

AMENDED IN SENATE JUNE 28, 2011

AMENDED IN SENATE JUNE 14, 2011

AMENDED IN SENATE JUNE 9, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 114**

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

January 10, 2011

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An act to amend Sections 1240, 1622, 2558.46, 8201, 8208, 8263.2, 8263.4, 8447, 8499, 42127, 42238.146, 44955.5, 56325, and 69432.7 of, to amend and renumber Section 60422.3 of, to amend and repeal Sections 56139 and 56331 of, *to amend, repeal, and add Sections 8203.5, 41202, and 76300 of*, to add ~~Section~~ *Sections 41202.5, 41210, 41211, 42251, and 46201.3* 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 county superintendent of schools to certify in writing whether or not the county office of education is able to meet its financial obligations for the current and 2 subsequent fiscal years. Existing law requires a county superintendent of schools to approve, conditionally approve, or disapprove the adopted budget for the school districts under his or her jurisdiction and to determine whether the adopted budget is consistent with a financial plan that will enable the district to satisfy its multiyear financial commitments.*

*This bill would require the budgets of a county office of education and a school district for the 2011–12 fiscal year to project the same level of revenue per unit of average daily attendance as it received in the 2010–11 fiscal year, and would delete the certification requirement regarding the 2 fiscal years subsequent to the 2011–12 fiscal year. The bill would prohibit the Superintendent of Public Instruction from requiring a county office of education to do otherwise.*

~~(1)~~

(2) 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)~~

(3) 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)~~

(4) Existing law requires that a child who is 11 or 12 years of age and who is otherwise eligible for subsidized child care and development services, except for his or her age, be given first priority for enrollment,

and in cases of programs operating at full capacity, first priority on the waiting list for a before or after school program, as specified. Existing law also requires contractors to provide each family of an otherwise eligible 11 or 12 year old child with information about the availability of before and after school programs located in the family's community.

This bill would instead provide that the preferred placement for children who are 11 or 12 years of age and who are otherwise eligible for subsidized child care and development services is in a before or after school program. The bill would specify criteria for the provision of subsidized child care services for children who are 11 and 12 years of age.

*(5) 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% or whatever proportion is necessary to ensure that expenditures for these programs do not exceed the amounts appropriated for them, including any reductions made subsequent to the adoption of the annual Budget Act.*

~~(4)~~

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

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

*(7) Under existing law (Proposition 98), the California Constitution requires the state to comply with a minimum funding obligation each fiscal year with respect to the support of school districts and community college districts. Existing statutory law specifies that state funding for the Child Care and Development Services Act is included within the*

*calculation of state apportionments that apply toward this constitutional funding obligation.*

*This bill would, commencing July 1, 2011, specify that funds appropriated for the Child Care and Development Services Act do not apply toward the constitutional minimum funding obligation for school districts and community college districts, with the exception of state funding for the part-day California state preschool programs and the After School Education and Safety Program.*

*The bill would make related changes in the calculation of the minimum funding obligation required by Proposition 98.*

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

*This bill would state that specified sales and use tax revenues transferred pursuant to certain provisions of the Revenue and Taxation Code are not General Fund revenues for these purposes. The bill would provide that its provisions would be operative for the 2011–12 fiscal year and subsequent years only if one or more ballot measures approved before November 17, 2012, authorize those revenues to be so treated, and provide funding for school districts and community college districts in an amount equal to that which would have been provided if the tax revenues were General Fund revenues.*

*The bill would require, if the aforementioned provisions of law are rendered inoperative because the ballot measure or measures are not approved, that by December 17, 2012, the Director of Finance, in consultation with the Superintendent of Public Instruction, determine the amount by which the minimum amount of moneys required to be applied by the state for the support of school districts and community college districts was reduced pursuant to the operation of the aforementioned provisions of law for the 2011–12 fiscal year. Following the determination of this amount, the bill would appropriate an amount equal to 17.8% of that amount from the General Fund to the Superintendent for each of the 2012–13 to 2016–17, inclusive, fiscal years in accordance with a specified priority order, and would appropriate 2.2% of that amount from the General Fund to the Chancellor of the California Community Colleges for each of the 2012–13 to 2016–17, inclusive, fiscal years, in accordance with a specified priority order.*

*(5)*

(9) Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county, and requires the amount of the revenue limit to be adjusted for various factors. Existing law reduces the revenue limit for each school district for the 2011–12 fiscal year by a deficit factor of 19.608%.

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

(6)

(10) 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 *for the 2011–12 fiscal year* 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 to the Supplemental Revenue Augmentation Fund within the county exclusively to reimburse the state for the costs of providing trial court services and costs until those moneys are exhausted.~~ By imposing additional duties on local agency officials, this bill would impose a state-mandated local program.

(7)

(11) 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.

*(12) Existing law authorizes the governing board of a school district to terminate the services of any certificated employees of the district during the time period between 5 days after the enactment of the Budget Act and August 15 of the fiscal year to which that Budget Act applies if the governing board of a school district determines that its total revenue limit per unit of average daily attendance for the fiscal year of that Budget Act has not increased by at least 2% and if in the opinion of the governing board it is therefore necessary to decrease the number of permanent employees in the district.*

*This bill would make this provision inoperative from July 1, 2011, to July 1, 2012, inclusive.*

*(13) Existing law sets forth the minimum number of instructional days and minutes school districts, county offices of education, and charter schools are required to offer.*

*This bill, for the 2011–12 school year, would reduce the minimum number of required instructional days and minutes by up to 7 days, and would reduce the revenue limit for each school district, county office*

*of education, and charter school, as specified. The bill would require implementation of this reduction by a school district, county office of education, and charter school that is subject to collective bargaining to be achieved through the bargaining process, provided that the agreement has been completed and reductions implemented no later than June 30, 2012. These provisions would be operative only for the 2011–12 school year and only if the Director of Finance determines that the state revenue forecast does not meet a specified amount.*

(8)

(14) 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.

(9)

(15) 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.

(10)

(16) 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.

(17) *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.*

*(18) Existing law requires the governing board of each community college district to charge each student a fee, and sets that fee at \$36 per unit per semester.*

*This bill would raise the fee to \$46 per unit per semester if the Director of Finance determines that the state revenue forecast does not meet a specified amount.*

~~(11)~~

*(19) 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 that 2 additional mandates relating to community college districts ~~to~~ are included among those that are subject to the provision.*

~~(12)~~

*(20) 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.*

~~(13)~~

(21) 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.

~~(14)~~

(22) 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.

~~(15)~~

(23) This bill would express the intent of the Legislature that the State Department of Education and 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 appropriate departments within the California Health and Human Services Agency to review regulations to ensure appropriate implementation of educationally related mental health services 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 appropriate departments within the California Health and Human Services Agency to utilize the statutory process for adopting emergency regulations in implementing certain statutes enacted pursuant to this bill.

~~(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)~~

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

~~(18)~~

(25) 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)~~

(26) 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)~~

(27) 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.

~~(21)~~

(28) 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: yes.

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

1     SECTION 1. Section 1240 of the Education Code is amended  
2 to read:

3     1240. The county superintendent of schools shall do all of the  
4 following:

5     (a) Superintend the schools of his or her county.

6     (b) Maintain responsibility for the fiscal oversight of each school  
7 district in his or her county pursuant to the authority granted by  
8 this code.

9     (c) (1) Visit and examine each school in his or her county at  
10 reasonable intervals to observe its operation and to learn of its  
11 problems. He or she annually may present a report of the state of  
12 the schools in his or her county, and of his or her office, including,  
13 but not limited to, his or her observations while visiting the schools,  
14 to the board of education and the board of supervisors of his or  
15 her county.

16     (2) (A) For fiscal years 2004–05 to 2006–07, inclusive, to the  
17 extent that funds are appropriated for purposes of this paragraph,  
18 the county superintendent, or his or her designee, annually shall  
19 submit a report, at a regularly scheduled November board meeting,  
20 to the governing board of each school district under his or her

1 jurisdiction, the county board of education of his or her county,  
 2 and the board of supervisors of his or her county describing the  
 3 state of the schools in the county or of his or her office that are  
 4 ranked in deciles 1 to 3, inclusive, of the 2003 base Academic  
 5 Performance Index (API), as defined in subdivision (b) of Section  
 6 17592.70, and shall include, among other things, his or her  
 7 observations while visiting the schools and his or her  
 8 determinations for each school regarding the status of all of the  
 9 circumstances listed in subparagraph (J) and teacher  
 10 misassignments and teacher vacancies. As a condition for receipt  
 11 of funds, the county superintendent, or his or her designee, shall  
 12 use a standardized template to report the circumstances listed in  
 13 subparagraph (J) and teacher misassignments and teacher  
 14 vacancies, unless the current annual report being used by the county  
 15 superintendent, or his or her designee, already includes those details  
 16 for each school.

17 (B) Commencing with the 2007–08 fiscal year, to the extent  
 18 that funds are appropriated for purposes of this paragraph, the  
 19 county superintendent, or his or her designee, annually shall submit  
 20 a report, at a regularly scheduled November board meeting, to the  
 21 governing board of each school district under his or her jurisdiction,  
 22 the county board of education of his or her county, and the board  
 23 of supervisors of his or her county describing the state of the  
 24 schools in the county or of his or her office that are ranked in  
 25 deciles 1 to 3, inclusive, of the 2006 base API, pursuant to Section  
 26 52056. As a condition for the receipt of funds, the annual report  
 27 shall include the determinations for each school made by the county  
 28 superintendent, or his or her designee, regarding the status of all  
 29 of the circumstances listed in subparagraph (J) and teacher  
 30 misassignments and teacher vacancies, and the county  
 31 superintendent, or his or her designee, shall use a standardized  
 32 template to report the circumstances listed in subparagraph (J) and  
 33 teacher misassignments and teacher vacancies, unless the current  
 34 annual report being used by the county superintendent, or his or  
 35 her designee, already includes those details with the same level of  
 36 specificity that is otherwise required by this subdivision. For  
 37 purposes of this section, schools ranked in deciles 1 to 3, inclusive,  
 38 on the 2006 base API shall include schools determined by the  
 39 department to meet either of the following:

40 (i) The school meets all of the following criteria:

- 1 (I) Does not have a valid base API score for 2006.  
2 (II) Is operating in fiscal year 2007–08 and was operating in  
3 fiscal year 2006–07 during the Standardized Testing and Reporting  
4 (STAR) Program testing period.  
5 (III) Has a valid base API score for 2005 that was ranked in  
6 deciles 1 to 3, inclusive, in that year.  
7 (ii) The school has an estimated base API score for 2006 that  
8 would be in deciles 1 to 3, inclusive.  
9 (C) The department shall estimate an API score for any school  
10 meeting the criteria of subclauses (I) and (II) of clause (i) of  
11 subparagraph (B) and not meeting the criteria of subclause (III)  
12 of clause (i) of subparagraph (B), using available test scores and  
13 weighting or corrective factors it deems appropriate. The  
14 department shall post the API scores on its Internet Web site on  
15 or before May 1.  
16 (D) For purposes of this section, references to schools ranked  
17 in deciles 1 to 3, inclusive, on the 2006 base API shall exclude  
18 schools operated by county offices of education pursuant to Section  
19 56140, as determined by the department.  
20 (E) In addition to the requirements above, the county  
21 superintendent, or his or her designee, annually shall verify both  
22 of the following:  
23 (i) That pupils who have not passed the high school exit  
24 examination by the end of grade 12 are informed that they are  
25 entitled to receive intensive instruction and services for up to two  
26 consecutive academic years after completion of grade 12 or until  
27 the pupil has passed both parts of the high school exit examination,  
28 whichever comes first, pursuant to paragraphs (4) and (5) of  
29 subdivision (d) of Section 37254.  
30 (ii) That pupils who have elected to receive intensive instruction  
31 and services, pursuant to paragraphs (4) and (5) of subdivision (d)  
32 of Section 37254, are being served.  
33 (F) (i) Commencing with the 2010–11 fiscal year and every  
34 third year thereafter, the Superintendent shall identify a list of  
35 schools ranked in deciles 1 to 3, inclusive, of the API for which  
36 the county superintendent, or his or her designee, annually shall  
37 submit a report, at a regularly scheduled November board meeting,  
38 to the governing board of each school district under his or her  
39 jurisdiction, the county board of education of his or her county,  
40 and the board of supervisors of his or her county that describes the

1 state of the schools in the county or of his or her office that are  
2 ranked in deciles 1 to 3, inclusive, of the base API as defined in  
3 clause (ii).

4 (ii) For the 2010–11 fiscal year, the list of schools ranked in  
5 deciles 1 to 3, inclusive, of the base API shall be updated using  
6 the criteria set forth in clauses (i) and (ii) of subparagraph (B),  
7 subparagraph (C), and subparagraph (D), as applied to the 2009  
8 base API and thereafter shall be updated every third year using  
9 the criteria set forth in clauses (i) and (ii) of subparagraph (B),  
10 subparagraph (C), and subparagraph (D), as applied to the base  
11 API of the year preceding the third year consistent with clause (i).

12 (iii) As a condition for the receipt of funds, the annual report  
13 shall include the determinations for each school made by the county  
14 superintendent, or his or her designee, regarding the status of all  
15 of the circumstances listed in subparagraph (J) and teacher  
16 misassignments and teacher vacancies, and the county  
17 superintendent, or his or her designee, shall use a standardized  
18 template to report the circumstances listed in subparagraph (J) and  
19 teacher misassignments and teacher vacancies, unless the current  
20 annual report being used by the county superintendent, or his or  
21 her designee, already includes those details with the same level of  
22 specificity that is otherwise required by this subdivision.

23 (G) The county superintendent of the Counties of Alpine,  
24 Amador, Del Norte, Mariposa, Plumas, and Sierra, and the City  
25 and County of San Francisco shall contract with another county  
26 office of education or an independent auditor to conduct the  
27 required visits and make all reports required by this paragraph.

28 (H) On a quarterly basis, the county superintendent, or his or  
29 her designee, shall report the results of the visits and reviews  
30 conducted that quarter to the governing board of the school district  
31 at a regularly scheduled meeting held in accordance with public  
32 notification requirements. The results of the visits and reviews  
33 shall include the determinations of the county superintendent, or  
34 his or her designee, for each school regarding the status of all of  
35 the circumstances listed in subparagraph (J) and teacher  
36 misassignments and teacher vacancies. If the county  
37 superintendent, or his or her designee, conducts no visits or reviews  
38 in a quarter, the quarterly report shall report that fact.

