

## Senate Bill No. 70

### CHAPTER 7

An act to amend Sections 1240.3, 2550, 2558.46, 8201, 8208, 8263.1, 8263.4, 8354, 8357, 8447, 8499, 14041.5, 14041.6, 17070.766, 17463.7, 17584.1, 17587, 17592.71, 33128.3, 41203.1, 42238.146, 42605, 42606, 45023.1, 45023.4, 46201.2, 52124.3, 60200.7, 69432.7, 69432.9, 69433.6, 76243, 76300, 84043, and 84321.6 of, to amend and renumber Section 60422.1 of, to add Sections 8263.2, 14041.65, 41204.3, 69433.2, and 84321.7 to, and to repeal and add Section 41204.2 of, the Education Code, to amend Section 11323.2 of the Welfare and Institutions Code, and to amend Items 6110-161-0001, 6110-485, and 6110-488 of Section 2.00 of the Budget Act of 2010 (Chapter 712 of the Statutes of 2010), relating to education finance, making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor March 24, 2011. Filed with  
Secretary of State March 24, 2011.]

To the Members of the California State Senate:

I am signing Senate Bill 70 with the understanding that the community college deferral amounts identified in Section 41 will be applied beginning with the 2011-12 fiscal year and that future legislation will amend the applicable statute to clarify this intent.

Sincerely,

EDMUND G. BROWN JR., Governor

#### LEGISLATIVE COUNSEL'S DIGEST

SB 70, Committee on Budget and Fiscal Review. Education finance: Budget Act of 2011.

(1) Existing law requires the county superintendent of schools of each county, among other specified duties, to make annual visits to each school in his or her county to observe its operation and to learn of its problems. Existing law requires that the priority objective of those visits is the determination of whether each school has sufficient textbooks, as defined. Existing law, until July 1, 2013, and for the 2008–09 to the 2012–13 fiscal years, inclusive, describes what is meant by sufficient textbooks or instructional materials for purposes of these visits by the county superintendent of schools.

This bill would extend the operation of this provision by 2 fiscal years, until July 1, 2015.

(2) Existing law requires the Superintendent of Public Instruction to make specified computations to determine the amount to be allocated for direct services and other purposes provided by county superintendents of schools. Under this provision, in each of the fiscal years from 2008–09 to

2012–13, inclusive, the units of average daily attendance (ADA) are required to include the same amount of ADA for classes for adults and regional occupational centers and programs used in the calculation for the 2007–08 fiscal year.

This bill would extend this provision to apply to the 2013–14 and 2014–15 fiscal years.

(3) 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 2010–11 fiscal year by a deficit factor of 18.250%.

This bill would set the deficit factor for each county superintendent of schools for the 2011–12 and 2012–13 fiscal years at 19.892%.

(4) The Child Care and Development Services Act, administered by the State Department of Education, provides that children who are 13 years of age or younger and their parents are eligible, with certain requirements, for child care and development services.

This bill would instead provide 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.

(5) Existing law provides that the preferred placement for a child who is 11 or 12 years of age and is otherwise eligible for subsidized child care services is in a before or after school program. Existing law requires contractors to report annually to the State Department of Education the amount of savings resulting from these provisions, as specified.

This bill would instead provide 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, shall 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, and would require 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 remove provisions requiring contractors to report savings to the department.

(6) Existing law provides that necessary supportive services shall be available to every participant in the CalWORKs program, including child care, as specified. Existing law provides that, to the extent funds are available, paid child care shall be available to a participant with a dependent child in the assistance unit who needs paid child care if the child is 11 or 12 years of age.

This bill would remove the requirement that paid child care be available to a participant for a child who is 11 or 12 years of age.

(7) Existing law provides for income eligibility standards for families to receive child care and development services. Existing law provides that “income eligible,” for the purposes of the Child Care and Development Services Act, means that a family’s adjusted monthly income is at or below 75% of the state median income, adjusted for family size, and adjusted annually.

This bill instead would provide that “income eligible,” for the purposes of the Child Care and Development Services Act, means that a family’s adjusted monthly income is at or below 70% of the state median income, adjusted for family size, and adjusted annually.

The bill would provide for the reduction of child care and development services, and the disenrollment of specified families from subsidized child care services, in accordance with prescribed priorities.

(8) Existing law provides for 3 stages of child care for CalWORKs recipients. Existing law provides that the 3rd stage of child care begins when a funded child care space is available, and further provides that CalWORKs recipients are eligible for this stage of child care. Existing law also provides that persons who received a lump-sum diversion payment or diversion services and former CalWORKs participants are eligible if they have an income that does not exceed 75% of the state median income.

This bill instead would provide that persons who received a lump-sum diversion payment or diversion services and former CalWORKs participants are eligible if they have an income that does not exceed 70% of the state median income.

(9) Existing law requires the cost of state-funded child care services to be governed by regional market rates and requires the regional market rate ceilings to be established at the 85th percentile of the 2005 regional market rate survey for that region. Existing law prohibits reimbursement to license-exempt child care providers from exceeding 80% of the family child care home rate established pursuant to these provisions.

This bill would instead prohibit reimbursement to license-exempt child care providers from exceeding 60% of the family child care home rate, effective July 1, 2011.

The bill would adjust the family fee schedule that was in effect for the 2007–08, 2008–09, 2009–10, and 2010–11 fiscal years to reflect income eligibility limits specified in this bill for the 2011–12 fiscal year. The bill would require the adjusted fee schedule to be submitted to the Department of Finance for referral in order to be implemented by July 1, 2011.

(10) Existing law limits the amount of specified revenue limit apportionments that counts towards the minimum funding obligation for the following fiscal year to \$1,601,655,000.

This bill would decrease that amount to \$1,101,655,000.

(11) Existing law requires the Controller to draw warrants on the State Treasury in each month of each year in specified amounts for principal apportionments for purposes of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of those warrants, as specified.

This bill would defer additional specified amounts of the warrants for school districts and county superintendents of schools from April, May, and June to July, and from March and April to August. The bill would make additional deferrals, from February to July, August, and September, from April to September, and from May to September, for the 2010–11 fiscal year only.

(12) The Leroy F. Greene School Facilities Act of 1998 requires the State Allocation Board to require school districts applying for funds under that act to deposit, into a specified account for ongoing and major maintenance of school buildings, an amount equal to or greater than 3% of the total general fund expenditures of the applicant school district. Existing law, for the 2008–09 to the 2012–13 fiscal years, inclusive, reduces that deposit requirement to an amount equal to 1% of the total general fund expenditures of the applicant school district. Existing law exempts a school district that maintains its facilities in good repair, as defined, from this 1% requirement.

This bill would extend the operation of this provision by 2 fiscal years, through the 2014–15 fiscal year.

(13) Existing law, until January 1, 2012, authorizes a school district to deposit the proceeds from the sale of surplus school property, together with any personal property located on that property, purchased entirely with local funds, into the general fund of the school district and to use those proceeds for any one-time general fund purpose.

This bill would extend the operation of this provision to January 1, 2014.

(14) Existing law, until July 1, 2013, renders inoperative a requirement for the governing board of a school district to make a report regarding proposals and plans for expenditure for the deferred maintenance of school district facilities.

This bill would extend the operation of this provision to July 1, 2015.

(15) Existing law, to become operative on July 1, 2013, will authorize the State Allocation Board to each year reserve an amount not to exceed 10% of the funds transferred from any source to the State School Deferred Maintenance Fund for apportionments to school districts in instances of extreme hardship.

This bill would delay the operation of this provision until July 1, 2015.

(16) Existing law establishes the School Facilities Emergency Repair Account in the State Treasury, and requires the State Allocation Board to administer the account. Existing law establishes the Proposition 98 Reversion Account in the General Fund, and requires that the Legislature, from time to time, transfer into this account moneys previously appropriated in satisfaction of the constitutional minimum funding requirements that have not been disbursed or otherwise encumbered for the purposes for which they were appropriated. Existing law generally requires an amount, equaling 50% of the unappropriated balance of the Proposition 98 Reversion Account or \$100,000,000, whichever is greater, to be transferred in the annual Budget Act from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account. However, the amount to be transferred under this provision was set at zero for the 2009–10 fiscal year.

This bill would also set at zero the amount to be transferred under this provision from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account for the 2010–11 and 2011–12 fiscal years.

(17) Existing law, for the 2009–10 fiscal year, sets the minimum state requirement for a local educational agency’s reserve for economic uncertainties at  $\frac{1}{3}$  of the percentage for a reserve adopted by the State Board of Education as of May 1, 2009, and requires a school district to make progress in the 2010–11 fiscal year to returning to compliance with the specified standards and criteria adopted by the state board. Existing law restores this requirement, for the 2011–12 fiscal year, to the percentage adopted by the state board as of May 1, 2009.

This bill instead would provide that, for the 2010–11 and 2011–12 fiscal years, the minimum state requirement for a local educational agency’s reserve for economic uncertainties is  $\frac{1}{3}$  of the percentage for a reserve adopted by the state board as of May 1, 2009, and require a school district to make progress in the 2012–13 fiscal year to returning to compliance with the specified standards and criteria adopted by the state board. This bill would restore this requirement, for the 2013–14 fiscal year, to the percentage adopted by the state board as of May 1, 2009.

(18) Existing law requires, for the 1990–91 fiscal year and each fiscal year thereafter, that moneys to be applied by the state for the support of school districts, community college districts, and direct elementary and secondary level instructional services provided by the state be distributed in accordance with certain calculations governing the proration of those moneys among the 3 segments of public education. Existing law makes that provision inapplicable to the fiscal years between 1992–93 and 2010–11, inclusive.

This bill would make that provision inapplicable to the 2011–12 fiscal year.

(18.5) Proposition 26, approved by the voters on November 2, 2010, amended the California Constitution to, among other things, require a  $\frac{2}{3}$  vote of both houses of the Legislature for any change in statute that results in any taxpayer paying a higher tax. Proposition 26 also makes any tax adopted after January 1, 2010, but prior to November 3, 2010, that was not adopted in compliance with the  $\frac{2}{3}$  vote requirement void on November 3, 2011, unless the tax is reenacted by the Legislature with a  $\frac{2}{3}$  vote.

Existing law, as of July 1, 2010, eliminated the state sales and use tax on motor vehicle fuel (gasoline) and increased the excise tax. Existing law, as of July 1, 2011, increased the sales and use tax on diesel and decreased the excise tax. Existing law requires the State Board of Equalization to annually modify both the gasoline and diesel excise tax rates on a going-forward basis so that the various changes in the taxes imposed on gasoline and diesel, as described above, are revenue neutral. Existing law contains other provisions related to the implementation of these provisions.

This bill would repeal a provision, requiring the Director of Finance to make a specified adjustment in 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, that is related to the implementation of these provisions. The bill would enact a similar replacement provision, and state the intent of the Legislature that these changes are made in order to comply with Proposition 26.

(19) 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 require the Director of Finance to adjust that percentage in a specified manner for purposes of the 2011–12 fiscal year.

(20) 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 2010–11 fiscal year by a deficit factor of 17.963%.

This bill would maintain the deficit factor for each school district for the 2011–12 fiscal year at 19.608%.

