

AMENDED IN SENATE JUNE 14, 2011

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 to amend Sections 2558.46, 8201, 8208, ~~8263.2~~, 8263.4, 8447, 8499, ~~14041.6~~, 42238.146, ~~56139~~, 56325, and 69432.7, and ~~84321.6~~ of, to amend and renumber Section 60422.3 of, to amend and repeal ~~Section Sections 56139 and 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, ~~42251~~ to, and to repeal and add Section 42606 of, the Education Code, to amend Section 7911.1 of the Family 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, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 114, as amended, Committee on Budget. Education finance.

(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)~~

(3) 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)

(4) 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)~~

~~(5) 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%.~~

~~(6) Under existing law county offices of education receive certain property tax revenues. Existing law requires a revenue limit to be calculated for each county superintendent of schools and requires the amount of the revenue limit to be adjusted for various factors, including the amount of property tax revenues a county office of education receives.~~

~~This bill would require the Superintendent of Public Instruction to determine the amount of excess property taxes available to county offices of education and would require the auditor-controller of each county to distribute those amounts first to the school districts in the county for purposes of revenue limits in amounts that do not exceed the amounts that would reduce the state General Fund apportionments for revenue limits for those school districts to zero, and then to distribute any remaining funds to one or more community college districts within the county, as determined by the Chancellor of the California Community Colleges, for purposes of general purpose apportionments, as specified. After those distributions are made, the bill would require~~

any remaining funds to be distributed to local educational agencies within the county for the purpose of providing educationally related mental health services required pursuant to specified federal law and then to the county for the operation of health and human services programs pursuant to a plan developed jointly by the Director of Finance and the Secretary of Health and Human Services. By imposing additional duties on local agency officials, this bill would impose a state-mandated local program.

(10)

(7) 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)

(8) 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)~~

(9) 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)~~

(10) 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)~~

(11) 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)~~

(12) 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)~~

(13) 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)~~

~~(14) This bill would express the intent of the Legislature that specified funding in the Budget Act of 2011 related to *educationally related* mental health services would be exclusively available only for the 2011–12 and 2012–13 fiscal years.~~

~~(20)~~

~~(15) This bill would express the intent of the Legislature that the State Department of Education and the Department of Mental Health *appropriate departments within the California Health and Human Services Agency* modify or 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 *appropriate departments within the California Health and Human Services Agency* to review—~~specified~~ regulations to ensure appropriate implementation of *educationally related* mental health ~~related services for individuals with exceptional needs pursuant to required by~~ the federal Individuals with Disabilities Education Act and *of certain* statutes enacted pursuant to this bill. The bill would authorize the State Department of Education and the Department of Mental Health *appropriate departments within the California Health and Human Services Agency* to utilize the statutory process for adopting emergency regulations in implementing ~~any regulatory changes resulting from this review~~ *certain statutes enacted pursuant to this bill.*~~

~~(21)~~

~~(16) This bill would authorize the Controller to defer, as necessary, the June 2012 allocations to the University of California until not later than August 31, 2012, for purposes of cash management.~~

~~(17) This bill would make conforming changes, correct some cross-references, and make other technical, nonsubstantive changes.~~

~~(22)~~

~~(18) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*~~

~~*This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.*~~

(19) Existing law requires the State Department of Education to award grants to school districts, county superintendents of schools, or entities approved by the department for nonrecurring expenses incurred in initiating or expanding a school breakfast program or a summer food service program.

This bill would make an appropriation of \$1,000 for purposes of these grants.

(20) 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)~~

(21) 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: yes. Fiscal committee: yes. State-mandated local program: ~~no~~-yes.

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

- 1 SECTION 1. Section 2558.46 of the Education Code is
- 2 amended 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.
- 6 (2) For the 2004–05 fiscal year, the revenue limit for each county
- 7 superintendent of schools determined pursuant to this article shall
- 8 be reduced by a 0.323 percent deficit factor.
- 9 (3) For the 2003–04 and 2004–05 fiscal years, the revenue limit
- 10 for each county superintendent of schools determined pursuant to
- 11 this article shall be reduced further by a 1.826 percent deficit factor.
- 12 (4) For the 2005–06 fiscal year, the revenue limit for each county
- 13 superintendent of schools determined pursuant to this article shall
- 14 be reduced further by a 0.898 percent deficit factor.
- 15 (5) For the 2008–09 fiscal year, the revenue limit for each county
- 16 superintendent of schools determined pursuant to this article shall
- 17 be reduced by a 7.839 percent deficit factor.
- 18 (6) For the 2009–10 fiscal year, the revenue limit for each county
- 19 superintendent of schools determined pursuant to this article shall
- 20 be reduced by an 18.621 percent deficit factor.

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

4 (8) For the 2011–12 fiscal year, the revenue limit for each county
5 superintendent of schools determined pursuant to this article shall
6 be reduced by a 20.041 percent deficit factor.

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

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

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

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

31 SEC. 2. Section 8201 of the Education Code is amended to
32 read:

33 8201. The purpose of this chapter is as follows:

34 (a) To provide a comprehensive, coordinated, and cost-effective
35 system of child care and development services for children from
36 infancy to 13 years of age and their parents, including a full range
37 of supervision, health, and support services through full- and
38 part-time programs.

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

- 1 (c) To provide an environment that is healthy and nurturing for
2 all children in child care and development programs.
 - 3 (d) To provide the opportunity for positive parenting to take
4 place through understanding of human growth and development.
 - 5 (e) To reduce strain between parent and child in order to prevent
6 abuse, neglect, or exploitation.
 - 7 (f) To enhance the cognitive development of children, with
8 particular emphasis upon those children who require special
9 assistance, including bilingual capabilities to attain their full
10 potential.
 - 11 (g) To establish a framework for the expansion of child care
12 and development services.
 - 13 (h) To empower and encourage parents and families of children
14 who require child care services to take responsibility to review the
15 safety of the child care program or facility and to evaluate the
16 ability of the program or facility to meet the needs of the child.
- 17 SEC. 3. Section 8208 of the Education Code is amended to
18 read:
- 19 8208. As used in this chapter:
- 20 (a) “Alternative payments” includes payments that are made by
21 one child care agency to another agency or child care provider for
22 the provision of child care and development services, and payments
23 that are made by an agency to a parent for the parent’s purchase
24 of child care and development services.
 - 25 (b) “Alternative payment program” means a local government
26 agency or nonprofit organization that has contracted with the
27 department pursuant to Section 8220.1 to provide alternative
28 payments and to provide support services to parents and providers.
 - 29 (c) “Applicant or contracting agency” means a school district,
30 community college district, college or university, county
31 superintendent of schools, county, city, public agency, private
32 nontax-exempt agency, private tax-exempt agency, or other entity
33 that is authorized to establish, maintain, or operate services
34 pursuant to this chapter. Private agencies and parent cooperatives,
35 duly licensed by law, shall receive the same consideration as any
36 other authorized entity with no loss of parental decisionmaking
37 prerogatives as consistent with the provisions of this chapter.
 - 38 (d) “Assigned reimbursement rate” is that rate established by
39 the contract with the agency and is derived by dividing the total

1 dollar amount of the contract by the minimum child day of average
2 daily enrollment level of service required.

3 (e) “Attendance” means the number of children present at a
4 child care and development facility. “Attendance,” for the purposes
5 of reimbursement, includes excused absences by children because
6 of illness, quarantine, illness or quarantine of their parent, family
7 emergency, or to spend time with a parent or other relative as
8 required by a court of law or that is clearly in the best interest of
9 the child.

10 (f) “Capital outlay” means the amount paid for the renovation
11 and repair of child care and development facilities to comply with
12 state and local health and safety standards, and the amount paid
13 for the state purchase of relocatable child care and development
14 facilities for lease to qualifying contracting agencies.

