, Child Development, General Child Development Programs..... 773,796,000

- (c) 30.10.020.004-Special Program, Child Development, Migrant Day Care..... 35,966,000
- (d) 30.10.020.007-Special Program, Child Development, Alternative Payment Program..... 257,037,000
- (e) 30.10.020.011-Special Program, Child Development, Alternative Payment Program—Stage 2..... 342,960,000
- (f) 30.10.020.012-Special Program, Child Development, Alternative Payment Program—Stage 3 Setaside..... 230,204,000
- (g) 30.10.020.008-Special Program, Child Development, Resource and Referral..... 19,438,000
- (i) 30.10.020.015-Special Program, Child Development, Extended Day Care..... 31,553,000
- (j) 30.10.020.096-Special Program, Child Development, Allowance for Handicapped..... 1,997,000
- (k) 30.10.020.106-Special Program, Child Development, California Child Care Initiative..... 250,000
- (l) 30.10.020.901-Special Program, Child Development, Quality Improvement..... 67,572,000
- (m) 30.10.020.911-Special Program, Child Development, Centralized Eligibility List..... 7,900,000

(n) 30.10.020.920-Special Program, Child Development, Local Planning Councils.....	6,637,000
(3) 30.10.020.908-Special Program, Child Development, Cost-of-Living Adjustments.....	0
(4) 30.10.020.909-Special Program, Child Development, Growth Adjustments.....	10,917,000
(5) Amount payable from the Federal Trust Fund (Item 6110-196-0890).....	-537,511,000

Provisions:

1. Notwithstanding Section 8278 of the Education Code, funds available for expenditure pursuant to that section shall be expended in the current fiscal year pursuant to the following schedule:
 - (a) \$4,000,000 or whatever lesser or greater amount is necessary for accounts payable pursuant to paragraph (1) of subdivision (b) of Section 8278 of the Education Code.
 - (b) \$22,963,000 shall be available for CalWORKs Stage 3 child care.
 - (c) The Controller shall establish an account entitled "Section 8278 Expenditures in 2007" in Item 6110-196-0001, Program 30.10.060. Any unexpended General Fund balances as of June 30, 2008, or subsequent abatements, from those amounts listed in Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), (1.5)(k), (1.5)(l), and (1.5)(n), that are available pursuant to Section 8278 of the Education Code, shall be transferred to the account for the purpose of making expenditures pursuant to that section and as specified in this provision.
2. (a) Notwithstanding any other provision of law, alternative payment child care programs shall be subject to the rate ceilings established in the Regional Market Rate Survey of California child care and development providers for provider payments. When approved pursuant to Section 8447 of the Education Code, any changes to the market rate limits, adjustment factors, or regions shall be utilized by the State Department of Education and the State Department of Social Services in various programs under the jurisdiction of either department.

- (b) Notwithstanding any other provision of law, the funds appropriated in this item for the cost of licensed child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse child care costs up to the 85th percentile of the rates charged by providers offering the same type of child care for the same age child in that region based on the 2005 regional market rate survey. Notwithstanding Section 8357 of the Education Code, it is the intent of the Legislature to consider new rate limits based on the 2007 regional market rate survey data for the 2009–10 fiscal year.
- 3. Of the amount appropriated in Schedule (1), \$50,000,000 is available for Prekindergarten and Family Literacy preschool programs pursuant to Chapter 211 of the Statutes of 2006. Of the amount appropriated in Schedule (1), \$5,000,000 is available for the provision of wraparound care to children enrolled in state preschool programs. The Superintendent of Public Instruction shall assign priority for these funds to children enrolled in prekindergarten and family literacy programs authorized by Section 8238.4 of the Education Code.
- 4. Funds in Schedule (1.5)(l) shall be reserved for activities to improve the quality and availability of child care, pursuant to the following:
 - (a) \$2,014,056 is for the schoolage care and resource and referral earmark.
 - (b) \$11,359,176 is for the infant and toddler earmark and shall be used for increasing the supply of quality child care for infants and toddlers.
 - (c) \$7,237,000 in one-time federal funding is available for use in the 2008–09 fiscal year. Of that amount, \$200,000 shall be used for Trustline registration workload (Chapter 3.35 (commencing with Section 1596.60) of Division 2 of the Health and Safety Code). The remaining funds shall be used for child care and development quality expenditures identified by the State Department of Education (SDE) and approved by the Department of Finance.

- (d) From the remaining funds in Schedule (1.5)(l), the following amounts shall be allocated for the following purposes: \$4,000,000 to train former CalWORKs recipients as child care teachers, \$2,700,000 for contracting with the State Department of Social Services (DSS) for increased inspections of child care facilities, \$1,000,000 for Trustline registration workload (Chapter 3.35 (commencing with Section 1596.60) of Division 2 of the Health and Safety Code), \$500,000 for health and safety training for licensed and exempt child care providers, \$300,000 for the Health Hotline, and \$300,000 to implement a technical assistance program to child care providers in accessing financing for renovation, expansion, or construction of child care facilities.
- 5. Of the amount appropriated in Schedule (1.5)(l), \$15,000,000 shall be for child care worker recruitment and retention programs pursuant to Section 8279.7 of the Education Code, and \$320,000 shall be for the Child Development Training Consortium.
- 6. (a) The State Department of Education (SDE) shall conduct monthly analyses of CalWORKs Stage 2 and Stage 3 caseloads and expenditures and adjust agency contract maximum reimbursement amounts and allocations as necessary to ensure funds are distributed proportionally to need. The SDE shall share monthly caseload analyses with the State Department of Social Services (DSS).
- (b) The SDE shall provide quarterly information regarding the sufficiency of funding for Stage 2 and Stage 3 to DSS. The SDE shall provide caseloads, expenditures, allocations, unit costs, family fees, and other key variables and assumptions used in determining the sufficiency of state allocations. Detailed backup by month and on a county-by-county basis shall be provided to the DSS at least on a quarterly basis for comparisons with Stage 1 trends.
- (d) By September 30 and March 30 of each year, the SDE shall ensure that detailed caseload and expenditure data, through the most recent period for Stage 2 and Stage 3 Setaside along with all relevant assumptions, is provided to DSS to facilitate budget development. The detailed data provided shall include actual and projected monthly caseload from Stage 2 scheduled to time off of