(21) Existing law establishes various categorical education programs, and appropriates the funding for those programs in the annual Budget Act. Existing law requires the Superintendent of Public Instruction, for the 2008–09 to 2012–13 fiscal years, inclusive, to apportion from the amount provided in the annual Budget Act for specified categorical education programs an amount based on the same relative proportion that the local educational agency received in the 2008–09 fiscal year for those programs, with certain exceptions. Existing law authorizes school districts, for the 2008–09 to 2012–13 fiscal years, inclusive, to use the categorical education program funds, with specified exceptions, for any educational purpose.

This bill would extend the operation of this provision for 2 additional fiscal years, thus extending it through the 2014–15 fiscal year. By allowing funds appropriated for specified purposes to be expended for any educational purpose for 2 additional fiscal years, the bill would make an appropriation.

(22) Existing law requires the Superintendent of Public Instruction to allocate, for the 2010–11 fiscal year, a supplemental categorical block grant to a charter school that began operation in the 2008–09, 2009–10, or 2010–11 fiscal year.

This bill would extend the operation of this provision to require the Superintendent to make these allocations for the 2011–12 fiscal year, and to include charter schools that began operation in the 2011–12 fiscal year.

(23) Existing law establishes the Jack O'Connell Beginning-Teacher Salary Incentive Program, under which a county superintendent of schools, or the county board of education, may increase the salary for certain teachers on its adopted certificated employee salary schedule, as specified. The provisions establishing the program require certain calculations to be made with respect to the average daily attendance (ADA) of the participating local educational agencies, and more specifically require specified adjustments

to be made in the calculation of ADA attributable to regional occupational centers and programs for the 2008–09 to the 2012–13 fiscal years, inclusive.

This bill would extend the requirement for these adjustments to be made to the 2013–14 and 2014–15 fiscal years.

(24) Existing law, commencing with the 2009–10 school year and continuing through the 2012–13 school year, authorizes a school district, county office of education, or charter school to reduce the equivalent of up to 5 days of instruction or the equivalent number of instructional minutes without incurring fiscal penalties.

This bill would extend the operation of this provision for 2 additional fiscal years, thus extending it through the 2014–15 school year.

(25) Existing law establishes the Class Size Reduction Program, under which a participating school district or county office of education reduces class size to 20 pupils per class in kindergarten and grades 1 to 3, inclusive. Existing law provides that, for the 2008–09, 2009–10, 2010–11, and 2011–12 fiscal years, a school district that has received funding under the program but has not implemented its class size reduction program for all classes and grades for which it received funding under the program, an amount is deducted from the next principal apportionment of state funds to that district in accordance with a schedule.

This bill would extend the operation of this provision to the 2012–13 and 2013–14 fiscal years.

(26) Existing law prohibits the State Board of Education from adopting instructional materials until the 2013–14 school year.

This bill would extend this prohibition through the 2015–16 school year.

(27) Existing law, for the 2008–09 to the 2012–13 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 extend the operation of this provision by 2 fiscal years, through the 2014–15 fiscal year.

(28) Under existing law, a community college or community college district may not permit any person to access student records without the written consent of the student or under judicial order for access, with specified exceptions generally relating to education. Existing law provides that a person, persons, agency, or organization that is permitted access to student records is prohibited from further disclosing the records without the written consent of the student, as specified.

This bill would allow a person, persons, agency, or organization that is permitted access to student records to disclose them pursuant to the extent permitted under specified federal law and state law.

(29) 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 Cal Grant 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 sets forth the maximum household income and asset levels for participants in the various grant programs under the act. These maximum levels are set forth as they were adopted by the commission for the 2001–02 academic year, but have been annually adjusted based on the percentage change in the cost of living as defined in a specified provision of the California Constitution.

This bill would provide that the maximum household income and asset levels applicable to a renewing applicant would be the greater of the adjusted 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, as specified.

This bill would impose additional requirements, except as specified, 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. The bill would provide 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.

This bill would require the Legislative Analyst's Office to submit a report to the Legislature by January 1, 2013, on the implementation of the 3-year cohort default rate provisions of the act, as specified.

The bill would specify that financial need, for the purposes of the act, would be determined to establish both an applicant's initial eligibility for a Cal Grant award and a renewing applicant's continued eligibility using federal financial need methodology, as prescribed.

The bill would also require participating institutions, beginning in 2012, to annually report to the commission enrollment, persistence, and graduation data, as well as job placement, salary, and wage information for undergraduate programs, as specified.

(30) Existing law establishes community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state. Existing law requires the governing board of each community college district to charge each student, with specified exceptions, a fee of \$26 per unit per semester, effective with the fall term of the 2009–10 academic year.

This bill would increase that fee to \$36 per unit per semester, effective with the fall term of the 2011–12 academic year.

(31) Existing law, for the 2009–10 to 2012–13 fiscal years, inclusive, authorizes a community college district to use funds apportioned to the district for specified categorical programs, for purposes of a prescribed list of programs.

This bill would extend the operation of this provision for 2 additional fiscal years, through the 2014–15 fiscal year.

(32) Existing law requires the Board of Governors of the California Community Colleges to adopt regulations for the payment of apportionments to community college districts. Existing law, notwithstanding the board of governors' authority in this respect, makes various adjustments to the payment of these apportionments.

This bill would revise the manner in which these apportionments are made according to specified criteria. The bill would appropriate \$961,000,000 from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts for expenditure during the 2012–13 fiscal year in accordance with a specified schedule.

(33) Under existing law, the Controller is required to draw warrants on the State Treasury in each month of each year in specified amounts for purposes of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of those warrants, as specified.

This bill would, commencing with the 2011–12 fiscal year, authorize the Controller to issue up to \$13 million of warrants for a community college district for the principal apportionments for the month of June, that are instead to be drawn in July, subject to the approval of the Director of Finance, as specified.

If the total amount requested by community college districts exceeds \$13 million, the Controller, the Treasurer, and the Director of Finance may authorize additional payments, not to exceed \$39 million. The determination whether there is sufficient cash available to make these payments would be made no later than May 1, as specified. In making this determination, the Controller, the Treasurer, and the Director of Finance would be required to consider costs for state government, the scope of any identified cash shortage, timing, achievability, legislative direction, and impact and hardship imposed on potential affected programs, as specified. The Department of Finance would be required to notify the Joint Legislative Budget Committee within 10 days of this determination and identify the total amount of requests that will be paid.

The bill would provide that if the total amount of cash made available is less than the amount requested, as specified, payments to community college districts must be prioritized according to the date the Office of the Chancellor of the California Community Colleges and the Department of Finance were notified. Payments would be required to be made no later than June 20.

This bill would specify that warrants drawn pursuant to this authorization shall be deemed to be General Fund revenues appropriated to school districts, as specified.

(34) The Budget Act of 2010 made numerous appropriations for the support of public education in this state.

This bill would make adjustments in the schedules of 3 items of the Budget Act of 2010 with respect to the funding of specified programs.

(35) 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 similar instructions.

(36) The 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.

(37) This bill would reappropriate up to \$60,000,000 in unobligated balances appropriated in the Budget Act of 2009 to the State Department of Education for CalWORKs Stage 3 child care services for the period of April 1, 2011, to June 30, 2011, inclusive. The bill would also require the State Department of Education to use those funds for eligible families pursuant to a specified provision as it read on January 1, 2011.

(38) This bill would appropriate \$905,700,000 from the General Fund to the State Department of Education for 10 specified programs according to a specified schedule, and would require the department to encumber these funds by July 31, 2012. The bill would provide that, for purposes of satisfying the minimum annual funding obligation for school districts required by the California Constitution, the appropriated funds are General Fund revenues appropriated for school districts and community college districts for the 2012–13 fiscal year.

(39) Existing law creates the Charter School Revolving Loan Fund in the State Treasury and authorizes the Superintendent of Public Instruction to make loans from the fund to applicant charter schools in accordance with specified criteria.

This bill would appropriate \$5,000,000 from the General Fund to augment the Charter School Revolving Loan Fund.

(40) This bill would set the cost-of-living adjustment for specified items in the Budget Act of 2011 at 0% for the 2011–12 fiscal year, notwithstanding the cost-of-living adjustment specified in existing statutes.

(41) This bill would require funds appropriated pursuant to specified items in the Budget Act of 2011 to be encumbered by July 31, 2012.

(42) Existing law provides for collection and maintenance of educational data. Existing law requires the State Department of Education to contract for the development of the California Longitudinal Pupil Achievement Data System (CALPADS), for the purpose of providing for the retention and analysis of longitudinal pupil achievement data on specified achievement tests.

This bill would appropriate \$2,257,000 from the Federal Trust Fund to the State Department of Education, in accordance with a specified schedule, for purposes of the implementation and support of the CALPADS.

The bill would require, as a condition of receiving funds to administer CALPADS, the State Department of Education to ensure that local educational agencies are provided with standardized templates that include prepopulated data necessary to meet the requirements of the School Accountability Report Card.

(43) Under existing law, the amount of revenue that a district may collect annually for general purposes, called a revenue limit, is calculated in accordance with various statutory formulas. A basic aid school district is a school district where property tax revenues exceed the revenue limit and the district consequently does not receive a state apportionment.

This bill would express legislative intent that basic aid school districts assume categorical funding reductions proportionate to the revenue limit reductions implemented for nonbasic aid school districts in the 2008–09 and 2009–10 fiscal years. The bill would include calculations to implement these funding reductions.

(44) Existing law appropriates funding for class size reduction in kindergarten and grades 1 to 3, inclusive, to be expended consistent with the specified requirements.

This bill would reduce that appropriation in accordance with specified requirements, and would identify funds that the State Department of Education would be required to use if the funds appropriated for this program are determined to be insufficient.

The bill would require the Superintendent of Public Instruction to certify to the Controller the amounts needed for the 2011–12 fiscal year to fund the class size reduction program and set forth a schedule for the transfer of that funding. The bill would require the Controller to transfer that funding from the General Fund to the State School Fund, thereby making an appropriation.

The bill would require the Superintendent, before making each certification, to notify the Department of Finance, the Legislative Analyst, and the appropriate policy and fiscal committees of the Legislature regarding the amounts the Superintendent intends to certify and would require the notification to include the data used in determining the amounts to be certified.

(45) Existing law establishes the University of California, which is administered by the Regents of the University of California and the California State University, which is administered by the Trustees of the California State University.

This bill would require the Regents of the University of California and the Trustees of the California State University, in implementing reductions contained in the Budget Act of 2011, to minimize fee and enrollment impacts on students by targeting actions that lower the costs of instruction and administration. The bill would require the regents and the trustees to submit recommended budget options, with savings estimates for each identified solution, to the Legislature, the Governor, and stakeholders for review and comment by June 1, 2011, prior to adoption of a final plan. The bill would state enrollment goals for the 2011–12 academic year and require the regents

and the trustees to report to the Legislature by May 1, 2012, on whether the University of California and the California State University have met their respective 2011–12 enrollment goals. If the goals are not met, the Director of Finance would be directed to revert the total amount of enrollment funding associated with the total share of the enrollment goal that was not met to the General Fund by May 15, 2012. This bill would require the regents and the trustees to submit a final detailed report to the Governor, the Department of Finance, and the Legislature, as specified, by September 1, 2012.

