

AMENDED IN SENATE MARCH 16, 2011

AMENDED IN SENATE MARCH 14, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 94**

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**Introduced by Committee on Budget (Blumenfield (Chair), Alejo, Allen, Brownley, Buchanan, Butler, Cedillo, Chesbro, Dickinson, Feuer, Gordon, Huffman, Mitchell, Monning, and Swanson)**

January 10, 2011

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An act to amend Sections 1240.3, 2550, 2558.46, 8201, 8208, 8263.1, 8263.4, 8354, 8357, 8447, 8499, 14041.5, 14041.6, 17070.766, 17463.7, 17584.1, 17587, 17592.71, 33128.3, 41203.1, 42238.146, 42605, 42606, 45023.1, 45023.4, 46201.2, 52124.3, 60200.7, 69432.7, 69432.9, 69433.6, 76243, 76300, 84043, and 84321.6 of, to amend and renumber Section 60422.1 of, ~~and~~ to add Sections 8263.2, 14041.65, 41204.3, 69433.2, and 84321.7 to, *and to repeal and add Section 41204.2 of*, the Education Code, to amend Section 11323.2 of the Welfare and Institutions Code, and to amend Items 6110-161-0001, 6110-485, and 6110-488 of Section 2.00 of the Budget Act of 2010 (Chapter 712 of the Statutes of 2010), relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 94, as amended, Committee on Budget. Education finance: Budget Act of 2011.

(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 to observe its operation and to learn of its

problems. Existing law requires that the priority objective of those visits is the determination of whether each school has sufficient textbooks, as defined. Existing law, until July 1, 2013, and for the 2008–09 to the 2012–13 fiscal years, inclusive, describes what is meant by sufficient textbooks or instructional materials for purposes of these visits by the county superintendent of schools.

This bill would extend the operation of this provision by 2 fiscal years, until July 1, 2015.

(2) Existing law requires the Superintendent of Public Instruction to make specified computations to determine the amount to be allocated for direct services and other purposes provided by county superintendents of schools. Under this provision, in each of the fiscal years from 2008–09 to 2012–13, inclusive, the units of average daily attendance (ADA) are required to include the same amount of ADA for classes for adults and regional occupational centers and programs used in the calculation for the 2007–08 fiscal year.

This bill would extend this provision to apply to the 2013–14 and 2014–15 fiscal years.

(3) 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 2010–11 fiscal year by a deficit factor of 18.250%.

This bill would set the deficit factor for each county superintendent of schools for the 2011–12 and 2012–13 fiscal years at 19.892%.

(4) The Child Care and Development Services Act, administered by the State Department of Education, provides that children who are 13 years of age or younger and their parents are eligible, with certain requirements, for child care and development services.

This bill would instead provide that children who are 10 years of age or younger, children with exceptional needs, children 12 years of age or younger who are recipients of child protective services or at risk of abuse, neglect, or exploitation, children 12 years of age or younger who are provided services during nontraditional hours, children 12 years of age or younger who are homeless, and children who are 11 and 12 years of age, as funding permits, as specified, are eligible, with certain requirements, for child care and development services.

(5) Existing law provides that the preferred placement for a child who is 11 or 12 years of age and is otherwise eligible for subsidized child care services is in a before or after school program. Existing law

requires contractors to report annually to the State Department of Education the amount of savings resulting from these provisions, as specified.

This bill would instead provide that a child who is 11 or 12 years of age and who is otherwise eligible for subsidized child care and development services, except for his or her age, shall be given first priority for enrollment, and in cases of programs operating at full capacity, first priority on the waiting list for a before or after school program, as specified, and would require contractors to provide each family of an otherwise eligible 11 or 12 year old child with information about the availability of before and after school programs located in the family's community. This bill would remove provisions requiring contractors to report savings to the department.

(6) Existing law provides that necessary supportive services shall be available to every participant in the CalWORKs program, including child care, as specified. Existing law provides that, to the extent funds are available, paid child care shall be available to a participant with a dependent child in the assistance unit who needs paid child care if the child is 11 or 12 years of age.

This bill would remove the requirement that paid child care be available to a participant for a child who is 11 or 12 years of age.

(7) Existing law provides for income eligibility standards for families to receive child care and development services. Existing law provides that "income eligible," for the purposes of the Child Care and Development Services Act, means that a family's adjusted monthly income is at or below 75% of the state median income, adjusted for family size, and adjusted annually.

This bill instead would provide that "income eligible," for the purposes of the Child Care and Development Services Act, means that a family's adjusted monthly income is at or below 70% of the state median income, adjusted for family size, and adjusted annually.

The bill would provide for the reduction of child care and development services, and the disenrollment of specified families from subsidized child care services, in accordance with prescribed priorities.

(8) Existing law provides for 3 stages of child care for CalWORKs recipients. Existing law provides that the 3rd stage of child care begins when a funded child care space is available, and further provides that CalWORKs recipients are eligible for this stage of child care. Existing law also provides that persons who received a lump-sum diversion payment or diversion services and former CalWORKs participants are

eligible if they have an income that does not exceed 75% of the state median income.

This bill instead would provide that persons who received a lump-sum diversion payment or diversion services and former CalWORKs participants are eligible if they have an income that does not exceed 70% of the state median income.

(9) Existing law requires the cost of state-funded child care services to be governed by regional market rates and requires the regional market rate ceilings to be established at the 85th percentile of the 2005 regional market rate survey for that region. Existing law prohibits reimbursement to license-exempt child care providers from exceeding 80% of the family child care home rate established pursuant to these provisions.

This bill would instead prohibit reimbursement to license-exempt child care providers from exceeding 60% of the family child care home rate, effective July 1, 2011.

The bill would adjust the family fee schedule that was in effect for the 2007–08, 2008–09, 2009–10, 2010–11 fiscal years to reflect income eligibility limits specified in this bill for the 2011–12 fiscal year. The bill would require the adjusted fee schedule to be submitted to the Department of Finance for referral in order to be implemented by July 1, 2011.

(10) Existing law limits the amount of specified revenue limit apportionments that counts towards the minimum funding obligation for the following fiscal year to \$1,601,655,000.

This bill would decrease that amount to \$1,101,655,000.

(11) Existing law requires the Controller to draw warrants on the State Treasury in each month of each year in specified amounts for principal apportionments for purposes of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of those warrants, as specified.

This bill would defer additional specified amounts of the warrants for school districts and county superintendents of schools from April, May, and June to July, and from March and April to August. The bill would make additional deferrals, from February to July, August, and September, from April to September, and from May to September, for the 2010–11 fiscal year only.

(12) 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. Existing law, for the 2008–09 to the 2012–13 fiscal years, inclusive, reduces that deposit requirement to an amount equal to 1% of the total general fund expenditures of the applicant school district. Existing law exempts a school district that maintains its facilities in good repair, as defined, from this 1% requirement.

This bill would extend the operation of this provision by 2 fiscal years, through the 2014–15 fiscal year.

(13) Existing law, until January 1, 2012, authorizes a school district to deposit the proceeds from the sale of surplus school property, together with any personal property located on that property, purchased entirely with local funds, into the general fund of the school district and to use those proceeds for any one-time general fund purpose.

This bill would extend the operation of this provision to January 1, 2014.

(14) Existing law, until July 1, 2013, renders inoperative a requirement for the governing board of a school district to make a report regarding proposals and plans for expenditure for the deferred maintenance of school district facilities.

This bill would extend the operation of this provision to July 1, 2015.

(15) Existing law, to become operative on July 1, 2013, will authorize the State Allocation Board to each year reserve an amount not to exceed 10% of the funds transferred from any source to the State School Deferred Maintenance Fund for apportionments to school districts in instances of extreme hardship.

This bill would delay the operation of this provision until July 1, 2015.

(16) Existing law establishes the School Facilities Emergency Repair Account in the State Treasury, and requires the State Allocation Board to administer the account. Existing law establishes the Proposition 98 Reversion Account in the General Fund, and requires that the Legislature, from time to time, transfer into this account moneys previously appropriated in satisfaction of the constitutional minimum funding requirements that have not been disbursed or otherwise encumbered for the purposes for which they were appropriated. Existing law generally requires an amount, equaling 50% of the unappropriated balance of the Proposition 98 Reversion Account or \$100,000,000, whichever is greater, to be transferred in the annual Budget Act from the Proposition 98 Reversion Account to the School Facilities

Emergency Repair Account. However, the amount to be transferred under this provision was set at zero for the 2009–10 fiscal year.

This bill would also set at zero the amount to be transferred under this provision from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account for the 2010–11 and 2011–12 fiscal years.

(17) Existing law, for the 2009–10 fiscal year, sets the minimum state requirement for a local educational agency’s reserve for economic uncertainties at  $\frac{1}{3}$  of the percentage for a reserve adopted by the State Board of Education as of May 1, 2009, and requires a school district to make progress in the 2010–11 fiscal year to returning to compliance with the specified standards and criteria adopted by the state board. Existing law restores this requirement, for the 2011–12 fiscal year, to the percentage adopted by the state board as of May 1, 2009.

This bill instead would provide that, for the 2010–11 and 2011–12 fiscal years, the minimum state requirement for a local educational agency’s reserve for economic uncertainties is  $\frac{1}{3}$  of the percentage for a reserve adopted by the state board as of May 1, 2009, and require a school district to make progress in the 2012–13 fiscal year to returning to compliance with the specified standards and criteria adopted by the state board. This bill would restore this requirement, for the 2013–14 fiscal year, to the percentage adopted by the state board as of May 1, 2009.

(18) 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 1992–93 and 2010–11, inclusive.

This bill would make that provision inapplicable to the 2011–12 fiscal year.

*(18.5) Proposition 26, approved by the voters on November 2, 2010, amended the California Constitution to, among other things, require a  $\frac{2}{3}$  vote of both houses of the Legislature for any change in statute that results in any taxpayer paying a higher tax. Proposition 26 also makes any tax adopted after January 1, 2010, but prior to November 3, 2010, that was not adopted in compliance with the  $\frac{2}{3}$  vote requirement void*

on November 3, 2011, unless the tax is reenacted by the Legislature with a  $\frac{2}{3}$  vote.

Existing law, as of July 1, 2010, eliminated the state sales and use tax on motor vehicle fuel (gasoline) and increased the excise tax. Existing law, as of July 1, 2011, increased the sales and use tax on diesel and decreased the excise tax. Existing law requires the State Board of Equalization to annually modify both the gasoline and diesel excise tax rates on a going-forward basis so that the various changes in the taxes imposed on gasoline and diesel, as described above, are revenue neutral. Existing law contains other provisions related to the implementation of these provisions.

This bill would repeal a provision, requiring the Director of Finance to make a specified adjustment in the percentage of General Fund revenues appropriated for school districts and community college districts for purposes of the provisions of the California Constitution requiring minimum funding for the public schools, that is related to the implementation of these provisions. The bill would enact a similar replacement provision, and state the intent of the Legislature that these changes are made in order to comply with Proposition 26.

(19) Existing law prescribes the percentage of General Fund revenues appropriated for school districts and community college districts for purposes of the provisions of the California Constitution requiring minimum funding for the public schools.

This bill would require the Director of Finance to adjust that percentage in a specified manner for purposes of the 2011–12 fiscal year.

(20) 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 2010–11 fiscal year by a deficit factor of 17.963%.

This bill would maintain the deficit factor for each school district for the 2011–12 fiscal year at 19.608%.

(21) Existing law establishes various categorical education programs, and appropriates the funding for those programs in the annual Budget Act. Existing law requires the Superintendent of Public Instruction, for the 2008–09 to 2012–13 fiscal years, inclusive, to apportion from the amount provided in the annual Budget Act for specified categorical education programs an amount based on the same relative proportion that the local educational agency received in the 2008–09 fiscal year

for those programs, with certain exceptions. Existing law authorizes school districts, for the 2008–09 to 2012–13 fiscal years, inclusive, to use the categorical education program funds, with specified exceptions, for any educational purpose.

This bill would extend the operation of this provision for 2 additional fiscal years, thus extending it through the 2014–15 fiscal year. By allowing funds appropriated for specified purposes to be expended for any educational purpose for 2 additional fiscal years, the bill would make an appropriation.

(22) Existing law requires the Superintendent of Public Instruction to allocate, for the 2010–11 fiscal year, a supplemental categorical block grant to a charter school that began operation in the 2008–09, 2009–10, or 2010–11 fiscal year.

This bill would extend the operation of this provision to require the Superintendent to make these allocations for the 2011–12 fiscal year, and to include charter schools that began operation in the 2011–12 fiscal year.

(23) Existing law establishes the Jack O’Connell Beginning-Teacher Salary Incentive Program, under which a county superintendent of schools, or the county board of education, may increase the salary for certain teachers on its adopted certificated employee salary schedule, as specified. The provisions establishing the program require certain calculations to be made with respect to the average daily attendance (ADA) of the participating local educational agencies, and more specifically require specified adjustments to be made in the calculation of ADA attributable to regional occupational centers and programs for the 2008–09 to the 2012–13 fiscal years, inclusive.

This bill would extend the requirement for these adjustments to be made to the 2013–14 and 2014–15 fiscal years.

(24) Existing law, commencing with the 2009–10 school year and continuing through the 2012–13 school year, authorizes a school district, county office of education, or charter school to reduce the equivalent of up to 5 days of instruction or the equivalent number of instructional minutes without incurring fiscal penalties.

This bill would extend the operation of this provision for 2 additional fiscal years, thus extending it through the 2014–15 school year.

(25) 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. Existing law provides that, for the 2008–09, 2009–10,

2010–11, and 2011–12 fiscal years, a school district that has received funding under the program but has not implemented its class size reduction program for all classes and grades for which it received funding under the program, an amount is deducted from the next principal apportionment of state funds to that district in accordance with a schedule.

This bill would extend the operation of this provision to the 2012–13 and 2013–14 fiscal years.

(26) Existing law prohibits the State Board of Education from adopting instructional materials until the 2013–14 school year.

This bill would extend this prohibition through the 2015–16 school year.

(27) Existing law, for the 2008–09 to the 2012–13 fiscal years, inclusive, provides that 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 of Education.

This bill would extend the operation of this provision by 2 fiscal years, through the 2014–15 fiscal year.

(28) Under existing law, a community college or community college district may not permit any person to access student records without the written consent of the student or under judicial order for access, with specified exceptions generally relating to education. Existing law provides that a person, persons, agency, or organization that is permitted access to student records is prohibited from further disclosing the records without the written consent of the student, as specified.

This bill would allow a person, persons, agency, or organization that is permitted access to student records to disclose them pursuant to the extent permitted under specified federal law and state law.

(29) Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Cal Grant Program), establishes the Cal Grant A and B Entitlement Awards, the California Community College Transfer Cal Grant Entitlement Awards, the Competitive Cal Grant A and B Awards, the Cal Grant C Awards, and the Cal Grant T Awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions.

Existing law sets forth the maximum household income and asset levels for participants in the various grant programs under the act. These maximum levels are set forth as they were adopted by the commission

for the 2001–02 academic year, but have been annually adjusted based on the percentage change in the cost of living as defined in a specified provision of the California Constitution.

This bill would provide that the maximum household income and asset levels applicable to a renewing applicant would be the greater of the adjusted household income and asset levels or the maximum household income and asset levels at the time of the renewing recipient's initial Cal Grant award, as specified.

This bill would impose additional requirements, except as specified, on qualifying institutions, requiring the commission to certify by October 1 of each year the institution's latest 3-year cohort default rate as most recently reported by the United States Department of Education. The bill would provide that an otherwise qualifying institution that did not meet a specified 3-year cohort default rate would be ineligible for new Cal Grant awards at the institution.

This bill would require the Legislative Analyst's Office to submit a report to the Legislature by January 1, 2013, on the implementation of the 3-year cohort default rate provisions of the act, as specified.

The bill would specify that financial need, for the purposes of the act, would be determined to establish both an applicant's initial eligibility for a Cal Grant award and a renewing applicant's continued eligibility using federal financial need methodology, as prescribed.

The bill would also require participating institutions, beginning in 2012, to annually report to the commission enrollment, persistence, and graduation data, as well as job placement, salary, and wage information for undergraduate programs, as specified.

(30) Existing law establishes community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state. Existing law requires the governing board of each community college district to charge each student, with specified exceptions, a fee of \$26 per unit per semester, effective with the fall term of the 2009–10 academic year.

This bill would increase that fee to \$36 per unit per semester, effective with the fall term of the 2011–12 academic year.

(31) Existing law, for the 2009–10 to 2012–13 fiscal years, inclusive, authorizes a community college district to use funds apportioned to the district for specified categorical programs, for purposes of a prescribed list of programs.

This bill would extend the operation of this provision for 2 additional fiscal years, through the 2014–15 fiscal year.

(32) Existing law requires the Board of Governors of the California Community Colleges to adopt regulations for the payment of apportionments to community college districts. Existing law, notwithstanding the board of governors' authority in this respect, makes various adjustments to the payment of these apportionments.

This bill would revise the manner in which these apportionments are made according to specified criteria. The bill would appropriate \$961,000,000 from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts for expenditure during the 2012–13 fiscal year in accordance with a specified schedule.

(33) Under existing law, the Controller is required to draw warrants on the State Treasury in each month of each year in specified amounts for purposes of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of those warrants, as specified.

This bill would, commencing with the 2011–12 fiscal year, authorize the Controller to issue up to \$13 million of warrants for a community college district for the principal apportionments for the month of June, that are instead to be drawn in July, subject to the approval of the Director of Finance, as specified.

If the total amount requested by community college districts exceeds \$13 million, the Controller, the Treasurer, and the Director of Finance may authorize additional payments, not to exceed \$39 million. The determination whether there is sufficient cash available to make these payments would be made no later than May 1, as specified. In making this determination, the Controller, the Treasurer, and the Director of Finance would be required to consider costs for state government, the scope of any identified cash shortage, timing, achievability, legislative direction, and impact and hardship imposed on potential affected programs, as specified. The Department of Finance would be required to notify the Joint Legislative Budget Committee within 10 days of this determination and identify the total amount of requests that will be paid.

The bill would provide that if the total amount of cash made available is less than the amount requested, as specified, payments to community college districts must be prioritized according to the date the Office of the Chancellor of the California Community Colleges and the

Department of Finance were notified. Payments would be required to be made no later than June 20.

This bill would specify that warrants drawn pursuant to this authorization shall be deemed to be General Fund revenues appropriated to school districts, as specified.

(34) The Budget Act of 2010 made numerous appropriations for the support of public education in this state.

This bill would make adjustments in the schedules of 3 items of the Budget Act of 2010 with respect to the funding of specified programs.

(35) The Administrative Procedure Act, among other things, sets forth procedures for the development, adoption, and promulgation of regulations by administrative agencies charged with the implementation of statutes.

This bill would authorize the State Department of Social Services and the State Department of Education, notwithstanding the procedures required by the Administrative Procedure Act, to implement the provisions of the bill that relate to the Child Care and Development Services Act through all-county letters, management bulletins, or similar instructions.

(36) The bill would provide that the implementation of the provisions of the bill related to the provision of child care services would not be subject to the appeal and resolution procedures for agencies that contract with the State Department of Education for these purposes.

(37) This bill would reappropriate up to \$60,000,000 in unobligated balances appropriated in the Budget Act of 2009 to the State Department of Education for CalWORKs Stage 3 child care services for the period of April 1, 2011, to June 30, 2011, inclusive. The bill would also require the State Department of Education to use those funds for eligible families pursuant to a specified provision as it read on January 1, 2011.

(38) This bill would appropriate \$905,700,000 from the General Fund to the State Department of Education for 10 specified programs according to a specified schedule, and would require the department to encumber these funds by July 31, 2012. 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 2012–13 fiscal year.

(39) Existing law creates the Charter School Revolving Loan Fund in the State Treasury and authorizes the Superintendent of Public

Instruction to make loans from the fund to applicant charter schools in accordance with specified criteria.

This bill would appropriate \$5,000,000 from the General Fund to augment the Charter School Revolving Loan Fund.

(40) This bill would set the cost-of-living adjustment for specified items in the Budget Act of 2011 at 0% for the 2011–12 fiscal year, notwithstanding the cost-of-living adjustment specified in existing statutes.

(41) This bill would require funds appropriated pursuant to specified items in the Budget Act of 2011 to be encumbered by July 31, 2012.

(42) Existing law provides for collection and maintenance of educational data. Existing law requires the State Department of Education to contract for the development of the California Longitudinal Pupil Achievement Data System (CALPADS), for the purpose of providing for the retention and analysis of longitudinal pupil achievement data on specified achievement tests.

This bill would appropriate \$2,257,000 from the Federal Trust Fund to the State Department of Education, in accordance with a specified schedule, for purposes of the implementation and support of the CALPADS.

The bill would require, as a condition of receiving funds to administer CALPADS, the State Department of Education to ensure that local educational agencies are provided with standardized templates that include prepopulated data necessary to meet the requirements of the School Accountability Report Card.

(43) Under existing law, the amount of revenue that a district may collect annually for general purposes, called a revenue limit, is calculated in accordance with various statutory formulas. A basic aid school district is a school district where property tax revenues exceed the revenue limit and the district consequently does not receive a state apportionment.

This bill would express legislative intent that basic aid school districts assume categorical funding reductions proportionate to the revenue limit reductions implemented for nonbasic aid school districts in the 2008–09 and 2009–10 fiscal years. The bill would include calculations to implement these funding reductions.

(44) Existing law appropriates funding for class size reduction in kindergarten and grades 1 to 3, inclusive, to be expended consistent with the specified requirements.

This bill would reduce that appropriation in accordance with specified requirements, and would identify funds that the State Department of

Education would be required to use if the funds appropriated for this program are determined to be insufficient.

The bill would require the Superintendent of Public Instruction to certify to the Controller the amounts needed for the 2011–12 fiscal year to fund the class size reduction program and set forth a schedule for the transfer of that funding. The bill would require the Controller to transfer that funding from the General Fund to the State School Fund, thereby making an appropriation.

The bill would require the Superintendent, before making each certification, to notify the Department of Finance, the Legislative Analyst, and the appropriate policy and fiscal committees of the Legislature regarding the amounts the Superintendent intends to certify and would require the notification to include the data used in determining the amounts to be certified.

(45) Existing law establishes the University of California, which is administered by the Regents of the University of California and the California State University, which is administered by the Trustees of the California State University.

This bill would require the Regents of the University of California and the Trustees of the California State University, in implementing reductions contained in the Budget Act of 2011, to minimize fee and enrollment impacts on students by targeting actions that lower the costs of instruction and administration. The bill would require the regents and the trustees to submit recommended budget options, with savings estimates for each identified solution, to the Legislature, the Governor, and stakeholders for review and comment by June 1, 2011, prior to adoption of a final plan. The bill would state enrollment goals for the 2011–12 academic year and require the regents and the trustees to report to the Legislature by May 1, 2012, on whether the University of California and the California State University have met their respective 2011–12 enrollment goals. If the goals are not met, the Director of Finance would be directed to revert the total amount of enrollment funding associated with the total share of the enrollment goal that was not met to the General Fund by May 15, 2012. This bill would require the regents and the trustees to submit a final detailed report to the Governor, the Department of Finance, and the Legislature, as specified, by September 1, 2012.

(46) This bill would make conforming changes, correct some cross-references, and make other technical, nonsubstantive changes.

(47) The funds appropriated by this bill 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.

(48) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

(49) This bill would declare that it is to take immediate effect as an urgency statute and a bill providing for appropriations related to the Budget Bill.

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

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

1 SECTION 1. Section 1240.3 of the Education Code is amended  
2 to read:  
3 1240.3. (a) For the purposes of Section 1240, for the 2008–09  
4 to 2014–15 fiscal years, inclusive, sufficient textbooks or  
5 instructional materials include standards-aligned textbooks or  
6 instructional materials, or both, that were adopted prior to July 1,  
7 2008, by the state board or local educational agency pursuant to  
8 statute, unless those local educational agencies purchased or  
9 arranged to purchase textbooks or instructional materials adopted  
10 by the state board after that date. It is the intent of the Legislature  
11 that each local educational agency provide each pupil with  
12 standards-aligned textbooks or instructional materials from the  
13 same adoption, consistent with Sections 60119 and 60422. This  
14 section does not require a local educational agency to purchase all  
15 of the instructional materials included in an adoption if the  
16 materials that are purchased are made available to all the pupils

1 for whom they are intended in all of the schools within the local  
2 educational agency.

3 (b) Notwithstanding Section 1240 or any other law, for the  
4 2008–09 to 2014–15 fiscal years, inclusive, a county superintendent  
5 of schools, in making visits to schools as specified in Section 1240,  
6 shall determine the status of sufficient textbooks as defined in  
7 subdivision (a).

8 (c) This section shall become inoperative on July 1, 2015, and,  
9 as of January 1, 2016, is repealed, unless a later enacted statute  
10 that is enacted before January 1, 2016, deletes or extends the dates  
11 on which it becomes inoperative and is repealed.

12 SEC. 2. Section 2550 of the Education Code is amended to  
13 read:

14 2550. For each fiscal year, the Superintendent shall make the  
15 following computations to determine the amount to be allocated  
16 for direct services and other purposes provided by county  
17 superintendents of schools:

18 (a) For programs operated pursuant to subdivision (a) of Section  
19 14054, the Superintendent shall:

20 (1) Determine the allowances that county superintendents  
21 received per unit of average daily attendance in the prior fiscal  
22 year. The Superintendent shall increase each amount by a  
23 percentage equal to the inflation allowance calculated for the  
24 current fiscal year pursuant to Section 2557.

25 (2) Multiply each amount determined in paragraph (1) by the  
26 actual number of units of average daily attendance in the prior  
27 fiscal year for programs maintained by each county superintendent.  
28 For purposes of this paragraph, the number of units of average  
29 daily attendance shall include only units generated by elementary  
30 districts with less than 901 units of average daily attendance, high  
31 school districts with less than 301 units of average daily attendance,  
32 and unified school districts with less than 1,501 units of average  
33 daily attendance within each county superintendent’s jurisdiction.