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

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

- of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
9. (a) Notwithstanding any other provision of law, the income eligibility limits pursuant to Section 8263.1 of the Education Code that were applicable to the 2007–08 fiscal year shall remain in effect for the 2008–09 fiscal year.
 10. Of the amounts provided in this item, \$0 is available to provide a cost-of-living adjustment for Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), and (1.5)(n). The maximum standard reimbursement rate shall not exceed \$34.38 per day for general child care programs and \$21.22 per day for state preschool programs. Furthermore, the migrant child care and Cal-SAFE child care programs shall adhere to the maximum standard reimbursement rates as prescribed for the general child care programs. All other rates and adjustment factors shall be revised to conform.
 11. Of the amounts provided in this item, \$10,917,000 is available to provide a growth adjustment for Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(i), and (1.5)(j).
 12. (a) Notwithstanding any other provision of law, the funds in Schedule (1.5)(m) are appropriated exclusively for developing and maintaining a centralized eligibility list in each county pursuant to Section 8227 of the Education Code. By November 1 of each year, the State Department of Education shall provide a status report on implementing eligibility lists in each county, which shall include, but is not limited to, the cost of implementation and operation of the eligibility lists in each county, and number of children and families on the list for each county.
 13. Notwithstanding Section 8278.3 of the Education Code or any other provision of law, up to \$5,000,000 of the Child Care Facilities Revolving Fund balance may be allocated for use on a one-time basis for renovations and repairs to meet health and safety standards, to comply with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and to perform emergency repairs, that were the result of an unforeseen event and are necessary to maintain continued normal operation of the child care and development program. These funds shall be made available to school districts and contracting agencies that provide

subsidized center-based services pursuant to the Child Care and Development Services Act (Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of the Education Code).

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

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

6110-234-0001—For local assistance, Department of Education (Proposition 98), Program 10.25, 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..... 1,769,291,231
 Provisions:

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

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

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

0001—General Fund

- (1) \$12,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003), as carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (2) \$1,441,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004), as carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

- (3) \$3,663,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), \$1,749,000 of which was carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (4) \$12,921,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKs Stage 2 and Stage 3 child care in Schedules (1.5)(e) and (1.5)(f) of Item 6110-196-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (6) \$18,120,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), with the exception of Schedules (1.5)(e) and (1.5)(f) for CalWORKs child care programs.
- (7) \$8,000,000 of the amount appropriated to the Child Care Facilities Revolving Fund established pursuant to Section 8278.3 of the Education Code from Section 2.00 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (8) \$5,000,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the provision of wraparound care to children enrolled in preschool programs pursuant to Section 8238.6 of the Education Code (Ch. 211, Stats. 2006).
- (9) \$48,000 or whatever greater or lesser amount reflects the unexpended funds from subdivision (a) of Section 9 of Chapter 734 of the Statutes of 1999.
- (10) \$21,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Community-Based English Tutoring pursuant to Section 315 of the Education Code, as enacted by Proposition 227 in 1998.
- (11) \$9,200,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for juvenile education in Item 5225-011-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (12) \$76,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Small School District Bus Replacement in

- Schedule (2) of Item 6110-111-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (13) \$488,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Home to School Transportation in Schedule (1) of Item 6110-111-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (14) \$545,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California High School Exit Examination in Schedule (4) of Item 6110-113-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (15) \$2,060,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Assessment Review and Reporting and the STAR Program in Schedules (1) and (2) of Item 6110-113-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (16) \$19,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for specialized secondary programs in Item 6110-122-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (17) \$17,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Immediate Intervention/Underperforming Schools Program Corrective Actions in Schedule (3) of Item 6110-123-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (18) \$2,993,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the implementation of the Public Schools Accountability Act of 1999 for the Immediate Intervention/Underperforming Schools Program Corrective Actions in Schedule (2) of Item 6110-123-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (19) \$615,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the implementation of the Public Schools Accountability Act of 1999 for the Immediate Intervention/Underperforming Schools Program Corrective Actions in Schedule (2) of Item 6110-123-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (20) \$5,149,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Learners Program in

- Schedule (2) of Item 6110-125-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (21) \$5,149,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Acquisition Program in Schedule (2) of Item 6110-125-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (22) \$109,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for Economic Impact Aid in Schedule (1) of Item 6110-128-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (23) \$4,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for Economic Impact Aid in Item 6110-128-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (24) \$1,500,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Administrator Training Program in Item 6110-144-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (25) \$7,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the American Indian Early Childhood Education Program in Item 6110-150-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (26) \$110,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for American Indian Education Centers in Schedule (1) of Item 6110-151-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (27) \$177,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for American Indian Education Centers in Item 6110-151-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (28) \$1,385,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for adults in correctional facilities in Item 6110-158-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (29) \$107,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education instruction in Schedule (1) of

- Item 6110-161-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (30) \$21,919,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (31) \$57,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for vocational education for partnership academies in Item 6110-166-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (32) \$23,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Agricultural Vocational Education Incentive Program in Item 6110-167-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (33) \$369,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for educational technology programs in Item 6110-181-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (34) \$369,000 or whatever greater or lesser amount reflects the unexpended balance of the amount transferred to the State School Fund for educational technology programs in Item 6110-181-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (35) \$27,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for staff development for teacher peer review in Schedule (2) of Item 6110-193-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (36) \$95,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Bilingual Teacher Training Assistance Program and teacher peer review in Schedules (1) and (2) of Item 6110-193-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (37) \$43,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for teacher dismissal apportionments in Item 6110-209-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (38) \$13,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for School Community Policing Partnership Competitive Grants Program in Schedule (5) of Item 6110-

- 228-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (39) \$21,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the International Baccalaureate Diploma Program in Schedule (1) of Item 6110-240-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (40) \$6,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Teacher Credentialing Block Grant Program in Item 6110-244-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (41) \$79,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School and Library Improvement Block Grant Program in Item 6110-247-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (42) \$186,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School and Library Improvement Block Grant Program in Item 6110-247-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (43) \$30,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Physical Education Teacher Incentive Grant Program in Item 6110-260-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (44) \$641,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to county offices of education for site visits for Williams audits in Item 6110-266-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (45) \$101,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Charter School Facility Grant Program in Schedule (7) of Item 6110-485 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (46) \$600,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Principal Training Program in Schedule (8) of Item 6110-485 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (47) \$25,645,000 or whatever greater or lesser amount reflects the unexpended balance for the After School Education and Safety Program in Item 6110-649-0001 from the 2004–05 fiscal year appropriation pursuant

- to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002.
- (48) \$178,352,000 or whatever greater or lesser amount reflects the unexpended balance for the After School Education and Safety Program in Item 6110-649-0001 from the 2007–08 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002, and pursuant to Section 8483.51 of the Education Code as enacted by Chapter 2 of the Statutes of 2008, Third Extraordinary Session.
 - (49) \$20,000,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (50) \$520,000 or whatever greater or lesser amount reflects the unexpended balance for the After School Education and Safety Program in Item 6110-649-0001 from the 2006–07 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002, and pursuant to Section 8483.51 of the Education Code, as enacted by Chapter 2 of the Statutes of 2008, Third Extraordinary Session.
 - (51) \$3,207,465 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education programs in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
 - (52) \$10,922 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School Safety Consolidated Competitive Grant in Item 6110-248-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (53) \$10,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the adult education program and regional occupational programs pursuant to Article 2 (commencing with Section 51120) of Chapter 1.5 of Part 28 of Division 4 of Title 2 of the Education Code in Schedule (3) of Section 43 of Chapter 79 of the Statutes of 2006.
 - (54) \$27,500 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the parental involvement program pursuant to Article 2 (commencing with Section 51120) of Chapter 1.5 of Part 28 of Division 4 of Title 2 of the