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

(47) 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.

(48) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

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

Appropriation: yes.

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

SECTION 1. Section 1240.3 of the Education Code is amended to read:

1240.3. (a) For the purposes of Section 1240, for the 2008–09 to 2014–15 fiscal years, inclusive, sufficient textbooks or instructional materials include standards-aligned textbooks or instructional materials, or both, that were adopted prior to July 1, 2008, by the state board or local educational agency pursuant to statute, unless those local educational agencies purchased or arranged to purchase textbooks or instructional materials adopted by the state board after that date. It is the intent of the Legislature that each local educational agency provide each pupil with standards-aligned textbooks or instructional materials from the same adoption, consistent with Sections 60119 and 60422. This section does not require a local educational agency to purchase all of the instructional materials included in an adoption if the materials that are purchased are made available to all the pupils for whom they are intended in all of the schools within the local educational agency.

(b) Notwithstanding Section 1240 or any other law, for the 2008–09 to 2014–15 fiscal years, inclusive, a county superintendent of schools, in

making visits to schools as specified in Section 1240, shall determine the status of sufficient textbooks as defined in subdivision (a).

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

SEC. 2. Section 2550 of the Education Code is amended to read:

2550. For each fiscal year, the Superintendent shall make the following computations to determine the amount to be allocated for direct services and other purposes provided by county superintendents of schools:

(a) For programs operated pursuant to subdivision (a) of Section 14054, the Superintendent shall:

(1) Determine the allowances that county superintendents received per unit of average daily attendance in the prior fiscal year. The Superintendent shall increase each amount by a percentage equal to the inflation allowance calculated for the current fiscal year pursuant to Section 2557.

(2) Multiply each amount determined in paragraph (1) by the actual number of units of average daily attendance in the prior fiscal year for programs maintained by each county superintendent. For purposes of this paragraph, the number of units of average daily attendance shall include only units generated by elementary districts with less than 901 units of average daily attendance, high school districts with less than 301 units of average daily attendance, and unified school districts with less than 1,501 units of average daily attendance within each county superintendent's jurisdiction.

(b) For programs operated pursuant to subdivision (b) of Section 14054, the Superintendent shall:

(1) (A) For the 1999–2000 fiscal year, determine the rate per unit of average daily attendance calculated for each county office of education pursuant to subdivision (b) of Section 2567 and increase each rate by a percentage equal to the inflation allowance calculated in Section 2557.

(B) For the 2000–01 fiscal year, determine the rate per unit of average daily attendance calculated for each county office of education pursuant to subdivision (b) of Section 2568 and increase each rate by a percentage equal to the inflation allowance calculated in Section 2557.

(C) For the 2001–02 fiscal year and each fiscal year thereafter, determine the allowances that county superintendents received per unit of average daily attendance in the prior fiscal year. The Superintendent shall increase each amount by a percentage equal to the inflation allowance calculated for the current fiscal year pursuant to Section 2557.

(2) (A) Multiply each amount determined in paragraph (1) by the units of average daily attendance in the current fiscal year for programs for kindergarten and grades 1 to 12, inclusive, maintained by each county superintendent. For the purposes of this paragraph, average daily attendance shall include only the total units of average daily attendance credited to all elementary, high school, and unified school districts within each county superintendent's jurisdiction and to the county superintendent.

(B) For purposes of this paragraph, in each of the 2008–09, 2009–10, 2010–11, 2011–12, 2012–13, 2013–14, and 2014–15 fiscal years, the units of average daily attendance in each of those fiscal years for programs for kindergarten and grades 1 to 12, inclusive, maintained by each county superintendent shall include the same amount of average daily attendance for classes for adults and regional occupational centers and programs used in the calculation pursuant to this subdivision for the 2007–08 fiscal year.

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

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

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

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

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

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

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

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

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

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

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

(d) In computing the revenue limit for each county superintendent of schools for the 2011–12 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent

of schools had been determined for the 2010–11 fiscal year without being reduced by the deficit factors specified in subdivision (a).

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

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

8201. The purpose of this chapter is as follows:

(a) To provide a comprehensive, coordinated, and cost-effective system of child care and development services for children who are 10 years of age or younger, for children with exceptional needs as defined in subdivision (l) of Section 8208, for children 12 years of age or younger who are recipients of child protective services or at risk of abuse, neglect, or exploitation as described in subparagraph (D) of paragraph (1) of subdivision (a) of Section 8263 and as defined in subdivision (k) of Section 8208, for children 12 years of age or younger who are provided services during nontraditional hours as defined in subdivision (a1) of Section 8208, for children 12 years of age or younger who are homeless as described in subparagraph (C) of paragraph (1) of subdivision (a) of Section 8263, and for children who are 11 and 12 years of age, as funding permits, pursuant to subdivision (h) of Section 8447, including a full range of supervision, health, and support services through full- and part-time programs.

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

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

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

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

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

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

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

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

8208. As used in this chapter:

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

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

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

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

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

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

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

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

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

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

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

(4) California state preschool program.

(5) Resource and referral.

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

(7) Family child care home education network.

(8) Alternative payment.

(9) Schoolage community child care.

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

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

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

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

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

special education and related services consistent with Section 1401(3)(A) of Title 20 of the United States Code.

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

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

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

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

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

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

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

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

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

(r) “Higher educational institutions” means the Regents of the University of California, the Trustees of the California State University, the Board of

Governors of the California Community Colleges, and the governing bodies of any accredited private nonprofit institution of postsecondary education.

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

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

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

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

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

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

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

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

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

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

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

determines that the existence of compelling need is appropriately documented.

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

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

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

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

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

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

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

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

(1) To undertake training in preparation for a job.

(2) To undertake or retain a job.

(3) To undertake other activities that are essential to maintaining or improving the social and economic function of the family, are beneficial to the community, or are required because of health problems in the family.

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

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

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

(al) “Nontraditional hours” means that the parent or legal guardian has a certified need for child care that includes hours during the period from

6:00 p.m. to 6:00 a.m. on any day of the week or during any period between 6:00 a.m. Saturday to 6:00 a.m. Monday.

SEC. 6. Section 8263.1 of the Education Code is amended to read:

8263.1. (a) For purposes of this chapter, “income eligible” means that a family’s adjusted monthly income is at or below 70 percent of the state median income, adjusted for family size, and adjusted annually.

(b) Notwithstanding any other law, for the 2011–12 fiscal year, the income eligibility limits that were in effect for the 2007–08 fiscal year shall be reduced to 70 percent of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size, effective July 1, 2011.

(c) The income of a recipient of federal supplemental security income benefits pursuant to Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program benefits pursuant to Title XVI of the federal Social Security Act and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code shall not be included as income for the purposes of determining eligibility for child care under this chapter.

SEC. 7. Section 8263.2 is added to the Education Code, to read:

8263.2. (a) Notwithstanding any other provision of law, effective July 1, 2011, the department shall 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 percent. The department may consider the contractor’s performance or whether the contractor serves children in underserved areas as defined in subdivision (ag) of Section 8208 when determining contract reductions, provided that the aggregate reduction to each program specified in this subdivision is 15 percent.

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

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

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

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

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

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

SEC. 8. Section 8263.4 of the Education Code is amended to read:

8263.4. (a) Beginning on July 1, 2011, 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, as specified in subdivision (a) of Section

8201 and subdivision (i) of Section 8208, shall 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 established pursuant to Article 22.5 (commencing with Section 8482) or Article 22.6 (commencing with Section 8484.7). Contractors shall provide each family of an otherwise eligible 11 or 12 year old with information about the availability of before and after school programs located in the family's community.

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

(c) This section does not apply to an 11 or 12 year old child who is a recipient of child protective services or at risk of abuse, neglect, or exploitation as described in subparagraph (D) of paragraph (1) of subdivision (a) of Section 8263 and as defined in subdivision (k) of Section 8208, a child 12 years of age or younger who is provided services during nontraditional hours as defined in subdivision (a1) of Section 8208, children 12 years of age or younger who are homeless as described in subparagraph (C) of paragraph (1) of subdivision (a) of Section 8263, or an 11 or 12 year old child with a disability, including a child with exceptional needs who has an individualized education program as required by the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), or Part 30 (commencing with Section 56000) of Division 4 of Title 2.

SEC. 9. Section 8354 of the Education Code is amended to read:

8354. (a) The third stage of child care begins when a funded space is available. CalWORKs recipients are eligible for the third stage of child care. Persons who received a lump-sum diversion payment or diversion services and former CalWORKs participants are eligible if they have an income that does not exceed 70 percent of the state median income pursuant to Section 8263.1. The third stage shall be administered by programs contracting with the State Department of Education. Parents' eligibility for child care and development services will be governed by Section 8263 and regulations adopted by the State Department of Education.

(b) In order to move welfare recipients and former recipients from their relationship with county welfare departments to relationships with institutions providing services to working families, it is the intent of the Legislature that families that are former recipients of aid, or are transitioning off aid, receive their child care assistance in the same fashion as other low-income working families. Therefore, it is the intent of the Legislature that families no longer rely on county welfare departments to obtain child care subsidies beyond the time they are receiving other services from the welfare department.

(c) A county welfare department shall not administer the third stage of child care for CalWORKs recipients except to the extent to which it delivered those services to families receiving, or within one year of having received, Aid to Families with Dependent Children prior to the enactment of this section.

(d) This article does not preclude county welfare departments from operating an alternative payment program under contract with the State Department of Education to serve families referred by child protective services.

SEC. 10. Section 8357 of the Education Code is amended to read:

8357. (a) The cost of child care services provided under this article shall be governed by regional market rates. Recipients of child care services provided pursuant to this article shall be allowed to choose the child care services of licensed child care providers or child care providers who are, by law, not required to be licensed, and the cost of that child care shall be reimbursed by counties or agencies that contract with the State Department of Education if the cost is within the regional market rate. For purposes of this section, “regional market rate” means care costing no more than 1.5 market standard deviations above the mean cost of care for that region. The regional market rate ceilings shall be established at the 85th percentile of the 2005 regional market rate survey for that region.

(b) Reimbursement to license-exempt child care providers shall not exceed 60 percent of the family child care home rate established pursuant to subdivision (a), effective July 1, 2011.

(c) Reimbursement to child care providers shall not exceed the fee charged to private clients for the same service.

(d) Reimbursement shall not be made for child care services when care is provided by parents, legal guardians, or members of the assistance unit.

(e) A child care provider located on an Indian reservation or rancheria and exempted from state licensing requirements shall meet applicable tribal standards.

(f) For purposes of this section, “reimbursement” means a direct payment to the provider of child care services, including license-exempt providers. If care is provided in the home of the recipient, payment may be made to the parent as the employer, and the parent shall be informed of his or her concomitant legal and financial reporting requirements. To allow time for the development of the administrative systems necessary to issue direct payments to providers, for a period not to exceed six months from the effective date of this article, a county or an alternative payment agency contracting with the State Department of Education may reimburse the cost of child care services through a direct payment to a recipient of aid rather than to the child care provider.

(g) Counties and alternative payment programs shall not be bound by the rate limits described in subdivision (a) when there are, in the region, no more than two child care providers of the type needed by the recipient of child care services provided under this article.

