

AMENDED IN ASSEMBLY MAY 27, 2011

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CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 18

Introduced by Assembly Member Brownley

December 6, 2010

An act to amend Section 42238 of, to add Sections 41055, 42238.01, and 42238.486 to, to add Article 5 (commencing with Section 42310) to Chapter 7 of Part 24 of Division 3 of Title 2 of, and to add and repeal Section 41054 of, the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 18, as amended, Brownley. Education finance: school-based financial reporting system: Targeted Pupil Equity—Grants: *funding*: Quality Instruction—Grants: *funding*.

(1) Existing law establishes the public school system in this state, and, among other things, provides for the establishment of school districts throughout the state and for their provision of instruction at the public elementary and secondary schools they operate and maintain. Existing law establishes a public school funding system that includes, among other elements, the provision of funding to local educational agencies through state apportionments, the proceeds of property taxes collected at the local level, and other sources.

This bill would *enact the Education Finance Reform Act*. The bill would require the Superintendent of Public Instruction, on or before December 1, 2012, to make recommendations to the Legislature and the Governor regarding prescribed topics relating to the statutory and regulatory changes that would be necessary to support the development,

implementation, and use of comprehensive school-level financial data. These provisions would be repealed on December 1, 2015. The bill would require the Superintendent, on or before July 1, 2012, to make all ministerial changes that are necessary to support the future reporting of school-level financial data by local educational agencies, as specified. The bill also would require the Superintendent, on or before July 1, 2012, and annually thereafter, to notify the superintendent of each school district and county office of education, and the administrator of each charter school, of specified items relating to tracking and reporting school-level financial data.

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

This bill would require the Superintendent of Public Instruction, commencing with the 2015–16 fiscal year and each fiscal year thereafter, to compute an ~~add-on~~ *amount to be apportioned in addition* to the revenue limit of each school district. *This amount would be calculated by multiplying a per pupil base amount determined for each school district in accordance with a formula based on utilizing* the average daily attendance of each school district, and the amount of funding provided by specified items of the annual Budget Act, for the 2014–15 fiscal year.

(3) Existing law establishes various public education programs pursuant to which funds are allocated by the state to local educational agencies.

This bill would establish ~~the Targeted Pupil Equity Grant~~ *funding*, pursuant to which, commencing with the 2015–16 fiscal year and each fiscal year thereafter, the Superintendent of Public Instruction would apportion supplemental funds to school districts and charter schools, in accordance with a prescribed formula, for any educational purpose that provides instruction or support services to English learners and low-income pupils, with the goal of improving the academic performance or workforce preparation of those pupils.

This bill would also establish ~~the Quality Instruction Grant~~ *funding*, pursuant to which, commencing with the 2015–16 fiscal year and each fiscal year thereafter, the Superintendent would apportion funds to school districts and charter schools, in accordance with a prescribed formula, for any of several specified purposes, including the reduction

of class sizes, the provision of professional development training to school personnel, the provision of leadership coaching and individualized support to schoolsite staff, the provision of mentoring or coaching in order to support beginning teachers, the establishment of teacher recruitment programs that provide professional development assistance to paraprofessionals in order for them to obtain teaching credentials, the establishment of intern programs to provide an alternative route for individuals to obtain teaching credentials, and the provision of support for beginning teacher support and assessment.

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

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

1 *SECTION 1. This act shall be known, and may be cited, as the*
2 *Education Finance Reform Act.*

3 **SECTION 1.**

4 *SEC. 2. (a) The Legislature finds and declares all of the*
5 *following:*

6 (1) The 22 studies of the Getting Down to Facts ~~Project and~~
7 *Project*, the Governor’s Committee on Education Excellence, and
8 *subsequent research from the Public Policy Institute of California*
9 were consistent in their conclusions that California’s current
10 education finance system is overly complex, irrational, and
11 burdensome, and is in need of a long-term plan for comprehensive
12 reform.

13 (2) The complexity of the current system poses a major obstacle
14 to transparency and effectiveness. It is almost impossible to
15 determine how much revenue each school district receives or how
16 those revenues are spent, let alone to report this information to
17 local communities, stakeholders, and the state.