39 (I) The visits made pursuant to this paragraph shall be conducted  
40 at least annually and shall meet the following criteria:

- 1 (i) Minimize disruption to the operation of the school.  
2 (ii) Be performed by individuals who meet the requirements of  
3 Section 45125.1.  
4 (iii) Consist of not less than 25 percent unannounced visits in  
5 each county. During unannounced visits in each county, the county  
6 superintendent shall not demand access to documents or specific  
7 school personnel. Unannounced visits shall only be used to observe  
8 the condition of school repair and maintenance, and the sufficiency  
9 of instructional materials, as defined by Section 60119.
- 10 (J) The priority objective of the visits made pursuant to this  
11 paragraph shall be to determine the status of all of the following  
12 circumstances:
- 13 (i) Sufficient textbooks as defined in Section 60119 and as  
14 specified in subdivision (i).  
15 (ii) The condition of a facility that poses an emergency or urgent  
16 threat to the health or safety of pupils or staff as defined in district  
17 policy or paragraph (1) of subdivision (c) of Section 17592.72.  
18 (iii) The accuracy of data reported on the school accountability  
19 report card with respect to the availability of sufficient textbooks  
20 and instructional materials, as defined by Section 60119, and the  
21 safety, cleanliness, and adequacy of school facilities, including  
22 good repair as required by Sections 17014, 17032.5, 17070.75,  
23 and 17089.  
24 (iv) The extent to which pupils who have not passed the high  
25 school exit examination by the end of grade 12 are informed that  
26 they are entitled to receive intensive instruction and services for  
27 up to two consecutive academic years after completion of grade  
28 12 or until the pupil has passed both parts of the high school exit  
29 examination, whichever comes first, pursuant to paragraphs (4)  
30 and (5) of subdivision (d) of Section 37254.  
31 (v) The extent to which pupils who have elected to receive  
32 intensive instruction and services, pursuant to paragraphs (4) and  
33 (5) of subdivision (d) of Section 37254, are being served.
- 34 (K) The county superintendent may make the status  
35 determinations described in subparagraph (J) during a single visit  
36 or multiple visits. In determining whether to make a single visit  
37 or multiple visits for this purpose, the county superintendent shall  
38 take into consideration factors such as cost-effectiveness, disruption  
39 to the schoolsite, deadlines, and the availability of qualified  
40 reviewers.

- 1 (L) If the county superintendent determines that the condition  
2 of a facility poses an emergency or urgent threat to the health or  
3 safety of pupils or staff as defined in district policy or paragraph  
4 (1) of subdivision (c) of Section 17592.72, or is not in good repair,  
5 as specified in subdivision (d) of Section 17002 and required by  
6 Sections 17014, 17032.5, 17070.75, and 17089, the county  
7 superintendent, among other things, may do any of the following:
- 8 (i) Return to the school to verify repairs.
  - 9 (ii) Prepare a report that specifically identifies and documents  
10 the areas or instances of noncompliance if the district has not  
11 provided evidence of successful repairs within 30 days of the visit  
12 of the county superintendent or, for major projects, has not  
13 provided evidence that the repairs will be conducted in a timely  
14 manner. The report may be provided to the governing board of the  
15 school district. If the report is provided to the school district, it  
16 shall be presented at a regularly scheduled meeting held in  
17 accordance with public notification requirements. The county  
18 superintendent shall post the report on his or her Internet Web site.  
19 The report shall be removed from the Internet Web site when the  
20 county superintendent verifies the repairs have been completed.
  - 21 (d) Distribute all laws, reports, circulars, instructions, and blanks  
22 that he or she may receive for the use of the school officers.
  - 23 (e) Annually, on or before August 15, present a report to the  
24 governing board of the school district and the Superintendent  
25 regarding the fiscal solvency of a school district with a disapproved  
26 budget, qualified interim certification, or a negative interim  
27 certification, or that is determined to be in a position of fiscal  
28 uncertainty pursuant to Section 42127.6.
  - 29 (f) Keep in his or her office the reports of the Superintendent.
  - 30 (g) Keep a record of his or her official acts, and of all the  
31 proceedings of the county board of education, including a record  
32 of the standing, in each study, of all applicants for certificates who  
33 have been examined, which shall be open to the inspection of an  
34 applicant or his or her authorized agent.
  - 35 (h) Enforce the course of study.
  - 36 (i) (1) Enforce the use of state textbooks and instructional  
37 materials and of high school textbooks and instructional materials  
38 regularly adopted by the proper authority in accordance with  
39 Section 51050.



1 (2) For purposes of this subdivision, sufficient textbooks or  
2 instructional materials has the same meaning as in subdivision (c)  
3 of Section 60119.

4 (3) (A) Commencing with the 2005–06 school year, if a school  
5 is ranked in any of deciles 1 to 3, inclusive, of the base API, as  
6 specified in paragraph (2) of subdivision (c), and not currently  
7 under review pursuant to a state or federal intervention program,  
8 the county superintendent specifically shall review that school at  
9 least annually as a priority school. A review conducted for purposes  
10 of this paragraph shall be completed by the fourth week of the  
11 school year. For the 2004–05 fiscal year only, the county  
12 superintendent shall make a diligent effort to conduct a visit to  
13 each school pursuant to this paragraph within 120 days of receipt  
14 of funds for this purpose.

15 (B) In order to facilitate the review of instructional materials  
16 before the fourth week of the school year, the county superintendent  
17 in a county with 200 or more schools that are ranked in any of  
18 deciles 1 to 3, inclusive, of the base API, as specified in paragraph  
19 (2) of subdivision (c), may utilize a combination of visits and  
20 written surveys of teachers for the purpose of determining  
21 sufficiency of textbooks and instructional materials in accordance  
22 with subparagraph (A) of paragraph (1) of subdivision (a) of  
23 Section 60119 and as defined in subdivision (c) of Section 60119.  
24 If a county superintendent elects to conduct written surveys of  
25 teachers, the county superintendent shall visit the schools surveyed  
26 within the same academic year to verify the accuracy of the  
27 information reported on the surveys. If a county superintendent  
28 surveys teachers at a school in which the county superintendent  
29 has found sufficient textbooks and instructional materials for the  
30 previous two consecutive years and determines that the school  
31 does not have sufficient textbooks or instructional materials, the  
32 county superintendent shall within 10 business days provide a copy  
33 of the insufficiency report to the school district as set forth in  
34 paragraph (4).

35 (C) For purposes of this paragraph, “written surveys” may  
36 include paper and electronic or online surveys.

37 (4) If the county superintendent determines that a school does  
38 not have sufficient textbooks or instructional materials in  
39 accordance with subparagraph (A) of paragraph (1) of subdivision

- 1 (a) of Section 60119 and as defined by subdivision (c) of Section  
2 60119, the county superintendent shall do all of the following:
- 3 (A) Prepare a report that specifically identifies and documents  
4 the areas or instances of noncompliance.
- 5 (B) Provide within five business days of the review, a copy of  
6 the report to the school district, as provided in subdivision (c), or,  
7 if applicable, provide a copy of the report to the school district  
8 within 10 business days pursuant to subparagraph (B) of paragraph  
9 (3).
- 10 (C) Provide the school district with the opportunity to remedy  
11 the deficiency. The county superintendent shall ensure remediation  
12 of the deficiency no later than the second month of the school term.
- 13 (D) If the deficiency is not remedied as required pursuant to  
14 subparagraph (C), the county superintendent shall request the  
15 department to purchase the textbooks or instructional materials  
16 necessary to comply with the sufficiency requirement of this  
17 subdivision. If the department purchases textbooks or instructional  
18 materials for the school district, the department shall issue a public  
19 statement at the first regularly scheduled meeting of the state board  
20 occurring immediately after the department receives the request  
21 of the county superintendent and that meets the applicable public  
22 notice requirements, indicating that the district superintendent and  
23 the governing board of the school district failed to provide pupils  
24 with sufficient textbooks or instructional materials as required by  
25 this subdivision. Before purchasing the textbooks or instructional  
26 materials, the department shall consult with the district to determine  
27 which textbooks or instructional materials to purchase. All  
28 purchases of textbooks or instructional materials shall comply with  
29 Chapter 3.25 (commencing with Section 60420) of Part 33. The  
30 amount of funds necessary for the purchase of the textbooks and  
31 materials is a loan to the school district receiving the textbooks or  
32 instructional materials. Unless the school district repays the amount  
33 owed based upon an agreed-upon repayment schedule with the  
34 Superintendent, the Superintendent shall notify the Controller and  
35 the Controller shall deduct an amount equal to the total amount  
36 used to purchase the textbooks and materials from the next  
37 principal apportionment of the district or from another  
38 apportionment of state funds.
- 39 (j) Preserve carefully all reports of school officers and teachers.

1 (k) Deliver to his or her successor, at the close of his or her  
2 official term, all records, books, documents, and papers belonging  
3 to the office, taking a receipt for them, which shall be filed with  
4 the department.

5 (l) (1) Submit two reports during the fiscal year to the county  
6 board of education in accordance with the following:

7 (A) The first report shall cover the financial and budgetary status  
8 of the county office of education for the period ending October  
9 31. The second report shall cover the period ending January 31.  
10 Both reports shall be reviewed by the county board of education  
11 and approved by the county superintendent no later than 45 days  
12 after the close of the period being reported.

13 (B) As part of each report, the county superintendent shall certify  
14 in writing whether or not the county office of education is able to  
15 meet its financial obligations for the remainder of the fiscal year  
16 and, based on current forecasts, for two subsequent fiscal years.  
17 The certifications shall be classified as positive, qualified, or  
18 negative, pursuant to standards prescribed by the Superintendent,  
19 for the purposes of determining subsequent state agency actions  
20 pursuant to Section 1240.1. For purposes of this subdivision, a  
21 negative certification shall be assigned to a county office of  
22 education that, based upon current projections, will not meet its  
23 financial obligations for the remainder of the fiscal year or for the  
24 subsequent fiscal year. A qualified certification shall be assigned  
25 to a county office of education that may not meet its financial  
26 obligations for the current fiscal year or two subsequent fiscal  
27 years. A positive certification shall be assigned to a county office  
28 of education that will meet its financial obligations for the current  
29 fiscal year and subsequent two fiscal years. In accordance with  
30 those standards, the Superintendent may reclassify a certification.  
31 If a county office of education receives a negative certification,  
32 the Superintendent, or his or her designee, may exercise the  
33 authority set forth in subdivision (c) of Section 1630. Copies of  
34 each certification, and of the report containing that certification,  
35 shall be sent to the Superintendent at the time the certification is  
36 submitted to the county board of education. Copies of each  
37 qualified or negative certification and the report containing that  
38 certification shall be sent to the Controller at the time the  
39 certification is submitted to the county board of education.

1 (i) For the 2011–12 fiscal year, notwithstanding any of the  
 2 standards and criteria adopted by the state board pursuant to  
 3 Section 33127, each county office of education budget shall project  
 4 the same level of revenue per unit of average daily attendance as  
 5 it received in the 2010–11 fiscal year and shall maintain staffing  
 6 and program levels commensurate with that level.

7 (ii) For the 2011–12 fiscal year, the county superintendent shall  
 8 not be required to certify in writing whether or not the county  
 9 office of education is able to meet its financial obligations for the  
 10 two subsequent fiscal years.

11 (iii) For the 2011–12 fiscal year, notwithstanding any of the  
 12 standards and criteria adopted by the state board pursuant to  
 13 Section 33127, the Superintendent, as a condition on approval of  
 14 a county office of education budget, shall not require a county  
 15 office of education to project a lower level of revenue per unit of  
 16 average daily attendance than it received in the 2010–11 fiscal  
 17 year nor require the county superintendent to certify in writing  
 18 whether or not the county office of education is able to meet its  
 19 financial obligations for the two subsequent fiscal years.

20 (2) All reports and certifications required under this subdivision  
 21 shall be in a format or on forms prescribed by the Superintendent,  
 22 and shall be based on standards and criteria for fiscal stability  
 23 adopted by the state board pursuant to Section 33127. The reports  
 24 and supporting data shall be made available by the county  
 25 superintendent to an interested party upon request.

26 (3) This subdivision does not preclude the submission of  
 27 additional budgetary or financial reports by the county  
 28 superintendent to the county board of education or to the  
 29 Superintendent.

30 (4) The county superintendent is not responsible for the fiscal  
 31 oversight of the community colleges in the county, however, he  
 32 or she may perform financial services on behalf of those  
 33 community colleges.

34 (m) If requested, act as agent for the purchase of supplies for  
 35 the city and high school districts of his or her county.

36 (n) For purposes of Section 44421.5, report to the Commission  
 37 on Teacher Credentialing the identity of a certificated person who  
 38 knowingly and willingly reports false fiscal expenditure data  
 39 relative to the conduct of an educational program. This requirement  
 40 applies only if, in the course of his or her normal duties, the county

1 superintendent discovers information that gives him or her  
2 reasonable cause to believe that false fiscal expenditure data  
3 relative to the conduct of an educational program has been reported.

4 *SEC. 2. Section 1622 of the Education Code is amended to*  
5 *read:*

6 1622. (a) On or before July 1 of each fiscal year, the county  
7 board of education shall adopt an annual budget for the budget  
8 year and shall file that budget with the Superintendent of Public  
9 Instruction, the county board of supervisors, and the county auditor.  
10 The budget, and supporting data, shall be maintained and made  
11 available for public review. The budget shall indicate the date,  
12 time, and location at which the county board of education held the  
13 public hearing required under Section 1620.

14 (b) The Superintendent of Public Instruction shall examine the  
15 budget to determine whether it (1) complies with the standards  
16 and criteria adopted by the State Board of Education pursuant to  
17 Section 33127 for application to final local educational agency  
18 budgets, (2) allows the county office of education to meet its  
19 financial obligations during the fiscal year, and (3) is consistent  
20 with a financial plan that will enable the county office of education  
21 to satisfy its multiyear financial commitments. In addition, the  
22 Superintendent shall identify any technical corrections to the budget  
23 that must be made. On or before August 15, the Superintendent of  
24 Public Instruction shall approve or disapprove the budget and, in  
25 the event of a disapproval, transmit to the county office of  
26 education in writing his or her recommendations regarding revision  
27 of the budget and the reasons for those recommendations. *For the*  
28 *2011–12 fiscal year, notwithstanding any of the standards and*  
29 *criteria adopted by the state board pursuant to Section 33127, the*  
30 *Superintendent, as a condition on approval of a county office of*  
31 *education budget, shall not require a county office of education*  
32 *to project a lower level of revenue per unit of average daily*  
33 *attendance than it received in the 2010–11 fiscal year nor require*  
34 *the county superintendent to certify in writing whether or not the*  
35 *county office of education is able to meet its financial obligations*  
36 *for the two subsequent fiscal years.*

37 (c) On or before September 8, the county board of education  
38 shall revise the county office of education budget to reflect changes  
39 in projected income or expenditures subsequent to July 1, and to  
40 include any response to the recommendations of the Superintendent

1 of Public Instruction, shall adopt the revised budget, and shall file  
2 the revised budget with the Superintendent of Public Instruction,  
3 the county board of supervisors, and the county auditor. Prior to  
4 revising the budget, the county board of education shall hold a  
5 public hearing regarding the proposed revisions, which shall be  
6 made available for public inspection not less than three working  
7 days prior to the hearing. The agenda for that hearing shall be  
8 posted at least 72 hours prior to the public hearing and shall include  
9 the location where the budget will be available for public  
10 inspection. The revised budget, and supporting data, shall be  
11 maintained and made available for public review.