(h) Notwithstanding any other provision of law, reimbursements to child care providers based upon a daily rate may only be authorized under either of the following circumstances:

(1) A family has an unscheduled but documented need of six hours or more per occurrence, such as the parent's need to work on a regularly scheduled day off, that exceeds the certified need for child care.

(2) A family has a documented need of six hours or more per day that exceeds no more than 14 days per month. In no event shall reimbursements to a provider based on the daily rate over one month's time exceed the provider's equivalent full-time monthly rate or applicable monthly ceiling.

(3) This subdivision shall not limit providers from being reimbursed for services using a weekly or monthly rate, pursuant to subdivision (c) of Section 8222.

SEC. 11. Section 8447 of the Education Code is amended to read:

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

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

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

(3) Notwithstanding paragraph (1), for the 2006–07 fiscal year, the State Department of Education shall update the family fee schedules by family size, based on the 2005 state median income survey data for a family of four. The family fee schedule used during the 2005–06 fiscal year shall remain in effect. However, the department shall adjust the family fee schedule for families that are newly eligible to receive or will continue to

receive services under the new income eligibility limits. The family fees shall not exceed 10 percent of the family's monthly income.

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

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

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

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

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

(f) Notwithstanding the June 1 date specified in subdivision (b), changes to the regional market rate schedules and fee schedules may be made at any other time to reflect the availability of accurate data necessary for their completion, provided these documents receive the approval of the Department of Finance. The Department of Finance shall review the changes within 30 working days of submission and the State Department of Education shall resolve conflicts within an additional 30 working day period. Contractors shall be given adequate notice prior to the effective date of the

approved schedules. It is the intent of the Legislature that contracts for services not be delayed by the timing of the availability of accurate data needed to update these schedules.

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

(h) Notwithstanding any other law, effective July 1, 2011, the State Department of Education shall amend CalWORKs Stage 2 and Stage 3, general child care, migrant child care, and alternative payment contracts to reflect the lower priority for providing subsidized child care and development services for 11 and 12 year olds, except for 11 and 12 year olds who are eligible pursuant to subparagraphs (C) and (D) of paragraph (1) of subdivision (a) of Section 8263, children with exceptional needs as defined in subdivision (l) of Section 8208, and children who are served during nontraditional hours as defined in subdivision (al) of Section 8208. The State Department of Education shall include language in all contracts stating that funds are not to be expended providing services to 11 and 12 year olds, with the exceptions noted above, until such time as the department determines and notifies contractors that funding for providing those services is available. The State Department of Education shall submit a request and receive prior approval from the Department of Finance before expending funds to serve low priority 11 and 12 year olds.

SEC. 12. Section 8499 of the Education Code is amended to read:

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

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

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

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

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

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

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

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

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

SEC. 13. Section 14041.5 of the Education Code is amended to read:

14041.5. (a) Notwithstanding subdivision (a) of Section 14041, commencing with the 2002–03 fiscal year, warrants for the principal apportionments for the month of June instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41335.

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

(c) For the 2003–04 school year, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the 2004–05 fiscal year shall be seven hundred twenty-six million two hundred seventy thousand dollars (\$726,270,000). Any amount in excess of seven hundred twenty-six million two hundred seventy thousand dollars (\$726,270,000) that is apportioned in July of 2004 is deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the 2003–04 fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the 2003–04 fiscal year.

(d) For the 2004–05 school year to the 2007–08 school year, inclusive, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the following fiscal year shall be seven hundred fifteen million one hundred eighteen thousand dollars (\$715,118,000). Any amount in excess of seven hundred fifteen million one hundred eighteen thousand dollars (\$715,118,000) that is apportioned in July of any year is deemed “General Fund revenues appropriated for school districts,” as defined in

subdivision (c) of Section 41202 for the prior fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the prior fiscal year.

(e) For the 2008–09 school year, and each school year thereafter, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the following fiscal year shall be one billion one hundred one million six hundred fifty-five thousand dollars (\$1,101,655,000). Any amount in excess of one billion one hundred one million six hundred fifty-five thousand dollars (\$1,101,655,000) that is apportioned in July of any year is deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the prior fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the prior fiscal year.

SEC. 14. Section 14041.6 of the Education Code is amended to read:

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

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

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

(d) Notwithstanding subdivision (a) of Section 14041 or any other law, commencing with the 2011–12 fiscal year, warrants for the principal apportionments for the month of March in the amount of one billion three hundred million dollars (\$1,300,000,000) and for the month of April in the amount of seven hundred sixty-three million seven hundred ninety-four

thousand dollars (\$763,794,000) instead shall be drawn in August of the same calendar year pursuant to the certification made pursuant to Section 41339.

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

SEC. 15. Section 14041.65 is added to the Education Code, to read:

14041.65. (a) Notwithstanding subdivision (a) of Section 14041.6, for the 2010–11 fiscal year only, warrants for the principal apportionments for the month of February in the amount of twenty-four million seven hundred thousand dollars (\$24,700,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

(b) Notwithstanding subdivision (a) of Section 14041.6, for the 2010–11 fiscal year only, warrants for the principal apportionments for the month of February in the amount of one billion four hundred five million five hundred thousand dollars (\$1,405,500,000) instead shall be drawn in August of the same calendar year pursuant to the certification made pursuant to Section 41339.

(c) Notwithstanding subdivision (a) of Section 14041.6, for the 2010–11 fiscal year only, warrants for the principal apportionments for the month of February in the amount of five hundred sixty-nine million eight hundred thousand dollars (\$569,800,000) instead shall be drawn in September of the same calendar year pursuant to the certification made pursuant to Section 41339.

(d) Notwithstanding subdivision (c) of Section 14041.6, for the 2010–11 fiscal year only, warrants for the principal apportionments for the month of April in the amount of four hundred nineteen million twenty thousand dollars (\$419,020,000) instead shall be drawn in September of the same calendar year pursuant to the certification made pursuant to Section 41339.

(e) Notwithstanding subdivision (c) of Section 14041.6, for the 2010–11 fiscal year only, warrants for the principal apportionments for the month of May in the amount of eight hundred million dollars (\$800,000,000) instead shall be drawn in September of the same calendar year pursuant to the certification made pursuant to Section 41339.

SEC. 16. Section 17070.766 of the Education Code is amended to read:

17070.766. Notwithstanding paragraph (2) of subdivision (b) of Section 17070.75, for the 2008–09, 2009–10, 2010–11, 2011–12, 2012–13, 2013–14, and 2014–15 fiscal years, the board shall require a school district to deposit into the account established pursuant to paragraph (1) of subdivision (b) of Section 17070.75 only an amount equal to 1 percent of the total expenditures

by a district from its general fund in the 2008–09, 2009–10, 2010–11, 2011–12, 2012–13, 2013–14, and 2014–15 fiscal years respectively, but if the school district maintains its facilities in good repair, as defined in Section 17002, it shall be exempt from this 1 percent requirement. A school district may elect to deposit into the account an amount that is greater than the amount required by the board pursuant to this section.

SEC. 17. Section 17463.7 of the Education Code is amended to read:

17463.7. (a) Notwithstanding any other law, a school district may deposit the proceeds from the sale of surplus real property, together with any personal property located on the property, purchased entirely with local funds, into the general fund of the school district and may use the proceeds for any one-time general fund purpose. If the purchase of the property was made using the proceeds of a local general obligation bond or revenue derived from developer fees, the amount of the proceeds of the transaction that may be deposited into the general fund of the school district may not exceed the percentage computed by the difference between the purchase price of the property and the proceeds from the transaction, divided by the amount of the proceeds of the transaction. For the purposes of this section, proceeds of the transaction means either of the following, as appropriate:

(1) The amount realized from the sale of property after reasonable expenses related to the sale.

(2) For a transaction that does not result in a lump-sum payment of the proceeds of the transaction, the proceeds of the transaction shall be calculated as the net present value of the future cashflow generated by the transaction.

(b) The State Allocation Board shall reduce an apportionment of hardship assistance awarded to the particular school district pursuant to Article 8 (commencing with Section 17075.10) by an amount equal to the amount of the sale of surplus real property used for a one-time expenditure of the school district pursuant to this section.

(c) If the school district exercises the authority granted pursuant to this section, the district is ineligible for hardship funding from the State School Deferred Maintenance Fund under Section 17587 for five years after the date proceeds are deposited into the general fund pursuant to this section.

(d) Before a school district exercises the authority granted pursuant to this section, the governing board of the school district shall first submit to the State Allocation Board documents certifying the following:

(1) The school district has no major deferred maintenance requirements not covered by existing capital outlay resources.

(2) The sale of real property pursuant to this section does not violate the provisions of a local bond act.

(3) The real property is not suitable to meet projected school construction needs for the next 10 years.

(e) Before the school district exercises the authority granted pursuant to this section, the governing board of the school district at a regularly scheduled meeting shall present a plan for expending one-time resources pursuant to this section. The plan shall identify the source and use of the

funds and describe the reasons why the expenditure will not result in ongoing fiscal obligations for the school district.

(f) The Office of Public School Construction shall submit an interim and a final report to the State Allocation Board and the budget, education policy, and fiscal committees of the Legislature that identifies the school districts that have exercised the authority granted by this section, the amount of proceeds involved, and the purpose for which those proceeds were used. The interim report shall be submitted by January 1, 2011, and the final report by January 1, 2014.

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

SEC. 18. Section 17584.1 of the Education Code, as amended by Section 6 of Chapter 12 of the Third Extraordinary Session of the Statutes of 2009, is amended to read:

17584.1. (a) The governing board of a school district shall discuss proposals and plans for expenditure of funds for the deferred maintenance of school district facilities at a regularly scheduled public hearing.

(b) The purposes of this section are to inform the public regarding the local decisionmaking process relating to the deferred maintenance of school facilities and to provide a foundation for local accountability in that regard.

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

SEC. 19. Section 17584.1 of the Education Code, as added by Section 7 of Chapter 12 of the Third Extraordinary Session of the Statutes of 2009, is amended to read:

17584.1. (a) The governing board of a school district shall discuss proposals and plans for expenditure of funds for the deferred maintenance of school district facilities at a regularly scheduled public hearing.

(b) In any fiscal year that the school district does not set aside 0.5 percent of its current-year revenue limit average daily attendance for deferred maintenance, the governing board of a school district shall submit a report to the Legislature by March 1 of that year, with copies to the Superintendent, the state board, the Department of Finance, and the State Allocation Board.

(c) The report required pursuant to subdivision (b) shall include all of the following:

(1) A schedule of the complete school facilities deferred maintenance needs of the school district for the current fiscal year, including a schedule of costs per schoolsite and total costs.

(2) A detailed description of the school district's spending priorities for the current fiscal year and an explanation of why those priorities, or any other considerations, have prevented the school district from setting aside sufficient local funds so as to permit it to fully fund its deferred maintenance program and, if eligible, to participate in the state deferred maintenance funding program as set forth in Section 17584.

(3) An explanation of the manner in which the governing board of a school district plans to meet its current-year facilities deferred maintenance needs without setting aside the funds set forth in Section 17584.

(d) Copies of the report shall be made available at each schoolsite within the school district, and shall be provided to the public upon request.

(e) The purposes of this section are to inform the public regarding the local decisionmaking process relating to the deferred maintenance of school facilities and to provide a foundation for local accountability in that regard.

