

AMENDED IN ASSEMBLY OCTOBER 8, 2010

**SENATE BILL**

**No. 851**

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**Introduced by Committee on Budget and Fiscal Review**

January 11, 2010

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*An act relating to the Budget Act of 2010. An act relating to education finance, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 851, as amended, Committee on Budget and Fiscal Review.  
~~Budget Act of 2010. Education finance: Proposition 98: suspension.~~

*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. Existing law authorizes the Legislature to suspend that minimum funding obligation for one year by the enactment of an urgency statute, as provided.*

*This bill would suspend the minimum funding obligation for the 2010–11 fiscal year and would declare that the amount of money that will be applied by the state for the support of school districts and community college districts during the 2010–11 fiscal year is \$49,658,220,000, which would include the amount of the outstanding maintenance factor required to be allocated in the 2010–11 fiscal year.*

*This bill would declare that it is to take effect immediately as an urgency statute.*

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2010.~~

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

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

1     *SECTION 1. (a) The Legislature finds and declares that the*  
2 *minimum funding obligation for school districts and community*  
3 *college districts pursuant to subdivision (b) of Section 8 of Article*  
4 *XVI of the California Constitution for the 2010–11 fiscal year, as*  
5 *derived from application of the requirements of Section 8 of Article*  
6 *XVI of the California Constitution to the minimum funding*  
7 *obligation for the 2008–09 fiscal year, as certified pursuant to*  
8 *Section 41207.2 of the Education Code, including allocation of*  
9 *maintenance factor owed in the 2009–10 and 2010–11 fiscal years,*  
10 *exceeds the state’s revenues available for this purpose for the*  
11 *2010–11 fiscal year.*

12     *(b) The Legislature hereby invokes subdivision (h) of Section 8*  
13 *of Article XVI of the California Constitution to suspend the*  
14 *minimum funding obligation for school districts and community*  
15 *college districts for the 2010–11 fiscal year.*

16     *(c) In lieu of the constitutional minimum funding obligation,*  
17 *the amount that will be applied by the state for the support of*  
18 *school districts and community college districts for the 2010–11*  
19 *fiscal year is forty-nine billion six hundred fifty-eight million two*  
20 *hundred twenty thousand dollars (\$49,658,220,000), which*  
21 *includes the amount of the outstanding maintenance factor*  
22 *allocated in the 2010–11 fiscal year.*

23     *(d) The amount of the maintenance factor created in the 2010–11*  
24 *fiscal year as a result of this section shall be calculated pursuant*  
25 *to subdivision (d) of Section 8 of Article XVI of the California*  
26 *Constitution and shall be added to the adjusted maintenance factor*  
27 *outstanding as of the end of the 2009–10 fiscal year, from which*  
28 *shall be subtracted the amount of maintenance factor allocated in*  
29 *the 2010–11 fiscal year as set forth in subdivision (c).*

30     *(e) The minimum funding obligation set forth in subdivision (c)*  
31 *for the support of school districts and community college districts*  
32 *for the 2010–11 fiscal year may not be decreased except pursuant*  
33 *to a subsequent invocation of subdivision (h) of Section 8 of Article*  
34 *XVI of the California Constitution enacted during the 2010–11*  
35 *fiscal year.*

36     *(f) Subdivision (b) does not apply to subparagraph (B) of*  
37 *paragraph (3) of subdivision (b) of Section 8 of Article XVI of the*  
38 *California Constitution.*

1     *SEC. 2. This act is an urgency statute necessary for the*  
2 *immediate preservation of the public peace, health, or safety within*  
3 *the meaning of Article IV of the Constitution and shall go into*  
4 *immediate effect. The facts constituting the necessity are:*

5     *In order to make the necessary statutory changes to implement*  
6 *the Budget Act of 2010 at the earliest possible time, it is necessary*  
7 *that this act take effect immediately.*

8     ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
9 ~~changes relating to the Budget Act of 2010.~~