12 (d) The Superintendent of Public Instruction shall examine the  
13 revised budget to determine whether it complies with the standards  
14 and criteria adopted by the State Board of Education pursuant to  
15 Section 33127 for application to final local educational agency  
16 budgets and, no later than October 8, shall approve or disapprove  
17 the revised budget. If the Superintendent of Public Instruction  
18 disapproves the budget, he or she shall call for the formation of a  
19 budget review committee pursuant to Section 1623. *For the*  
20 *2011–12 fiscal year, notwithstanding any of the standards and*  
21 *criteria adopted by the state board pursuant to Section 33127, the*  
22 *Superintendent, as a condition on approval of a county office of*  
23 *education budget, shall not require a county office of education*  
24 *to project a lower level of revenue per unit of average daily*  
25 *attendance than it received in the 2010–11 fiscal year nor require*  
26 *the county superintendent to certify in writing whether or not the*  
27 *county office of education is able to meet its financial obligations*  
28 *for the two subsequent fiscal years.*

29 (e) Notwithstanding any other provision of this section, the  
30 budget review for a county office of education shall be governed  
31 by paragraphs (1), (2), and (3) of this subdivision, rather than by  
32 subdivisions (c) and (d), if the county board of education so elects,  
33 and notifies the Superintendent of Public Instruction in writing of  
34 that decision, no later than October 31 of the immediately  
35 preceding calendar year.

36 (1) In the event of the disapproval of the budget of a county  
37 office of education pursuant to subdivision (b), on or before  
38 September 8, the county superintendent of schools and the county  
39 board of education shall review the recommendations of the  
40 Superintendent of Public Instruction at a regularly scheduled

1 meeting of the county board of education and respond to those  
2 recommendations. That response shall include the proposed actions  
3 to be taken, if any, as a result of those recommendations.

4 (2) No later than October 8, after receiving the response required  
5 under paragraph (1), the Superintendent of Public Instruction shall  
6 review that response and either approve or disapprove the budget  
7 of the county office of education. If the Superintendent of Public  
8 Instruction disapproves the budget, he or she shall call for the  
9 formation of a budget review committee pursuant to Section 1623.

10 (3) Not later than 45 days after the Governor signs the annual  
11 Budget Act, the county office of education shall make available  
12 for public review any revisions in revenues and expenditures that  
13 it has made to its budget to reflect the funding made available by  
14 that Budget Act.

15 **SECTION 4.**

16 *SEC. 3.* Section 2558.46 of the Education Code is amended to  
17 read:

18 2558.46. (a) (1) For the 2003–04 fiscal year, the revenue limit  
19 for each county superintendent of schools determined pursuant to  
20 this article shall be reduced by a 1.195 percent deficit factor.

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

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

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

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

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

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

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

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

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

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

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

28 ~~SEC. 2.~~

29 *SEC. 4.* Section 8201 of the Education Code is amended to  
30 read:

31 8201. The purpose of this chapter is as follows:

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

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

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



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

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

5 (f) To enhance the cognitive development of children, with  
6 particular emphasis upon those children who require special  
7 assistance, including bilingual capabilities to attain their full  
8 potential.

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

11 (h) To empower and encourage parents and families of children  
12 who require child care services to take responsibility to review the  
13 safety of the child care program or facility and to evaluate the  
14 ability of the program or facility to meet the needs of the child.

15 *SEC. 5. Section 8203.5 of the Education Code is amended to*  
16 *read:*

17 8203.5. (a) The Superintendent ~~of Public Instruction~~ shall  
18 ensure that each contract entered into under this chapter to provide  
19 child care and development services, or to facilitate the provision  
20 of those services, provides support to the public school system of  
21 this state through the delivery of appropriate educational services  
22 to the children served pursuant to the contract.

23 (b) The Superintendent ~~of Public Instruction~~ shall ensure that  
24 all contracts for child care and development programs include a  
25 requirement that each public or private provider maintain a  
26 developmental profile to appropriately identify the emotional,  
27 social, physical, and cognitive growth of each child served in order  
28 to promote the child's success in the public schools. To the extent  
29 possible, the ~~State Department of Education~~ *department* shall  
30 provide a developmental profile to all public and private providers  
31 using existing profile instruments that are most cost efficient. The  
32 provider of any program operated pursuant to a contract under  
33 Section 8262 shall be responsible for maintaining developmental  
34 profiles upon entry through exit from a child development program.

35 (c) Notwithstanding any other provision of law, "moneys to be  
36 applied by the state," as used in subdivision (b) of Section 8 of  
37 Article XVI of the California Constitution, includes funds  
38 appropriated for the Child Care and Development Service Act  
39 pursuant to Chapter 2 (commencing with Section 8200) of Part 6,

1 whether or not those funds are allocated to school districts, as  
 2 defined in Section 41302.5, or community college districts.

3 (d) This section is not subject to Part 34 (commencing with  
 4 Section 62000).

5 (e) *This section shall remain in effect only until July 1, 2011,*  
 6 *and as of that date is repealed, unless a later enacted statute, that*  
 7 *is enacted before July 1, 2011, deletes or extends that date.*

8 SEC. 6. Section 8203.5 is added to the Education Code, to  
 9 read:

10 8203.5. (a) *The Superintendent shall ensure that each contract*  
 11 *entered into under this chapter to provide child care and*  
 12 *development services, or to facilitate the provision of those*  
 13 *services, provides support to the public school system of this state*  
 14 *through the delivery of appropriate educational services to the*  
 15 *children served pursuant to the contract.*

16 (b) *The Superintendent shall ensure that all contracts for child*  
 17 *care and development programs include a requirement that each*  
 18 *public or private provider maintain a developmental profile to*  
 19 *appropriately identify the emotional, social, physical, and cognitive*  
 20 *growth of each child served in order to promote the child’s success*  
 21 *in the public schools. To the extent possible, the department shall*  
 22 *provide a developmental profile to all public and private providers*  
 23 *using existing profile instruments that are most cost efficient. The*  
 24 *provider of any program operated pursuant to a contract under*  
 25 *Section 8262 shall be responsible for maintaining developmental*  
 26 *profiles upon entry through exit from a child development program.*

27 (c) *This section is not subject to Part 34 (commencing with*  
 28 *Section 62000) of Division 4 of Title 2.*

29 (d) *This section shall become operative on July 1, 2011.*

30 ~~SEC. 3.~~

31 SEC. 7. Section 8208 of the Education Code is amended to  
 32 read:

33 8208. As used in this chapter:

34 (a) “Alternative payments” includes payments that are made by  
 35 one child care agency to another agency or child care provider for  
 36 the provision of child care and development services, and payments  
 37 that are made by an agency to a parent for the parent’s purchase  
 38 of child care and development services.

39 (b) “Alternative payment program” means a local government  
 40 agency or nonprofit organization that has contracted with the

1 department pursuant to Section 8220.1 to provide alternative  
2 payments and to provide support services to parents and providers.

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

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

16 (e) “Attendance” means the number of children present at a  
17 child care and development facility. “Attendance,” for the purposes  
18 of reimbursement, includes excused absences by children because  
19 of illness, quarantine, illness or quarantine of their parent, family  
20 emergency, or to spend time with a parent or other relative as  
21 required by a court of law or that is clearly in the best interest of  
22 the child.

23 (f) “Capital outlay” means the amount paid for the renovation  
24 and repair of child care and development facilities to comply with  
25 state and local health and safety standards, and the amount paid  
26 for the state purchase of relocatable child care and development  
27 facilities for lease to qualifying contracting agencies.

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

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

34 (i) “Child care and development programs” means those  
35 programs that offer a full range of services for children from  
36 infancy to 13 years of age, for any part of a day, by a public or  
37 private agency, in centers and family child care homes. These  
38 programs include, but are not limited to, all of the following:

- 39 (1) General child care and development.  
40 (2) Migrant child care and development.

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

4 (4) California state preschool program.

5 (5) Resource and referral.

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

8 (7) Family child care home education network.

9 (8) Alternative payment.

10 (9) Schoolage community child care.

11 (j) “Child care and development services” means those services  
12 designed to meet a wide variety of needs of children and their  
13 families, while their parents or guardians are working, in training,  
14 seeking employment, incapacitated, or in need of respite. These  
15 services may include direct care and supervision, instructional  
16 activities, resource and referral programs, and alternative payment  
17 arrangements.

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

21 (l) “Children with exceptional needs” means either of the  
22 following:

23 (1) Infants and toddlers under three years of age who have been  
24 determined to be eligible for early intervention services pursuant  
25 to the California Early Intervention Services Act (Title 14  
26 (commencing with Section 95000) of the Government Code) and  
27 its implementing regulations. These children include an infant or  
28 toddler with a developmental delay or established risk condition,  
29 or who is at high risk of having a substantial developmental  
30 disability, as defined in subdivision (a) of Section 95014 of the  
31 Government Code. These children shall have active individualized  
32 family service plans, shall be receiving early intervention services,  
33 and shall be children who require the special attention of adults in  
34 a child care setting.

35 (2) Children ages 3 to 21 years, inclusive, who have been  
36 determined to be eligible for special education and related services  
37 by an individualized education program team according to the  
38 special education requirements contained in Part 30 (commencing  
39 with Section 56000) of Division 4 of Title 2, and who meet  
40 eligibility criteria described in Section 56026 and, Article 2.5

1 (commencing with Section 56333) of Chapter 4 of Part 30 of  
2 Division 4 of Title 2, and Sections 3030 and 3031 of Title 5 of the  
3 California Code of Regulations. These children shall have an active  
4 individualized education program, shall be receiving early  
5 intervention services or appropriate special education and related  
6 services, and shall be children who require the special attention of  
7 adults in a child care setting. These children include children with  
8 mental retardation, hearing impairments (including deafness),  
9 speech or language impairments, visual impairments (including  
10 blindness), serious emotional disturbance (also referred to as  
11 emotional disturbance), orthopedic impairments, autism, traumatic  
12 brain injury, other health impairments, or specific learning  
13 disabilities, who need special education and related services  
14 consistent with Section 1401(3)(A) of Title 20 of the United States  
15 Code.

16 (m) “Closedown costs” means reimbursements for all approved  
17 activities associated with the closing of operations at the end of  
18 each growing season for migrant child development programs  
19 only.

20 (n) “Cost” includes, but is not limited to, expenditures that are  
21 related to the operation of child care and development programs.  
22 “Cost” may include a reasonable amount for state and local  
23 contributions to employee benefits, including approved retirement  
24 programs, agency administration, and any other reasonable program  
25 operational costs. “Cost” may also include amounts for licensable  
26 facilities in the community served by the program, including lease  
27 payments or depreciation, downpayments, and payments of  
28 principal and interest on loans incurred to acquire, rehabilitate, or  
29 construct licensable facilities, but these costs shall not exceed fair  
30 market rents existing in the community in which the facility is  
31 located. “Reasonable and necessary costs” are costs that, in nature  
32 and amount, do not exceed what an ordinary prudent person would  
33 incur in the conduct of a competitive business.

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

1 (p) “Family child care home education network” means an entity  
2 organized under law that contracts with the department pursuant  
3 to Section 8245 to make payments to licensed family child care  
4 home providers and to provide educational and support services  
5 to those providers and to children and families eligible for  
6 state-subsidized child care and development services. A family  
7 child care home education network may also be referred to as a  
8 family child care home system.

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

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

13 (2) Health screening and health treatment, including a full range  
14 of immunization recorded on the appropriate state immunization  
15 form to the extent provided by the Medi-Cal Act (Chapter 7  
16 commencing with Section 14000) of Part 3 of Division 9 of the  
17 Welfare and Institutions Code) and the Child Health and Disability  
18 Prevention Program (Article 6 (commencing with Section 124025)  
19 of Chapter 3 of Part 2 of Division 106 of the Health and Safety  
20 Code), but only to the extent that ongoing care cannot be obtained  
21 utilizing community resources.

22 (3) Health education and training for children, parents, staff,  
23 and providers.

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

26 (r) “Higher educational institutions” means the Regents of the  
27 University of California, the Trustees of the California State  
28 University, the Board of Governors of the California Community  
29 Colleges, and the governing bodies of any accredited private  
30 nonprofit institution of postsecondary education.

31 (s) “Intergenerational staff” means persons of various  
32 generations.

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

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

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

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

5 (v) “Program director” means a person who, pursuant to Sections  
6 8244 and 8360.1, is qualified to serve as a program director.

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

9 (x) “Resource and referral programs” means programs that  
10 provide information to parents, including referrals and coordination  
11 of community resources for parents and public or private providers  
12 of care. Services frequently include, but are not limited to: technical  
13 assistance for providers, toy-lending libraries, equipment-lending  
14 libraries, toy- and equipment-lending libraries, staff development  
15 programs, health and nutrition education, and referrals to social  
16 services.

17 (y) “Severely disabled children” are children with exceptional  
18 needs from birth to 21 years of age, inclusive, who require intensive  
19 instruction and training in programs serving pupils with the  
20 following profound disabilities: autism, blindness, deafness, severe  
21 orthopedic impairments, serious emotional disturbances, or severe  
22 mental retardation. “Severely disabled children” also include those  
23 individuals who would have been eligible for enrollment in a  
24 developmental center for handicapped pupils under Chapter 6  
25 (commencing with Section 56800) of Part 30 of Division 4 of Title  
26 2 as it read on January 1, 1980.

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

35 (aa) (1) “Site supervisor” means a person who, regardless of  
36 his or her title, has operational program responsibility for a child  
37 care and development program at a single site. A site supervisor  
38 shall hold a permit issued by the Commission on Teacher  
39 Credentialing that authorizes supervision of a child care and  
40 development program operating in a single site. The Superintendent

1 may waive the requirements of this subdivision if the  
 2 Superintendent determines that the existence of compelling need  
 3 is appropriately documented.

4 (2) For California state preschool programs, a site supervisor  
 5 may qualify under any of the provisions in this subdivision, or  
 6 may qualify by holding an administrative credential or an  
 7 administrative services credential. A person who meets the  
 8 qualifications of a program director under both Sections 8244 and  
 9 8360.1 is also qualified under this subdivision.