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

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

21 (i) “Child care and development programs” means those
22 programs that offer a full range of services for children from
23 infancy to 13 years of age, for any part of a day, by a public or
24 private agency, in centers and family child care homes. These
25 programs include, but are not limited to, all of the 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 ~~SEC. 4. Section 8263.2 of the Education Code is amended to~~
 39 ~~read:~~

1 ~~8263.2. (a) Notwithstanding any other law, effective July 1,~~
2 ~~2011, the department shall reduce the maximum reimbursable~~
3 ~~amounts of the contracts for the Preschool Education Program, the~~
4 ~~General Child Care Program, the Migrant Day Care Program, the~~
5 ~~Alternative Payment Program, the CalWORKs Stage 3 Program,~~
6 ~~and the Allowance for Handicapped Program by 11 percent. The~~
7 ~~department may consider the contractor's performance or whether~~
8 ~~the contractor serves children in underserved areas as defined in~~
9 ~~subdivision (ag) of Section 8208 when determining contract~~
10 ~~reductions, provided that the aggregate reduction to each program~~
11 ~~specified in this subdivision is 11 percent.~~

12 ~~(b) Notwithstanding any other law, effective July 1, 2011,~~
13 ~~families shall be disenrolled from subsidized child care services,~~
14 ~~consistent with the priorities for services specified in subdivision~~
15 ~~(b) of Section 8263. Families shall be disenrolled in the following~~
16 ~~order:~~

17 ~~(1) Families whose income exceeds 70 percent of the state~~
18 ~~median income (SMI) adjusted for family size, except for families~~
19 ~~whose children are receiving child protective services or are at~~
20 ~~risk of being neglected or abused.~~

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

23 ~~(3) Families that have the same income and have been enrolled~~
24 ~~in child care services the longest.~~

25 ~~(4) Families that have the same income and have a child with~~
26 ~~exceptional needs.~~

27 ~~(5) Families whose children are receiving child protective~~
28 ~~services or are at risk of being neglected or abused, regardless of~~
29 ~~family income.~~

30 ~~SEC. 5.~~

31 ~~SEC. 4.~~ Section 8263.4 of the Education Code is amended to
32 read:

33 8263.4. (a) The preferred placement for children who are 11
34 or 12 years of age and who are otherwise eligible for subsidized
35 child care and development services shall be in a before or after
36 school program.

37 (b) Children who are 11 or 12 years of age shall be eligible for
38 subsidized child care services only for the portion of care needed
39 that is not available in a before or after school program provided
40 pursuant to Article 22.5 (commencing with Section 8482) or Article

1 22.6 (commencing with Section 8484.7). Contractors shall provide
2 each family of an eligible 11 or 12 year old with the option of
3 combining care provided in a before or after school program with
4 subsidized child care in another setting, for those hours within a
5 day when the before or after school program does not operate, in
6 order to meet the child care needs of the family.

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

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

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

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

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

25 (4) The program is too geographically distant from the parents'
26 residence.

27 (5) Use of the program would create substantial transportation
28 obstacles for the family.

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

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

38 (f) This section does not apply to an 11 or 12 year old child with
39 a disability, including a child with exceptional needs who has an
40 individualized education program as required by the federal

1 Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400
2 et seq.), Section 504 of the federal Rehabilitation Act of 1973 (29
3 U.S.C. Sec. 794), or Part 30 (commencing with Section 56000) of
4 Division 4 of Title 2.

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

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

19
20 ~~Article 14.7. California Early Learning Advisory Council~~
21

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

25 ~~(b) Membership on the advisory council shall include 13~~
26 ~~members, as follows:~~

- 27 ~~(1) The Superintendent or his or her designee.~~
- 28 ~~(2) The President of the state board or his or her designee.~~
- 29 ~~(3) The chairperson of the California Children and Families~~
30 ~~Commission or his or her designee.~~
- 31 ~~(4) The President of the local First 5 County Commission~~
32 ~~Association or his or her designee.~~
- 33 ~~(5) The Director of Social Services or his or her designee.~~
- 34 ~~(6) The Director of the California Head Start State Collaboration.~~
- 35 ~~(7) One representative of institutions of higher education in the~~
36 ~~state.~~
- 37 ~~(8) One representative of the state agency responsible for health~~
38 ~~or mental health care.~~

1 ~~(9) One representative of Head Start agencies located in the~~
2 ~~state, including migrant or seasonal and Indian Head Start~~
3 ~~programs.~~

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

10 ~~(e) The Senate Committee on Rules shall appoint the~~
11 ~~representative of the institutions of higher education in the state,~~
12 ~~the representative of the Head Start agencies, and one~~
13 ~~representative from the early care and education community.~~

14 ~~(d) The Speaker of the Assembly shall appoint three~~
15 ~~representatives from the early care and education community.~~

16 ~~(e) The Governor shall appoint the representative of the state~~
17 ~~agency responsible for health or mental health care.~~

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

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

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

30 ~~8312. (a) The advisory council shall seek input through the~~
31 ~~establishment of subcommittees or other methods from persons~~
32 ~~with expertise in the following areas:~~

33 ~~(1) Early learning quality improvement systems in use~~
34 ~~nationwide.~~

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

39 ~~(3) Kindergarten and grades 1 to 12, inclusive, public school~~
40 ~~teachers.~~

1 ~~(4) English language development, including primary and~~
2 ~~secondary language acquisition.~~

3 ~~(5) Education and care of children with exceptional needs or~~
4 ~~disabilities.~~

5 ~~(6) Infant and toddler care.~~

6 ~~(7) Consumer education.~~

7 ~~(8) Parent and guardian engagement.~~

8 ~~(9) Workforce development.~~

9 ~~(10) Facilities development.~~

10 ~~(11) Technical assistance.~~

11 ~~(12) Program accreditation.~~

12 ~~(b) The advisory council shall seek input from parents from~~
13 ~~diverse socio-economic and racial and ethnic backgrounds.~~

14 ~~SEC. 7.~~

15 *SEC. 5.* Section 8447 of the Education Code is amended to
16 read:

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

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

1 working days after the effective date of authorized new allocations
2 of child care moneys.

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

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

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

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

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

1 has the potential effect of reducing the number of full-time
2 equivalent children that may be served.

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

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

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

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

33 ~~SEC. 8.~~

34 *SEC. 6.* Section 8499 of the Education Code is amended to
35 read:

36 8499. For purposes of this chapter, the following definitions
37 shall apply:

38 (a) “Block grant” means the block grant contained in Title VI
39 of the Child Care and Development Fund, as established by the

1 federal Personal Responsibility and Work Opportunity
2 Reconciliation Act of 1996 (P.L. 104-193).

3 (b) “Child care” means all licensed child care and development
4 services and license-exempt child care, including, but not limited
5 to, private for-profit programs, nonprofit programs, and publicly
6 funded programs, for all children up to and including 12 years of
7 age, including children with exceptional needs and children from
8 all linguistic and cultural backgrounds.

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

11 (d) “Community representative” means a person who represents
12 an agency or business that provides private funding for child care
13 services, or who advocates for child care services through
14 participation in civic or community-based organizations but is not
15 a child care provider and does not represent an agency that
16 contracts with the State Department of Education to provide child
17 care and development services.

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

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

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

23 (h) “Public agency representative” means a person who
24 represents a city, county, city and county, or local educational
25 agency.

26 ~~SEC. 9. Section 14041.6 of the Education Code is amended to~~
27 ~~read:~~

28 ~~14041.6. (a) Notwithstanding subdivision (a) of Section 14041,~~
29 ~~or any other law, commencing with the 2008–09 fiscal year, and~~
30 ~~ending with the 2010–11 fiscal year, warrants for the principal~~
31 ~~apportionments for the month of February in the amount of two~~
32 ~~billion dollars (\$2,000,000,000) instead shall be drawn in July of~~
33 ~~the same calendar year pursuant to the certification made pursuant~~
34 ~~to Section 41339.~~

35 ~~(b) Notwithstanding subdivision (a) of Section 14041 or any~~
36 ~~other law, commencing with the 2009–10 fiscal year, warrants for~~
37 ~~the principal apportionments for the month of April in the amount~~
38 ~~of six hundred seventy-eight million six hundred eleven thousand~~
39 ~~dollars (\$678,611,000) and for the month of May in the amount~~
40 ~~of one billion dollars (\$1,000,000,000) instead shall be drawn in~~

1 August of the same calendar year pursuant to the certification made
2 pursuant to Section 41339.

3 ~~(e) Notwithstanding subdivision (a) of Section 14041 or any~~
4 ~~other law, commencing with the 2010–11 fiscal year, warrants for~~
5 ~~the principal apportionments for the month of April in the amount~~
6 ~~of four hundred nineteen million twenty thousand dollars~~
7 ~~(\$419,020,000), for the month of May in the amount of eight~~
8 ~~hundred million dollars (\$800,000,000), and for the month of June~~
9 ~~in the amount of five hundred million dollars (\$500,000,000),~~
10 ~~instead shall be drawn in July of the same calendar year pursuant~~
11 ~~to the certification made pursuant to Section 41339.~~

12 ~~(d) Notwithstanding subdivision (a) of Section 14041 or any~~
13 ~~other law, commencing with the 2011–12 fiscal year, warrants for~~
14 ~~the principal apportionments for the month of February in the~~
15 ~~amount of one billion fifty-three million one hundred fifty-six~~
16 ~~thousand dollars (\$1,053,156,000) instead shall be drawn in July~~
17 ~~of the same calendar year pursuant to the certification made~~
18 ~~pursuant to Section 41339.~~

