

AMENDED IN SENATE JUNE 19, 2012

AMENDED IN SENATE JULY 5, 2011

AMENDED IN ASSEMBLY MAY 27, 2011

AMENDED IN ASSEMBLY APRIL 27, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 18

Introduced by Assembly Member Brownley

December 6, 2010

An act to amend Section 60119 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 add and repeal Chapter 5 (commencing with Section 33625) of Part 20 of Division 2 of Title 2 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 funding: Quality Instruction funding: California School Finance Commission.~~

~~(1) Existing~~

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 These provisions would be repealed on December 1, 2015.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 fiscal 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 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 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 Targeted Pupil Equity 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 Quality Instruction 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 identified as reporting average daily attendance, as determined at the 2014–15 2nd principal apportionment, based on attendance of pupils in kindergarten and grades 1 to 3, inclusive, in accordance with a prescribed formula, for any of several specified purposes, including the reduction of class sizes in kindergarten and grades 1 to 3, inclusive, 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.

The bill would also require, for each school district and charter school not identified as reporting average daily attendance, as determined at the 2014–15 2nd principal apportionment, based on attendance of pupils in kindergarten and grades 1 to 3, inclusive, that Quality Instruction funding apportioned to those school districts and charter schools be used for the purposes similar to those authorized for the school districts and charter schools reporting average daily attendance in kindergarten and grades 1 to 3, inclusive, except that the use of Quality Instruction funding for the reduction of class sizes by the school districts and charter schools not reporting average daily attendance based on attendance of pupils in kindergarten and grades 1 to 3, inclusive, would not be authorized.

(4) Existing law requires that, in order to be eligible for specified funds, a school district take steps to ensure that each pupil in each school in the district has sufficient textbooks or instructional materials, as defined.

This bill would provide that for purposes of these provisions, sufficient textbooks or instructional materials means, among other things, that all pupils within the local educational agency who are enrolled in the same course have identical textbooks and instructional materials, as prescribed.

This bill would establish a 13-member California School Finance Commission as of January 1, 2013, to review and analyze alternative formulas for allocating funds to public schools in California for the purpose of identifying and recommending a formula or formulas that best meet the needs of California’s public school system and public school pupils. The bill would specify criteria to be used by the commission to evaluate funding formulas. The bill would provide that 6 of the members of the commission would be appointed by the Governor, 3 appointed by the Speaker of the Assembly, 3 appointed by the Senate Committee on Rules, and that the Superintendent of Public Instruction or his or her designee would be a member of, and serve as chair of, the commission. The bill would require the commission to report its findings and recommendations to the Legislature on or before February 1, 2013.

This bill would make these provisions inoperative on July 1, 2013, and would repeal them as of January 1, 2014.

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. Chapter 5 (commencing with Section 33625) is
 2 added to Part 20 of Division 2 of Title 2 of the Education Code,
 3 to read:

4
 5 CHAPTER 5. CALIFORNIA SCHOOL FINANCE COMMISSION

6
 7 33625. (a) The California School Finance Commission is
 8 hereby established as of January 1, 2013. The commission shall
 9 review and analyze alternative formulas for allocating funds to
 10 public schools in California for the purpose of identifying and
 11 recommending a formula or formulas that best meet the needs of
 12 California’s public school system and public school pupils. The
 13 criteria used to evaluate different funding formulas shall include,
 14 but not necessarily be limited to, all of the following:

15 (1) The degree to which the formula results in a level of funding
 16 for each local educational agency that matches that local
 17 educational agency’s needs as determined by pupil demographics,
 18 grade level enrollment, regional cost differences, and other cost
 19 factors identified by the commission.

- 1 (2) *The degree to which the formula facilitates the attainment*
2 *of educational policy objectives.*
- 3 (3) *The degree to which the formula can be modified to reflect*
4 *changing conditions and policy objectives.*
- 5 (4) *The degree to which the formula can be easily administered*
6 *and understood by policymakers and the public.*
- 7 (b) *The commission shall consist of 13 members, who shall be*
8 *representative of the diversity of the state population, 12 of whom*
9 *shall be appointed as follows:*
- 10 (1) *Six members shall be appointed by the Governor.*
- 11 (2) *Three members shall be appointed by the Speaker of the*
12 *Assembly.*
- 13 (3) *Three members shall be appointed by the Senate Committee*
14 *on Rules.*
- 15 (c) *The Superintendent or his or her designee shall be a member*
16 *of and serve as chair of the commission.*
- 17 (d) *It is the intent of the Legislature that the commission include*
18 *representation from urban, suburban, and rural school districts;*
19 *currently employed teachers, administrators, and classified school*
20 *employees; school board members; parents; historically*
21 *underserved pupil populations; and members of the research*
22 *community with expertise in school finance.*
- 23 (e) *The commission shall do all of the following:*
- 24 (1) *Identify key issues related to the fair, efficient, and equitable*
25 *distribution of resources among and within local educational*
26 *agencies.*
- 27 (2) *Identify means by which a funding formula can maximize*
28 *local decisionmaking authority while ensuring that statewide policy*
29 *objectives are met.*
- 30 (3) *Solicit comments and suggestions from professional*
31 *educators and administrators, parents, school finance experts,*
32 *and other interested parties.*
- 33 (4) *Develop alternative formulas for distributing resources to*
34 *local educational agencies. The formulas to be considered shall*
35 *include, but not necessarily be limited to, all of the following:*
- 36 (A) *Modifications to the current system of general purpose*
37 *funding plus categorical program funding.*
- 38 (B) *General purpose funding plus categorical program block*
39 *grants.*
- 40 (C) *Weighted pupil formula.*

1 (5) Simulate the distribution of funds under alternative formulas.

2 (6) Identify, for each formula simulated, a target level of funding
3 for each local educational agency.

4 (7) Make recommendations regarding a methodology for
5 transitioning to a new funding formula.

6 (f) The commission shall report its findings and
7 recommendations to the Legislature on or before February 1,
8 2013, in accordance with Section 9795 of the Government Code.

9 (g) For purposes of this section:

10 (1) "Local educational agency" means school districts, county
11 offices of education, and charter schools.

12 (2) "Target level of funding" means the level of funding that is
13 not less than the amount yielded when a formula is applied to the
14 total level of funding, exclusive of federal and lottery funds,
15 allocated to local educational agencies for the 2012–13 fiscal
16 year, plus the school district share of the outstanding maintenance
17 factor computed pursuant to Section 8 of Article XVI of the
18 California Constitution as of July 1, 2012.

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

23
24
25
26
27
28

**All matter omitted in this version of the bill
appears in the bill as amended in the
Senate, July 5, 2011. (JR11)**