18 (3) The current system is not logical, with district revenues that
19 are largely a historical artifact of spending in the 1970s combined
20 with a confusing, bureaucratic, report-driven, and burdensome
21 system of categorical programs. Disparities in school and school
22 district revenues are substantial and are not aligned to pupil or
23 educator needs.

24 (4) The system places substantial restrictions on the use of
25 resources by schools and school districts, creating high compliance
26 costs and making it difficult for local educators to respond to the

1 needs of their pupils. Fewer paperwork requirements and more
2 flexibility in allocating resources are cited by school principals as
3 two of the most important factors in improving pupil outcomes.

4 (5) Many schools and school districts lack the proper tools or
5 capacity to ensure that money is spent on the most effective
6 programs and practices. Research consistently finds that successful
7 schools use data to inform teaching practices and innovation.
8 However, California schools and school districts vary widely in
9 their use of data and in their capacity to use data to improve pupil
10 performance.

11 (6) Ensuring that money is spent efficiently and effectively
12 requires a complete understanding of how money is allocated *to*
13 *and* by school districts and *how it is* spent within schools. However,
14 California does not collect financial data that is useful for
15 determining the effectiveness of resources at the state, school
16 district, or school levels.

17 (7) *The ability to make linkages between information about*
18 *financial resources and data on programs and pupil performance*
19 *is necessary to enable policymakers, parents, and the public to*
20 *evaluate educational programs and more effectively target those*
21 *financial resources.*

22 (8) *Research has shown that per pupil funding amounts provided*
23 *to English learners and to pupils in poverty differ across school*
24 *districts, and that there is a need for targeted resources to cover*
25 *the costs of educating those pupils.*

26 (7)

27 (9) California is currently facing lawsuits which claim that the
28 state's system for funding public education is deficient. One lawsuit
29 claims that the system is unconstitutional in that it fails to provide
30 all pupils with equal access to the required educational program,
31 while a second lawsuit seeks to have the state take the individual
32 educational needs of each pupil into consideration when it makes
33 funding decisions pursuant to the system.

34 (b) Therefore, it is the intent of the Legislature to do all of the
35 following:

36 (1) Build on previous research and recommendations to produce
37 a comprehensive plan for finance reform to support pupil
38 achievement, with specific consideration given to the interactions
39 of incentives in school finance formulas.

1 (2) Establish simpler pupil-based formulas for allocating funding
2 to each local educational agency that provide base funding along
3 with an amount that is tied to the specific needs of the pupils in
4 the local educational agency and the costs of educating those
5 pupils.

6 (3) Make the allocation of funding more rational and equitable
7 so that the revenues received by each local educational agency
8 reflect the actual cost of educating pupils with varying needs in
9 varying environments, so that all pupils are prepared, at the end
10 of their elementary and secondary education, for college, careers,
11 and successful participation in our democratic institutions, no
12 matter where they live or what their economic, racial, or ethnic
13 background may be.

14 (4) Support accountability and local flexibility by increasing
15 the transparency of state funding mechanisms and of expenditure
16 decisions at the local level, and by facilitating the equitable
17 allocation of funds across schools within each school district in a
18 manner that reflects the specific needs of the pupils in those schools
19 and the costs of educating those pupils.

20 (5) Improve the reporting of financial data so that programmatic
21 investments can be linked to programs that increase pupil
22 achievement.

23 (6) Support continuous improvement by requiring periodic
24 review of the school finance system and of local resource decisions.

25 (7) Hold local educational agencies harmless, and transition to
26 the new system gradually, as new moneys become available.

27 ~~SEC. 2.~~

28 *SEC. 3.* Section 41054 is added to the Education Code, to read:

29 41054. (a) On or before December 1, 2012, the Superintendent
30 shall make recommendations to the Legislature and the Governor
31 concerning statutory and regulatory changes that would be
32 necessary to support the development, implementation, and use
33 of comprehensive school-level financial data that would be used
34 to produce all of the following:

35 (1) Simple to use, transparent, and informative school-level
36 financial reports showing both the source of school-level revenue
37 and the expenditures made by each school.