- Education Code in Schedule (9) of Section 43 of Chapter 79 of the Statutes of 2006.
- (55) \$114,395 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for teacher recruitment and retention pursuant to Article 2 (commencing with Section 51120) of Chapter 1.5 of Part 28 of Division 4 of Title 2 of the Education Code in Schedule (20) of Section 43 of Chapter 79 of the Statutes of 2006.
 - (56) \$25,725 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for start-up school breakfast and summer food program pursuant to Article 2 (commencing with Section 51120) of Chapter 1.5 of Part 28 of Division 4 of Title 2 of the Education Code in Schedule (8) of Section 43 of Chapter 79 of the Statutes of 2006.
 - (57) \$831,523 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for prior year mandate claims made by local education agencies pursuant to Article 2 (commencing with Section 51120) of Chapter 1.5 of Part 28 of Division 4 of Title 2 of the Education Code in Schedule (1) of Section 43 of Chapter 79 of the Statutes of 2006.
 - (58) \$3,115,995 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the High Priority Schools Grant Program in Schedule (1) of Item 6110-123-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (59) \$247,611 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Special Education Infant Program in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (60) \$730,454 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Early Education for Individuals with Exceptional Needs in Schedule (2) of Item 6110-161-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (61) \$44,135 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Agricultural Vocational Education in Item 6110-167-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (62) \$29,837 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California High School Exit Exam Intensive

- Intervention Program in Item 6110-204-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (63) \$6,057 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School Safety Block Grant in Schedule (1) of Item 6110-228-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (64) \$8,500,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the K–3 Class Size Reduction Program in Item 6110-234-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (65) \$339,439 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Pupil Retention Block Grant in Item 6110-243-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (66) \$98,647 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Professional Development Block Grant in Item 6110-245-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (67) \$5,130 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Arts and Music Block Grant in Item 6110-265-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (68) \$1,941,700 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Certificated Staff Mentoring Program in Item 6110-267-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (69) \$12,844 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School Safety Block Grant Program pursuant to subparagraph (J) of paragraph (2) of subdivision (a) of Section 31 of Chapter 73 of the Statutes of 2005.
 - (70) \$11,705,886 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for adult education programs pursuant to subparagraph (G) of paragraph (2) of subdivision (a) of Section 31 of Chapter 73 of the Statutes of 2005.
 - (71) \$1,217,782 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Prior Year K–12 Education Mandate Claims in Schedule (10) of Item 6110-485 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

- (72) \$57,239 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Prior Year K–12 Education Mandate Claims in Schedule (12) of Item 6110-485 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (73) \$40,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the specialized secondary programs in Item 6110-122-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (74) \$658,800 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the High Priority Schools Grant Program in Schedule (1) of Item 6110-123-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (75) \$40,310 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Partnership Academies Program in Item 6110-166-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (76) \$145,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the National Board Certification Program in Item 6110-195-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (77) \$49,774 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California High School Exit Exam Intensive Instruction Program in Item 6110-204-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (78) \$41,445 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Teacher Dismissal Apportionment Program in Item 6110-209-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (79) \$1,003,040 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Pupil Retention Program in Item 6110-243-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (80) \$167,158 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Professional Development Block Grant in Item 6110-245-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (81) \$429,880 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated

- for the Certificated Staff Mentoring Program in Item 6110-267-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (82) \$7,821 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Home to School Transportation Program in Schedule (14) of Item 6110-485 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (83) \$281,207 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Quality Education Improvement Act in subparagraph (B) of paragraph (1) of subdivision (c) of Section 52055.770 of the Education Code.
 - (84) \$499,639 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule (15) of Item 6870-101-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (85) \$145,359 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges for nursing faculty recruitment and retention in paragraph (30) of subdivision (a) of Section 43 of Chapter 79 of the Statutes of 2006.
 - (86) \$229,653 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule (18) of Item 6870-101-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (87) \$40,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule (15) of Item 6870-101-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (88) \$59,931 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule (20) of Item 6870-101-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (89) \$81,824 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule (23) of Item 6870-101-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (90) \$404,091 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule

- (18) of Item 6870-101-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (91) \$817,973 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to the California Community Colleges in Schedule (6) of Item 6870-101-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (92) \$8,738,578 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Prior Year K–12 Education Mandate Claims of subparagraph (A) of paragraph (3) of subdivision (a) of Section 44 of Chapter 79 of the Statutes of 2006.

Provisions:

- 3. The sum of \$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-Appportionments.....	2,830,717,000
(2) 10.10.020-Apprenticeship.....	14,641,000

(3) 10.10.030-Growth for Apportionments.....	113,500,000
(4) 20.10.004-Student Success for Basic Skills Students.....	33,100,000
(5) 20.10.005-Student Financial Aid Administration.....	51,269,000
(6) 20.10.020-Disabled Students.....	115,011,000
(7) 20.10.045-Special Services for Cal-WORKs Recipients.....	43,580,000
(8) 20.10.060-Foster Care Education Program.....	5,254,000
(9) 20.10.070-Matriculation.....	101,803,000
(10) 20.20.020-Academic Senate for the Community Colleges.....	467,000
(11) 20.20.041-Equal Employment Opportunity pursuant to Ch. 1169, Stats. 2002.....	1,747,000
(12) 20.20.050-Part-time Faculty Health Insurance.....	1,000,000
(13) 20.20.051-Part-time Faculty Compensation.....	50,828,000
(14) 20.20.055-Part-time Faculty Office Hours.....	7,172,000
(15) 20.30.011-Telecommunications and Technology Services.....	26,197,000
(16) 20.30.050-Economic Development.....	46,790,000
(17) 20.30.070-Transfer Education and Articulation.....	1,424,000
(18) 20.40.026-Physical Plant and Instructional Support.....	27,345,000
(19) 20.10.010-Extended Opportunity Programs and Services and Special Services.....	122,291,000
(20) 20.30.045-Fund for Student Success....	6,158,000

(21) 20.70.010-Career Technical Education.....	20,000,000
(22) 20.80.010-Campus Childcare Tax Bailout.....	6,836,000
(23) 20.95.010-Nursing Program Support....	22,100,000

Provisions:

1. The funds appropriated in Schedules (1), (2), (3), (4), (5), (6), (7), (8), (9), (11), (12), (13), (14), (15), (16), (18), (19), and (22) are for transfer by the Controller during the 2008–09 fiscal year to Section B of the State School Fund.
2. Notwithstanding any other provision of law, apportionment funding for community college districts shall be based on the greater of the current year or prior year level of full-time equivalent students (FTES), consistent with K–12 declining enrollment practices pursuant to Section 42238.5 of the Education Code. Decreases in FTES shall result in a revenue reduction at the district’s average level of apportionment funding per FTES and shall be made in the year following the initial year of decrease in FTES.
3. The funds appropriated in Schedule (1) for Apportionments include \$31,409,000 to encourage district-level accountability efforts pursuant to Section 84754.5 of the Education Code. It is intended that the Chancellor of the California Community Colleges submit an annual report on district-specific accountability measures by March 19 of each year. This report shall reflect outcomes from the most recently completed fiscal year for which data is available pursuant to Section 84754.5 of the Education Code.
4. Of the funds appropriated in Schedule (1), Apportionments:
 - (a) Up to \$100,000 is for a maintenance allowance, pursuant to Section 54200 of Title 5 of the California Code of Regulations.
 - (b) Up to \$500,000 is to reimburse colleges for the costs of federal aid repayments related to assessed fees for fee waiver recipients. This reimbursement only applies to students who completely withdraw from college before the census date pursuant to Section 58508 of Title 5 of the California Code of Regulations.

5. Notwithstanding any other provision of law, the Chancellor of the California Community Colleges shall not reduce district workload obligations for a lack of a funded cost-of-living adjustment.
6. (a) Of the amount appropriated in Schedule (2) for the Apprenticeship Program, up to \$14,641,000 shall be available as necessary upon certification by the Chancellor of the California Community Colleges for the purpose of funding community college-related and supplemental instruction pursuant to Section 3074 of the Labor Code, as provided in Section 8152 of the Education Code. No community college district shall use funds available under this provision to offer any new apprenticeship training program or the expansion of any existing program unless the new program or expansion has been approved by the chancellor.
(b) Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of \$5.06 per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.
7. Funds appropriated in Schedule (3), Growth for Apportionments, shall be available first to any districts bringing online in the current fiscal year newly accredited colleges or California Postsecondary Education Commission-approved educational centers. It is the intent of the Legislature that increases in basic foundation allocations to each college be funded prior to additional growth in full-time equivalent students. The Chancellor of the California Community Colleges shall provide a report by November 1 of each year, to the Department of Finance and the Legislative Analyst, on the number of new centers and colleges added for the current fiscal year and those anticipated to be added for the prospective budget year. This report shall also detail the specific funding adjustments provided for basic foundation allocations to each college and center for the current fiscal year.
8. Notwithstanding any other provision of law, funds appropriated in Schedule (3) for Growth for Apportionments shall only be allocated for growth in full-time equivalent students (FTES), on a district-by-district

basis, as determined by the Chancellor of the California Community Colleges. The chancellor shall not include any FTES from concurrent enrollment in physical education, dance, recreation, study skills, and personal development courses and other courses in conflict with existing law for the purpose of calculating a district's three-year overcap adjustment. The Board of Governors of the California Community Colleges shall implement the criteria required by subdivision (a) of Provision 5 of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003) for the allocation of funds appropriated in Schedules (1) and (3), so as to ensure that courses related to student needs for transfer, basic skills, and vocational/workforce training are accorded the highest priority and are provided to the maximum extent possible within budgeted funds.

10. Of the amount appropriated in Schedule (1), \$10,000,000 shall only be available for noncredit instruction to prepare pupils to pass the California High School Exit Examination (CAHSEE). The first priority shall be to serve high school pupils from the class of 2007 who met all other graduation requirements except for passage of the CAHSEE. Remaining funds may be used to support other necessary noncredit courses for other pupils who not only did not pass the CAHSEE, but who did not complete other coursework necessary to meet high school graduation requirements. These funds are intended to supplement but not supplant existing funding for these purposes.
11. The funds appropriated in Schedule (4), Student Success for Basic Skills Students, shall be allocated as follows:
 - (a) \$1,600,000 for faculty and staff development to improve curriculum, instruction, student services, and program practices in the areas of basic skills and English as a Second Language (ESL) programs. The Office of the Chancellor of the California Community Colleges shall select a district, utilizing a competitive process, to carry out these faculty and staff development activities. All colleges receiving funds pursuant to subdivision (b) shall be provided with the opportunity to participate in the faculty and staff development programs specified in this subdivision. The chancellor shall report on the use of these funds by the selected

- district to the Legislative Analyst and the Department of Finance not later than September 1, 2009.
- (b) \$31,500,000 for allocation by the chancellor to community college districts for improving outcomes of students who enter college needing at least one course in ESL or basic skills, with particular emphasis on students transitioning from high school.
 - (c) Funding specified in subdivisions (a) and (b) shall be distributed to eligible applicants pursuant to Chapter 489 of the Statutes of 2007.
 - (d) The Office of the Chancellor shall work jointly with the Department of Finance and the Legislative Analyst to develop annual accountability measures for this program. It is the intent of the Legislature that annual performance accountability measures for this program utilize, to the extent possible, data available as part of the accountability system developed pursuant to Section 84754.5 of the Education Code. By November 1, 2009, the chancellor shall submit a report to the Governor and Legislature on the annual accountability measures developed pursuant to this process.
12. (a) Of the funds appropriated in Schedule (5) for Student Financial Aid Administration, not less than \$9,864,000 is available to provide \$0.91 per unit reimbursement to community college districts for the provision of board of governors (BOG) fee waiver awards pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
- (b) Of the funds appropriated in Schedule (5), not less than \$4,405,000 is available to provide reimbursement of 2 percent of total waiver value to community college districts for the provision of BOG fee waiver awards pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
 - (c) Funding provided to community college districts in subdivisions (a) and (b) of Provision 15 is provided to directly offset any mandated costs claimed by community college districts pursuant to Commission on State Mandates Test Claims 99-TC-13 (Enrollment Fee Collection) and 00-TC-15 (Enrollment Fee Waivers).
 - (d) (1) Of the amount appropriated in Schedule (5), \$2,800,000 shall be for a contract with a

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

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

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

- (3) Funds allocated to a community college district for financial aid personnel, outreach determination of financial need, and delivery of student financial aid services shall supplement, and shall not supplant, the level of funds allocated for the administration of student financial aid programs during the 2001–02 fiscal year.
 - (4) It is the intent of the Legislature that the Office of the Chancellor of the California Community Colleges provide the Legislature with a report not later than April 1, 2009, on the use of the funds allocated pursuant to paragraphs (1) and (2) of this subdivision (d), including the distribution of the funds, specific uses of the funds, strategies employed to reach low-income and disadvantaged students potentially eligible for financial aid, and the extent to which districts were successful in increasing the number of students accessing financial aid, particularly the maximum Pell Grant award.
 - (5) It is the intent of the Legislature that the chancellor report by September 1, 2008, in the manner and using the factors set forth in paragraph (5) of subdivision (b) of Provision 11 of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 (Ch. 208, Stats. 2004), on the impact of outreach efforts on student headcount and FTES enrollment for the 2005–06 and 2006–07 academic years.
13. Of the funds appropriated in Schedule (19) for Extended Opportunity Programs and Services, \$106,786,000

is for Extended Opportunity Programs and Services (EOPS) in accordance with Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. Funds provided in this item for EOPS shall be available to students on all campuses within the California Community College system, including those students on new campuses or in new districts. In addition, \$15,505,000 is for funding, at all colleges, the Cooperative Agencies Resources for Education (CARE) program in accordance with Article 4 (commencing with Section 79150) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. The Board of Governors of the California Community Colleges shall allocate funds on a priority basis to local programs on the basis of need for student services.

