

AMENDED IN SENATE JUNE 9, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 114

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

An act relating to the Budget Act of 2011. An act to amend Sections 2558.46, 8201, 8208, 8263.2, 8263.4, 8447, 8499, 14041.6, 42238.146, 56139, 56325, 69432.7, and 84321.6 of, to amend and renumber Section 60422.3 of, to amend and repeal Section 56331 of, to add Section 41207.41 to, to add Article 14.7 (commencing with Section 8310) to Chapter 2 of Part 6 of Division 1 of Title 1 of, and to repeal and add Section 42606 of, the Education Code, to amend Sections 7572, 7582, 7585, 12440.1, and 17581.5 of, to amend and repeal Sections 7572.5, 7572.55, 7576, 7576.2, 7576.3, 7576.5, 7586.5, 7586.6, and 7586.7 of, and to repeal Section 7588 of, the Government Code, and to amend Sections 5651 and 11323.2 of, to amend and repeal Sections 5701.3 and 5701.6 of, to add and repeal Section 18356.1 of, and to repeal Chapter 6 (commencing with Section 18350) of Part 6 of Division 9 of, the Welfare and Institutions Code, relating to education finance, making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 114, as amended, Committee on Budget. ~~Budget Act of 2011.~~ *Education finance.*

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2011.~~

(1) 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 2011–12 fiscal year by a deficit factor of 19.892%.

This bill instead would set the deficit factor for each county superintendent of schools for the 2011–12 fiscal year at 20.041%.

(2) The Child Care and Development Services Act, administered by the State Department of Education, provides 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.

This bill would instead provide that children from infancy to 13 years of age and their parents are eligible, with certain requirements, for child care and development services.

(3) Existing law, effective July 1, 2011, requires the State Department of Education to reduce the maximum reimbursable amounts of the contracts for the Preschool Education Program, the General Child Care Program, the Migrant Day Care Program, the Alternative Payment Program, the CalWORKs Stage 3 Program, and the Allowance for Handicapped Program by 15%, as specified.

This bill would instead provide that the reduction in the maximum reimbursable amounts of the contracts for the programs listed above would be 11%, as specified.

(4) Existing law requires 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, 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. Existing law also requires 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 instead provide that the preferred placement for children who are 11 or 12 years of age and who are otherwise eligible for subsidized child care and development services is in a before or

after school program. The bill would specify criteria for the provision of subsidized child care services for children who are 11 and 12 years of age.

(5) The Governor's Executive Order S-23-09, dated November 9, 2009, establishes the California State Advisory Council on Early Childhood Education and Care.

This bill would rename this advisory council as the California Early Learning Advisory Council, and provide that the advisory council is established within the State Department of Education to improve early learning quality for children from birth to school age. The bill would specify the membership of the advisory council, the duties of the advisory council, and the areas of expertise from which the advisory council will seek input through the establishment of subcommittees or other methods.

(6) Existing law requires that the cost of state-funded child care services be governed by regional market rates, and establishes a family fee schedule reflecting specified income eligibility limits. Existing law revises the family fee schedule that was in effect for the 2007–08, 2008–09, 2009–10, and 2010–11 fiscal years to reflect an increase of 10% to existing fees, and requires the State Department of Education to submit an adjusted fee schedule to the Department of Finance for approval in order to be implemented by July 1, 2011.

This bill would delete the provision requiring the fee schedule to reflect a 10% increase in family fees.

(7) 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. Commencing with the 2011–12 fiscal year, existing law requires the deferral of \$1,300,000,000 from March, and \$763,794,000 from April, to August of the same calendar year.

This bill instead would require, commencing with 2011–12 fiscal year, the deferral of \$1,053,156,000 from February to July of the same calendar year.

(8) Existing law prescribes the percentage of General Fund revenues to be 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 appropriate \$81,129,000 from the General Fund to the Controller for transfer to Section B of the State School Fund for the

purpose of providing one-time apportionment funding to community colleges for the 2011–12 fiscal year for the purpose of reducing the amount of apportionment funding deferred from January to June, inclusive, 2012, to July 2012.

The bill would require that, for purposes of the provisions of the California Constitution requiring minimum funding for the public schools, the amount appropriated and allocated pursuant to this provision, and \$663,171,000 of the amounts transferred for the 2011–12 fiscal year, be applied to the outstanding balance of the constitutional minimum funding obligation to school districts and community college districts for the 2006–07 and 2009–10 fiscal years.

(9) 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 2011–12 fiscal year by a deficit factor of 19.608%.

This bill instead would set the deficit factor for each school district for the 2011–12 fiscal year at 19.754%.

(10) Existing law requires the Superintendent of Public Instruction to allocate, for the 2010–11 and 2011–12 fiscal years, a supplemental categorical block grant to a charter school that begins operation in the 2008–09, 2009–10, 2010–11, or 2011–12 fiscal year. Existing law requires that this supplemental categorical block grant equal \$127 per unit of charter school average daily attendance as determined at the 2010–11 2nd principal apportionment for schools commencing operations in the 2008–09, 2009–10, or 2010–11 fiscal year and at the 2011–12 2nd principal apportionment for schools commencing operations in the 2011–12 fiscal year. Existing law prohibits a locally funded charter school that converted from a preexisting school between the 2008–09 and 2011–12 fiscal years, inclusive, from receiving these funds.

This bill instead would provide that, to the extent funds are provided, for the 2010–11 to the 2014–15 fiscal years, inclusive, a supplemental categorical block grant would be allocated to charter schools commencing operations during or after the 2008–09 fiscal year. The bill would provide that a locally or direct funded charter school, not just a locally funded charter school, that converted from a preexisting school between the 2008–09 and 2014–15 fiscal years, inclusive, would be prohibited from receiving these funds.

The bill would provide that for, the 2010–11 to the 2014–15 fiscal years, inclusive, the supplemental categorical block grant received by eligible charter schools would equal \$127 per unit of charter school average daily attendance for charter schools commencing operations during or after the 2008–09 fiscal year, as specified.

(11) Existing law requires school districts, county offices of education, and special education local plan areas to comply with state laws that conform to the federal Individuals with Disabilities Education Act (IDEA), in order that the state may qualify for federal funds available for the education of individuals with exceptional needs. Existing law requires school districts, county offices of education, and special education local plan areas to identify, locate, and assess individuals with exceptional needs and to provide those pupils with a free appropriate public education in the least restrictive environment, and with special education and related services as reflected in an individualized education program (IEP). Existing law requires the Superintendent of Public Instruction to administer the special education provisions of the Education Code and to be responsible for assuring provision of, and supervising, education and related services to individuals with exceptional needs as required pursuant to the federal IDEA.

Existing law authorizes referral, through a prescribed process, of a pupil who is suspected of needing mental health services to a community mental health service. Existing law requires the State Department of Mental Health or a designated community mental health service to be responsible for the provision of mental health services, as defined, if required in a pupil's IEP.

This bill would make these provisions concerning referral for mental health services inoperative as of July 1, 2011, would repeal them as of January 1, 2012, and would make other related conforming changes.

(12) Existing law, for the 2008–09 to the 2014–15 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 make a technical, nonsubstantive change in this provision by changing its section number.

(13) 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

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 imposes requirements 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. Existing law provides 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. Under the Cal Grant Program, for the 2012–13 academic year and every academic year thereafter, an otherwise qualifying institution with a 3-year cohort default rate that is equal to or greater than 30% is ineligible for initial or renewal Cal Grant awards at the institution, except as specified.

This bill instead would specify that an otherwise qualifying institution with a 3-year cohort default rate that is equal to or greater than 30% is ineligible for initial and renewal Cal Grant awards at the institution, except as specified.

(14) 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. Existing law appropriates \$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 schedule that requires \$832,000,000 of that amount to be allocated in July of the 2012–13 fiscal year and \$129,000,000 of that amount to be allocated in October of the 2012–13 fiscal year.

This bill would reduce this appropriation to \$560,792,000, eliminate the above allocation provisions, and make conforming changes in the schedule. By reducing an existing appropriation, the bill would make an appropriation.

(15) Existing law establishes the California State University under the administration of the Trustees of the California State University. Existing law authorizes the trustees to draw from funds appropriated to the university, for use as a revolving fund, amounts necessary to

make payments of obligations of the university directly to vendors. Existing law requires the trustees to contract with one or more public accounting firms to conduct systemwide and individual campus annual financial statement and compliance audits. Existing law further requires that at least 10 individual campus audits be conducted annually on a rotating basis, and that each campus be audited at least once every 2 years.

This bill would require the annual audits to be conducted in accordance with generally accepted accounting principles. The bill would delete the requirements that at least 10 individual campus audits be conducted annually on a rotating basis, and that each campus be audited at least once every 2 years. The bill would require that the statements of net assets, revenues, expenses, changes in net assets, and cashflows be included as an addendum to the annual systemwide audit.

(16) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law provides that no local agency or school district is required to implement or give effect to any statute or executive order, or portion thereof, that imposes a mandate during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if specified conditions are met including that the statute or executive order, or portion thereof, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. Existing law provides that only certain specified mandates are subject to that provision.

This bill would specify 2 additional mandates relating to community college districts to those that are subject to the provision.

(17) 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 other similar instructions.

(18) This 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.

(19) This bill would express the intent of the Legislature that specified funding in the Budget Act of 2011 related to mental health services would be exclusively available only for the 2011–12 and 2012–13 fiscal years.

(20) This bill would express the intent of the Legislature that the State Department of Education and the Department of Mental Health repeal regulations pertaining to the elimination of statutes pursuant to this bill related to mental health services provided by county mental health agencies. The bill would require the State Department of Education and the Department of Mental Health to review specified regulations to ensure appropriate implementation of mental health related services for individuals with exceptional needs pursuant to the federal Individuals with Disabilities Education Act and statutes enacted pursuant to this bill. The bill would authorize the State Department of Education and the Department of Mental Health to utilize the statutory process for adopting emergency regulations in implementing any regulatory changes resulting from this review.

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

(22) 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.

(23) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

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

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

1 SECTION 1. Section 2558.46 of the Education Code is amended
 2 to read:
 3 2558.46. (a) (1) For the 2003–04 fiscal year, the revenue limit
 4 for each county superintendent of schools determined pursuant to
 5 this article shall be reduced by a 1.195 percent deficit factor.

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

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

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

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

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

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

19 (8) For the 2011–12 fiscal year, the revenue limit for each county
20 superintendent of schools determined pursuant to this article shall
21 be reduced by a ~~19.892~~ *20.041* percent deficit factor.

22 (b) In computing the revenue limit for each county
23 superintendent of schools for the 2006–07 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 2003–04, 2004–05, and 2005–06 fiscal years without being
27 reduced by the deficit factors specified in subdivision (a).

28 (c) In computing the revenue limit for each county
29 superintendent of schools for the 2010–11 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 2009–10 fiscal year without being reduced by the deficit
33 factors specified in subdivision (a).

34 (d) In computing the revenue limit for each county
35 superintendent of schools for the 2011–12 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 2010–11 fiscal year without being reduced by the deficit
39 factors specified in subdivision (a).

1 (e) In computing the revenue limit for each county
2 superintendent of schools for the 2012–13 fiscal year pursuant to
3 this article, the revenue limit shall be determined as if the revenue
4 limit for that county superintendent of schools had been determined
5 for the 2011–12 fiscal year without being reduced by the deficit
6 factor specified in subdivision (a).

7 *SEC. 2. Section 8201 of the Education Code is amended to*
8 *read:*

9 8201. The purpose of this chapter is as follows:

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

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

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

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

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

35 (f) To enhance the cognitive development of children, with
36 particular emphasis upon those children who require special
37 assistance, including bilingual capabilities to attain their full
38 potential.

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

1 (h) To empower and encourage parents and families of children
2 who require child care services to take responsibility to review the
3 safety of the child care program or facility and to evaluate the
4 ability of the program or facility to meet the needs of the child.

5 *SEC. 3. Section 8208 of the Education Code is amended to*
6 *read:*

7 8208. As used in this chapter:

8 (a) “Alternative payments” includes payments that are made by
9 one child care agency to another agency or child care provider for
10 the provision of child care and development services, and payments
11 that are made by an agency to a parent for the parent’s purchase
12 of child care and development services.

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

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

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

30 (e) “Attendance” means the number of children present at a
31 child care and development facility. “Attendance,” for the purposes
32 of reimbursement, includes excused absences by children because
33 of illness, quarantine, illness or quarantine of their parent, family
34 emergency, or to spend time with a parent or other relative as
35 required by a court of law or that is clearly in the best interest of
36 the child.