38 (2) In-depth analyses of school-level financial data, including,
39 but not necessarily limited to, analyses by fund source, function,
40 program, and object.

1 (3) Comparisons of financial data across schools, both within
2 the district and outside of the district, and over time.

3 (4) Linkages between school-level financial, demographic,
4 programmatic, and academic achievement data so as to facilitate
5 program and policy evaluation.

6 (5) A comprehensive means for the education community,
7 policymakers, researchers, and the public to easily access
8 information about all aspects of the performance of each school
9 in the state.

10 (b) The Superintendent's recommendations made pursuant to
11 subdivision (a) shall focus on all changes that are necessary to
12 support the future reporting of school-level financial data by local
13 educational agencies and to support the comprehensive uses
14 described in subdivision (a). These recommendations shall address,
15 but not necessarily be limited to, all of the following:

16 (1) Modifications to the School Accountability Report Card.

17 (2) Changes to existing data collections or the implementation
18 of new data collections.

19 (3) Changes to the state's Education Information System,
20 especially to facilitate the linking of school financial, demographic,
21 and pupil program data.

22 (4) Changes to the state's hardware and software support or
23 capacity, or other information technology needs that would be
24 necessary to support publicly available school-level data analysis
25 and evaluative tools, as well as publicly available school-level
26 reports.

27 (c) It is the intent of the Legislature that the Superintendent, in
28 making the recommendations pursuant to this section, shall do
29 both of the following:

30 (1) Build upon previous research, reports, evaluations, audits,
31 and studies.

32 (2) Develop the recommendations in consultation with
33 policymakers, members of the education community, members of
34 the public, and other stakeholders.

35 (d) (1) A report to be submitted pursuant to subdivision (a) shall
36 be submitted in compliance with Section 9795 of the Government
37 Code.

38 (2) Pursuant to Section 10231.5 of the Government Code, this
39 section is repealed on December 1, 2015.

1 ~~SEC. 3.~~

2 *SEC. 4.* Section 41055 is added to the Education Code, to read:

3 41055. (a) On or before July 1, 2012, the Superintendent shall
4 make all ministerial changes that are necessary to support the future
5 reporting of school-level financial data—~~reporting~~ by local
6 educational agencies. These changes shall include, but are not
7 limited to, all of the following:

8 (1) Modifications to the standardized account code structure.

9 (2) Modifications to the California School Accounting Manual.

10 (3) Modifications to financial regulations imposed upon or other
11 instructions provided to school districts, county offices of
12 education, or charter schools.

13 (b) On or before July 1, 2012, and annually thereafter, the
14 Superintendent shall notify the superintendent of each school
15 district and county office of education, and the administrator of
16 each charter school, of both of the following:

17 (1) The capacity for the tracking and reporting of school-level
18 financial data using the standardized account code structure
19 developed by the department and used for the purpose of financial
20 accounting and reporting in public schools and districts.

21 (2) Directions for using the standardized account code structure
22 to track and report school-level financial data.

23 (c) The notification made pursuant to subdivision (b) shall be
24 updated as necessary each year to include any changes that result
25 from the recommendations made by the Superintendent pursuant
26 to Section 41054, and any ministerial changes made by the
27 Superintendent pursuant to subdivision (a).

28 ~~SEC. 4.~~ Section 42238 of the Education Code is amended to
29 read:

30 ~~42238. (a) For the 1984–85 fiscal year and each fiscal year~~
31 ~~thereafter, the county superintendent of schools shall determine a~~
32 ~~revenue limit for each school district in the county pursuant to this~~
33 ~~section.~~