(f) This section shall become operative on July 1, 2015.

SEC. 20. Section 17587 of the Education Code is amended to read:

17587. (a) Notwithstanding the limitations of Section 17584, the State Allocation Board may each year reserve an amount not to exceed 10 percent of the funds transferred from any source to the State School Deferred Maintenance Fund for apportionments to school districts, in instances of extreme hardship. The apportionment shall be in addition to the apportionments made pursuant to Section 17584. Not less than one-half of all funds made available by this section shall be apportioned to school districts that had an average daily attendance, excluding summer session attendance, of less than 2,501 during the prior fiscal year.

An extreme hardship shall exist in a school district if the State Allocation Board determines the existence of all of the following:

(1) That the district has deposited in its deferred maintenance fund an amount equal to at least 0.5 percent of the total general funds and adult education funds budgeted by the district for the fiscal year, exclusive of any amounts budgeted for capital outlay or debt service.

(2) That the district has a critical project on its five-year plan which, if not completed in one year, could result in serious damage to the remainder of the facility or would result in a serious hazard to the health and safety of the pupils attending the facility.

(3) That the total funds deposited by the district and the state pursuant to Section 17584 are insufficient to complete the project.

(b) If a determination is made that a hardship exists pursuant to subdivision (a), the State Allocation Board may increase the apportionment to a school district by the amount it determines necessary to complete the critical project.

(c) Notwithstanding subdivision (a), in any fiscal year in which the State Allocation Board has apportioned all funding from the State School Deferred Maintenance Fund for which school districts have qualified under Section 17584, the board may apportion any amount remaining in that fund for the purposes of this section.

(d) This section shall become operative on July 1, 2015.

SEC. 21. Section 17592.71 of the Education Code is amended to read:

17592.71. (a) There is hereby established in the State Treasury the School Facilities Emergency Repair Account. The State Allocation Board shall administer the account.

(b) (1) Commencing with the 2005–06 fiscal year, an amount of moneys shall be transferred in the annual Budget Act from the Proposition 98

Reversion Account to the School Facilities Emergency Repair Account, equaling 50 percent of the unappropriated balance of the Proposition 98 Reversion Account or one hundred million dollars (\$100,000,000), whichever amount is greater. Moneys transferred pursuant to this subdivision shall be used for the purpose of addressing emergency facilities needs pursuant to Section 17592.72.

(2) Notwithstanding paragraph (1), for the 2008–09 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall not exceed one hundred one million dollars (\$101,000,000).

(3) Notwithstanding paragraph (1), for the 2009–10 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero.

(4) Notwithstanding paragraph (1), for the 2010–11 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero.

(5) Notwithstanding paragraph (1), for the 2011–12 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero.

(c) The Legislature may transfer to the School Facilities Emergency Repair Account other one-time Proposition 98 funds, except funds specified pursuant to Section 41207, as repealed and added by Section 6 of Chapter 216 of the Statutes of 2004. Donations by private entities shall be deposited in the account and, for tax purposes, be treated as otherwise provided by law.

(d) Funds shall be transferred pursuant to this section until a total of eight hundred million dollars (\$800,000,000) has been disbursed from the School Facilities Emergency Repair Account.

SEC. 22. Section 33128.3 of the Education Code is amended to read:

33128.3. (a) Notwithstanding the standards and criteria adopted pursuant to paragraph (3) of subdivision (a) of Section 33128, for the 2009–10, 2010–11, and 2011–12 fiscal years, the minimum state requirement for a reserve for economic uncertainties is one-third of the percentage for a reserve adopted by the state board pursuant to Section 33128 as of May 1, 2009.

(b) The school district shall make progress, in the 2012–13 fiscal year, toward returning to compliance with the standards and criteria adopted pursuant to paragraph (3) of subdivision (a) of Section 33128.

(c) For the 2013–14 fiscal year, the minimum state requirement for a reserve for economic uncertainties shall be restored to the percentage adopted by the state board pursuant to Section 33128 as of May 1, 2009.

(d) This section shall become inoperative on July 1, 2014, and, as of January 1, 2015, is repealed, unless a later enacted statute, that becomes

operative on or before January 1, 2015, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 23. Section 41203.1 of the Education Code is amended to read:

41203.1. (a) For the 1990–91 fiscal year and each fiscal year thereafter, allocations calculated pursuant to Section 41203 shall be distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for the purposes of this section, school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution were to be applied separately to each segment and the base year for the purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989–90 fiscal year. Calculations made pursuant to this subdivision shall be made so that each segment of public education is entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

(b) If the single calculation made pursuant to Section 41203 yields a guaranteed amount of funding that is less than the sum of the amounts calculated pursuant to subdivision (a), the amount calculated pursuant to Section 41203 shall be prorated for the three segments of public education.

(c) Notwithstanding any other law, this section does not apply to the 1992–93 to 2011–12 fiscal years, inclusive.

SEC. 23.5. Section 41204.2 of the Education Code is repealed.

SEC. 23.7. Section 41204.2 is added to the Education Code, to read:

41204.2. The Director of Finance shall adjust “the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87” for purposes of applying paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution in a manner that ensures that the shift in General Fund revenues, pursuant to Sections 6051.8, 6201.8, 6357.7, and 7361.1, subdivision (b) of Section 7360, and subdivision (b) of Section 60050 of the Revenue and Taxation Code, as those provisions were enacted in the 2009–10 Eighth Extraordinary Session and 2009–10 Regular Session, and reenacted in the 2011–12 Regular Session, shall have no net fiscal impact upon the amounts that are otherwise required to be applied by the state for the support of school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution.

SEC. 24. Section 41204.3 is added to the Education Code, to read:

41204.3. (a) Notwithstanding any other law, for the 2011–12 fiscal year, the Director of Finance shall adjust “the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87” for purposes of making the calculations

required under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution in a manner that ensures that the shift to school districts and community college districts of local property tax revenues pursuant to subdivision (a) of Section 34183 of the Health and Safety Code has no net fiscal impact upon the combined amount of General Fund proceeds of taxes and allocated local proceeds of taxes that are otherwise required to be applied by the state for the support of school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution.

(b) For purposes of Section 8 of Article XVI of the California Constitution, the property tax revenues transferred to school districts, county offices of education, and community college districts pursuant to subdivision (a) of Section 34183 of the Health and Safety Code shall constitute “allocated local proceeds of taxes.”

(c) For the 2012–13 fiscal year, and for each fiscal year thereafter, the adjustments provided in this section shall not be made.

SEC. 25. Section 42238.146 of the Education Code is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 26. Section 42605 of the Education Code is amended to read:

42605. (a) (1) Unless otherwise prohibited under federal law or otherwise specified in subdivision (e), for the 2008–09 fiscal year to the 2014–15 fiscal year, inclusive, recipients of funds from the items listed in paragraph (2) may use funding received, pursuant to subdivision (b), from any of these items listed in paragraph (2) that are contained in an annual Budget Act, for any educational purpose.

(2) Items 6110-104-0001, 6110-105-0001, 6110-108-0001, 6110-122-0001, 6110-124-0001, 6110-137-0001, 6110-144-0001, 6110-150-0001, 6110-151-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001, 6110-267-0001, 6110-268-0001, and 6360-101-0001 of Section 2.00.

(b) (1) For the 2009–10 fiscal year to the 2014–15 fiscal year, inclusive, the Superintendent or other administering state agency, as appropriate, shall apportion from the amounts provided in the annual Budget Act for the items enumerated in paragraph (2) of subdivision (a) an amount to recipients based on the same relative proportion that the recipient received in the 2008–09 fiscal year for the programs funded through the items enumerated in paragraph (2) of subdivision (a).

(2) This section and Section 42 of Chapter 12 of the Third Extraordinary Session of the Statutes of 2009 do not authorize a school district that receives funding on behalf of a charter school pursuant to Sections 47634.1 and 47651 to redirect this funding for another purpose unless otherwise authorized in law or pursuant to an agreement between a charter school and its chartering authority. Notwithstanding paragraph (1), for the 2008–09 fiscal year to the 2014–15 fiscal year, inclusive, a school district that receives funding on behalf of a charter school pursuant to Sections 47634.1 and

47651 shall continue to distribute the funds to those charter schools based on the relative proportion that the school district distributed in the 2007–08 fiscal year, and shall adjust those amounts to reflect changes in charter school attendance in the district. The amounts allocated shall be adjusted for any greater or lesser amount appropriated for the items enumerated in paragraph (2) of subdivision (a). For a charter school that began operation in the 2008–09 fiscal year, if a school district received funding on behalf of that charter school pursuant to Sections 47634.1 and 47651, the school district shall continue to distribute the funds to that charter school based on the relative proportion that the school district distributed in the 2008–09 fiscal year and shall adjust the amount of those funds to reflect changes in charter school attendance in the district. The amounts allocated shall be adjusted for any greater or lesser amount appropriated for the items enumerated in paragraph (2) of subdivision (a).

(3) Notwithstanding paragraph (1), for the 2008–09 fiscal year to the 2014–15 fiscal year, inclusive, the Superintendent shall apportion from the amounts appropriated by Item 6110-211-0001 of Section 2.00 of the annual Budget Act an amount to a charter school in accordance with the per-pupil methodology prescribed in subdivision (c) of Section 47634.1.

(4) Notwithstanding paragraph (1), for the 2008–09 fiscal year to the 2014–15 fiscal year, inclusive, the Superintendent shall apportion from the amounts provided in the annual Budget Act an amount to a school district, charter school, and county office of education based on the same relative proportion that the local educational agency received in the 2007–08 fiscal year for the programs funded through the following items contained in Section 2.00 of the annual Budget Act: 6110-104-0001, 6110-105-0001, 6110-156-0001, 6110-190-0001, Schedule (3) of 6110-193-0001, 6110-198-0001, 6110-232-0001, and Schedule (2) of 6110-240-0001.

(5) For purposes of paragraph (4), if a direct-funded charter school began operation in the 2008–09 fiscal year, the amount that the charter school was entitled to receive from the items enumerated in paragraph (4) for the 2008–09 fiscal year, as certified by the Superintendent in March 2009, is deemed to have been received in the 2007–08 fiscal year.

(c) (1) This section does not obligate the state to refund or repay reductions made pursuant to this section. A decision by a school district to reduce funding pursuant to this section for a state-mandated local program shall constitute a waiver of the subvention of funds that the school district is otherwise entitled to pursuant to Section 6 of Article XIII B of the California Constitution on the amount so reduced.

(2) As a condition of receipt of funds, the governing board of the school district or board of the county office of education, as appropriate, at a regularly scheduled open public hearing shall take testimony from the public, discuss, approve or disapprove the proposed use of funding, and make explicit for each of the budget items in paragraph (2) of subdivision (a) the purposes for which the funds will be used.

(3) Using the Standardized Account Code Structure reporting process, a local educational agency shall report expenditures of funds pursuant to

the authority of this section by using the appropriate function codes to indicate the activities for which these funds are expended. The department shall collect and provide this information to the Department of Finance and the appropriate policy and budget committees of the Legislature by April 15, 2010, and annually thereafter on April 15 until, and including, April 15, 2016.