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

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

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

18 (ae) “Support services” means those services that, when  
 19 combined with child care and development services, help promote  
 20 the healthy physical, mental, social, and emotional growth of  
 21 children. Support services include, but are not limited to: protective  
 22 services, parent training, provider and staff training, transportation,  
 23 parent and child counseling, child development resource and  
 24 referral services, and child placement counseling.

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

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

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

- 36 (1) To undertake training in preparation for a job.
- 37 (2) To undertake or retain a job.
- 38 (3) To undertake other activities that are essential to maintaining
- 39 or improving the social and economic function of the family, are



1 beneficial to the community, or are required because of health  
2 problems in the family.

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

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

9 (ak) “Local educational agency” means a school district, a  
10 county office of education, a community college district, or a  
11 school district on behalf of one or more schools within the school  
12 district.

13 *SEC. 8. Section 8263.2 of the Education Code is amended to*  
14 *read:*

15 8263.2. (a) Notwithstanding any other ~~provision~~ of law,  
16 effective July 1, 2011, the department shall reduce the maximum  
17 reimbursable amounts of the contracts for the Preschool Education  
18 Program, the General Child Care Program, the Migrant Day Care  
19 Program, the Alternative Payment Program, the CalWORKs Stage  
20 3 Program, and the Allowance for Handicapped Program by ~~15~~  
21 *11 percent or by whatever proportion is necessary to ensure that*  
22 *expenditures for these programs do not exceed the amounts*  
23 *appropriated for them, including any reductions made subsequent*  
24 *to the adoption of the annual Budget Act. The department may*  
25 *consider the contractor’s performance or whether the contractor*  
26 *serves children in underserved areas as defined in subdivision (ag)*  
27 *of Section 8208 when determining contract reductions, provided*  
28 *that the aggregate reduction to each program specified in this*  
29 *subdivision is ~~15~~ 11 percent or by whatever proportion is necessary*  
30 *to ensure that expenditures for these programs do not exceed the*  
31 *amounts appropriated for them, including any reductions made*  
32 *subsequent to the adoption of the annual Budget Act.*

33 (b) Notwithstanding any other ~~provision~~ of law, effective July  
34 1, 2011, families shall be disenrolled from subsidized child care  
35 services, consistent with the priorities for services specified in  
36 subdivision (b) of Section 8263. Families shall be disenrolled in  
37 the following order:

38 (1) Families whose income exceeds 70 percent of the state  
39 median income (SMI) adjusted for family size, except for families

1 whose children are receiving child protective services or are at  
2 risk of being neglected or abused.

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

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

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

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

12 ~~SEC. 4.~~

13 *SEC. 9.* Section 8263.4 of the Education Code is amended to  
14 read:

15 8263.4. (a) The preferred placement for children who are 11  
16 or 12 years of age and who are otherwise eligible for subsidized  
17 child care and development services shall be in a before or after  
18 school program.

19 (b) Children who are 11 or 12 years of age shall be eligible for  
20 subsidized child care services only for the portion of care needed  
21 that is not available in a before or after school program provided  
22 pursuant to Article 22.5 (commencing with Section 8482) or Article  
23 22.6 (commencing with Section 8484.7). Contractors shall provide  
24 each family of an eligible 11 or 12 year old with the option of  
25 combining care provided in a before or after school program with  
26 subsidized child care in another setting, for those hours within a  
27 day when the before or after school program does not operate, in  
28 order to meet the child care needs of the family.

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

33 (d) A before or after school program shall be considered not  
34 available when a parent certifies in writing, on a form provided  
35 by the department that is translated into the parent's primary  
36 language pursuant to Sections 7295.4 and 7296.2 of the  
37 Government Code, the reason or reasons why the program would  
38 not meet the child care needs of the family. The reasons why a  
39 before or after school program shall be considered not available  
40 shall include, but not be limited to, any of the following:

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

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

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

7 (4) The program is too geographically distant from the parents'  
8 residence.

9 (5) Use of the program would create substantial transportation  
10 obstacles for the family.

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

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

20 (f) This section does not apply to an 11 or 12 year old child with  
21 a disability, including a child with exceptional needs who has an  
22 individualized education program as required by the federal  
23 Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400  
24 et seq.), Section 504 of the federal Rehabilitation Act of 1973 (29  
25 U.S.C. Sec. 794), or Part 30 (commencing with Section 56000) of  
26 Division 4 of Title 2.

27 (g) The savings generated each contract year by the  
28 implementation of the changes made to this section by the act  
29 amending this section during the 2005–06 Regular Session shall  
30 remain with each alternative payment program, child development  
31 center, or other contractor for the provision of child care services,  
32 except for care provided by programs pursuant to Article 15.5  
33 (commencing with Section 8350). Each contractor shall report  
34 annually to the department the amount of savings resulting from  
35 this implementation, and the department shall report annually to  
36 the Legislature the amount of savings statewide resulting from that  
37 implementation.

38 ~~SEC. 5.~~

39 *SEC. 10.* Section 8447 of the Education Code is amended to  
40 read:

1 8447. (a) The Legislature hereby finds and declares that greater  
2 efficiencies may be achieved in the execution of state subsidized  
3 child care and development program contracts with public and  
4 private agencies by the timely approval of contract provisions by  
5 the Department of Finance, the Department of General Services,  
6 and the State Department of Education and by authorizing the State  
7 Department of Education to establish a multiyear application,  
8 contract expenditure, and service review as may be necessary to  
9 provide timely service while preserving audit and oversight  
10 functions to protect the public welfare.

11 (b) (1) The Department of Finance and the Department of  
12 General Services shall approve or disapprove annual contract  
13 funding terms and conditions, including both family fee schedules  
14 and regional market rate schedules that are required to be adhered  
15 to by contract, and contract face sheets submitted by the State  
16 Department of Education not more than 30 working days from the  
17 date of submission, unless unresolved conflicts remain between  
18 the Department of Finance, the State Department of Education,  
19 and the Department of General Services. The State Department of  
20 Education shall resolve conflicts within an additional 30 working  
21 day time period. Contracts and funding terms and conditions shall  
22 be issued to child care contractors no later than June 1. Applications  
23 for new child care funding shall be issued not more than 45  
24 working days after the effective date of authorized new allocations  
25 of child care moneys.

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

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

39 (4) Notwithstanding any other law, the family fee schedule that  
40 was in effect for the 2007–08, 2008–09, 2009–10, and 2010–11

1 fiscal years shall be adjusted to reflect the income eligibility limits  
2 specified in subdivision (b) of Section 8263.1 for the 2011–12  
3 fiscal year, and shall retain a flat fee per family. The revised family  
4 fee schedule shall begin at income levels at which families  
5 currently begin paying fees. The revised family fees shall not  
6 exceed 10 percent of the family’s monthly income. The State  
7 Department of Education shall first submit the adjusted fee  
8 schedule to the Department of Finance for approval in order to be  
9 implemented by July 1, 2011.

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

12 (c) With respect to subdivision (b), it is the intent of the  
13 Legislature that the Department of Finance annually review  
14 contract funding terms and conditions for the primary purpose of  
15 ensuring consistency between child care contracts and the child  
16 care budget. This review shall include evaluating any proposed  
17 changes to contract language or other fiscal documents to which  
18 the contractor is required to adhere, including those changes to  
19 terms or conditions that authorize higher reimbursement rates, that  
20 modify related adjustment factors, that modify administrative or  
21 other service allowances, or that diminish fee revenues otherwise  
22 available for services, to determine if the change is necessary or  
23 has the potential effect of reducing the number of full-time  
24 equivalent children that may be served.

25 (d) Alternative payment child care systems, as set forth in Article  
26 3 (commencing with Section 8220), shall be subject to the rates  
27 established in the Regional Market Rate Survey of California Child  
28 Care Providers for provider payments. The State Department of  
29 Education shall contract to conduct and complete a Regional  
30 Market Rate Survey no more frequently than once every two years,  
31 consistent with federal regulations, with a goal of completion by  
32 March 1.

33 (e) By March 1 of each year, the Department of Finance shall  
34 provide to the State Department of Education the State Median  
35 Income amount for a four-person household in California based  
36 on the best available data. The State Department of Education shall  
37 adjust its fee schedule for child care providers to reflect this  
38 updated state median income; however, no changes based on  
39 revisions to the state median income amount shall be implemented  
40 midyear.

1 (f) Notwithstanding the June 1 date specified in subdivision (b),  
2 changes to the regional market rate schedules and fee schedules  
3 may be made at any other time to reflect the availability of accurate  
4 data necessary for their completion, provided these documents  
5 receive the approval of the Department of Finance. The Department  
6 of Finance shall review the changes within 30 working days of  
7 submission and the State Department of Education shall resolve  
8 conflicts within an additional 30 working day period. Contractors  
9 shall be given adequate notice prior to the effective date of the  
10 approved schedules. It is the intent of the Legislature that contracts  
11 for services not be delayed by the timing of the availability of  
12 accurate data needed to update these schedules.

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

15 ~~SEC. 6.~~

16 *SEC. 11.* Section 8499 of the Education Code is amended to  
17 read:

18 8499. For purposes of this chapter, the following definitions  
19 shall apply:

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

24 (b) “Child care” means all licensed child care and development  
25 services and license-exempt child care, including, but not limited  
26 to, private for-profit programs, nonprofit programs, and publicly  
27 funded programs, for all children up to and including 12 years of  
28 age, including children with exceptional needs and children from  
29 all linguistic and cultural backgrounds.

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

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

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

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

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

4 (h) “Public agency representative” means a person who  
5 represents a city, county, city and county, or local educational  
6 agency.

7 *SEC. 12. Section 41202 of the Education Code is amended to*  
8 *read:*

9 41202. The words and phrases set forth in subdivision (b) of  
10 Section 8 of Article XVI of the Constitution of the State of  
11 California shall have the following meanings:

12 (a) “Moneys to be applied by the State,” as used in subdivision  
13 (b) of Section 8 of Article XVI of the California Constitution,  
14 means appropriations from the General Fund that are made for  
15 allocation to school districts, as defined, or community college  
16 districts. An appropriation that is withheld, impounded, or made  
17 without provisions for its allocation to school districts or  
18 community college districts, shall not be considered to be “moneys  
19 to be applied by the State.”

20 (b) “General Fund revenues which may be appropriated pursuant  
21 to Article XIII B,” as used in paragraph (1) of subdivision (b) of  
22 Section 8 of Article XVI, means General Fund revenues that are  
23 the proceeds of taxes as defined by subdivision (c) of Section 8 of  
24 Article XIII B of the California Constitution, including, for the  
25 1986–87 fiscal year only, any revenues that are determined to be  
26 in excess of the appropriations limit established pursuant to Article  
27 XIII B for the fiscal year in which they are received. General Fund  
28 revenues for a fiscal year to which paragraph (1) of subdivision  
29 (b) is being applied shall include, in that computation, only General  
30 Fund revenues for that fiscal year that are the proceeds of taxes,  
31 as defined in subdivision (c) of Section 8 of Article XIII B of the  
32 California Constitution, and shall not include prior fiscal year  
33 revenues. Commencing with the 1995–96 fiscal year, and each  
34 fiscal year thereafter, “General Fund revenues that are the proceeds  
35 of taxes,” as defined in subdivision (c) of Section 8 of Article  
36 XIII B of the California Constitution, includes any portion of the  
37 proceeds of taxes received from the state sales tax that are  
38 transferred to the counties pursuant to, and only if, legislation is  
39 enacted during the 1995–96 fiscal year the purpose of which is to  
40 realign children’s programs. The amount of the proceeds of taxes

1 shall be computed for any fiscal year in a manner consistent with  
2 the manner in which the amount of the proceeds of taxes was  
3 computed by the Department of Finance for purposes of the  
4 Governor’s Budget for the Budget Act of 1986.

5 (c) “General Fund revenues appropriated for school districts,”  
6 as used in paragraph (1) of subdivision (b) of Section 8 of Article  
7 XVI of the California Constitution, means the sum of  
8 appropriations made that are for allocation to school districts, as  
9 defined in Section 41302.5, regardless of whether those  
10 appropriations were made from the General Fund to the  
11 Superintendent of Public Instruction, to the Controller, or to any  
12 other fund or state agency for the purpose of allocation to school  
13 districts. The full amount of any appropriation shall be included  
14 in the calculation of the percentage required by paragraph (1) of  
15 subdivision (b) of Article XVI, without regard to any unexpended  
16 balance of any appropriation. Any reappropriation of funds  
17 appropriated in any prior year shall not be included in the sum of  
18 appropriations.

19 (d) “General Fund revenues appropriated for community college  
20 districts,” as used in paragraph (1) of subdivision (b) of Section 8  
21 of Article XVI of the California Constitution, means the sum of  
22 appropriations made that are for allocation to community college  
23 districts, regardless of whether those appropriations were made  
24 from the General Fund to the Controller, to the Chancellor of the  
25 California Community Colleges, or to any other fund or state  
26 agency for the purpose of allocation to community college districts.  
27 The full amount of any appropriation shall be included in the  
28 calculation of the percentage required by paragraph (1) of  
29 subdivision (b) of Article XVI, without regard to any unexpended  
30 balance of any appropriation. Any reappropriation of funds  
31 appropriated in any prior year shall not be included in the sum of  
32 appropriations.

33 (e) “Total allocations to school districts and community college  
34 districts from General Fund proceeds of taxes appropriated pursuant  
35 to Article XIII B,” as used in paragraph (2) or (3) of subdivision  
36 (b) of Section 8 of Article XVI of the California Constitution,  
37 means the sum of appropriations made that are for allocation to  
38 school districts, as defined in Section 41302.5, and community  
39 college districts, regardless of whether those appropriations were  
40 made from the General Fund to the Controller, to the



1 Superintendent of Public Instruction, to the Chancellor of the  
2 California Community Colleges, or to any other fund or state  
3 agency for the purpose of allocation to school districts and  
4 community college districts. The full amount of any appropriation  
5 shall be included in the calculation of the percentage required by  
6 paragraph (2) or (3) of subdivision (b) of Section 8 of Article XVI,  
7 without regard to any unexpended balance of any appropriation.  
8 Any reappropriation of funds appropriated in any prior year shall  
9 not be included in the sum of appropriations.

10 (f) “General Fund revenues appropriated for school districts  
11 and community college districts, respectively” and “moneys to be  
12 applied by the state for the support of school districts and  
13 community college districts,” as used in Section 8 of Article XVI  
14 of the California Constitution, shall include funds appropriated for  
15 the Child Care and Development Services Act pursuant to Chapter  
16 2 (commencing with Section 8200) of Part 6 and shall not include  
17 any of the following:

18 (1) Any appropriation that is not made for allocation to a school  
19 district, as defined in Section 41302.5, or to a community college  
20 district regardless of whether the appropriation is made for any  
21 purpose that may be considered to be for the benefit to a school  
22 district, as defined in Section 41302.5, or a community college  
23 district. This paragraph shall not be construed to exclude any  
24 funding appropriated for the Child Care and Development Services  
25 Act pursuant to Chapter 2 (commencing with Section 8200) of  
26 Part 6.