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

37 ~~(1) The inflation adjustment specified in Section 42238.1.~~

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

- 1 ~~(3) For the 1996–97 fiscal year, the equalization adjustments~~
2 ~~specified in Sections 42238.41, 42238.42, and 42238.43.~~
- 3 ~~(4) For the 1985–86 fiscal year, the amount per unit of average~~
4 ~~daily attendance received in the 1984–85 fiscal year pursuant to~~
5 ~~Section 42238.7.~~
- 6 ~~(5) For the 1985–86, 1986–87, and 1987–88 fiscal years, the~~
7 ~~amount per unit of average daily attendance received in the prior~~
8 ~~fiscal year pursuant to Section 42238.8.~~
- 9 ~~(6) For the 2004–05 fiscal year, the equalization adjustment~~
10 ~~specified in Section 42238.44.~~
- 11 ~~(7) For the 2006–07 fiscal year, the equalization adjustment~~
12 ~~specified in Section 42238.48.~~
- 13 ~~(8) For the 2011–12 fiscal year, the equalization adjustment~~
14 ~~specified in Section 42238.49.~~
- 15 ~~(e) (1) (A) For the 2010–11 fiscal year, the Superintendent~~
16 ~~shall compute an add-on for each school district by adding the~~
17 ~~inflation adjustment specified in Section 42238.1 to the adjustment~~
18 ~~specified in Section 42238.485.~~
- 19 ~~(B) For the 2011–12 fiscal year and each fiscal year thereafter,~~
20 ~~the Superintendent shall compute an add-on for each school district~~
21 ~~by adding the inflation adjustment specified in Section 42238.1 to~~
22 ~~the amount computed pursuant to this paragraph for the prior fiscal~~
23 ~~year.~~
- 24 ~~(2) Commencing with the 2010–11 fiscal year, the~~
25 ~~Superintendent shall compute an add-on for each school district~~
26 ~~by dividing each school district’s fiscal year average daily~~
27 ~~attendance computed pursuant to Section 42238.5 by the total~~
28 ~~adjustments in funding for each district made for the 2007–08~~
29 ~~fiscal year pursuant to Section 42238.22 as it read on January 1,~~
30 ~~2009.~~
- 31 ~~(3) Commencing with the 2015–16 fiscal year and each fiscal~~
32 ~~year thereafter, the Superintendent shall compute an add-on for~~
33 ~~each school district pursuant to Section 42238.486.~~
- 34 ~~(d) The sum of the base revenue limit computed pursuant to~~
35 ~~subdivision (b) and the add-ons computed pursuant to subdivision~~
36 ~~(e) shall be multiplied by the district average daily attendance~~
37 ~~computed pursuant to Section 42238.5.~~
- 38 ~~(e) For districts electing to compute units of average daily~~
39 ~~attendance pursuant to paragraph (2) of subdivision (a) of Section~~
40 ~~42238.5, the amount computed pursuant to Article 4 (commencing~~

1 with Section 42280) shall be added to the amount computed in
2 subdivision (c) or (d), as appropriate.

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

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

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

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

19 (A) The amount of employer contributions that would have been
20 made in the 1983-84 fiscal year if the applicable Public
21 Employees' Retirement System employer contribution rate in effect
22 immediately after the enactment of Chapter 330 of the Statutes of
23 1982 was in effect during the 1983-84 fiscal year.

24 (B) The actual amount of employer contributions made to the
25 Public Employees' Retirement System in the 1983-84 fiscal year.