14. Of the funds appropriated in Schedule (19) for the Extended Opportunity Programs and Services, \$1,900,000 shall be available to support additional textbook assistance grants to community college students as an allowable expenditure consistent with paragraph (10) of subdivision (b) of Section 69648 of the Education Code.
15. The funds appropriated in Schedule (20) for the Fund for Student Success is for additional targeted student services, to be expended as follows:
 - (a) \$1,921,000 is for the Puente Project to support up to 75 colleges. These funds are available if matched by \$200,000 of private funds and the participating community colleges and University of California campuses maintain their 1995–96 fiscal year support level for the Puente Project. All funding shall be allocated directly to participating districts in accordance with their participation agreement.
 - (b) Up to \$2,459,000 is for the Mathematics, Engineering and Science Achievement (MESA) Program. For each dollar allocated, the recipient district shall provide \$1 in matching funds.
 - (c) No less than \$1,778,000 is for the Middle College High School Program. With the exception of fully compliant special part-time students at the community colleges pursuant to Sections 48802 and 76001 of the Education Code, student workload based on participation in the Middle College High School Program shall not be eligible for community college state apportionment. Further, no

community college state apportionment shall be made available for physical education classes, noncredit classes, nor other courses specified in Provision 8.

16. (a) The funds appropriated in Schedule (6) for the Disabled Students Program are for assisting districts in funding the excess direct instructional cost of providing special support services or instruction, or both, to disabled students enrolled at community colleges, and for state hospital programs, as mandated by federal law.
- (b) Of the amount appropriated in Schedule (6), no less than \$3,945,000 shall be used to address deficiencies identified by the federal Office of Civil Rights (OCR), as determined by the Office of the Chancellor of the California Community Colleges.
- (c) Of the amount appropriated in Schedule (6), at least \$943,000 shall be used for support of the High Tech Centers for activities including, but not limited to, training of district employees, staff, and students in the use of specialized computer equipment for the disabled. All High Tech Centers shall meet standards developed by the Office of the Chancellor. Colleges that receive these augmentations shall not supplant existing resources provided to the centers.
- (d) Notwithstanding any other provision of law, of the funds appropriated in Schedule (6), \$1,246,000 shall be for state hospital adult education programs at the hospitals served by the Coast and Kern Community College Districts since the 1986–87 fiscal year. If adult education services at any of the three hospitals are not supported by the community colleges in any portion of the 2008–09 fiscal year, remaining funds shall, upon order of the Department of Finance, after 30 days' notice to the Chairperson of the Joint Legislative Budget Committee, be transferred to the State Department of Developmental Services (DDS). For any transfer of funds to DDS during the 2008–09 fiscal year, the Proposition 98 base funding levels for community colleges and DDS shall be adjusted accordingly.
- (e) Of the funds appropriated in Schedule (6) for the Disabled Student Services, no less than \$9,600,000 shall be allocated to support high-cost sign language interpreter services and real-time

captioning equipment or other communication accommodations for hearing-impaired students based on a 4-to-1 state-to-local district match.

17. The funds appropriated in Schedule (7), Special Services for CalWORKs Recipients, are for the purpose of assisting welfare recipient students and those in transition off of welfare to achieve long-term self-sufficiency through coordinated student services offered at community colleges, including workstudy, other educational related work experience, job placement services, child care services, and coordination with county welfare offices to determine eligibility and availability of services. All services funded in Schedule (7) shall be for current CalWORKs recipients or prior CalWORKs recipients who are in transition off of cash assistance for no more than two years. Current cash-assistance recipients may utilize these services until their initial educational objectives are met. Former recipients in transition off of cash assistance may utilize these services for a period of up to two years after leaving cash assistance subject to the conditions of this provision. These funds shall be used to supplement and not supplant existing funds and services provided for CalWORKs recipients attending community colleges. The Chancellor of the California Community Colleges shall develop an equitable method for allocating funds to all districts and colleges based on the relative numbers of CalWORKs recipients in attendance and shall allocate funds for the following purposes:
 - (a) Job placement.
 - (b) Coordination with county welfare offices and other local agencies, including local workforce investment boards.
 - (c) Curriculum development and redesign.
 - (d) Child care and workstudy.
 - (e) Instruction.
 - (f) Postemployment skills training and related skills.
 - (g) Campus-based case management, limited to on-campus assistance and services not provided by county case workers that do not supplant other counseling and academic support services funded through existing California Community Colleges categorical programs.

Of the amount appropriated in Schedule (7), \$15,000,000 is for child care and does not require a district match. For the remaining funds, districts shall,

as a condition of receipt of these funds, provide a \$1 match for every \$1 provided by the state.

Funds utilized for subsidized child care shall be for children of CalWORKs recipients through campus-based centers or parental choice vouchers at rates and with rules consistent with those applied to related programs operated by the State Department of Education in the 2008–09 fiscal year, including eligibility, reimbursement rates, and parental contribution schedules. Subsidized campus child care for CalWORKs recipients may be provided during the period they are engaged in qualifying state and federal work activities through attainment of their initial education and training plan and for up to three months thereafter or until the end of the academic year, whichever period of time is greater.

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

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

As a condition of receipt of the funds appropriated in Schedule (7), by the fourth week following the end of the semester or quarter term commencing in January 2009, each participating community college shall submit to the Office of the Chancellor a report, in the format specified by the chancellor in consultation with the State Department of Social Services, that includes, but is not limited to, the funded components, the number of hours of child care provided, the average monthly enrollment of CalWORKs dependents served in child care, the number of workstudy hours provided, the hourly salaries and type of jobs, the number of students being case managed, the short-term programs available, the student participation rates, and other outcome data. It is intended that, to the extent practical, reporting from colleges utilize data gathered for federal reporting requirements at the state and local level. Further, it is intended that the Office of the Chancellor compile the information for annual reports to the Legislature, the Governor, the Legislative Analyst, the Department of Finance, and the State Department of Social Services by November 15 of each year.