34 (b) For programs operated pursuant to subdivision (b) of Section  
35 14054, the Superintendent shall:

36 (1) (A) For the 1999–2000 fiscal year, determine the rate per  
37 unit of average daily attendance calculated for each county office  
38 of education pursuant to subdivision (b) of Section 2567 and  
39 increase each rate by a percentage equal to the inflation allowance  
40 calculated in Section 2557.

1 (B) For the 2000–01 fiscal year, determine the rate per unit of  
2 average daily attendance calculated for each county office of  
3 education pursuant to subdivision (b) of Section 2568 and increase  
4 each rate by a percentage equal to the inflation allowance calculated  
5 in Section 2557.

6 (C) For the 2001–02 fiscal year and each fiscal year thereafter,  
7 determine the allowances that county superintendents received per  
8 unit of average daily attendance in the prior fiscal year. The  
9 Superintendent shall increase each amount by a percentage equal  
10 to the inflation allowance calculated for the current fiscal year  
11 pursuant to Section 2557.

12 (2) (A) Multiply each amount determined in paragraph (1) by  
13 the units of average daily attendance in the current fiscal year for  
14 programs for kindergarten and grades 1 to 12, inclusive, maintained  
15 by each county superintendent. For the purposes of this paragraph,  
16 average daily attendance shall include only the total units of  
17 average daily attendance credited to all elementary, high school,  
18 and unified school districts within each county superintendent’s  
19 jurisdiction and to the county superintendent.

20 (B) For purposes of this paragraph, in each of the 2008–09,  
21 2009–10, 2010–11, 2011–12, 2012–13, 2013–14, and 2014–15  
22 fiscal years, the units of average daily attendance in each of those  
23 fiscal years for programs for kindergarten and grades 1 to 12,  
24 inclusive, maintained by each county superintendent shall include  
25 the same amount of average daily attendance for classes for adults  
26 and regional occupational centers and programs used in the  
27 calculation pursuant to this subdivision for the 2007–08 fiscal year.

28 SEC. 3. Section 2558.46 of the Education Code is amended to  
29 read:

30 2558.46. (a) (1) For the 2003–04 fiscal year, the revenue limit  
31 for each county superintendent of schools determined pursuant to  
32 this article shall be reduced by a 1.195 percent deficit factor.

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

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

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

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

7 (6) For the 2009–10 fiscal year, the revenue limit for each county  
8 superintendent of schools determined pursuant to this article shall  
9 be reduced by an 18.621 percent deficit factor.

10 (7) For the 2010–11 fiscal year, the revenue limit for each county  
11 superintendent of schools determined pursuant to this article shall  
12 be reduced by an 18.250 percent deficit factor.

13 (8) For the 2011–12 fiscal year, the revenue limit for each county  
14 superintendent of schools determined pursuant to this article shall  
15 be reduced by a 19.892 percent deficit factor.

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

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

28 (d) In computing the revenue limit for each county  
29 superintendent of schools for the 2011–12 fiscal year pursuant to  
30 this article, the revenue limit shall be determined as if the revenue  
31 limit for that county superintendent of schools had been determined  
32 for the 2010–11 fiscal year without being reduced by the deficit  
33 factors specified in subdivision (a).

34 (e) In computing the revenue limit for each county  
35 superintendent of schools for the 2012–13 fiscal year pursuant to  
36 this article, the revenue limit shall be determined as if the revenue  
37 limit for that county superintendent of schools had been determined  
38 for the 2011–12 fiscal year without being reduced by the deficit  
39 factor specified in subdivision (a).

1 SEC. 4. Section 8201 of the Education Code is amended to  
2 read:

3 8201. The purpose of this chapter is as follows:

4 (a) To provide a comprehensive, coordinated, and cost-effective  
5 system of child care and development services for children who  
6 are 10 years of age or younger, for children with exceptional needs  
7 as defined in subdivision (l) of Section 8208, for children 12 years  
8 of age or younger who are recipients of child protective services  
9 or at risk of abuse, neglect, or exploitation as described in  
10 subparagraph (D) of paragraph (1) of subdivision (a) of Section  
11 8263 and as defined in subdivision (k) of Section 8208, for children  
12 12 years of age or younger who are provided services during  
13 nontraditional hours as defined in subdivision (a) of Section 8208,  
14 for children 12 years of age or younger who are homeless as  
15 described in subparagraph (C) of paragraph (1) of subdivision (a)  
16 of Section 8263, and for children who are 11 and 12 years of age,  
17 as funding permits, pursuant to subdivision (h) of Section 8447,  
18 including a full range of supervision, health, and support services  
19 through full- and part-time programs.

20 (b) To encourage community-level coordination in support of  
21 child care and development services.

22 (c) To provide an environment that is healthy and nurturing for  
23 all children in child care and development programs.

24 (d) To provide the opportunity for positive parenting to take  
25 place through understanding of human growth and development.

26 (e) To reduce strain between parent and child in order to prevent  
27 abuse, neglect, or exploitation.

28 (f) To enhance the cognitive development of children, with  
29 particular emphasis upon those children who require special  
30 assistance, including bilingual capabilities to attain their full  
31 potential.

32 (g) To establish a framework for the expansion of child care  
33 and development services.

34 (h) To empower and encourage parents and families of children  
35 who require child care services to take responsibility to review the  
36 safety of the child care program or facility and to evaluate the  
37 ability of the program or facility to meet the needs of the child.

38 SEC. 5. Section 8208 of the Education Code is amended to  
39 read:

40 8208. As used in this chapter:

1 (a) “Alternative payments” includes payments that are made by  
2 one child care agency to another agency or child care provider for  
3 the provision of child care and development services, and payments  
4 that are made by an agency to a parent for the parent’s purchase  
5 of child care and development services.

6 (b) “Alternative payment program” means a local government  
7 agency or nonprofit organization that has contracted with the  
8 department pursuant to Section 8220.1 to provide alternative  
9 payments and to provide support services to parents and providers.

10 (c) “Applicant or contracting agency” means a school district,  
11 community college district, college or university, county  
12 superintendent of schools, county, city, public agency, private  
13 nontax-exempt agency, private tax-exempt agency, or other entity  
14 that is authorized to establish, maintain, or operate services  
15 pursuant to this chapter. Private agencies and parent cooperatives,  
16 duly licensed by law, shall receive the same consideration as any  
17 other authorized entity with no loss of parental decisionmaking  
18 prerogatives as consistent with the provisions of this chapter.

19 (d) “Assigned reimbursement rate” is that rate established by  
20 the contract with the agency and is derived by dividing the total  
21 dollar amount of the contract by the minimum child day of average  
22 daily enrollment level of service required.

23 (e) “Attendance” means the number of children present at a  
24 child care and development facility. “Attendance,” for the purposes  
25 of reimbursement, includes excused absences by children because  
26 of illness, quarantine, illness or quarantine of their parent, family  
27 emergency, or to spend time with a parent or other relative as  
28 required by a court of law or that is clearly in the best interest of  
29 the child.

30 (f) “Capital outlay” means the amount paid for the renovation  
31 and repair of child care and development facilities to comply with  
32 state and local health and safety standards, and the amount paid  
33 for the state purchase of relocatable child care and development  
34 facilities for lease to qualifying contracting agencies.

35 (g) “Caregiver” means a person who provides direct care,  
36 supervision, and guidance to children in a child care and  
37 development facility.

38 (h) “Child care and development facility” means any residence  
39 or building or part thereof in which child care and development  
40 services are provided.

1 (i) “Child care and development programs” means those  
2 programs that offer a full range of services for children who are  
3 10 years of age or younger, for children with exceptional needs as  
4 defined in subdivision (l), for children 12 years of age or younger  
5 who are recipients of child protective services or at risk of abuse,  
6 neglect, or exploitation as described in subparagraph (D) of  
7 paragraph (1) of subdivision (a) of Section 8263 and as defined in  
8 subdivision (k), for children 12 years of age or younger who are  
9 provided services during nontraditional hours as defined in  
10 subdivision (a/), for children 12 years of age or younger who are  
11 homeless as described in subparagraph (C) of paragraph (1) of  
12 subdivision (a) of Section 8263, and for children who are 11 and  
13 12 years of age, as funding permits, pursuant to subdivision (h) of  
14 Section 8447, for any part of a day, by a public or private agency,  
15 in centers and family child care homes. These programs include,  
16 but are not limited to, all of the following:

- 17 (1) General child care and development.
- 18 (2) Migrant child care and development.
- 19 (3) Child care provided by the California School Age Families  
20 Education Program (Article 7.1 (commencing with Section 54740)  
21 of Chapter 9 of Part 29 of Division 4 of Title 2).
- 22 (4) California state preschool program.
- 23 (5) Resource and referral.
- 24 (6) Child care and development services for children with  
25 exceptional needs.
- 26 (7) Family child care home education network.
- 27 (8) Alternative payment.
- 28 (9) Schoolage community child care.

29 (j) “Child care and development services” means those services  
30 designed to meet a wide variety of needs of children and their  
31 families, while their parents or guardians are working, in training,  
32 seeking employment, incapacitated, or in need of respite. These  
33 services may include direct care and supervision, instructional  
34 activities, resource and referral programs, and alternative payment  
35 arrangements.

36 (k) “Children at risk of abuse, neglect, or exploitation” means  
37 children who are so identified in a written referral from a legal,  
38 medical, or social service agency, or emergency shelter.

39 (l) “Children with exceptional needs” means either of the  
40 following:

1 (1) Infants and toddlers under three years of age who have been  
2 determined to be eligible for early intervention services pursuant  
3 to the California Early Intervention Services Act (Title 14  
4 (commencing with Section 95000) of the Government Code) and  
5 its implementing regulations. These children include an infant or  
6 toddler with a developmental delay or established risk condition,  
7 or who is at high risk of having a substantial developmental  
8 disability, as defined in subdivision (a) of Section 95014 of the  
9 Government Code. These children shall have active individualized  
10 family service plans, shall be receiving early intervention services,  
11 and shall be children who require the special attention of adults in  
12 a child care setting.

13 (2) Children ages 3 to 21 years, inclusive, who have been  
14 determined to be eligible for special education and related services  
15 by an individualized education program team according to the  
16 special education requirements contained in Part 30 (commencing  
17 with Section 56000) of Division 4 of Title 2, and who meet  
18 eligibility criteria described in Section 56026 and, Article 2.5  
19 (commencing with Section 56333) of Chapter 4 of Part 30 of  
20 Division 4 of Title 2, and Sections 3030 and 3031 of Title 5 of the  
21 California Code of Regulations. These children shall have an active  
22 individualized education program, shall be receiving early  
23 intervention services or appropriate special education and related  
24 services, and shall be children who require the special attention of  
25 adults in a child care setting. These children include children with  
26 mental retardation, hearing impairments (including deafness),  
27 speech or language impairments, visual impairments (including  
28 blindness), serious emotional disturbance (also referred to as  
29 emotional disturbance), orthopedic impairments, autism, traumatic  
30 brain injury, other health impairments, or specific learning  
31 disabilities, who need special education and related services  
32 consistent with Section 1401(3)(A) of Title 20 of the United States  
33 Code.

34 (m) “Closedown costs” means reimbursements for all approved  
35 activities associated with the closing of operations at the end of  
36 each growing season for migrant child development programs  
37 only.

38 (n) “Cost” includes, but is not limited to, expenditures that are  
39 related to the operation of child care and development programs.  
40 “Cost” may include a reasonable amount for state and local

1 contributions to employee benefits, including approved retirement  
2 programs, agency administration, and any other reasonable program  
3 operational costs. “Cost” may also include amounts for licensable  
4 facilities in the community served by the program, including lease  
5 payments or depreciation, downpayments, and payments of  
6 principal and interest on loans incurred to acquire, rehabilitate, or  
7 construct licensable facilities, but these costs shall not exceed fair  
8 market rents existing in the community in which the facility is  
9 located. “Reasonable and necessary costs” are costs that, in nature  
10 and amount, do not exceed what an ordinary prudent person would  
11 incur in the conduct of a competitive business.

12 (o) “Elementary school,” as contained in former Section 425 of  
13 Title 20 of the United States Code (the National Defense Education  
14 Act of 1958, Public Law 85-864, as amended), includes early  
15 childhood education programs and all child development programs,  
16 for the purpose of the cancellation provisions of loans to students  
17 in institutions of higher learning.

18 (p) “Family child care home education network” means an entity  
19 organized under law that contracts with the department pursuant  
20 to Section 8245 to make payments to licensed family child care  
21 home providers and to provide educational and support services  
22 to those providers and to children and families eligible for  
23 state-subsidized child care and development services. A family  
24 child care home education network may also be referred to as a  
25 family child care home system.

26 (q) “Health services” include, but are not limited to, all of the  
27 following:

28 (1) Referral, whenever possible, to appropriate health care  
29 providers able to provide continuity of medical care.

30 (2) Health screening and health treatment, including a full range  
31 of immunization recorded on the appropriate state immunization  
32 form to the extent provided by the Medi-Cal Act (Chapter 7  
33 (commencing with Section 14000) of Part 3 of Division 9 of the  
34 Welfare and Institutions Code) and the Child Health and Disability  
35 Prevention Program (Article 6 (commencing with Section 124025)  
36 of Chapter 3 of Part 2 of Division 106 of the Health and Safety  
37 Code), but only to the extent that ongoing care cannot be obtained  
38 utilizing community resources.

39 (3) Health education and training for children, parents, staff,  
40 and providers.

- 1 (4) Followup treatment through referral to appropriate health
- 2 care agencies or individual health care professionals.
- 3 (r) “Higher educational institutions” means the Regents of the
- 4 University of California, the Trustees of the California State
- 5 University, the Board of Governors of the California Community
- 6 Colleges, and the governing bodies of any accredited private
- 7 nonprofit institution of postsecondary education.
- 8 (s) “Intergenerational staff” means persons of various
- 9 generations.
- 10 (t) “Limited-English-speaking-proficient and
- 11 non-English-speaking-proficient children” means children who
- 12 are unable to benefit fully from an English-only child care and
- 13 development program as a result of either of the following:
- 14 (1) Having used a language other than English when they first
- 15 began to speak.
- 16 (2) Having a language other than English predominantly or
- 17 exclusively spoken at home.
- 18 (u) “Parent” means a biological parent, stepparent, adoptive
- 19 parent, foster parent, caretaker relative, or any other adult living
- 20 with a child who has responsibility for the care and welfare of the
- 21 child.
- 22 (v) “Program director” means a person who, pursuant to Sections
- 23 8244 and 8360.1, is qualified to serve as a program director.
- 24 (w) “Proprietary child care agency” means an organization or
- 25 facility providing child care, which is operated for profit.
- 26 (x) “Resource and referral programs” means programs that
- 27 provide information to parents, including referrals and coordination
- 28 of community resources for parents and public or private providers
- 29 of care. Services frequently include, but are not limited to: technical
- 30 assistance for providers, toy-lending libraries, equipment-lending
- 31 libraries, toy- and equipment-lending libraries, staff development
- 32 programs, health and nutrition education, and referrals to social
- 33 services.
- 34 (y) “Severely disabled children” are children with exceptional
- 35 needs from birth to 21 years of age, inclusive, who require intensive
- 36 instruction and training in programs serving pupils with the
- 37 following profound disabilities: autism, blindness, deafness, severe
- 38 orthopedic impairments, serious emotional disturbances, or severe
- 39 mental retardation. “Severely disabled children” also include those
- 40 individuals who would have been eligible for enrollment in a

1 developmental center for handicapped pupils under Chapter 6  
2 (commencing with Section 56800) of Part 30 of Division 4 of Title  
3 2 as it read on January 1, 1980.

4 (z) “Short-term respite child care” means child care service to  
5 assist families whose children have been identified through written  
6 referral from a legal, medical, or social service agency, or  
7 emergency shelter as being neglected, abused, exploited, or  
8 homeless, or at risk of being neglected, abused, exploited, or  
9 homeless. Child care is provided for less than 24 hours per day in  
10 child care centers, treatment centers for abusive parents, family  
11 child care homes, or in the child’s own home.

12 (aa) (1) “Site supervisor” means a person who, regardless of  
13 his or her title, has operational program responsibility for a child  
14 care and development program at a single site. A site supervisor  
15 shall hold a permit issued by the Commission on Teacher  
16 Credentialing that authorizes supervision of a child care and  
17 development program operating in a single site. The Superintendent  
18 may waive the requirements of this subdivision if the  
19 Superintendent determines that the existence of compelling need  
20 is appropriately documented.

21 (2) For California state preschool programs, a site supervisor  
22 may qualify under any of the provisions in this subdivision, or  
23 may qualify by holding an administrative credential or an  
24 administrative services credential. A person who meets the  
25 qualifications of a program director under both Sections 8244 and  
26 8360.1 is also qualified under this subdivision.

27 (ab) “Standard reimbursement rate” means that rate established  
28 by the Superintendent pursuant to Section 8265.

29 (ac) “Startup costs” means those expenses an agency incurs in  
30 the process of opening a new or additional facility prior to the full  
31 enrollment of children.

32 (ad) “California state preschool program” means part-day and  
33 full-day educational programs for low-income or otherwise  
34 disadvantaged three- and four-year-old children.

35 (ae) “Support services” means those services that, when  
36 combined with child care and development services, help promote  
37 the healthy physical, mental, social, and emotional growth of  
38 children. Support services include, but are not limited to: protective  
39 services, parent training, provider and staff training, transportation,

1 parent and child counseling, child development resource and  
2 referral services, and child placement counseling.

3 (af) “Teacher” means a person with the appropriate permit issued  
4 by the Commission on Teacher Credentialing who provides  
5 program supervision and instruction that includes supervision of  
6 a number of aides, volunteers, and groups of children.

7 (ag) “Underserved area” means a county or subcounty area,  
8 including, but not limited to, school districts, census tracts, or ZIP  
9 Code areas, where the ratio of publicly subsidized child care and  
10 development program services to the need for these services is  
11 low, as determined by the Superintendent.

12 (ah) “Workday” means the time that the parent requires  
13 temporary care for a child for any of the following reasons:

14 (1) To undertake training in preparation for a job.

15 (2) To undertake or retain a job.

16 (3) To undertake other activities that are essential to maintaining  
17 or improving the social and economic function of the family, are  
18 beneficial to the community, or are required because of health  
19 problems in the family.

20 (ai) “Three-year-old children” means children who will have  
21 their third birthday on or before December 2 of the fiscal year in  
22 which they are enrolled in a California state preschool program.

23 (aj) “Four-year-old children” means children who will have  
24 their fourth birthday on or before December 2 of the fiscal year in  
25 which they are enrolled in a California state preschool program.

26 (ak) “Local educational agency” means a school district, a  
27 county office of education, a community college district, or a  
28 school district on behalf of one or more schools within the school  
29 district.

30 (al) “Nontraditional hours” means that the parent or legal  
31 guardian has a certified need for child care that includes hours  
32 during the period from 6:00 p.m. to 6:00 a.m. on any day of the  
33 week or during any period between 6:00 a.m. Saturday to 6:00  
34 a.m. Monday.

35 SEC. 6. Section 8263.1 of the Education Code is amended to  
36 read:

37 8263.1. (a) For purposes of this chapter, “income eligible”  
38 means that a family’s adjusted monthly income is at or below 70  
39 percent of the state median income, adjusted for family size, and  
40 adjusted annually.

1 (b) Notwithstanding any other law, for the 2011–12 fiscal year,  
2 the income eligibility limits that were in effect for the 2007–08  
3 fiscal year shall be reduced to 70 percent of the state median  
4 income that was in use for the 2007–08 fiscal year, adjusted for  
5 family size, effective July 1, 2011.

6 (c) The income of a recipient of federal supplemental security  
7 income benefits pursuant to Title XVI of the federal Social Security  
8 Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program  
9 benefits pursuant to Title XVI of the federal Social Security Act  
10 and Chapter 3 (commencing with Section 12000) of Part 3 of  
11 Division 9 of the Welfare and Institutions Code shall not be  
12 included as income for the purposes of determining eligibility for  
13 child care under this chapter.

14 SEC. 7. Section 8263.2 is added to the Education Code, to  
15 read:

16 8263.2. (a) Notwithstanding any other provision of law,  
17 effective July 1, 2011, the department shall reduce the maximum  
18 reimbursable amounts of the contracts for the Preschool Education  
19 Program, the General Child Care Program, the Migrant Day Care  
20 Program, the Alternative Payment Program, the CalWORKs Stage  
21 3 Program, and the Allowance for Handicapped Program by 15  
22 percent. The department may consider the contractor’s performance  
23 or whether the contractor serves children in underserved areas as  
24 defined in subdivision (ag) of Section 8208 when determining  
25 contract reductions, provided that the aggregate reduction to each  
26 program specified in this subdivision is 15 percent.

27 (b) Notwithstanding any other provision of law, effective July  
28 1, 2011, families shall be disenrolled from subsidized child care  
29 services, consistent with the priorities for services specified in  
30 subdivision (b) of Section 8263. Families shall be disenrolled in  
31 the following order:

32 (1) Families whose income exceeds 70 percent of the state  
33 median income (SMI) adjusted for family size, except for families  
34 whose children are receiving child protective services or are at  
35 risk of being neglected or abused.

36 (2) Families with the highest income below 70 percent of the  
37 SMI, in relation to family size.

38 (3) Families that have the same income and have been enrolled  
39 in child care services the longest.

1 (4) Families that have the same income and have a child with  
2 exceptional needs.

3 (5) Families whose children are receiving child protective  
4 services or are at risk of being neglected or abused, regardless of  
5 family income.

6 SEC. 8. Section 8263.4 of the Education Code is amended to  
7 read:

8 8263.4. (a) Beginning on July 1, 2011, a child who is 11 or  
9 12 years of age and who is otherwise eligible for subsidized child  
10 care and development services except for his or her age, as  
11 specified in subdivision (a) of Section 8201 and subdivision (i) of  
12 Section 8208, shall be given first priority for enrollment, and in  
13 cases of programs operating at full capacity, first priority on the  
14 waiting list for a before or after school program established  
15 pursuant to Article 22.5 (commencing with Section 8482) or Article  
16 22.6 (commencing with Section 8484.7). Contractors shall provide  
17 each family of an otherwise eligible 11 or 12 year old with  
18 information about the availability of before and after school  
19 programs located in the family's community.

20 (b) A program with available capacity may enroll a child who  
21 is 11 or 12 years of age pursuant to subdivision (a) and resides  
22 outside the attendance area of the school, but within the territorial  
23 jurisdiction of the same local educational agency. A program is  
24 not responsible for providing transportation for children enrolled  
25 in the program who resides outside the attendance area of the  
26 school.

27 (c) This section does not apply to an 11 or 12 year old child  
28 who is a recipient of child protective services or at risk of abuse,  
29 neglect, or exploitation as described in subparagraph (D) of  
30 paragraph (1) of subdivision (a) of Section 8263 and as defined in  
31 subdivision (k) of Section 8208, a child 12 years of age or younger  
32 who is provided services during nontraditional hours as defined  
33 in subdivision (a) of Section 8208, children 12 years of age or  
34 younger who are homeless as described in subparagraph (C) of  
35 paragraph (1) of subdivision (a) of Section 8263, or an 11 or 12  
36 year old child with a disability, including a child with exceptional  
37 needs who has an individualized education program as required  
38 by the federal Individuals with Disabilities Education Act (20  
39 U.S.C. Sec. 1400 et seq.), Section 504 of the federal Rehabilitation

1 Act of 1973 (29 U.S.C. Sec. 794), or Part 30 (commencing with  
2 Section 56000) of Division 4 of Title 2.

3 SEC. 9. Section 8354 of the Education Code is amended to  
4 read:

5 8354. (a) The third stage of child care begins when a funded  
6 space is available. CalWORKs recipients are eligible for the third  
7 stage of child care. Persons who received a lump-sum diversion  
8 payment or diversion services and former CalWORKs participants  
9 are eligible if they have an income that does not exceed 70 percent  
10 of the state median income pursuant to Section 8263.1. The third  
11 stage shall be administered by programs contracting with the State  
12 Department of Education. Parents' eligibility for child care and  
13 development services will be governed by Section 8263 and  
14 regulations adopted by the State Department of Education.

15 (b) In order to move welfare recipients and former recipients  
16 from their relationship with county welfare departments to  
17 relationships with institutions providing services to working  
18 families, it is the intent of the Legislature that families that are  
19 former recipients of aid, or are transitioning off aid, receive their  
20 child care assistance in the same fashion as other low-income  
21 working families. Therefore, it is the intent of the Legislature that  
22 families no longer rely on county welfare departments to obtain  
23 child care subsidies beyond the time they are receiving other  
24 services from the welfare department.

25 (c) A county welfare department shall not administer the third  
26 stage of child care for CalWORKs recipients except to the extent  
27 to which it delivered those services to families receiving, or within  
28 one year of having received, Aid to Families with Dependent  
29 Children prior to the enactment of this section.

30 (d) This article does not preclude county welfare departments  
31 from operating an alternative payment program under contract  
32 with the State Department of Education to serve families referred  
33 by child protective services.

34 SEC. 10. Section 8357 of the Education Code is amended to  
35 read:

36 8357. (a) The cost of child care services provided under this  
37 article shall be governed by regional market rates. Recipients of  
38 child care services provided pursuant to this article shall be allowed  
39 to choose the child care services of licensed child care providers  
40 or child care providers who are, by law, not required to be licensed,

1 and the cost of that child care shall be reimbursed by counties or  
2 agencies that contract with the State Department of Education if  
3 the cost is within the regional market rate. For purposes of this  
4 section, “regional market rate” means care costing no more than  
5 1.5 market standard deviations above the mean cost of care for  
6 that region. The regional market rate ceilings shall be established  
7 at the 85th percentile of the 2005 regional market rate survey for  
8 that region.