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

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

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

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

- 1 ~~(h) The Superintendent shall apportion to each school district~~
2 ~~the amount determined in this section less the sum of:~~
- 3 ~~(1) The district's property tax revenue received pursuant to~~
4 ~~Chapter 3.5 (commencing with Section 75) and Chapter 6~~
5 ~~(commencing with Section 95) of Part 0.5 of Division 1 of the~~
6 ~~Revenue and Taxation Code.~~
- 7 ~~(2) The amount, if any, received pursuant to Part 18.5~~
8 ~~(commencing with Section 38101) of Division 2 of the Revenue~~
9 ~~and Taxation Code.~~
- 10 ~~(3) The amount, if any, received pursuant to Chapter 3~~
11 ~~(commencing with Section 16140) of Part 1 of Division 4 of Title~~
12 ~~2 of the Government Code.~~
- 13 ~~(4) Prior years' taxes and taxes on the unsecured roll.~~
- 14 ~~(5) Fifty percent of the amount received pursuant to Section~~
15 ~~41603.~~
- 16 ~~(6) The amount, if any, received pursuant to the Community~~
17 ~~Redevelopment Law (Part 1 (commencing with Section 33000)~~
18 ~~of Division 24 of the Health and Safety Code), except for any~~
19 ~~amount received pursuant to Section 33401 or 33676 of the Health~~
20 ~~and Safety Code that is used for land acquisition, facility~~
21 ~~construction, reconstruction, or remodeling, or deferred~~
22 ~~maintenance, except for any amount received pursuant to Section~~
23 ~~33492.15 of, paragraph (4) of subdivision (a) of Section 33607.5~~
24 ~~of, or Section 33607.7 of, the Health and Safety Code that is~~
25 ~~allocated exclusively for educational facilities.~~
- 26 ~~(7) For a unified school district, other than a unified school~~
27 ~~district that has converted all of its schools to charter status~~
28 ~~pursuant to Section 47606, the amount of statewide average~~
29 ~~general-purpose funding per unit of average daily attendance~~
30 ~~received by school districts for each of four grade level ranges, as~~
31 ~~computed by the department pursuant to Section 47633, multiplied~~
32 ~~by the average daily attendance, in corresponding grade level~~
33 ~~ranges, of any pupils who attend charter schools funded pursuant~~
34 ~~to Chapter 6 (commencing with Section 47630) of Part 26.8 of~~
35 ~~Division 4 for which the district is the sponsoring local educational~~
36 ~~agency, as defined in Section 47632, and who reside in and would~~
37 ~~otherwise have been eligible to attend a noncharter school of the~~
38 ~~district.~~
- 39 ~~(i) A transfer of pupils of grades 7 and 8 between an elementary~~
40 ~~school district and a high school district shall not result in the~~

1 receiving district receiving a revenue limit apportionment for those
2 pupils that exceeds 105 percent of the statewide average revenue
3 limit for the type and size of the receiving school district.

4 *SEC. 5. Section 42238.01 is added to the Education Code,*
5 *immediately following Section 42238, to read:*

6 *42238.01. Commencing with the 2015–16 fiscal year and each*
7 *fiscal year thereafter, the Superintendent shall multiply the per*
8 *pupil base funding amount calculated for each school district*
9 *pursuant to Section 42238.486 by the district average daily*
10 *attendance computed pursuant to Section 42238.5, and shall*
11 *apportion the resulting base funding amount in addition to the*
12 *apportionment calculated in subdivision (h) of Section 42238.*

13 ~~SEC. 5.~~

14 *SEC. 6. Section 42238.486 is added to the Education Code, to*
15 *read:*

16 42238.486. (a) For the 2015–16 fiscal year, the Superintendent
17 shall calculate a per pupil *base* funding amount for each school
18 district by dividing the average daily attendance as determined for
19 the 2014–15 fiscal year pursuant to Section 42238.5, into the sum
20 of the following amounts:

21 (1) Funding provided pursuant to Items 6110-108-0001,
22 6110-122-0001, 6110-124-0001, 6110-181-0001, 6110-187-0001,
23 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-198-0001,
24 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-228-0001,
25 6110-232-0001, 6110-240-0001, 6110-243-0001, 6110-247-0001,
26 6110-248-0001, 6110-265-0001, and 6110-268-0001 of Section
27 2.00 of the annual Budget Act as those items are funded for the
28 2014–15 fiscal year.

29 (2) Funding provided pursuant to Schedule (1) of Item
30 6110-156-0001 of Section 2.00 of the annual Budget Act as that
31 item is funded for the 2014–15 fiscal year.

32 (3) That portion of the funding provided pursuant to Item
33 6110-111-0001 of Section 2.00 of the annual Budget Act as that
34 item is funded for the 2014–15 fiscal year, that is not apportioned
35 to each school district by the Superintendent pursuant to Section
36 41851.5.