(d) For the 2008–09 fiscal year to the 2014–15 fiscal year, inclusive, local educational agencies that use the flexibility provision of this section shall be deemed to be in compliance with the program and funding requirements contained in statutory, regulatory, and provisional language, associated with the items enumerated in subdivision (a).

(e) Notwithstanding subdivision (d), the following requirements shall continue to apply:

(1) For Item 6110-105-0001 of Section 2.00 of the annual Budget Act, the amount authorized for flexibility shall exclude the funding provided to fund remedial educational services pursuant to Provision 4. For Item 6110-156-0001 of Section 2.00 of the annual Budget Act, the amount authorized for flexibility shall exclude the funding provided for instruction of CalWORKs-eligible students pursuant to Schedules (2) and (3) and Provisions 2 and 4.

(2) (A) Any instructional materials purchased by a local educational agency shall be the materials adopted by the state board for kindergarten and grades 1 to 8, inclusive, and for grades 9 to 12, inclusive, the materials purchased shall be aligned with state standards as defined by Section 60605, and shall also meet the reporting and sufficiency requirements contained in Section 60119.

(B) For purposes of this section, “sufficiency” means that each pupil has sufficient textbooks and instructional materials in the four core areas as defined by Section 60119 and that all pupils within the local educational agency who are enrolled in the same course shall have identical textbooks and instructional materials, as specified in Section 1240.3.

(3) For Item 6110-195-0001 of Section 2.00 of the annual Budget Act, the item shall exclude moneys that are required to fund awards for teachers that have previously met the requirements necessary to obtain these awards, until the award is paid in full.

(4) For Item 6110-266-0001 of Section 2.00 of the annual Budget Act, a county office of education shall conduct at least one site visit to each of the required schoolsites pursuant to Section 1240 and shall fulfill all of the duties set forth in Sections 1240 and 44258.9.

(5) For Item 6110-198-0001 of Section 2.00 of the annual Budget Act, a school district or county office of education that operates the child care component of the Cal-SAFE program shall comply with paragraphs (5) and (6) of subdivision (c) of Section 54746.

(f) This section does not invalidate any state law pertaining to teacher credentialing requirements or the functions that require credentials.

SEC. 27. Section 42606 of the Education Code is amended to read:

42606. (a) A local educational agency, including a direct-funded charter school, may apply for any state categorical program funding included in the annual Budget Act on behalf of a school that begins operation in the 2008–09 to the 2014–15 fiscal years, inclusive, but only to the extent the school or local educational agency is eligible for funding and meets the provisions of the program that were in effect as of January 1, 2009, except that charter schools shall not apply for any of the programs contained in Section 47634.4.

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

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

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

SEC. 28. Section 45023.1 of the Education Code, as added by Section 8 of Chapter 374 of the Statutes of 2009, is amended to read:

45023.1. (a) Commencing with the 2000–01 fiscal year, the county superintendent of schools or the county board of education may increase, for teachers meeting the requirements prescribed by this section, the salary on its adopted certificated employee salary schedule as provided in subdivision (b). For purposes of this section, a teacher for whom the county superintendent of schools or county board of education may increase salaries shall meet all of the following criteria:

- (1) Hold a valid California teaching credential, not including an emergency permit, intern certificate or credential, or waiver.
- (2) Possess a baccalaureate or higher degree.

(3) Receive a salary paid through the general fund of the county office.

(b) The county superintendent of schools or county board of education that increases its salaries pursuant to subdivision (a) shall perform the following computations:

(1) The county superintendent of schools or county board of education shall designate as the lowest salary on the salary schedule for a certificated employee meeting the criteria in subdivision (a) an amount that is at least an annual salary of thirty-four thousand dollars (\$34,000) in the 2000–01 fiscal year.

(2) The county superintendent of schools or county board of education shall increase to the annual salary amount in paragraph (1) the salary of any certificated employee meeting the criteria in subdivision (a) whose salary on the salary schedule for the 1999–2000 fiscal year was less than the amount computed in paragraph (1) and, notwithstanding Section 45028, shall incorporate that increase into the salary schedule commencing with the 2000–01 fiscal year.

(c) Each county office of education that increases its beginning teacher annual minimum salary to thirty-four thousand dollars (\$34,000) pursuant to subdivision (b) shall elect, except as provided in subdivision (j), to receive reimbursement for the cost of the increase pursuant to only one of the following two options:

(1) Option One:

(A) In fiscal year 2000–01, a county superintendent of schools or county office of education that increases salaries pursuant to paragraph (2) of subdivision (b) and selects reimbursement Option One shall receive an amount equal to six dollars (\$6) times the county office's second principal apportionment average daily attendance for the 1999–2000 fiscal year, excluding attendance in adult education programs and charter schools participating in the charter school block grant pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4.

(B) Divide the amount received from the state pursuant to subparagraph (A) for the 2000–01 fiscal year by the county office of education's second principal apportionment average daily attendance for the 1999–2000 fiscal year, excluding attendance in adult education programs and charter schools participating in the charter school block grant pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4.

(C) For the 2001–02 fiscal year and each fiscal year thereafter, for each county office of education that increases its salaries pursuant to subdivision (a), the Superintendent shall add the sum of clauses (i) and (ii) to the county office of education revenue limit computed pursuant to Section 2550:

(i) Annually increase the funding rate per unit of average daily attendance specified in subparagraph (B) by the percentage increase identified pursuant to Section 2557 and multiply the resulting product by the county office of education's second principal apportionment average daily attendance for the current fiscal year excluding attendance in regional occupational centers/programs, adult education programs, and charter schools participating

in the charter school block grant pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4.

(ii) Annually increase the funding rate per unit of average daily attendance specified in subparagraph (B) by the percentage increase identified pursuant to Section 2557 and multiply the resulting product by the county office of education's second principal apportionment average daily attendance for the current fiscal year in regional occupational centers/programs excluding attendance in charter schools participating in the charter school block grant pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4.

(D) The county superintendent of schools or county office of education shall utilize these incentive funds not only to meet the new beginning teacher annual minimum salary of thirty-four thousand dollars (\$34,000), but may also use the funds to generally enhance teachers' salaries in order to achieve the goals of retention of qualified, competent, and experienced teachers and the attainment of a reasonable salary commensurate with a teacher's experience, education, and responsibilities.

(2) Option Two: A county superintendent of schools or county office of education may submit a request to the Superintendent, on a form supplied by the Superintendent, for state funding computed as follows:

(A) Total the salaries of all certificated employees receiving increased salaries up to a maximum of thirty-four thousand dollars (\$34,000) per person pursuant to subdivision (b) for the 2000–01 fiscal year.

(B) Total all salaries, based on the salary schedule for the 2000–01 fiscal year before the increase made pursuant to subdivision (b), of all certificated employees receiving increased salaries pursuant to subdivision (b).

(C) Subtract the amount in subparagraph (B) from the amount in subparagraph (A).

(D) Multiply the amount in subparagraph (C) by the district's statutory benefit rates.

(E) For the 2000–01 fiscal year, a county superintendent of schools or county office of education that increases salaries pursuant to paragraph (2) of subdivision (b) and selects reimbursement Option Two shall receive the sum of subparagraphs (C) and (D).

(F) Divide the sum of the amounts received pursuant to subparagraphs (C) and (D) for the 2000–01 fiscal year by the county office of education average daily attendance for the second principal apportionment for the 2000–01 fiscal year, excluding attendance in adult education programs and charter schools participating in the charter school block grant pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4.

(G) For the 2001–02 fiscal year and each fiscal year thereafter, for each county office of education that increases its salaries pursuant to subdivision (a), the Superintendent shall add the sum of clauses (i) and (ii) to the county office of education revenue limit computed pursuant to Section 2550:

(i) Annually increase the funding rate per unit of average daily attendance calculated pursuant to subparagraph (F) by the percentage increase identified

pursuant to Section 2557 and multiply the resulting product by the county office of education's second principal apportionment average daily attendance for the current fiscal year excluding attendance in regional occupational centers/programs, adult education programs, and charter schools participating in the charter school block grant pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4.

(ii) Annually increase the funding rate per unit of average daily attendance calculated pursuant to subparagraph (F) by the percentage increase identified pursuant to Section 2557 and multiply the resulting product by the county office of education's second principal apportionment average daily attendance for the current fiscal year in regional occupational centers/programs excluding attendance in charter schools participating in the charter school block grant pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4.

(3) For purposes of the calculation required by clause (ii) of subparagraph (C) of paragraph (1) and clause (ii) of subparagraph (G) of paragraph (2), in the 2008–09, 2009–10, 2010–11, 2011–12, 2012–13, 2013–14, and 2014–15 fiscal years, a county office of education's second principal apportionment average daily attendance for the current fiscal year shall be the second principal apportionment average daily attendance for the 2007–08 fiscal year.

(d) State funds received pursuant to this section and not used pursuant to the conditions of this section shall be returned to the state.

(e) If the funds requested by the county superintendents of schools and the county offices of education for the 2000–01 fiscal year exceed the state appropriation for this section, the Superintendent shall reduce all requests by the application of a single, common percentage factor for apportionment purposes, so as not to exceed the amount appropriated for this purpose.

(f) A county office of education shall receive reimbursement pursuant to subdivision (c) only. However, this section does not prohibit a school district and its employees from negotiating salary schedules.

(g) The adjustments to county office of education revenue limits prescribed in subparagraph (C) of paragraph (1) of subdivision (c) and subparagraph (G) of paragraph (2) of subdivision (c) shall continue so long as the increase in the salary schedule made pursuant to paragraph (2) of subdivision (b) or subdivision (i) is maintained.

(h) The Superintendent shall issue appropriate forms to county offices of education no later than September 1, 2000. County superintendents of schools or county offices of education shall notify the Superintendent no later than September 30, 2001, regarding which option they wish to exercise for the 2000–01 fiscal year. County superintendents of schools or county offices of education shall file their claim form for state funds with the Superintendent no later than September 30, 2001.

(i) Adjustments made to county office of education revenue limits pursuant to subparagraph (C) of paragraph (1) of subdivision (c) and subparagraph (G) of paragraph (2) of subdivision (c) shall not be considered part of the base revenue limit for the purpose of computing equalization

adjustments or determining other wealth-related differences in school funding.

(j) Notwithstanding subdivision (c), a county office of education that already has as the annual minimum salary for beginning teachers who meet the criteria in subdivision (a) an amount equal to or greater than thirty-four thousand dollars (\$34,000) shall be eligible to receive reimbursement pursuant to Option One.

(k) This section shall become operative on July 1, 2010.

SEC. 29. Section 45023.4 of the Education Code is amended to read:

45023.4. (a) This section shall be known, and may be cited, as the Jack O'Connell Beginning-Teacher Salary Incentive Program. Commencing in the 1999–2000 fiscal year the county superintendent of schools or the county board of education may increase, for teachers who meet the requirements of this subdivision, the salary on its adopted certificated employee salary schedule as provided in subdivision (b). For purposes of this section, a teacher for whom the county superintendent of schools or county board of education may increase salaries shall meet all of the following criteria:

(1) Hold a valid California teaching credential, not including an emergency permit, intern permit, or waiver.

(2) Possess a baccalaureate or higher degree.