9 (b) Reimbursement to license-exempt child care providers shall  
10 not exceed 60 percent of the family child care home rate established  
11 pursuant to subdivision (a), effective July 1, 2011.

12 (c) Reimbursement to child care providers shall not exceed the  
13 fee charged to private clients for the same service.

14 (d) Reimbursement shall not be made for child care services  
15 when care is provided by parents, legal guardians, or members of  
16 the assistance unit.

17 (e) A child care provider located on an Indian reservation or  
18 rancheria and exempted from state licensing requirements shall  
19 meet applicable tribal standards.

20 (f) For purposes of this section, “reimbursement” means a direct  
21 payment to the provider of child care services, including  
22 license-exempt providers. If care is provided in the home of the  
23 recipient, payment may be made to the parent as the employer,  
24 and the parent shall be informed of his or her concomitant legal  
25 and financial reporting requirements. To allow time for the  
26 development of the administrative systems necessary to issue direct  
27 payments to providers, for a period not to exceed six months from  
28 the effective date of this article, a county or an alternative payment  
29 agency contracting with the State Department of Education may  
30 reimburse the cost of child care services through a direct payment  
31 to a recipient of aid rather than to the child care provider.

32 (g) Counties and alternative payment programs shall not be  
33 bound by the rate limits described in subdivision (a) when there  
34 are, in the region, no more than two child care providers of the  
35 type needed by the recipient of child care services provided under  
36 this article.

37 (h) Notwithstanding any other provision of law, reimbursements  
38 to child care providers based upon a daily rate may only be  
39 authorized under either of the following circumstances:

1 (1) A family has an unscheduled but documented need of six  
2 hours or more per occurrence, such as the parent's need to work  
3 on a regularly scheduled day off, that exceeds the certified need  
4 for child care.

5 (2) A family has a documented need of six hours or more per  
6 day that exceeds no more than 14 days per month. In no event shall  
7 reimbursements to a provider based on the daily rate over one  
8 month's time exceed the provider's equivalent full-time monthly  
9 rate or applicable monthly ceiling.

10 (3) This subdivision shall not limit providers from being  
11 reimbursed for services using a weekly or monthly rate, pursuant  
12 to subdivision (c) of Section 8222.

13 SEC. 11. Section 8447 of the Education Code is amended to  
14 read:

15 8447. (a) The Legislature hereby finds and declares that greater  
16 efficiencies may be achieved in the execution of state subsidized  
17 child care and development program contracts with public and  
18 private agencies by the timely approval of contract provisions by  
19 the Department of Finance, the Department of General Services,  
20 and the State Department of Education and by authorizing the State  
21 Department of Education to establish a multiyear application,  
22 contract expenditure, and service review as may be necessary to  
23 provide timely service while preserving audit and oversight  
24 functions to protect the public welfare.

25 (b) (1) The Department of Finance and the Department of  
26 General Services shall approve or disapprove annual contract  
27 funding terms and conditions, including both family fee schedules  
28 and regional market rate schedules that are required to be adhered  
29 to by contract, and contract face sheets submitted by the State  
30 Department of Education not more than 30 working days from the  
31 date of submission, unless unresolved conflicts remain between  
32 the Department of Finance, the State Department of Education,  
33 and the Department of General Services. The State Department of  
34 Education shall resolve conflicts within an additional 30 working  
35 day time period. Contracts and funding terms and conditions shall  
36 be issued to child care contractors no later than June 1. Applications  
37 for new child care funding shall be issued not more than 45  
38 working days after the effective date of authorized new allocations  
39 of child care moneys.

1 (2) Notwithstanding paragraph (1), the State Department of  
2 Education shall implement the regional market rate schedules  
3 based upon the county aggregates, as determined by the Regional  
4 Market survey conducted in 2005.

5 (3) Notwithstanding paragraph (1), for the 2006–07 fiscal year,  
6 the State Department of Education shall update the family fee  
7 schedules by family size, based on the 2005 state median income  
8 survey data for a family of four. The family fee schedule used  
9 during the 2005–06 fiscal year shall remain in effect. However,  
10 the department shall adjust the family fee schedule for families  
11 that are newly eligible to receive or will continue to receive services  
12 under the new income eligibility limits. The family fees shall not  
13 exceed 10 percent of the family’s monthly income.

14 (4) Notwithstanding any other law, the family fee schedule that  
15 was in effect for the 2007–08, 2008–09, 2009–10, and 2010–11  
16 fiscal years shall be adjusted to reflect the income eligibility limits  
17 specified in subdivision (b) of Section 8263.1 for the 2011–12  
18 fiscal year, and shall retain a flat fee per family. The revised family  
19 fee schedule shall begin at income levels at which families  
20 currently begin paying fees, and shall reflect an increase of 10  
21 percent to existing fees. The revised family fees shall not exceed  
22 10 percent of the family’s monthly income. The State Department  
23 of Education shall first submit the adjusted fee schedule to the  
24 Department of Finance for approval in order to be implemented  
25 by July 1, 2011.

26 (5) It is the intent of the Legislature to fully fund the third stage  
27 of child care for former CalWORKs recipients.

28 (c) With respect to subdivision (b), it is the intent of the  
29 Legislature that the Department of Finance annually review  
30 contract funding terms and conditions for the primary purpose of  
31 ensuring consistency between child care contracts and the child  
32 care budget. This review shall include evaluating any proposed  
33 changes to contract language or other fiscal documents to which  
34 the contractor is required to adhere, including those changes to  
35 terms or conditions that authorize higher reimbursement rates, that  
36 modify related adjustment factors, that modify administrative or  
37 other service allowances, or that diminish fee revenues otherwise  
38 available for services, to determine if the change is necessary or  
39 has the potential effect of reducing the number of full-time  
40 equivalent children that may be served.

1 (d) Alternative payment child care systems, as set forth in Article  
2 3 (commencing with Section 8220), shall be subject to the rates  
3 established in the Regional Market Rate Survey of California Child  
4 Care Providers for provider payments. The State Department of  
5 Education shall contract to conduct and complete a Regional  
6 Market Rate Survey no more frequently than once every two years,  
7 consistent with federal regulations, with a goal of completion by  
8 March 1.

9 (e) By March 1 of each year, the Department of Finance shall  
10 provide to the State Department of Education the State Median  
11 Income amount for a four-person household in California based  
12 on the best available data. The State Department of Education shall  
13 adjust its fee schedule for child care providers to reflect this  
14 updated state median income; however, no changes based on  
15 revisions to the state median income amount shall be implemented  
16 midyear.

17 (f) Notwithstanding the June 1 date specified in subdivision (b),  
18 changes to the regional market rate schedules and fee schedules  
19 may be made at any other time to reflect the availability of accurate  
20 data necessary for their completion, provided these documents  
21 receive the approval of the Department of Finance. The Department  
22 of Finance shall review the changes within 30 working days of  
23 submission and the State Department of Education shall resolve  
24 conflicts within an additional 30 working day period. Contractors  
25 shall be given adequate notice prior to the effective date of the  
26 approved schedules. It is the intent of the Legislature that contracts  
27 for services not be delayed by the timing of the availability of  
28 accurate data needed to update these schedules.

29 (g) Notwithstanding any other provision of law, no family  
30 receiving CalWORKs cash aid may be charged a family fee.

31 (h) Notwithstanding any other law, effective July 1, 2011, the  
32 State Department of Education shall amend CalWORKs Stage 2  
33 and Stage 3, general child care, migrant child care, and alternative  
34 payment contracts to reflect the lower priority for providing  
35 subsidized child care and development services for 11 and 12 year  
36 olds, except for 11 and 12 year olds who are eligible pursuant to  
37 subparagraphs (C) and (D) of paragraph (1) of subdivision (a) of  
38 Section 8263, children with exceptional needs as defined in  
39 subdivision (l) of Section 8208, and children who are served during  
40 nontraditional hours as defined in subdivision (al) of Section 8208.

1 The State Department of Education shall include language in all  
2 contracts stating that funds are not to be expended providing  
3 services to 11 and 12 year olds, with the exceptions noted above,  
4 until such time as the department determines and notifies  
5 contractors that funding for providing those services is available.  
6 The State Department of Education shall submit a request and  
7 receive prior approval from the Department of Finance before  
8 expending funds to serve low priority 11 and 12 year olds.

9 SEC. 12. Section 8499 of the Education Code is amended to  
10 read:

11 8499. For purposes of this chapter, the following definitions  
12 shall apply:

13 (a) “Block grant” means the block grant contained in Title VI  
14 of the Child Care and Development Fund, as established by the  
15 Personal Responsibility and Work Opportunity Reconciliation Act  
16 of 1996 (P.L. 104-193).

17 (b) “Child care” means all licensed child care and development  
18 services and license-exempt child care, including, but not limited  
19 to, private for-profit programs, nonprofit programs, and publicly  
20 funded programs, for all children up to and including 12 years of  
21 age, including children with exceptional needs and children from  
22 all linguistic and cultural backgrounds, pursuant to subdivision (a)  
23 of Section 8201 and subdivision (i) of Section 8208.

24 (c) “Child care provider” means a person who provides child  
25 care services or represents persons who provide child care services.

26 (d) “Community representative” means a person who represents  
27 an agency or business that provides private funding for child care  
28 services, or who advocates for child care services through  
29 participation in civic or community-based organizations but is not  
30 a child care provider and does not represent an agency that  
31 contracts with the State Department of Education to provide child  
32 care and development services.

33 (e) “Consumer” means a parent or person who receives, or who  
34 has received within the past 36 months, child care services.

35 (f) “Department” means the State Department of Education.

36 (g) “Local planning council” means a local child care and  
37 development planning council as described in Section 8499.3.

38 (h) “Public agency representative” means a person who  
39 represents a city, county, city and county, or local educational  
40 agency.

1 SEC. 13. Section 14041.5 of the Education Code is amended  
2 to read:

3 14041.5. (a) Notwithstanding subdivision (a) of Section 14041,  
4 commencing with the 2002–03 fiscal year, warrants for the  
5 principal apportionments for the month of June instead shall be  
6 drawn in July of the same calendar year pursuant to the certification  
7 made pursuant to Section 41335.

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

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

39 (d) For the 2004–05 school year to the 2007–08 school year,  
40 inclusive, the amount of apportionments for revenue limits

1 computed pursuant to Section 42238 from any of the  
2 apportionments made pursuant to Section 14041 that are deemed  
3 “General Fund revenues appropriated for school districts,” as  
4 defined in subdivision (c) of Section 41202 for the following fiscal  
5 year and included within the “total allocations to school districts  
6 and community college districts from General Fund proceeds of  
7 taxes appropriated pursuant to Article XIII B” as defined in  
8 subdivision (e) of Section 41202, for the following fiscal year shall  
9 be seven hundred fifteen million one hundred eighteen thousand  
10 dollars (\$715,118,000). Any amount in excess of seven hundred  
11 fifteen million one hundred eighteen thousand dollars  
12 (\$715,118,000) that is apportioned in July of any year is deemed  
13 “General Fund revenues appropriated for school districts,” as  
14 defined in subdivision (c) of Section 41202 for the prior fiscal year  
15 and included within the “total allocations to school districts and  
16 community college districts from General Fund proceeds of taxes  
17 appropriated pursuant to Article XIII B” as defined in subdivision  
18 (e) of Section 41202, for the prior fiscal year.

19 (e) For the 2008–09 school year, and each school year thereafter,  
20 the amount of apportionments for revenue limits computed pursuant  
21 to Section 42238 from any of the apportionments made pursuant  
22 to Section 14041 that are deemed “General Fund revenues  
23 appropriated for school districts,” as defined in subdivision (c) of  
24 Section 41202 for the following fiscal year and included within  
25 the “total allocations to school districts and community college  
26 districts from General Fund proceeds of taxes appropriated pursuant  
27 to Article XIII B” as defined in subdivision (e) of Section 41202,  
28 for the following fiscal year shall be one billion one hundred one  
29 million six hundred fifty-five thousand dollars (\$1,101,655,000).  
30 Any amount in excess of one billion one hundred one million six  
31 hundred fifty-five thousand dollars (\$1,101,655,000) that is  
32 apportioned in July of any year is deemed “General Fund revenues  
33 appropriated for school districts,” as defined in subdivision (c) of  
34 Section 41202 for the prior fiscal year and included within the  
35 “total allocations to school districts and community college districts  
36 from General Fund proceeds of taxes appropriated pursuant to  
37 Article XIII B” as defined in subdivision (e) of Section 41202, for  
38 the prior fiscal year.

39 SEC. 14. Section 14041.6 of the Education Code is amended  
40 to read:

1 14041.6. (a) Notwithstanding subdivision (a) of Section 14041,  
2 or any other law, commencing with the 2008–09 fiscal year,  
3 warrants for the principal apportionments for the month of February  
4 in the amount of two billion dollars (\$2,000,000,000) instead shall  
5 be drawn in July of the same calendar year pursuant to the  
6 certification made pursuant to Section 41339.

7 (b) Notwithstanding subdivision (a) of Section 14041 or any  
8 other law, commencing with the 2009–10 fiscal year, warrants for  
9 the principal apportionments for the month of April in the amount  
10 of six hundred seventy-eight million six hundred eleven thousand  
11 dollars (\$678,611,000) and for the month of May in the amount  
12 of one billion dollars (\$1,000,000,000) instead shall be drawn in  
13 August of the same calendar year pursuant to the certification made  
14 pursuant to Section 41339.

15 (c) Notwithstanding subdivision (a) of Section 14041 or any  
16 other law, commencing with the 2010–11 fiscal year, warrants for  
17 the principal apportionments for the month of April in the amount  
18 of four hundred nineteen million twenty thousand dollars  
19 (\$419,020,000), for the month of May in the amount of eight  
20 hundred million dollars (\$800,000,000), and for the month of June  
21 in the amount of five hundred million dollars (\$500,000,000),  
22 instead shall be drawn in July of the same calendar year pursuant  
23 to the certification made pursuant to Section 41339.

24 (d) Notwithstanding subdivision (a) of Section 14041 or any  
25 other law, commencing with the 2011–12 fiscal year, warrants for  
26 the principal apportionments for the month of March in the amount  
27 of one billion three hundred million dollars (\$1,300,000,000) and  
28 for the month of April in the amount of seven hundred sixty-three  
29 million seven hundred ninety-four thousand dollars (\$763,794,000)  
30 instead shall be drawn in August of the same calendar year pursuant  
31 to the certification made pursuant to Section 41339.

32 (e) Except as provided in subdivisions (c) and (e) of Section  
33 41202, for purposes of making the computations required by  
34 Section 8 of Article XVI of the California Constitution, the  
35 warrants drawn pursuant to subdivisions (a), (b), (c), and (d) shall  
36 be deemed to be “General Fund revenues appropriated to school  
37 districts,” as defined in subdivision (c) of Section 41202, for the  
38 fiscal year in which the warrants are drawn and included within  
39 the “total allocations to school districts and community college  
40 districts from General Fund proceeds of taxes appropriated pursuant

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

3 SEC. 15. Section 14041.65 is added to the Education Code, to  
4 read:

5 14041.65. (a) Notwithstanding subdivision (a) of Section  
6 14041.6, for the 2010–11 fiscal year only, warrants for the principal  
7 apportionments for the month of February in the amount of  
8 twenty-four million seven hundred thousand dollars (\$24,700,000)  
9 instead shall be drawn in July of the same calendar year pursuant  
10 to the certification made pursuant to Section 41339.

11 (b) Notwithstanding subdivision (a) of Section 14041.6, for the  
12 2010–11 fiscal year only, warrants for the principal apportionments  
13 for the month of February in the amount of one billion four hundred  
14 five million five hundred thousand dollars (\$1,405,500,000) instead  
15 shall be drawn in August of the same calendar year pursuant to  
16 the certification made pursuant to Section 41339.

17 (c) Notwithstanding subdivision (a) of Section 14041.6, for the  
18 2010–11 fiscal year only, warrants for the principal apportionments  
19 for the month of February in the amount of five hundred sixty-nine  
20 million eight hundred thousand dollars (\$569,800,000) instead  
21 shall be drawn in September of the same calendar year pursuant  
22 to the certification made pursuant to Section 41339.

23 (d) Notwithstanding subdivision (c) of Section 14041.6, for the  
24 2010–11 fiscal year only, warrants for the principal apportionments  
25 for the month of April in the amount of four hundred nineteen  
26 million twenty thousand dollars (\$419,020,000) instead shall be  
27 drawn in September of the same calendar year pursuant to the  
28 certification made pursuant to Section 41339.

29 (e) Notwithstanding subdivision (c) of Section 14041.6, for the  
30 2010–11 fiscal year only, warrants for the principal apportionments  
31 for the month of May in the amount of eight hundred million  
32 dollars (\$800,000,000) instead shall be drawn in September of the  
33 same calendar year pursuant to the certification made pursuant to  
34 Section 41339.

35 SEC. 16. Section 17070.766 of the Education Code is amended  
36 to read:

37 17070.766. Notwithstanding paragraph (2) of subdivision (b)  
38 of Section 17070.75, for the 2008–09, 2009–10, 2010–11, 2011–12,  
39 2012–13, 2013–14, and 2014–15 fiscal years, the board shall  
40 require a school district to deposit into the account established

1 pursuant to paragraph (1) of subdivision (b) of Section 17070.75  
2 only an amount equal to 1 percent of the total expenditures by a  
3 district from its general fund in the 2008–09, 2009–10, 2010–11,  
4 2011–12, 2012–13, 2013–14, and 2014–15 fiscal years  
5 respectively, but if the school district maintains its facilities in  
6 good repair, as defined in Section 17002, it shall be exempt from  
7 this 1 percent requirement. A school district may elect to deposit  
8 into the account an amount that is greater than the amount required  
9 by the board pursuant to this section.

10 SEC. 17. Section 17463.7 of the Education Code is amended  
11 to read:

12 17463.7. (a) Notwithstanding any other law, a school district  
13 may deposit the proceeds from the sale of surplus real property,  
14 together with any personal property located on the property,  
15 purchased entirely with local funds, into the general fund of the  
16 school district and may use the proceeds for any one-time general  
17 fund purpose. If the purchase of the property was made using the  
18 proceeds of a local general obligation bond or revenue derived  
19 from developer fees, the amount of the proceeds of the transaction  
20 that may be deposited into the general fund of the school district  
21 may not exceed the percentage computed by the difference between  
22 the purchase price of the property and the proceeds from the  
23 transaction, divided by the amount of the proceeds of the  
24 transaction. For the purposes of this section, proceeds of the  
25 transaction means either of the following, as appropriate:

26 (1) The amount realized from the sale of property after  
27 reasonable expenses related to the sale.

28 (2) For a transaction that does not result in a lump-sum payment  
29 of the proceeds of the transaction, the proceeds of the transaction  
30 shall be calculated as the net present value of the future cashflow  
31 generated by the transaction.

32 (b) The State Allocation Board shall reduce an apportionment  
33 of hardship assistance awarded to the particular school district  
34 pursuant to Article 8 (commencing with Section 17075.10) by an  
35 amount equal to the amount of the sale of surplus real property  
36 used for a one-time expenditure of the school district pursuant to  
37 this section.

38 (c) If the school district exercises the authority granted pursuant  
39 to this section, the district is ineligible for hardship funding from  
40 the State School Deferred Maintenance Fund under Section 17587

1 for five years after the date proceeds are deposited into the general  
2 fund pursuant to this section.

3 (d) Before a school district exercises the authority granted  
4 pursuant to this section, the governing board of the school district  
5 shall first submit to the State Allocation Board documents  
6 certifying the following:

7 (1) The school district has no major deferred maintenance  
8 requirements not covered by existing capital outlay resources.

9 (2) The sale of real property pursuant to this section does not  
10 violate the provisions of a local bond act.

11 (3) The real property is not suitable to meet projected school  
12 construction needs for the next 10 years.

13 (e) Before the school district exercises the authority granted  
14 pursuant to this section, the governing board of the school district  
15 at a regularly scheduled meeting shall present a plan for expending  
16 one-time resources pursuant to this section. The plan shall identify  
17 the source and use of the funds and describe the reasons why the  
18 expenditure will not result in ongoing fiscal obligations for the  
19 school district.

20 (f) The Office of Public School Construction shall submit an  
21 interim and a final report to the State Allocation Board and the  
22 budget, education policy, and fiscal committees of the Legislature  
23 that identifies the school districts that have exercised the authority  
24 granted by this section, the amount of proceeds involved, and the  
25 purpose for which those proceeds were used. The interim report  
26 shall be submitted by January 1, 2011, and the final report by  
27 January 1, 2014.

28 (g) This section shall remain in effect only until January 1, 2014,  
29 and as of that date is repealed, unless a later enacted statute, that  
30 is enacted before January 1, 2014, deletes or extends that date.

31 SEC. 18. Section 17584.1 of the Education Code, as amended  
32 by Section 6 of Chapter 12 of the Third Extraordinary Session of  
33 the Statutes of 2009, is amended to read:

34 17584.1. (a) The governing board of a school district shall  
35 discuss proposals and plans for expenditure of funds for the  
36 deferred maintenance of school district facilities at a regularly  
37 scheduled public hearing.

38 (b) The purposes of this section are to inform the public  
39 regarding the local decisionmaking process relating to the deferred

1 maintenance of school facilities and to provide a foundation for  
2 local accountability in that regard.

3 (c) This section shall become inoperative on July 1, 2015, and,  
4 as of January 1, 2016, is repealed, unless a later enacted statute,  
5 that becomes operative on or before January 1, 2016, deletes or  
6 extends the dates on which it becomes inoperative and is repealed.

7 SEC. 19. Section 17584.1 of the Education Code, as added by  
8 Section 7 of Chapter 12 of the Third Extraordinary Session of the  
9 Statutes of 2009, is amended to read:

10 17584.1. (a) The governing board of a school district shall  
11 discuss proposals and plans for expenditure of funds for the  
12 deferred maintenance of school district facilities at a regularly  
13 scheduled public hearing.

14 (b) In any fiscal year that the school district does not set aside  
15 0.5 percent of its current-year revenue limit average daily  
16 attendance for deferred maintenance, the governing board of a  
17 school district shall submit a report to the Legislature by March 1  
18 of that year, with copies to the Superintendent, the state board, the  
19 Department of Finance, and the State Allocation Board.

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

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

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

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

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

39 (e) The purposes of this section are to inform the public  
40 regarding the local decisionmaking process relating to the deferred

1 maintenance of school facilities and to provide a foundation for  
2 local accountability in that regard.

3 (f) This section shall become operative on July 1, 2015.

4 SEC. 20. Section 17587 of the Education Code is amended to  
5 read:

6 17587. (a) Notwithstanding the limitations of Section 17584,  
7 the State Allocation Board may each year reserve an amount not  
8 to exceed 10 percent of the funds transferred from any source to  
9 the State School Deferred Maintenance Fund for apportionments  
10 to school districts, in instances of extreme hardship. The  
11 apportionment shall be in addition to the apportionments made  
12 pursuant to Section 17584. Not less than one-half of all funds made  
13 available by this section shall be apportioned to school districts  
14 that had an average daily attendance, excluding summer session  
15 attendance, of less than 2,501 during the prior fiscal year.

16 An extreme hardship shall exist in a school district if the State  
17 Allocation Board determines the existence of all of the following:

18 (1) That the district has deposited in its deferred maintenance  
19 fund an amount equal to at least 0.5 percent of the total general  
20 funds and adult education funds budgeted by the district for the  
21 fiscal year, exclusive of any amounts budgeted for capital outlay  
22 or debt service.

23 (2) That the district has a critical project on its five-year plan  
24 which, if not completed in one year, could result in serious damage  
25 to the remainder of the facility or would result in a serious hazard  
26 to the health and safety of the pupils attending the facility.

27 (3) That the total funds deposited by the district and the state  
28 pursuant to Section 17584 are insufficient to complete the project.

29 (b) If a determination is made that a hardship exists pursuant to  
30 subdivision (a), the State Allocation Board may increase the  
31 apportionment to a school district by the amount it determines  
32 necessary to complete the critical project.

33 (c) Notwithstanding subdivision (a), in any fiscal year in which  
34 the State Allocation Board has apportioned all funding from the  
35 State School Deferred Maintenance Fund for which school districts  
36 have qualified under Section 17584, the board may apportion any  
37 amount remaining in that fund for the purposes of this section.

38 (d) This section shall become operative on July 1, 2015.

39 SEC. 21. Section 17592.71 of the Education Code is amended  
40 to read:

1 17592.71. (a) There is hereby established in the State Treasury  
2 the School Facilities Emergency Repair Account. The State  
3 Allocation Board shall administer the account.

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

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

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

22 (4) Notwithstanding paragraph (1), for the 2010–11 fiscal year,  
23 the amount of money to be transferred from the Proposition 98  
24 Reversion Account to the School Facilities Emergency Repair  
25 Account pursuant to paragraph (1) shall be zero.

26 (5) Notwithstanding paragraph (1), for the 2011–12 fiscal year,  
27 the amount of money to be transferred from the Proposition 98  
28 Reversion Account to the School Facilities Emergency Repair  
29 Account pursuant to paragraph (1) shall be zero.

30 (c) The Legislature may transfer to the School Facilities  
31 Emergency Repair Account other one-time Proposition 98 funds,  
32 except funds specified pursuant to Section 41207, as repealed and  
33 added by Section 6 of Chapter 216 of the Statutes of 2004.  
34 Donations by private entities shall be deposited in the account and,  
35 for tax purposes, be treated as otherwise provided by law.

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

39 SEC. 22. Section 33128.3 of the Education Code is amended  
40 to read:

1 33128.3. (a) Notwithstanding the standards and criteria adopted  
2 pursuant to paragraph (3) of subdivision (a) of Section 33128, for  
3 the 2009–10, 2010–11, and 2011–12 fiscal years, the minimum  
4 state requirement for a reserve for economic uncertainties is  
5 one-third of the percentage for a reserve adopted by the state board  
6 pursuant to Section 33128 as of May 1, 2009.