37 (4) The average adjustment made to revenue limits pursuant to
38 Section 42238.12 over the preceding 15 years as calculated by the
39 Superintendent as follows:

- 1 (A) For each of the 2000–01 to 2014–15 fiscal years, inclusive,
 2 calculate a per pupil amount by dividing the total additional
 3 revenue received pursuant to Section 42238.12 by average daily
 4 attendance calculated pursuant to Section 42238.5 for that fiscal
 5 year.
- 6 (B) Calculate a 15-year average per pupil amount by dividing
 7 the sum of the amounts calculated in subparagraph (A) by 15.
- 8 (C) Multiply the amount calculated in subparagraph (B) by the
 9 average daily attendance for the 2014–15 fiscal year as calculated
 10 pursuant to Section 42238.5.
- 11 (5) The average adjustment made to revenue limits pursuant to
 12 Section 42241.7 over the preceding 15 years as calculated by the
 13 Superintendent as follows:
- 14 (A) For each of the 2000–01 to 2014–15 fiscal years, inclusive,
 15 calculate a per pupil amount by dividing the total additional
 16 revenue received pursuant to Section 42241.7 by the average daily
 17 attendance calculated pursuant to Section 42238.5 for that fiscal
 18 year.
- 19 (B) Calculate a 15-year average per pupil amount by dividing
 20 the sum of the amounts calculated in subparagraph (A) by 15.
- 21 (C) Multiply the amount calculated in subparagraph (B) by the
 22 average daily attendance for the 2014–15 fiscal year as calculated
 23 pursuant to Section 42238.5.
- 24 (b) For the 2016–17 fiscal year and every fiscal year thereafter,
 25 the per pupil *base* funding amount for each district shall be
 26 calculated to be the amount calculated pursuant to this section for
 27 the prior fiscal year.
- 28 (c) It is the intent of the Legislature that school districts use the
 29 ~~funds provided in this add-on~~ *base funding provided in this section*,
 30 in conjunction with other base funding provided to school districts,
 31 for any educational purpose necessary to maintain and improve
 32 the educational services provided to all pupils in the district.
- 33 (d) Any instructional materials purchased by a local educational
 34 agency shall be the materials adopted by the state board for
 35 kindergarten and grades 1 to 8, inclusive, and for grades 9 to 12,
 36 inclusive, the materials purchased shall be aligned with state
 37 standards as defined in Section 60605, and shall also meet the
 38 reporting and sufficiency requirements contained in Section 60119.
- 39 (e) For purposes of this section, “sufficiency” means that each
 40 pupil has sufficient textbooks and instructional materials in the

1 four core areas as defined in Section 60119 and that all pupils
2 within the local educational agency who are enrolled in the same
3 course shall have identical textbooks and instructional materials,
4 as specified in Section 1240.3.

5 (f) A school district that received funding under Item
6 6110-198-0001 of Section 2.00 of the annual Budget Act for the
7 2014–15 fiscal year and operates the child care component of the
8 Cal-SAFE program shall comply with paragraphs (5) and (6) of
9 subdivision (c) of Section 54746.

10 (g) Nothing in this section shall be interpreted to authorize a
11 school district that receives funding on behalf of a charter school
12 pursuant to Section 47651 to redirect this funding for another
13 purpose unless otherwise authorized in law or pursuant to an
14 agreement between a charter school and its chartering authority.

15 ~~SEC. 6.~~

16 *SEC. 7.* Article 5 (commencing with Section 42310) is added
17 to Chapter 7 of Part 24 of Division 3 of Title 2 of the Education
18 Code, to read:

19

20 Article 5. Targeted Pupil Equity ~~Grants~~ *Funding* and Quality
21 Instruction ~~Grants~~ *Funding*

22

23 42310. (a) ~~The Targeted Pupil Equity Grant~~ *Targeted Pupil*
24 *Equity funding* is hereby established.