19 ~~(e) Except as provided in subdivisions (c) and (e) of Section~~
20 ~~41202, for purposes of making the computations required by~~
21 ~~Section 8 of Article XVI of the California Constitution, the~~
22 ~~warrants drawn pursuant to subdivisions (a), (b), (c), and (d) shall~~
23 ~~be deemed to be “General Fund revenues appropriated to school~~
24 ~~districts,” as defined in subdivision (c) of Section 41202, for the~~
25 ~~fiscal year in which the warrants are drawn and included within~~
26 ~~the “total allocations to school districts and community college~~
27 ~~districts from General Fund proceeds of taxes appropriated pursuant~~
28 ~~to Article XIII B,” as defined in subdivision (e) of Section 41202,~~
29 ~~for the fiscal year in which the warrants are drawn.~~

30 ~~SEC. 10. Section 41207.41 is added to the Education Code,~~
31 ~~immediately following Section 41207.4, to read:~~

32 ~~41207.41. (a) The sum of eighty-one million one hundred~~
33 ~~twenty-nine thousand dollars (\$81,129,000) is hereby appropriated~~
34 ~~from the General Fund to the Controller, for transfer to Section B~~
35 ~~of the State School Fund for the purpose of providing one-time~~
36 ~~apportionment funding to community colleges for the 2011–12~~
37 ~~fiscal year for the purpose of reducing the amount of apportionment~~
38 ~~funding deferred from January to June, inclusive, 2012, to July~~
39 ~~2012. The Chancellor of the California Community Colleges shall~~

1 allocate the funding in a manner that conforms to the amounts
2 deferred pursuant to Section 84321.6.
3 (b) For purposes of Section 8 of Article XVI of the California
4 Constitution, the amounts appropriated and allocated pursuant to
5 subdivision (a) and six hundred sixty-three million one hundred
6 seventy-one thousand dollars (\$663,171,000) of the amounts
7 transferred pursuant to Section 14002.3 for the 2011–12 fiscal year
8 shall be applied to the outstanding balance of the minimum funding
9 obligation to school districts and community college districts
10 pursuant to Section 8 of Article XVI of the California Constitution
11 for the 2006–07 and 2009–10 fiscal years. These amounts shall be
12 deemed to be appropriations made and allocated in those fiscal
13 years in which the deficiencies resulting in the outstanding balance
14 were incurred.
15 ~~SEC. 11.~~
16 *SEC. 7.* Section 42238.146 of the Education Code is amended
17 to read:
18 42238.146. (a) (1) For the 2003–04 fiscal year, the revenue
19 limit for each school district determined pursuant to this article
20 shall be reduced by a 1.198 percent deficit factor.
21 (2) For the 2004–05 fiscal year, the revenue limit for each school
22 district determined pursuant to this article shall be reduced by a
23 0.323 percent deficit factor.
24 (3) For the 2003–04 and 2004–05 fiscal years, the revenue limit
25 for each school district determined pursuant to this article shall be
26 further reduced by a 1.826 percent deficit factor.
27 (4) For the 2005–06 fiscal year, the revenue limit for each school
28 district determined pursuant to this article shall be reduced by a
29 0.892 percent deficit factor.
30 (5) For the 2008–09 fiscal year, the revenue limit for each school
31 district determined pursuant to this article shall be reduced by a
32 7.844 percent deficit factor.
33 (6) For the 2009–10 fiscal year, the revenue limit for each school
34 district determined pursuant to this article shall be reduced by a
35 18.355 percent deficit factor.
36 (7) For the 2010–11 fiscal year, the revenue limit for each school
37 district determined pursuant to this article shall be reduced by a
38 17.963 percent deficit factor.

1 (8) For the 2011–12 fiscal year, the revenue limit for each school
2 district determined pursuant to this article shall be reduced by a
3 19.754 percent deficit factor.

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

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

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

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

25 *SEC. 8. Section 42251 is added to the Education Code, to read:*
26 *42251. (a) The Superintendent shall make the following*
27 *calculations for the 2011–12 fiscal year:*

28 *(1) Determine the amount of funds that will be restricted after*
29 *the Superintendent makes the deduction pursuant to Section*
30 *52335.3 for each county office of education pursuant to subdivision*
31 *(e) of Section 2558 as of June 30, 2012.*

32 *(2) Divide fifty million dollars (\$50,000,000) by the statewide*
33 *sum of the amounts determined pursuant to paragraph (1). If the*
34 *fraction is greater than one it shall be deemed to be one.*

35 *(3) Multiply the fraction determined pursuant to paragraph (2)*
36 *by the amount determined pursuant to paragraph (1) for each*
37 *county office of education.*

38 *(b) The auditor-controller of each county shall distribute the*
39 *amounts determined in paragraph (3) of subdivision (a) in the*
40 *following priority order:*

1 (1) To one or more school districts within the county, as
2 determined by the Superintendent, for purposes of revenue limits
3 pursuant to Section 42238 in amounts that do not exceed the
4 amounts that would reduce the state General Fund apportionments
5 for revenue limits for those school districts to zero.

6 (2) Any remaining amounts to one or more community college
7 districts within the county, as determined by the Chancellor of the
8 California Community Colleges, for purposes of general purpose
9 apportionments pursuant to Article 2 (commencing with Section
10 84750.5) of Chapter 5 of Part 50 of Division 7 of Title 3 in amounts
11 that do not exceed the amounts that would reduce the state General
12 Fund allocations for the general purpose apportionments for those
13 community college districts to zero.

14 (3) Any remaining amounts to local educational agencies within
15 the county for the purpose of providing educationally related
16 mental health services required pursuant to the federal Individuals
17 with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.). The
18 Superintendent shall designate the local educational agencies and
19 the amounts to be distributed for purposes of this paragraph,
20 provided that the amounts distributed pursuant to this paragraph
21 shall not exceed the amounts of state General Funds that would
22 otherwise be allocated to the local educational agencies by law
23 for educationally related mental health services required pursuant
24 to the federal Individuals with Disabilities Education Act (20
25 U.S.C. Sec. 1400 et seq.). The Director of Finance shall reduce
26 the state General Fund allocations to the local educational
27 agencies for educationally related mental health services required
28 pursuant to the federal Individuals with Disabilities Education
29 Act (20 U.S.C. Sec. 1400 et seq.) by the amounts distributed
30 pursuant to this paragraph.

31 (4) Any remaining amounts to the county for the operation of
32 health and human services programs pursuant to a plan developed
33 jointly by the Director of Finance and the Secretary of Health and
34 Human Services. The Director of Finance shall reduce state
35 General Fund allocations for these services by the amounts
36 distributed pursuant to his paragraph.

37 ~~SEC. 12.~~

38 SEC. 9. Section 42606 of the Education Code is repealed.

1 ~~SEC. 13.~~

2 *SEC. 10.* Section 42606 is added to the Education Code, to
3 read:

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

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

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

1 district shall be obligated to provide funding at the one hundred
2 twenty-seven dollars (\$127) per average daily attendance rate.

3 ~~SEC. 14.~~

4 *SEC. 11.* Section 56139 of the Education Code is amended to
5 read:

6 56139. (a) The Superintendent is responsible for monitoring
7 local educational agencies to ensure compliance with the
8 requirement to provide mental health services to individuals with
9 exceptional needs pursuant to ~~the federal Individuals with~~
10 ~~Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.)~~ and to
11 ensure that funds provided for this purpose are appropriately
12 utilized. Chapter 26.5 (commencing with Section 7570) of Division
13 7 of Title 1 of the Government Code and to ensure that funds
14 provided for this purpose are appropriately utilized.

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

17 (1) A description of the data that is currently collected by the
18 department related to pupils served and services provided pursuant
19 to Chapter 26.5 (commencing with Section 7570) of Division 7 of
20 Title 1 of the Government Code.

21 (2) A description of the existing monitoring processes used by
22 the department to ensure that local educational agencies are
23 complying with Chapter 26.5 (commencing with Section 7570) of
24 Division 7 of Title 1 of the Government Code, including the
25 monitoring performed to ensure the appropriate use of funds for
26 programs identified in Section 64000.

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

37 (c) ~~The superintendent~~ *Superintendent* shall collaborate with
38 the Director of the State Department of Mental Health in preparing
39 the report required pursuant to subdivision (b) and shall convene
40 at least one meeting of appropriate stakeholders and organizations,

1 including a representative from the State Department of Mental
2 Health and mental health directors, to obtain input on existing data
3 collection and monitoring processes, and on ways to strengthen
4 and improve the data collected and monitoring performed.

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

9 ~~SEC. 15.~~

10 *SEC. 12.* Section 56325 of the Education Code is amended to
11 read:

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

30 (2) In the case of an individual with exceptional needs who has
31 an individualized education program and transfers into a district
32 from a district operating programs under the same special education
33 local plan area of the district in which he or she was last enrolled
34 in a special education program within the same academic year, the
35 new district shall continue, without delay, to provide services
36 comparable to those described in the existing approved
37 individualized education program, unless the parent and the local
38 educational agency agree to develop, adopt, and implement a new
39 individualized education program that is consistent with federal
40 and state law.