7 (b) The school district shall make progress, in the 2012–13 fiscal  
8 year, toward returning to compliance with the standards and criteria  
9 adopted pursuant to paragraph (3) of subdivision (a) of Section  
10 33128.

11 (c) For the 2013–14 fiscal year, the minimum state requirement  
12 for a reserve for economic uncertainties shall be restored to the  
13 percentage adopted by the state board pursuant to Section 33128  
14 as of May 1, 2009.

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

19 SEC. 23. Section 41203.1 of the Education Code is amended  
20 to read:

21 41203.1. (a) For the 1990–91 fiscal year and each fiscal year  
22 thereafter, allocations calculated pursuant to Section 41203 shall  
23 be distributed in accordance with calculations provided in this  
24 section. Notwithstanding Section 41203, and for the purposes of  
25 this section, school districts, community college districts, and direct  
26 elementary and secondary level instructional services provided by  
27 the State of California shall be regarded as separate segments of  
28 public education, and each of these three segments of public  
29 education shall be entitled to receive respective shares of the  
30 amount calculated pursuant to Section 41203 as though the  
31 calculation made pursuant to subdivision (b) of Section 8 of Article  
32 XVI of the California Constitution were to be applied separately  
33 to each segment and the base year for the purposes of this  
34 calculation under paragraph (1) of subdivision (b) of Section 8 of  
35 Article XVI of the California Constitution were based on the  
36 1989–90 fiscal year. Calculations made pursuant to this subdivision  
37 shall be made so that each segment of public education is entitled  
38 to the greater of the amounts calculated for that segment pursuant  
39 to paragraph (1) or (2) of subdivision (b) of Section 8 of Article  
40 XVI of the California Constitution.

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

6 (c) Notwithstanding any other law, this section does not apply  
7 to the 1992–93 to 2011–12 fiscal years, inclusive.

8 *SEC. 23.5. Section 41204.2 of the Education Code is repealed.*

9 ~~41204.2. The Director of Finance shall adjust “the percentage  
10 of General Fund revenues appropriated for school districts and  
11 community college districts, respectively, in fiscal year 1986–87”  
12 for purposes of applying paragraph (1) of subdivision (b) of Section  
13 8 of Article XVI of the California Constitution in a manner that  
14 ensures that the shift in General Fund revenues pursuant to Sections  
15 6051.8, 6201.8, 6357.7, and 7361.1, subdivision (b) of Section  
16 7360, and subdivision (b) of Section 60050 of the Revenue and  
17 Taxation Code, as those provisions were enacted in the 2009–10  
18 Eighth Extraordinary Session, shall have no net fiscal impact upon  
19 the amounts that are otherwise required to be applied by the state  
20 for the support of school districts and community college districts  
21 pursuant to Section 8 of Article XVI of the California Constitution.~~

22 *SEC. 23.7. Section 41204.2 is added to the Education Code,  
23 to read:*

24 *41204.2. The Director of Finance shall adjust “the percentage  
25 of General Fund revenues appropriated for school districts and  
26 community college districts, respectively, in fiscal year 1986–87”  
27 for purposes of applying paragraph (1) of subdivision (b) of Section  
28 8 of Article XVI of the California Constitution in a manner that  
29 ensures that the shift in General Fund revenues, pursuant to  
30 Sections 6051.8, 6201.8, 6357.7, and 7361.1, subdivision (b) of  
31 Section 7360, and subdivision (b) of Section 60050 of the Revenue  
32 and Taxation Code, as those provisions were enacted in the  
33 2009–10 Eighth Extraordinary Session and 2009–10 Regular  
34 Session, and reenacted in the 2011–12 Regular Session, shall have  
35 no net fiscal impact upon the amounts that are otherwise required  
36 to be applied by the state for the support of school districts and  
37 community college districts pursuant to Section 8 of Article XVI  
38 of the California Constitution.*

39 *SEC. 24. Section 41204.3 is added to the Education Code, to  
40 read:*

1 41204.3. (a) Notwithstanding any other law, for the 2011–12  
2 fiscal year, the Director of Finance shall adjust “the percentage of  
3 General Fund revenues appropriated for school districts and  
4 community college districts, respectively, in fiscal year 1986–87”  
5 for purposes of making the calculations required under paragraph  
6 (1) of subdivision (b) of Section 8 of Article XVI of the California  
7 Constitution in a manner that ensures that the shift to school  
8 districts and community college districts of local property tax  
9 revenues pursuant to subdivision (a) of Section 34183 of the Health  
10 and Safety Code has no net fiscal impact upon the combined  
11 amount of General Fund proceeds of taxes and allocated local  
12 proceeds of taxes that are otherwise required to be applied by the  
13 state for the support of school districts and community college  
14 districts pursuant to Section 8 of Article XVI of the California  
15 Constitution.

16 (b) For purposes of Section 8 of Article XVI of the California  
17 Constitution, the property tax revenues transferred to school  
18 districts, county offices of education, and community college  
19 districts pursuant to subdivision (a) of Section 34183 of the Health  
20 and Safety Code shall constitute “allocated local proceeds of taxes.”

21 (c) For the 2012–13 fiscal year, and for each fiscal year  
22 thereafter, the adjustments provided in this section shall not be  
23 made.

24 SEC. 25. Section 42238.146 of the Education Code is amended  
25 to read:

26 42238.146. (a) (1) For the 2003–04 fiscal year, the revenue  
27 limit for each school district determined pursuant to this article  
28 shall be reduced by a 1.198 percent deficit factor.

29 (2) For the 2004–05 fiscal year, the revenue limit for each school  
30 district determined pursuant to this article shall be reduced by a  
31 0.323 percent deficit factor.

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

35 (4) For the 2005–06 fiscal year, the revenue limit for each school  
36 district determined pursuant to this article shall be reduced by a  
37 0.892 percent deficit factor.

38 (5) For the 2008–09 fiscal year, the revenue limit for each school  
39 district determined pursuant to this article shall be reduced by a  
40 7.844 percent deficit factor.

1 (6) For the 2009–10 fiscal year, the revenue limit for each school  
2 district determined pursuant to this article shall be reduced by a  
3 18.355 percent deficit factor.

4 (7) For the 2010–11 fiscal year, the revenue limit for each school  
5 district determined pursuant to this article shall be reduced by a  
6 17.963 percent deficit factor.

7 (8) For the 2011–12 fiscal year, the revenue limit for each school  
8 district determined pursuant to this article shall be reduced by a  
9 19.608 percent deficit factor.

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

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

21 (d) In computing the revenue limit for each school district for  
22 the 2011–12 fiscal year pursuant to this article, the revenue limit  
23 shall be determined as if the revenue limit for that school district  
24 had been determined for the 2010–11 fiscal year without being  
25 reduced by the deficit factors specified in subdivision (a).

26 (e) In computing the revenue limit for each school district for  
27 the 2012–13 fiscal year pursuant to this article, the revenue limit  
28 shall be determined as if the revenue limit for that school district  
29 had been determined for the 2011–12 fiscal year without being  
30 reduced by the deficit factors specified in subdivision (a).

31 SEC. 26. Section 42605 of the Education Code is amended to  
32 read:

33 42605. (a) (1) Unless otherwise prohibited under federal law  
34 or otherwise specified in subdivision (e), for the 2008–09 fiscal  
35 year to the 2014–15 fiscal year, inclusive, recipients of funds from  
36 the items listed in paragraph (2) may use funding received, pursuant  
37 to subdivision (b), from any of these items listed in paragraph (2)  
38 that are contained in an annual Budget Act, for any educational  
39 purpose.

1 (2) Items 6110-104-0001, 6110-105-0001, 6110-108-0001,  
2 6110-122-0001, 6110-124-0001, 6110-137-0001, 6110-144-0001,  
3 6110-150-0001, 6110-151-0001, 6110-156-0001, 6110-181-0001,  
4 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001,  
5 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001,  
6 6110-209-0001, 6110-211-0001, 6110-227-0001, 6110-228-0001,  
7 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,  
8 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,  
9 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001,  
10 6110-267-0001, 6110-268-0001, and 6360-101-0001 of Section  
11 2.00.

12 (b) (1) For the 2009–10 fiscal year to the 2014–15 fiscal year,  
13 inclusive, the Superintendent or other administering state agency,  
14 as appropriate, shall apportion from the amounts provided in the  
15 annual Budget Act for the items enumerated in paragraph (2) of  
16 subdivision (a) an amount to recipients based on the same relative  
17 proportion that the recipient received in the 2008–09 fiscal year  
18 for the programs funded through the items enumerated in paragraph  
19 (2) of subdivision (a).

20 (2) This section and Section 42 of Chapter 12 of the Third  
21 Extraordinary Session of the Statutes of 2009 do not authorize a  
22 school district that receives funding on behalf of a charter school  
23 pursuant to Sections 47634.1 and 47651 to redirect this funding  
24 for another purpose unless otherwise authorized in law or pursuant  
25 to an agreement between a charter school and its chartering  
26 authority. Notwithstanding paragraph (1), for the 2008–09 fiscal  
27 year to the 2014–15 fiscal year, inclusive, a school district that  
28 receives funding on behalf of a charter school pursuant to Sections  
29 47634.1 and 47651 shall continue to distribute the funds to those  
30 charter schools based on the relative proportion that the school  
31 district distributed in the 2007–08 fiscal year, and shall adjust those  
32 amounts to reflect changes in charter school attendance in the  
33 district. The amounts allocated shall be adjusted for any greater  
34 or lesser amount appropriated for the items enumerated in  
35 paragraph (2) of subdivision (a). For a charter school that began  
36 operation in the 2008–09 fiscal year, if a school district received  
37 funding on behalf of that charter school pursuant to Sections  
38 47634.1 and 47651, the school district shall continue to distribute  
39 the funds to that charter school based on the relative proportion  
40 that the school district distributed in the 2008–09 fiscal year and

1 shall adjust the amount of those funds to reflect changes in charter  
2 school attendance in the district. The amounts allocated shall be  
3 adjusted for any greater or lesser amount appropriated for the items  
4 enumerated in paragraph (2) of subdivision (a).

5 (3) Notwithstanding paragraph (1), for the 2008–09 fiscal year  
6 to the 2014–15 fiscal year, inclusive, the Superintendent shall  
7 apportion from the amounts appropriated by Item 6110-211-0001  
8 of Section 2.00 of the annual Budget Act an amount to a charter  
9 school in accordance with the per-pupil methodology prescribed  
10 in subdivision (c) of Section 47634.1.

11 (4) Notwithstanding paragraph (1), for the 2008–09 fiscal year  
12 to the 2014–15 fiscal year, inclusive, the Superintendent shall  
13 apportion from the amounts provided in the annual Budget Act an  
14 amount to a school district, charter school, and county office of  
15 education based on the same relative proportion that the local  
16 educational agency received in the 2007–08 fiscal year for the  
17 programs funded through the following items contained in Section  
18 2.00 of the annual Budget Act: 6110-104-0001, 6110-105-0001,  
19 6110-156-0001, 6110-190-0001, Schedule (3) of 6110-193-0001,  
20 6110-198-0001, 6110-232-0001, and Schedule (2) of  
21 6110-240-0001.

22 (5) For purposes of paragraph (4), if a direct-funded charter  
23 school began operation in the 2008–09 fiscal year, the amount that  
24 the charter school was entitled to receive from the items  
25 enumerated in paragraph (4) for the 2008–09 fiscal year, as certified  
26 by the Superintendent in March 2009, is deemed to have been  
27 received in the 2007–08 fiscal year.

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

35 (2) As a condition of receipt of funds, the governing board of  
36 the school district or board of the county office of education, as  
37 appropriate, at a regularly scheduled open public hearing shall take  
38 testimony from the public, discuss, approve or disapprove the  
39 proposed use of funding, and make explicit for each of the budget

1 items in paragraph (2) of subdivision (a) the purposes for which  
2 the funds will be used.

3 (3) Using the Standardized Account Code Structure reporting  
4 process, a local educational agency shall report expenditures of  
5 funds pursuant to the authority of this section by using the  
6 appropriate function codes to indicate the activities for which these  
7 funds are expended. The department shall collect and provide this  
8 information to the Department of Finance and the appropriate  
9 policy and budget committees of the Legislature by April 15, 2010,  
10 and annually thereafter on April 15 until, and including, April 15,  
11 2016.

12 (d) For the 2008–09 fiscal year to the 2014–15 fiscal year,  
13 inclusive, local educational agencies that use the flexibility  
14 provision of this section shall be deemed to be in compliance with  
15 the program and funding requirements contained in statutory,  
16 regulatory, and provisional language, associated with the items  
17 enumerated in subdivision (a).

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

20 (1) For Item 6110-105-0001 of Section 2.00 of the annual  
21 Budget Act, the amount authorized for flexibility shall exclude the  
22 funding provided to fund remedial educational services pursuant  
23 to Provision 4. For Item 6110-156-0001 of Section 2.00 of the  
24 annual Budget Act, the amount authorized for flexibility shall  
25 exclude the funding provided for instruction of CalWORKs-eligible  
26 students pursuant to Schedules (2) and (3) and Provisions 2 and  
27 4.

28 (2) (A) Any instructional materials purchased by a local  
29 educational agency shall be the materials adopted by the state  
30 board for kindergarten and grades 1 to 8, inclusive, and for grades  
31 9 to 12, inclusive, the materials purchased shall be aligned with  
32 state standards as defined by Section 60605, and shall also meet  
33 the reporting and sufficiency requirements contained in Section  
34 60119.

35 (B) For purposes of this section, “sufficiency” means that each  
36 pupil has sufficient textbooks and instructional materials in the  
37 four core areas as defined by Section 60119 and that all pupils  
38 within the local educational agency who are enrolled in the same  
39 course shall have identical textbooks and instructional materials,  
40 as specified in Section 1240.3.

1 (3) For Item 6110-195-0001 of Section 2.00 of the annual  
2 Budget Act, the item shall exclude moneys that are required to  
3 fund awards for teachers that have previously met the requirements  
4 necessary to obtain these awards, until the award is paid in full.

5 (4) For Item 6110-266-0001 of Section 2.00 of the annual  
6 Budget Act, a county office of education shall conduct at least one  
7 site visit to each of the required schoolsites pursuant to Section  
8 1240 and shall fulfill all of the duties set forth in Sections 1240  
9 and 44258.9.

10 (5) For Item 6110-198-0001 of Section 2.00 of the annual  
11 Budget Act, a school district or county office of education that  
12 operates the child care component of the Cal-SAFE program shall  
13 comply with paragraphs (5) and (6) of subdivision (c) of Section  
14 54746.

15 (f) This section does not invalidate any state law pertaining to  
16 teacher credentialing requirements or the functions that require  
17 credentials.

18 SEC. 27. Section 42606 of the Education Code is amended to  
19 read:

20 42606. (a) A local educational agency, including a  
21 direct-funded charter school, may apply for any state categorical  
22 program funding included in the annual Budget Act on behalf of  
23 a school that begins operation in the 2008–09 to the 2014–15 fiscal  
24 years, inclusive, but only to the extent the school or local  
25 educational agency is eligible for funding and meets the provisions  
26 of the program that were in effect as of January 1, 2009, except  
27 that charter schools shall not apply for any of the programs  
28 contained in Section 47634.4.

29 (b) A local educational agency that establishes a new school by  
30 redirecting enrollment from its existing schools to the new school  
31 shall not be eligible to receive funding in addition to the amounts  
32 allocated pursuant to Section 42605 for the categorical programs  
33 specified in that section or for the class size reduction program  
34 pursuant to Sections 52122 and 52124.

35 (c) The Superintendent shall report the number of new schools  
36 and the programs that these schools are applying for, including an  
37 estimate of the cost for that year. This information shall be reported  
38 by November 11, 2009, and each fiscal year thereafter, to the  
39 appropriate committees of the Legislature, the Legislative Analyst's  
40 Office, and the Department of Finance.

1 (d) Notwithstanding subdivision (a), for the 2010–11 and  
 2 2011–12 fiscal years, the Superintendent shall allocate a  
 3 supplemental categorical block grant to a charter school that began  
 4 operation in the 2008–09, 2009–10, 2010–11, or 2011–12 fiscal  
 5 year. The supplemental categorical block grant shall equal one  
 6 hundred twenty-seven dollars (\$127) per unit of charter school  
 7 average daily attendance as determined at the 2010–11 second  
 8 principal apportionment for schools commencing operations in  
 9 the 2008–09, 2009–10, or 2010–11 fiscal year, and at the 2011–12  
 10 second principal apportionment for schools commencing operations  
 11 in the 2011–12 fiscal year. These supplemental categorical block  
 12 grant funds may be used for any educational purpose. A locally  
 13 funded charter school that converted from a preexisting school  
 14 between the 2008–09 and 2011–12 fiscal years is not eligible for  
 15 funding specified in this section. A charter school that receives  
 16 funding pursuant to this subdivision shall not receive additional  
 17 funding for programs specified in paragraph (2) of subdivision (a)  
 18 of Section 42605, with the exception of the program funded  
 19 pursuant to Item 6110-211-0001 of Section 2.00 of the annual  
 20 Budget Act.

21 SEC. 28. Section 45023.1 of the Education Code, as added by  
 22 Section 8 of Chapter 374 of the Statutes of 2009, is amended to  
 23 read:

24 45023.1. (a) Commencing with the 2000–01 fiscal year, the  
 25 county superintendent of schools or the county board of education  
 26 may increase, for teachers meeting the requirements prescribed  
 27 by this section, the salary on its adopted certificated employee  
 28 salary schedule as provided in subdivision (b). For purposes of  
 29 this section, a teacher for whom the county superintendent of  
 30 schools or county board of education may increase salaries shall  
 31 meet all of the following criteria:

32 (1) Hold a valid California teaching credential, not including  
 33 an emergency permit, intern certificate or credential, or waiver.

34 (2) Possess a baccalaureate or higher degree.

35 (3) Receive a salary paid through the general fund of the county  
 36 office.

37 (b) The county superintendent of schools or county board of  
 38 education that increases its salaries pursuant to subdivision (a)  
 39 shall perform the following computations:

1 (1) The county superintendent of schools or county board of  
2 education shall designate as the lowest salary on the salary schedule  
3 for a certificated employee meeting the criteria in subdivision (a)  
4 an amount that is at least an annual salary of thirty-four thousand  
5 dollars (\$34,000) in the 2000–01 fiscal year.

6 (2) The county superintendent of schools or county board of  
7 education shall increase to the annual salary amount in paragraph  
8 (1) the salary of any certificated employee meeting the criteria in  
9 subdivision (a) whose salary on the salary schedule for the  
10 1999–2000 fiscal year was less than the amount computed in  
11 paragraph (1) and, notwithstanding Section 45028, shall incorporate  
12 that increase into the salary schedule commencing with the  
13 2000–01 fiscal year.

14 (c) Each county office of education that increases its beginning  
15 teacher annual minimum salary to thirty-four thousand dollars  
16 (\$34,000) pursuant to subdivision (b) shall elect, except as provided  
17 in subdivision (j), to receive reimbursement for the cost of the  
18 increase pursuant to only one of the following two options:

19 (1) Option One:

20 (A) In fiscal year 2000–01, a county superintendent of schools  
21 or county office of education that increases salaries pursuant to  
22 paragraph (2) of subdivision (b) and selects reimbursement Option  
23 One shall receive an amount equal to six dollars (\$6) times the  
24 county office’s second principal apportionment average daily  
25 attendance for the 1999–2000 fiscal year, excluding attendance in  
26 adult education programs and charter schools participating in the  
27 charter school block grant pursuant to Article 2 (commencing with  
28 Section 47633) of Chapter 6 of Part 26.8 of Division 4.

29 (B) Divide the amount received from the state pursuant to  
30 subparagraph (A) for the 2000–01 fiscal year by the county office  
31 of education’s second principal apportionment average daily  
32 attendance for the 1999–2000 fiscal year, excluding attendance in  
33 adult education programs and charter schools participating in the  
34 charter school block grant pursuant to Article 2 (commencing with  
35 Section 47633) of Chapter 6 of Part 26.8 of Division 4.

36 (C) For the 2001–02 fiscal year and each fiscal year thereafter,  
37 for each county office of education that increases its salaries  
38 pursuant to subdivision (a), the Superintendent shall add the sum  
39 of clauses (i) and (ii) to the county office of education revenue  
40 limit computed pursuant to Section 2550:

1 (i) Annually increase the funding rate per unit of average daily  
2 attendance specified in subparagraph (B) by the percentage increase  
3 identified pursuant to Section 2557 and multiply the resulting  
4 product by the county office of education’s second principal  
5 apportionment average daily attendance for the current fiscal year  
6 excluding attendance in regional occupational centers/programs,  
7 adult education programs, and charter schools participating in the  
8 charter school block grant pursuant to Article 2 (commencing with  
9 Section 47633) of Chapter 6 of Part 26.8 of Division 4.

10 (ii) Annually increase the funding rate per unit of average daily  
11 attendance specified in subparagraph (B) by the percentage increase  
12 identified pursuant to Section 2557 and multiply the resulting  
13 product by the county office of education’s second principal  
14 apportionment average daily attendance for the current fiscal year  
15 in regional occupational centers/programs excluding attendance  
16 in charter schools participating in the charter school block grant  
17 pursuant to Article 2 (commencing with Section 47633) of Chapter  
18 6 of Part 26.8 of Division 4.

19 (D) The county superintendent of schools or county office of  
20 education shall utilize these incentive funds not only to meet the  
21 new beginning teacher annual minimum salary of thirty-four  
22 thousand dollars (\$34,000), but may also use the funds to generally  
23 enhance teachers’ salaries in order to achieve the goals of retention  
24 of qualified, competent, and experienced teachers and the  
25 attainment of a reasonable salary commensurate with a teacher’s  
26 experience, education, and responsibilities.

27 (2) Option Two: A county superintendent of schools or county  
28 office of education may submit a request to the Superintendent,  
29 on a form supplied by the Superintendent, for state funding  
30 computed as follows:

31 (A) Total the salaries of all certificated employees receiving  
32 increased salaries up to a maximum of thirty-four thousand dollars  
33 (\$34,000) per person pursuant to subdivision (b) for the 2000–01  
34 fiscal year.

35 (B) Total all salaries, based on the salary schedule for the  
36 2000–01 fiscal year before the increase made pursuant to  
37 subdivision (b), of all certificated employees receiving increased  
38 salaries pursuant to subdivision (b).

39 (C) Subtract the amount in subparagraph (B) from the amount  
40 in subparagraph (A).

1 (D) Multiply the amount in subparagraph (C) by the district's  
2 statutory benefit rates.

3 (E) For the 2000–01 fiscal year, a county superintendent of  
4 schools or county office of education that increases salaries  
5 pursuant to paragraph (2) of subdivision (b) and selects  
6 reimbursement Option Two shall receive the sum of subparagraphs  
7 (C) and (D).

8 (F) Divide the sum of the amounts received pursuant to  
9 subparagraphs (C) and (D) for the 2000–01 fiscal year by the  
10 county office of education average daily attendance for the second  
11 principal apportionment for the 2000–01 fiscal year, excluding  
12 attendance in adult education programs and charter schools  
13 participating in the charter school block grant pursuant to Article  
14 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of  
15 Division 4.

16 (G) For the 2001–02 fiscal year and each fiscal year thereafter,  
17 for each county office of education that increases its salaries  
18 pursuant to subdivision (a), the Superintendent shall add the sum  
19 of clauses (i) and (ii) to the county office of education revenue  
20 limit computed pursuant to Section 2550:

21 (i) Annually increase the funding rate per unit of average daily  
22 attendance calculated pursuant to subparagraph (F) by the  
23 percentage increase identified pursuant to Section 2557 and  
24 multiply the resulting product by the county office of education's  
25 second principal apportionment average daily attendance for the  
26 current fiscal year excluding attendance in regional occupational  
27 centers/programs, adult education programs, and charter schools  
28 participating in the charter school block grant pursuant to Article  
29 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of  
30 Division 4.

31 (ii) Annually increase the funding rate per unit of average daily  
32 attendance calculated pursuant to subparagraph (F) by the  
33 percentage increase identified pursuant to Section 2557 and  
34 multiply the resulting product by the county office of education's  
35 second principal apportionment average daily attendance for the  
36 current fiscal year in regional occupational centers/programs  
37 excluding attendance in charter schools participating in the charter  
38 school block grant pursuant to Article 2 (commencing with Section  
39 47633) of Chapter 6 of Part 26.8 of Division 4.

1 (3) For purposes of the calculation required by clause (ii) of  
2 subparagraph (C) of paragraph (1) and clause (ii) of subparagraph  
3 (G) of paragraph (2), in the 2008–09, 2009–10, 2010–11, 2011–12,  
4 2012–13, 2013–14, and 2014–15 fiscal years, a county office of  
5 education’s second principal apportionment average daily  
6 attendance for the current fiscal year shall be the second principal  
7 apportionment average daily attendance for the 2007–08 fiscal  
8 year.

9 (d) State funds received pursuant to this section and not used  
10 pursuant to the conditions of this section shall be returned to the  
11 state.

12 (e) If the funds requested by the county superintendents of  
13 schools and the county offices of education for the 2000–01 fiscal  
14 year exceed the state appropriation for this section, the  
15 Superintendent shall reduce all requests by the application of a  
16 single, common percentage factor for apportionment purposes, so  
17 as not to exceed the amount appropriated for this purpose.

18 (f) A county office of education shall receive reimbursement  
19 pursuant to subdivision (c) only. However, this section does not  
20 prohibit a school district and its employees from negotiating salary  
21 schedules.

22 (g) The adjustments to county office of education revenue limits  
23 prescribed in subparagraph (C) of paragraph (1) of subdivision (c)  
24 and subparagraph (G) of paragraph (2) of subdivision (c) shall  
25 continue so long as the increase in the salary schedule made  
26 pursuant to paragraph (2) of subdivision (b) or subdivision (i) is  
27 maintained.