25 (b) Commencing with the 2015–16 fiscal year and for each
26 fiscal year thereafter, the Superintendent shall apportion Targeted
27 Pupil Equity ~~Grant funds~~ *funding* to each school district and charter
28 school for the purposes specified in subdivision (c), based on a
29 per pupil funding amount calculated pursuant to subdivision (d)
30 multiplied by the sum of the count of English learners determined
31 pursuant to subdivision (b) of Section 54023 and the count of
32 economically disadvantaged pupils as determined pursuant to
33 subdivision (a) of Section 54023, for that school district or charter
34 school in that fiscal year.

35 (c) Unless otherwise prohibited under federal law or otherwise
36 specified in this section, school districts and charter schools shall
37 use funding received pursuant to subdivision (b), as a supplement
38 to funds otherwise provided for these pupils, for any educational
39 purpose that provides instruction or support services to English

1 learners and low-income pupils, with the goal of improving the
2 academic performance or workforce preparation of those pupils.

3 (d) (1) For the 2015–16 fiscal year, the per pupil funding
4 amount for each school district and charter school shall be
5 calculated by dividing the sum of the count of English learners
6 determined pursuant to subdivision (b) of Section 54023 for the
7 2014–15 fiscal year and the count of economically disadvantaged
8 pupils as determined pursuant to subdivision (a) of Section 54023
9 for the 2014–15 fiscal year, into the sum of the following amounts:

10 (A) Funding provided pursuant to Items 6110-104-0001,
11 6110-128-0001, 6110-150-0001, 6110-227-0001, and
12 6110-246-0001 of Section 2.00 of the annual Budget Act as those
13 items are funded for the 2014–15 fiscal year.

14 (B) Funding provided pursuant to Schedules (2) and (3) of Item
15 6110-156-0001 of Section 2.00 of the annual Budget Act as that
16 item is funded for the 2014–15 fiscal year, to the extent that
17 Schedules (2) and (3) of that item provide funding for instruction
18 of CalWORKs-eligible pupils.

19 (C) The amount provided pursuant to Items 6110-211-0001 and
20 6110-212-0001 of Section 2.00 of the annual Budget Act as ~~that~~
21 ~~item is those items are~~ funded for the 2014–15 fiscal year,
22 multiplied by the ratio of the total amounts appropriated in the
23 2014–15 fiscal year pursuant to the ~~Items items~~ listed in
24 subparagraph (A) to the total amounts appropriated in the 2014–15
25 fiscal year pursuant to the items providing funding to all other
26 programs included in the Charter School Categorical Block Grant.

27 (2) For the 2016–17 fiscal year and every fiscal year thereafter,
28 the per pupil funding amount for each school district and charter
29 school shall be calculated to be the amount calculated pursuant to
30 this subdivision for the prior fiscal year.

31 ~~(e) It is the intent of the Legislature to:~~

32 ~~(1) Provide an inflation adjustment to the per pupil amount~~
33 ~~calculated pursuant to subdivision (d) in any fiscal year in which~~
34 ~~funds are available for that purpose.~~

35 ~~(2) Provide an equalization adjustment to the per pupil amount~~
36 ~~calculated pursuant to subdivision (d) in any fiscal year in which~~
37 ~~funds are available for that purpose.~~

38 ~~(3) Use the Targeted Pupil Equity Grant, in conjunction with~~

39 ~~(e) It is the intent of the Legislature to use Targeted Pupil Equity~~
40 ~~funding, in conjunction with funding provided to school districts~~

1 and charter schools for all pupils, to appropriately weight
2 educational funding so as to provide additional resources for the
3 instruction of English learners and low-income pupils and to enable
4 school districts and charter schools to direct resources toward
5 improving the academic performance of those pupils.

6 (f) Nothing in this section shall be interpreted to authorize a
7 school district that receives funding on behalf of a charter school
8 pursuant to Section 47651 to redirect this funding for another
9 purpose unless otherwise authorized in law or pursuant to an
10 agreement between a charter school and its chartering authority.

11 42315. (a) ~~The Quality Instruction Grant~~ *Quality Instruction*
12 *funding* is hereby established.