27 (2) Any appropriation made to the Teachers’ Retirement Fund  
28 or to the Public Employees’ Retirement Fund except those  
29 appropriations for reimbursable state mandates imposed on or  
30 before January 1, 1988.

31 (3) Any appropriation made to service any public debt approved  
32 by the voters of this state.

33 (g) “Allocated local proceeds of taxes,” as used in paragraph  
34 (2) or (3) of subdivision (b) of Section 8 of Article XVI of the  
35 California Constitution, means, for school districts as defined,  
36 those local revenues, except revenues identified pursuant to  
37 paragraph (5) of subdivision (h) of Section 42238, that are used  
38 to offset state aid for school districts in calculations performed  
39 pursuant to Sections 2558, 42238, and Chapter 7.2 (commencing  
40 with Section 56836) of Part 30.

1 (h) “Allocated local proceeds of taxes,” as used in paragraph  
2 (2) or (3) of subdivision (b) of Section 8 of Article XVI of the  
3 California Constitution, means, for community college districts,  
4 those local revenues that are used to offset state aid for community  
5 college districts in calculations performed pursuant to Section  
6 84700. In no event shall the revenues or receipts derived from  
7 student fees be considered “allocated local proceeds of taxes.”

8 (i) For the purposes of calculating the 4 percent entitlement  
9 pursuant to subdivision (a) of Section 8.5 of Article XVI of the  
10 California Constitution, “the total amount required pursuant to  
11 Section 8(b)” shall mean the General Fund aid required for schools  
12 pursuant to subdivision (b) of Section 8 of Article XVI of the  
13 California Constitution, and shall not include allocated local  
14 proceeds of taxes.

15 (j) *This section shall remain in effect only until July 1, 2011,*  
16 *and as of that date is repealed, unless a later enacted statute, that*  
17 *is enacted before July 1, 2011, deletes or extends that date.*

18 *SEC. 13. Section 41202 is added to the Education Code, to*  
19 *read:*

20 *41202. The words and phrases set forth in subdivision (b) of*  
21 *Section 8 of Article XVI of the Constitution of the State of*  
22 *California shall have the following meanings:*

23 (a) *“Moneys to be applied by the State,” as used in subdivision*  
24 *(b) of Section 8 of Article XVI of the California Constitution, means*  
25 *appropriations from the General Fund that are made for allocation*  
26 *to school districts, as defined, or community college districts. An*  
27 *appropriation that is withheld, impounded, or made without*  
28 *provisions for its allocation to school districts or community*  
29 *college districts, shall not be considered to be “moneys to be*  
30 *applied by the State.”*

31 (b) *“General Fund revenues which may be appropriated*  
32 *pursuant to Article XIII B,” as used in paragraph (1) of subdivision*  
33 *(b) of Section 8 of Article XVI, means General Fund revenues that*  
34 *are the proceeds of taxes as defined by subdivision (c) of Section*  
35 *8 of Article XIII B of the California Constitution, including, for*  
36 *the 1986–87 fiscal year only, any revenues that are determined to*  
37 *be in excess of the appropriations limit established pursuant to*  
38 *Article XIII B for the fiscal year in which they are received. General*  
39 *Fund revenues for a fiscal year to which paragraph (1) of*  
40 *subdivision (b) is being applied shall include, in that computation,*

1 only General Fund revenues for that fiscal year that are the  
2 proceeds of taxes, as defined in subdivision (c) of Section 8 of  
3 Article XIII B of the California Constitution, and shall not include  
4 prior fiscal year revenues. Commencing with the 1995–96 fiscal  
5 year, and each fiscal year thereafter, “General Fund revenues  
6 that are the proceeds of taxes,” as defined in subdivision (c) of  
7 Section 8 of Article XIII B of the California Constitution, includes  
8 any portion of the proceeds of taxes received from the state sales  
9 tax that are transferred to the counties pursuant to, and only if,  
10 legislation is enacted during the 1995–96 fiscal year the purpose  
11 of which is to realign children’s programs. The amount of the  
12 proceeds of taxes shall be computed for any fiscal year in a manner  
13 consistent with the manner in which the amount of the proceeds  
14 of taxes was computed by the Department of Finance for purposes  
15 of the Governor’s Budget for the Budget Act of 1986.

16 (c) “General Fund revenues appropriated for school districts,”  
17 as used in paragraph (1) of subdivision (b) of Section 8 of Article  
18 XVI of the California Constitution, means the sum of  
19 appropriations made that are for allocation to school districts, as  
20 defined in Section 41302.5, regardless of whether those  
21 appropriations were made from the General Fund to the  
22 Superintendent, to the Controller, or to any other fund or state  
23 agency for the purpose of allocation to school districts. The full  
24 amount of any appropriation shall be included in the calculation  
25 of the percentage required by paragraph (1) of subdivision (b) of  
26 Article XVI, without regard to any unexpended balance of any  
27 appropriation. Any reappropriation of funds appropriated in any  
28 prior year shall not be included in the sum of appropriations.

29 (d) “General Fund revenues appropriated for community college  
30 districts,” as used in paragraph (1) of subdivision (b) of Section  
31 8 of Article XVI of the California Constitution, means the sum of  
32 appropriations made that are for allocation to community college  
33 districts, regardless of whether those appropriations were made  
34 from the General Fund to the Controller, to the Chancellor of the  
35 California Community Colleges, or to any other fund or state  
36 agency for the purpose of allocation to community college districts.  
37 The full amount of any appropriation shall be included in the  
38 calculation of the percentage required by paragraph (1) of  
39 subdivision (b) of Article XVI, without regard to any unexpended  
40 balance of any appropriation. Any reappropriation of funds

1 *appropriated in any prior year shall not be included in the sum of*  
2 *appropriations.*

3 *(e) “Total allocations to school districts and community college*  
4 *districts from General Fund proceeds of taxes appropriated*  
5 *pursuant to Article XIII B,” as used in paragraph (2) or (3) of*  
6 *subdivision (b) of Section 8 of Article XVI of the California*  
7 *Constitution, means the sum of appropriations made that are for*  
8 *allocation to school districts, as defined in Section 41302.5, and*  
9 *community college districts, regardless of whether those*  
10 *appropriations were made from the General Fund to the*  
11 *Controller, to the Superintendent, to the Chancellor of the*  
12 *California Community Colleges, or to any other fund or state*  
13 *agency for the purpose of allocation to school districts and*  
14 *community college districts. The full amount of any appropriation*  
15 *shall be included in the calculation of the percentage required by*  
16 *paragraph (2) or (3) of subdivision (b) of Section 8 of Article XVI,*  
17 *without regard to any unexpended balance of any appropriation.*  
18 *Any reappropriation of funds appropriated in any prior year shall*  
19 *not be included in the sum of appropriations.*

20 *(f) “General Fund revenues appropriated for school districts*  
21 *and community college districts, respectively” and “moneys to be*  
22 *applied by the state for the support of school districts and*  
23 *community college districts,” as used in Section 8 of Article XVI*  
24 *of the California Constitution, shall include funds appropriated*  
25 *for part-day California state preschool programs under Article 7*  
26 *(commencing with Section 8235) of Chapter 2 of Part 6 of Division*  
27 *1 of Title 1, and the After School Education and Safety Program*  
28 *established pursuant to Article 22.5 (commencing with Section*  
29 *8482) of Chapter 2 of Part 6 of Division 1 of Title 1, and shall not*  
30 *include any of the following:*

31 *(1) Any appropriation that is not made for allocation to a school*  
32 *district, as defined in Section 41302.5, or to a community college*  
33 *district, regardless of whether the appropriation is made for any*  
34 *purpose that may be considered to be for the benefit to a school*  
35 *district, as defined in Section 41302.5, or a community college*  
36 *district. This paragraph shall not be construed to exclude any*  
37 *funding appropriated for part-day California state preschool*  
38 *programs under Article 7 (commencing with Section 8235) of*  
39 *Chapter 2 of Part 6 of Division 1 of Title 1 or the After School*  
40 *Education and Safety Program established pursuant to Article*

1 22.5 (commencing with Section 8482) of Chapter 2 of Part 6 of  
2 Division 1 of Title 1.

3 (2) Any appropriation made to the Teachers' Retirement Fund  
4 or to the Public Employees' Retirement Fund except those  
5 appropriations for reimbursable state mandates imposed on or  
6 before January 1, 1988.

7 (3) Any appropriation made to service any public debt approved  
8 by the voters of this state.

9 (4) With the exception of the programs identified in paragraph  
10 (1), commencing with the 2011–12 fiscal year, any funds  
11 appropriated for the Child Care and Development Services Act,  
12 pursuant to Chapter 2 (commencing with Section 8200) of Part 6  
13 of Division 1 of Title 1.

14 (g) "Allocated local proceeds of taxes," as used in paragraph  
15 (2) or (3) of subdivision (b) of Section 8 of Article XVI of the  
16 California Constitution, means, for school districts as defined,  
17 those local revenues, except revenues identified pursuant to  
18 paragraph (5) of subdivision (h) of Section 42238, that are used  
19 to offset state aid for school districts in calculations performed  
20 pursuant to Sections 2558, 42238, and Chapter 7.2 (commencing  
21 with Section 56836) of Part 30.

22 (h) "Allocated local proceeds of taxes," as used in paragraph  
23 (2) or (3) of subdivision (b) of Section 8 of Article XVI of the  
24 California Constitution, means, for community college districts,  
25 those local revenues that are used to offset state aid for community  
26 college districts in calculations performed pursuant to Section  
27 84700. In no event shall the revenues or receipts derived from  
28 student fees be considered "allocated local proceeds of taxes."

29 (i) For purposes of calculating the 4-percent entitlement  
30 pursuant to subdivision (a) of Section 8.5 of Article XVI of the  
31 California Constitution, "the total amount required pursuant to  
32 Section 8(b)" shall mean the General Fund aid required for schools  
33 pursuant to subdivision (b) of Section 8 of Article XVI of the  
34 California Constitution, and shall not include allocated local  
35 proceeds of taxes.

36 (j) This section shall become operative on July 1, 2011.

37 SEC. 14. Section 41202.5 is added to the Education Code, to  
38 read:

39 41202.5. (a) The finds and declares as follows:

1     (1) *The Legislature acted to implement Proposition 98 soon*  
2 *after its passage by defining “total allocations to school districts*  
3 *and community college districts from General Fund proceeds of*  
4 *taxes” to include the entirety of programs funded under the Child*  
5 *Care and Development Services Act (Chapter 2 (commencing with*  
6 *Section 8200) of Part 6 of Division 1 of Title 1).*

7     (2) *In California Teachers Assn. v. Hayes (1992) 5 Cal.App.4th*  
8 *1513, the Court of Appeal permitted the inclusion of child care*  
9 *within the Proposition 98 minimum funding guarantee but left*  
10 *open the possibility of excluding particular child care programs*  
11 *that did not directly advance and support the educational mission*  
12 *of school districts.*

13     (b) *It is the intent of the Legislature to clarify that the part-time*  
14 *state preschool programs and the After School Education and*  
15 *Safety Program fall within the Proposition 98 guarantee and to*  
16 *fund other child care programs less directly associated with school*  
17 *districts from appropriations that do not count toward the*  
18 *Proposition 98 minimum guarantee.*

19     (c) *Notwithstanding any other provision of law, for purposes*  
20 *of making the computations required by subdivision (b) of Section*  
21 *8 of Article XVI of the California Constitution in the 2011–12*  
22 *fiscal year and each subsequent fiscal year, both of the following*  
23 *apply:*

24     (1) *For purposes of paragraph (1) of subdivision (b) of Section*  
25 *8 of Article XVI of the California Constitution, the term “General*  
26 *Fund revenues appropriated for school districts and community*  
27 *college districts, respectively, in fiscal year 1986–87” does not*  
28 *include General Fund revenues appropriated for any program*  
29 *within Chapter 2 (commencing with Section 8200) of Part 6 of*  
30 *Division 1 of Title 1, with the exception of the part-day California*  
31 *state preschool programs set forth in Article 7 (commencing with*  
32 *Section 8235) and the After School Education and Safety Program*  
33 *in Article 22.5 (commencing with Section 8482). The Director of*  
34 *Finance shall adjust accordingly “the percentage of General Fund*  
35 *revenues appropriated for school districts and community college*  
36 *districts, respectively, in fiscal year 1986–87,” for purposes of*  
37 *applying that percentage in the 2011–12 fiscal year and each*  
38 *subsequent fiscal year in making the calculations required under*  
39 *paragraph (1) of subdivision (b) of Section 8 of Article XVI of the*  
40 *California Constitution.*

1 (2) *General Fund revenues appropriated in the 2010–11 fiscal*  
2 *year or any subsequent fiscal year for any program within Chapter*  
3 *2 (commencing with Section 8200) of Part 6 of Division 1 of Title*  
4 *1, with the exception of the part-day California state preschool*  
5 *programs set forth in Article 7 (commencing with Section 8235)*  
6 *and the After School Education and Safety Program in Article 22.5*  
7 *(commencing with Section 8482), are not included within the “total*  
8 *allocations to school districts and community college districts*  
9 *from General Fund proceeds of taxes appropriated pursuant to*  
10 *Article XIII B” for purposes of paragraph (2) or (3) of subdivision*  
11 *(b) of Section 8 of Article XVI of the California Constitution.*

12 *SEC. 15. Section 41210 is added to the Education Code, to*  
13 *read:*

14 *41210. (a) The revenues transferred pursuant to Section*  
15 *6015.15 and 6201.15 of the Revenue and Taxation Code are not*  
16 *“General Fund revenues” as that term is used in Section 8 of*  
17 *Article XVI of the California Constitution.*

18 *(b) This section shall be operative for the 2011–12 fiscal year*  
19 *and subsequent years so long as one or more ballot measures*  
20 *approved before November 17, 2012, authorize the determination*  
21 *in subdivision (a) and provide funding for school districts and*  
22 *community college districts in an amount equal to that which would*  
23 *have been provided if the revenues referenced in subdivision (a)*  
24 *were General Fund revenues for purposes of Section 8 of Article*  
25 *XVI of the California Constitution.*

26 *SEC. 16. Section 41211 is added to the Education Code, to*  
27 *read:*

28 *41211. The following shall apply if Section 41210 is rendered*  
29 *inoperative because the ballot measure or measures described in*  
30 *subdivision (b) of that section are not approved:*