37 (f) “Capital outlay” means the amount paid for the renovation
38 and repair of child care and development facilities to comply with
39 state and local health and safety standards, and the amount paid

1 for the state purchase of relocatable child care and development
2 facilities for lease to qualifying contracting agencies.

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

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

9 (i) “Child care and development programs” means those
10 programs that offer a full range of services for children ~~who are~~
11 ~~10 years of age or younger, for children with exceptional needs as~~
12 ~~defined in subdivision (l), for children 12 years of age or younger~~
13 ~~who are recipients of child protective services or at risk of abuse,~~
14 ~~neglect, or exploitation as described in subparagraph (D) of~~
15 ~~paragraph (1) of subdivision (a) of Section 8263 and as defined in~~
16 ~~subdivision (k), for children 12 years of age or younger who are~~
17 ~~provided services during nontraditional hours as defined in~~
18 ~~subdivision (al), for children 12 years of age or younger who are~~
19 ~~homeless as described in subparagraph (C) of paragraph (1) of~~
20 ~~subdivision (a) of Section 8263, and for children who are 11 and~~
21 ~~12 years of age, as funding permits, pursuant to subdivision (h) of~~
22 ~~Section 8447 from infancy to 13 years of age, for any part of a~~
23 ~~day, by a public or private agency, in centers and family child care~~
24 ~~homes. These programs include, but are not limited to, all of the~~
25 ~~following:~~

26 (1) General child care and development.

27 (2) Migrant child care and development.

28 (3) Child care provided by the California School Age Families
29 Education Program (Article 7.1 (commencing with Section 54740)
30 of Chapter 9 of Part 29 of Division 4 of Title 2).

31 (4) California state preschool program.

32 (5) Resource and referral.

33 (6) Child care and development services for children with
34 exceptional needs.

35 (7) Family child care home education network.

36 (8) Alternative payment.

37 (9) Schoolage community child care.

38 (j) “Child care and development services” means those services
39 designed to meet a wide variety of needs of children and their
40 families, while their parents or guardians are working, in training,

1 seeking employment, incapacitated, or in need of respite. These
2 services may include direct care and supervision, instructional
3 activities, resource and referral programs, and alternative payment
4 arrangements.

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

8 (l) “Children with exceptional needs” means either of the
9 following:

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

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

1 consistent with Section 1401(3)(A) of Title 20 of the United States
2 Code.

3 (m) “Closedown costs” means reimbursements for all approved
4 activities associated with the closing of operations at the end of
5 each growing season for migrant child development programs
6 only.

7 (n) “Cost” includes, but is not limited to, expenditures that are
8 related to the operation of child care and development programs.
9 “Cost” may include a reasonable amount for state and local
10 contributions to employee benefits, including approved retirement
11 programs, agency administration, and any other reasonable program
12 operational costs. “Cost” may also include amounts for licensable
13 facilities in the community served by the program, including lease
14 payments or depreciation, downpayments, and payments of
15 principal and interest on loans incurred to acquire, rehabilitate, or
16 construct licensable facilities, but these costs shall not exceed fair
17 market rents existing in the community in which the facility is
18 located. “Reasonable and necessary costs” are costs that, in nature
19 and amount, do not exceed what an ordinary prudent person would
20 incur in the conduct of a competitive business.

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

27 (p) “Family child care home education network” means an entity
28 organized under law that contracts with the department pursuant
29 to Section 8245 to make payments to licensed family child care
30 home providers and to provide educational and support services
31 to those providers and to children and families eligible for
32 state-subsidized child care and development services. A family
33 child care home education network may also be referred to as a
34 family child care home system.

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

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

39 (2) Health screening and health treatment, including a full range
40 of immunization recorded on the appropriate state immunization

1 form to the extent provided by the Medi-Cal Act (Chapter 7
2 (commencing with Section 14000) of Part 3 of Division 9 of the
3 Welfare and Institutions Code) and the Child Health and Disability
4 Prevention Program (Article 6 (commencing with Section 124025)
5 of Chapter 3 of Part 2 of Division 106 of the Health and Safety
6 Code), but only to the extent that ongoing care cannot be obtained
7 utilizing community resources.

8 (3) Health education and training for children, parents, staff,
9 and providers.

10 (4) Followup treatment through referral to appropriate health
11 care agencies or individual health care professionals.

12 (r) “Higher educational institutions” means the Regents of the
13 University of California, the Trustees of the California State
14 University, the Board of Governors of the California Community
15 Colleges, and the governing bodies of any accredited private
16 nonprofit institution of postsecondary education.

17 (s) “Intergenerational staff” means persons of various
18 generations.

19 (t) “Limited-English-speaking-proficient and
20 non-English-speaking-proficient children” means children who
21 are unable to benefit fully from an English-only child care and
22 development program as a result of either of the following:

23 (1) Having used a language other than English when they first
24 began to speak.

25 (2) Having a language other than English predominantly or
26 exclusively spoken at home.

27 (u) “Parent” means a biological parent, stepparent, adoptive
28 parent, foster parent, caretaker relative, or any other adult living
29 with a child who has responsibility for the care and welfare of the
30 child.

31 (v) “Program director” means a person who, pursuant to Sections
32 8244 and 8360.1, is qualified to serve as a program director.

33 (w) “Proprietary child care agency” means an organization or
34 facility providing child care, which is operated for profit.

35 (x) “Resource and referral programs” means programs that
36 provide information to parents, including referrals and coordination
37 of community resources for parents and public or private providers
38 of care. Services frequently include, but are not limited to: technical
39 assistance for providers, toy-lending libraries, equipment-lending
40 libraries, toy- and equipment-lending libraries, staff development

1 programs, health and nutrition education, and referrals to social
2 services.

3 (y) “Severely disabled children” are children with exceptional
4 needs from birth to 21 years of age, inclusive, who require intensive
5 instruction and training in programs serving pupils with the
6 following profound disabilities: autism, blindness, deafness, severe
7 orthopedic impairments, serious emotional disturbances, or severe
8 mental retardation. “Severely disabled children” also include those
9 individuals who would have been eligible for enrollment in a
10 developmental center for handicapped pupils under Chapter 6
11 (commencing with Section 56800) of Part 30 of Division 4 of Title
12 2 as it read on January 1, 1980.

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

21 (aa) (1) “Site supervisor” means a person who, regardless of
22 his or her title, has operational program responsibility for a child
23 care and development program at a single site. A site supervisor
24 shall hold a permit issued by the Commission on Teacher
25 Credentialing that authorizes supervision of a child care and
26 development program operating in a single site. The Superintendent
27 may waive the requirements of this subdivision if the
28 Superintendent determines that the existence of compelling need
29 is appropriately documented.

30 (2) For California state preschool programs, a site supervisor
31 may qualify under any of the provisions in this subdivision, or
32 may qualify by holding an administrative credential or an
33 administrative services credential. A person who meets the
34 qualifications of a program director under both Sections 8244 and
35 8360.1 is also qualified under this subdivision.

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

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

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

4 (ae) “Support services” means those services that, when
5 combined with child care and development services, help promote
6 the healthy physical, mental, social, and emotional growth of
7 children. Support services include, but are not limited to: protective
8 services, parent training, provider and staff training, transportation,
9 parent and child counseling, child development resource and
10 referral services, and child placement counseling.

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

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

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

- 22 (1) To undertake training in preparation for a job.
23 (2) To undertake or retain a job.
24 (3) To undertake other activities that are essential to maintaining
25 or improving the social and economic function of the family, are
26 beneficial to the community, or are required because of health
27 problems in the family.

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

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

34 (ak) “Local educational agency” means a school district, a
35 county office of education, a community college district, or a
36 school district on behalf of one or more schools within the school
37 district.

38 ~~(al) “Nontraditional hours” means that the parent or legal~~
39 ~~guardian has a certified need for child care that includes hours~~
40 ~~during the period from 6:00 p.m. to 6:00 a.m. on any day of the~~

1 ~~week or during any period between 6:00 a.m. Saturday to 6:00~~
2 ~~a.m. Monday.~~

3 *SEC. 4. Section 8263.2 of the Education Code is amended to*
4 *read:*

5 8263.2. (a) Notwithstanding any other ~~provision~~ of law,
6 effective July 1, 2011, the department shall reduce the maximum
7 reimbursable amounts of the contracts for the Preschool Education
8 Program, the General Child Care Program, the Migrant Day Care
9 Program, the Alternative Payment Program, the CalWORKs Stage
10 3 Program, and the Allowance for Handicapped Program by ~~15~~
11 *11* percent. The department may consider the contractor's
12 performance or whether the contractor serves children in
13 underserved areas as defined in subdivision (ag) of Section 8208
14 when determining contract reductions, provided that the aggregate
15 reduction to each program specified in this subdivision is ~~15~~ *11*
16 percent.

17 (b) Notwithstanding any other ~~provision~~ of law, effective July
18 1, 2011, families shall be disenrolled from subsidized child care
19 services, consistent with the priorities for services specified in
20 subdivision (b) of Section 8263. Families shall be disenrolled in
21 the following order:

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

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

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

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

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

35 *SEC. 5. Section 8263.4 of the Education Code is amended to*
36 *read:*

37 8263.4. (a) ~~Beginning on July 1, 2011, a child~~ *The preferred*
38 *placement for children who is are 11 or 12 years of age and who*
39 *is are otherwise eligible for subsidized child care and development*
40 *services except for his or her age, as specified in subdivision (a)*

1 of Section 8201 and subdivision (i) of Section 8208, shall be given
2 first priority for enrollment, and in cases of programs operating at
3 full capacity, first priority on the waiting list for a before or after
4 school program established pursuant to Article 22.5 (commencing
5 with Section 8482) or Article 22.6 (commencing with Section
6 8484.7). Contractors shall provide each family of an otherwise
7 eligible 11 or 12 year old with information about the availability
8 of before and after school programs located in the family's
9 community *shall be in a before or after school program.*

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

17 (c) This section does not apply to an 11 or 12 year old child
18 who is a recipient of child protective services or at risk of abuse,
19 neglect, or exploitation as described in subparagraph (D) of
20 paragraph (1) of subdivision (a) of Section 8263 and as defined in
21 subdivision (k) of Section 8208, a child 12 years of age or younger
22 who is provided services during nontraditional hours as defined
23 in subdivision (al) of Section 8208, children 12 years of age or
24 younger who are homeless as described in subparagraph (C) of
25 paragraph (1) of subdivision (a) of Section 8263, or an 11 or 12
26 year old child with a disability, including a child with exceptional
27 needs who has an individualized education program as required
28 by the federal Individuals with Disabilities Education Act (20
29 U.S.C. Sec. 1400 et seq.), Section 504 of the federal Rehabilitation
30 Act of 1973 (29 U.S.C. Sec. 794), or Part 30 (commencing with
31 Section 56000) of Division 4 of Title 2.

32 (b) *Children who are 11 or 12 years of age shall be eligible for*
33 *subsidized child care services only for the portion of care needed*
34 *that is not available in a before or after school program provided*
35 *pursuant to Article 22.5 (commencing with Section 8482) or Article*
36 *22.6 (commencing with Section 8484.7). Contractors shall provide*
37 *each family of an eligible 11 or 12 year old with the option of*
38 *combining care provided in a before or after school program with*
39 *subsidized child care in another setting, for those hours within a*

1 day when the before or after school program does not operate, in
2 order to meet the child care needs of the family.

3 (c) Children who are 11 or 12 years of age, who are eligible
4 for and who are receiving subsidized child care services, and for
5 whom a before or after school program is not available, shall
6 continue to receive subsidized child care services.

7 (d) A before or after school program shall be considered not
8 available when a parent certifies in writing, on a form provided
9 by the department that is translated into the parent's primary
10 language pursuant to Sections 7295.4 and 7296.2 of the
11 Government Code, the reason or reasons why the program would
12 not meet the child care needs of the family. The reasons why a
13 before or after school program shall be considered not available
14 shall include, but not be limited to, any of the following:

15 (1) The program does not provide services when needed during
16 the year, such as during the summer, school breaks, or intersession.

17 (2) The program does not provide services when needed during
18 the day, such as in the early morning, evening, or weekend hours.

19 (3) The program is too geographically distant from the child's
20 school of attendance.

21 (4) The program is too geographically distant from the parents'
22 residence.