1 (3) As required by subclause (II) of clause (i) of subparagraph
2 (C) of paragraph (2) of subsection (d) of Section 1414 of Title 20
3 of the United States Code, the following shall apply to special
4 education programs for individuals with exceptional needs who
5 transfer from an educational agency located outside the State of
6 California to a district within California. In the case of an individual
7 with exceptional needs who transfers from district to district within
8 the same academic year, the local educational agency shall provide
9 the pupil with a free appropriate public education, including
10 services comparable to those described in the previously approved
11 individualized education program, in consultation with the parents,
12 until the local educational agency conducts an assessment pursuant
13 to paragraph (1) of subsection (a) of Section 1414 of Title 20 of
14 the United States Code, if determined to be necessary by the local
15 educational agency, and develops a new individualized education
16 program, if appropriate, that is consistent with federal and state
17 law.

18 (b) (1) To facilitate the transition for an individual with
19 exceptional needs described in subdivision (a), the new school in
20 which the individual with exceptional needs enrolls shall take
21 reasonable steps to promptly obtain the pupil's records, including
22 the individualized education program and supporting documents
23 and any other records relating to the provision of special education
24 and related services to the pupil, from the previous school in which
25 the pupil was enrolled, pursuant to paragraph (2) of subsection (a)
26 of Section 99.31 of Title 34 of the Code of Federal Regulations.

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

30 (c) If whenever a pupil described in subdivision (a) was placed
31 and residing in a residential nonpublic, nonsectarian school, prior
32 to transferring to a district in another special education local plan
33 area, and this placement is not eligible for funding pursuant to
34 Section 56836.16, the special education local plan area that
35 contains the district that made the residential nonpublic,
36 nonsectarian school placement is responsible for the funding of
37 the placement, including related services, for the remainder of the
38 school year. An extended year session is included in the school
39 year in which the session ends.

1 ~~SEC. 16.~~

2 *SEC. 13.* Section 56331 of the Education Code is amended to
3 read:

4 56331. (a) A pupil who is suspected of needing mental health
5 services may be referred to a community mental health service in
6 accordance with Section 7576 of the Government Code.

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

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

1 ~~SEC. 17.~~

2 *SEC. 14.* Section 60422.3 of the Education Code is amended
3 and renumbered to read:

4 60049. (a) Notwithstanding subdivision (i) of Section 60200,
5 Section 60422, or any other provision of law, for the 2008–09 to
6 the 2014–15 fiscal years, inclusive, the governing board of a school
7 district is not required to provide pupils with instructional materials
8 by a specified period of time following adoption of those materials
9 by the state board.

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

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

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

20 ~~SEC. 18.~~

21 *SEC. 15.* Section 69432.7 of the Education Code is amended
22 to read:

23 69432.7. As used in this chapter, the following terms have the
24 following meanings:

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

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

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

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

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

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

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

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

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

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

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

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

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

37 CAL GRANT PROGRAM INCOME CEILINGS
38

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

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

CAL GRANT PROGRAM ASSET CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent**	\$49,600	\$49,600
Independent	\$23,600	\$23,600

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

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

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

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

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

17 (i) Federal Work-Study.

18 (ii) Perkins Loan Program.

19 (iii) Supplemental Educational Opportunity Grant Program.

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

33 (C) A California public postsecondary educational institution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 ~~SEC. 19. Section 84321.6 of the Education Code is amended~~
4 ~~to read:~~

5 ~~84321.6. (a) Notwithstanding any other law that governs the~~
6 ~~regulations adopted by the Chancellor of the California Community~~
7 ~~Colleges to disburse funds, the payment of apportionments to~~
8 ~~districts pursuant to Sections 84320 and 84321 shall be adjusted,~~
9 ~~commencing with the 2011–12 fiscal year, by the following:~~

10 (1) ~~For the month of June, ninety-six million two hundred~~
11 ~~ninety-two thousand dollars (\$96,292,000) shall be deferred to~~
12 ~~July.~~

13 (2) ~~For the month of May, ninety-seven million dollars~~
14 ~~(\$97,000,000) shall be deferred to July.~~

15 (3) ~~For the month of April, ninety-seven million dollars~~
16 ~~(\$97,000,000) shall be deferred to July.~~

17 (4) ~~For the month of March, seventy-six million five hundred~~
18 ~~thousand dollars (\$76,500,000) shall be deferred to July.~~

19 (5) ~~For the month of February, ninety-seven million dollars~~
20 ~~(\$97,000,000) shall be deferred to July.~~

21 (6) ~~For the month of January, ninety-seven million dollars~~
22 ~~(\$97,000,000) shall be deferred to July.~~

23 (b) ~~The sum of five hundred sixty million seven hundred~~
24 ~~ninety-two thousand dollars (\$560,792,000) is hereby appropriated~~
25 ~~in July of the 2012–13 fiscal year from the General Fund to the~~
26 ~~Board of Governors of the California Community Colleges for~~
27 ~~apportionments to community college districts in satisfaction of~~
28 ~~the moneys deferred pursuant to subdivision (a). Those moneys~~
29 ~~shall be expended in accordance with Schedule (1) of Item~~
30 ~~6870-101-0001 of Section 2.00 of the Budget Act of 2011.~~

31 (c) ~~For purposes of making the computations required by Section~~
32 ~~8 of Article XVI of the California Constitution, the appropriations~~
33 ~~made by subdivision (b) shall be deemed to be “General Fund~~
34 ~~revenues appropriated for community college districts,” as defined~~
35 ~~in subdivision (d) of Section 41202, for the 2012–13 fiscal year,~~
36 ~~and included within the “total allocations to school districts and~~
37 ~~community college districts from General Fund proceeds of taxes~~
38 ~~appropriated pursuant to Article XIII B,” as defined in subdivision~~
39 ~~(e) of Section 41202, for the 2012–13 fiscal year.~~

1 *SEC. 16. Section 7911.1 of the Family Code is amended to*
2 *read:*

3 7911.1. (a) Notwithstanding any other ~~provision~~ of law, the
4 State Department of Social Services or its designee shall investigate
5 any threat to the health and safety of children placed by a California
6 county social services agency or probation department in an
7 out-of-state group home pursuant to the provisions of the Interstate
8 Compact on the Placement of Children. This authority shall include
9 the authority to interview children or staff in private or review
10 their file at the out-of-state facility or wherever the child or files
11 may be at the time of the investigation. Notwithstanding any other
12 ~~provisions~~ of law, the State Department of Social Services or its
13 designee shall require certified out-of-state group homes to comply
14 with the reporting requirements applicable to group homes licensed
15 in California pursuant to Title 22 of the California Code of
16 Regulations for each child in care regardless of whether he or she
17 is a California placement, by submitting a copy of the required
18 reports to the Compact Administrator within regulatory timeframes.
19 The Compact Administrator within one business day of receiving
20 a serious events report shall verbally notify the appropriate
21 placement agencies and within five working days of receiving a
22 written report from the out-of-state group home, forward a copy
23 of the written report to the appropriate placement agencies.

24 (b) Any contract, memorandum of understanding, or agreement
25 entered into pursuant to paragraph (b) of Article 5 of the Interstate
26 Compact on the Placement of Children regarding the placement
27 of a child out of state by a California county social services agency
28 or probation department shall include the language set forth in
29 subdivision (a).

30 (c) The State Department of Social Services or its designee shall
31 perform initial and continuing inspection of out-of-state group
32 homes in order to either certify that the out-of-state group home
33 meets all licensure standards required of group homes operated in
34 California or that the department has granted a waiver to a specific
35 licensing standard upon a finding that there exists no adverse
36 impact to health and safety. Any failure by an out-of-state group
37 home facility to make children or staff available as required by
38 subdivision (a) for a private interview or make files available for
39 review shall be grounds to deny or discontinue the certification.
40 The State Department of Social Services shall grant or deny an

1 initial certification or a waiver under this subdivision to an
2 out-of-state group home facility that has more than six California
3 children placed by a county social services agency or probation
4 department by August 19, 1999. The department shall grant or
5 deny an initial certification or a waiver under this subdivision to
6 an out-of-state group home facility that has six or fewer California
7 children placed by a county social services agency or probation
8 department by February 19, 2000. Certifications made pursuant
9 to this subdivision shall be reviewed annually.

10 (d) Within six months of the effective date of this section, a
11 county shall be required to obtain an assessment and placement
12 recommendation by a county multidisciplinary team for each child
13 in an out-of-state group home facility. On or after March 1, 1999,
14 a county shall be required to obtain an assessment and placement
15 recommendation by a county multidisciplinary team prior to
16 placement of a child in an out-of-state group home facility.

17 (e) Any failure by an out-of-state group home to obtain or
18 maintain its certification as required by subdivision (c) shall
19 preclude the use of any public funds, whether county, state, or
20 federal, in the payment for the placement of any child in that
21 out-of-state group home, pursuant to the Interstate Compact on
22 the Placement of Children.

