

ASSEMBLY BILL

No. 1075

Introduced by Assembly Member Fuentes

February 18, 2011

An act to amend Sections 42238 and 42238.485 of, and to add and repeal Section 42241.2 of, the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1075, as introduced, Fuentes. Education finance: revenue limits.

(1) Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county pursuant to a specified formula based on the base revenue limit of the school district for the prior year, adjusted for inflation, and the average daily attendance for the entire school district. Existing law requires the base revenue limit for each school district for the 2011–12 fiscal year to include an adjustment computed as specified and related to funding incentives to increase beginning teachers' salaries and funding for Meals for Needy Pupils programs. Existing law requires the Superintendent of Public Instruction to calculate the amount of this adjustment for each school district, as specified.

This bill would defer until the 2013–14 fiscal year that portion of the 2011–12 fiscal year adjustment related to funding for Meals for Needy Pupils programs.

(2) A former provision, which became inoperative on July 1, 2010, and was repealed on January 1, 2011, authorized an adjustment of the revenue limit of a school district to reflect funding for Meals for Needy Pupils programs.

This bill would reenact this authorization, which would be operative until July 1, 2013.

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

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

1 SECTION 1. Section 42238 of the Education Code is amended
2 to read:
3 42238. (a) For the 1984–85 fiscal year and each fiscal year
4 thereafter, the county superintendent of schools shall determine a
5 revenue limit for each school district in the county pursuant to this
6 section.
7 (b) The base revenue limit for a fiscal year shall be determined
8 by adding to the base revenue limit for the prior fiscal year the
9 following amounts:
10 (1) The inflation adjustment specified in Section 42238.1.
11 (2) For the 1995–96 fiscal year, the equalization adjustment
12 specified in Section 42238.4.
13 (3) For the 1996–97 fiscal year, the equalization adjustments
14 specified in Sections 42238.41, 42238.42, and 42238.43.
15 (4) For the 1985–86 fiscal year, the amount per unit of average
16 daily attendance received in the 1984–85 fiscal year pursuant to
17 Section 42238.7.
18 (5) For the 1985–86, 1986–87, and 1987–88 fiscal years, the
19 amount per unit of average daily attendance received in the prior
20 fiscal year pursuant to Section 42238.8.
21 (6) For the 2004–05 fiscal year, the equalization adjustment
22 specified in Section 42238.44.
23 (7) For the 2006–07 fiscal year, the equalization adjustment
24 specified in Section 42238.48.
25 (8) For the 2011–12 fiscal year, the equalization adjustment
26 specified in Section 42238.49.
27 (c) (1) (A) For the 2010–11 fiscal year, the Superintendent
28 shall compute an add-on for each school district by ~~adding the~~
29 ~~inflation adjustment specified in Section 42238.1 to multiplying~~
30 *the sum of 1.0 plus the percentage change determined pursuant*
31 *to subdivision (b) of Section 42238.1 by the adjustment specified*
32 *in subdivision (a) of Section 42238.485.*

1 (B) For the 2011–12 and 2012–13 fiscal years, the
2 Superintendent shall compute an add-on for each school district
3 by multiplying the sum of 1.0 plus the percentage change
4 determined pursuant to subdivision (b) of Section 42238.1 by the
5 amount computed pursuant to this paragraph for the prior fiscal
6 year.

7 (C) For the 2013–14 fiscal year, the Superintendent shall
8 compute an add-on for each school district by adding the amount
9 computed pursuant to this paragraph for the prior fiscal year to
10 the adjustment specified in subdivision (b) of Section 42238.485
11 and multiplying that sum by the sum of 1.0 plus the percentage
12 change determined pursuant to subdivision (b) of Section 42238.1.

13 ~~(B)~~

14 (D) For the ~~2011–12~~ 2014–15 fiscal year and each fiscal year
15 thereafter, the Superintendent shall compute an add-on for each
16 school district by ~~adding the inflation adjustment specified in~~
17 ~~Section 42238.1 to~~ multiplying the sum of 1.0 plus the percentage
18 change determined pursuant to subdivision (b) of Section 42238.1
19 by the amount computed pursuant to this paragraph for the prior
20 fiscal year.