23 (5) Use of the program would create substantial transportation
24 obstacles for the family.

25 (6) Any other reason that makes the use of before or after school
26 care inappropriate for the child or burdensome on the family.

27 (e) If an 11 or 12 year old child who is enrolled in a subsidized
28 child development program becomes ineligible for subsidized child
29 care under subdivision (b) and is disenrolled from the before or
30 after school program, or if the before or after school program no
31 longer meets the child care needs of the family, the child shall be
32 given priority to return to the subsidized child care services upon
33 the parent's notification of the contractor of the need for child
34 care.

35 (f) This section does not apply to an 11 or 12 year old child with
36 a disability, including a child with exceptional needs who has an
37 individualized education program as required by the federal
38 Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400
39 et seq.), Section 504 of the federal Rehabilitation Act of 1973 (29

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

3 (g) The savings generated each contract year by the
4 implementation of the changes made to this section by the act
5 amending this section during the 2005–06 Regular Session shall
6 remain with each alternative payment program, child development
7 center, or other contractor for the provision of child care services,
8 except for care provided by programs pursuant to Article 15.5
9 (commencing with Section 8350). Each contractor shall report
10 annually to the department the amount of savings resulting from
11 this implementation, and the department shall report annually to
12 the Legislature the amount of savings statewide resulting from
13 that implementation.

14 SEC. 6. Article 14.7 (commencing with Section 8310) is added
15 to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education
16 Code, to read:

17
18 Article 14.7. California Early Learning Advisory Council

19
20 8310. (a) The California Early Learning Advisory Council is
21 hereby established within the department to improve early learning
22 quality for children from birth to school age.

23 (b) Membership on the advisory council shall include 13
24 members, as follows:

25 (1) The Superintendent or his or her designee.

26 (2) The President of the state board or his or her designee.

27 (3) The chairperson of the California Children and Families
28 Commission or his or her designee.

29 (4) The President of the local First 5 County Commission
30 Association or his or her designee.

31 (5) The Director of Social Services or his or her designee.

32 (6) The Director of the California Head Start State
33 Collaboration.

34 (7) One representative of institutions of higher education in the
35 state.

36 (8) One representative of the state agency responsible for health
37 or mental health care.

38 (9) One representative of Head Start agencies located in the
39 state, including migrant or seasonal and Indian Head Start
40 programs.

1 (10) Four representatives from the early care and education
2 community. At least one of these representatives shall be employed
3 by an early childhood education program within a local
4 educational agency, and at least one of these representatives shall
5 be employed by the Alternative Payment Program or Resource
6 and Referral Network.

7 (c) The Senate Committee on Rules shall appoint the
8 representative of the institutions of higher education in the state,
9 the representative of the Head Start agencies, and one
10 representative from the early care and education community.

11 (d) The Speaker of the Assembly shall appoint three
12 representatives from the early care and education community.

13 (e) The Governor shall appoint the representative of the state
14 agency responsible for health or mental health care.

15 (f) The Superintendent and the President of the state board, or
16 their designees, shall serve as cochairs of the advisory council.

17 (g) The Governor may continue to exercise the discretion
18 granted by Section 9837b of Title 42 of the United States Code,
19 as amended by Public Law 110-134, with regard to the advisory
20 council established by this section.

21 8311. The advisory council shall, at a minimum, perform the
22 duties required by the federal 2007 Head Start Reauthorization
23 Act (42 U.S.C. Secs. 9801 et seq.), establish a statewide plan for
24 early learning, and advise the Legislature, Governor, and
25 Superintendent regarding early learning access, quality, and
26 participation.

27 8312. (a) The advisory council shall seek input through the
28 establishment of subcommittees or other methods from persons
29 with expertise in the following areas:

30 (1) Early learning quality improvement systems in use
31 nationwide.

32 (2) Early child care and education, including representatives
33 from the higher education segments, the Commission on Teacher
34 Credentialing, and administrators, caregivers, and teachers from
35 both the public and private sectors.

36 (3) Kindergarten and grades 1 to 12, inclusive, public school
37 teachers.

38 (4) English language development, including primary and
39 secondary language acquisition.

1 (5) *Education and care of children with exceptional needs or*
2 *disabilities.*

3 (6) *Infant and toddler care.*

4 (7) *Consumer education.*

5 (8) *Parent and guardian engagement.*

6 (9) *Workforce development.*

7 (10) *Facilities development.*

8 (11) *Technical assistance.*

9 (12) *Program accreditation.*

10 (b) *The advisory council shall seek input from parents from*
11 *diverse socio-economic and racial and ethnic backgrounds.*

12 *SEC. 7. Section 8447 of the Education Code is amended to*
13 *read:*

14 8447. (a) The Legislature hereby finds and declares that greater
15 efficiencies may be achieved in the execution of state subsidized
16 child care and development program contracts with public and
17 private agencies by the timely approval of contract provisions by
18 the Department of Finance, the Department of General Services,
19 and the State Department of Education and by authorizing the State
20 Department of Education to establish a multiyear application,
21 contract expenditure, and service review as may be necessary to
22 provide timely service while preserving audit and oversight
23 functions to protect the public welfare.

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

39 (2) Notwithstanding paragraph (1), the State Department of
40 Education shall implement the regional market rate schedules

1 based upon the county aggregates, as determined by the Regional
2 Market survey conducted in 2005.

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

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

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

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

39 (d) Alternative payment child care systems, as set forth in Article
40 3 (commencing with Section 8220), shall be subject to the rates

1 established in the Regional Market Rate Survey of California Child
2 Care Providers for provider payments. The State Department of
3 Education shall contract to conduct and complete a Regional
4 Market Rate Survey no more frequently than once every two years,
5 consistent with federal regulations, with a goal of completion by
6 March 1.

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

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

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

29 ~~(h) Notwithstanding any other law, effective July 1, 2011, the
30 State Department of Education shall amend CalWORKs Stage 2
31 and Stage 3, general child care, migrant child care, and alternative
32 payment contracts to reflect the lower priority for providing
33 subsidized child care and development services for 11 and 12 year
34 olds, except for 11 and 12 year olds who are eligible pursuant to
35 subparagraphs (C) and (D) of paragraph (1) of subdivision (a) of
36 Section 8263, children with exceptional needs as defined in
37 subdivision (l) of Section 8208, and children who are served during
38 nontraditional hours as defined in subdivision (a1) of Section 8208.
39 The State Department of Education shall include language in all
40 contracts stating that funds are not to be expended providing~~

1 services to 11 and 12 year olds, with the exceptions noted above,
2 until such time as the department determines and notifies
3 contractors that funding for providing those services is available.
4 The State Department of Education shall submit a request and
5 receive prior approval from the Department of Finance before
6 expending funds to serve low priority 11 and 12 year olds.

7 *SEC. 8. Section 8499 of the Education Code is amended to*
8 *read:*

9 8499. For purposes of this chapter, the following definitions
10 shall apply:

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

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

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

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

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

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

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

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

39 *SEC. 9. Section 14041.6 of the Education Code is amended to*
40 *read:*

1 14041.6. (a) Notwithstanding subdivision (a) of Section 14041,
2 or any other law, commencing with the 2008–09 fiscal year, *and*
3 *ending with the 2010–11 fiscal year*, warrants for the principal
4 apportionments for the month of February in the amount of two
5 billion dollars (\$2,000,000,000) instead shall be drawn in July of
6 the same calendar year pursuant to the certification made pursuant
7 to Section 41339.

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

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

25 (d) Notwithstanding subdivision (a) of Section 14041 or any
26 other law, commencing with the 2011–12 fiscal year, warrants for
27 the principal apportionments for the month of ~~March~~ *February* in
28 the amount of one billion ~~three hundred million~~ dollars
29 ~~(\$1,300,000,000) and for the month of April in the amount of seven~~
30 ~~hundred sixty-three million seven hundred ninety-four thousand~~
31 ~~dollars (\$763,794,000) fifty-three million one hundred fifty-six~~
32 ~~thousand dollars (\$1,053,156,000) instead shall be drawn in August~~
33 *July* of the same calendar year pursuant to the certification made
34 pursuant to Section 41339.

35 (e) Except as provided in subdivisions (c) and (e) of Section
36 41202, for purposes of making the computations required by
37 Section 8 of Article XVI of the California Constitution, the
38 warrants drawn pursuant to subdivisions (a), (b), (c), and (d) shall
39 be deemed to be “General Fund revenues appropriated to school
40 districts,” as defined in subdivision (c) of Section 41202, for the

1 fiscal year in which the warrants are drawn and included within
 2 the “total allocations to school districts and community college
 3 districts from General Fund proceeds of taxes appropriated pursuant
 4 to Article XIII B,” as defined in subdivision (e) of Section 41202,
 5 for the fiscal year in which the warrants are drawn.

6 *SEC. 10. Section 41207.41 is added to the Education Code,*
 7 *immediately following Section 41207.4, to read:*

8 *41207.41. (a) The sum of eighty-one million one hundred*
 9 *twenty-nine thousand dollars (\$81,129,000) is hereby appropriated*
 10 *from the General Fund to the Controller, for transfer to Section*
 11 *B of the State School Fund for the purpose of providing one-time*
 12 *apportionment funding to community colleges for the 2011–12*
 13 *fiscal year for the purpose of reducing the amount of apportionment*
 14 *funding deferred from January to June, inclusive, 2012, to July*
 15 *2012. The Chancellor of the California Community Colleges shall*
 16 *allocate the funding in a manner that conforms to the amounts*
 17 *deferred pursuant to Section 84321.6.*

18 *(b) For purposes of Section 8 of Article XVI of the California*
 19 *Constitution, the amounts appropriated and allocated pursuant*
 20 *to subdivision (a) and six hundred sixty-three million one hundred*
 21 *seventy-one thousand dollars (\$663,171,000) of the amounts*
 22 *transferred pursuant to Section 14002.3 for the 2011–12 fiscal*
 23 *year shall be applied to the outstanding balance of the minimum*
 24 *funding obligation to school districts and community college*
 25 *districts pursuant to Section 8 of Article XVI of the California*
 26 *Constitution for the 2006–07 and 2009–10 fiscal years. These*
 27 *amounts shall be deemed to be appropriations made and allocated*
 28 *in those fiscal years in which the deficiencies resulting in the*
 29 *outstanding balance were incurred.*

30 *SEC. 11. Section 42238.146 of the Education Code is amended*
 31 *to read:*

32 *42238.146. (a) (1) For the 2003–04 fiscal year, the revenue*
 33 *limit for each school district determined pursuant to this article*
 34 *shall be reduced by a 1.198 percent deficit factor.*

35 *(2) For the 2004–05 fiscal year, the revenue limit for each school*
 36 *district determined pursuant to this article shall be reduced by a*
 37 *0.323 percent deficit factor.*

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

1 (4) For the 2005–06 fiscal year, the revenue limit for each school
2 district determined pursuant to this article shall be reduced by a
3 0.892 percent deficit factor.

4 (5) For the 2008–09 fiscal year, the revenue limit for each school
5 district determined pursuant to this article shall be reduced by a
6 7.844 percent deficit factor.

7 (6) For the 2009–10 fiscal year, the revenue limit for each school
8 district determined pursuant to this article shall be reduced by a
9 18.355 percent deficit factor.

10 (7) For the 2010–11 fiscal year, the revenue limit for each school
11 district determined pursuant to this article shall be reduced by a
12 17.963 percent deficit factor.

13 (8) For the 2011–12 fiscal year, the revenue limit for each school
14 district determined pursuant to this article shall be reduced by a
15 ~~19.608~~ 19.754 percent deficit factor.

16 (b) In computing the revenue limit for each school district for
17 the 2006–07 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 2003–04, 2004–05, and 2005–06 fiscal
20 years without being reduced by the deficit factors specified in
21 subdivision (a).

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

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

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

37 *SEC. 12. Section 42606 of the Education Code is repealed.*

38 ~~42606. —(a) A local educational agency, including a~~
39 ~~direct-funded charter school, may apply for any state categorical~~
40 ~~program funding included in the annual Budget Act on behalf of~~

1 a school that begins operation in the 2008–09 to the 2014–15 fiscal
2 years, inclusive, but only to the extent the school or local
3 educational agency is eligible for funding and meets the provisions
4 of the program that were in effect as of January 1, 2009, except
5 that charter schools shall not apply for any of the programs
6 contained in Section 47634.4.