23 (f) (1) A multidisciplinary team shall consist of participating
24 members from county social services, county mental health, county
25 probation, county superintendents of schools, and other members
26 as determined by the county.

27 (2) Participants shall have knowledge or experience in the
28 prevention, identification, and treatment of child abuse and neglect
29 cases, and shall be qualified to recommend a broad range of
30 services related to child abuse or neglect.

31 (g) (1) The department may deny, suspend, or discontinue the
32 certification of the out-of-state group home if the department makes
33 a finding that the group home is not operating in compliance with
34 the requirements of subdivision (c).

35 (2) Any judicial proceeding to contest the department's
36 determination as to the status of the out-of-state group home
37 certificate shall be held in California pursuant to Section 1085 of
38 the Code of Civil Procedure.

39 (h) ~~This~~ *The certification requirements of this section shall not*
40 *impact placements of emotionally disturbed children made pursuant*

1 to Chapter 26.5 (commencing with Section 7570) of Division 7 of
2 Title 1 of the Government Code relating to seriously emotionally
3 ~~disturbed children~~ *an individualized education program developed*
4 *pursuant to the federal Individuals with Disabilities Education*
5 *Act (20 U.S.C. Sec. 1400 et seq.) if the placement is not funded*
6 *with federal or state foster care funds.*

7 (i) Only an out-of-state group home authorized by the Compact
8 Administrator to receive state funds for the placement by a county
9 social services agency or probation department of any child in that
10 out-of-state group home from the effective date of this section
11 shall be eligible for public funds pending the department's
12 certification under this section.

13 ~~SEC. 20.~~

14 *SEC. 17.* Section 7572 of the Government Code is amended
15 to read:

16 7572. (a) A child shall be assessed in all areas related to the
17 suspected disability by those qualified to make a determination of
18 the child's need for the service before any action is taken with
19 respect to the provision of related services or designated instruction
20 and services to a child, including, but not limited to, services in
21 the areas of occupational therapy and physical therapy. All
22 assessments required or conducted pursuant to this section shall
23 be governed by the assessment procedures contained in Article 2
24 (commencing with Section 56320) of Chapter 4 of Part 30 of
25 Division 4 of Title 2 of the Education Code.

26 (b) Occupational therapy and physical therapy assessments shall
27 be conducted by qualified medical personnel as specified in
28 regulations developed by the State Department of Health Services
29 in consultation with the State Department of Education.

30 (c) A related service or designated instruction and service shall
31 only be added to the child's individualized education program by
32 the individualized education program team, as described in Part
33 30 (commencing with Section 56000) of Division 4 of Title 2 of
34 the Education Code, if a formal assessment has been conducted
35 pursuant to this section, and a qualified person conducting the
36 assessment recommended the service in order for the child to
37 benefit from special education. In no case shall the inclusion of
38 necessary related services in a pupil's individualized education
39 plan be contingent upon identifying the funding source. Nothing
40 in this section shall prevent a parent from obtaining an independent

1 assessment in accordance with subdivision (b) of Section 56329
2 of the Education Code, which shall be considered by the
3 individualized education program team.

4 (1) If an assessment has been conducted pursuant to subdivision
5 (b), the recommendation of the person who conducted the
6 assessment shall be reviewed and discussed with the parent and
7 with appropriate members of the individualized education program
8 team prior to the meeting of the individualized education program
9 team. When the proposed recommendation of the person has been
10 discussed with the parent and there is disagreement on the
11 recommendation pertaining to the related service, the parent shall
12 be notified in writing and may require the person who conducted
13 the assessment to attend the individualized education program
14 team meeting to discuss the recommendation. The person who
15 conducted the assessment shall attend the individualized education
16 program team meeting if requested. Following this discussion and
17 review, the recommendation of the person who conducted the
18 assessment shall be the recommendation of the individualized
19 education program team members who are attending on behalf of
20 the local educational agency.

21 (2) If an independent assessment for the provision of related
22 services or designated instruction and services is submitted to the
23 individualized education program team, review of that assessment
24 shall be conducted by the person specified in subdivision (b). The
25 recommendation of the person who reviewed the independent
26 assessment shall be reviewed and discussed with the parent and
27 with appropriate members of the individualized education program
28 team prior to the meeting of the individualized education program
29 team. The parent shall be notified in writing and may request the
30 person who reviewed the independent assessment to attend the
31 individualized education program team meeting to discuss the
32 recommendation. The person who reviewed the independent
33 assessment shall attend the individualized education program team
34 meeting if requested. Following this review and discussion, the
35 recommendation of the person who reviewed the independent
36 assessment shall be the recommendation of the individualized
37 education program team members who are attending on behalf of
38 the local agency.

39 (3) Any disputes between the parent and team members
40 representing the public agencies regarding a recommendation made

1 in accordance with paragraphs (1) and (2) shall be resolved
2 pursuant to Chapter 5 (commencing with Section 56500) of Part
3 30 of Division 4 of Title 2 of the Education Code.

4 (d) Whenever a related service or designated instruction and
5 service specified in subdivision (b) is to be considered for inclusion
6 in the child's individualized educational program, the local
7 education agency shall invite the responsible public agency
8 representative to meet with the individualized education program
9 team to determine the need for the service and participate in
10 developing the individualized education program. If the responsible
11 public agency representative cannot meet with the individualized
12 education program team, then the representative shall provide
13 written information concerning the need for the service pursuant
14 to subdivision (c). Conference calls, together with written
15 recommendations, are acceptable forms of participation. If the
16 responsible public agency representative will not be available to
17 participate in the individualized education program meeting, the
18 local educational agency shall ensure that a qualified substitute is
19 available to explain and interpret the evaluation pursuant to
20 subdivision (d) of Section 56341 of the Education Code. A copy
21 of the information shall be provided by the responsible public
22 agency to the parents or any adult pupil for whom no guardian or
23 conservator has been appointed.

24 ~~SEC. 21.~~

25 *SEC. 18.* Section 7572.5 of the Government Code is amended
26 to read:

27 7572.5. (a) If an assessment is conducted pursuant to Article
28 2 (commencing with Section 56320) of Chapter 4 of Part 30 of
29 Division 4 of Title 2 of the Education Code, which determines that
30 a child is seriously emotionally disturbed, as defined in Section
31 300.8 of Title 34 of the Code of Federal Regulations, and any
32 member of the individualized education program team recommends
33 residential placement based on relevant assessment information,
34 the individualized education program team shall be expanded to
35 include a representative of the county mental health department.

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

38 (1) The child's needs can reasonably be met through any
39 combination of nonresidential services, preventing the need for
40 out-of-home care.

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

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

6 (c) If the review required in subdivision (b) results in an
7 individualized education program that calls for residential
8 placement, the individualized education program shall include all
9 of the items outlined in Section 56345 of the Education Code, and
10 shall also include:

11 (1) Designation of the county mental health department as lead
12 case manager. Lead case management responsibility may be
13 delegated to the county welfare department by agreement between
14 the county welfare department and the designated county mental
15 health department. The county mental health department shall
16 retain financial responsibility for the provision of case management
17 services.

18 (2) Provision for a review of the case progress, the continuing
19 need for out-of-home placement, the extent of compliance with
20 the individualized education program, and progress toward
21 alleviating the need for out-of-home care, by the full individualized
22 education program team at least every six months.

23 (3) Identification of an appropriate residential facility for
24 placement with the assistance of the county welfare department
25 as necessary.

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

30 ~~SEC. 22.~~

31 *SEC. 19.* Section 7572.55 of the Government Code is amended
32 to read:

33 7572.55. (a) Residential placements for a child with a disability
34 who is seriously emotionally disturbed may be made out-of-state
35 only after in-state alternatives have been considered and are found
36 not to meet the child’s needs and only when the requirements of
37 Section 7572.5, and subdivision (e) of Section 56365 of the
38 Education Code have been met. The local education agency shall
39 document the alternatives to out-of-state residential placement that
40 were considered and the reasons why they were rejected.

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

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

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

13 ~~SEC. 23.~~

14 *SEC. 20.* Section 7576 of the Government Code is amended
15 to read:

16 7576. (a) The State Department of Mental Health, or a
17 community mental health service, as described in Section 5602 of
18 the Welfare and Institutions Code, designated by the State
19 Department of Mental Health, is responsible for the provision of
20 mental health services, as defined in regulations by the State
21 Department of Mental Health, developed in consultation with the
22 State Department of Education, if required in the individualized
23 education program of a pupil. A local educational agency is not
24 required to place a pupil in a more restrictive educational
25 environment in order for the pupil to receive the mental health
26 services specified in his or her individualized education program
27 if the mental health services can be appropriately provided in a
28 less restrictive setting. It is the intent of the Legislature that the
29 local educational agency and the community mental health service
30 vigorously attempt to develop a mutually satisfactory placement
31 that is acceptable to the parent and addresses the educational and
32 mental health treatment needs of the pupil in a manner that is cost
33 effective for both public agencies, subject to the requirements of
34 state and federal special education law, including the requirement
35 that the placement be appropriate and in the least restrictive
36 environment. For purposes of this section, "parent" is as defined
37 in Section 56028 of the Education Code.