28 (h) The Superintendent shall issue appropriate forms to county  
29 offices of education no later than September 1, 2000. County  
30 superintendents of schools or county offices of education shall  
31 notify the Superintendent no later than September 30, 2001,  
32 regarding which option they wish to exercise for the 2000–01 fiscal  
33 year. County superintendents of schools or county offices of  
34 education shall file their claim form for state funds with the  
35 Superintendent no later than September 30, 2001.

36 (i) Adjustments made to county office of education revenue  
37 limits pursuant to subparagraph (C) of paragraph (1) of subdivision  
38 (c) and subparagraph (G) of paragraph (2) of subdivision (c) shall  
39 not be considered part of the base revenue limit for the purpose of

1 computing equalization adjustments or determining other  
2 wealth-related differences in school funding.

3 (j) Notwithstanding subdivision (c), a county office of education  
4 that already has as the annual minimum salary for beginning  
5 teachers who meet the criteria in subdivision (a) an amount equal  
6 to or greater than thirty-four thousand dollars (\$34,000) shall be  
7 eligible to receive reimbursement pursuant to Option One.

8 (k) This section shall become operative on July 1, 2010.

9 SEC. 29. Section 45023.4 of the Education Code is amended  
10 to read:

11 45023.4. (a) This section shall be known, and may be cited,  
12 as the Jack O'Connell Beginning-Teacher Salary Incentive  
13 Program. Commencing in the 1999–2000 fiscal year the county  
14 superintendent of schools or the county board of education may  
15 increase, for teachers who meet the requirements of this  
16 subdivision, the salary on its adopted certificated employee salary  
17 schedule as provided in subdivision (b). For purposes of this  
18 section, a teacher for whom the county superintendent of schools  
19 or county board of education may increase salaries shall meet all  
20 of the following criteria:

21 (1) Hold a valid California teaching credential, not including  
22 an emergency permit, intern permit, or waiver.

23 (2) Possess a baccalaureate or higher degree.

24 (3) Receive a salary paid from the general fund of the district  
25 or county office.

26 (b) The county superintendent of schools or county board of  
27 education that elects to increase teachers' salaries as authorized  
28 pursuant to subdivision (a) shall perform the following  
29 computations:

30 (1) The county superintendent of schools or county board of  
31 education shall designate as the lowest salary on the salary schedule  
32 for a certificated employee meeting or exceeding the criteria in  
33 subdivision (a) an amount equal to a minimum annual salary of  
34 thirty-two thousand dollars (\$32,000). If this salary change results  
35 in costs to the county office of education that are equal to or greater  
36 than the incentive received pursuant to subdivision (c), the  
37 minimum salary shall be thirty-two thousand dollars (\$32,000). If  
38 this salary change results in costs to the county offices of education  
39 that are less than the incentive received, the remainder shall be  
40 used to increase the beginning salary by an amount above

1 thirty-two thousand dollars (\$32,000) which fully applies the  
2 incentive received.

3 (2) The county superintendent of schools or county board of  
4 education shall increase to the annual salary amount in paragraph  
5 (1) the salary of a certificated employee meeting the criteria in  
6 subdivision (a) whose salary on the salary schedule is less than  
7 the amount computed in paragraph (1) and, notwithstanding Section  
8 45028, shall incorporate that increase into the salary schedule.

9 (3) The newly adopted salary schedule shall contain only one  
10 cell that meets the amount set forth in paragraph (1), which most  
11 often is the first-year step of a salary schedule column for  
12 certificated personnel who meet the criteria set forth in subdivision  
13 (a). All other salary schedule cells shall exceed the level set forth  
14 in paragraph (1) for personnel that meet the criteria in subdivision  
15 (a).

16 (c) In the 1999–2000 fiscal year, the Superintendent shall divide  
17 the amount appropriated for the purposes of this section by the  
18 1998–99 second principal apportionment average daily attendance  
19 for all county offices of education in the state. Each county office  
20 of education that certifies to the Superintendent that it is in full  
21 compliance with this section shall receive following that  
22 certification an amount equal to the results of the calculation  
23 multiplied by the participating county office’s 1998–99 second  
24 principal apportionment average daily attendance.

25 (d) For the 2000–01 fiscal year and each fiscal year thereafter,  
26 for each county office of education that meets the requirements of  
27 subdivision (b), the Superintendent shall add the sum of paragraphs  
28 (1) and (2) to the county office of education revenue limit  
29 computed pursuant to Section 2550.

30 (1) Annually increase the statewide average funding rate per  
31 unit of average daily attendance calculated pursuant to subdivision  
32 (c) by the percentage increase identified pursuant to Section 2557  
33 and multiply the resulting product by the county office of  
34 education’s second period average daily attendance for the prior  
35 fiscal year excluding attendance in regional occupational centers  
36 or programs, adult education programs, and charter schools  
37 participating in the charter school block grant pursuant to Article  
38 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of  
39 Division 4.

1 (2) Annually increase the statewide average funding rate per  
2 unit of average daily attendance calculated pursuant to subdivision  
3 (c) by the percentage increase identified pursuant to Section 2557  
4 and multiply the resulting product by the county office of  
5 education's second period average daily attendance for the prior  
6 fiscal year in regional occupational centers or programs excluding  
7 attendance in charter schools participating in the charter school  
8 block grant pursuant to Article 2 (commencing with Section 47633)  
9 of Chapter 6 of Part 26.8 of Division 4.

10 (3) For purposes of the calculation required by paragraph (2),  
11 in the 2008–09, 2009–10, 2010–11, 2011–12, 2012–13, 2013–14,  
12 and 2014–15 fiscal years, the second period average daily  
13 attendance for the prior fiscal year shall be the second period  
14 average daily attendance for the 2007–08 fiscal year.

15 (e) The adjustment to the county office of education revenue  
16 limit prescribed in subdivision (d) shall continue so long as the  
17 increase in the salary schedule made pursuant to paragraph (2) of  
18 subdivision (b) is maintained.

19 (f) The adjustment made to county office of education revenue  
20 limits pursuant to subdivision (d) shall not be considered part of  
21 the base revenue limit for purposes of computing equalization  
22 adjustments or determining other differences in school funding  
23 that are based on the amount of funding received by a school  
24 district or county office of education.

25 (g) This section shall become operative on July 1, 2010.

26 SEC. 30. Section 46201.2 of the Education Code is amended  
27 to read:

28 46201.2. (a) Commencing with the 2009–10 school year and  
29 continuing through the 2014–15 school year, a school district,  
30 county office of education, or charter school may reduce the  
31 equivalent of up to five days of instruction or the equivalent  
32 number of instructional minutes without incurring the penalties  
33 set forth in Sections 41420, 46200, 46200.5, 46201, 46201.5,  
34 46202, and 47612.5. A school district, county office of education,  
35 or charter school shall receive revenue limit funding based on the  
36 adjustments prescribed pursuant to Section 42238.146 whether or  
37 not it reduces the number of schooldays or instructional minutes.

38 (b) This section shall become inoperative on July 1, 2015, and,  
39 as of January 1, 2016, is repealed, unless a later enacted statute,

1 that becomes operative on or before January 1, 2016, deletes or  
2 extends the dates on which it becomes inoperative and is repealed.

3 SEC. 31. Section 52124.3 of the Education Code is amended  
4 to read:

5 52124.3. (a) For the 2008–09, 2009–10, 2010–11, 2011–12,  
6 2012–13, and 2013–14 fiscal years only, the amounts deducted  
7 pursuant to subdivision (d) of Section 52124 shall be as follows:

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

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

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

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

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

28 (b) For the 2008–09, 2009–10, 2010–11, 2011–12, 2012–13,  
29 and 2013–14 fiscal years, a local educational agency is eligible to  
30 receive funding pursuant to this chapter only for the same number  
31 of classes for which it had applied to receive program funding as  
32 of January 31, 2009. A local educational agency that meets these  
33 criteria is eligible for reduced funding under this section only for  
34 the number of classes reported on its 2008–09 operations  
35 application and is not eligible for funds under this chapter for  
36 classes in addition to that number.

37 SEC. 32. Section 60200.7 of the Education Code is amended  
38 to read:

39 60200.7. Notwithstanding Sections 60200 and 60200.1, the  
40 state board shall not adopt instructional materials or follow the

1 procedures adopted pursuant to Sections 60200 and 60200.1 until  
2 the 2015–16 school year.

3 SEC. 33. Section 60422.1 of the Education Code, as amended  
4 by Section 29 of Chapter 2 of the Fourth Extraordinary Session of  
5 the Statutes of 2009, is amended and renumbered to read:

6 60422.3. (a) Notwithstanding subdivision (i) of Section 60200,  
7 Section 60422, or any other provision of law, for the 2008–09 to  
8 the 2014–15 fiscal years, inclusive, the governing board of a school  
9 district is not required to provide pupils with instructional materials  
10 by a specified period of time following adoption of those materials  
11 by the state board.

12 (b) Notwithstanding subdivision (a), this section does not relieve  
13 school districts of their obligations to provide every pupil with  
14 textbooks or instructional materials, as provided in Section 1240.3.

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

18 (d) This section shall become inoperative on July 1, 2015, and,  
19 as of January 1, 2016, is repealed, unless a later enacted statute,  
20 that becomes operative on or before January 1, 2016, deletes or  
21 extends the dates on which it becomes inoperative and is repealed.

22 SEC. 34. Section 69432.7 of the Education Code is amended  
23 to read:

24 69432.7. As used in this chapter, the following terms have the  
25 following meanings:

26 (a) An “academic year” is July 1 to June 30, inclusive. The  
27 starting date of a session shall determine the academic year in  
28 which it is included.

29 (b) “Access costs” means living expenses and expenses for  
30 transportation, supplies, and books.

31 (c) “Award year” means one academic year, or the equivalent,  
32 of attendance at a qualifying institution.

33 (d) “College grade point average” and “community college  
34 grade point average” mean a grade point average calculated on the  
35 basis of all college work completed, except for nontransferable  
36 units and courses not counted in the computation for admission to  
37 a California public institution of higher education that grants a  
38 baccalaureate degree.

39 (e) “Commission” means the Student Aid Commission.

40 (f) “Enrollment status” means part- or full-time status.

1 (1) “Part time,” for purposes of Cal Grant eligibility, means 6  
2 to 11 semester units, inclusive, or the equivalent.

3 (2) “Full time,” for purposes of Cal Grant eligibility, means 12  
4 or more semester units or the equivalent.

5 (g) “Expected family contribution,” with respect to an applicant,  
6 shall be determined using the federal methodology pursuant to  
7 subdivision (a) of Section 69506 (as established by Title IV of the  
8 federal Higher Education Act of 1965, as amended (20 U.S.C. Sec.  
9 1070 et seq.)) and applicable rules and regulations adopted by the  
10 commission.

11 (h) “High school grade point average” means a grade point  
12 average calculated on a 4.0 scale, using all academic coursework,  
13 for the sophomore year, the summer following the sophomore  
14 year, the junior year, and the summer following the junior year,  
15 excluding physical education, reserve officer training corps  
16 (ROTC), and remedial courses, and computed pursuant to  
17 regulations of the commission. However, for high school graduates  
18 who apply after their senior year, “high school grade point average”  
19 includes senior year coursework.

20 (i) “Instructional program of not less than one academic year”  
21 means a program of study that results in the award of an associate  
22 or baccalaureate degree or certificate requiring at least 24 semester  
23 units or the equivalent, or that results in eligibility for transfer from  
24 a community college to a baccalaureate degree program.

25 (j) “Instructional program of not less than two academic years”  
26 means a program of study that results in the award of an associate  
27 or baccalaureate degree requiring at least 48 semester units or the  
28 equivalent, or that results in eligibility for transfer from a  
29 community college to a baccalaureate degree program.

30 (k) “Maximum household income and asset levels” means the  
31 applicable household income and household asset levels for  
32 participants, including new applicants and renewing recipients, in  
33 the Cal Grant Program, as defined and adopted in regulations by  
34 the commission for the 2001–02 academic year, which shall be  
35 set pursuant to the following income and asset ceiling amounts:  
36

37 CAL GRANT PROGRAM INCOME CEILINGS  
38

|   | Cal Grant A,<br>C, and T | Cal Grant B |
|---|--------------------------|-------------|
| Dependent and Independent students with dependents* |                          |             |
| Family Size   |                          |             |
| Six or more   | \$74,100                 | \$40,700    |
| Five  | \$68,700                 | \$37,700    |
| Four  | \$64,100                 | \$33,700    |
| Three   | \$59,000                 | \$30,300    |
| Two   | \$57,600                 | \$26,900    |
| Independent   |                          |             |
| Single, no dependents                               | \$23,500                 | \$23,500    |
| Married   | \$26,900                 | \$26,900    |

\*Applies to independent students with dependents other than a spouse.

CAL GRANT PROGRAM ASSET CEILINGS

|             | Cal Grant A,<br>C, and T | Cal Grant B |
|-------------|--------------------------|-------------|
| Dependent** | \$49,600                 | \$49,600    |
| Independent | \$23,600                 | \$23,600    |

\*\*Applies to independent students with dependents other than a spouse.

The commission shall annually adjust the maximum household income and asset levels based on the percentage change in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution. The maximum household income and asset levels applicable to a renewing recipient shall be the greater of the adjusted maximum household income and asset levels or the maximum household income and asset levels at the time of the renewing recipient's initial Cal Grant award. For a recipient who was initially awarded a Cal Grant for an academic year before the 2011–12 academic year, the maximum household income and asset levels shall be the

1 greater of the adjusted maximum household income and asset  
2 levels or the 2010–11 academic year maximum household income  
3 and asset levels. An applicant or renewal recipient who qualifies  
4 to be considered under the simplified needs test established by  
5 federal law for student assistance shall be presumed to meet the  
6 asset level test under this section. Prior to disbursing any Cal Grant  
7 funds, a qualifying institution shall be obligated, under the terms  
8 of its institutional participation agreement with the commission,  
9 to resolve any conflicts that may exist in the data the institution  
10 possesses relating to that individual.

11 (d) (1) “Qualifying institution” means an institution that  
12 complies with paragraphs (2) and (3) and is any of the following:

13 (A) A California private or independent postsecondary  
14 educational institution that participates in the Pell Grant Program  
15 and in at least two of the following federal campus-based student  
16 aid programs:

17 (i) Federal Work-Study.

18 (ii) Perkins Loan Program.

19 (iii) Supplemental Educational Opportunity Grant Program.

20 (B) A nonprofit institution headquartered and operating in  
21 California that certifies to the commission that 10 percent of the  
22 institution’s operating budget, as demonstrated in an audited  
23 financial statement, is expended for the purposes of institutionally  
24 funded student financial aid in the form of grants, that demonstrates  
25 to the commission that it has the administrative capacity to  
26 administer the funds, that is accredited by the Western Association  
27 of Schools and Colleges, and that meets any other state-required  
28 criteria adopted by regulation by the commission in consultation  
29 with the Department of Finance. A regionally accredited institution  
30 that was deemed qualified by the commission to participate in the  
31 Cal Grant Program for the 2000–01 academic year shall retain its  
32 eligibility as long as it maintains its existing accreditation status.

33 (C) A California public postsecondary educational institution.

34 (2) (A) The institution shall provide information on where to  
35 access California license examination passage rates for the most  
36 recent available year from graduates of its undergraduate programs  
37 leading to employment for which passage of a California licensing  
38 examination is required, if that data is electronically available  
39 through the Internet Web site of a California licensing or regulatory  
40 agency. For purposes of this paragraph, “provide” may exclusively

1 include placement of an Internet Web site address labeled as an  
2 access point for the data on the passage rates of recent program  
3 graduates on the Internet Web site where enrollment information  
4 is also located, on an Internet Web site that provides centralized  
5 admissions information for postsecondary educational systems  
6 with multiple campuses, or on applications for enrollment or other  
7 program information distributed to prospective students.

8 (B) The institution shall be responsible for certifying to the  
9 commission compliance with the requirements of subparagraph  
10 (A).

11 (3) (A) The commission shall certify by October 1 of each year  
12 the institution's latest three-year cohort default rate as most recently  
13 reported by the United States Department of Education.

14 (B) For purposes of the 2011–12 academic year, an otherwise  
15 qualifying institution with a 2008 trial three-year cohort default  
16 rate reported by the United States Department of Education as of  
17 February 28, 2011, that is equal to or greater than 24.6 percent  
18 shall be ineligible for initial and renewal Cal Grant awards at the  
19 institution, except as provided in subparagraph (F).

20 (C) For purposes of the 2012–13 academic year, and every  
21 academic year thereafter, an otherwise qualifying institution with  
22 a three-year cohort default rate that is equal to or greater than 30  
23 percent, as certified by the commission on October 1, 2011, and  
24 every year thereafter, shall be ineligible for initial or renewal Cal  
25 Grant awards at the institution, except as provided in subparagraph  
26 (F).

27 (D) (i) An otherwise qualifying institution that becomes  
28 ineligible under this paragraph for initial and renewal Cal Grant  
29 awards may regain its eligibility for the academic year following  
30 an academic year in which it satisfies the requirements established  
31 in subparagraph (B) or (C), as applicable.

32 (ii) If the United States Department of Education corrects or  
33 revises an institution's three-year cohort default rate that originally  
34 failed to satisfy the requirements established in subparagraph (B)  
35 or (C), as applicable, and the correction or revision results in the  
36 institution's three-year cohort default rate satisfying those  
37 requirements, that institution shall immediately regain its eligibility  
38 for the academic year to which the corrected or revised three-year  
39 cohort default rate would have been applied.

1 (E) An otherwise qualifying institution for which no three-year  
2 cohort default rate has been reported by the United States  
3 Department of Education shall be provisionally eligible to  
4 participate in the Cal Grant Program until a three-year cohort  
5 default rate has been reported for the institution by the United  
6 States Department of Education.

7 (F) An institution that is ineligible for initial and renewal Cal  
8 Grant awards at the institution under subparagraph (B) or (C) shall  
9 be eligible for renewal Cal Grant awards for recipients who were  
10 enrolled in the ineligible institution during the academic year before  
11 the academic year for which the institution is ineligible and who  
12 choose to renew their Cal Grant awards to attend the ineligible  
13 institution. Cal Grant awards subject to this subparagraph shall be  
14 reduced as follows:

15 (i) The maximum Cal Grant A and B awards specified in the  
16 annual Budget Act shall be reduced by 20 percent.

17 (ii) The reductions specified in this subparagraph shall not  
18 impact access costs as specified in subdivision (b) of Section  
19 69435.

20 (G) Notwithstanding any other law, the requirements of this  
21 paragraph shall not apply to institutions with 40 percent or less of  
22 undergraduate students borrowing federal student loans, using  
23 information reported to the United States Department of Education  
24 for the academic year two years prior to the year in which the  
25 commission is certifying the three-year cohort default rate pursuant  
26 to subparagraph (A).

27 (H) By January 1, 2013, the Legislative Analyst shall submit  
28 to the Legislature a report on the implementation of this paragraph.  
29 The report shall be prepared in consultation with the commission,  
30 and shall include policy recommendations for appropriate measures  
31 of default risk and other direct or indirect measures of quality or  
32 effectiveness in educational institutions participating in the Cal  
33 Grant Program, and appropriate scores for those measures. It is  
34 the intent of the Legislature that appropriate policy and fiscal  
35 committees review the requirements of this paragraph and consider  
36 changes thereto.

37 (m) “Satisfactory academic progress” means those criteria  
38 required by applicable federal standards published in Title 34 of  
39 the Code of Federal Regulations. The commission may adopt

1 regulations defining “satisfactory academic progress” in a manner  
2 that is consistent with those federal standards.

3 SEC. 35. Section 69432.9 of the Education Code is amended  
4 to read:

5 69432.9. (a) A Cal Grant applicant shall submit a complete  
6 official financial aid application pursuant to Section 69433 and  
7 applicable regulations adopted by the commission.

8 (b) Financial need shall be determined to establish an applicant’s  
9 initial eligibility for a Cal Grant award and a renewing recipient’s  
10 continued eligibility using the federal financial need methodology  
11 pursuant to subdivision (a) of Section 69506 and applicable  
12 regulations adopted by the commission, and as established by Title  
13 IV of the federal Higher Education Act of 1965, as amended (20  
14 U.S.C. Secs. 1070 et seq.).

15 (1) “Expected family contribution,” with respect to an applicant  
16 or renewing recipient shall be determined using the federal  
17 methodology pursuant to subdivision (a) of Section 69506 (as  
18 established by Title IV of the federal Higher Education Act of  
19 1965, as amended (20 U.S.C. Secs. 1070 et seq.)) and applicable  
20 rules and regulations adopted by the commission.

21 (2) “Financial need” means the difference between the student’s  
22 cost of attendance as determined by the commission and the  
23 expected family contribution. The calculation of financial need  
24 shall be consistent with Title IV of the federal Higher Education  
25 Act of 1965, as amended (20 U.S.C. Secs. 1070 et seq.).

26 (3) (A) The minimum financial need required for receipt of an  
27 initial and renewal Cal Grant A or Cal Grant C award shall be no  
28 less than the maximum annual award value for the applicable  
29 institution, plus an additional one thousand five hundred dollars  
30 (\$1,500) of financial need.

31 (B) The minimum financial need required for receipt of an initial  
32 and renewal Cal Grant B award shall be no less than seven hundred  
33 dollars (\$700).

34 (c) The commission shall require that a grade point average be  
35 submitted for all Cal Grant A and B applicants, except for those  
36 permitted to provide test scores in lieu of a grade point average.  
37 The commission shall require that each report of a grade point  
38 average include a certification, executed under penalty of perjury,  
39 by a school official, that the grade point average reported is  
40 accurately reported. The certification shall include a statement that

1 it is subject to review by the commission or its designee. The  
2 commission shall adopt regulations that establish a grace period  
3 for receipt of the grade point average and any appropriate  
4 corrections, and that set forth the circumstances under which a  
5 student may submit a specified test score designated by the  
6 commission, by regulation, in lieu of submitting a qualifying grade  
7 point average. It is the intent of the Legislature that high schools  
8 and institutions of higher education certify the grade point averages  
9 of their students in time to meet the application deadlines imposed  
10 by this chapter.

11 SEC. 36. Section 69433.2 is added to the Education Code, to  
12 read:

13 69433.2. As a condition for its voluntary participation in the  
14 Cal Grant Program, each Cal Grant participating institution shall,  
15 beginning in 2012, annually report to the commission, and as  
16 further specified in the institutional participation agreement, both  
17 of the following for its undergraduate programs:

18 (a) Enrollment, persistence, and graduation data for all students,  
19 including aggregate information on Cal Grant recipients.

20 (b) The job placement rate and salary and wage information for  
21 each program that is either (1) designed or advertised to lead to a  
22 particular type of job; or (2) advertised or promoted with any claim  
23 regarding job placement.

24 SEC. 37. Section 69433.6 of the Education Code is amended  
25 to read:

26 69433.6. (a) Cal Grant A awards and Cal Grant B awards may  
27 be renewed for a total of the equivalent of four years of full-time  
28 attendance in an undergraduate program provided that minimum  
29 financial need as defined in paragraph (3) of subdivision (b) of  
30 Section 69432.9 continues to exist. Commencing with the 2001–02  
31 academic year, the total number of years of eligibility for grants  
32 pursuant to this section shall be based on the student's educational  
33 level in his or her course of study as designated by the institution  
34 of attendance when the recipient initially receives payment for a  
35 grant.

36 (b) For a student enrolled in an institutionally prescribed  
37 five-year undergraduate program, Cal Grant A awards and Cal  
38 Grant B awards may be renewed for a total of five years of full-time  
39 attendance, provided that minimum financial need, as defined in

1 paragraph (3) of subdivision (b) of Section 69432.9, continues to  
2 exist.

3 (c) (1) A Cal Grant Program award recipient who has completed  
4 a baccalaureate degree, and who has been admitted to and is  
5 enrolled in a program of professional teacher preparation at an  
6 institution approved by the California Commission on Teacher  
7 Credentialing is eligible for, but not entitled to, renewal of a Cal  
8 Grant Program award for an additional year of full-time attendance,  
9 if minimum financial need, as defined in paragraph (3) of  
10 subdivision (b) of Section 69432.9, continues to exist.

11 (2) Payment for an additional year is limited to only those  
12 courses required for an initial teaching authorization. An award  
13 made under this subdivision may not be used for other courses.

14 (d) A student's Cal Grant renewal eligibility shall not have  
15 lapsed more than 15 months prior to the payment of an award for  
16 purposes of this section.

17 SEC. 38. Section 76243 of the Education Code is amended to  
18 read:

19 76243. (a) A community college or community college district  
20 is not authorized to permit access to student records to any person  
21 without the written consent of the student or unless pursuant to  
22 judicial order, except that access may be permitted to the following:

23 (1) Officials and employees of the community college, if they  
24 have a legitimate educational interest to inspect a record.

25 (2) Authorized representatives of the Comptroller General of  
26 the United States, the Secretary of Health, Education, and Welfare,  
27 an administrative head of an education agency, state education  
28 officials, or their respective designees or the United States Office  
29 of Civil Rights, where that information is necessary to audit or  
30 evaluate a state or federally supported education program or  
31 pursuant to a federal or state law, except that when the collection  
32 of personally identifiable information is specifically authorized  
33 by federal law, any data collected by those officials shall be  
34 protected in a manner that will not permit the personal  
35 identification of students or their parents by other than those  
36 officials, and any personally identifiable data shall be destroyed  
37 when no longer needed for that audit, evaluation, and enforcement  
38 of federal legal requirements.

1 (3) Other state and local officials or authorities to the extent  
2 that information is specifically required to be reported pursuant to  
3 state law adopted prior to November 19, 1974.

4 (4) Officials of other public or private schools or school systems,  
5 including local, county, or state correctional facilities where  
6 educational programs are provided, where the student seeks or  
7 intends to enroll, or is directed to enroll, subject to the rights of  
8 students as provided in Section 76225.