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

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

19 (d) Notwithstanding subdivision (a), for the 2010–11 and
20 2011–12 fiscal years, the Superintendent shall allocate a
21 supplemental categorical block grant to a charter school that began
22 operation in the 2008–09, 2009–10, 2010–11, or 2011–12 fiscal
23 year. The supplemental categorical block grant shall equal one
24 hundred twenty-seven dollars (\$127) per unit of charter school
25 average daily attendance as determined at the 2010–11 second
26 principal apportionment for schools commencing operations in
27 the 2008–09, 2009–10, or 2010–11 fiscal year, and at the 2011–12
28 second principal apportionment for schools commencing operations
29 in the 2011–12 fiscal year. These supplemental categorical block
30 grant funds may be used for any educational purpose. A locally
31 funded charter school that converted from a preexisting school
32 between the 2008–09 and 2011–12 fiscal years is not eligible for
33 funding specified in this section. A charter school that receives
34 funding pursuant to this subdivision shall not receive additional
35 funding for programs specified in paragraph (2) of subdivision (a)
36 of Section 42605, with the exception of the program funded
37 pursuant to Item 6110-211-0001 of Section 2.00 of the annual
38 Budget Act.

39 *SEC. 13. Section 42606 is added to the Education Code, to*
40 *read:*

1 42606. (a) *To the extent funds are provided, for the 2010–11*
2 *to the 2014–15 fiscal years, inclusive, the Superintendent shall*
3 *allocate a supplemental categorical block grant to a charter school*
4 *that began operation during or after the 2008–09 fiscal year. These*
5 *supplemental categorical block grant funds may be used for any*
6 *educational purpose. Commencing in the 2011–12 fiscal year, a*
7 *locally or direct funded charter school that converted from a*
8 *preexisting school between the 2008–09 and 2014–15 fiscal years,*
9 *inclusive, is not eligible for funding specified in this section. A*
10 *charter school that receives funding pursuant to this subdivision*
11 *shall not receive additional funding for programs specified in*
12 *paragraph (2) of subdivision (a) of Section 42605, with the*
13 *exception of the program funded pursuant to Item 6110-211-0001*
14 *of Section 2.00 of the annual Budget Act.*

15 (b) (1) *For the 2010–11 fiscal year, the supplemental categorical*
16 *block grant shall equal one hundred twenty-seven dollars (\$127)*
17 *per unit of charter school average daily attendance as determined*
18 *at the 2010–11 second principal apportionment for charter schools*
19 *commencing operations during or after the 2008–09 fiscal year.*
20 *A locally funded charter school that converted from a preexisting*
21 *school during or after the 2008-09 fiscal year is not eligible for*
22 *funding specified in this section.*

23 (2) *For the 2011–12 to the 2014–15 fiscal years, inclusive, the*
24 *supplemental categorical block grant shall equal one hundred*
25 *twenty-seven dollars (\$127) per unit of charter school average*
26 *daily attendance as determined at the current year second principal*
27 *apportionment for charter schools commencing operations during*
28 *or after the 2008–09 fiscal year. In lieu of this supplemental grant,*
29 *a school district shall provide new conversion charter schools that*
30 *commenced operations within the district during or after the*
31 *2008–09 fiscal year, one hundred twenty-seven dollars (\$127) per*
32 *unit of charter school average daily attendance as determined at*
33 *the current year second principal apportionment. This paragraph*
34 *does not preclude a school district and a new conversion charter*
35 *school from negotiating an alternative funding rate. Absent*
36 *agreement from both parties on an alternative rate, the school*
37 *district shall be obligated to provide funding at the one hundred*
38 *twenty-seven dollars (\$127) per average daily attendance rate.*

39 SEC. 14. *Section 56139 of the Education Code is amended to*
40 *read:*

1 56139. ~~(a) The superintendent~~ *Superintendent* is responsible
2 for monitoring local educational agencies to ensure compliance
3 with the requirement to provide mental health services to
4 individuals with exceptional needs pursuant to ~~Chapter 26.5~~
5 ~~(commencing with Section 7570)~~ of Division 7 of Title 1 of the
6 ~~Government Code~~ *the federal Individuals with Disabilities*
7 *Education Act (20 U.S.C. Sec. 1400 et seq.)* and to ensure that
8 funds provided for this purpose are appropriately utilized.

9 ~~(b) The superintendent shall submit a report to the Legislature~~
10 ~~by April 1, 2005, that includes all of the following:~~

11 ~~(1) A description of the data that is currently collected by the~~
12 ~~department related to pupils served and services provided pursuant~~
13 ~~to Chapter 26.5 (commencing with Section 7570) of Division 7 of~~
14 ~~Title 1 of the Government Code.~~

15 ~~(2) A description of the existing monitoring processes used by~~
16 ~~the department to ensure that local educational agencies are~~
17 ~~complying with Chapter 26.5 (commencing with Section 7570) of~~
18 ~~Division 7 of Title 1 of the Government Code, including the~~
19 ~~monitoring performed to ensure the appropriate use of funds for~~
20 ~~programs identified in Section 64000.~~

21 ~~(3) Recommendations on the manner in which to strengthen~~
22 ~~and improve monitoring by the department of the compliance by~~
23 ~~a local educational agency with the requirements of Chapter 26.5~~
24 ~~(commencing with Section 7570) of Division 7 of Title 1 of the~~
25 ~~Government Code, on the manner in which to strengthen and~~
26 ~~improve collaboration and coordination with the State Department~~
27 ~~of Mental Health in monitoring and data collection activities, and~~
28 ~~on the additional data needed related to Chapter 26.5 (commencing~~
29 ~~with Section 7570) of Division 7 of Title 1 of the Government~~
30 ~~Code.~~

31 ~~(c) The superintendent shall collaborate with the Director of the~~
32 ~~State Department of Mental Health in preparing the report required~~
33 ~~pursuant to subdivision (b) and shall convene at least one meeting~~
34 ~~of appropriate stakeholders and organizations, including a~~
35 ~~representative from the State Department of Mental Health and~~
36 ~~mental health directors, to obtain input on existing data collection~~
37 ~~and monitoring processes, and on ways to strengthen and improve~~
38 ~~the data collected and monitoring performed.~~

39 *SEC. 15. Section 56325 of the Education Code is amended to*
40 *read:*

1 56325. (a) (1) As required by subclause (I) of clause (i) of
2 subparagraph (C) of paragraph (2) of subsection (d) of Section
3 1414 of Title 20 of the United States Code, the following shall
4 apply to special education programs for individuals with
5 exceptional needs who transfer from district to district within the
6 state. In the case of an individual with exceptional needs who has
7 an individualized education program and transfers into a district
8 from a district not operating programs under the same local plan
9 in which he or she was last enrolled in a special education program
10 within the same academic year, the local educational agency shall
11 provide the pupil with a free appropriate public education,
12 including services comparable to those described in the previously
13 approved individualized education program, in consultation with
14 the parents, for a period not to exceed 30 days, by which time the
15 local educational agency shall adopt the previously approved
16 individualized education program or shall develop, adopt, and
17 implement a new individualized education program that is
18 consistent with federal and state law.

19 (2) In the case of an individual with exceptional needs who has
20 an individualized education program and transfers into a district
21 from a district operating programs under the same special education
22 local plan area of the district in which he or she was last enrolled
23 in a special education program within the same academic year, the
24 new district shall continue, without delay, to provide services
25 comparable to those described in the existing approved
26 individualized education program, unless the parent and the local
27 educational agency agree to develop, adopt, and implement a new
28 individualized education program that is consistent with federal
29 and state law.

30 (3) As required by subclause (II) of clause (i) of subparagraph
31 (C) of paragraph (2) of subsection (d) of Section 1414 of Title 20
32 of the United States Code, the following shall apply to special
33 education programs for individuals with exceptional needs who
34 transfer from an educational agency located outside the State of
35 California to a district within California. In the case of an individual
36 with exceptional needs who transfers from district to district within
37 the same academic year, the local educational agency shall provide
38 the pupil with a free appropriate public education, including
39 services comparable to those described in the previously approved
40 individualized education program, in consultation with the parents,

1 until the local educational agency conducts an assessment pursuant
2 to paragraph (1) of subsection (a) of Section 1414 of Title 20 of
3 the United States Code, if determined to be necessary by the local
4 educational agency, and develops a new individualized education
5 program, if appropriate, that is consistent with federal and state
6 law.

7 (b) (1) To facilitate the transition for an individual with
8 exceptional needs described in subdivision (a), the new school in
9 which the individual with exceptional needs enrolls shall take
10 reasonable steps to promptly obtain the pupil’s records, including
11 the individualized education program and supporting documents
12 and any other records relating to the provision of special education
13 and related services to the pupil, from the previous school in which
14 the pupil was enrolled, pursuant to paragraph (2) of subsection (a)
15 of Section 99.31 of Title 34 of the Code of Federal Regulations.

16 (2) The previous school in which the individual with exceptional
17 needs was enrolled shall take reasonable steps to promptly respond
18 to the request from the new school.

19 (c) If whenever a pupil described in subdivision (a) was placed
20 and residing in a residential nonpublic, nonsectarian school, prior
21 to transferring to a district in another special education local plan
22 area, and this placement is not eligible for funding pursuant to
23 Section 56836.16, the special education local plan area that
24 contains the district that made the residential nonpublic,
25 nonsectarian school placement is responsible for the funding of
26 the placement, including related services, for the remainder of the
27 school year. An extended year session is included in the school
28 year in which the session ends. ~~This subdivision also applies to
29 special education and related services required under Section 7573
30 of the Government Code for an individual with exceptional needs
31 who was placed in a residential placement by an expanded
32 individualized education program team, pursuant to Section 7572.5
33 of the Government Code, if the parent of the individual moves
34 during the course of the year to a district in another special
35 education local plan area.~~

36 *SEC. 16. Section 56331 of the Education Code is amended to*
37 *read:*

38 56331. (a) A pupil who is suspected of needing mental health
39 services may be referred to a community mental health service in
40 accordance with Section 7576 of the Government Code.

1 (b) Prior to referring a pupil to a county mental health agency
2 for services, the local educational agency shall follow the
3 procedures set forth in Section 56320 and conduct an assessment
4 in accordance with Sections 300.301 to 300.306, inclusive, of Title
5 34 of the Code of Federal Regulations. If an individual with
6 exceptional needs is identified as potentially requiring mental
7 health services, the local educational agency shall request the
8 participation of the county mental health agency in the
9 individualized education program. A local educational agency
10 shall provide any specially designed instruction required by an
11 individualized education program, including related services such
12 as counseling services, parent counseling and training,
13 psychological services, or social work services in schools as
14 defined in Section 300.34 of Title 34 of the Code of Federal
15 Regulations. If the individualized education program of an
16 individual with exceptional needs includes a functional behavioral
17 assessment and behavior intervention plan, in accordance with
18 Section 300.530 of Title 34 of the Code of Federal Regulations,
19 the local educational agency shall provide documentation upon
20 referral to a county mental health agency. Local educational
21 agencies shall provide related services, by qualified personnel,
22 unless the individualized education program team designates a
23 more appropriate agency for the provision of services. Local
24 educational agencies and community mental health services shall
25 work collaboratively to ensure that assessments performed prior
26 to referral are as useful as possible to the community mental health
27 service agency in determining the need for mental health services
28 and the level of services needed.

29 (c) *This section shall become inoperative on July 1, 2011, and,*
30 *as of January 1, 2012, is repealed, unless a later enacted statute,*
31 *that becomes operative on or before January 1, 2012, deletes or*
32 *extends the dates on which it becomes inoperative and is repealed.*

33 *SEC. 17. Section 60422.3 of the Education Code is amended*
34 *and renumbered to read:*

35 ~~60422.3.~~

36 60049. (a) Notwithstanding subdivision (i) of Section 60200,
37 Section 60422, or any other provision of law, for the 2008–09 to
38 the 2014–15 fiscal years, inclusive, the governing board of a school
39 district is not required to provide pupils with instructional materials

1 by a specified period of time following adoption of those materials
2 by the state board.

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

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

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

13 *SEC. 18. Section 69432.7 of the Education Code is amended*
14 *to read:*

15 69432.7. As used in this chapter, the following terms have the
16 following meanings:

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

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

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

24 (d) “College grade point average” and “community college
25 grade point average” mean a grade point average calculated on the
26 basis of all college work completed, except for nontransferable
27 units and courses not counted in the computation for admission to
28 a California public institution of higher education that grants a
29 baccalaureate degree.

