

Assembly Bill No. 1811

Passed the Assembly August 30, 2012

Chief Clerk of the Assembly

Passed the Senate August 29, 2012

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2012, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend, repeal, and add Section 47660 of the Education Code, relating to charter schools.

LEGISLATIVE COUNSEL'S DIGEST

AB 1811, Bonilla. Charter schools: funding.

Existing law states the intent of the Legislature that each charter school be provided with operational funding that is equal to the total funding that would be available to a similar school district serving a similar pupil population, and requires the Superintendent of Public Instruction to annually compute a general-purpose entitlement, funded from a combination of state aid and local funds for each charter school. Existing law requires revenue limit funding that is computed in the general-purpose entitlement to be based on the statewide average revenue limit funding per unit of average daily attendance received by elementary, unified, and high school districts, as specified. Existing law requires that the general-purpose entitlement for certain conversion charter schools to be determined, instead, based on the amount of the actual unrestricted revenues expended per unit of average daily attendance for that school in the year before its conversion to, and operation as, a charter school, adjusted as specified, and for subsequent fiscal years, based on the prior year allocation, adjusted as specified, including for any state general-purpose increases.

This bill, commencing with the 2013–14 fiscal year, would require the general-purpose entitlement of a charter high school that is established on or after January 1, 2013, through the conversion of an existing public high school within a unified school district to be equal, for the first 3 years of operation, to the current year base revenue limit per unit of average daily attendance of the sponsoring unified school district, adjusted as specified. Commencing with the 4th year of operation, the bill would require the charter school to generate general-purpose funding based on the statewide average revenue limit funding per unit of average daily attendance received by high school districts. These provisions would become inoperative either on July 1, 2018, and repealed on

January 1, 2019, or on the effective date of a measure enacting comprehensive school finance reform, whichever occurs first.

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

SECTION 1. Section 47660 of the Education Code is amended to read:

47660. (a) For purposes of computing eligibility for, and entitlements to, general-purpose funding and operational funding for categorical programs, the enrollment and average daily attendance of a sponsoring local educational agency shall exclude the enrollment and attendance of pupils in its charter schools funded pursuant to this chapter.

(b) (1) Notwithstanding subdivision (a), and commencing with the 2005–06 fiscal year, for purposes of computing eligibility for, and entitlements to, revenue limit funding, the average daily attendance of a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606, shall include all attendance of pupils who reside in the unified school district and who would otherwise have been eligible to attend a noncharter school of the unified school district, if the unified school district was a basic aid school district in the prior fiscal year, or if the pupils reside in the unified school district and attended a charter school of that school district that converted to charter status on or after July 1, 2005. Only the attendance of the pupils described by this paragraph shall be included in the calculation made pursuant to paragraph (7) of subdivision (h) of Section 42238.

(2) Notwithstanding subdivision (a), for the 2005–06 fiscal year only, for purposes of computing eligibility for, and entitlements to, revenue limit funding, the average daily attendance of a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606 and is operating them as charter schools, shall include all attendance of pupils who reside in the unified school district and who would otherwise have been eligible to attend a noncharter school of the unified school district if the pupils attended a charter school operating in the unified school district before July 1, 2005. Only the attendance of pupils described by this paragraph shall be included in the calculation made pursuant to Section 42241.3. The

attendance of the pupils described by this paragraph shall be included in the calculation made pursuant to paragraph (7) of subdivision (h) of Section 42238.

(c) (1) For the attendance of pupils specified in subdivision (b), the general-purpose entitlement for a charter school that is established through the conversion of an existing public school within a unified school district on or after July 1, 2005, but before January 1, 2010, shall be determined using the following amount of general-purpose funding per unit of average daily attendance, in lieu of the amount calculated pursuant to subdivision (a) of Section 47633:

(A) The amount of the actual unrestricted revenues expended per unit of average daily attendance for that school in the year before its conversion to, and operation as, a charter school, adjusted for the base revenue limit per pupil inflation increase adjustment set forth in Section 42238.1, if this adjustment is provided, and also adjusted for equalization, deficit reduction, and other state general-purpose increases, if any, provided for the unified school district in the year of conversion to, and operation as, a charter school.

(B) For a subsequent fiscal year, the general-purpose entitlement shall be determined based on the amount per unit of average daily attendance allocated in the prior fiscal year adjusted for the base revenue limit per pupil inflation increase adjustment set forth in Section 42238.1, if this adjustment is provided, and also adjusted for equalization, deficit reduction, and other state general-purpose increases, if any, provided for the unified school district in that fiscal year.

(2) This subdivision shall not apply to a charter school that is established through the conversion of an existing public school within a unified school district on or after January 1, 2010, which instead shall receive general-purpose funding pursuant to Section 47633. This paragraph does not preclude a charter school or unified school district from agreeing to an alternative funding formula, including the formula specified in Section 47633.

(d) Commencing with the 2013–14 fiscal year, for the attendance of pupils specified in subdivision (b), the general-purpose entitlement of a charter high school that is established on or after January 1, 2013, through the conversion of an existing public high school within a unified school district shall be equal, for the first

three years of operation, to the current year base revenue limit per unit of average daily attendance of the sponsoring unified school district, calculated pursuant to subdivisions (b) and (c) of Section 42238, and adjusted by the current year deficit factor and other funding adjustments, if any. Commencing with the fourth year of operation, the charter school shall generate the general-purpose funding per unit of average daily attendance as specified in Section 47633.

(e) Commencing with the 2005–06 fiscal year, the general-purpose funding per unit of average daily attendance specified for a unified school district for purposes of paragraph (7) of subdivision (h) of Section 42238 for a school within the unified school district that converted to charter status on or after July 1, 2005, shall be deemed to be the amount computed pursuant to subdivision (c).