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

Prior to allocation of funds for postemployment services, the chancellor shall first secure the approval of the Department of Finance for the allocations, complete a cumulative report on the outcomes, activities, and cost-effectiveness of the program no later

than November 15, 2008, in compliance with the Budget Acts of 1998 (Ch. 324, Stats. 1998) and 1999 (Ch. 50, Stats. 1999) and this act, and shall provide the rationale and justification for the proposed allocation of postemployment services to districts for transitional students.

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

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

18. Funds appropriated in Schedule (7) for the Special Services for CalWORKs Recipients Program have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) and may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
19. (a) Funds provided in Schedule (8) for the Foster Care Education Program shall be allocated to provide foster and relative/kinship care education and training. Districts shall ensure that education and training required by Sections 1529.1 and 1529.2 of the Health and Safety Code and Section 16003 of the Welfare and Institutions Code receive priority. Districts may use any remaining funds for additional parenting skills training.
- (b) Funds provided in Schedule (8) shall be used for foster parent and relative/kinship care provider education training services consistent with the following criteria:
 - (1) The Chancellor of the California Community Colleges shall use these funds exclusively for foster parent and relative/kinship care provider education and training, as specified by the chancellor in consultation with an advisory committee that includes foster parents, representatives of statewide foster parent or-

- ganizations, parent and relative/kinship care providers, and representatives from the State Department of Social Services.
- (2) Acceptance of funds under this program shall constitute agreement by the district to comply with such reporting requirements, guidelines, and other conditions for receipt of funding as the chancellor may establish.
 - (3) Each college plan for foster and relative/kinship care education programs shall include the provision of training to facilitate the development of foster family homes, small family homes, and relative/kinship homes to care for no more than six children who have special mental, emotional, developmental, or physical needs.
 - (4) The State Department of Social Services shall facilitate the participation of county welfare departments in the foster and relative/kinship care education program.
20. (a) Funds appropriated in Schedule (9) for the Matriculation Program are for the purpose of student matriculation pursuant to Article 1 (commencing with Section 78210) of Chapter 2 of Part 48 of Division 7 of Title 3 of the Education Code.
- (b) Of the amount appropriated in Schedule (9), \$20,000,000 shall be allocated to community college districts on a one-to-one matching funds basis to provide matriculation services, including, but not limited to, orientation, assessment, and counseling, for students enrolled in designated noncredit classes and programs who may benefit most, as determined by the Chancellor of the California Community Colleges pursuant to Sections 78216 to 78218, inclusive, of the Education Code.
21. The funds in Schedule (13) for the Part-time Faculty Compensation Program shall be allocated solely to increase compensation for part-time faculty from the amounts previously authorized. Funds shall be distributed to districts based on the total actual full-time equivalent students served in the previous fiscal year and include a small district factor as determined by the Chancellor of the California Community Colleges. These funds are to be used to assist districts in making part-time faculty salaries more comparable to full-time salaries for similar work, as determined through each

district's local collective bargaining process. These funds shall not supplant the amount of resources each district used to compensate part-time faculty or be used to exceed parity of each part-time faculty employed by each district with regular full-time faculty at the same district, as certified by the chancellor. If a district achieves parity, its allocation may be used for any other educational purpose.

22. (a) \$24,197,000 of the funds provided in Schedule (15) for the Telecommunications and Technology Services Program shall be for the purpose of supporting technical and application innovations and for coordination of activities that serve to maximize the utility of the technology investments of the community college system towards improving learning outcomes. Allocations shall be made by the Chancellor of the California Community Colleges, based on criteria and guidelines as developed by the chancellor, on a competitive basis through the RFA/RFP application process for the following purposes:
- (1) Provision of access to statewide multimedia hosting and delivery services for system colleges and districts.
 - (2) Provision of systemwide Internet, audio bridging, and telephony.
 - (3) Technical assistance and planning, cooperative purchase agreements, and faculty and staff development in a manner consistent with paragraph (3) of subdivision (b) of Provision 17 of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996).
 - (4) Ongoing support for the California Virtual University Distance Education Program.
 - (5) Ongoing support for programs designed to use technology in assisting accreditation and the alignment of curricula across K-20 segments in California.
 - (6) Support for technology pilots and ongoing technology programs and applications that serve to maximize the utility and economy of scale of the technology investments of the community college system towards improving learning outcomes.

In addition, a portion of the funds provided in this subdivision shall be available for allocations

- to districts. It is the intent of the Legislature that these funds be used by colleges to maintain the technology capabilities specified in subdivision (a) of Provision 21 of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003). These funds shall not supplant existing funds used for those purposes, and colleges shall match maintenance and ongoing costs with other funds as provided by Provision 21(a) of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (b) The Office of the Chancellor of the California Community Colleges shall develop the reporting criteria for all programs funded by this item and shall submit that for review along with an annual progress report on program implementation to the Legislative Analyst, the Office of the Secretary for Education, and the Department of Finance no later than December 1 of each year. Reporting shall include summaries of allocations and expenditures by program and by district, where applicable.
 - (c) Of the funds provided in Schedule (15), \$2,000,000 is for ongoing support and expansion of the California Partnership for Achieving Student Success (Cal-PASS) program. As a condition of receipt of these funds, the grantee shall submit to the Office of the Chancellor, by October 15 of each year, all of the following: (1) a report that includes the numbers and percentages of institutions and school districts that have signed agreements and the number and percentage that have actively submitted data in the current year, (2) the results of an annual program evaluation, as prescribed by the chancellor, that sufficiently documents the value and productivity of the program, and (3) an annual financial audit, as prescribed by the chancellor, that includes an accounting of all funding sources and all uses of funds by funding source. It is the intent of the Legislature that all reporting requirements contained in this subdivision shall be completed using funds provided to the grantee.
23. Of the funds provided in Schedule (16) for the Economic and Workforce Development Program:
- (a) \$22,830,000 is allocated for grants for regional business resources assistance and innovation network centers. Each grant awarded to a district for

Centers for International Development shall contain sufficient funds, as determined by the Chancellor of the California Community Colleges, for the continued operation of Mexican International Trade Centers.