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

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

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

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

36 (g) “Expected family contribution,” with respect to an applicant,
37 shall be determined using the federal methodology pursuant to
38 subdivision (a) of Section 69506 (as established by Title IV of the
39 federal Higher Education Act of 1965, as amended (20 U.S.C. Sec.

1 1070 et seq.)) and applicable rules and regulations adopted by the
2 commission.

3 (h) “High school grade point average” means a grade point
4 average calculated on a 4.0 scale, using all academic coursework,
5 for the sophomore year, the summer following the sophomore
6 year, the junior year, and the summer following the junior year,
7 excluding physical education, reserve officer training corps
8 (ROTC), and remedial courses, and computed pursuant to
9 regulations of the commission. However, for high school graduates
10 who apply after their senior year, “high school grade point average”
11 includes senior year coursework.

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

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

22 (k) “Maximum household income and asset levels” means the
23 applicable household income and household asset levels for
24 participants, including new applicants and renewing recipients, in
25 the Cal Grant Program, as defined and adopted in regulations by
26 the commission for the 2001–02 academic year, which shall be
27 set pursuant to the following income and asset ceiling amounts:

28
29 CAL GRANT PROGRAM INCOME CEILINGS

	Cal Grant A, 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

1			
2	Independent		
3	Single, no dependents	\$23,500	\$23,500
4	Married	\$26,900	\$26,900

5
6 *Applies to independent students with dependents other than a
7 spouse.

8
9 CAL GRANT PROGRAM ASSET CEILINGS

10			
11		Cal Grant A, C, and T	Cal Grant B
12			
13			
14	Dependent**	\$49,600	\$49,600
15	Independent	\$23,600	\$23,600

16
17 **Applies to independent students with dependents other than a
18 spouse.

19
20 The commission shall annually adjust the maximum household
21 income and asset levels based on the percentage change in the cost
22 of living within the meaning of paragraph (1) of subdivision (e)
23 of Section 8 of Article XIII B of the California Constitution. The
24 maximum household income and asset levels applicable to a
25 renewing recipient shall be the greater of the adjusted maximum
26 household income and asset levels or the maximum household
27 income and asset levels at the time of the renewing recipient's
28 initial Cal Grant award. For a recipient who was initially awarded
29 a Cal Grant for an academic year before the 2011–12 academic
30 year, the maximum household income and asset levels shall be the
31 greater of the adjusted maximum household income and asset
32 levels or the 2010–11 academic year maximum household income
33 and asset levels. An applicant or renewal recipient who qualifies
34 to be considered under the simplified needs test established by
35 federal law for student assistance shall be presumed to meet the
36 asset level test under this section. Prior to disbursing any Cal Grant
37 funds, a qualifying institution shall be obligated, under the terms
38 of its institutional participation agreement with the commission,

1 to resolve any conflicts that may exist in the data the institution
2 possesses relating to that individual.

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

5 (A) A California private or independent postsecondary
6 educational institution that participates in the Pell Grant Program
7 and in at least two of the following federal campus-based student
8 aid programs:

9 (i) Federal Work-Study.

10 (ii) Perkins Loan Program.

11 (iii) Supplemental Educational Opportunity Grant Program.

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

25 (C) A California public postsecondary educational institution.

26 (2) (A) The institution shall provide information on where to
27 access California license examination passage rates for the most
28 recent available year from graduates of its undergraduate programs
29 leading to employment for which passage of a California licensing
30 examination is required, if that data is electronically available
31 through the Internet Web site of a California licensing or regulatory
32 agency. For purposes of this paragraph, “provide” may exclusively
33 include placement of an Internet Web site address labeled as an
34 access point for the data on the passage rates of recent program
35 graduates on the Internet Web site where enrollment information
36 is also located, on an Internet Web site that provides centralized
37 admissions information for postsecondary educational systems
38 with multiple campuses, or on applications for enrollment or other
39 program information distributed to prospective students.

1 (B) The institution shall be responsible for certifying to the
2 commission compliance with the requirements of subparagraph
3 (A).

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

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

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

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

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

33 (E) An otherwise qualifying institution for which no three-year
34 cohort default rate has been reported by the United States
35 Department of Education shall be provisionally eligible to
36 participate in the Cal Grant Program until a three-year cohort
37 default rate has been reported for the institution by the United
38 States Department of Education.

39 (F) An institution that is ineligible for initial and renewal Cal
40 Grant awards at the institution under subparagraph (B) or (C) shall

1 be eligible for renewal Cal Grant awards for recipients who were
2 enrolled in the ineligible institution during the academic year before
3 the academic year for which the institution is ineligible and who
4 choose to renew their Cal Grant awards to attend the ineligible
5 institution. Cal Grant awards subject to this subparagraph shall be
6 reduced as follows:

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

9 (ii) The reductions specified in this subparagraph shall not
10 impact access costs as specified in subdivision (b) of Section
11 69435.

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

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

29 (m) “Satisfactory academic progress” means those criteria
30 required by applicable federal standards published in Title 34 of
31 the Code of Federal Regulations. The commission may adopt
32 regulations defining “satisfactory academic progress” in a manner
33 that is consistent with those federal standards.

34 *SEC. 19. Section 84321.6 of the Education Code is amended*
35 *to read:*

36 84321.6. (a) Notwithstanding any other law that governs the
37 regulations adopted by the Chancellor of the California Community
38 Colleges to disburse funds, the payment of apportionments to
39 districts pursuant to Sections 84320 and 84321 shall be adjusted,
40 *commencing with the 2011–12 fiscal year, by the following:*

1 (1) For the month of June, ~~two hundred twenty-one~~ *ninety-six*
 2 million ~~five~~ *two* hundred ~~ninety-two~~ thousand dollars
 3 ~~(\$221,500,000)~~ *(\$96,292,000)* shall be deferred to July.

4 (2) For the month of May, ~~one hundred twenty-four million five~~
 5 hundred thousand dollars ~~(\$124,500,000)~~ shall be deferred, of
 6 ~~which one hundred three~~ *ninety-seven* million dollars
 7 ~~(\$103,000,000)~~ *(\$97,000,000)* shall be deferred to July ~~and~~
 8 ~~twenty-one million five hundred thousand dollars (\$21,500,000)~~
 9 shall be deferred to October.

10 (3) For the month of April, ~~one hundred seventy-nine million~~
 11 five hundred thousand dollars ~~(\$179,500,000)~~ shall be deferred,
 12 ~~of which one hundred fifty-eight~~ *ninety-seven* million dollars
 13 ~~(\$158,000,000)~~ *(\$97,000,000)* shall be deferred to July ~~and~~
 14 ~~twenty-one million five hundred thousand dollars (\$21,500,000)~~
 15 shall be deferred to October.

16 (4) For the month of March, ~~one hundred nineteen million five~~
 17 hundred thousand dollars ~~(\$119,500,000)~~ shall be deferred, of
 18 ~~which~~ seventy-six million five hundred thousand dollars
 19 ~~(\$76,500,000)~~ shall be deferred to July ~~and forty-three million~~
 20 dollars ~~(\$43,000,000)~~ shall be deferred to October.

21 (5) For the month of February, ~~one hundred fifty-eight million~~
 22 dollars ~~(\$158,000,000)~~ shall be deferred, of which one hundred
 23 ~~thirty-six million five hundred thousand dollars (\$136,500,000)~~
 24 *ninety-seven million dollars (\$97,000,000)* shall be deferred to
 25 July ~~and twenty-one million five hundred thousand dollars~~
 26 ~~(\$21,500,000)~~ shall be deferred to October.

27 (6) For the month of January, ~~one hundred fifty-eight million~~
 28 dollars ~~(\$158,000,000)~~ shall be deferred, of which one hundred
 29 ~~thirty-six million five hundred thousand dollars (\$136,500,000)~~
 30 *ninety-seven million dollars (\$97,000,000)* shall be deferred to
 31 July ~~and twenty-one million five hundred thousand dollars~~
 32 ~~(\$21,500,000)~~ shall be deferred to October.

33 (b) The sum of ~~nine hundred sixty-one~~ *five hundred sixty million*
 34 *seven hundred ninety-two thousand* dollars ~~(\$961,000,000)~~
 35 *(\$560,792,000)* is hereby appropriated *in July of the 2012–13 fiscal*
 36 *year* from the General Fund to the Board of Governors of the
 37 California Community Colleges for apportionments to community
 38 college districts, ~~for expenditure during the 2012–13 fiscal year,~~
 39 ~~to~~ *in satisfaction of the moneys deferred pursuant to subdivision*
 40 *(a). Those moneys shall be expended in accordance with Schedule*

1 (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of
2 2010 2011.

3 ~~(e) Of the funds appropriated in subdivision (b), eight hundred~~
4 ~~thirty-two million dollars (\$832,000,000) shall be allocated in July~~
5 ~~of the 2012–13 fiscal year and one hundred twenty-nine million~~
6 ~~dollars (\$129,000,000) shall be allocated in October in satisfaction~~
7 ~~of the moneys deferred pursuant to subdivision (a).~~

8 ~~(d)~~

9 (c) For the purposes of making the computations required by
10 Section 8 of Article XVI of the California Constitution, the
11 appropriations made by subdivision (b) shall be deemed to be
12 “General Fund revenues appropriated for community college
13 districts,” as defined in subdivision (d) of Section 41202, for the
14 2012–13 fiscal year, and included within the “total allocations to
15 school districts and community college districts from General Fund
16 proceeds of taxes appropriated pursuant to Article XIII B,” as
17 defined in subdivision (e) of Section 41202, for the 2012–13 fiscal
18 year.

19 *SEC. 20. Section 7572 of the Government Code is amended to*
20 *read:*

21 7572. (a) A child shall be assessed in all areas related to the
22 suspected disability by those qualified to make a determination of
23 the child’s need for the service before any action is taken with
24 respect to the provision of related services or designated instruction
25 and services to a child, including, but not limited to, services in
26 the areas of; occupational therapy; *and* physical therapy;
27 ~~psychotherapy, and other mental health assessments.~~ All
28 assessments required or conducted pursuant to this section shall
29 be governed by the assessment procedures contained in Article 2
30 (commencing with Section 56320) of Chapter 4 of Part 30 of
31 *Division 4 of Title 2 of the Education Code.*

32 (b) Occupational therapy and physical therapy assessments shall
33 be conducted by qualified medical personnel as specified in
34 regulations developed by the State Department of Health Services
35 in consultation with the State Department of Education.

36 ~~(e) Psychotherapy and other mental health assessments shall be~~
37 ~~conducted by qualified mental health professionals as specified in~~
38 ~~regulations developed by the State Department of Mental Health,~~
39 ~~in consultation with the State Department of Education, pursuant~~
40 ~~to this chapter.~~

1 ~~(d)~~
 2 (c) A related service or designated instruction and service shall
 3 only be added to the child’s individualized education program by
 4 the individualized education program team, as described in Part
 5 30 (commencing with Section 56000) of *Division 4 of Title 2 of*
 6 the Education Code, if a formal assessment has been conducted
 7 pursuant to this section, and a qualified person conducting the
 8 assessment recommended the service in order for the child to
 9 benefit from special education. In no case shall the inclusion of
 10 necessary related services in a pupil’s individualized education
 11 plan be contingent upon identifying the funding source. Nothing
 12 in this section shall prevent a parent from obtaining an independent
 13 assessment in accordance with subdivision (b) of Section 56329
 14 of the Education Code, which shall be considered by the
 15 individualized education program team.

16 (1) ~~Whenever~~ *If* an assessment has been conducted pursuant to
 17 subdivision (b) ~~or (e)~~, the recommendation of the person who
 18 conducted the assessment shall be reviewed and discussed with
 19 the parent and with appropriate members of the individualized
 20 education program team prior to the meeting of the individualized
 21 education program team. When the proposed recommendation of
 22 the person has been discussed with the parent and there is
 23 disagreement on the recommendation pertaining to the related
 24 service, the parent shall be notified in writing and may require the
 25 person who conducted the assessment to attend the individualized
 26 education program team meeting to discuss the recommendation.
 27 The person who conducted the assessment shall attend the
 28 individualized education program team meeting if requested.
 29 Following this discussion and review, the recommendation of the
 30 person who conducted the assessment shall be the recommendation
 31 of the individualized education program team members who are
 32 attending on behalf of the local educational agency.