31 *(a) Before December 17, 2012, the Director of Finance, in*  
32 *consultation with the Superintendent, shall determine the amount*  
33 *of funding that would have been provided in the 2011–12 fiscal*  
34 *year to school districts and community college districts if the*  
35 *revenues described in subdivision (a) of Section 41210 were*  
36 *General Fund revenues for purposes of Section 8 of Article XVI*  
37 *of the California Constitution.*

38 *(b) For each of the 2012–13 to 2016–17, inclusive, fiscal years,*  
39 *17.8 percent of the amount determined in subdivision (a) is*

1 *appropriated from the General Fund to the Superintendent and*  
2 *shall be distributed in the following priority:*

3 *(1) To reduce amounts deferred under Section 14041.6.*

4 *(2) To repay obligations to school districts and county offices*  
5 *of education under Section 6 of Article XIII B of the California*  
6 *Constitution.*

7 *(3) To use for other one-time purposes as provided by statute*  
8 *enacted after the effective date of this section.*

9 *(c) For each of the 2012–13 to 2016–17, inclusive, fiscal years,*  
10 *2.2 percent of the amount determined in subdivision (a) is*  
11 *appropriated from the General Fund to the Chancellor of the*  
12 *California Community Colleges and shall be distributed in the*  
13 *following priority:*

14 *(1) To reduce amounts deferred under Section 84321.6.*

15 *(2) To repay obligations to community college districts under*  
16 *Section 6 of Article XIII B of the California Constitution.*

17 *(3) To use for other one-time purposes as provided by statute*  
18 *enacted after the effective date of this section.*

19 *(d) For the 2011–12 fiscal year and subsequent fiscal years,*  
20 *the computations required by Section 8 of Article XVI of the*  
21 *California Constitution shall include the amount determined in*  
22 *subdivision (a).*

23 *SEC. 17. Section 42127 of the Education Code is amended to*  
24 *read:*

25 *42127. (a) On or before July 1 of each year, the governing*  
26 *board of each school district shall accomplish the following:*

27 *(1) Hold a public hearing on the budget to be adopted for the*  
28 *subsequent fiscal year. The budget to be adopted shall be prepared*  
29 *in accordance with Section 42126. The agenda for that hearing*  
30 *shall be posted at least 72 hours prior to the public hearing and*  
31 *shall include the location where the budget will be available for*  
32 *public inspection.*

33 *(A) For the 2011–12 fiscal year, notwithstanding any of the*  
34 *standards and criteria adopted by the state board pursuant to*  
35 *Section 33127, each school district budget shall project the same*  
36 *level of revenue per unit of average daily attendance as it received*  
37 *in the 2010–11 fiscal year and shall maintain staffing and program*  
38 *levels commensurate with that level.*



1 (B) For the 2011–12 fiscal year, the school district shall not be  
2 required to demonstrate that it is able to meet its financial  
3 obligations for the two subsequent fiscal years.

4 (2) Adopt a budget. Not later than five days after that adoption  
5 or by July 1, whichever occurs first, the governing board shall file  
6 that budget with the county superintendent of schools. That budget  
7 and supporting data shall be maintained and made available for  
8 public review. If the governing board of the district does not want  
9 all or a portion of the property tax requirement levied for the  
10 purpose of making payments for the interest and redemption  
11 charges on indebtedness as described in paragraph (1) or (2) of  
12 subdivision (b) of Section 1 of Article XIII A of the California  
13 Constitution, the budget shall include a statement of the amount  
14 or portion for which a levy shall not be made.

15 (b) The county superintendent of schools may accept changes  
16 in any statement included in the budget, pursuant to subdivision  
17 (a), of the amount or portion for which a property tax levy shall  
18 not be made. The county superintendent or the county auditor shall  
19 compute the actual amounts to be levied on the property tax rolls  
20 of the district for purposes that exceed apportionments to the  
21 district pursuant to Chapter 6 (commencing with Section 95) of  
22 Part 0.5 of Division 1 of the Revenue and Taxation Code. Each  
23 school district shall provide all data needed by the county  
24 superintendent or the county auditor to compute the amounts. On  
25 or before August 15, the county superintendent shall transmit the  
26 amounts computed to the county auditor who shall compute the  
27 tax rates necessary to produce the amounts. On or before September  
28 1, the county auditor shall submit the rate computed to the board  
29 of supervisors for adoption.

30 (c) The county superintendent of schools shall do all of the  
31 following:

32 (1) Examine the adopted budget to determine whether it  
33 complies with the standards and criteria adopted by the state board  
34 pursuant to Section 33127 for application to final local educational  
35 agency budgets. The county superintendent shall identify, if  
36 necessary, any technical corrections that are required to be made  
37 to bring the budget into compliance with those standards and  
38 criteria.

39 (2) Determine whether the adopted budget will allow the district  
40 to meet its financial obligations during the fiscal year and is

1 consistent with a financial plan that will enable the district to satisfy  
2 its multiyear financial commitments. In addition to his or her own  
3 analysis of the budget of each school district, the county  
4 superintendent of schools shall review and consider studies, reports,  
5 evaluations, or audits of the school district that were commissioned  
6 by the district, the county superintendent, the Superintendent, and  
7 state control agencies and that contain evidence that the school  
8 district is showing fiscal distress under the standards and criteria  
9 adopted in Section 33127 or that contain a finding by an external  
10 reviewer that more than three of the 15 most common predictors  
11 of a school district needing intervention, as determined by the  
12 County Office Fiscal Crisis and Management Assistance Team,  
13 are present. The county superintendent of schools shall either  
14 conditionally approve or disapprove a budget that does not provide  
15 adequate assurance that the district will meet its current and future  
16 obligations and resolve any problems identified in studies, reports,  
17 evaluations, or audits described in this paragraph.

18 (d) On or before August 15, the county superintendent of schools  
19 shall approve, conditionally approve, or disapprove the adopted  
20 budget for each school district. If a school district does not submit  
21 a budget to the county superintendent of schools, the county  
22 superintendent of schools shall, at district expense, develop a  
23 budget for that school district by September 15 and transmit that  
24 budget to the governing board of the school district. The budget  
25 prepared by the county superintendent of schools shall be deemed  
26 adopted, unless the county superintendent of schools approves any  
27 modifications made by the governing board of the school district.  
28 The approved budget shall be used as a guide for the district's  
29 priorities. The Superintendent shall review and certify the budget  
30 approved by the county. If, pursuant to the review conducted  
31 pursuant to subdivision (c), the county superintendent of schools  
32 determines that the adopted budget for a school district does not  
33 satisfy paragraph (1) or (2) of that subdivision, he or she shall  
34 conditionally approve or disapprove the budget and, not later than  
35 August 15, transmit to the governing board of the school district,  
36 in writing, his or her recommendations regarding revision of the  
37 budget and the reasons for those recommendations, including, but  
38 not limited to, the amounts of any budget adjustments needed  
39 before he or she can conditionally approve that budget. The county  
40 superintendent of schools may assign a fiscal adviser to assist the

1 district to develop a budget in compliance with those revisions. In  
2 addition, the county superintendent of schools may appoint a  
3 committee to examine and comment on the superintendent's review  
4 and recommendations, subject to the requirement that the  
5 committee report its findings to the superintendent no later than  
6 August 20. *For the 2011–12 fiscal year, notwithstanding any of*  
7 *the standards and criteria adopted by the state board pursuant to*  
8 *Section 33127, the county superintendent, as a condition on*  
9 *approval of a school district budget, shall not require a school*  
10 *district to project a lower level of revenue per unit of average daily*  
11 *attendance than it received in the 2010–11 fiscal year nor require*  
12 *the school district to demonstrate that it is able to meet its financial*  
13 *obligations for the two subsequent fiscal years.*

14 (e) On or before September 8, the governing board of the school  
15 district shall revise the adopted budget to reflect changes in  
16 projected income or expenditures subsequent to July 1, and to  
17 include any response to the recommendations of the county  
18 superintendent of schools, shall adopt the revised budget, and shall  
19 file the revised budget with the county superintendent of schools.  
20 Prior to revising the budget, the governing board shall hold a public  
21 hearing regarding the proposed revisions, to be conducted in  
22 accordance with Section 42103. In addition, if the adopted budget  
23 is disapproved pursuant to subdivision (d), the governing board  
24 and the county superintendent of schools shall review the  
25 disapproval and the recommendations of the county superintendent  
26 of schools regarding revision of the budget at the public hearing.  
27 The revised budget and supporting data shall be maintained and  
28 made available for public review.

29 (1) *For the 2011–12 fiscal year, notwithstanding any of the*  
30 *standards and criteria adopted by the state board pursuant to*  
31 *Section 33127, each school district budget shall project the same*  
32 *level of revenue per unit of average daily attendance as it received*  
33 *in the 2010–11 fiscal year and shall maintain staffing and program*  
34 *levels commensurate with that level.*

35 (2) *For the 2011–12 fiscal year, the school district shall not be*  
36 *required to demonstrate that it is able to meet its financial*  
37 *obligations for the two subsequent fiscal years.*

38 (f) On or before September 22, the county superintendent of  
39 schools shall provide a list to the Superintendent identifying all  
40 school districts for which budgets may be disapproved.

1 (g) The county superintendent of schools shall examine the  
2 revised budget to determine whether it (1) complies with the  
3 standards and criteria adopted by the state board pursuant to Section  
4 33127 for application to final local educational agency budgets,  
5 (2) allows the district to meet its financial obligations during the  
6 fiscal year, (3) satisfies all conditions established by the county  
7 superintendent of schools in the case of a conditionally approved  
8 budget, and (4) is consistent with a financial plan that will enable  
9 the district to satisfy its multiyear financial commitments, and, not  
10 later than October 8, shall approve or disapprove the revised  
11 budget. If the county superintendent of schools disapproves the  
12 budget, he or she shall call for the formation of a budget review  
13 committee pursuant to Section 42127.1, unless the governing board  
14 of the school district and the county superintendent of schools  
15 agree to waive the requirement that a budget review committee be  
16 formed and the department approves the waiver after determining  
17 that a budget review committee is not necessary. Upon the grant  
18 of a waiver, the county superintendent immediately has the  
19 authority and responsibility provided in Section 42127.3. Upon  
20 approving a waiver of the budget review committee, the department  
21 shall ensure that a balanced budget is adopted for the school district  
22 by November 30. If no budget is adopted by November 30, the  
23 Superintendent may adopt a budget for the school district. The  
24 Superintendent shall report to the Legislature and the Director of  
25 Finance by December 10 if any district, including a district that  
26 has received a waiver of the budget review committee process,  
27 does not have an adopted budget by November 30. This report  
28 shall include the reasons why a budget has not been adopted by  
29 the deadline, the steps being taken to finalize budget adoption, the  
30 date the adopted budget is anticipated, and whether the  
31 Superintendent has or will exercise his or her authority to adopt a  
32 budget for the school district. *For the 2011–12 fiscal year,*  
33 *notwithstanding any of the standards and criteria adopted by the*  
34 *state board pursuant to Section 33127, the county superintendent,*  
35 *as a condition on approval of a school district budget, shall not*  
36 *require a school district to project a lower level of revenue per*  
37 *unit of average daily attendance than it received in the 2010–11*  
38 *fiscal year nor require the school district to demonstrate that it is*  
39 *able to meet its financial obligations for the two subsequent fiscal*  
40 *years.*

1 (h) Not later than October 8, the county superintendent of  
2 schools shall submit a report to the Superintendent identifying all  
3 school districts for which budgets have been disapproved or budget  
4 review committees waived. The report shall include a copy of the  
5 written response transmitted to each of those districts pursuant to  
6 subdivision (d).

7 (i) Notwithstanding any other provision of this section, the  
8 budget review for a school district shall be governed by paragraphs  
9 (1), (2), and (3) of this subdivision, rather than by subdivisions (e)  
10 and (g), if the governing board of the school district so elects and  
11 notifies the county superintendent in writing of that decision, not  
12 later than October 31 of the immediately preceding calendar year.  
13 On or before July 1, the governing board of a school district for  
14 which the budget review is governed by this subdivision, rather  
15 than by subdivisions (e) and (g), shall conduct a public hearing  
16 regarding its proposed budget in accordance with Section 42103.

17 (1) If the adopted budget of a school district is disapproved  
18 pursuant to subdivision (d), on or before September 8, the  
19 governing board of the school district, in conjunction with the  
20 county superintendent of schools, shall review the superintendent's  
21 recommendations at a regular meeting of the governing board and  
22 respond to those recommendations. The response shall include  
23 any revisions to the adopted budget and other proposed actions to  
24 be taken, if any, as a result of those recommendations.

25 (2) On or before September 22, the county superintendent of  
26 schools will provide a list to the Superintendent identifying all  
27 school districts for which a budget may be tentatively disapproved.

28 (3) Not later than October 8, after receiving the response  
29 required under paragraph (1), the county superintendent of schools  
30 shall review that response and either approve or disapprove the  
31 budget. If the county superintendent of schools disapproves the  
32 budget, he or she shall call for the formation of a budget review  
33 committee pursuant to Section 42127.1, unless the governing board  
34 of the school district and the county superintendent of schools  
35 agree to waive the requirement that a budget review committee be  
36 formed and the department approves the waiver after determining  
37 that a budget review committee is not necessary. Upon the grant  
38 of a waiver, the county superintendent has the authority and  
39 responsibility provided to a budget review committee in Section  
40 42127.3. Upon approving a waiver of the budget review committee,

1 the department shall ensure that a balanced budget is adopted for  
 2 the school district by November 30. The Superintendent shall  
 3 report to the Legislature and the Director of Finance by December  
 4 10 if any district, including a district that has received a waiver of  
 5 the budget review committee process, does not have an adopted  
 6 budget by November 30. This report shall include the reasons why  
 7 a budget has not been adopted by the deadline, the steps being  
 8 taken to finalize budget adoption, and the date the adopted budget  
 9 is anticipated. *For the 2011–12 fiscal year, notwithstanding any*  
 10 *of the standards and criteria adopted by the state board pursuant*  
 11 *to Section 33127, the county superintendent, as a condition on*  
 12 *approval of a school district budget, shall not require a school*  
 13 *district to project a lower level of revenue per unit of average daily*  
 14 *attendance than it received in the 2010–11 fiscal year nor require*  
 15 *the school district to demonstrate that it is able to meet its financial*  
 16 *obligations for the two subsequent fiscal years.*

17 (4) Not later than 45 days after the Governor signs the annual  
 18 Budget Act, the school district shall make available for public  
 19 review any revisions in revenues and expenditures that it has made  
 20 to its budget to reflect the funding made available by that Budget  
 21 Act.

22 (j) Any school district for which the county board of education  
 23 serves as the governing board is not subject to subdivisions (c) to  
 24 (h), inclusive, but is governed instead by the budget procedures  
 25 set forth in Section 1622.