38 (b) A local educational agency, individualized education
39 program team, or parent may initiate a referral for assessment of
40 the social and emotional status of a pupil, pursuant to Section

1 56320 of the Education Code. Based on the results of assessments
2 completed pursuant to Section 56320 of the Education Code, an
3 individualized education program team may refer a pupil who has
4 been determined to be an individual with exceptional needs, as
5 defined in Section 56026 of the Education Code, and who is
6 suspected of needing mental health services to a community mental
7 health service if the pupil meets all of the criteria in paragraphs
8 (1) to (5), inclusive. Referral packages shall include all
9 documentation required in subdivision (c), and shall be provided
10 immediately to the community mental health service.

11 (1) The pupil has been assessed by school personnel in
12 accordance with Article 2 (commencing with Section 56320) of
13 Chapter 4 of Part 30 of Division 4 of Title 2 of the Education Code.
14 Local educational agencies and community mental health services
15 shall work collaboratively to ensure that assessments performed
16 prior to referral are as useful as possible to the community mental
17 health service in determining the need for mental health services
18 and the level of services needed.

19 (2) The local educational agency has obtained written parental
20 consent for the referral of the pupil to the community mental health
21 service, for the release and exchange of all relevant information
22 between the local educational agency and the community mental
23 health service, and for the observation of the pupil by mental health
24 professionals in an educational setting.

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

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

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

30 (C) Are significant as indicated by their rate of occurrence and
31 intensity.

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

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

38 (5) The local educational agency, pursuant to Section 56331 of
39 the Education Code, has provided appropriate counseling and
40 guidance services, psychological services, parent counseling and

1 training, or social work services to the pupil pursuant to Section
2 56363 of the Education Code, or behavioral intervention as
3 specified in Section 56520 of the Education Code, as specified in
4 the individualized education program and the individualized
5 education program team has determined that the services do not
6 meet the educational needs of the pupil, or, in cases where these
7 services are clearly inadequate or inappropriate to meet the
8 educational needs of the pupil, the individualized education
9 program team has documented which of these services were
10 considered and why they were determined to be inadequate or
11 inappropriate.

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

16 (1) Copies of the current individualized education program, all
17 current assessment reports completed by school personnel in all
18 areas of suspected disabilities pursuant to Article 2 (commencing
19 with Section 56320) of Chapter 4 of Part 30 of Division 4 of Title
20 2 of the Education Code, and other relevant information, including
21 reports completed by other agencies.

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

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

27 (4) A description of the counseling, psychological, and guidance
28 services, and other interventions that have been provided to the
29 pupil, as provided in the individualized education program of the
30 pupil, including the initiation, duration, and frequency of these
31 services, or an explanation of the reasons a service was considered
32 for the pupil and determined to be inadequate or inappropriate to
33 meet his or her educational needs.

34 (d) Based on preliminary results of assessments performed
35 pursuant to Section 56320 of the Education Code, a local
36 educational agency may refer a pupil who has been determined to
37 be, or is suspected of being, an individual with exceptional needs,
38 and is suspected of needing mental health services, to a community
39 mental health service if a pupil meets the criteria in paragraphs (1)
40 and (2). Referral packages shall include all documentation required

1 in subdivision (e) and shall be provided immediately to the
2 community mental health service.

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

5 (2) Counseling and guidance services, psychological services,
6 parent counseling and training, social work services, and behavioral
7 or other interventions as provided in the individualized education
8 program of the pupil are clearly inadequate or inappropriate in
9 meeting his or her educational needs.

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

13 (1) Results of preliminary assessments to the extent they are
14 available and other relevant information including reports
15 completed by other agencies.

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

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

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

25 (5) An explanation of the reasons that counseling and guidance
26 services, psychological services, parent counseling and training,
27 social work services, and behavioral or other interventions as
28 provided in the individualized education program of the pupil are
29 clearly inadequate or inappropriate in meeting his or her
30 educational needs.

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

39 (g) Referrals shall be made to the community mental health
40 service in the county in which the pupil lives. If the pupil has been

1 placed into residential care from another county, the community
2 mental health service receiving the referral shall forward the
3 referral immediately to the community mental health service of
4 the county of origin, which shall have fiscal and programmatic
5 responsibility for providing or arranging for the provision of
6 necessary services. The procedures described in this subdivision
7 shall not delay or impede the referral and assessment process.

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

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

16 ~~SEC. 24.~~

17 *SEC. 21.* Section 7576.2 of the Government Code is amended
18 to read:

19 7576.2. (a) The Director of the State Department of Mental
20 Health is responsible for monitoring county mental health agencies
21 to ensure compliance with the requirement to provide mental health
22 services to disabled pupils pursuant to this chapter and to ensure
23 that funds provided for this purpose are appropriately utilized.

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

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

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

33 (3) Recommendations on the manner in which to strengthen
34 and improve monitoring by the State Department of Mental Health
35 of the compliance by a county mental health agency with the
36 requirements of this chapter, on the manner in which to strengthen
37 and improve collaboration and coordination with the State
38 Department of Education in monitoring and data collection
39 activities, and on the additional data needed related to this chapter.

1 (c) The Director of the State Department of Mental Health shall
2 collaborate with the Superintendent of Public Instruction in
3 preparing the report required pursuant to subdivision (b) and shall
4 convene at least one meeting of appropriate stakeholders and
5 organizations, including a representative from the State Department
6 of Education, to obtain input on existing data collection and
7 monitoring processes, and on ways to strengthen and improve the
8 data collected and monitoring performed.

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

13 ~~SEC. 25.~~

14 *SEC. 22.* Section 7576.3 of the Government Code is amended
15 to read:

16 7576.3. (a) It is the intent of the Legislature that the Director
17 of the State Department of Mental Health collaborate with an entity
18 with expertise in children's mental health to collect, analyze, and
19 disseminate best practices for delivering mental health services to
20 disabled pupils. The best practices may include, but are not limited
21 to:

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

26 (2) Procedures for developing and amending individualized
27 education programs that include mental health services that provide
28 flexibility to educational and mental health agencies and protect
29 the interests of children in obtaining needed mental health needs.

30 (3) Procedures for creating ongoing communication between
31 the classroom teacher of the pupil and the mental health
32 professional who is directing the mental health program for the
33 pupil.

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

38 ~~SEC. 26.~~

39 *SEC. 23.* Section 7576.5 of the Government Code is amended
40 to read:

1 7576.5. (a) If funds are appropriated to local educational
2 agencies to support the costs of providing services pursuant to this
3 chapter, the local educational agencies shall transfer those funds
4 to the community mental health services that provide services
5 pursuant to this chapter in order to reduce the local costs of
6 providing these services. These funds shall be used exclusively
7 for programs operated under this chapter and are offsetting
8 revenues in any reimbursable mandate claim relating to special
9 education programs and services.

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

14 ~~SEC. 27.~~

15 *SEC. 24.* Section 7582 of the Government Code is amended
16 to read:

17 7582. Assessments and therapy treatment services provided
18 under programs of the State Department of Health Care Services,
19 or its designated local agencies, rendered to a child referred by a
20 local education agency for an assessment or a disabled child or
21 youth with an individualized education program, shall be exempt
22 from financial eligibility standards and family repayment
23 requirements for these services when rendered pursuant to this
24 chapter.

25 ~~SEC. 28.~~

26 *SEC. 25.* Section 7585 of the Government Code is amended
27 to read:

28 7585. (a) Whenever a department or local agency designated
29 by that department fails to provide a related service or designated
30 instruction and service required pursuant to Section 7575, and
31 specified in the pupil's individualized education program, the
32 parent, adult pupil, if applicable, or a local educational agency
33 referred to in this chapter, shall submit a written notification of
34 the failure to provide the service to the Superintendent of Public
35 Instruction or the Secretary of California Health and Human
36 Services.

37 (b) When either the Superintendent or the secretary receives a
38 written notification of the failure to provide a service as specified
39 in subdivision (a), a copy shall immediately be transmitted to the
40 other party. The Superintendent, or his or her designee, and the

1 secretary, or his or her designee, shall meet to resolve the issue
2 within 15 calendar days of receipt of the notification. A written
3 copy of the meeting resolution shall be mailed to the parent, the
4 local educational agency, and affected departments, within 10 days
5 of the meeting.