33 (2) If an independent assessment for the provision of related
 34 services or designated instruction and services is submitted to the
 35 individualized education program team, review of that assessment
 36 shall be conducted by the person specified in ~~subdivisions (b) and~~
 37 ~~(e)~~ *subdivision (b)*. The recommendation of the person who
 38 reviewed the independent assessment shall be reviewed and
 39 discussed with the parent and with appropriate members of the
 40 individualized education program team prior to the meeting of the

1 individualized education program team. The parent shall be notified
2 in writing and may request the person who reviewed the
3 independent assessment to attend the individualized education
4 program team meeting to discuss the recommendation. The person
5 who reviewed the independent assessment shall attend the
6 individualized education program team meeting if requested.
7 Following this review and discussion, the recommendation of the
8 person who reviewed the independent assessment shall be the
9 recommendation of the individualized education program team
10 members who are attending on behalf of the local agency.

11 (3) Any disputes between the parent and team members
12 representing the public agencies regarding a recommendation made
13 in accordance with paragraphs (1) and (2) shall be resolved
14 pursuant to Chapter 5 (commencing with Section 56500) of Part
15 30 of *Division 4 of Title 2 of the Education Code*.

16 (e)

17 (d) Whenever a related service or designated instruction and
18 service specified in subdivision (b) ~~or (e)~~ is to be considered for
19 inclusion in the child's individualized educational program, the
20 local education agency shall invite the responsible public agency
21 representative to meet with the individualized education program
22 team to determine the need for the service and participate in
23 developing the individualized education program. If the responsible
24 public agency representative cannot meet with the individualized
25 education program team, then the representative shall provide
26 written information concerning the need for the service pursuant
27 to subdivision ~~(d)~~ (c). Conference calls, together with written
28 recommendations, are acceptable forms of participation. If the
29 responsible public agency representative will not be available to
30 participate in the individualized education program meeting, the
31 local educational agency shall ensure that a qualified substitute is
32 available to explain and interpret the evaluation pursuant to
33 subdivision (d) of Section 56341 of the Education Code. A copy
34 of the information shall be provided by the responsible public
35 agency to the parents or any adult pupil for whom no guardian or
36 conservator has been appointed.

37 *SEC. 21. Section 7572.5 of the Government Code is amended*
38 *to read:*

39 7572.5. (a) ~~When~~ *If* an assessment is conducted pursuant to
40 Article 2 (commencing with Section 56320) of Chapter 4 of Part

1 30 of *Division 4 of Title 2* of the Education Code, which determines
2 that a child is seriously emotionally disturbed, as defined in Section
3 300.8 of Title 34 of the Code of Federal Regulations, and any
4 member of the individualized education program team recommends
5 residential placement based on relevant assessment information,
6 the individualized education program team shall be expanded to
7 include a representative of the county mental health department.

8 (b) The expanded individualized education program team shall
9 review the assessment and determine whether:

10 (1) The child’s needs can reasonably be met through any
11 combination of nonresidential services, preventing the need for
12 out-of-home care.

13 (2) Residential care is necessary for the child to benefit from
14 educational services.

15 (3) Residential services are available that address the needs
16 identified in the assessment and that will ameliorate the conditions
17 leading to the seriously emotionally disturbed designation.

18 (c) If the review required in subdivision (b) results in an
19 individualized education program that calls for residential
20 placement, the individualized education program shall include all
21 of the items outlined in Section 56345 of the Education Code, and
22 shall also include:

23 (1) Designation of the county mental health department as lead
24 case manager. Lead case management responsibility may be
25 delegated to the county welfare department by agreement between
26 the county welfare department and the designated county mental
27 health department. The county mental health department shall
28 retain financial responsibility for the provision of case management
29 services.

30 (2) Provision for a review of the case progress, the continuing
31 need for out-of-home placement, the extent of compliance with
32 the individualized education program, and progress toward
33 alleviating the need for out-of-home care, by the full individualized
34 education program team at least every six months.

35 (3) Identification of an appropriate residential facility for
36 placement with the assistance of the county welfare department
37 as necessary.

38 (d) *This section shall become inoperative on July 1, 2011, and,*
39 *as of January 1, 2012, is repealed, unless a later enacted statute,*

1 *that becomes operative on or before January 1, 2012, deletes or*
2 *extends the dates on which it becomes inoperative and is repealed.*

3 *SEC. 22. Section 7572.55 of the Government Code is amended*
4 *to read:*

5 7572.55. (a) Residential placements for a child with a disability
6 who is seriously emotionally disturbed may be made out-of-state
7 only after in-state alternatives have been considered and are found
8 not to meet the child's needs and only when the requirements of
9 Section 7572.5, and subdivision (e) of Section 56365 of the
10 Education Code have been met. The local education agency shall
11 document the alternatives to out-of-state residential placement that
12 were considered and the reasons why they were rejected.

13 (b) Out-of-state placements shall be made only in a privately
14 operated school certified by the California Department of
15 Education.

16 (c) A plan shall be developed for using less restrictive
17 alternatives and in-state alternatives as soon as they become
18 available, unless it is in the best educational interest of the child
19 to remain in the out-of-state school. If the child is a ward or
20 dependent of the court, this plan shall be documented in the record.

21 *(d) This section shall become inoperative on July 1, 2011, and,*
22 *as of January 1, 2012, is repealed, unless a later enacted statute,*
23 *that becomes operative on or before January 1, 2012, deletes or*
24 *extends the dates on which it becomes inoperative and is repealed.*

25 *SEC. 23. Section 7576 of the Government Code is amended to*
26 *read:*

27 7576. (a) The State Department of Mental Health, or a
28 community mental health service, as described in Section 5602 of
29 the Welfare and Institutions Code, designated by the State
30 Department of Mental Health, is responsible for the provision of
31 mental health services, as defined in regulations by the State
32 Department of Mental Health, developed in consultation with the
33 State Department of Education, if required in the individualized
34 education program of a pupil. A local educational agency is not
35 required to place a pupil in a more restrictive educational
36 environment in order for the pupil to receive the mental health
37 services specified in his or her individualized education program
38 if the mental health services can be appropriately provided in a
39 less restrictive setting. It is the intent of the Legislature that the
40 local educational agency and the community mental health service

1 vigorously attempt to develop a mutually satisfactory placement
 2 that is acceptable to the parent and addresses the educational and
 3 mental health treatment needs of the pupil in a manner that is cost
 4 effective for both public agencies, subject to the requirements of
 5 state and federal special education law, including the requirement
 6 that the placement be appropriate and in the least restrictive
 7 environment. For purposes of this section, “parent” is as defined
 8 in Section 56028 of the Education Code.

9 (b) A local educational agency, individualized education
 10 program team, or parent may initiate a referral for assessment of
 11 the social and emotional status of a pupil, pursuant to Section
 12 56320 of the Education Code. Based on the results of assessments
 13 completed pursuant to Section 56320 of the Education Code, an
 14 individualized education program team may refer a pupil who has
 15 been determined to be an individual with exceptional needs, as
 16 defined in Section 56026 of the Education Code, and who is
 17 suspected of needing mental health services to a community mental
 18 health service if the pupil meets all of the criteria in paragraphs
 19 (1) to (5), inclusive. Referral packages shall include all
 20 documentation required in subdivision (c), and shall be provided
 21 immediately to the community mental health service.

22 (1) The pupil has been assessed by school personnel in
 23 accordance with Article 2 (commencing with Section 56320) of
 24 Chapter 4 of Part 30 of Division 4 of Title 2 of the Education Code.
 25 Local educational agencies and community mental health services
 26 shall work collaboratively to ensure that assessments performed
 27 prior to referral are as useful as possible to the community mental
 28 health service in determining the need for mental health services
 29 and the level of services needed.

30 (2) The local educational agency has obtained written parental
 31 consent for the referral of the pupil to the community mental health
 32 service, for the release and exchange of all relevant information
 33 between the local educational agency and the community mental
 34 health service, and for the observation of the pupil by mental health
 35 professionals in an educational setting.

36 (3) The pupil has emotional or behavioral characteristics that
 37 satisfy all of the following:

38 (A) Are observed by qualified educational staff in educational
 39 and other settings, as appropriate.

40 (B) Impede the pupil from benefiting from educational services.

1 (C) Are significant as indicated by their rate of occurrence and
2 intensity.

3 (D) Are associated with a condition that cannot be described
4 solely as a social maladjustment or a temporary adjustment
5 problem, and cannot be resolved with short-term counseling.

6 (4) As determined using educational assessments, the pupil's
7 functioning, including cognitive functioning, is at a level sufficient
8 to enable the pupil to benefit from mental health services.

9 (5) The local educational agency, pursuant to Section 56331 of
10 the Education Code, has provided appropriate counseling and
11 guidance services, psychological services, parent counseling and
12 training, or social work services to the pupil pursuant to Section
13 56363 of the Education Code, or behavioral intervention as
14 specified in Section 56520 of the Education Code, as specified in
15 the individualized education program and the individualized
16 education program team has determined that the services do not
17 meet the educational needs of the pupil, or, in cases where these
18 services are clearly inadequate or inappropriate to meet the
19 educational needs of the pupil, the individualized education
20 program team has documented which of these services were
21 considered and why they were determined to be inadequate or
22 inappropriate.

23 (c) If referring a pupil to a community mental health service in
24 accordance with subdivision (b), the local educational agency or
25 the individualized education program team shall provide the
26 following documentation:

27 (1) Copies of the current individualized education program, all
28 current assessment reports completed by school personnel in all
29 areas of suspected disabilities pursuant to Article 2 (commencing
30 with Section 56320) of Chapter 4 of Part 30 of Division 4 of Title
31 2 of the Education Code, and other relevant information, including
32 reports completed by other agencies.

33 (2) A copy of the parent's consent obtained as provided in
34 paragraph (2) of subdivision (b).

35 (3) A summary of the emotional or behavioral characteristics
36 of the pupil, including documentation that the pupil meets the
37 criteria set forth in paragraphs (3) and (4) of subdivision (b).

38 (4) A description of the counseling, psychological, and guidance
39 services, and other interventions that have been provided to the
40 pupil, as provided in the individualized education program of the

1 pupil, including the initiation, duration, and frequency of these
2 services, or an explanation of the reasons a service was considered
3 for the pupil and determined to be inadequate or inappropriate to
4 meet his or her educational needs.

5 (d) Based on preliminary results of assessments performed
6 pursuant to Section 56320 of the Education Code, a local
7 educational agency may refer a pupil who has been determined to
8 be, or is suspected of being, an individual with exceptional needs,
9 and is suspected of needing mental health services, to a community
10 mental health service if a pupil meets the criteria in paragraphs (1)
11 and (2). Referral packages shall include all documentation required
12 in subdivision (e) and shall be provided immediately to the
13 community mental health service.

14 (1) The pupil meets the criteria in paragraphs (2) to (4),
15 inclusive, of subdivision (b).

16 (2) Counseling and guidance services, psychological services,
17 parent counseling and training, social work services, and behavioral
18 or other interventions as provided in the individualized education
19 program of the pupil are clearly inadequate or inappropriate in
20 meeting his or her educational needs.

21 (e) If referring a pupil to a community mental health service in
22 accordance with subdivision (d), the local educational agency shall
23 provide the following documentation:

24 (1) Results of preliminary assessments to the extent they are
25 available and other relevant information including reports
26 completed by other agencies.

27 (2) A copy of the parent's consent obtained as provided in
28 paragraph (2) of subdivision (b).

29 (3) A summary of the emotional or behavioral characteristics
30 of the pupil, including documentation that the pupil meets the
31 criteria in paragraphs (3) and (4) of subdivision (b).

32 (4) Documentation that appropriate related educational and
33 designated instruction and services have been provided in
34 accordance with Sections 300.34 and 300.39 of Title 34 of the
35 Code of Federal Regulations.

36 (5) An explanation of the reasons that counseling and guidance
37 services, psychological services, parent counseling and training,
38 social work services, and behavioral or other interventions as
39 provided in the individualized education program of the pupil are

1 clearly inadequate or inappropriate in meeting his or her
2 educational needs.

3 (f) The procedures set forth in this chapter are not designed for
4 use in responding to psychiatric emergencies or other situations
5 requiring immediate response. In these situations, a parent may
6 seek services from other public programs or private providers, as
7 appropriate. This subdivision does not change the identification
8 and referral responsibilities imposed on local educational agencies
9 under Article 1 (commencing with Section 56300) of Chapter 4
10 of Part 30 of Division 4 of Title 2 of the Education Code.