(3) Receive a salary paid from the general fund of the district or county office.

(b) The county superintendent of schools or county board of education that elects to increase teachers' salaries as authorized pursuant to subdivision (a) shall perform the following computations:

(1) The county superintendent of schools or county board of education shall designate as the lowest salary on the salary schedule for a certificated employee meeting or exceeding the criteria in subdivision (a) an amount equal to a minimum annual salary of thirty-two thousand dollars (\$32,000). If this salary change results in costs to the county office of education that are equal to or greater than the incentive received pursuant to subdivision (c), the minimum salary shall be thirty-two thousand dollars (\$32,000). If this salary change results in costs to the county offices of education that are less than the incentive received, the remainder shall be used to increase the beginning salary by an amount above thirty-two thousand dollars (\$32,000) which fully applies the incentive received.

(2) The county superintendent of schools or county board of education shall increase to the annual salary amount in paragraph (1) the salary of a certificated employee meeting the criteria in subdivision (a) whose salary on the salary schedule is less than the amount computed in paragraph (1) and, notwithstanding Section 45028, shall incorporate that increase into the salary schedule.

(3) The newly adopted salary schedule shall contain only one cell that meets the amount set forth in paragraph (1), which most often is the first-year step of a salary schedule column for certificated personnel who meet the criteria set forth in subdivision (a). All other salary schedule cells shall

exceed the level set forth in paragraph (1) for personnel that meet the criteria in subdivision (a).

(c) In the 1999–2000 fiscal year, the Superintendent shall divide the amount appropriated for the purposes of this section by the 1998–99 second principal apportionment average daily attendance for all county offices of education in the state. Each county office of education that certifies to the Superintendent that it is in full compliance with this section shall receive following that certification an amount equal to the results of the calculation multiplied by the participating county office's 1998–99 second principal apportionment average daily attendance.

(d) For the 2000–01 fiscal year and each fiscal year thereafter, for each county office of education that meets the requirements of subdivision (b), the Superintendent shall add the sum of paragraphs (1) and (2) to the county office of education revenue limit computed pursuant to Section 2550.

(1) Annually increase the statewide average funding rate per unit of average daily attendance calculated pursuant to subdivision (c) by the percentage increase identified pursuant to Section 2557 and multiply the resulting product by the county office of education's second period average daily attendance for the prior fiscal year excluding attendance in regional occupational centers or programs, adult education programs, and charter schools participating in the charter school block grant pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4.

(2) Annually increase the statewide average funding rate per unit of average daily attendance calculated pursuant to subdivision (c) by the percentage increase identified pursuant to Section 2557 and multiply the resulting product by the county office of education's second period average daily attendance for the prior fiscal year in regional occupational centers or programs excluding attendance in charter schools participating in the charter school block grant pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4.

(3) For purposes of the calculation required by paragraph (2), in the 2008–09, 2009–10, 2010–11, 2011–12, 2012–13, 2013–14, and 2014–15 fiscal years, the second period average daily attendance for the prior fiscal year shall be the second period average daily attendance for the 2007–08 fiscal year.

(e) The adjustment to the county office of education revenue limit prescribed in subdivision (d) shall continue so long as the increase in the salary schedule made pursuant to paragraph (2) of subdivision (b) is maintained.

(f) The adjustment made to county office of education revenue limits pursuant to subdivision (d) shall not be considered part of the base revenue limit for purposes of computing equalization adjustments or determining other differences in school funding that are based on the amount of funding received by a school district or county office of education.

(g) This section shall become operative on July 1, 2010.

SEC. 30. Section 46201.2 of the Education Code is amended to read:

46201.2. (a) Commencing with the 2009–10 school year and continuing through the 2014–15 school year, a school district, county office of education, or charter school may reduce the equivalent of up to five days of instruction or the equivalent number of instructional minutes without incurring the penalties set forth in Sections 41420, 46200, 46200.5, 46201, 46201.5, 46202, and 47612.5. A school district, county office of education, or charter school shall receive revenue limit funding based on the adjustments prescribed pursuant to Section 42238.146 whether or not it reduces the number of schooldays or instructional minutes.

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

SEC. 31. Section 52124.3 of the Education Code is amended to read:

52124.3. (a) For the 2008–09, 2009–10, 2010–11, 2011–12, 2012–13, and 2013–14 fiscal years only, the amounts deducted pursuant to subdivision (d) of Section 52124 shall be as follows:

(1) Five percent of the amount to which the school district would otherwise be eligible for each class for which the annual average enrollment determined pursuant to Section 52124.5 is greater than or equal to 20.5 but less than 21.5.

(2) Ten percent of the amount to which the school district would otherwise be eligible for each class for which the annual average enrollment determined pursuant to Section 52124.5 is greater than or equal to 21.5 but less than 22.5.

(3) Fifteen percent of the amount to which the school district would otherwise be eligible for each class for which the annual average enrollment determined pursuant to Section 52124.5 is greater than or equal to 22.5 but less than 23.0.

(4) Twenty percent of the amount to which the school district would otherwise be eligible for each class for which the annual average enrollment determined pursuant to Section 52124.5 is greater than or equal to 23.0 but less than 25.0.

(5) Thirty percent of the amount to which the school district would otherwise be eligible for each class for which the annual average enrollment determined pursuant to Section 52124.5 is greater than or equal to 25.0.

(b) For the 2008–09, 2009–10, 2010–11, 2011–12, 2012–13, and 2013–14 fiscal years, a local educational agency is eligible to receive funding pursuant to this chapter only for the same number of classes for which it had applied to receive program funding as of January 31, 2009. A local educational agency that meets these criteria is eligible for reduced funding under this section only for the number of classes reported on its 2008–09 operations application and is not eligible for funds under this chapter for classes in addition to that number.

SEC. 32. Section 60200.7 of the Education Code is amended to read:

60200.7. Notwithstanding Sections 60200 and 60200.1, the state board shall not adopt instructional materials or follow the procedures adopted pursuant to Sections 60200 and 60200.1 until the 2015–16 school year.

SEC. 33. Section 60422.1 of the Education Code, as amended by Section 29 of Chapter 2 of the Fourth Extraordinary Session of the Statutes of 2009, is amended and renumbered to read:

60422.3. (a) Notwithstanding subdivision (i) of Section 60200, Section 60422, or any other provision of law, for the 2008–09 to the 2014–15 fiscal years, inclusive, 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.

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

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

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

SEC. 34. Section 69432.7 of the Education Code is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CAL GRANT PROGRAM INCOME CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent and Independent students with dependents*		
Family Size		
Six or more	\$74,100	\$40,700
Five	\$68,700	\$37,700
Four	\$64,100	\$33,700
Three	\$59,000	\$30,300
Two	\$57,600	\$26,900
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 greater of the adjusted maximum household income and asset levels or the 2010–11 academic year maximum household income and asset levels. An applicant or renewal recipient who qualifies to be considered under the simplified needs test established by federal law for student assistance shall be presumed to meet the asset level test under this section. Prior to disbursing any Cal Grant funds, a qualifying institution shall be obligated, under the terms of its institutional participation agreement with the commission, to resolve any conflicts that may exist in the data the institution possesses relating to that individual.

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

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

- (i) Federal Work-Study.
- (ii) Perkins Loan Program.
- (iii) Supplemental Educational Opportunity Grant Program.

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

(C) A California public postsecondary educational institution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 35. Section 69432.9 of the Education Code is amended to read:

69432.9. (a) A Cal Grant applicant shall submit a complete official financial aid application pursuant to Section 69433 and applicable regulations adopted by the commission.

(b) Financial need shall be determined to establish an applicant’s initial eligibility for a Cal Grant award and a renewing recipient’s continued eligibility using the federal financial need methodology pursuant to subdivision (a) of Section 69506 and applicable regulations adopted by the commission, and as established by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Secs. 1070 et seq.).

(1) “Expected family contribution,” with respect to an applicant or renewing recipient shall be determined using the federal methodology pursuant to subdivision (a) of Section 69506 (as established by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Secs. 1070 et seq.)) and applicable rules and regulations adopted by the commission.

(2) “Financial need” means the difference between the student’s cost of attendance as determined by the commission and the expected family contribution. The calculation of financial need shall be consistent with Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Secs. 1070 et seq.).

(3) (A) The minimum financial need required for receipt of an initial and renewal Cal Grant A or Cal Grant C award shall be no less than the maximum annual award value for the applicable institution, plus an additional one thousand five hundred dollars (\$1,500) of financial need.

(B) The minimum financial need required for receipt of an initial and renewal Cal Grant B award shall be no less than seven hundred dollars (\$700).

(c) The commission shall require that a grade point average be submitted for all Cal Grant A and B applicants, except for those permitted to provide test scores in lieu of a grade point average. The commission shall require that each report of a grade point average include a certification, executed under penalty of perjury, by a school official, that the grade point average reported is accurately reported. The certification shall include a statement that it is subject to review by the commission or its designee. The commission shall adopt regulations that establish a grace period for receipt of the grade point average and any appropriate corrections, and that set forth the circumstances under which a student may submit a specified test score designated by the commission, by regulation, in lieu of submitting a qualifying grade point average. It is the intent of the Legislature that high schools and institutions of higher education certify the grade point averages of their students in time to meet the application deadlines imposed by this chapter.

SEC. 36. Section 69433.2 is added to the Education Code, to read:

69433.2. As a condition for its voluntary participation in the Cal Grant Program, each Cal Grant participating institution shall, beginning in 2012, annually report to the commission, and as further specified in the institutional participation agreement, both of the following for its undergraduate programs:

(a) Enrollment, persistence, and graduation data for all students, including aggregate information on Cal Grant recipients.

(b) The job placement rate and salary and wage information for each program that is either (1) designed or advertised to lead to a particular type of job; or (2) advertised or promoted with any claim regarding job placement.

SEC. 37. Section 69433.6 of the Education Code is amended to read:

69433.6. (a) Cal Grant A awards and Cal Grant B awards may be renewed for a total of the equivalent of four years of full-time attendance in an undergraduate program provided that minimum financial need as defined in paragraph (3) of subdivision (b) of Section 69432.9 continues to exist. Commencing with the 2001–02 academic year, the total number of years of eligibility for grants pursuant to this section shall be based on the student’s educational level in his or her course of study as designated by

the institution of attendance when the recipient initially receives payment for a grant.

(b) For a student enrolled in an institutionally prescribed five-year undergraduate program, Cal Grant A awards and Cal Grant B awards may be renewed for a total of five years of full-time attendance, provided that minimum financial need, as defined in paragraph (3) of subdivision (b) of Section 69432.9, continues to exist.

(c) (1) A Cal Grant Program award recipient who has completed a baccalaureate degree, and who has been admitted to and is enrolled in a program of professional teacher preparation at an institution approved by the California Commission on Teacher Credentialing is eligible for, but not entitled to, renewal of a Cal Grant Program award for an additional year of full-time attendance, if minimum financial need, as defined in paragraph (3) of subdivision (b) of Section 69432.9, continues to exist.

(2) Payment for an additional year is limited to only those courses required for an initial teaching authorization. An award made under this subdivision may not be used for other courses.

(d) A student's Cal Grant renewal eligibility shall not have lapsed more than 15 months prior to the payment of an award for purposes of this section.

