

Senate Constitutional Amendment

No. 1

Introduced by Senator Steinberg

February 25, 2009

Senate Constitutional Amendment No. 1—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 8.3 to Article XVI thereof, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

SCA 1, as introduced, Steinberg. Education finance.

The California Constitution requires the state, from all state revenues, to first set apart the moneys to be applied for the support of the public school system and public institutions of higher education. The Constitution requires that the moneys to be applied by the state for the support of school districts and community college districts be not less than the greater of 3 amounts computed pursuant to specified tests. The Constitution provides that school districts and community college districts are entitled to a maintenance factor, as specified, for any fiscal year in which they are allocated a reduced amount of funding pursuant to the 3rd test or pursuant to a suspension of the minimum funding guarantee.

This measure would provide, commencing with the 2011–12 fiscal year, that school districts and community college districts are to receive supplemental education payments in the total amount of \$9,300,000,000, and would require the Legislature to annually appropriate that amount from a specified account until the full amount of the supplemental education payments has been allocated. The measure would provide that the payments are in lieu of the maintenance factor amounts, if any,

that otherwise would be determined for the 2007–08 or 2008–09 fiscal years. The measure would make its operation contingent upon the establishment, under a separate provision of the Constitution, of the specified account from which the payments would be appropriated.

The measure would require that, of the appropriations to school districts for this purpose for the 2011–12 fiscal year, an amount not exceeding \$200,000,000 be available only for the purposes set forth in a specified statute, as determined pursuant to the funding formula set forth in that statute. The measure would require that any remaining funds from the appropriations made to school districts for the 2011–12 fiscal year, and all of the funds from the appropriations made to school districts for each subsequent fiscal year, be allocated to school districts as an adjustment to revenue limit apportionments, as specified by statute, in a manner that does not limit a recipient school district with regard to the purposes of the district for which the moneys may be expended.

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

1 *Resolved by the Senate, the Assembly concurring,* That the
2 Legislature of the State of California at its Third Extraordinary
3 Session commencing on the fifth day of January 2009, two-thirds
4 of the membership of each house concurring, hereby proposes to
5 the people of the State of California, that the Constitution of the
6 State be amended as follows:

7 That Section 8.3 is added to Article XVI thereof, to read:

8 Sec. 8.3. (a) School districts and community college districts
9 shall receive supplemental education payments in the total amount
10 of nine billion three hundred million dollars (\$9,300,000,000).
11 These payments shall be in lieu of the maintenance factor amounts,
12 if any, that otherwise would be determined pursuant to subdivision
13 (d) of Section 8 for the 2007–08 and 2008–09 fiscal years. These
14 payments are not subject to subdivision (e) of Section 8. These
15 payments shall be made only from the Supplemental Education
16 Payment Account, subject to the deposit into that account of the
17 amounts necessary to make the payments. The operation of this
18 section is contingent upon the establishment of the Supplemental
19 Education Payment Account pursuant to subdivision (a) of Section
20 20.

21 (b) Commencing with the 2011–12 fiscal year, in addition to
22 the amounts required to be allocated pursuant to subdivisions (b)

1 and (e) of Section 8, the Legislature annually shall appropriate to
2 school districts and community college districts the amount
3 transferred to the Supplemental Education Payment Account
4 pursuant to subdivision (h) of Section 20 in satisfaction of the
5 supplemental education payments required by subdivision (a),
6 until the full amount of the supplemental education payments
7 required by subdivision (a) has been allocated pursuant to this
8 section.

9 (c) (1) Of the appropriations made to school districts for the
10 2011-12 fiscal year pursuant to subdivision (b), an amount not
11 exceeding two hundred million dollars (\$200,000,000) shall be
12 available only for the purposes set forth in Section 42238.49 of
13 the Education Code as that section read on March 28, 2009, as
14 determined pursuant to the funding formula set forth in that section.

15 (2) The remaining amount of the appropriations made to school
16 districts for the 2011-12 fiscal year pursuant to subdivision (b),
17 and all of the appropriations made to school districts pursuant to
18 subdivision (b) for each subsequent fiscal year, shall be allocated
19 as an adjustment to revenue limit apportionments, as specified by
20 statute, in a manner that does not limit a recipient school district
21 with regard to the purposes of the district for which the moneys
22 may be expended.

23 (d) All amounts appropriated in a fiscal year pursuant to this
24 section shall be deemed allocations to school districts and
25 community college districts from General Fund proceeds of taxes
26 appropriated pursuant to Article XIII B for that fiscal year, for
27 purposes of determining, in the following fiscal year, the amount
28 required pursuant to paragraph (2) or (3), as applicable, of
29 subdivision (b) of Section 8.

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