11 (g) Referrals shall be made to the community mental health
12 service in the county in which the pupil lives. If the pupil has been
13 placed into residential care from another county, the community
14 mental health service receiving the referral shall forward the
15 referral immediately to the community mental health service of
16 the county of origin, which shall have fiscal and programmatic
17 responsibility for providing or arranging for the provision of
18 necessary services. The procedures described in this subdivision
19 shall not delay or impede the referral and assessment process.

20 (h) A county mental health agency does not have fiscal or legal
21 responsibility for costs it incurs prior to the approval of an
22 individualized education program, except for costs associated with
23 conducting a mental health assessment.

24 (i) *This section shall become inoperative on July 1, 2011, and,*
25 *as of January 1, 2012, is repealed, unless a later enacted statute,*
26 *that becomes operative on or before January 1, 2012, deletes or*
27 *extends the dates on which it becomes inoperative and is repealed.*

28 *SEC. 24. Section 7576.2 of the Government Code is amended*
29 *to read:*

30 7576.2. (a) The Director of the State Department of Mental
31 Health is responsible for monitoring county mental health agencies
32 to ensure compliance with the requirement to provide mental health
33 services to disabled pupils pursuant to this chapter and to ensure
34 that funds provided for this purpose are appropriately utilized.

35 (b) The Director of the State Department of Mental Health shall
36 submit a report to the Legislature by April 1, 2005, that includes
37 the following:

38 (1) A description of the data that is currently collected by the
39 State Department of Mental Health related to pupils served and
40 services provided pursuant to this chapter.

1 (2) A description of the existing monitoring process used by
 2 the State Department of Mental Health to ensure that county mental
 3 health agencies are complying with this chapter.

4 (3) Recommendations on the manner in which to strengthen
 5 and improve monitoring by the State Department of Mental Health
 6 of the compliance by a county mental health agency with the
 7 requirements of this chapter, on the manner in which to strengthen
 8 and improve collaboration and coordination with the State
 9 Department of Education in monitoring and data collection
 10 activities, and on the additional data needed related to this chapter.

11 (c) The Director of the State Department of Mental Health shall
 12 collaborate with the Superintendent of Public Instruction in
 13 preparing the report required pursuant to subdivision (b) and shall
 14 convene at least one meeting of appropriate stakeholders and
 15 organizations, including a representative from the State Department
 16 of Education, to obtain input on existing data collection and
 17 monitoring processes, and on ways to strengthen and improve the
 18 data collected and monitoring performed.

19 *(d) This section shall become inoperative on July 1, 2011, and,*
 20 *as of January 1, 2012, is repealed, unless a later enacted statute,*
 21 *that becomes operative on or before January 1, 2012, deletes or*
 22 *extends the dates on which it becomes inoperative and is repealed.*

23 SEC. 25. Section 7576.3 of the Government Code is amended
 24 to read:

25 7576.3. (a) It is the intent of the Legislature that the Director
 26 of the State Department of Mental Health collaborate with an entity
 27 with expertise in children’s mental health to collect, analyze, and
 28 disseminate best practices for delivering mental health services to
 29 disabled pupils. The best practices may include, but are not limited
 30 to:

31 ~~(a)~~

32 (1) Interagency agreements in urban, suburban, and rural areas
 33 that result in clear identification of responsibilities between local
 34 educational agencies and county mental health agencies and result
 35 in efficient and effective delivery of services to pupils.

36 ~~(b)~~

37 (2) Procedures for developing and amending individualized
 38 education programs that include mental health services that provide
 39 flexibility to educational and mental health agencies and protect
 40 the interests of children in obtaining needed mental health needs.

1 (e)

2 (3) Procedures for creating ongoing communication between
3 the classroom teacher of the pupil and the mental health
4 professional who is directing the mental health program for the
5 pupil.

6 (b) *This section shall become inoperative on July 1, 2011, and,*
7 *as of January 1, 2012, is repealed, unless a later enacted statute,*
8 *that becomes operative on or before January 1, 2012, deletes or*
9 *extends the dates on which it becomes inoperative and is repealed.*

10 SEC. 26. *Section 7576.5 of the Government Code is amended*
11 *to read:*

12 7576.5. (a) If funds are appropriated to local educational
13 agencies to support the costs of providing services pursuant to this
14 chapter, the local educational agencies shall transfer those funds
15 to the community mental health services that provide services
16 pursuant to this chapter in order to reduce the local costs of
17 providing these services. These funds shall be used exclusively
18 for programs operated under this chapter and are offsetting
19 revenues in any reimbursable mandate claim relating to special
20 education programs and services.

21 (b) *This section shall become inoperative on July 1, 2011, and,*
22 *as of January 1, 2012, is repealed, unless a later enacted statute,*
23 *that becomes operative on or before January 1, 2012, deletes or*
24 *extends the dates on which it becomes inoperative and is repealed.*

25 SEC. 27. *Section 7582 of the Government Code is amended to*
26 *read:*

27 7582. Assessments and therapy treatment services provided
28 under programs of the State Department of Health Care Services
29 ~~or the State Department of Mental Health~~, or ~~their~~ *its* designated
30 local agencies, rendered to a child referred by a local education
31 agency for an assessment or a disabled child or youth with an
32 individualized education program, shall be exempt from financial
33 eligibility standards and family repayment requirements for these
34 services when rendered pursuant to this chapter.

35 SEC. 28. *Section 7585 of the Government Code is amended to*
36 *read:*

37 7585. (a) Whenever a department or local agency designated
38 by that department fails to provide a related service or designated
39 instruction and service required pursuant to Section 7575 ~~or 7576~~,
40 and specified in the pupil's individualized education program, the

1 parent, adult pupil, if applicable, or a local educational agency
2 referred to in this chapter, shall submit a written notification of
3 the failure to provide the service to the Superintendent of Public
4 Instruction or the Secretary of California Health and Human
5 Services.

6 (b) When either the Superintendent or the secretary receives a
7 written notification of the failure to provide a service as specified
8 in subdivision (a), a copy shall immediately be transmitted to the
9 other party. The Superintendent, or his or her designee, and the
10 secretary, or his or her designee, shall meet to resolve the issue
11 within 15 calendar days of receipt of the notification. A written
12 copy of the meeting resolution shall be mailed to the parent, the
13 local educational agency, and affected departments, within 10 days
14 of the meeting.

15 (c) If the issue cannot be resolved within 15 calendar days to
16 the satisfaction of the Superintendent and the secretary, they shall
17 jointly submit the issue in writing to the Director of the Office of
18 Administrative Hearings, or his or her designee, in the Department
19 of General Services.

20 (d) The Director of the Office of Administrative Hearings, or
21 his or her designee, shall review the issue and submit his or her
22 findings in the case to the Superintendent and the secretary within
23 30 calendar days of receipt of the case. The decision of the director,
24 or his or her designee, shall be binding on the departments and
25 their designated agencies who are parties to the dispute.

26 (e) If the meeting, conducted pursuant to subdivision (b), fails
27 to resolve the issue to the satisfaction of the parent or local
28 educational agency, either party may appeal to the director, whose
29 decision shall be the final administrative determination and binding
30 on all parties.

31 (f) Whenever notification is filed pursuant to subdivision (a),
32 the pupil affected by the dispute shall be provided with the
33 appropriate related service or designated instruction and service
34 pending resolution of the dispute, if the pupil had been receiving
35 the service. The Superintendent and the secretary shall ensure that
36 funds are available for the provision of the service pending
37 resolution of the issue pursuant to subdivision (e).

38 (g) This section does not prevent a parent or adult pupil from
39 filing for a due process hearing under Section 7586.

1 (h) The contract between the State Department of Education
2 and the Office of Administrative Hearings for conducting due
3 process hearings shall include payment for services rendered by
4 the Office of Administrative Hearings which are required by this
5 section.

6 *SEC. 29. Section 7586.5 of the Government Code is amended*
7 *to read:*

8 7586.5. (a) Not later than January 1, 1988, the Superintendent
9 of Public Instruction and the Secretary of the Health and Human
10 Services Agency jointly shall submit to the Legislature and the
11 Governor a report on the implementation of this chapter. The report
12 shall include, but not be limited to, information regarding the
13 number of complaints and due process hearings resulting from this
14 chapter.

15 (b) *This section shall become inoperative on July 1, 2011, and,*
16 *as of January 1, 2012, is repealed, unless a later enacted statute,*
17 *that becomes operative on or before January 1, 2012, deletes or*
18 *extends the dates on which it becomes inoperative and is repealed.*

19 *SEC. 30. Section 7586.6 of the Government Code is amended*
20 *to read:*

21 7586.6. (a) The Superintendent of Public Instruction and the
22 Secretary of the Health and Human Services Agency shall ensure
23 that the State Department of Education and the State Department
24 of Mental Health enter into an interagency agreement by January
25 1, 1998. It is the intent of the Legislature that the agreement
26 include, but not be limited to, procedures for ongoing joint training,
27 technical assistance for state and local personnel responsible for
28 implementing this chapter, protocols for monitoring service
29 delivery, and a system for compiling data on program operations.

30 (b) It is the intent of the Legislature that the designated local
31 agencies of the State Department of Education and the State
32 Department of Mental Health update their interagency agreements
33 for services specified in this chapter at the earliest possible time.
34 It is the intent of the Legislature that the state and local interagency
35 agreements be updated at least every three years or earlier as
36 necessary.

37 (c) *This section shall become inoperative on July 1, 2011, and,*
38 *as of January 1, 2012, is repealed, unless a later enacted statute,*
39 *that becomes operative on or before January 1, 2012, deletes or*
40 *extends the dates on which it becomes inoperative and is repealed.*

1 *SEC. 31. Section 7586.7 of the Government Code is amended*
 2 *to read:*

3 7586.7. (a) The Superintendent of Public Instruction and the
 4 Secretary of the Health and Human Services Agency jointly shall
 5 prepare and implement within existing resources a plan for
 6 in-service training of state and local personnel responsible for
 7 implementing the provisions of this chapter.

8 (b) *This section shall become inoperative on July 1, 2011, and,*
 9 *as of January 1, 2012, is repealed, unless a later enacted statute,*
 10 *that becomes operative on or before January 1, 2012, deletes or*
 11 *extends the dates on which it becomes inoperative and is repealed.*

12 *SEC. 32. Section 7588 of the Government Code is repealed.*

13 ~~7588. This chapter shall become operative on July 1, 1986,~~
 14 ~~except Section 7583, which shall become operative on January 1,~~
 15 ~~1985.~~

16 *SEC. 33. Section 12440.1 of the Government Code is amended*
 17 *to read:*

18 12440.1. (a) The trustees, in conjunction with the Controller,
 19 shall implement a process that allows any campus or other unit of
 20 the university to make payments of obligations of the university
 21 from its revolving fund directly to all of its vendors.
 22 Notwithstanding Article 5 (commencing with Section 16400) of
 23 Chapter 2 of Part 2 of Division 4 of Title 2, or any other ~~provision~~
 24 ~~of~~ law, the trustees may draw from funds appropriated to the
 25 university, for use as a revolving fund, amounts necessary to make
 26 payments of obligations of the university directly to vendors. In
 27 any fiscal year, the trustees shall obtain the approval of the Director
 28 of Finance to draw amounts in excess of 10 percent of the total
 29 appropriation to the university for that fiscal year for use as a
 30 revolving fund.

31 (b) Notwithstanding Sections 925.6, 12410, and 16403, or any
 32 other ~~provision of~~ law, the trustees shall maintain payment records
 33 for three years and make those records available to the Controller
 34 for postaudit review, as needed.

35 (c) (1) Notwithstanding Section 8546.4 or any other ~~provision~~
 36 ~~of~~ law, the trustees shall contract with one or more public
 37 accounting firms to conduct ~~systemwide and individual campus a~~
 38 *systemwide annual financial statement and audit in accordance*
 39 *with generally accepted accounting principles (GAAP), as well as*
 40 *other required compliance audits without obtaining the approval*

1 of any other state officer or entity. ~~At least 10 individual campus~~
2 ~~audits shall be conducted on a rotating basis, and each campus~~
3 ~~shall be audited at least once every two years.~~

4 (2) *The statement of net assets, statement of revenues, expenses,*
5 *changes in net assets, and statement of cashflows of each campus*
6 *shall be included as an addendum to the annual systemwide audit.*
7 *Summary information on transactions with auxiliary organizations*
8 *for each campus shall also be included in the addendum. Any*
9 *additional information necessary shall be provided upon request.*

10 (d) The internal and independent financial statement audits of
11 the trustees shall test compliance with procurement procedures
12 and the integrity of the payments made. The results of these audits
13 shall be included in the biennial report required by Section 13405.