21 (2) Commencing with the 2010–11 fiscal year, the
22 Superintendent shall compute an add-on for each school district
23 by dividing each school district’s fiscal year average daily
24 attendance computed pursuant to Section 42238.5 by the total
25 adjustments in funding for each district made for the 2007–08
26 fiscal year pursuant to Section 42238.22 as it read on January 1,
27 2009.

28 (d) The sum of the base revenue limit computed pursuant to
29 subdivision (b) and the add-on computed pursuant to subdivision
30 (c) shall be multiplied by the district average daily attendance
31 computed pursuant to Section 42238.5.

32 (e) For districts electing to compute units of average daily
33 attendance pursuant to paragraph (2) of subdivision (a) of Section
34 42238.5, the amount computed pursuant to Article 4 (commencing
35 with Section 42280) shall be added to the amount computed in
36 subdivision (c) or (d), as appropriate.

37 (f) For the 1984–85 fiscal year only, the county superintendent
38 shall reduce the total revenue limit computed in this section by the
39 amount of the decreased employer contributions to the Public
40 Employees’ Retirement System resulting from enactment of

1 Chapter 330 of the Statutes of 1982, offset by any increase in those
2 contributions, as of the 1983–84 fiscal year, resulting from
3 subsequent changes in employer contribution rates.

4 (g) The reduction required by subdivision (f) shall be calculated
5 as follows:

6 (1) Determine the amount of employer contributions that would
7 have been made in the 1983–84 fiscal year if the applicable Public
8 Employees' Retirement System employer contribution rate in effect
9 immediately prior to the enactment of Chapter 330 of the Statutes
10 of 1982 was in effect during the 1983–84 fiscal year.

11 (2) Subtract from the amount determined in paragraph (1) the
12 greater of subparagraph (A) or (B):

13 (A) The amount of employer contributions that would have been
14 made in the 1983–84 fiscal year if the applicable Public
15 Employees' Retirement System employer contribution rate in effect
16 immediately after the enactment of Chapter 330 of the Statutes of
17 1982 was in effect during the 1983–84 fiscal year.

18 (B) The actual amount of employer contributions made to the
19 Public Employees' Retirement System in the 1983–84 fiscal year.

20 (3) For purposes of this subdivision, employer contributions to
21 the Public Employees' Retirement System for either of the
22 following shall be excluded from the calculation specified above:

23 (A) Positions supported totally by federal funds that were subject
24 to supplanting restrictions.

25 (B) Positions supported, to the extent of employer contributions
26 not exceeding twenty-five thousand dollars (\$25,000) by a single
27 educational agency, from a revenue source determined on the basis
28 of equity to be properly excludable from the provisions of this
29 subdivision by the Superintendent with the approval of the Director
30 of Finance.

31 (4) For accounting purposes, the reduction made by this
32 subdivision may be reflected as an expenditure from appropriate
33 sources of revenue as directed by the Superintendent.

34 (h) The Superintendent shall apportion to each school district
35 the amount determined in this section less the sum of:

36 (1) The district's property tax revenue received pursuant to
37 Chapter 3.5 (commencing with Section 75) and Chapter 6
38 (commencing with Section 95) of Part 0.5 of Division 1 of the
39 Revenue and Taxation Code.

1 (2) The amount, if any, received pursuant to Part 18.5
2 (commencing with Section 38101) of Division 2 of the Revenue
3 and Taxation Code.

4 (3) The amount, if any, received pursuant to Chapter 3
5 (commencing with Section 16140) of Part 1 of Division 4 of Title
6 2 of the Government Code.

7 (4) Prior years' taxes and taxes on the unsecured roll.

8 (5) Fifty percent of the amount received pursuant to Section
9 41603.