9 (5) Agencies or organizations in connection with a student's  
10 application for, or receipt of, financial aid, provided that  
11 information permitting the personal identification of students may  
12 be disclosed only as may be necessary for those purposes as to  
13 determine the eligibility of the student for financial aid, to  
14 determine the amount of the financial aid, to determine the  
15 conditions that will be imposed regarding the financial aid, or to  
16 enforce the terms or conditions of the financial aid.

17 (6) Accrediting organizations in order to carry out their  
18 accrediting functions.

19 (7) Organizations conducting studies for, or on behalf of,  
20 educational agencies or institutions for the purpose of developing,  
21 validating, or administering predictive tests, administering student  
22 aid programs, and improving instruction, if those studies are  
23 conducted in such a manner as will not permit the personal  
24 identification of students or their parents by persons other than  
25 representatives of those organizations and the information will be  
26 destroyed when no longer needed for the purpose for which it is  
27 conducted.

28 (8) (A) Appropriate persons in connection with an emergency  
29 if the knowledge of that information is necessary to protect the  
30 health or safety of a student or other persons, or subject to any  
31 regulations issued by the Secretary of Health, Education, and  
32 Welfare.

33 (B) A person, persons, agency, or organization permitted access  
34 to student records pursuant to this section shall not permit access  
35 to any information obtained from those records by any other  
36 person, persons, agency, or organization, except to the extent  
37 permitted under the federal Family Educational Rights and Privacy  
38 Act (20 U.S.C. Sec. 1232g) and state law, without the written  
39 consent of the student, provided that this subparagraph shall not  
40 require prior student consent when information obtained pursuant

1 to this section is shared with other persons within the educational  
2 institution, agency or organization obtaining access, so long as  
3 those persons have a legitimate educational interest in the  
4 information.

5 (b) The alleged victim of any sexual assault or physical abuse,  
6 including rape, forced sodomy, forced oral copulation, rape by a  
7 foreign object, sexual battery, or threat or assault, or any conduct  
8 that threatens the health and safety of the alleged victim, which is  
9 the basis of any disciplinary action taken by a community college,  
10 shall be permitted access to that information. For the purposes of  
11 this subdivision, access to student record information shall be in  
12 the form of notice of the results of any disciplinary action by the  
13 community college and the results of any appeal, which shall be  
14 provided to the alleged victim within three days following that  
15 disciplinary action or appeal. The alleged victim shall keep the  
16 results of that disciplinary action and appeal confidential.

17 SEC. 39. Section 76300 of the Education Code is amended to  
18 read:

19 76300. (a) The governing board of each community college  
20 district shall charge each student a fee pursuant to this section.

21 (b) (1) The fee prescribed by this section shall be thirty-six  
22 dollars (\$36) per unit per semester, effective with the fall term of  
23 the 2011–12 academic year.

24 (2) The board of governors shall proportionately adjust the  
25 amount of the fee for term lengths based upon a quarter system,  
26 and also shall proportionately adjust the amount of the fee for  
27 summer sessions, intersessions, and other short-term courses. In  
28 making these adjustments, the board of governors may round the  
29 per unit fee and the per term or per session fee to the nearest dollar.

30 (c) For the purposes of computing apportionments to community  
31 college districts pursuant to Section 84750.5, the board of  
32 governors shall subtract, from the total revenue owed to each  
33 district, 98 percent of the revenues received by districts from  
34 charging a fee pursuant to this section.

35 (d) The board of governors shall reduce apportionments by up  
36 to 10 percent to any district that does not collect the fees prescribed  
37 by this section.

38 (e) The fee requirement does not apply to any of the following:

39 (1) Students enrolled in the noncredit courses designated by  
40 Section 84757.

1 (2) California State University or University of California  
2 students enrolled in remedial classes provided by a community  
3 college district on a campus of the University of California or a  
4 campus of the California State University, for whom the district  
5 claims an attendance apportionment pursuant to an agreement  
6 between the district and the California State University or the  
7 University of California.

8 (3) Students enrolled in credit contract education courses  
9 pursuant to Section 78021, if the entire cost of the course, including  
10 administrative costs, is paid by the public or private agency,  
11 corporation, or association with which the district is contracting  
12 and if these students are not included in the calculation of the  
13 full-time equivalent students (FTES) of that district.

14 (f) The governing board of a community college district may  
15 exempt special part-time students admitted pursuant to Section  
16 76001 from the fee requirement.

17 (g) (1) The fee requirements of this section shall be waived for  
18 any student who, at the time of enrollment, is a recipient of benefits  
19 under the Temporary Assistance to Needy Families program, the  
20 Supplemental Security Income/State Supplementary Program, or  
21 a general assistance program or has demonstrated financial need  
22 in accordance with the methodology set forth in federal law or  
23 regulation for determining the expected family contribution of  
24 students seeking financial aid.

25 (2) The governing board of a community college district also  
26 shall waive the fee requirements of this section for any student  
27 who demonstrates eligibility according to income standards  
28 established by regulations of the board of governors.

29 (3) Paragraphs (1) and (2) may be applied to a student enrolled  
30 in the 2005–06 academic year if the student is exempted from  
31 nonresident tuition under paragraph (3) of subdivision (a) of  
32 Section 76140.

33 (h) The fee requirements of this section shall be waived for any  
34 student who, at the time of enrollment, is a dependent, or surviving  
35 spouse who has not remarried, of any member of the California  
36 National Guard who, in the line of duty and while in the active  
37 service of the state, was killed, died of a disability resulting from  
38 an event that occurred while in the active service of the state, or  
39 is permanently disabled as a result of an event that occurred while  
40 in the active service of the state. “Active service of the state,” for

1 the purposes of this subdivision, refers to a member of the  
2 California National Guard activated pursuant to Section 146 of  
3 the Military and Veterans Code.

4 (i) The fee requirements of this section shall be waived for any  
5 student who is the surviving spouse or the child, natural or adopted,  
6 of a deceased person who met all of the requirements of Section  
7 68120.

8 (j) The fee requirements of this section shall be waived for any  
9 student in an undergraduate program, including a student who has  
10 previously graduated from another undergraduate or graduate  
11 program, who is the dependent of any individual killed in the  
12 September 11, 2001, terrorist attacks on the World Trade Center  
13 and the Pentagon or the crash of United Airlines Flight 93 in  
14 southwestern Pennsylvania, if that dependent meets the financial  
15 need requirements set forth in Section 69432.7 for the Cal Grant  
16 A Program and either of the following applies:

17 (1) The dependent was a resident of California on September  
18 11, 2001.

19 (2) The individual killed in the attacks was a resident of  
20 California on September 11, 2001.

21 (k) A determination of whether a person is a resident of  
22 California on September 11, 2001, for purposes of subdivision (j)  
23 shall be based on the criteria set forth in Chapter 1 (commencing  
24 with Section 68000) of Part 41 of Division 5 for determining  
25 nonresident and resident tuition.

26 (l) (1) “Dependent,” for purposes of subdivision (j), is a person  
27 who, because of his or her relationship to an individual killed as  
28 a result of injuries sustained during the terrorist attacks of  
29 September 11, 2001, qualifies for compensation under the federal  
30 September 11th Victim Compensation Fund of 2001 (Title IV  
31 (commencing with Section 401) of Public Law 107-42).

32 (2) A dependent who is the surviving spouse of an individual  
33 killed in the terrorist attacks of September 11, 2001, is entitled to  
34 the waivers provided in this section until January 1, 2013.

35 (3) A dependent who is the surviving child, natural or adopted,  
36 of an individual killed in the terrorist attacks of September 11,  
37 2001, is entitled to the waivers under subdivision (j) until that  
38 person attains the age of 30 years.

39 (4) A dependent of an individual killed in the terrorist attacks  
40 of September 11, 2001, who is determined to be eligible by the

1 California Victim Compensation and Government Claims Board,  
2 is also entitled to the waivers provided in this section until January  
3 1, 2013.

4 (m) (1) It is the intent of the Legislature that sufficient funds  
5 be provided to support the provision of a fee waiver for every  
6 student who demonstrates eligibility pursuant to subdivisions (g)  
7 to (j), inclusive.

8 (2) From funds provided in the annual Budget Act, the board  
9 of governors shall allocate to community college districts, pursuant  
10 to this subdivision, an amount equal to 2 percent of the fees waived  
11 pursuant to subdivisions (g) to (j), inclusive. From funds provided  
12 in the annual Budget Act, the board of governors shall allocate to  
13 community college districts, pursuant to this subdivision, an  
14 amount equal to ninety-one cents (\$0.91) per credit unit waived  
15 pursuant to subdivisions (g) to (j), inclusive. It is the intent of the  
16 Legislature that funds provided pursuant to this subdivision be  
17 used to support the determination of financial need and delivery  
18 of student financial aid services, on the basis of the number of  
19 students for whom fees are waived. It also is the intent of the  
20 Legislature that the funds provided pursuant to this subdivision  
21 directly offset mandated costs claimed by community college  
22 districts pursuant to Commission on State Mandates consolidated  
23 Test Claims 99-TC-13 (Enrollment Fee Collection) and 00-TC-15  
24 (Enrollment Fee Waivers). Funds allocated to a community college  
25 district for determination of financial need and delivery of student  
26 financial aid services shall supplement, and shall not supplant, the  
27 level of funds allocated for the administration of student financial  
28 aid programs during the 1992–93 fiscal year.

29 (n) The board of governors shall adopt regulations implementing  
30 this section.

31 SEC. 40. Section 84043 of the Education Code is amended to  
32 read:

33 84043. (a) (1) Notwithstanding any other provision of law,  
34 and unless otherwise prohibited under federal law, for the 2009–10  
35 to 2014–15 fiscal years, inclusive, community college districts  
36 may use funding received, pursuant to subdivision (b), from any  
37 of the programs listed in paragraph (2) that are contained in Item  
38 6870-101-0001 of Section 2.00 of the annual Budget Act, for the  
39 purposes of any of the programs contained in Schedule (2) and

1 Schedules (4) to (23), inclusive, of Item 6870-101-0001 of Section  
2 2.00 of the Budget Act of 2009.

3 (2) (A) Apprenticeship.

4 (B) Matriculation.

5 (C) Academic Senate for the Community Colleges.

6 (D) Equal Employment Opportunity.

7 (E) Part-time Faculty Health Insurance.

8 (F) Part-time Faculty Compensation.

9 (G) Part-time Faculty Office Hours.

10 (H) Economic Development.

11 (I) Transfer Education and Articulation.

12 (J) Physical Plant and Instructional Support.

13 (K) Campus Childcare Tax Bailout.

14 (b) For the 2009–10 to 2014–15 fiscal years, inclusive, the  
15 chancellor shall apportion from the amounts provided in the annual  
16 Budget Act for the programs enumerated in paragraph (2) of  
17 subdivision (a), an amount to a community college district, based  
18 on the same relative proportion that the district received in the  
19 2008–09 fiscal year for the programs enumerated in paragraph (2)  
20 of subdivision (a). The amounts allocated shall be adjusted for any  
21 greater or lesser amount appropriated for the items enumerated in  
22 paragraph (2) of subdivision (a).

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

30 (2) If a community college district elects to use funding received  
31 pursuant to subdivision (b) in the manner authorized pursuant to  
32 subdivision (a), the governing board of the district shall, at a  
33 regularly scheduled open public hearing, take testimony from the  
34 public, discuss, and shall approve or disapprove the proposed use  
35 of funding.

36 (3) (A) If a community college district elects to use funding  
37 received pursuant to subdivision (b) in the manner authorized  
38 pursuant to subdivision (a), the district shall continue to report the  
39 expenditures pursuant to this section by using the appropriate codes  
40 to indicate the activities for which these funds were expended

1 using the existing standard reporting process as determined by the  
2 chancellor.

3 (B) The chancellor shall collect the information in subparagraph  
4 (A) and shall provide that information to the Department of Finance  
5 and to the appropriate policy and budget committees of the  
6 Legislature on or before April 15, 2010, and annually thereafter  
7 by April 15 of each year, through 2016.

8 (d) For the 2009–10 to 2014–15 fiscal years, inclusive,  
9 community college districts that elect to use funding in the manner  
10 authorized pursuant to subdivision (a) shall be deemed to be in  
11 compliance with the program and funding requirements contained  
12 in statutory, regulatory, and provisional language, associated with  
13 the programs enumerated in subdivision (a).

14 SEC. 41. Section 84321.6 of the Education Code is amended  
15 to read:

16 84321.6. (a) Notwithstanding any other law that governs the  
17 regulations adopted by the Chancellor of the California Community  
18 Colleges to disburse funds, the payment of apportionments to  
19 districts pursuant to Sections 84320 and 84321 shall be adjusted  
20 by the following:

21 (1) For the month of June, two hundred twenty-one million five  
22 hundred thousand dollars (\$221,500,000) shall be deferred to July.

23 (2) For the month of May, one hundred twenty-four million five  
24 hundred thousand dollars (\$124,500,000) shall be deferred, of  
25 which one hundred three million dollars (\$103,000,000) shall be  
26 deferred to July and twenty-one million five hundred thousand  
27 dollars (\$21,500,000) shall be deferred to October.

28 (3) For the month of April, one hundred seventy-nine million  
29 five hundred thousand dollars (\$179,500,000) shall be deferred,  
30 of which one hundred fifty-eight million dollars (\$158,000,000)  
31 shall be deferred to July and twenty-one million five hundred  
32 thousand dollars (\$21,500,000) shall be deferred to October.

33 (4) For the month of March, one hundred nineteen million five  
34 hundred thousand dollars (\$119,500,000) shall be deferred, of  
35 which seventy-six million five hundred thousand dollars  
36 (\$76,500,000) shall be deferred to July and forty-three million  
37 dollars (\$43,000,000) shall be deferred to October.

38 (5) For the month of February, one hundred fifty-eight million  
39 dollars (\$158,000,000) shall be deferred, of which one hundred  
40 thirty-six million five hundred thousand dollars (\$136,500,000)

1 shall be deferred to July and twenty-one million five hundred  
2 thousand dollars (\$21,500,000) shall be deferred to October.

3 (6) For the month of January, one hundred fifty-eight million  
4 dollars (\$158,000,000) shall be deferred, of which one hundred  
5 thirty-six million five hundred thousand dollars (\$136,500,000)  
6 shall be deferred to July and twenty-one million five hundred  
7 thousand dollars (\$21,500,000) shall be deferred to October.

8 (b) The sum of nine hundred sixty-one million dollars  
9 (\$961,000,000) is hereby appropriated from the General Fund to  
10 the Board of Governors of the California Community Colleges for  
11 apportionments to community college districts, for expenditure  
12 during the 2012–13 fiscal year, to be expended in accordance with  
13 Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget  
14 Act of 2010.

15 (c) Of the funds appropriated in subdivision (b), eight hundred  
16 thirty-two million dollars (\$832,000,000) shall be allocated in July  
17 of the 2012–13 fiscal year and one hundred twenty-nine million  
18 dollars (\$129,000,000) shall be allocated in October in satisfaction  
19 of the moneys deferred pursuant to subdivision (a).

20 (d) For the purposes of making the computations required by  
21 Section 8 of Article XVI of the California Constitution, the  
22 appropriations made by subdivision (b) shall be deemed to be  
23 “General Fund revenues appropriated for community college  
24 districts,” as defined in subdivision (d) of Section 41202, for the  
25 2012–13 fiscal year, and included within the “total allocations to  
26 school districts and community college districts from General Fund  
27 proceeds of taxes appropriated pursuant to Article XIII B,” as  
28 defined in subdivision (e) of Section 41202, for the 2012–13 fiscal  
29 year.

30 SEC. 42. Section 84321.7 is added to the Education Code, to  
31 read:

32 84321.7. (a) Commencing with the 2011–12 fiscal year, up to  
33 thirteen million dollars (\$13,000,000) of the amount of the warrants  
34 for the principal apportionments for the month of June, that are  
35 instead to be drawn in July pursuant to Section 84321.6, may be  
36 drawn in June, subject to the approval of the Director of Finance,  
37 for a community college district as follows:

38 (1) In order for a community college district to receive a  
39 payment in June pursuant to this section, the community college  
40 district shall certify to the Office of the Chancellor of the California

1 Community Colleges and to the Director of Finance on or before  
2 April 1 that the deferral of warrants pursuant to Section 84321.6  
3 will result in the community college district being unable to meet  
4 its financial obligations for June and shall provide the Office of  
5 the Chancellor of the California Community Colleges an estimate  
6 of the amount of additional funds necessary for the community  
7 college district to meet its financial obligations for the month of  
8 June.

9 (2) The criteria, as applicable, set forth in statute and regulations  
10 to qualify a community college district for an emergency  
11 apportionment shall be used to make the certification specified in  
12 paragraph (1).

13 (3) A community college district may receive, pursuant to this  
14 section, no more than the lesser of the following:

15 (A) The total amount of additional funds necessary for the  
16 community college district to meet its financial obligations for the  
17 month of June, as reported to the Office of the Chancellor of the  
18 California Community Colleges pursuant to paragraph (1).

19 (B) The total payments the community college district is entitled  
20 to receive in July for the prior fiscal year.

21 (b) If the total amount requested by community college districts  
22 pursuant to paragraph (3) of subdivision (a) exceeds thirteen  
23 million dollars (\$13,000,000), the Controller, the Treasurer, and  
24 the Director of Finance may authorize additional payments to meet  
25 these requests, but total payments to community college districts  
26 pursuant to this section shall not exceed thirty-nine million dollars  
27 (\$39,000,000). No later than May 1, the Controller, the Treasurer,  
28 and the Director of Finance shall determine whether sufficient  
29 cash is available to make payments in excess of thirteen million  
30 dollars (\$13,000,000) to a community college district. In making  
31 the determination that cash is sufficient to make additional  
32 payments, in whole or in part, the Controller, Treasurer, and  
33 Director of Finance shall consider costs for state government, the  
34 scope of any identified cash shortage, timing, achievability,  
35 legislative direction, and the impact and hardship imposed on  
36 potentially affected programs, entities, and related public services.  
37 The Department of Finance shall notify the Joint Legislative  
38 Budget Committee within 10 days of this determination and  
39 identify the total amount of requests that will be paid.

1 (c) If the total amount of cash made available pursuant to  
2 subdivision (b) is less than the amount requested pursuant to  
3 paragraph (2) of subdivision (a), payments to community college  
4 districts shall be prioritized according to the date on which  
5 notification was provided to the Office of the Chancellor of the  
6 California Community Colleges and the Department of Finance.

7 (d) Payments pursuant to this section shall be made no later  
8 than June 20.

9 (e) Except as provided in subdivisions (c) and (e) of Section  
10 41202, for purposes of making the computations required by  
11 Section 8 of Article XVI of the California Constitution, the  
12 warrants drawn pursuant to subdivision (a) shall be deemed to be  
13 “General Fund revenues appropriated for school districts,” as  
14 defined in subdivision (c) of Section 41202, for the fiscal year in  
15 which the warrants are drawn and included within the “total  
16 allocations to school districts and community college districts from  
17 General Fund proceeds of taxes appropriated pursuant to Article  
18 XIII B,” as defined in subdivision (e) of Section 41202, for the  
19 fiscal year in which the warrants are drawn.

20 SEC. 43. Section 11323.2 of the Welfare and Institutions Code  
21 is amended to read:

22 11323.2. (a) Necessary supportive services shall be available  
23 to every participant in order to participate in the program activity  
24 to which he or she is assigned or to accept employment or the  
25 participant shall have good cause for not participating under  
26 subdivision (f) of Section 11320.3. As provided in the  
27 welfare-to-work plan entered into between the county and  
28 participant pursuant to this article, supportive services shall include  
29 all of the following:

30 (1) Child care.

31 (A) Paid child care shall be available to every participant with  
32 a dependent child in the assistance unit who needs paid child care  
33 if the child is 10 years of age or under, or requires child care or  
34 supervision due to a physical, mental, or developmental disability  
35 or other similar condition as verified by the county welfare  
36 department, or who is under court supervision.

37 (B) To the extent funds are available paid child care shall be  
38 available to a participant with a dependent child in the assistance  
39 unit who needs paid child care if the child is 11 or 12 years of age,

1 as specified in subdivision (a) of Section 8201 of, and subdivision  
2 (i) of Section 8208 of, the Education Code.

3 (C) Necessary child care services shall be available to every  
4 former recipient for up to two years, pursuant to Article 15.5  
5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division  
6 1 of Title 1 of the Education Code.

7 (D) A child in foster care receiving benefits under Title IV-E  
8 of the federal Social Security Act (42 U.S.C. Sec. 670 et seq.) or  
9 a child who would become a dependent child except for the receipt  
10 of federal Supplemental Security Income benefits pursuant to Title  
11 XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et  
12 seq.) shall be deemed to be a dependent child for the purposes of  
13 this paragraph.

14 (E) The provision of care and payment rates under this paragraph  
15 shall be governed by Article 15.5 (commencing with Section 8350)  
16 of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education  
17 Code. Parent fees shall be governed by subdivisions (g) and (h)  
18 of Section 8263 of the Education Code.

19 (2) Transportation costs, which shall be governed by regional  
20 market rates as determined in accordance with regulations  
21 established by the department.

22 (3) Ancillary expenses, which shall include the cost of books,  
23 tools, clothing specifically required for the job, fees, and other  
24 necessary costs.

25 (4) Personal counseling. A participant who has personal or  
26 family problems that would affect the outcome of the  
27 welfare-to-work plan entered into pursuant to this article shall, to  
28 the extent available, receive necessary counseling or therapy to  
29 help him or her and his or her family adjust to his or her job or  
30 training assignment.

31 (b) If provided in a county plan, the county may continue to  
32 provide case management and supportive services under this  
33 section to former participants who become employed. The county  
34 may provide these services for up to the first 12 months of  
35 employment to the extent they are not available from other sources  
36 and are needed for the individual to retain the employment.

37 SEC. 44. Item 6110-161-0001 of Section 2.00 of the Budget  
38 Act of 2010 is amended to read:

|    |  |               |
|----|--|---------------|
| 1  | 6110-161-0001—For local assistance, Department of Educa-   |               |
| 2  | tion (Proposition 98), Program 10.60-Special Education     |               |
| 3  | Programs for Exceptional Children.....                     | 3,093,564,000 |
| 4  | Schedule:  |               |
| 5  | (1) 10.60.050.003-Special education in-                    |               |
| 6  | struction.....   | 3,022,847,000 |
| 7  | (2) 10.60.050.080-Early Education Program                  |               |
| 8  | for Individuals with Exceptional                           |               |
| 9  | Needs.....   | 85,112,000    |
| 10 | (3) Reimbursements for Early Education                     |               |
| 11 | Program, Part C.....                                       | -14,395,000   |
| 12 | Provisions:  |               |
| 13 | 1. Funds appropriated by this item are for transfer by the |               |
| 14 | Controller to Section A of the State School Fund, in       |               |
| 15 | lieu of the amount that otherwise would be appropriat-     |               |
| 16 | ed for transfer from the General Fund in the State         |               |
| 17 | Treasury to Section A of the State School Fund for         |               |
| 18 | the 2010–11 fiscal year pursuant to Sections 14002         |               |
| 19 | and 41301 of the Education Code, for apportionment         |               |
| 20 | pursuant to Part 30 (commencing with Section 56000)        |               |
| 21 | of Division 4 of Title 2 of the Education Code, super-     |               |
| 22 | seding all prior law.                                      |               |
| 23 | 2. Of the funds appropriated in Schedule (1), up to        |               |
| 24 | \$13,178,000, plus any cost-of-living adjustment, shall    |               |
| 25 | be available for the purchase, repair, and inventory       |               |
| 26 | maintenance of specialized books, materials, and           |               |
| 27 | equipment for pupils with low-incidence disabilities,      |               |
| 28 | as defined in Section 56026.5 of the Education Code.       |               |
| 29 | 3. Of the funds appropriated in Schedule (1), up to        |               |
| 30 | \$10,058,000, plus any cost-of-living adjustment, shall    |               |
| 31 | be available for the purposes of vocational training       |               |
| 32 | and job placement for special education pupils through     |               |
| 33 | Project Workability I pursuant to Article 3 (commenc-      |               |
| 34 | ing with Section 56470) of Chapter 4.5 of Part 30 of       |               |
| 35 | Division 4 of Title 2 of the Education Code. As a          |               |
| 36 | condition of receiving these funds, each local educa-      |               |
| 37 | tional agency shall certify that the amount of nonfed-     |               |
| 38 | eral resources, exclusive of funds received pursuant       |               |
| 39 | to this provision, devoted to the provision of vocational  |               |
| 40 | education for special education pupils shall be main-      |               |

- 1           tained at or above the level provided in the 1984–85  
2           fiscal year. The Superintendent of Public Instruction  
3           may waive this requirement for local educational  
4           agencies that demonstrate that the requirement would  
5           impose a severe hardship.
- 6           4. Of the funds appropriated in Schedule (1), up to  
7           \$5,246,000, plus any cost-of-living adjustment (CO-  
8           LA), shall be available for regional occupational cen-  
9           ters and programs that serve pupils having disabilities;  
10          up to \$88,410,000, plus any COLA, shall be available  
11          for regionalized program specialist services; and up  
12          to \$2,637,000, plus any COLA, shall be available for  
13          small special education local plan areas (SELPAs)  
14          pursuant to Section 56836.24 of the Education Code.
- 15          5. Of the funds appropriated in Schedule (1), up to  
16          \$3,000,000 is provided for extraordinary costs associ-  
17          ated with single placements in nonpublic, nonsectarian  
18          schools, pursuant to Section 56836.21 of the Education  
19          Code. Pursuant to legislation, these funds shall also  
20          provide reimbursement for costs associated with pupils  
21          residing in licensed children’s institutes.
- 22          6. Of the funds appropriated in Schedule (1), up to  
23          \$198,344,000, plus any cost-of-living adjustment  
24          (COLA), is available to fund the costs of children  
25          placed in licensed children’s institutions who attend  
26          nonpublic schools based on the funding formula autho-  
27          rized in Chapter 914 of the Statutes of 2004.
- 28          7. Funds available for infant units shall be allocated with  
29          the following average number of pupils per unit:  
30          (a) For special classes and centers—16.  
31          (b) For resource specialist programs—24.  
32          (c) For designated instructional services—16.
- 33          8. Notwithstanding any other provision of law, early ed-  
34          ucation programs for infants and toddlers shall be of-  
35          fered for 200 days. Funds appropriated in Schedule  
36          (2) shall be allocated by the State Department of Edu-  
37          cation for the 2010–11 fiscal year to those programs  
38          receiving allocations for instructional units pursuant  
39          to Section 56432 of the Education Code for the Early  
40          Education Program for Individuals with Exceptional