- (b) \$7,822,000 is allocated for industry-driven regional education and training collaboratives. These grants shall be made on a competitive basis and the award amounts shall not be restricted to any predetermined limit, but rather shall be funded on their individual merits.
- (c) \$3,609,000 is allocated for statewide network leadership, organizational development, coordination, information and support services, or other program purposes.
- (d) \$4,529,000 is available for Job Development Incentive Training programs focused on job creation for public assistance recipients. Any annual savings from this subdivision shall only be available for expenditure for one-time activities listed under subdivision (j) of Section 88531 of the Education Code.
- (e) \$8,000,000 is allocated for the establishment of a Responsive Incumbent Worker Training Fund, which will serve to expand the delivery of performance improvement training to employers and incumbent workers in high-growth industries. Funds shall also be used to develop programs that integrate basic skills and career technical education curriculum in ways that provide students with seamless educational coursework that transitions students into high-tech and high-demand job sectors.
- (f) The following provisions apply to the expenditure of funds within subdivisions (a) and (b): Funds allocated for centers and regional collaboratives shall seek to maximize the use of state funds for subdivisions (g) to (j), inclusive, of Section 88531 of the Education Code. Funds allocated to districts for purposes of subdivisions (g) and (i) of Section 88531 of the Education Code for performance-based training and student internships shall be matched by a minimum of \$1 of private business and industry funding for each \$1 of state funds. Funds allocated for purposes of subdivision (h) of Section 88531 of the Education Code for credit and noncredit instruction may be transferred

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

- (g) Funds allocated by the Board of Governors of the California Community Colleges under this provision may not be used by community college districts to supplant existing courses or contract education offerings. The chancellor shall ensure that funds are spent only for expanded services and shall implement accountability reporting for districts receiving these funds to ensure that training, credit, and noncredit programs remain relevant to business needs. Programs that do not demonstrate continued relevance and support by business shall not be eligible for continued funding. The board of governors shall consider the level of involvement and financial commitments of business and industry as primary factors in making awards. The chancellor shall incorporate grant requirements into the guidelines for audits of economic development grants.
 - (h) Primary objectives of the Economic and Workforce Development Program are to maximize instruction, to prepare students for entry-level jobs, to increase skills of the current workforce, and to stimulate the growth of businesses through training so that more jobs are created. As part of the annual report on the performance of the Economic and Workforce Development Program, the chancellor shall provide disaggregated data detailing the funding provided to each economic development regional center and each industry-driven regional education and training collaborative, and to the extent practicable, the total number of hours of contract education services, performance improvement training, credit and noncredit instruction, and job placements created as a result of each center and collaborative.
24. (a) The funds appropriated in Schedule (17) for the Transfer Education and Articulation Program are available to support transfer and articulation projects and common course numbering projects.

- (b) Funding provided to community college districts from Schedule (17) is provided to directly offset any mandated costs claimed by community college districts pursuant to Chapter 737 of the Statutes of 2004.
25. (a) \$13,673,000 of the funds appropriated in Schedule (18) is available for the following purposes:
- (1) Scheduled maintenance and special repairs of facilities. The Chancellor of the California Community Colleges shall allocate funds to districts on the basis of actual reported full-time equivalent students (FTES), and may establish a minimum allocation per district. As a condition for receiving and expending these funds for maintenance or special repairs, a district shall certify that it will increase its operations and maintenance spending from the 1995–96 fiscal year by the amount it allocates from this appropriation for maintenance and special repairs, plus an equal amount to be provided from district discretionary funds. The chancellor may waive all or a portion of the matching requirement based upon a review of a district’s financial condition. The question of whether a district has complied with its resolution shall be reviewed under the annual audit of that district. For every \$1 a district expends from this appropriation for scheduled maintenance and special repairs, the recipient district shall provide \$1 in matching funds.
 - (2) Hazardous substances abatement, cleanup, and repairs.
 - (3) Architectural barrier removal projects that meet the requirements of the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.) and seismic retrofit projects limited to \$400,000. Districts that receive funds for architectural barrier removal projects shall provide a \$1 match for every \$1 provided by the state.
- (b) \$13,672,000 of the funds appropriated in Schedule (18) is available for replacement of instructional equipment and library materials. For every \$3 a district expends from this appropriation for replacement of instructional equipment or library materials, the recipient district shall provide \$1

in matching funds. The chancellor may waive all or a portion of the matching requirement based upon a review of a district's financial condition. The funds provided for instructional equipment and library materials shall not be used for personal services costs or operating expenses. The chancellor shall allocate funds to districts on the basis of actual reported FTES and may establish a minimum allocation per district. The question of whether a district has complied with its resolution shall be reviewed under the annual audit of that district.

- (c) The funds appropriated in Schedule (18) shall be available for expenditure until June 30, 2010.
26. Pursuant to Sections 69648.5, 78216, and 84850, and subdivision (b) of Section 87108, of the Education Code, the Board of Governors of the California Community Colleges may allocate funds appropriated in Schedules (6), (9), (11), and (19) by grant or contract, or through the apportionment process, to one or more districts for the purpose of providing program evaluation, accountability, monitoring, or program development services, as appropriate under the applicable statute.
27. The funds appropriated in Schedule (21) for the Career Technical Education Program are for the purpose of aligning career-technical education curriculum between K-12 and community colleges in targeted industry-driven programs offered through the Economic and Workforce Development Program. Prior to the allocation of these funds, the Chancellor of the California Community Colleges, in conjunction with the State Department of Education, shall submit a proposed expenditure plan for the funds contained in this item, and the rationale therefor, to the Department of Finance by August 1, 2008, for approval.
- Of the funds appropriated in Schedule (21), \$2,500,000 is available for the development and enhancement of health-related career pathway programs in grades 7 to 12, inclusive, and for the articulation and alignment of health-related curriculum between schools with pupils in kindergarten and grades 1 to 12, inclusive, and the California Community Colleges.
28. The funds appropriated in Schedule (22) for the Campus Childcare Tax Bailout shall be allocated by the Chancellor of the California Community Colleges to community college districts that levied child care

permissive override taxes in the 1977–78 fiscal year pursuant to Sections 8329 and 8330 of the Education Code in an amount equal to the property tax revenues, tax relief subventions, and state aid required to be made available by the district to its child care and development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979, increased by any cost-of-living increases granted in subsequent fiscal years. These funds shall be used only for the purpose of community college child care and development programs.

29. With regard to the funds appropriated in Schedule (23), Nursing Program Support, all of the following shall apply:
 - (a) \$14,000,000 shall be used to provide support for nursing program enrollment and equipment needs consistent with paragraph (2) of subdivision (a) of Section 2 of Chapter 514 of the Statutes of 2001. Grant funding for nursing enrollment shall provide a marginal increase in funding in addition to the amount provided for each full-time equivalent student for regular growth in apportionments.
 - (b) \$8,100,000 shall be used to provide diagnostic and support services, preentry coursework, alternative program delivery model development, and other services to reduce the incidence of student attrition in nursing programs.
 - (d) The Board of Governors of the California Community Colleges shall develop a request for applications (RFA) to allocate the additional \$5,214,000 of funds in subdivision (b) to community college districts. Criteria for assessing each RFA shall include all of the following:
 - (1) The degree to which the funds provided would be used to increase student enrollment in nursing programs beyond the level of full-time equivalent students served in the 2007–08 academic year.
 - (2) The district’s level of attrition from nursing programs and the suitability of planned expenditures to address attrition levels.
 - (3) The degree to which funds provided would be used to support infrastructure or equipment needs with the intent of building capacity and increasing the number of nursing students served.