10 (6) The amount, if any, received pursuant to the Community
11 Redevelopment Law (Part 1 (commencing with Section 33000)
12 of Division 24 of the Health and Safety Code), except for any
13 amount received pursuant to Section 33401 or 33676 of the Health
14 and Safety Code that is used for land acquisition, facility
15 construction, reconstruction, or remodeling, or deferred
16 maintenance, except for any amount received pursuant to Section
17 33492.15 of, paragraph (4) of subdivision (a) of Section 33607.5
18 of, or Section 33607.7 of, the Health and Safety Code that is
19 allocated exclusively for educational facilities.

20 (7) For a unified school district, other than a unified school
21 district that has converted all of its schools to charter status
22 pursuant to Section 47606, the amount of statewide average
23 general-purpose funding per unit of average daily attendance
24 received by school districts for each of four grade level ranges, as
25 computed by the department pursuant to Section 47633, multiplied
26 by the average daily attendance, in corresponding grade level
27 ranges, of any pupils who attend charter schools funded pursuant
28 to Chapter 6 (commencing with Section 47630) of Part 26.8 of
29 Division 4 for which the district is the sponsoring local educational
30 agency, as defined in Section 47632, and who reside in and would
31 otherwise have been eligible to attend a noncharter school of the
32 district.

33 (i) A transfer of pupils of grades 7 and 8 between an elementary
34 school district and a high school district shall not result in the
35 receiving district receiving a revenue limit apportionment for those
36 pupils that exceeds 105 percent of the statewide average revenue
37 limit for the type and size of the receiving school district.

38 SEC. 2. Section 42238.485 of the Education Code is amended
39 to read:

1 42238.485. (a) For the 2010–11 fiscal year, the Superintendent
 2 shall compute an adjustment for each school district by dividing
 3 each school district’s 2007–08 fiscal year average daily attendance
 4 into the sum of the following:

5 ~~(1) Funding for Meals for Needy Pupils programs received by~~
 6 ~~the school district for the 2007–08 fiscal year pursuant to Section~~
 7 ~~42241.2, as it read on January 1, 2009.~~

8 ~~(2) Funding incentives to increase beginning teachers’ salaries~~
 9 ~~received by the school district for the 2007–08 fiscal year pursuant~~
 10 ~~to Sections 45023.1 and 45023.4, as those sections read on January~~
 11 ~~1, 2009. into funding incentives to increase beginning teachers’~~
 12 ~~salaries received by the school district for the 2007–08 fiscal year~~
 13 ~~pursuant to Sections 45023.1 and 45023.4, as those sections read~~
 14 ~~on January 1, 2009.~~

15 *(b) For the 2013–14 fiscal year, the Superintendent shall*
 16 *compute an adjustment for each school district by dividing each*
 17 *school district’s 2007–08 fiscal year average daily attendance into*
 18 *the funding for Meals for Needy Pupils programs received by the*
 19 *school district for the 2007–08 fiscal year pursuant to Section*
 20 *42241.2, as it read on January 1, 2010.*

21 ~~(b)~~

22 *(c) For purposes of this section, average daily attendance shall*
 23 *be computed pursuant to Section 42238.5.*

24 ~~(e)~~

25 *(d) Notwithstanding any other provision of this section, no*
 26 *funding specified in this section shall be added to the adjustment*
 27 *computed pursuant to subdivision (a) or (b) if that funding is*
 28 *currently included in a school district’s base revenue limit*
 29 *calculated pursuant to Section 42238.*

30 SEC. 3. Section 42241.2 is added to the Education Code, to
 31 read:

32 42241.2. (a) A school district may add, in the computation of
 33 the district’s revenue limit pursuant to Section 42238 for the current
 34 fiscal year, the amount computed in the preceding fiscal year for
 35 Meals for Needy Pupils programs (Article 11 (commencing with
 36 Section 49550) of Chapter 9 of Part 27 of Division 4) multiplied
 37 by 1.06, except that, commencing with the 1990–91 fiscal year,
 38 that amount instead shall be multiplied by the sum of 1.0 plus the
 39 percentage change determined pursuant to subdivision (b) of
 40 Section 42238.1.

1 (b) This section shall remain in effect only until July 1, 2013,
2 and, as of January 1, 2014, is repealed, unless a later enacted
3 statute, that is enacted before January 1, 2014, deletes or extends
4 that date.

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