- 1 Needs operated pursuant to Chapter 4.4 (commencing  
2 with Section 56425) of Part 30 of Division 4 of Title  
3 2 of the Education Code, based on computing 200-day  
4 entitlements. Notwithstanding any other provision of  
5 law, funds in Schedule (2) shall be used only for the  
6 purposes specified in Provisions 10 and 11.
- 7 9. Notwithstanding any other provision of law, state  
8 funds appropriated in Schedule (2) in excess of the  
9 amount necessary to fund the deficated entitlements  
10 pursuant to Section 56432 of the Education Code and  
11 Provision 10 shall be available for allocation by the  
12 State Department of Education to local educational  
13 agencies for the operation of programs serving solely  
14 low-incidence infants and toddlers pursuant to Title  
15 14 (commencing with Section 95000) of the Govern-  
16 ment Code. These funds shall be allocated to each local  
17 educational agency for each solely low-incidence child  
18 through age two in excess of the number of solely low-  
19 incidence children through age two served by the local  
20 educational agency during the 1992–93 fiscal year and  
21 reported on the April 1993 pupil count. These funds  
22 shall only be allocated if the amount of reimbursement  
23 received from the State Department of Developmental  
24 Services is insufficient to fully fund the costs of oper-  
25 ating the Early Intervention Program, as authorized  
26 by Title 14 (commencing with Section 95000) of the  
27 Government Code.
- 28 10. The State Department of Education, through coordina-  
29 tion with the special education local plan areas, shall  
30 ensure local interagency coordination and collaboration  
31 in the provision of early intervention services, includ-  
32 ing local training activities, child-find activities, public  
33 awareness, and the family resource center activities.
- 34 11. Funds appropriated in this item, unless otherwise  
35 specified, are available for the sole purpose of funding  
36 2010–11 fiscal year special education program costs  
37 and shall not be used to fund any prior year adjust-  
38 ments, claims, or costs.
- 39 12. Of the amount provided in Schedule (1), up to  
40 \$188,000, plus any cost-of-living adjustment, shall be

- 1 available to fully fund the declining enrollment of  
2 necessary small special education local plan areas  
3 pursuant to Chapter 551 of the Statutes of 2001.
- 4 13. Pursuant to Section 56427 of the Education Code, of  
5 the funds appropriated in Schedule (1), up to  
6 \$2,324,000 may be used to provide funding for infant  
7 programs, and may be used for those programs that  
8 do not qualify for funding pursuant to Section 56432  
9 of the Education Code.
- 10 14. Of the funds appropriated in Schedule (1), up to  
11 \$29,478,000 shall be allocated to local educational  
12 agencies for the purposes of Project Workability I.
- 13 15. Of the funds appropriated in Schedule (1), up to  
14 \$1,700,000 shall be used to provide specialized ser-  
15 vices to pupils with low-incidence disabilities, as de-  
16 fined in Section 56026.5 of the Education Code.
- 17 16. Of the funds appropriated in Schedule (1), up to  
18 \$1,117,000 shall be used for a personnel development  
19 program. This program shall include state-sponsored  
20 staff development for special education personnel to  
21 have the necessary content knowledge and skills to  
22 serve children with disabilities. This funding may in-  
23 clude training and services targeting special education  
24 teachers and related service personnel that teach core  
25 academic or multiple subjects to meet the applicable  
26 special education requirements of the Individuals with  
27 Disabilities Education Improvement Act of 2004 (20  
28 U.S.C. Sec. 1400 et seq.).
- 29 17. Of the funds appropriated in Schedule (1), up to  
30 \$200,000 shall be used for research and training in  
31 cross-cultural assessments.
- 32 18. Of the amount specified in Schedule (1), up to  
33 \$31,000,000 shall be used to provide mental health  
34 services required by an individual education plan  
35 pursuant to the federal Individuals with Disabilities  
36 Education Improvement Act of 2004 (20 U.S.C. Sec.  
37 1400 et seq.) and pursuant to Chapter 493 of the  
38 Statutes of 2004.
- 39 19. Of the amount provided in Schedule (1), \$0 is to reflect  
40 a cost-of-living adjustment.

- 1 20. Of the amount provided in Schedule (2), \$0 is to reflect  
2 a cost-of-living adjustment.
- 3 21. Of the amount appropriated in this item, up to  
4 \$1,480,000 is available for the state's share of costs  
5 in the settlement of Emma C. v. Delaine Eastin, et al.  
6 (N.D. Cal. No. C96-4179TEH). The State Department  
7 of Education shall report by January 1, 2011, to the  
8 fiscal committees of both houses of the Legislature,  
9 the Department of Finance, and the Legislative Ana-  
10 lyst's Office on the planned use of the additional spe-  
11 cial education funds provided to the Ravenswood Ele-  
12 mentary School District pursuant to this settlement.  
13 The report shall also provide the State Department of  
14 Education's best estimate of when this supplemental  
15 funding will no longer be required by the court. The  
16 State Department of Education shall comply with the  
17 requirements of Section 948 of the Government Code  
18 in any further request for funds to satisfy this settle-  
19 ment.
- 20 22. Of the funds appropriated in this item, up to  
21 \$2,500,000 shall be allocated directly to special educa-  
22 tion local plan areas for a personnel development  
23 program that meets the highly qualified teacher require-  
24 ments and ensures that all personnel necessary to carry  
25 out this part are appropriately and adequately prepared,  
26 subject to the requirements of paragraph (14) of subdivi-  
27 sion (a) of Section 612 of the federal Individuals  
28 with Disabilities Education Improvement Act of 2004  
29 (20 U.S.C. Sec. 1400 et seq.) and Section 2122 of the  
30 federal Elementary and Secondary Education Act of  
31 1965 (20 U.S.C. Sec. 6301 et seq.). The local in-ser-  
32 vice programs shall include a parent training compo-  
33 nent and may include a staff training component, and  
34 may include a special education teacher component  
35 for special education service personnel and paraprofes-  
36 sionals, consistent with state certification and licensing  
37 requirements. Use of these funds shall be described in  
38 the local plans. These funds may be used to provide  
39 training in alternative dispute resolution and the local

- 1 mediation of disputes. All programs are to include
- 2 evaluation components.
- 3 23. Notwithstanding any other provision of law, state
- 4 funds appropriated in Schedule (1) in excess of the
- 5 amount necessary to fund the defined entitlement shall
- 6 be to fulfill other shortages in entitlements budgeted
- 7 in this schedule by the State Department of Education,
- 8 upon Department of Finance approval, to any program
- 9 funded under Schedule (1).
- 10 24. The funds appropriated in this item reflect an adjust-
- 11 ment to the base funding of 0.11 percent for the annual
- 12 adjustment in statewide average daily attendance.
- 13 25. Of the funds appropriated in Schedule (1), the amount
- 14 resulting from increases in federal funds reflected in
- 15 the calculation performed in paragraph (1) of subdivi-
- 16 sion (c) of Section 56836.08 of the Education Code
- 17 shall be allocated based on an equal amount per aver-
- 18 age daily attendance and added to each special educa-
- 19 tion local plan area’s base funding, consistent with
- 20 paragraphs (1) to (4), inclusive, of subdivision (b) of
- 21 Section 56836.158 of the Education Code. When the
- 22 final amount is determined, the State Department of
- 23 Education shall provide this information to the Depart-
- 24 ment of Finance and the budget committees of each
- 25 house of the Legislature.

26  
 27 **SEC. 45.** Item 6110-485 of Section 2.00 of the Budget Act of  
 28 2010 is amended to read:

- 29
- 30 6110-485—Reappropriation (Proposition 98), Department of
- 31 Education. The sum of \$37,300,000 is hereby reappropri-
- 32 ated from the Proposition 98 Reversion Account for the
- 33 following purposes:
- 34 0001—General Fund
- 35 (3) The sum of \$20,000,000 shall be transferred to the
- 36 Chancellor of the California Community Colleges for
- 37 the purpose of providing funding to the community
- 38 colleges to improve and expand career technical edu-
- 39 cation in public secondary education and lower divi-

1 sion public higher education pursuant to Section 88532  
2 of the Education Code.

3 (4) The sum of \$13,117,000 shall be allocated to Section  
4 A of the State School Fund for apportionment for  
5 special education programs pursuant to Part 30 (com-  
6 mencing with Section 56000) of Division 4 of Title 2  
7 of the Education Code.

8 (5) The sum of \$4,183,000 shall be allocated to Section  
9 A of the State School Fund for apportionment for the  
10 purposes set forth in ~~Provision 4~~ *Provision 3* of Item  
11 6110-488 of Section 2.00 of the Budget Act of 2010  
12 (Ch. 712, Stats. 2010).

13  
14 **SEC. 46.** Item 6110-488 of Section 2.00 of the Budget Act of  
15 2010 is amended to read:

16  
17 6110-488—Reappropriation (Proposition 98), Department of  
18 Education. Notwithstanding any other provision of law,  
19 the balances from the following items are available for re-  
20 appropriation for the purposes specified in Provisions 1,  
21 2, 3, and 4:

22 0001—General Fund

23 (12) \$25,000 or whatever greater or lesser amount reflects  
24 the unexpended balance of the amount appropriated  
25 for the Adult Education (ROC/P) programs in para-  
26 graph (3) of subdivision (a) of Section 43 of Chapter  
27 79 of the Statutes of 2006

28 (13) \$59,000 or whatever greater or lesser amount reflects  
29 the unexpended balance of the amount appropriated  
30 for ELL Best Practices for Improving Achievement  
31 in paragraph (13) of subdivision (a) of Section 43 of  
32 Chapter 79 of the Statutes of 2006

33 (13.1) \$103,000 or whatever greater or lesser amount re-  
34 flects the unexpended balance of the amount appro-  
35 priated for preschool education in Schedule (1) of  
36 Item 6110- 196-0001 of Section 2.00 of the Budget  
37 Act of 2006 (Chs. 47 and 48, Stats. 2006)

38 (13.3) \$16,000 or whatever greater or lesser amount re-  
39 flects the unexpended balance of the amount appro-  
40 priated for CalWORKs Stage 2 child care in

- 1           Schedule (1.5)(e) of Item 6110-196-0001 of Section
- 2           2.00 of the Budget Act of 2006 (Chs. 47 and 48,
- 3           Stats. 2006)
- 4       (13.5) \$13,000 or whatever greater or lesser amount re-
- 5           flects the unexpended balance of the amount appro-
- 6           priated for preschool education in Schedule (1) of
- 7           Item 6110-196-0001 of Section 2.00 of the Budget
- 8           Act of 2007 (Chs. 171 and 172, Stats. 2007)
- 9       (14) \$14,114,000 or whatever greater or lesser amount re-
- 10          flects the unexpended balance of the amount appropri-
- 11          ated for the Grade 9 Class Size Reduction program
- 12          of Item 6110-232-0001 of Section 2.00 of the Budget
- 13          Act of 2007 (Chs. 171 and 172, Stats. 2007)
- 14       (15) \$82,000 or whatever greater or lesser amount reflects
- 15          the unexpended balance of the amount appropriated
- 16          for Special Education in Schedule (1) of Item 6110-
- 17          161-0001 of Section 2.00 of the Budget Act of 2008
- 18          (Chs. 268 and 269, Stats. 2008)
- 19       (15.2) \$8,772,000 or whatever greater or lesser amount
- 20          reflects the unexpended balance of the amount appro-
- 21          priated for preschool education and child care
- 22          programs in Schedules (1) and (1.5) of Item 6110-
- 23          196-0001 of Section 2.00 of the Budget Act of 2006
- 24          (Chs. 47 and 48, Stats. 2006), as carried forward
- 25          per Provision 1 of Item 6110-196-0001 of the
- 26          Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- 27       (15.3) \$128,000 or whatever greater or lesser amount re-
- 28          flects the unexpended balance of the amount appro-
- 29          priated for preschool education in Schedule (1) of
- 30          Item 6110-196-0001 of Section 2.00 of the Budget
- 31          Act of 2008 (Chs. 268 and 269, Stats. 2008)
- 32       (15.4) \$1,066,000 or whatever greater or lesser amount
- 33          reflects the unexpended balance of the amount appro-
- 34          priated for general child development programs
- 35          in Schedule (1.5)(a) of Item 6110-196-0001 of
- 36          Section 2.00 of the Budget Act of 2008 (Chs. 268
- 37          and 269, Stats. 2008)
- 38       (15.5) \$44,000 or whatever greater or lesser amount re-
- 39          flects the unexpended balance of the amount appro-
- 40          priated for migrant day care programs in Schedule

- 1 (1.5)(c) of Item 6110-196-0001 of Section 2.00 of  
2 the Budget Act of 2008 (Ch. 268 and 269, Stats.  
3 2008)
- 4 (15.6) \$5,000 or whatever greater or lesser amount reflects  
5 the unexpended balance of the amount appropriated  
6 for alternative payment programs in Schedule  
7 (1.5)(d) of Item 6110-196-0001 of Section 2.00 of  
8 the Budget Act of 2008 (Ch. 268 and 269, Stats.  
9 2008)
- 10 (15.7) \$135,000 or whatever greater or lesser amount re-  
11 flects the unexpended balance of the amount approp-  
12 riated for CalWORKs Stage 2 child care programs  
13 in Schedule (1.5)(e) of Item 6110-196-0001 of  
14 Section 2.00 of the Budget Act of 2008 (Chs. 268  
15 and 269, Stats. 2008)
- 16 (15.8) \$8,000 or whatever greater or lesser amount reflects  
17 the unexpended balance of the amount appropriated  
18 for CalWORKs Stage 3 child care programs in  
19 Schedule (1.5)(f) of Item 6110-196-0001 of Section  
20 2.00 of the Budget Act of 2008 (Chs. 268 and 269,  
21 Stats. 2008)
- 22 (15.9) \$9,000 or whatever greater or lesser amount reflects  
23 the unexpended balance of the amount appropriated  
24 for CalWORKs Resource and Referral programs  
25 in Schedule (1.5)(g) of Item 6110-196-0001 of  
26 Section the Budget Act of 2008 (Chs. 268 and 269,  
27 Stats. 2008)
- 28 (15.10) \$101,000 or whatever greater or lesser amount  
29 reflects the unexpended balance of the amount  
30 appropriated for CalWORKs Extended Day Care  
31 programs in Schedule (1.5)(i) of Item 6110-196-  
32 0001 of Section 2.00 of the Budget Act of 2008  
33 (Chs. 268 and 269, Stats. 2008)
- 34 (15.11) \$2,245,000 or whatever greater or lesser amount  
35 reflects the unexpended balance of the amount  
36 reappropriated for CalWORKs Stage 2 child care  
37 per Provision 3 of Item 6110-488 of Section 2.00  
38 of the Budget Act of 2008 (Chs. 268 and 269,  
39 Stats. 2008)

- 1       (16) \$4,000 or whatever greater or lesser amount reflects
- 2             the unexpended balance of the amount appropriated
- 3             for Child Oral Health Assessments in Item 6110-268-
- 4             0001 of Section 2.00 of the Budget Act of 2008 (Chs.
- 5             268 and 269, Stats. 2008)
- 6       (16.3) \$2,000,000 or whatever greater or lesser amount
- 7             reflects the unexpended balance of the amount ap-
- 8             propriated for the Home to School Transportation
- 9             program in Schedule (1) of Item 6110-111-0001 of
- 10            Section 2.00 of the Budget Act of 2009 (Ch. 1,
- 11            2009–10 3rd Ex. Sess., as revised by Ch. 1,
- 12            2009–10 4th Ex. Sess.)
- 13       (17) \$22,000 or whatever greater or lesser amount reflects
- 14             the unexpended balance of the amount appropriated
- 15             for the Foster Youth program in Item 6110-119-0001
- 16             of Section 2.00 of the Budget Act of 2009 (Ch. 1,
- 17             2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10
- 18             4th Ex. Sess.)
- 19       (18) \$39,000 or whatever greater or lesser amount reflects
- 20             the unexpended balance of the amount appropriated
- 21             for the English Language Acquisition program in Item
- 22             6110-125-0001 of Section 2.00 of the Budget Act of
- 23             2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch.
- 24             1, 2009–10 4th Ex. Sess.)
- 25       (19) \$50,000 or whatever greater or lesser amount reflects
- 26             the unexpended balance of the amount appropriated
- 27             for the Partnership Academies program in Schedule
- 28             (1) of Item 6110-166-0001 of Section 2.00 of the
- 29             Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess.,
- 30             as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- 31       (20) \$37,887,000 or whatever greater or lesser amount re-
- 32             fects the unexpended balance of the amount appropri-
- 33             ated for preschool education and child care programs
- 34             in Schedules (1) and (1.5) of Item 6110-196-0001 of
- 35             Section 2.00 of the Budget Act of 2009 (Ch. 1,
- 36             2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10
- 37             4th Ex. Sess.)
- 38       (21) \$12,103,000 or whatever greater or lesser amount re-
- 39             fects the unexpended balance of the amount appropri-
- 40             ated for CalWORKs Stage 2 child care in Schedule

- 1 (1.5)(e) of Item 6110-196-0001 of Section 2.00 of the  
2 Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess.,  
3 as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- 4 (22) \$6,712,000 or whatever greater or lesser amount re-  
5 flects the unexpended balance of the amount appropri-  
6 ated for CalWORKs Stage 3 child care in Schedule  
7 (1.5)(f) of Item 6110-196-0001 of Section 2.00 of the  
8 Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess.,  
9 as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- 10 (23) \$130,000 or whatever greater or lesser amount reflects  
11 the unexpended balance of the amount appropriated  
12 for the California High School Exit Exam Supplemen-  
13 tal Instruction program in Item 6110-204-0001 of  
14 Section 2.00 of the Budget Act of 2009 (Ch. 1,  
15 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10  
16 4th Ex. Sess.)
- 17 (24) \$1,000,000 or whatever greater or lesser amount re-  
18 flects the unexpended balance of the amount appropri-  
19 ated for the Economic Impact Aid program for charter  
20 schools in Schedule (2) of Item 6110-211-0001 of  
21 Section 2.00 of the Budget Act of 2009 (Ch. 1,  
22 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10  
23 4th Ex. Sess.)
- 24 (25) \$14,000 or whatever greater or lesser amount reflects  
25 the unexpended balance of the amount appropriated  
26 for the English Language Tutoring program in Item  
27 6110-227-0001 of Section 2.00 of the Budget Act of  
28 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch.  
29 1, 2009–10 4th Ex. Sess.)
- 30 (26) \$102,000 or whatever greater or lesser amount reflects  
31 the unexpended balance of the amount appropriated  
32 for the Arts and Music Block Grant program in Item  
33 6110-265-0001 of Section 2.00 of the Budget Act of  
34 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch.  
35 1, 2009–10 4th Ex. Sess.)
- 36 (27) \$12,000 or whatever greater or lesser amount reflects  
37 the unexpended balance of the amount appropriated  
38 for the Certificated Staff Mentoring program in Item  
39 6110-267-0001 of Section 2.00 of the Budget Act of

- 1           2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch.
- 2           1, 2009–10 4th Ex. Sess.)
- 3       (28) \$990,000 or whatever greater or lesser amount reflects
- 4           the unexpended balance of the amount appropriated
- 5           for the California Partnership Academies program in
- 6           Item 6110-650-0001, pursuant to Section 5 of Chapter
- 7           3 of the Statutes of 2009, Fourth Extraordinary Ses-
- 8           sion, as amended by Chapter 31 of the Statutes of
- 9           2009, Third Extraordinary Session
- 10       (29) \$2,665,000 or whatever greater or lesser amount re-
- 11           flects the unexpended balance of the amount appropri-
- 12           ated for the After School Education and Safety Pro-
- 13           gram in Item 6110-649-0001 from the 2008–09 fiscal
- 14           year appropriation pursuant to Section 8483.5 of the
- 15           Education Code, as enacted by Proposition 49 in 2002,
- 16           and pursuant to Section 8483.51 of the Education
- 17           Code as enacted by Chapter 2 of the Statutes of 2008,
- 18           Third Extraordinary Session
- 19       (30) \$192,000 or whatever greater or lesser amount reflects
- 20           the unexpended balance of the amount appropriated
- 21           for the After School Education and Safety Program
- 22           in Item 6110-649-0001 from the 2009–10 fiscal year
- 23           appropriation pursuant to Section 8483.5 of the Edu-
- 24           cation Code, as enacted by Proposition 49 in 2002,
- 25           and pursuant to Section 8483.51 of the Education
- 26           Code as enacted by Chapter 2 of the Statutes of 2008,
- 27           Third Extraordinary Session
- 28       (31) \$17,000 or whatever greater or lesser amount reflects
- 29           the unexpended balance of the amount appropriated
- 30           for the After School Education and Safety Program
- 31           in Item 6110-651-0001, pursuant to Section 5 of
- 32           Chapter 3 of the Statutes of 2009, Fourth Extraordi-
- 33           nary Session, as amended by Chapter 31 of the
- 34           Statutes of 2009, Third Extraordinary Session

35  
36 Provisions:

- 37       1. The sum of \$5,224,000 is hereby reappropriated to the
- 38           State Department of Education for transfer by the
- 39           Controller to Section A of the State School Fund for
- 40           allocation by the Superintendent of Public Instruction

- 1 to support California School Information Services  
2 administration activities authorized pursuant to  
3 Schedule (2) of Item 6110-140-0001.
- 4 2. The sum of \$9,000,000 shall be allocated pursuant to  
5 subdivision (d) of Section 42606 of the Education  
6 Code to school districts in the 2010–11 fiscal year for  
7 the purpose of providing categorical funding for new  
8 schools commencing operations in the 2008–09,  
9 2009–10, and 2010–11 fiscal years.
- 10 3. The sum of \$76,640,000 is hereby reappropriated to  
11 the State Department of Education for transfer by the  
12 Controller to Section A of the State School Fund for  
13 allocation by the Superintendent of Public Instruction  
14 on a one-time basis to provide services in the 2010–11  
15 fiscal year for pupils with mental health related ser-  
16 vices required by their individualized education pro-  
17 grams, as described in Section 56363 of the Education  
18 Code.
- 19 (a) The Superintendent shall allocate these funds to  
20 each special education local plan area in the fol-  
21 lowing manner, using data available from the  
22 CASEMIS system as of December 1, 2010. Each  
23 special education local plan area shall receive  
24 funding in an amount equal to:
- 25 (1) The sum of \$4,224 for each pupil whose individ-  
26 ualized education program requires one or more  
27 of the following mental health related services:  
28 individual counseling, counseling and guidance,  
29 parent counseling, social work services, or behav-  
30 ior intervention services.
- 31 (2) Twice the per pupil amount provided pursuant to  
32 paragraph (1) for each pupil whose individualized  
33 education program requires psychological ser-  
34 vices.
- 35 (3) Four times the per pupil amount provided pursuant  
36 to paragraph (1) for each pupil whose individual-  
37 ized education program requires day treatment  
38 services.
- 39 (4) Nine times the per pupil amount provided pur-  
40 suant to paragraph (1) for each pupil whose indi-

- 1           vidualized education program requires mental
- 2           health related residential treatment services.
- 3       (b) The Superintendent shall count individual pupils
- 4           in only one of the four categories set forth in
- 5           paragraphs (1) to (4), inclusive, of subdivision
- 6           (a), based on the most intensive level of services
- 7           required by the pupil’s individualized education
- 8           program.
- 9       (c) If the overall funding allocation is insufficient to
- 10           fully fund the amount set forth in subdivision (a),
- 11           or if there is excess funding available, the Super-
- 12           intendent shall adjust the per pupil amount set
- 13           forth in paragraph (1) of subdivision (a) and the
- 14           corresponding per pupil amounts set forth in
- 15           paragraphs (2), (3), and 4 of subdivision (a), in
- 16           order to match the full allocation.

17

18       SEC. 47. Notwithstanding the rulemaking provisions of the

19       Administrative Procedure Act (Chapter 3.5 (commencing with

20       Section 11340) of Part 1 of Division 3 of Title 2 of the Government

21       Code), the State Department of Social Services or the State

22       Department of Education may implement Sections 4 to 12,

23       inclusive, and Section 43, of this act, through all-county letters,

24       management bulletins, or similar instructions.

25       SEC. 48. Notwithstanding any other provision of law, the

26       implementation of Sections 4 to 12, inclusive, and Section 43, of

27       this act is not subject to the appeal and resolution procedures for

28       agencies that contract with the State Department of Education for

29       the provision of child care services or the due process requirements

30       afforded to families that are denied services specified in Chapter

31       19 (commencing with Section 18000) of Division 1 of Title 5 of

32       the California Code of Regulations.

33       SEC. 49. (a) Notwithstanding any other provision of law, the

34       unobligated balances from the following budget items are

35       reappropriated to the State Department of Education for

36       CalWORKs Stage 3 child care services, in augmentation of, and

37       for the purposes specified in, Schedule (1.5)(f) of Item

38       6110-196-0001 of Section 2.00 of the Budget Act of 2010 (Ch.

39       712, Stats. 2010), for the period of April 1, 2011, to June 30, 2011,

40       inclusive.

1 (1) Up to twenty million dollars (\$20,000,000) from Schedule  
2 (1) of Item 6110-196-0001 of Section 2.00 of the Budget Act of  
3 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10  
4 4th Ex. Sess.).