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

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

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

Schedule:

(1) 98.01.000.184-Health Fees (Ch. 1, Stats. 1984, 2nd Ex. Sess.) (CSM-4206).....	1,000
(2) 98.01.090.896-Sex Offenders: Disclosure Requirements (Ch. 908, Stats. 1996) (CSM-97-TC-15).....	1,000

- (3) 98.01.028.498-Law Enforcement Jurisdiction Agreements (Ch. 284, Stats. 1998) (CSM-98-TC-20)..... 1,000

Provisions:

- 1. Allocation of funds appropriated in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated by this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
- 2. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations, and the Chairperson of the Joint Legislative Budget Committee or his or her designee.

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

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

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

(b) Subdivision (a) shall apply to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-107-0001, 6110-108-0001, 6110-113-0001, 6110-119-0001, 6110-122-0001, 6110-123-0001, 6110-124-0001, 6110-125-0001, 6110-137-0001, 6110-144-0001, 6110-150-0001, 6110-151-0001, 6110-156-0001, 6110-158-0001, 6110-166-0001, 6110-167-0001, 6110-181-0001, 6110-182-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-220-0001, 6110-224-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001,

6110-266-0001, 6110-267-0001, 6110-268-0001, as amended by Chapter 269, Statutes of 2008 and 6360-101-0001 of Section 2.00 of the Budget Act of 2008.

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

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

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

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

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

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

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

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

SEC. 37. Notwithstanding any other provision of law, the unobligated balances from the following items are reappropriated to the State Department of Education for CalWORKs Stage 2 Child Care services, in augmentation of, and for the purposes specified in, Schedule (1.5) (e) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008):

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

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

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

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

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

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

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

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

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

SEC. 38. (a) The sum of nine hundred five million seven hundred thousand dollars (\$905,700,000) is hereby appropriated from the General Fund to the State Department of Education. This appropriation reflects the portion of the February 2010 payment for the class size reduction in kindergarten and grades 1 to 3, inclusive, and the June 2010 principal apportionment that is to be deferred until July 2010 and attributed to the 2010–11 fiscal year. Notwithstanding any other law, the department shall encumber the funds appropriated in this section by July 31, 2010. It is the intent of the Legislature that, by extending the encumbrance authority for the funds appropriated in this section to July 31, 2010, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2009. The appropriation is made in accordance with the following schedule:

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

(2) Ninety million one hundred seventeen thousand dollars (\$90,117,000) for supplemental instruction to be expended consistent with the requirements specified in Item 6110-104-0001 of Section 2.00 of the Budget Act of 2009. Of the amount appropriated by this paragraph, fifty-one million sixty-one thousand dollars (\$51,061,000) shall be expended consistent with Schedule (1) of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2009, twelve million three hundred thirty thousand dollars (\$12,330,000) shall be expended consistent with Schedule (2) of that item, four million six hundred ninety thousand dollars (\$4,690,000) shall be expended consistent with

Schedule (3) of that item, and twenty-two million thirty-six thousand dollars (\$22,036,000) shall be expended consistent with Schedule (4) of that item.

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

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

(5) Forty-five million eight hundred ninety-six thousand dollars (\$45,896,000) for adult education to be expended consistent with the requirements specified in Schedule (1) of Item 6110-156-0001 of Section 2.00 of the Budget Act of 2009.

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

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

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

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

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

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

SEC. 39. (a) Notwithstanding Sections 84320, 84321, and 84321.5 of the Education Code and any other law that covers the regulations adopted by the Chancellor of the California Community Colleges to disburse funds, two hundred million dollars (\$200,000,000) from the payment of

apportionments to districts pursuant to Sections 84320, 84321, and 84321.5 of the Education Code for July 2009, shall be deferred to October 2009.

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

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

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

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

(f) This section shall apply to payments in the 2009–10 fiscal year only.

SEC. 40. (a) Notwithstanding Sections 84320, 84321, and 84321.5 of the Education Code and any other law that covers the regulations adopted by the Chancellor of the California Community Colleges to disburse funds, the payment of apportionments to districts pursuant to Sections 84320, 84321, and 84321.5 of the Education Code for the months of January and February, in the amount of one hundred fifteen million dollars (\$115,000,000) for each month, and the months of March and April, in the amounts of fifty-five million dollars (\$55,000,000) for each month, shall be deferred to July. The total amount of these payments deferred to the month of July shall be three hundred forty million dollars (\$340,000,000).

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

SEC. 41. (a) The sum of five hundred forty million dollars (\$540,000,000) is hereby appropriated from the General Fund to the Board

of Governors of the California Community Colleges for apportionments to community college districts, for expenditure during the 2010–11 fiscal year, to be expended in accordance with Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2009.

(b) The disbursal of funds appropriated in subdivision (a) shall be deferred until July of the 2010–11 fiscal year. This appropriation and deferment represent one hundred fifteen million dollars (\$115,000,000) of the January apportionment to community college districts, one hundred fifteen million dollars (\$115,000,000) of the February apportionment to community college districts, fifty-five million dollars (\$55,000,000) of the March apportionment to community college districts and fifty-five million dollars (\$55,000,000) of the April apportionment to community college districts, and two hundred million dollars (\$200,000,000) of the June apportionment to community college districts.

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

SEC. 42. (a) For the 2008–09 and 2009–10 fiscal years, in order to provide local budgeting flexibility as a result of budget reductions made by the Legislature for the 2008–09 and 2009–10 fiscal years, the governing board of a school district or county office of education may use up to 100 percent of the balances, as of June 30, 2008, of restricted accounts in its general fund or cafeteria fund, excluding restricted reserves committed for capital outlay, bond funds, sinking funds, and federal funds, and excluding balances in the following programs:

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

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

(3) Instructional materials.

(4) Special education.

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

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

(7) Home-to-school transportation.

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

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

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

(e) A governing board that elects to use balances in restricted accounts pursuant to this section shall report to the Superintendent, in a manner determined by the Superintendent, regarding the programs and amounts of restricted balances used pursuant to subdivision (a). The Superintendent shall report statewide information and information for each school district and county office of education to the Joint Legislative Budget Committee by October 31, 2009.

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

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

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

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

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

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

SEC. 45. Notwithstanding any other provision of law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-124-0001, 6110-156-0001, 6110-158-0001,

6110-161-0001, 6110-190-0001, 6110-211-0001, 6110-234-0001, and 6110-243-0001 of Section 2.00 of the Budget Act of 2009 shall be encumbered by July 31, 2010. This one-month extension of encumbrance authority is provided due to the effect of the deferral of the June 2010 principal apportionment on the budget items specified in this section. It is the intent of the Legislature that, by extending the encumbrance authority for the funds identified in this section to July 31, 2010, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2009.

SEC. 46. 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.

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

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

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