26 ~~SEC. 7:~~

27 *SEC. 18.* Section 42238.146 of the Education Code is amended  
 28 to read:

29 42238.146. (a) (1) For the 2003–04 fiscal year, the revenue  
 30 limit for each school district determined pursuant to this article  
 31 shall be reduced by a 1.198 percent deficit factor.

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

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

38 (4) For the 2005–06 fiscal year, the revenue limit for each school  
 39 district determined pursuant to this article shall be reduced by a  
 40 0.892 percent deficit factor.

1 (5) For the 2008–09 fiscal year, the revenue limit for each school  
2 district determined pursuant to this article shall be reduced by a  
3 7.844 percent deficit factor.

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

7 (7) For the 2010–11 fiscal year, the revenue limit for each school  
8 district determined pursuant to this article shall be reduced by a  
9 17.963 percent deficit factor.

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

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

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

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

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

34 ~~SEC. 8.~~

35 *SEC. 19.* Section 42251 is added to the Education Code, to  
36 read:

37 42251. (a) The Superintendent shall make the following  
38 calculations for the 2011–12 fiscal year:

39 (1) Determine the amount of funds that will be restricted after  
40 the Superintendent makes the deduction pursuant to Section

1 52335.3 for each county office of education pursuant to subdivision  
 2 (e) of Section 2558 as of June 30, 2012.

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

6 (3) Multiply the fraction determined pursuant to paragraph (2)  
 7 by the amount determined pursuant to paragraph (1) for each  
 8 county office of education.

9 (b) The auditor-controller of each county shall distribute the  
 10 amounts determined in paragraph (3) of subdivision (a) ~~in the~~  
 11 ~~following priority order:~~

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

17 ~~(2) Any remaining amounts to one or more community college~~  
 18 ~~districts within the county, as determined by the Chancellor of the~~  
 19 ~~California Community Colleges, for purposes of general purpose~~  
 20 ~~apportionments pursuant to Article 2 (commencing with Section~~  
 21 ~~84750.5) of Chapter 5 of Part 50 of Division 7 of Title 3 in amounts~~  
 22 ~~that do not exceed the amounts that would reduce the state General~~  
 23 ~~Fund allocations for the general purpose apportionments for those~~  
 24 ~~community college districts to zero.~~

25 ~~(3) Any remaining amounts to local educational agencies within~~  
 26 ~~the county for the purpose of providing educationally related~~  
 27 ~~mental health services required pursuant to the federal Individuals~~  
 28 ~~with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.). The~~  
 29 ~~Superintendent shall designate the local educational agencies and~~  
 30 ~~the amounts to be distributed for purposes of this paragraph,~~  
 31 ~~provided that the amounts distributed pursuant to this paragraph~~  
 32 ~~shall not exceed the amounts of state General Funds that would~~  
 33 ~~otherwise be allocated to the local educational agencies by law for~~  
 34 ~~educationally related mental health services required pursuant to~~  
 35 ~~the federal Individuals with Disabilities Education Act (20 U.S.C.~~  
 36 ~~Sec. 1400 et seq.). The Director of Finance shall reduce the state~~  
 37 ~~General Fund allocations to the local educational agencies for~~  
 38 ~~educationally related mental health services required pursuant to~~  
 39 ~~the federal Individuals with Disabilities Education Act (20 U.S.C.~~



1 ~~Sec. 1400 et seq.) by the amounts distributed pursuant to this~~  
2 ~~paragraph:~~

3 *to the Supplemental Revenue Augmentation Fund created within*  
4 *the county pursuant to Section 100.06 of the Revenue and Taxation*  
5 *Code. The aggregate amount of transfers required by this*  
6 *subdivision shall be made in two equal shares, with the first share*  
7 *being transferred no later than January 15, 2012, and the second*  
8 *share being transferred after that date but no later than May 1,*  
9 *2012.*

10 *(c) The moneys transferred to the Supplemental Revenue*  
11 *Augmentation Fund in the 2011–12 fiscal year shall be transferred*  
12 *by the county office of education to the Controller, in amounts and*  
13 *for those purposes as directed by the Director of Finance,*  
14 *exclusively to reimburse the state for the costs of providing trial*  
15 *court services and costs until those moneys are exhausted.*

16 ~~SEC. 9:~~

17 *SEC. 20.* Section 42606 of the Education Code is repealed.

18 ~~SEC. 10:~~

19 *SEC. 21.* Section 42606 is added to the Education Code, to  
20 read:

21 42606. (a) To the extent funds are provided, for the 2010–11  
22 to the 2014–15 fiscal years, inclusive, the Superintendent shall  
23 allocate a supplemental categorical block grant to a charter school  
24 that began operation during or after the 2008–09 fiscal year. These  
25 supplemental categorical block grant funds may be used for any  
26 educational purpose. Commencing in the 2011–12 fiscal year, a  
27 locally or direct funded charter school that converted from a  
28 preexisting school between the 2008–09 and 2014–15 fiscal years,  
29 inclusive, is not eligible for funding specified in this section. A  
30 charter school that receives funding pursuant to this subdivision  
31 shall not receive additional funding for programs specified in  
32 paragraph (2) of subdivision (a) of Section 42605, with the  
33 exception of the program funded pursuant to Item 6110-211-0001  
34 of Section 2.00 of the annual Budget Act.

35 (b) (1) For the 2010–11 fiscal year, the supplemental categorical  
36 block grant shall equal one hundred twenty-seven dollars (\$127)  
37 per unit of charter school average daily attendance as determined  
38 at the 2010–11 second principal apportionment for charter schools  
39 commencing operations during or after the 2008–09 fiscal year.  
40 A locally funded charter school that converted from a preexisting

1 school during or after the 2008-09 fiscal year is not eligible for  
2 funding specified in this section.

3 (2) For the 2011–12 to the 2014–15 fiscal years, inclusive, the  
4 supplemental categorical block grant shall equal one hundred  
5 twenty-seven dollars (\$127) per unit of charter school average  
6 daily attendance as determined at the current year second principal  
7 apportionment for charter schools commencing operations during  
8 or after the 2008–09 fiscal year. In lieu of this supplemental grant,  
9 a school district shall provide new conversion charter schools that  
10 commenced operations within the district during or after the  
11 2008–09 fiscal year, one hundred twenty-seven dollars (\$127) per  
12 unit of charter school average daily attendance as determined at  
13 the current year second principal apportionment. This paragraph  
14 does not preclude a school district and a new conversion charter  
15 school from negotiating an alternative funding rate. Absent  
16 agreement from both parties on an alternative rate, the school  
17 district shall be obligated to provide funding at the one hundred  
18 twenty-seven dollars (\$127) per average daily attendance rate.

19 *SEC. 22. Section 44955.5 of the Education Code is amended*  
20 *to read:*

21 44955.5. (a) During the time period between five days after  
22 the enactment of the Budget Act and August 15 of the fiscal year  
23 to which that Budget Act applies, if the governing board of a school  
24 district determines that its total revenue limit per unit of average  
25 daily attendance for the fiscal year of that Budget Act has not  
26 increased by at least 2 percent, and if in the opinion of the  
27 governing board it is therefore necessary to decrease the number  
28 of permanent employees in the district, the governing board may  
29 terminate the services of any permanent or probationary certificated  
30 employees of the district, including employees holding a position  
31 that requires an administrative or supervisory credential. The  
32 termination shall be pursuant to Sections 44951 and 44955 but,  
33 notwithstanding anything to the contrary in Sections 44951 and  
34 44955, in accordance with a schedule of notice and hearing adopted  
35 by the governing board.

36 (b) This section is inoperative from July 1, 2002, to July 1, 2003,  
37 inclusive, *and from July 1, 2011, to July 1, 2012, inclusive.*

38 *SEC. 23. Section 46201.3 is added to the Education Code, to*  
39 *read:*

1 46201.3. (a) For the 2011–12 school year, the minimum  
2 number of instructional days and minutes school districts, county  
3 offices of education, and charter schools are required to offer as  
4 set forth in Sections 41420, 46200, 46200.5, 46201, 46201.5,  
5 46202, and 47612.5 shall be reduced by up to seven days.

6 (b) Implementation of the reduction in the number of  
7 instructional days offered by a school district, county office of  
8 education, and charter school that is subject to collective  
9 bargaining pursuant to Chapter 10.7 (commencing with Section  
10 3540) of Division 4 of Title 1 of the Government Code shall be  
11 achieved through the bargaining process, provided that the  
12 agreement has been completed and reductions implemented no  
13 later than June 30, 2012.

14 (c) The revenue limit for each school district, county office of  
15 education, and charter school determined pursuant to Article 3  
16 (commencing with Section 2550) of Chapter 12 of Part 2 of  
17 Division 1 of Title 1, Article 2 (commencing with Section 42238)  
18 of Chapter 7 of Part 24 of Division 3, and Article 2 (commencing  
19 with Section 47633) of Chapter 6 of Part 26.8 of Division 4 shall  
20 be reduced by the product of 4 percent and the fraction determined  
21 pursuant to paragraph (2).

22 (1) Subtract the revenue forecast determined pursuant to  
23 subdivision (a) of Section 3.94 of the Budget Act of 2011 from  
24 eighty-six billion four hundred fifty-two million five hundred  
25 thousand dollars (\$86,452,500,000).

26 (2) Divide the lesser of two billion dollars (\$2,000,000,000) or  
27 the amount calculated in paragraph (1) by two billion dollars  
28 (\$2,000,000,000).

29 (d) This section does not affect the number of instructional days  
30 or instructional minutes that may be reduced pursuant to Section  
31 46201.2.

32 (e) The revenue limit reductions authorized by this section, when  
33 combined with the reductions applied under subdivision (c) of  
34 Section 3.94 of the Budget Act of 2011, may not be applied so as  
35 to reduce school funding below the requirements of Section 8 of  
36 Article XVI of the California Constitution based on the applicable  
37 revenues estimated by the Department of Finance pursuant to  
38 Section 3.94 of the Budget Act of 2011.

1 (f) *This section shall be operative on February 1, 2012, only*  
2 *for the 2011–12 school year and only if subdivision (c) of Section*  
3 *3.94 of the Budget Act of 2011 is operative.*

4 ~~SEC. 11.~~

5 *SEC. 24.* Section 56139 of the Education Code is amended to  
6 read:

7 56139. (a) The Superintendent is responsible for monitoring  
8 local educational agencies to ensure compliance with the  
9 requirement to provide mental health services to individuals with  
10 exceptional needs pursuant to Chapter 26.5 (commencing with  
11 Section 7570) of Division 7 of Title 1 of the Government Code  
12 and to ensure that funds provided for this purpose are appropriately  
13 utilized.

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

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

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

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

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

1 mental health directors, to obtain input on existing data collection  
2 and monitoring processes, and on ways to strengthen and improve  
3 the data collected and monitoring performed.

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

8 ~~SEC. 12.~~

9 *SEC. 25.* Section 56325 of the Education Code is amended to  
10 read:

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

29 (2) In the case of an individual with exceptional needs who has  
30 an individualized education program and transfers into a district  
31 from a district operating programs under the same special education  
32 local plan area of the district in which he or she was last enrolled  
33 in a special education program within the same academic year, the  
34 new district shall continue, without delay, to provide services  
35 comparable to those described in the existing approved  
36 individualized education program, unless the parent and the local  
37 educational agency agree to develop, adopt, and implement a new  
38 individualized education program that is consistent with federal  
39 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. 13.~~

2     *SEC. 26.* 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. 14.~~

2     *SEC. 27.* 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. 15.~~

21     *SEC. 28.* 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. 29. Section 76300 of the Education Code is amended to*  
4 *read:*

5 76300. (a) The governing board of each community college  
6 district shall charge each student a fee pursuant to this section.

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

10 (2) The board of governors shall proportionately adjust the  
11 amount of the fee for term lengths based upon a quarter system,  
12 and also shall proportionately adjust the amount of the fee for  
13 summer sessions, intersessions, and other short-term courses. In  
14 making these adjustments, the board of governors may round the  
15 per unit fee and the per term or per session fee to the nearest dollar.

16 (c) For the purposes of computing apportionments to community  
17 college districts pursuant to Section 84750.5, the board of  
18 governors shall subtract, from the total revenue owed to each  
19 district, 98 percent of the revenues received by districts from  
20 charging a fee pursuant to this section.

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

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

25 (1) Students enrolled in the noncredit courses designated by  
26 Section 84757.

27 (2) California State University or University of California  
28 students enrolled in remedial classes provided by a community  
29 college district on a campus of the University of California or a  
30 campus of the California State University, for whom the district  
31 claims an attendance apportionment pursuant to an agreement  
32 between the district and the California State University or the  
33 University of California.

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

1 (f) The governing board of a community college district may  
2 exempt special part-time students admitted pursuant to Section  
3 76001 from the fee requirement.

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

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

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

20 (h) The fee requirements of this section shall be waived for any  
21 student who, at the time of enrollment, is a dependent, or surviving  
22 spouse who has not remarried, of any member of the California  
23 National Guard who, in the line of duty and while in the active  
24 service of the state, was killed, died of a disability resulting from  
25 an event that occurred while in the active service of the state, or  
26 is permanently disabled as a result of an event that occurred while  
27 in the active service of the state. “Active service of the state,” for  
28 the purposes of this subdivision, refers to a member of the  
29 California National Guard activated pursuant to Section 146 of  
30 the Military and Veterans Code.

31 (i) The fee requirements of this section shall be waived for any  
32 student who is the surviving spouse or the child, natural or adopted,  
33 of a deceased person who met all of the requirements of Section  
34 68120.

35 (j) The fee requirements of this section shall be waived for any  
36 student in an undergraduate program, including a student who has  
37 previously graduated from another undergraduate or graduate  
38 program, who is the dependent of any individual killed in the  
39 September 11, 2001, terrorist attacks on the World Trade Center  
40 and the Pentagon or the crash of United Airlines Flight 93 in

1 southwestern Pennsylvania, if that dependent meets the financial  
2 need requirements set forth in Section 69432.7 for the Cal Grant  
3 A Program and either of the following applies:

4 (1) The dependent was a resident of California on September  
5 11, 2001.

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

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

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

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

22 (3) A dependent who is the surviving child, natural or adopted,  
23 of an individual killed in the terrorist attacks of September 11,  
24 2001, is entitled to the waivers under subdivision (j) until that  
25 person attains the age of 30 years.

26 (4) A dependent of an individual killed in the terrorist attacks  
27 of September 11, 2001, who is determined to be eligible by the  
28 California Victim Compensation and Government Claims Board,  
29 is also entitled to the waivers provided in this section until January  
30 1, 2013.