(f) A unified school district that is the sponsoring local educational agency as defined in subdivision (j) of Section 47632 of a charter school that is subject to paragraphs (1) and (2) of subdivision (c) shall certify to the Superintendent the amount specified in paragraph (1) of subdivision (c) before the approval of the charter petition by the governing board of the school district. This amount may be based on estimates of the unrestricted revenues expended in the fiscal year before the school’s conversion to charter status and the school’s operation as a charter school, provided that the amount is recertified when the actual data becomes available.

(g) For purposes of this section, “basic aid school district” means a school district that does not receive from the state an apportionment of state funds pursuant to subdivision (h) of Section 42238.

(h) A school district may use the existing Standardized Account Code Structure and cost allocation methods, if appropriate, for an accounting of the actual unrestricted revenues expended in support of a school pursuant to subdivision (c).

(i) For purposes of this section and Section 42241.3, “operating” means that pupils are attending and receiving instruction at the charter school.

(j) This section shall become inoperative on either of the following, whichever occurs first:

(1) July 1, 2018, and, as of January 1, 2019, this section is repealed, unless a later enacted statute, that becomes operative on

or before January 1, 2019, deletes or extends the dates on which it becomes inoperative and is repealed.

(2) The effective date of a measure enacting comprehensive school finance reform, and as of that date this section is repealed.

SEC. 2. Section 47660 is added to the Education Code, to read:

47660. (a) For purposes of computing eligibility for, and entitlements to, general-purpose funding and operational funding for categorical programs, the enrollment and average daily attendance of a sponsoring local educational agency shall exclude the enrollment and attendance of pupils in its charter schools funded pursuant to this chapter.

(b) (1) Notwithstanding subdivision (a), and commencing with the 2005–06 fiscal year, for purposes of computing eligibility for, and entitlements to, revenue limit funding, the average daily attendance of a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606, shall include all attendance of pupils who reside in the unified school district and who would otherwise have been eligible to attend a noncharter school of the unified school district, if the unified school district was a basic aid school district in the prior fiscal year, or if the pupils reside in the unified school district and attended a charter school of that school district that converted to charter status on or after July 1, 2005. Only the attendance of the pupils described by this paragraph shall be included in the calculation made pursuant to paragraph (7) of subdivision (h) of Section 42238.

(2) Notwithstanding subdivision (a), for the 2005–06 fiscal year only, for purposes of computing eligibility for, and entitlements to, revenue limit funding, the average daily attendance of a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606 and is operating them as charter schools, shall include all attendance of pupils who reside in the unified school district and who would otherwise have been eligible to attend a noncharter school of the unified school district if the pupils attended a charter school operating in the unified school district before July 1, 2005. Only the attendance of pupils described by this paragraph shall be included in the calculation made pursuant to Section 42241.3. The attendance of the pupils described by this paragraph shall be

included in the calculation made pursuant to paragraph (7) of subdivision (h) of Section 42238.

(c) (1) For the attendance of pupils specified in subdivision (b), the general-purpose entitlement for a charter school that is established through the conversion of an existing public school within a unified school district on or after July 1, 2005, but before January 1, 2010, shall be determined using the following amount of general-purpose funding per unit of average daily attendance, in lieu of the amount calculated pursuant to subdivision (a) of Section 47633:

(A) The amount of the actual unrestricted revenues expended per unit of average daily attendance for that school in the year before its conversion to, and operation as, a charter school, adjusted for the base revenue limit per pupil inflation increase adjustment set forth in Section 42238.1, if this adjustment is provided, and also adjusted for equalization, deficit reduction, and other state general-purpose increases, if any, provided for the unified school district in the year of conversion to, and operation as, a charter school.

(B) For a subsequent fiscal year, the general-purpose entitlement shall be determined based on the amount per unit of average daily attendance allocated in the prior fiscal year adjusted for the base revenue limit per pupil inflation increase adjustment set forth in Section 42238.1, if this adjustment is provided, and also adjusted for equalization, deficit reduction, and other state general-purpose increases, if any, provided for the unified school district in that fiscal year.

(2) This subdivision shall not apply to a charter school that is established through the conversion of an existing public school within a unified school district on or after January 1, 2010, which instead shall receive general-purpose funding pursuant to Section 47633. This paragraph does not preclude a charter school or unified school district from agreeing to an alternative funding formula.

(d) Commencing with the 2005–06 fiscal year, the general-purpose funding per unit of average daily attendance specified for a unified school district for purposes of paragraph (7) of subdivision (h) of Section 42238 for a school within the unified school district that converted to charter status on or after July 1, 2005, shall be deemed to be the amount computed pursuant to subdivision (c).

(e) A unified school district that is the sponsoring local educational agency as defined in subdivision (j) of Section 47632 of a charter school that is subject to paragraphs (1) and (2) of subdivision (c) shall certify to the Superintendent the amount specified in paragraph (1) of subdivision (c) before the approval of the charter petition by the governing board of the school district. This amount may be based on estimates of the unrestricted revenues expended in the fiscal year before the school’s conversion to charter status and the school’s operation as a charter school, provided that the amount is recertified when the actual data becomes available.

(f) For purposes of this section, “basic aid school district” means a school district that does not receive from the state an apportionment of state funds pursuant to subdivision (h) of Section 42238.

(g) A school district may use the existing Standardized Account Code Structure and cost allocation methods, if appropriate, for an accounting of the actual unrestricted revenues expended in support of a school pursuant to subdivision (c).

(h) For purposes of this section and Section 42241.3, “operating” means that pupils are attending and receiving instruction at the charter school.

(i) This section shall become operative on either of the following, whichever occurs first:

(1) July 1, 2018.

(2) The effective date of a measure enacting comprehensive school finance reform.

Approved _____, 2012

Governor