13 (b) Commencing with the 2015–16 fiscal year and for each
14 fiscal year thereafter, the Superintendent shall apportion *Quality*
15 *Instruction Grant funds funding* to each school district and charter
16 school for the purposes specified in subdivision (c), based on a
17 per pupil funding amount calculated pursuant to subdivision (d)
18 multiplied by the average daily attendance as determined at the
19 second principal apportionment for that school district or charter
20 school in that fiscal year.

21 (c) Unless otherwise prohibited under federal law or otherwise
22 specified in this section, school districts and charter schools shall
23 use funding received pursuant to subdivision (b), for any of the
24 following purposes:

25 (1) To reduce class sizes.

26 (2) To provide professional development training to teachers,
27 administrators, and staff on any of the following areas:

28 (A) The state academic content standards adopted by the state
29 board pursuant to Section 60605.8.

30 (B) The curriculum frameworks adopted by the state board
31 pursuant to Section 60200.

32 (C) The English language development standards adopted by
33 the state board pursuant to Section 60811.

34 (3) To provide leadership coaching and individualized support
35 to schoolsite staff and administrators in order to support staff in
36 becoming instructional leaders and administrators.

37 (4) To provide teacher, administrator, and staff mentoring or
38 coaching in order to support beginning teachers with the goal of
39 increasing academic achievement.

1 (5) To establish teacher recruitment programs that provide
2 professional development assistance to paraprofessionals in order
3 for them to obtain a teaching credential.

4 (6) To establish intern programs to provide an alternative route
5 for individuals to obtain a teaching credential.

6 (7) To provide support for beginning teacher support and
7 assessment.

8 (d) (1) For the 2015–16 fiscal year, the per pupil funding
9 amount for each school district and charter school shall be
10 calculated by dividing the average daily attendance, as determined
11 at the 2014–15 second principal apportionment, into the sum of
12 the following amounts:

13 (A) Funding provided pursuant to Items 6110-137-0001,
14 6110-144-0001, 6110-234-0001, 6110-244-0001, 6110-245-0001,
15 6110-260-0001, and 6110-267-0001 of Section 2.00 of the annual
16 Budget Act as those items are funded for the 2014–15 fiscal year.

17 (B) Funding provided pursuant to Schedules (1) and (2) of Item
18 6110-193-0001 of Section 2.00 of the annual Budget Act as that
19 item is funded for the 2014–15 fiscal year.

20 (C) Funding provided pursuant to Item 6110-195-0001 of
21 Section 2.00 of the annual Budget Act as that item is funded for
22 the 2014–15 fiscal year, excluding any funds necessary to fund
23 awards for teachers ~~that~~ *who* have previously met the requirements
24 necessary to obtain these awards, until the award is paid in full.

25 (2) For the 2016–17 fiscal year and every fiscal year thereafter,
26 the per pupil funding amount for each school district and charter
27 school shall be calculated to be the amount calculated pursuant to
28 this subdivision for the prior fiscal year.

29 ~~(e) It is the intent of the Legislature to do all of the following:~~

30 ~~(1) Provide an inflation adjustment to the per pupil amount~~
31 ~~calculated pursuant to subdivision (d) in any fiscal year in which~~
32 ~~funds are available for that purpose.~~

33 ~~(2) Provide an equalization adjustment to the per pupil amount~~
34 ~~calculated pursuant to subdivision (d) in any fiscal year in which~~
35 ~~funds are available for that purpose.~~

36 ~~(3) Enable school districts and charter schools to use the Quality~~
37 ~~Instruction Grant~~

38 *(e) It is the intent of the Legislature to enable school districts*
39 *and charter schools to use Quality Instruction funding, in*
40 *conjunction with other base funding provided to school districts*

1 and charter schools, to maintain and improve ~~high-quality~~
2 *high-quality* instruction in all classrooms and to enable school
3 districts and charter schools to direct resources toward improving
4 the academic performance of all pupils by supporting teaching and
5 instructional leadership.

6 (f) Nothing in this section shall be interpreted to authorize a
7 school district that receives funding on behalf of a charter school
8 pursuant to Section 47651 to redirect this funding for another
9 purpose unless otherwise authorized in law or pursuant to an
10 agreement between a charter school and its chartering authority.

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