14 (e) As used in this section:

15 (1) “Trustees” means the Trustees of the California State
16 University.

17 (2) “University” means the California State University.

18 *SEC. 34. Section 17581.5 of the Government Code is amended*
19 *to read:*

20 17581.5. (a) A school district or community college district
21 shall not be required to implement or give effect to the statutes, or
22 a portion of the statutes, identified in subdivision (c) during any
23 fiscal year and for the period immediately following that fiscal
24 year for which the Budget Act has not been enacted for the
25 subsequent fiscal year if all of the following apply:

26 (1) The statute or a portion of the statute, has been determined
27 by the Legislature, the commission, or any court to mandate a new
28 program or higher level of service requiring reimbursement of
29 school districts or community college districts pursuant to Section
30 6 of Article XIII B of the California Constitution.

31 (2) The statute, or a portion of the statute, or the test claim
32 number utilized by the commission, specifically has been identified
33 by the Legislature in the Budget Act for the fiscal year as being
34 one for which reimbursement is not provided for that fiscal year.
35 For purposes of this paragraph, a mandate shall be considered
36 specifically to have been identified by the Legislature only if it
37 has been included within the schedule of reimbursable mandates
38 shown in the Budget Act and it specifically is identified in the
39 language of a provision of the item providing the appropriation
40 for mandate reimbursements.

1 (b) Within 30 days after enactment of the Budget Act, the
2 Department of Finance shall notify school districts of any statute
3 or executive order, or portion thereof, for which reimbursement
4 is not provided for the fiscal year pursuant to this section.

5 (c) This section applies only to the following mandates:

6 (1) School Bus Safety I (CSM-4433) and II (97-TC-22) (Chapter
7 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994;
8 and Chapter 739 of the Statutes of 1997).

9 (2) County Treasury Withdrawals (96-365-03; and Chapter 784
10 of the Statutes of 1995 and Chapter 156 of the Statutes of 1996).

11 (3) Grand Jury Proceedings (98-TC-27; and Chapter 1170 of
12 the Statutes of 1996, Chapter 443 of the Statutes of 1997, and
13 Chapter 230 of the Statutes of 1998).

14 (4) Law Enforcement Sexual Harassment Training (97-TC-07;
15 and Chapter 126 of the Statutes of 1993).

16 (5) Health Benefits for Survivors of Peace Officers and
17 Firefighters (Chapter 1120 of the Statutes of 1996 and 97-TC-25).

18 (d) This section applies to the following mandates for the
19 2010–11, 2011–12, and 2012–13 fiscal years only:

20 (1) Removal of Chemicals (Chapter 1107 of the Statutes of 1984
21 and CSM 4211 and 4298).

22 (2) Scoliosis Screening (Chapter 1347 of the Statutes of 1980
23 and CSM 4195).

24 (3) Pupil Residency Verification and Appeals (Chapter 309 of
25 the Statutes of 1995 and 96-384-01).

26 (4) Integrated Waste Management (Chapter 1116 of the Statutes
27 of 1992 and 00-TC-07).

28 (5) Law Enforcement Jurisdiction Agreements (Chapter 284 of
29 the Statutes of 1998 and 98-TC-20).

30 (6) Physical Education Reports (Chapter 640 of the Statutes of
31 1997 and 98-TC-08).

32 (7) *98.01.042.390-Sexual Assault Response Procedures (Chapter*
33 *423 of the Statutes of 1990 and 99-TC-12).*

34 (8) *98.01.059.389-Student Records (Chapter 593 of the Statutes*
35 *of 1989 and 02-TC-34).*

36 *SEC. 35. Section 5651 of the Welfare and Institutions Code is*
37 *amended to read:*

38 5651. The proposed annual county mental health services
39 performance contract shall include all of the following:

40 (a) The following assurances:

1 (1) That the county is in compliance with the expenditure
2 requirements of Section 17608.05.

3 ~~(2) That the county shall provide the mental health services~~
4 ~~required by Chapter 26.5 (commencing with Section 7570) of~~
5 ~~Division 7 of Title 1 of the Government Code and will comply~~
6 ~~with all requirements of that chapter.~~

7 ~~(3)~~

8 (2) That the county shall provide services to persons receiving
9 involuntary treatment as required by Part 1 (commencing with
10 Section 5000) and Part 1.5 (commencing with Section 5585).

11 ~~(4)~~

12 (3) That the county shall comply with all requirements necessary
13 for Medi-Cal reimbursement for mental health treatment services
14 and case management programs provided to Medi-Cal eligible
15 individuals, including, but not limited to, the provisions set forth
16 in Chapter 3 (commencing with Section 5700), and that the county
17 shall submit cost reports and other data to the department in the
18 form and manner determined by the department.

19 ~~(5)~~

20 (4) That the local mental health advisory board has reviewed
21 and approved procedures ensuring citizen and professional
22 involvement at all stages of the planning process pursuant to
23 Section 5604.2.

24 ~~(6)~~

25 (5) That the county shall comply with all provisions and
26 requirements in law pertaining to patient rights.

27 ~~(7)~~

28 (6) That the county shall comply with all requirements in federal
29 law and regulation pertaining to federally funded mental health
30 programs.

31 ~~(8)~~

32 (7) That the county shall provide all data and information set
33 forth in Sections 5610 and 5664.

34 ~~(9)~~

35 (8) That the county, if it elects to provide the services described
36 in Chapter 2.5 (commencing with Section 5670), shall comply
37 with guidelines established for program initiatives outlined in that
38 chapter.

39 ~~(10)~~

1 (9) Assurances that the county shall comply with all applicable
 2 laws and regulations for all services delivered.

3 (b) The county’s proposed agreement with the department for
 4 state hospital usage as required by Chapter 4 (commencing with
 5 Section 4330) of Part 2 of Division 4.

6 ~~(c) Performance contracts required by this chapter shall include~~
 7 ~~any~~—Any contractual requirements needed for any program
 8 initiatives utilized by the county contained within this part. In
 9 addition, any county may choose to include contract provisions
 10 for other state directed mental health managed programs within
 11 this performance contract.

12 (d) Other information determined to be necessary by the director,
 13 to the extent this requirement does not substantially increase county
 14 costs.

15 *SEC. 36. Section 5701.3 of the Welfare and Institutions Code*
 16 *is amended to read:*

17 5701.3. (a) Consistent with the annual Budget Act, this chapter
 18 shall not affect the responsibility of the state to fund psychotherapy
 19 and other mental health services required by Chapter 26.5
 20 (commencing with Section 7570) of Division 7 of Title 1 of the
 21 Government Code, and the state shall reimburse counties for all
 22 allowable costs incurred by counties in providing services pursuant
 23 to that chapter. The reimbursement provided pursuant to this
 24 section for purposes of Chapter 26.5 (commencing with Section
 25 7570) of Division 7 of Title 1 of the Government Code shall be
 26 provided by the state through an appropriation included in either
 27 the annual Budget Act or other statute. Counties shall continue to
 28 receive reimbursement from specifically appropriated funds for
 29 costs necessarily incurred in providing psychotherapy and other
 30 mental health services in accordance with this chapter. For
 31 reimbursement claims for services delivered in the 2001–02 fiscal
 32 year and thereafter, counties are not required to provide any share
 33 of those costs or to fund the cost of any part of these services with
 34 money received from the Local Revenue Fund established by
 35 Chapter 6 (commencing with Section 17600) of Part 5 of Division
 36 9.

37 (b) *This section shall become inoperative on July 1, 2011, and,*
 38 *as of January 1, 2012, is repealed, unless a later enacted statute,*
 39 *that becomes operative on or before January 1, 2012, deletes or*
 40 *extends the dates on which it becomes inoperative and is repealed.*

1 *SEC. 37. Section 5701.6 of the Welfare and Institutions Code*
2 *is amended to read:*

3 5701.6. (a) Counties may utilize money received from the
4 Local Revenue Fund established by Chapter 6 (commencing with
5 Section 17600) of Part 5 of Division 9 to fund the costs of any part
6 of those services provided pursuant to Chapter 26.5 (commencing
7 with Section 7570) of Division 7 of Title 1 of the Government
8 Code. If money from the Local Revenue Fund is used by counties
9 for those services, counties are eligible for reimbursement from
10 the state for all allowable costs to fund assessments, psychotherapy,
11 and other mental health services allowable pursuant to Section
12 300.24 of Title 34 of the Code of Federal Regulations and required
13 by Chapter 26.5 (commencing with Section 7570) of Division 7
14 of Title 1 of the Government Code.

15 (b) This section is declaratory of existing law.

16 (c) *This section shall become inoperative on July 1, 2011, and,*
17 *as of January 1, 2012, is repealed, unless a later enacted statute,*
18 *that becomes operative on or before January 1, 2012, deletes or*
19 *extends the dates on which it becomes inoperative and is repealed.*

20 *SEC. 38. 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. 39. Section 18356.1 is added to the Welfare and*
38 *Institutions Code, to read:*

39 *18356.1. This chapter shall become inoperative on July 1,*
40 *2011, and, as of January 1, 2012, is repealed, unless a later*

1 *enacted statute, that becomes operative on or before January 1,*
2 *2012, deletes or extends the dates on which it becomes inoperative*
3 *and is repealed.*

4 *SEC. 40. Notwithstanding the rulemaking provisions of the*
5 *Administrative Procedure Act (Chapter 3.5 (commencing with*
6 *Section 11340) of Part 1 of Division 3 of Title 2 of the Government*
7 *Code), the State Department of Social Services or the State*
8 *Department of Education may implement Sections 2 to 5, inclusive,*
9 *and Sections 7, 8, and 38 of this act, through all-county letters,*
10 *management bulletins, or other similar instructions.*

11 *SEC. 41. Notwithstanding any other law, the implementation*
12 *of Sections 2 to 5, inclusive, and Sections 7, 8, and 38 of this act*
13 *is not subject to the appeal and resolution procedures for agencies*
14 *that contract with the State Department of Education for the*
15 *provision of child care services or the due process requirements*
16 *afforded to families that are denied services specified in Chapter*
17 *19 (commencing with Section 18000) of Division 1 of Title 5 of*
18 *the California Code of Regulations.*

19 *SEC. 42. It is the intent of the Legislature that funding provided*
20 *in provisions 18 and 26 of Item 6110-161-0001 and provision 9*
21 *of Item 6110-161-0890 of Section 2.00 of the Budget Act of 2011*
22 *for mental health related services, including out-of-home*
23 *residential services for emotionally disturbed pupils, required by*
24 *an individualized education program pursuant to the federal*
25 *Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400*
26 *et seq.) shall be exclusively available for these services only for*
27 *the 2011–12 and 2012–13 fiscal years.*

28 *SEC. 43. (a) It is the intent of the Legislature that the State*
29 *Department of Education and the Department of Mental Health*
30 *repeal regulations pertaining to the elimination of statutes pursuant*
31 *to this act related to mental health services provided by county*
32 *mental health agencies.*

33 *(b) The State Department of Education and the Department of*
34 *Mental Health shall review Division 9 (commencing with Section*
35 *60000) of Title 2 of the California Code of Regulations and*
36 *Chapter 6 (commencing with Section 1000) of Division 1 of Title*
37 *9 of the California Code of Regulations, as applicable, to ensure*
38 *appropriate implementation of mental health related services for*
39 *individuals with exceptional needs pursuant to the federal*

1 *Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400*
2 *et seq.) and statutes enacted pursuant to this act.*

3 *(c) To ensure that any regulatory changes resulting from the*
4 *review conducted pursuant to subdivision (b) are implemented as*
5 *soon as possible, the State Department of Education and the*
6 *Department of Mental Health may utilize the process for adopting*
7 *emergency regulations set forth in Section 11346.1 of the*
8 *Government Code.*

9 *SEC. 44. This act is a bill providing for appropriations related*
10 *to the Budget Bill within the meaning of subdivision (e) of Section*
11 *12 of Article IV of the California Constitution, has been identified*
12 *as related to the budget in the Budget Bill, and shall take effect*
13 *immediately.*

14 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
15 ~~changes relating to the Budget Act of 2011.~~