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

35 (2) From funds provided in the annual Budget Act, the board  
36 of governors shall allocate to community college districts, pursuant  
37 to this subdivision, an amount equal to 2 percent of the fees waived  
38 pursuant to subdivisions (g) to (j), inclusive. From funds provided  
39 in the annual Budget Act, the board of governors shall allocate to  
40 community college districts, pursuant to this subdivision, an



1 amount equal to ninety-one cents (\$0.91) per credit unit waived  
2 pursuant to subdivisions (g) to (j), inclusive. It is the intent of the  
3 Legislature that funds provided pursuant to this subdivision be  
4 used to support the determination of financial need and delivery  
5 of student financial aid services, on the basis of the number of  
6 students for whom fees are waived. It also is the intent of the  
7 Legislature that the funds provided pursuant to this subdivision  
8 directly offset mandated costs claimed by community college  
9 districts pursuant to Commission on State Mandates consolidated  
10 Test Claims 99-TC-13 (Enrollment Fee Collection) and 00-TC-15  
11 (Enrollment Fee Waivers). Funds allocated to a community college  
12 district for determination of financial need and delivery of student  
13 financial aid services shall supplement, and shall not supplant, the  
14 level of funds allocated for the administration of student financial  
15 aid programs during the 1992–93 fiscal year.

16 (n) The board of governors shall adopt regulations implementing  
17 this section.

18 (o) *This section shall be inoperative and is repealed on January*  
19 *1, 2012, only if Section 3.94 of the Budget Act of 2011 is operative.*

20 *SEC. 30. Section 76300 is added to the Education Code, to*  
21 *read:*

22 *76300. (a) The governing board of each community college*  
23 *district shall charge each student a fee pursuant to this section.*

24 *(b) (1) The fee prescribed by this section shall be forty-six*  
25 *dollars (\$46) per unit per semester, effective with the fall term of*  
26 *the 2011–12 academic year.*

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

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

1     (d) *The board of governors shall reduce apportionments by up*  
2 *to 10 percent to any district that does not collect the fees prescribed*  
3 *by this section.*

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

5     (1) *Students enrolled in the noncredit courses designated by*  
6 *Section 84757.*

7     (2) *California State University or University of California*  
8 *students enrolled in remedial classes provided by a community*  
9 *college district on a campus of the University of California or a*  
10 *campus of the California State University, for whom the district*  
11 *claims an attendance apportionment pursuant to an agreement*  
12 *between the district and the California State University or the*  
13 *University of California.*

14     (3) *Students enrolled in credit contract education courses*  
15 *pursuant to Section 78021, if the entire cost of the course, including*  
16 *administrative costs, is paid by the public or private agency,*  
17 *corporation, or association with which the district is contracting*  
18 *and if these students are not included in the calculation of the*  
19 *full-time equivalent students (FTES) of that district.*

20     (f) *The governing board of a community college district may*  
21 *exempt special part-time students admitted pursuant to Section*  
22 *76001 from the fee requirement.*

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

31     (2) *The governing board of a community college district also*  
32 *shall waive the fee requirements of this section for any student*  
33 *who demonstrates eligibility according to income standards*  
34 *established by regulations of the board of governors.*

35     (3) *Paragraphs (1) and (2) may be applied to a student enrolled*  
36 *in the 2005–06 academic year if the student is exempted from*  
37 *nonresident tuition under paragraph (3) of subdivision (a) of*  
38 *Section 76140.*

39     (h) *The fee requirements of this section shall be waived for any*  
40 *student who, at the time of enrollment, is a dependent or surviving*

1 spouse who has not remarried, of any member of the California  
2 National Guard who, in the line of duty and while in the active  
3 service of the state, was killed, died of a disability resulting from  
4 an event that occurred while in the active service of the state, or  
5 is permanently disabled as a result of an event that occurred while  
6 in the active service of the state. “Active service of the state,” for  
7 the purposes of this subdivision, refers to a member of the  
8 California National Guard activated pursuant to Section 146 of  
9 the Military and Veterans Code.

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

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

23 (1) The dependent was a resident of California on September  
24 11, 2001.

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

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

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

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

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

5 (4) A dependent of an individual killed in the terrorist attacks  
6 of September 11, 2001, who is determined to be eligible by the  
7 California Victim Compensation and Government Claims Board,  
8 is also entitled to the waivers provided in this section until January  
9 1, 2013.

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

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

35 (n) The board of governors shall adopt regulations implementing  
36 this section.

37 (o) This section shall become operative on January 1, 2012,  
38 only if Section 3.94 of the Budget Act of 2011 is operative.

1     ~~SEC. 16.~~

2     *SEC. 31.* Section 7911.1 of the Family Code is amended to  
3 read:

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

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

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

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

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

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

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

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

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

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

1 (h) The certification requirements of this section shall not impact  
2 placements of emotionally disturbed children made pursuant to an  
3 individualized education program developed pursuant to the federal  
4 Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400  
5 et seq.) if the placement is not funded with federal or state foster  
6 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. 17.~~

14 *SEC. 32.* 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. 18.~~

25 *SEC. 33.* 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. 19.~~

31 *SEC. 34.* 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. 20.~~

14 *SEC. 35.* 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. 21.~~

17 *SEC. 36.* 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. 22.~~

14 *SEC. 37.* 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. 23.~~

39 *SEC. 38.* 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. 24.~~

15 *SEC. 39.* 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. 25.~~

26 *SEC. 40.* 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. 26.~~

37 *SEC. 41.* 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. 27.~~

11 *SEC. 42.* 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. 28.~~

34 *SEC. 43.* 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. 29.~~

6 *SEC. 44.* Section 7588 of the Government Code is repealed.

7 *SEC. 45. 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 ~~provision~~  
 15 ~~of~~ law, the trustees may draw from funds appropriated to the  
 16 university, for use as a revolving fund, amounts necessary to make  
 17 payments of obligations of the university directly to vendors. In  
 18 any fiscal year, the trustees shall obtain the approval of the Director  
 19 of Finance to draw amounts in excess of 10 percent of the total  
 20 appropriation to the university for that fiscal year for use as a  
 21 revolving fund.

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

26 (c) (1) Notwithstanding Section 8546.4 or any other ~~provision~~  
 27 ~~of~~ law, the trustees shall contract with one or more public  
 28 accounting firms to conduct ~~systemwide and individual campus a~~  
 29 *systemwide* annual financial statement ~~and audit in accordance~~  
 30 *with generally accepted accounting principles (GAAP), as well as*  
 31 *other required* compliance audits without obtaining the approval  
 32 of any other state officer or entity. ~~At least 10 individual campus~~  
 33 ~~audits shall be conducted on a rotating basis, and each campus~~  
 34 ~~shall be audited at least once every two years.~~

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

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

5 (e) As used in this section:

6 (1) “Trustees” means the Trustees of the California State  
7 University.

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

9 ~~SEC. 30.~~

10 *SEC. 46.* Section 17581.5 of the Government Code is amended  
11 to read:

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

18 (1) The statute or a portion of the statute, has been determined  
19 by the Legislature, the commission, or any court to mandate a new  
20 program or higher level of service requiring reimbursement of  
21 school districts or community college districts pursuant to Section  
22 6 of Article XIII B of the California Constitution.

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

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

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

38 (1) School Bus Safety I (CSM-4433) and II (97-TC-22) (Chapter  
39 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994;  
40 and Chapter 739 of the Statutes of 1997).

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

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

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

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

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

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

14 (2) Scoliosis Screening (Chapter 1347 of the Statutes of 1980  
15 and CSM 4195).

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

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

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

22 (6) Physical Education Reports (Chapter 640 of the Statutes of  
23 1997 and 98-TC-08).

24 (7) 98.01.042.390-Sexual Assault Response Procedures (Chapter  
25 423 of the Statutes of 1990 and 99-TC-12).

26 (8) 98.01.059.389-Student Records (Chapter 593 of the Statutes  
27 of 1989 and 02-TC-34).

28 ~~SEC. 31.~~

29 *SEC. 47.* Section 5651 of the Welfare and Institutions Code is  
30 amended to read:

31 5651. The proposed annual county mental health services  
32 performance contract shall include all of the following:

33 (a) The following assurances:

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

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

39 (3) That the county shall comply with all requirements necessary  
40 for Medi-Cal reimbursement for mental health treatment services

1 and case management programs provided to Medi-Cal eligible  
2 individuals, including, but not limited to, the provisions set forth  
3 in Chapter 3 (commencing with Section 5700), and that the county  
4 shall submit cost reports and other data to the department in the  
5 form and manner determined by the department.

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

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

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

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

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

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

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

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

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

34 ~~SEC. 32.~~

35 *SEC. 48.* Section 5701.3 of the Welfare and Institutions Code  
36 is amended to read:

37 5701.3. (a) Consistent with the annual Budget Act, this chapter  
38 shall not affect the responsibility of the state to fund psychotherapy  
39 and other mental health services required by Chapter 26.5  
40 (commencing with Section 7570) of Division 7 of Title 1 of the

1 Government Code, and the state shall reimburse counties for all  
2 allowable costs incurred by counties in providing services pursuant  
3 to that chapter. The reimbursement provided pursuant to this  
4 section for purposes of Chapter 26.5 (commencing with Section  
5 7570) of Division 7 of Title 1 of the Government Code shall be  
6 provided by the state through an appropriation included in either  
7 the annual Budget Act or other statute. Counties shall continue to  
8 receive reimbursement from specifically appropriated funds for  
9 costs necessarily incurred in providing psychotherapy and other  
10 mental health services in accordance with this chapter. For  
11 reimbursement claims for services delivered in the 2001–02 fiscal  
12 year and thereafter, counties are not required to provide any share  
13 of those costs or to fund the cost of any part of these services with  
14 money received from the Local Revenue Fund established by  
15 Chapter 6 (commencing with Section 17600) of Part 5 of Division  
16 9.

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

21 ~~SEC. 33.~~

22 *SEC. 49.* Section 5701.6 of the Welfare and Institutions Code  
23 is amended to read:

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

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

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



1     ~~SEC. 34.~~

2     *SEC. 50.* 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. 35.~~

17 *SEC. 51.* 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. 36.~~

25 *SEC. 52.* 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 6~~ *Section*  
30 *4, Sections 7 to 11*, inclusive, and ~~Section 34~~ *50* of this act, through  
31 all-county letters, management bulletins, or other similar  
32 instructions.

33 ~~SEC. 37.~~

34 *SEC. 53.* Notwithstanding any other law, the implementation  
35 of ~~Sections 2 to 6~~ *Section 4, Sections 7 to 11*, inclusive, and ~~Section~~  
36 ~~34~~ *50* of this act is not subject to the appeal and resolution  
37 procedures for agencies that contract with the State Department  
38 of Education for the provision of child care services or the due  
39 process requirements afforded to families that are denied services

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

3 ~~SEC. 38.~~

4 *SEC. 54.* 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 services, including  
8 out-of-home residential services for emotionally disturbed pupils,  
9 required by the federal Individuals with Disabilities Education Act  
10 (20 U.S.C. Sec. 1400 et seq.) shall be exclusively available for  
11 these services only for the 2011–12 and 2012–13 fiscal years.

12 ~~SEC. 39.~~

13 *SEC. 55.* (a) It is the intent of the Legislature that the State  
14 Department of Education and the appropriate departments within  
15 the California Health and Human Services Agency modify or  
16 repeal regulations that are no longer supported by statute due to  
17 the amendments in Sections ~~11 to 13, inclusive, Sections 17 to 29,~~  
18 ~~inclusive, Sections 31 to 33, inclusive, and Section 35 24 to 26,~~  
19 ~~inclusive, Section 32 to 44, inclusive, Sections 47 to 49, inclusive,~~  
20 ~~and Section 51~~ of this act.

21 (b) The State Department of Education and the appropriate  
22 departments within the California Health and Human Services  
23 Agency shall review regulations to ensure the appropriate  
24 implementation of educationally related mental health services  
25 required by the federal Individuals with Disabilities Education Act  
26 (20 U.S.C. Sec. 1400 et seq.) and Sections ~~11 to 13, inclusive,~~  
27 ~~Sections 17 to 29, inclusive, Sections 31 to 33, inclusive, and~~  
28 ~~Section 35 24 to 26, inclusive, Section 32 to 44, inclusive, Sections~~  
29 ~~47 to 49, inclusive, and Section 51~~ of this act.

30 (c) The State Department of Education and the appropriate  
31 departments within the California Health and Human Services  
32 Agency may adopt regulations to implement Sections ~~11 to 13,~~  
33 ~~inclusive, Sections 17 to 29, inclusive, Sections 31 to 33, inclusive,~~  
34 ~~and Section 35 24 to 26, inclusive, Section 32 to 44, inclusive,~~  
35 ~~Sections 47 to 49, inclusive, and Section 51~~ of this act. The  
36 adoption, amendment, repeal, or readoption of a regulation  
37 authorized by this section is deemed to address an emergency, for  
38 purposes of Sections 11346.1 and 11349.6 of the Government  
39 Code, and the State Department of Education and the appropriate  
40 departments within the California Health and Human Services

1 Agency are hereby exempted, for this purpose, from the  
2 requirements of subdivision (b) of Section 11346.1 of the  
3 Government Code. For purposes of subdivision (e) of Section  
4 11346.1 of the Government Code, the 180-day period, as applicable  
5 to the effective period of an emergency regulatory action and  
6 submission of specified materials to the Office of Administrative  
7 Law, is hereby extended to one year.

8 ~~SEC. 40. Notwithstanding paragraph (3) of subdivision (a) of~~  
9 ~~Section 16326 of the Government Code, the Controller may defer,~~  
10 ~~as necessary, the June 2012 allocations to the University of~~  
11 ~~California until not later than August 31, 2012, for purposes of~~  
12 ~~cash management.~~

13 ~~SEC. 41.~~

14 *SEC. 56.* If the Commission on State Mandates determines that  
15 this act contains costs mandated by the state, reimbursement to  
16 local agencies and school districts for those costs shall be made  
17 pursuant to Part 7 (commencing with Section 17500) of Division  
18 4 of Title 2 of the Government Code.

19 ~~SEC. 42.~~

20 *SEC. 57.* There is hereby appropriated one thousand dollars  
21 (\$1,000) from the General Fund to the State Department of  
22 Education for purposes of funding the award grants pursuant to  
23 Section 49550.3 of the Education Code to school districts, county  
24 superintendents of schools, or entities approved by the department  
25 for nonrecurring expenses incurred in initiating or expanding a  
26 school breakfast program or a summer food service program.

27 ~~SEC. 43.~~

28 *SEC. 58.* This act is a bill providing for appropriations related  
29 to the Budget Bill within the meaning of subdivision (e) of Section  
30 12 of Article IV of the California Constitution, has been identified  
31 as related to the budget in the Budget Bill, and shall take effect  
32 immediately.