5 (2) Up to forty million dollars (\$40,000,000) from Schedule  
6 (1.5) of Item 6110-196-0001 of Section 2.00 of the Budget Act of  
7 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10  
8 4th Ex. Sess.).

9 (b) Pursuant to this section, the State Department of Education  
10 shall use the funds appropriated in subdivision (a) for eligible  
11 families pursuant to Section 8354 of the Education Code as it read  
12 on January 1, 2011.

13 SEC. 50. (a) The sum of nine hundred five million seven  
14 hundred thousand dollars (\$905,700,000) is hereby appropriated  
15 from the General Fund to the State Department of Education. This  
16 appropriation reflects the portion of the payment for class size  
17 reduction in kindergarten and grades 1 to 3, inclusive, that is to be  
18 deferred until and attributed to the 2012–13 fiscal year and the  
19 June 2012 principal apportionment that is to be deferred until July  
20 2012 and attributed to the 2012–13 fiscal year. Notwithstanding  
21 any other law, the department shall encumber the funds  
22 appropriated in this section by July 31, 2012. It is the intent of the  
23 Legislature that, by extending the encumbrance authority for the  
24 funds appropriated in this section to July 31, 2012, the funds will  
25 be treated in a manner consistent with Section 1.80 of the Budget  
26 Act of 2011. The appropriation is made in accordance with the  
27 following schedule:

28 (1) Six million two hundred twenty-seven thousand dollars  
29 (\$6,227,000) for apprenticeship programs to be expended consistent  
30 with the requirements specified in Item 6110-103-0001 of Section  
31 2.00 of the Budget Act of 2011.

32 (2) Ninety million one hundred seventeen thousand dollars  
33 (\$90,117,000) for supplemental instruction to be expended  
34 consistent with the requirements specified in Item 6110-104-0001  
35 of Section 2.00 of the Budget Act of 2011. Of the amount  
36 appropriated by this paragraph, fifty-one million sixty-one thousand  
37 dollars (\$51,061,000) shall be expended consistent with Schedule  
38 (1) of Item 6110-104-0001 of Section 2.00 of the Budget Act of  
39 2011, twelve million three hundred thirty thousand dollars  
40 (\$12,330,000) shall be expended consistent with Schedule (2) of

1 that item, four million six hundred ninety thousand dollars  
2 (\$4,690,000) shall be expended consistent with Schedule (3) of  
3 that item, and twenty-two million thirty-six thousand dollars  
4 (\$22,036,000) shall be expended consistent with Schedule (4) of  
5 that item.

6 (3) Thirty-nine million six hundred thirty thousand dollars  
7 (\$39,630,000) for regional occupational centers and programs to  
8 be expended consistent with the requirements specified in Schedule  
9 (1) of Item 6110-105-0001 of Section 2.00 of the Budget Act of  
10 2011.

11 (4) Four million two hundred ninety-four thousand dollars  
12 (\$4,294,000) for the Gifted and Talented Pupil Program to be  
13 expended consistent with the requirements specified in Item  
14 6110-124-0001 of Section 2.00 of the Budget Act of 2011.

15 (5) Forty-five million eight hundred ninety-six thousand dollars  
16 (\$45,896,000) for adult education to be expended consistent with  
17 the requirements specified in Schedule (1) of Item 6110-156-0001  
18 of Section 2.00 of the Budget Act of 2011.

19 (6) Four million seven hundred fifty-one thousand dollars  
20 (\$4,751,000) for community day schools to be expended consistent  
21 with the requirements specified in Item 6110-190-0001 of Section  
22 2.00 of the Budget Act of 2011.

23 (7) Five million nine hundred forty-seven thousand dollars  
24 (\$5,947,000) for categorical block grants for charter schools to be  
25 expended consistent with the requirements specified in Item  
26 6110-211-0001 of Section 2.00 of the Budget Act of 2011.

27 (8) Thirty-eight million seven hundred twenty thousand dollars  
28 (\$38,720,000) for the School Safety Block Grant to be expended  
29 consistent with the requirements specified in Item 6110-228-0001  
30 of Section 2.00 of the Budget Act of 2011.

31 (9) One hundred million one hundred eighteen thousand dollars  
32 (\$100,118,000) for the Targeted Instructional Improvement Block  
33 Grant Program to be expended consistent with the requirements  
34 specified in Item 6110-246-0001 of Section 2.00 of the Budget  
35 Act of 2011.

36 (b) The amount appropriated in subdivision (a) shall be reduced  
37 by the lesser of five hundred seventy million dollars (\$570,000,000)  
38 or the sum of the amounts transferred pursuant to paragraphs (3)  
39 and (4) of subdivision (b) of Section 58 of this act.

1 (c) For the purposes of making the computations required by  
2 Section 8 of Article XVI of the California Constitution, the  
3 appropriations made by subdivision (a) shall be deemed to be  
4 “General Fund revenues appropriated for school districts,” as  
5 defined in subdivision (c) of Section 41202 of the Education Code,  
6 for the 2012–13 fiscal year, and included within the “[t]otal  
7 allocations to school districts and community college districts from  
8 General Fund proceeds of taxes appropriated pursuant to Article  
9 XIII B,” as defined in subdivision (e) of Section 41202 of the  
10 Education Code, for the 2012–13 fiscal year.

11 SEC. 51. The sum of five million dollars (\$5,000,000) is hereby  
12 appropriated from the General Fund to augment the Charter School  
13 Revolving Loan Fund for use pursuant to Section 41365 of the  
14 Education Code.

15 SEC. 52. (a) Notwithstanding Sections 42238.1 and 42238.15  
16 of the Education Code or any other law, the cost-of-living  
17 adjustment for Items 6110-104-0001, 6110-105-0001,  
18 6110-119-0001, 6110-122-0001, 6110-124-0001, 6110-128-0001,  
19 6110-150-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001,  
20 6110-167-0001, 6110-181-0001, 6110-189-0001, 6110-190-0001,  
21 6110-193-0001, 6110-196-0001, 6110-203-0001, 6110-209-0001,  
22 6110-211-0001, 6110-224-0001, 6110-232-0001, 6110-234-0001,  
23 6110-244-0001, and 6110-246-0001 of Section 2.00 of the Budget  
24 Act of 2011 is zero percent for the 2011–12 fiscal year. All funds  
25 appropriated in the Budget Act of 2011 in the items identified in  
26 this section are in lieu of the amounts that would otherwise be  
27 appropriated pursuant to any other provision of law.

28 (b) Notwithstanding Section 42238.1 of the Education Code or  
29 any other law, for purposes of Section 48664 of the Education  
30 Code, the cost-of-living adjustment is zero percent for the 2011–12  
31 fiscal year.

32 SEC. 53. Notwithstanding any other provision of law, the funds  
33 appropriated pursuant to Items 6110-103-0001, 6110-104-0001,  
34 6110-105-0001, 6110-124-0001, 6110-156-0001, 6110-158-0001,  
35 6110-161-0001, 6110-190-0001, 6110-211-0001, 6110-234-0001,  
36 and 6110-243-0001 of Section 2.00 of the Budget Act of 2011  
37 shall be encumbered by July 31, 2012. This one-month extension  
38 of encumbrance authority is provided due to the effect of the  
39 deferral of the June 2012 principal apportionment on the budget  
40 items specified in this section. It is the intent of the Legislature

1 that, by extending the encumbrance authority for the funds  
2 identified in this section to July 31, 2012, the funds will be treated  
3 in a manner consistent with Section 1.80 of the Budget Act of  
4 2011.

5 SEC. 54. The sum of two million two hundred fifty-seven  
6 thousand dollars (\$2,257,000) is hereby appropriated for the  
7 2010–11 fiscal year, payable from the Federal Trust Fund to the  
8 State Department of Education, State Operations, for allocation  
9 pursuant to the following schedule:

10 (a) One million nine hundred seventy-three thousand dollars  
11 (\$1,973,000) for the development of a comprehensive strategy to  
12 address data reporting requirements and the development of the  
13 California Longitudinal Pupil Achievement Data System  
14 (CALPADS), to meet requirements of the federal No Child Left  
15 Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) and Chapter  
16 1002 of the Statutes of 2002, as follows:

17 (1) Six hundred ninety-eight thousand dollars (\$698,000) for  
18 vendor costs associated with systems integration activities.

19 (2) Two hundred seventy-seven thousand dollars (\$277,000)  
20 for vendor project management costs.

21 (3) Three hundred thousand dollars (\$300,000) for an  
22 independent project oversight consultant and independent  
23 validation and verification costs.

24 (4) Four thousand dollars (\$4,000) for system hardware costs.

25 (5) Six thousand dollars (\$6,000) for system software costs.

26 (6) Fifteen thousand dollars (\$15,000) for Department of General  
27 Services contract revision charges.

28 (7) Five hundred twenty-two thousand dollars (\$522,000) for  
29 various costs, including indirect charges, charges from the Office  
30 of Technology Services, and operating expenses and equipment.

31 (8) One hundred fifty-one thousand dollars (\$151,000) for State  
32 Department of Education staff support for the project.

33 (b) Two hundred eighty-four thousand dollars (\$284,000) for  
34 State Department of Education data management staff responsible  
35 for fulfilling certain federal requirements not directly associated  
36 with CALPADS.

37 (c) First priority for funds provided in this section shall be to  
38 support the transfer of knowledge from the CALPADS vendor to  
39 staff of the State Department of Education and any other relevant  
40 state agency. This knowledge transfer shall ensure the ability of

1 the State Department of Education to operate and maintain  
2 CALPADS over time.

3 SEC. 55. As a condition of receiving funds to administer the  
4 California Longitudinal Pupil Achievement Data System  
5 established pursuant to Section 60900 of the Education Code, the  
6 State Department of Education shall ensure that local educational  
7 agencies are provided with the standardized templates consistent  
8 with Section 33126.1 of the Education Code that include all  
9 available prepopulated data necessary for local educational agencies  
10 to meet the requirements established in the School Accountability  
11 Report Card pursuant to Section 33126 of the Education Code.

12 SEC. 56. (a) It is the intent of the Legislature that basic aid  
13 school districts assume categorical funding reductions proportionate  
14 to the revenue limit reductions implemented for nonbasic aid  
15 districts in the 2008–09 and 2009–10 fiscal years. It is the intent  
16 of the Legislature that the reductions to categorical funding for  
17 basic aid school districts set forth in this section be restored at the  
18 same time as, and in direct proportion to, reductions in the deficit  
19 factor for school district revenue limits set forth in Section  
20 42238.146 of the Education Code. The Superintendent of Public  
21 Instruction shall reduce the amount of categorical funding allocated  
22 to basic aid school districts in the 2010–11 fiscal year, as follows:

23 (1) For the 2010–11 fiscal year, the State Department of  
24 Education shall notify each basic aid school district, by September  
25 1, 2011, or two months after the Budget Act of 2011 is enacted,  
26 whichever is later, of the amount of funds to be reduced from its  
27 categorical funding allocations, as follows:

28 (A) Multiply each district’s 2010–11 fiscal year total revenue  
29 limit subject to the deficit factor specified in paragraph (5) of  
30 subdivision (a) of Section 42238.146 of the Education Code,  
31 calculated as of the 2010–11 fiscal year certified second principal  
32 apportionment, by 8.92 percent.

33 (B) The department shall recover from categorical funds  
34 identified in paragraph (2) and apportioned in the 2011–12 fiscal  
35 year to school districts that were basic aid school districts in the  
36 2010–11 fiscal year, the lesser of the amount calculated in  
37 subparagraph (A) or the amount by which the sum of the amounts  
38 described in subdivision (h) of Section 42238 of the Education  
39 Code exceeds the school district’s revenue limit. This result will  
40 be further limited by the following:

1 (i) The amount of categorical funds to be reduced shall be  
2 limited to the extent that the provisions of Section 41975 of the  
3 Education Code cannot be met through other state aid.

4 (ii) If the amount determined in subparagraph (A) exceeds the  
5 amount of categorical funding owed or paid in the 2011–12 fiscal  
6 year to the basic aid school district for programs identified in  
7 paragraph (2), the department shall recover the lesser amount.

8 (2) The State Department of Education shall recover the amount  
9 of funds calculated in paragraph (1) and may offset funds for any  
10 categorical program to be received in the 2011–12 fiscal year, with  
11 the exception of funds received under the After School Education  
12 and Safety Program, the Quality Education Investment Act of  
13 2006, and child care and development.

14 (b) By June 30, 2012, the State Department of Education shall  
15 report to the Controller and the Director of Finance the amounts  
16 that were recovered from each categorical education program and  
17 the corresponding item of appropriation in the Budget Act of 2010  
18 that is to be reduced. The amounts so reduced shall revert to the  
19 General Fund. The reductions pursuant to this subdivision shall  
20 be reductions in the amount appropriated for purposes of Section  
21 8 of Article XVI of the California Constitution for the 2010–11  
22 fiscal year.

23 (c) For purposes of this section, “basic aid school district” means  
24 a school district that does not receive from the state, for the  
25 2010–11 fiscal year, an apportionment of state funds pursuant to  
26 subdivision (h) of Section 42238 of the Education Code.

27 SEC. 57. (a) It is the intent of the Legislature that basic aid  
28 school districts assume categorical funding reductions proportionate  
29 to the revenue limit reductions implemented for nonbasic aid  
30 districts in the 2008–09 and 2009–10 fiscal years. It is the intent  
31 of the Legislature that the reductions to categorical funding for  
32 basic aid school districts set forth in this section be restored at the  
33 same time as, and in direct proportion to, reductions in the deficit  
34 factor for school district revenue limits set forth in Section  
35 42238.146 of the Education Code. The Superintendent of Public  
36 Instruction shall reduce the amount of categorical funding allocated  
37 to basic aid school districts in the 2011–12 fiscal year, as follows:

38 (1) For the 2011–12 fiscal year, the State Department of  
39 Education shall notify each basic aid school district, by September  
40 1, 2012, or two months after the Budget Act of 2012 is enacted,

1 whichever is later, of the amount of funds to be reduced from its  
2 categorical funding allocations, as follows:

3 (A) Multiply each district's 2011–12 fiscal year total revenue  
4 limit subject to the deficit factor specified in paragraph (5) of  
5 subdivision (a) of Section 42238.146 of the Education Code,  
6 calculated as of the 2011–12 fiscal year certified second principal  
7 apportionment, by 8.92 percent.

8 (B) The department shall recover from categorical funds  
9 identified in paragraph (2) and apportioned in the 2012–13 fiscal  
10 year to school districts that were basic aid school districts in the  
11 2011–12 fiscal year, the lesser of the amount calculated in  
12 subparagraph (A) or the amount by which the sum of the amounts  
13 described in subdivision (h) of Section 42238 of the Education  
14 Code exceeds the school district's revenue limit. This result will  
15 be further limited by the following:

16 (i) The amount of categorical funds to be reduced shall be  
17 limited to the extent that the provisions of Section 41975 of the  
18 Education Code cannot be met through other state aid.

19 (ii) If the amount determined in subparagraph (A) exceeds the  
20 amount of categorical funding owed or paid in the 2012–13 fiscal  
21 year to the basic aid school district for programs identified in  
22 paragraph (2), the department shall recover the lesser amount.

23 (2) The State Department of Education shall recover the amount  
24 of funds calculated in paragraph (1) and may offset funds for any  
25 categorical program to be received in the 2012–13 fiscal year, with  
26 the exception of funds received under the After School Education  
27 and Safety Program, the Quality Education Investment Act of  
28 2006, and child care and development.

29 (b) By June 30, 2013, the State Department of Education shall  
30 report to the Controller and the Director of Finance the amounts  
31 that were recovered from each categorical education program and  
32 the corresponding item of appropriation in the Budget Act of 2011  
33 that is to be reduced. The amounts so reduced shall revert to the  
34 General Fund. The reductions pursuant to this subdivision shall  
35 be reductions in the amount appropriated for purposes of Section  
36 8 of Article XVI of the California Constitution for the 2011–12  
37 fiscal year.

38 (c) For purposes of this section, "basic aid school district" means  
39 a school district that does not receive from the state, for the

1 2011–12 fiscal year, an apportionment of state funds pursuant to  
2 subdivision (h) of Section 42238 of the Education Code.

3 SEC. 58. (a) Notwithstanding any other law, the  
4 Superintendent of Public Instruction shall certify to the Controller  
5 the amounts needed for the 2011–12 fiscal year to fund the class  
6 size reduction program operated pursuant to Chapter 6.10  
7 (commencing with Section 52120) of Part 28 of Division 4 of Title  
8 2 of the Education Code, pursuant to the following schedule:

9 (1) Within 90 days of the enactment of the Budget Act of 2011,  
10 the Superintendent of Public Instruction shall certify to the  
11 Controller the amount needed to fund the advance apportionments  
12 for the 2011–12 fiscal year, consistent with paragraph (2) of  
13 subdivision (c), and paragraph (1) of subdivision (g), of Section  
14 52126 and Section 52124.3 of the Education Code.

15 (2) By February 25, 2012, the Superintendent of Public  
16 Instruction shall certify to the Controller the amount needed to  
17 fund the apportionment payments for the 2011–12 fiscal year on  
18 the basis of applications received, consistent with paragraph (2)  
19 of subdivision (c), and paragraph (2) of subdivision (g), of Section  
20 52126 and Section 52124.3 of the Education Code.

21 (3) By July 25, 2012, the Superintendent of Public Instruction  
22 shall certify to the Controller the amount needed to fund the  
23 apportionments for the 2011–12 fiscal year on the basis of actual  
24 enrollment, consistent with paragraph (2) of subdivision (c), and  
25 paragraph (3) of subdivision (g), of Section 52126 and Section  
26 52124.3 of the Education Code.

27 (4) By April 30, 2013, the Superintendent of Public Instruction  
28 shall certify to the Controller the amount needed to fund the full  
29 apportionments for the 2011–12 fiscal year on the basis of revised  
30 reports of actual enrollment, consistent with paragraph (2) of  
31 subdivision (c), and paragraph (3) of subdivision (g), of Section  
32 52126 and Section 52124.3 of the Education Code.

33 (b) Not later than five days following each certification made  
34 pursuant to subdivision (a), the Controller shall transfer from the  
35 General Fund to Section A of the State School Fund for allocation  
36 by the Superintendent of Public Instruction for purposes of Chapter  
37 6.10 (commencing with Section 52120) of Part 28 of Division 4  
38 of Title 2 of the Education Code the following amounts:

39 (1) For the certification made pursuant to paragraph (1) of  
40 subdivision (a), the amount certified.

1 (2) For the certification made pursuant to paragraph (2) of  
2 subdivision (a), 55 percent of the amount certified minus the  
3 amount transferred pursuant to paragraph (1).

4 (3) For the certification made pursuant to paragraph (3) of  
5 subdivision (a), the amount certified minus the sum of the amounts  
6 transferred pursuant to paragraphs (1) and (2).

7 (4) For the certification made pursuant to paragraph (4) of  
8 subdivision (a), the amount certified pursuant to paragraph (4) of  
9 subdivision (a) minus the sum of the amounts transferred pursuant  
10 to paragraphs (1), (2), and (3).

11 (c) Not less than 30 days before making each certification  
12 pursuant to subdivision (a), the Superintendent of Public Instruction  
13 shall notify the Department of Finance, the Legislative Analyst,  
14 and the appropriate policy and fiscal committees of the Legislature  
15 regarding the amounts the Superintendent intends to certify to the  
16 Controller and shall include in that notification the data used in  
17 determining the amounts to be certified.

18 (d) The per pupil amounts for Option One and Option Two for  
19 the 2011–12 fiscal year shall be the same as those provided in the  
20 2009–10 fiscal year.

21 (e) For the purposes of making the computations required by  
22 Section 8 of Article XVI of the California Constitution, the  
23 transfers made by paragraphs (3) and (4) of subdivision (b) shall  
24 be deemed to be “General Fund revenues appropriated for school  
25 districts,” as defined in subdivision (c) of Section 41202 of the  
26 Education Code, for the 2012–13 fiscal year, and included within  
27 the “total allocations to school districts and community college  
28 districts from General Fund proceeds of taxes appropriated pursuant  
29 to Article XIII B,” as defined in subdivision (e) of Section 41202  
30 of the Education Code, for the 2012–13 fiscal year.

31 SEC. 59. (a) For the 2011–12 fiscal year only, items  
32 6440-001-0001, 6440-004-0001, and 6440-005-0001 of Section  
33 2.00 of the Budget Act of 2011 collectively reflect a General Fund  
34 budget reduction of five hundred million dollars (\$500,000,000),  
35 which is offset by revenues associated with the fee increases  
36 adopted by the Regents of the University of California (regents)  
37 in November 2010, including an 8 percent increase for  
38 undergraduates, for a net programmatic reduction of, approximately  
39 three hundred eighty-four million dollars (\$384,000,000) excluding  
40 mandatory cost increases. In implementing the General Fund

1 reduction, the regents shall minimize fee and enrollment impacts  
2 on students by targeting actions that lower the costs of instruction  
3 and administration.

4 (b) The regents shall submit recommended budget options,  
5 based on input from stakeholders, including, but not limited to,  
6 input received as of February 18, 2011, with savings estimates for  
7 each identified solution, for implementing the budget reductions  
8 to the Legislature, the Governor, and stakeholders, including  
9 representatives of students and employees, for review and comment  
10 by June 1, 2011, prior to adoption of a final plan by the regents.

11 (c) The Legislature expects the university to enroll 209,977  
12 state-supported full-time equivalent students (FTES) during the  
13 2011–12 academic year. This enrollment target does not include  
14 nonresident students and students enrolled in nonstate-supported  
15 summer programs. The regents shall report to the Legislature by  
16 May 1, 2012, on whether the university has met the 2011–12  
17 enrollment goal. If the university does not meet its total  
18 state-supported enrollment goal by at least 1,050 FTES, the  
19 Director of Finance shall revert to the General Fund by May 15,  
20 2012, the total amount of enrollment funding associated with the  
21 total share of the enrollment goal that was not met, using the  
22 marginal cost per student of \$10,011.

23 (d) Not later than September 1, 2012, the regents shall submit  
24 a final detailed report to the Governor, the Department of Finance,  
25 and the Legislature identifying the value of all of the solutions  
26 implemented to achieve the intent of this provision, including the  
27 value of any solutions that were not anticipated in the initially  
28 approved plan pursuant to subdivision (b), including the reasons  
29 therefor.

30 SEC. 60. (a) For the 2011–12 fiscal year only, items  
31 6610-001-0001 and 6610-002-0001 of Section 2.00 of the Budget  
32 Act of 2011 collectively reflect a General Fund budget reduction  
33 of five hundred million dollars (\$500,000,000), which is offset by  
34 revenues associated with the fee increases adopted by the Trustees  
35 of the California State University (trustees) in November 2010,  
36 including an 10 percent increase for undergraduates, for a net  
37 programmatic reduction of approximately three hundred fifty-three  
38 million dollars (\$353,000,000) excluding mandatory cost increases.  
39 In implementing this General Fund reduction, the trustees shall

1 minimize fee and enrollment impacts on students by targeting  
2 actions that lower the costs of instruction and administration.

3 (b) The trustees shall submit recommended budget options,  
4 based on input from stakeholders, including, but not limited to,  
5 input received as of February 18, 2011, with savings estimates for  
6 each identified solution, for implementing the budget reductions  
7 to the Legislature, the Governor, and stakeholders, including  
8 representatives of students and employees for review and comment  
9 by June 1, 2011, prior to adoption of a final plan by the trustees.

10 (c) The Legislature expects the university to enroll 331,716  
11 state-supported full-time equivalent students (FTES) during the  
12 2011–12 academic year. This enrollment target does not include  
13 nonresident students and students enrolled in nonstate-supported  
14 summer programs. The trustees shall report to the Legislature by  
15 May 1, 2012, on whether the university has met the 2011–12  
16 enrollment goal. If the university does not meet its total  
17 state-supported enrollment goal by at least 1,659 FTES, the  
18 Director of Finance shall revert to the General Fund by May 15,  
19 2012, the total amount of enrollment funding associated with the  
20 total share of the enrollment goal that was not met, using the  
21 marginal cost per student of \$7,305.

22 (d) Not later than September 1, 2012, the trustees shall submit  
23 a final detailed report to the Governor, the Department of Finance,  
24 and the Legislature identifying the value of all of the solutions  
25 implemented to achieve the intent of this provision, including the  
26 value of any solutions that were not anticipated in the initially  
27 approved plan pursuant to subdivision (b), including the reasons  
28 therefor.

29 *SEC. 60.5. It is the intent of the Legislature to reenact the “fuel*  
30 *tax swap,” as originally enacted by Assembly Bill 6 of the 2009–10*  
31 *Eighth Extraordinary Session and subsequently modified by Senate*  
32 *Bill 70 of the 2009–10 Regular Session, and as further modified,*  
33 *with a two-thirds vote of each house of the Legislature pursuant*  
34 *to the requirements of Proposition 26, as approved by the voters*  
35 *at the November 2, 2010, statewide General Election. Sections*  
36 *23.5 and 23.7 of this act effectuate this intent.*

37 SEC. 61. This act addresses the fiscal emergency declared and  
38 reaffirmed by the Governor by proclamation on January 20, 2011,  
39 pursuant to subdivision (f) of Section 10 of Article IV of the  
40 California Constitution.

1 SEC. 62. This act is a bill providing for appropriations related  
2 to the Budget Bill within the meaning of subdivision (e) of Section  
3 12 of Article IV of the California Constitution, has been identified  
4 as related to the budget in the Budget Bill, and shall take effect  
5 immediately.

6 SEC. 63. This act is an urgency statute necessary for the  
7 immediate preservation of the public peace, health, or safety within  
8 the meaning of Article IV of the Constitution and shall go into  
9 immediate effect. The facts constituting the necessity are:

10 In order to make the necessary statutory changes to implement  
11 the Budget Act of 2011 at the earliest time possible, it is necessary  
12 that this act take effect immediately.