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

11 (d) The Director of the Office of Administrative Hearings, or
12 his or her designee, shall review the issue and submit his or her
13 findings in the case to the Superintendent and the secretary within
14 30 calendar days of receipt of the case. The decision of the director,
15 or his or her designee, shall be binding on the departments and
16 their designated agencies who are parties to the dispute.

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

22 (f) Whenever notification is filed pursuant to subdivision (a),
23 the pupil affected by the dispute shall be provided with the
24 appropriate related service or designated instruction and service
25 pending resolution of the dispute, if the pupil had been receiving
26 the service. The Superintendent and the secretary shall ensure that
27 funds are available for the provision of the service pending
28 resolution of the issue pursuant to subdivision (e).

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

31 (h) The contract between the State Department of Education
32 and the Office of Administrative Hearings for conducting due
33 process hearings shall include payment for services rendered by
34 the Office of Administrative Hearings which are required by this
35 section.

36 ~~SEC. 29.~~

37 *SEC. 26.* Section 7586.5 of the Government Code is amended
38 to read:

39 7586.5. (a) Not later than January 1, 1988, the Superintendent
40 of Public Instruction and the Secretary of the Health and Human

1 Services Agency jointly shall submit to the Legislature and the
2 Governor a report on the implementation of this chapter. The report
3 shall include, but not be limited to, information regarding the
4 number of complaints and due process hearings resulting from this
5 chapter.

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. 30.~~

11 *SEC. 27.* Section 7586.6 of the Government Code is amended
12 to read:

13 7586.6. (a) The Superintendent of Public Instruction and the
14 Secretary of the Health and Human Services Agency shall ensure
15 that the State Department of Education and the State Department
16 of Mental Health enter into an interagency agreement by January
17 1, 1998. It is the intent of the Legislature that the agreement
18 include, but not be limited to, procedures for ongoing joint training,
19 technical assistance for state and local personnel responsible for
20 implementing this chapter, protocols for monitoring service
21 delivery, and a system for compiling data on program operations.

22 (b) It is the intent of the Legislature that the designated local
23 agencies of the State Department of Education and the State
24 Department of Mental Health update their interagency agreements
25 for services specified in this chapter at the earliest possible time.
26 It is the intent of the Legislature that the state and local interagency
27 agreements be updated at least every three years or earlier as
28 necessary.

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. 31.~~

34 *SEC. 28.* Section 7586.7 of the Government Code is amended
35 to read:

36 7586.7. (a) The Superintendent of Public Instruction and the
37 Secretary of the Health and Human Services Agency jointly shall
38 prepare and implement within existing resources a plan for
39 in-service training of state and local personnel responsible for
40 implementing the provisions of this chapter.

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

5 ~~SEC. 32.~~

6 ~~SEC. 29.~~ Section 7588 of the Government Code is repealed.

7 ~~SEC. 33.~~ Section 12440.1 of the Government Code is amended
 8 to read:

9 12440.1. (a) The trustees, in conjunction with the Controller,
 10 shall implement a process that allows any campus or other unit of
 11 the university to make payments of obligations of the university
 12 from its revolving fund directly to all of its vendors.
 13 Notwithstanding Article 5 (commencing with Section 16400) of
 14 Chapter 2 of Part 2 of Division 4 of Title 2, or any other law, the
 15 trustees may draw from funds appropriated to the university, for
 16 use as a revolving fund, amounts necessary to make payments of
 17 obligations of the university directly to vendors. In any fiscal year,
 18 the trustees shall obtain the approval of the Director of Finance to
 19 draw amounts in excess of 10 percent of the total appropriation to
 20 the university for that fiscal year for use as a revolving fund.

21 (b) ~~Notwithstanding Sections 925.6, 12410, and 16403, or any~~
 22 ~~other law, the trustees shall maintain payment records for three~~
 23 ~~years and make those records available to the Controller for~~
 24 ~~postaudit review, as needed.~~

25 (c) ~~(1) Notwithstanding Section 8546.4 or any other law, the~~
 26 ~~trustees shall contract with one or more public accounting firms~~
 27 ~~to conduct a systemwide annual financial statement audit in~~
 28 ~~accordance with generally accepted accounting principles (GAAP),~~
 29 ~~as well as other required compliance audits without obtaining the~~
 30 ~~approval of any other state officer or entity.~~

31 ~~(2) The statement of net assets, statement of revenues, expenses,~~
 32 ~~changes in net assets, and statement of cashflows of each campus~~
 33 ~~shall be included as an addendum to the annual systemwide audit.~~
 34 ~~Summary information on transactions with auxiliary organizations~~
 35 ~~for each campus shall also be included in the addendum. Any~~
 36 ~~additional information necessary shall be provided upon request.~~

37 (d) ~~The internal and independent financial statement audits of~~
 38 ~~the trustees shall test compliance with procurement procedures~~
 39 ~~and the integrity of the payments made. The results of these audits~~
 40 ~~shall be included in the biennial report required by Section 13405.~~

1 ~~(e) As used in this section:~~

2 ~~(1) “Trustees” means the Trustees of the California State~~
3 ~~University.~~

4 ~~(2) “University” means the California State University.~~

5 ~~SEC. 34.~~

6 *SEC. 30.* Section 17581.5 of the Government Code is amended
7 to read:

8 17581.5. (a) A school district or community college district
9 shall not be required to implement or give effect to the statutes, or
10 a portion of the statutes, identified in subdivision (c) during any
11 fiscal year and for the period immediately following that fiscal
12 year for which the Budget Act has not been enacted for the
13 subsequent fiscal year if all of the following apply:

14 (1) The statute or a portion of the statute, has been determined
15 by the Legislature, the commission, or any court to mandate a new
16 program or higher level of service requiring reimbursement of
17 school districts or community college districts pursuant to Section
18 6 of Article XIII B of the California Constitution.

19 (2) The statute, or a portion of the statute, or the test claim
20 number utilized by the commission, specifically has been identified
21 by the Legislature in the Budget Act for the fiscal year as being
22 one for which reimbursement is not provided for that fiscal year.
23 For purposes of this paragraph, a mandate shall be considered
24 specifically to have been identified by the Legislature only if it
25 has been included within the schedule of reimbursable mandates
26 shown in the Budget Act and it specifically is identified in the
27 language of a provision of the item providing the appropriation
28 for mandate reimbursements.

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

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

34 (1) School Bus Safety I (CSM-4433) and II (97-TC-22) (Chapter
35 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994;
36 and Chapter 739 of the Statutes of 1997).

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

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

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

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

8 (d) This section applies to the following mandates for the
9 2010–11, 2011–12, and 2012–13 fiscal years only:

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

12 (2) Scoliosis Screening (Chapter 1347 of the Statutes of 1980
13 and CSM 4195).

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

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

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

20 (6) Physical Education Reports (Chapter 640 of the Statutes of
21 1997 and 98-TC-08).

22 (7) 98.01.042.390-Sexual Assault Response Procedures (Chapter
23 423 of the Statutes of 1990 and 99-TC-12).

24 (8) 98.01.059.389-Student Records (Chapter 593 of the Statutes
25 of 1989 and 02-TC-34).

26 ~~SEC. 35.~~

27 *SEC. 31.* Section 5651 of the Welfare and Institutions Code
28 is amended to read:

29 5651. The proposed annual county mental health services
30 performance contract shall include all of the following:

31 (a) The following assurances:

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

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

37 (3) That the county shall comply with all requirements necessary
38 for Medi-Cal reimbursement for mental health treatment services
39 and case management programs provided to Medi-Cal eligible
40 individuals, including, but not limited to, the provisions set forth

1 in Chapter 3 (commencing with Section 5700), and that the county
2 shall submit cost reports and other data to the department in the
3 form and manner determined by the department.

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

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

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

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

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

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

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

24 (c) Any contractual requirements needed for any program
25 initiatives utilized by the county contained within this part. In
26 addition, any county may choose to include contract provisions
27 for other state directed mental health managed programs within
28 this performance contract.

29 (d) Other information determined to be necessary by the director,
30 to the extent this requirement does not substantially increase county
31 costs.

32 ~~SEC. 36.~~

33 *SEC. 32.* Section 5701.3 of the Welfare and Institutions Code
34 is amended to read:

35 5701.3. (a) Consistent with the annual Budget Act, this chapter
36 shall not affect the responsibility of the state to fund psychotherapy
37 and other mental health services required by Chapter 26.5
38 (commencing with Section 7570) of Division 7 of Title 1 of the
39 Government Code, and the state shall reimburse counties for all
40 allowable costs incurred by counties in providing services pursuant

1 to that chapter. The reimbursement provided pursuant to this
2 section for purposes of Chapter 26.5 (commencing with Section
3 7570) of Division 7 of Title 1 of the Government Code shall be
4 provided by the state through an appropriation included in either
5 the annual Budget Act or other statute. Counties shall continue to
6 receive reimbursement from specifically appropriated funds for
7 costs necessarily incurred in providing psychotherapy and other
8 mental health services in accordance with this chapter. For
9 reimbursement claims for services delivered in the 2001–02 fiscal
10 year and thereafter, counties are not required to provide any share
11 of those costs or to fund the cost of any part of these services with
12 money received from the Local Revenue Fund established by
13 Chapter 6 (commencing with Section 17600) of Part 5 of Division
14 9.

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. 37.~~

20 *SEC. 33.* Section 5701.6 of the Welfare and Institutions Code
21 is amended to read:

22 5701.6. (a) Counties may utilize money received from the
23 Local Revenue Fund established by Chapter 6 (commencing with
24 Section 17600) of Part 5 of Division 9 to fund the costs of any part
25 of those services provided pursuant to Chapter 26.5 (commencing
26 with Section 7570) of Division 7 of Title 1 of the Government
27 Code. If money from the Local Revenue Fund is used by counties
28 for those services, counties are eligible for reimbursement from
29 the state for all allowable costs to fund assessments, psychotherapy,
30 and other mental health services allowable pursuant to Section
31 300.24 of Title 34 of the Code of Federal Regulations and required
32 by Chapter 26.5 (commencing with Section 7570) of Division 7
33 of Title 1 of the Government Code.

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

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

1 ~~SEC. 38.~~

2 *SEC. 34.* Section 11323.2 of the Welfare and Institutions Code
3 is amended to read:

4 11323.2. (a) Necessary supportive services shall be available
5 to every participant in order to participate in the program activity
6 to which he or she is assigned or to accept employment or the
7 participant shall have good cause for not participating under
8 subdivision (f) of Section 11320.3. As provided in the
9 welfare-to-work plan entered into between the county and
10 participant pursuant to this article, supportive services shall include
11 all of the following:

12 (1) Child care.

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

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

22 (C) Necessary child care services shall be available to every
23 former recipient for up to two years, pursuant to Article 15.5
24 (commencing with Section 8350) of Chapter 2 of Part 6 of Division
25 1 of Title 1 of the Education Code.

26 (D) A child in foster care receiving benefits under Title IV-E
27 of the federal Social Security Act (42 U.S.C. Sec. 670 et seq.) or
28 a child who would become a dependent child except for the receipt
29 of federal Supplemental Security Income benefits pursuant to Title
30 XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et
31 seq.) shall be deemed to be a dependent child for the purposes of
32 this paragraph.

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

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

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

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

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

16 ~~SEC. 39.~~

17 *SEC. 35.* Section 18356.1 is added to the Welfare and
 18 Institutions Code, to read:

19 18356.1. This chapter shall become inoperative on July 1, 2011,
 20 and, as of January 1, 2012, is repealed, unless a later enacted
 21 statute, that becomes operative on or before January 1, 2012,
 22 deletes or extends the dates on which it becomes inoperative and
 23 is repealed.

24 ~~SEC. 40.~~

25 *SEC. 36.* Notwithstanding the rulemaking provisions of the
 26 Administrative Procedure Act (Chapter 3.5 (commencing with
 27 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
 28 Code), the State Department of Social Services or the State
 29 Department of Education may implement Sections ~~2 to 5, inclusive,~~
 30 ~~and Sections 7, 8, and 38 2 to 6, inclusive, and Section 34~~ of this
 31 act, through all-county letters, management bulletins, or other
 32 similar instructions.

33 ~~SEC. 41.~~

34 *SEC. 37.* Notwithstanding any other law, the implementation
 35 of Sections ~~2 to 5, inclusive, and Sections 7, 8, and 38 2 to 6,~~
 36 ~~inclusive, and Section 34~~ of this act is not subject to the appeal
 37 and resolution procedures for agencies that contract with the State
 38 Department of Education for the provision of child care services
 39 or the due process requirements afforded to families that are denied

1 services specified in Chapter 19 (commencing with Section 18000)
2 of Division 1 of Title 5 of the California Code of Regulations.

3 ~~SEC. 42.~~

4 *SEC. 38.* It is the intent of the Legislature that funding provided
5 in provisions 18 and 26 of Item 6110-161-0001 and provision 9
6 of Item 6110-161-0890 of Section 2.00 of the Budget Act of 2011
7 for *educationally related* mental health-related services, including
8 out-of-home residential services for emotionally disturbed pupils,
9 required by an individualized education program pursuant to the
10 federal Individuals with Disabilities Education Act (20 U.S.C. Sec.
11 1400 et seq.) shall be exclusively available for these services only
12 for the 2011–12 and 2012–13 fiscal years.

13 ~~SEC. 43. (a) It is the intent of the Legislature that the State~~
14 ~~Department of Education and the Department of Mental Health~~
15 ~~repeal regulations pertaining to the elimination of statutes pursuant~~
16 ~~to this act related to mental health services provided by county~~
17 ~~mental health agencies.~~

18 ~~(b) The State Department of Education and the Department of~~
19 ~~Mental Health shall review Division 9 (commencing with Section~~
20 ~~60000) of Title 2 of the California Code of Regulations and Chapter~~
21 ~~6 (commencing with Section 1000) of Division 1 of Title 9 of the~~
22 ~~California Code of Regulations, as applicable, to ensure appropriate~~
23 ~~implementation of mental health related services for individuals~~
24 ~~with exceptional needs pursuant to the federal Individuals with~~
25 ~~Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and~~
26 ~~statutes enacted pursuant to this act.~~

27 ~~(c) To ensure that any regulatory changes resulting from the~~
28 ~~review conducted pursuant to subdivision (b) are implemented as~~
29 ~~soon as possible, the State Department of Education and the~~
30 ~~Department of Mental Health may utilize the process for adopting~~
31 ~~emergency regulations set forth in Section 11346.1 of the~~
32 ~~Government Code.~~

33 *SEC. 39. (a) It is the intent of the Legislature that the State*
34 *Department of Education and the appropriate departments within*
35 *the California Health and Human Services Agency modify or repeal*
36 *regulations that are no longer supported by statute due to the*
37 *amendments in Sections 11 to 13, inclusive, Sections 17 to 29,*
38 *inclusive, Sections 31 to 33, inclusive, and Section 35 of this act.*

39 *(b) The State Department of Education and the appropriate*
40 *departments within the California Health and Human Services*

1 Agency shall review regulations to ensure the appropriate
2 implementation of educationally related mental health services
3 required by the federal Individuals with Disabilities Education
4 Act (20 U.S.C. Sec. 1400 et seq.) and Sections 11 to 13, inclusive,
5 Sections 17 to 29, inclusive, Sections 31 to 33, inclusive, and
6 Section 35 of this act.

7 (c) The State Department of Education and the appropriate
8 departments within the California Health and Human Services
9 Agency may adopt regulations to implement Sections 11 to 13,
10 inclusive, Sections 17 to 29, inclusive, Sections 31 to 33, inclusive,
11 and Section 35 of this act. The adoption, amendment, repeal, or
12 readoption of a regulation authorized by this section is deemed to
13 address an emergency, for purposes of Sections 11346.1 and
14 11349.6 of the Government Code, and the State Department of
15 Education and the appropriate departments within the California
16 Health and Human Services Agency are hereby exempted, for this
17 purpose, from the requirements of subdivision (b) of Section
18 11346.1 of the Government Code. For purposes of subdivision (e)
19 of Section 11346.1 of the Government Code, the 180-day period,
20 as applicable to the effective period of an emergency regulatory
21 action and submission of specified materials to the Office of
22 Administrative Law, is hereby extended to one year.

23 SEC. 40. Notwithstanding paragraph (3) of subdivision (a) of
24 Section 16326 of the Government Code, the Controller may defer,
25 as necessary, the June 2012 allocations to the University of
26 California until not later than August 31, 2012, for purposes of
27 cash management.

28 SEC. 41. If the Commission on State Mandates determines that
29 this act contains costs mandated by the state, reimbursement to
30 local agencies and school districts for those costs shall be made
31 pursuant to Part 7 (commencing with Section 17500) of Division
32 4 of Title 2 of the Government Code.

33 SEC. 42. There is hereby appropriated one thousand dollars
34 (\$1,000) from the General Fund to the State Department of
35 Education for purposes of funding the award grants pursuant to
36 Section 49550.3 of the Education Code to school districts, county
37 superintendents of schools, or entities approved by the department
38 for nonrecurring expenses incurred in initiating or expanding a
39 school breakfast program or a summer food service program.

1 ~~SEC. 44.~~

2 *SEC. 43.* This act is a bill providing for appropriations related
3 to the Budget Bill within the meaning of subdivision (e) of Section
4 12 of Article IV of the California Constitution, has been identified
5 as related to the budget in the Budget Bill, and shall take effect
6 immediately.

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9 CORRECTIONS: _____

10 Text—Pages 9 and 32.

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