SEC. 38. Section 76243 of the Education Code is amended to read:

76243. (a) A community college or community college district is not authorized to permit access to student records to any person without the written consent of the student or unless pursuant to judicial order, except that access may be permitted to the following:

(1) Officials and employees of the community college, if they have a legitimate educational interest to inspect a record.

(2) Authorized representatives of the Comptroller General of the United States, the Secretary of Health, Education, and Welfare, an administrative head of an education agency, state education officials, or their respective designees or the United States Office of Civil Rights, where that information is necessary to audit or evaluate a state or federally supported education program or pursuant to a federal or state law, except that when the collection of personally identifiable information is specifically authorized by federal law, any data collected by those officials shall be protected in a manner that will not permit the personal identification of students or their parents by other than those officials, and any personally identifiable data shall be destroyed when no longer needed for that audit, evaluation, and enforcement of federal legal requirements.

(3) Other state and local officials or authorities to the extent that information is specifically required to be reported pursuant to state law adopted prior to November 19, 1974.

(4) Officials of other public or private schools or school systems, including local, county, or state correctional facilities where educational programs are provided, where the student seeks or intends to enroll, or is directed to enroll, subject to the rights of students as provided in Section 76225.

(5) Agencies or organizations in connection with a student's application for, or receipt of, financial aid, provided that information permitting the personal identification of students may be disclosed only as may be necessary for those purposes as to determine the eligibility of the student for financial aid, to determine the amount of the financial aid, to determine the conditions that will be imposed regarding the financial aid, or to enforce the terms or conditions of the financial aid.

(6) Accrediting organizations in order to carry out their accrediting functions.

(7) Organizations conducting studies for, or on behalf of, educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, administering student aid programs, and improving instruction, if those studies are conducted in such a manner as will not permit the personal identification of students or their parents by persons other than representatives of those organizations and the information will be destroyed when no longer needed for the purpose for which it is conducted.

(8) (A) Appropriate persons in connection with an emergency if the knowledge of that information is necessary to protect the health or safety of a student or other persons, or subject to any regulations issued by the Secretary of Health, Education, and Welfare.

(B) A person, persons, agency, or organization permitted access to student records pursuant to this section shall not permit access to any information obtained from those records by any other person, persons, agency, or organization, except to the extent permitted under the federal Family Educational Rights and Privacy Act (20 U.S.C. Sec. 1232g) and state law, without the written consent of the student, provided that this subparagraph shall not require prior student consent when information obtained pursuant to this section is shared with other persons within the educational institution, agency or organization obtaining access, so long as those persons have a legitimate educational interest in the information.

(b) The alleged victim of any sexual assault or physical abuse, including rape, forced sodomy, forced oral copulation, rape by a foreign object, sexual battery, or threat or assault, or any conduct that threatens the health and safety of the alleged victim, which is the basis of any disciplinary action taken by a community college, shall be permitted access to that information. For the purposes of this subdivision, access to student record information shall be in the form of notice of the results of any disciplinary action by the community college and the results of any appeal, which shall be provided to the alleged victim within three days following that disciplinary action or appeal. The alleged victim shall keep the results of that disciplinary action and appeal confidential.

SEC. 39. Section 76300 of the Education Code is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 40. Section 84043 of the Education Code is amended to read:

84043. (a) (1) Notwithstanding any other provision of law, and unless otherwise prohibited under federal law, for the 2009–10 to 2014–15 fiscal years, inclusive, community college districts may use funding received, pursuant to subdivision (b), from any of the programs listed in paragraph (2) that are contained in Item 6870-101-0001 of Section 2.00 of the annual Budget Act, for the purposes of any of the programs contained in Schedule (2) and Schedules (4) to (23), inclusive, of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2009.

- (2) (A) Apprenticeship.
- (B) Matriculation.
- (C) Academic Senate for the Community Colleges.
- (D) Equal Employment Opportunity.
- (E) Part-time Faculty Health Insurance.
- (F) Part-time Faculty Compensation.
- (G) Part-time Faculty Office Hours.
- (H) Economic Development.
- (I) Transfer Education and Articulation.
- (J) Physical Plant and Instructional Support.
- (K) Campus Childcare Tax Bailout.

(b) For the 2009–10 to 2014–15 fiscal years, inclusive, the chancellor shall apportion from the amounts provided in the annual Budget Act for the programs enumerated in paragraph (2) of subdivision (a), an amount to a community college district, based on the same relative proportion that the district received in the 2008–09 fiscal year for the programs enumerated in paragraph (2) of subdivision (a). The amounts allocated shall be adjusted

for any greater or lesser amount appropriated for the items enumerated in paragraph (2) of subdivision (a).

(c) (1) This section does not obligate the state to refund or repay reductions made pursuant to this section. A decision by a district to reduce funding pursuant to this section for a state-mandated local program shall constitute a waiver of the subvention of funds that the district is otherwise entitled to pursuant to Section 6 of Article XIII B of the California Constitution on the amount so reduced.

(2) If a community college district elects to use funding received pursuant to subdivision (b) in the manner authorized pursuant to subdivision (a), the governing board of the district shall, at a regularly scheduled open public hearing, take testimony from the public, discuss, and shall approve or disapprove the proposed use of funding.

(3) (A) If a community college district elects to use funding received pursuant to subdivision (b) in the manner authorized pursuant to subdivision (a), the district shall continue to report the expenditures pursuant to this section by using the appropriate codes to indicate the activities for which these funds were expended using the existing standard reporting process as determined by the chancellor.

(B) The chancellor shall collect the information in subparagraph (A) and shall provide that information to the Department of Finance and to the appropriate policy and budget committees of the Legislature on or before April 15, 2010, and annually thereafter by April 15 of each year, through 2016.

(d) For the 2009–10 to 2014–15 fiscal years, inclusive, community college districts that elect to use funding in the manner authorized pursuant to subdivision (a) shall be deemed to be in compliance with the program and funding requirements contained in statutory, regulatory, and provisional language, associated with the programs enumerated in subdivision (a).

SEC. 41. Section 84321.6 of the Education Code is amended to read:

84321.6. (a) Notwithstanding any other law that governs the regulations adopted by the Chancellor of the California Community Colleges to disburse funds, the payment of apportionments to districts pursuant to Sections 84320 and 84321 shall be adjusted by the following:

(1) For the month of June, two hundred twenty-one million five hundred thousand dollars (\$221,500,000) shall be deferred to July.

(2) For the month of May, one hundred twenty-four million five hundred thousand dollars (\$124,500,000) shall be deferred, of which one hundred three million dollars (\$103,000,000) shall be deferred to July and twenty-one million five hundred thousand dollars (\$21,500,000) shall be deferred to October.

(3) For the month of April, one hundred seventy-nine million five hundred thousand dollars (\$179,500,000) shall be deferred, of which one hundred fifty-eight million dollars (\$158,000,000) shall be deferred to July and twenty-one million five hundred thousand dollars (\$21,500,000) shall be deferred to October.

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

(5) For the month of February, one hundred fifty-eight million dollars (\$158,000,000) shall be deferred, of which one hundred thirty-six million five hundred thousand dollars (\$136,500,000) shall be deferred to July and twenty-one million five hundred thousand dollars (\$21,500,000) shall be deferred to October.

(6) For the month of January, one hundred fifty-eight million dollars (\$158,000,000) shall be deferred, of which one hundred thirty-six million five hundred thousand dollars (\$136,500,000) shall be deferred to July and twenty-one million five hundred thousand dollars (\$21,500,000) shall be deferred to October.

(b) The sum of nine hundred sixty-one million dollars (\$961,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts, for expenditure during the 2012–13 fiscal year, to be expended in accordance with Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2010.

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

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

SEC. 42. Section 84321.7 is added to the Education Code, to read:

84321.7. (a) Commencing with the 2011–12 fiscal year, up to thirteen million dollars (\$13,000,000) of the amount of the warrants for the principal apportionments for the month of June, that are instead to be drawn in July pursuant to Section 84321.6, may be drawn in June, subject to the approval of the Director of Finance, for a community college district as follows:

(1) In order for a community college district to receive a payment in June pursuant to this section, the community college district shall certify to the Office of the Chancellor of the California Community Colleges and to the Director of Finance on or before April 1 that the deferral of warrants pursuant to Section 84321.6 will result in the community college district being unable to meet its financial obligations for June and shall provide the Office of the Chancellor of the California Community Colleges an estimate of the amount

of additional funds necessary for the community college district to meet its financial obligations for the month of June.

(2) The criteria, as applicable, set forth in statute and regulations to qualify a community college district for an emergency apportionment shall be used to make the certification specified in paragraph (1).

(3) A community college district may receive, pursuant to this section, no more than the lesser of the following:

(A) The total amount of additional funds necessary for the community college district to meet its financial obligations for the month of June, as reported to the Office of the Chancellor of the California Community Colleges pursuant to paragraph (1).

(B) The total payments the community college district is entitled to receive in July for the prior fiscal year.

(b) If the total amount requested by community college districts pursuant to paragraph (3) of subdivision (a) exceeds thirteen million dollars (\$13,000,000), the Controller, the Treasurer, and the Director of Finance may authorize additional payments to meet these requests, but total payments to community college districts pursuant to this section shall not exceed thirty-nine million dollars (\$39,000,000). No later than May 1, the Controller, the Treasurer, and the Director of Finance shall determine whether sufficient cash is available to make payments in excess of thirteen million dollars (\$13,000,000) to a community college district. In making the determination that cash is sufficient to make additional payments, in whole or in part, the Controller, Treasurer, and Director of Finance shall consider costs for state government, the scope of any identified cash shortage, timing, achievability, legislative direction, and the impact and hardship imposed on potentially affected programs, entities, and related public services. The Department of Finance shall notify the Joint Legislative Budget Committee within 10 days of this determination and identify the total amount of requests that will be paid.

(c) If the total amount of cash made available pursuant to subdivision (b) is less than the amount requested pursuant to paragraph (2) of subdivision (a), payments to community college districts shall be prioritized according to the date on which notification was provided to the Office of the Chancellor of the California Community Colleges and the Department of Finance.

(d) Payments pursuant to this section shall be made no later than June 20.

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

SEC. 43. Section 11323.2 of the Welfare and Institutions Code is amended to read:

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

(1) Child care.

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

(B) To the extent funds are available paid child care shall be available to a participant with a dependent child in the assistance unit who needs paid child care if the child is 11 or 12 years of age, as specified in subdivision (a) of Section 8201 of, and subdivision (i) of Section 8208 of, the Education Code.

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

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

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

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

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

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

(b) If provided in a county plan, the county may continue to provide case management and supportive services under this section to former participants who become employed. The county may provide these services for up to

the first 12 months of employment to the extent they are not available from other sources and are needed for the individual to retain the employment.

SEC. 44. Item 6110-161-0001 of Section 2.00 of the Budget Act of 2010 is amended to read:

6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children..... 3,093,564,000

Schedule:

(1) 10.60.050.003-Special education instruction..... 3,022,847,000

(2) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs..... 85,112,000

(3) Reimbursements for Early Education Program, Part C..... -14,395,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 2010–11 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code, superseding all prior law.
2. Of the funds appropriated in Schedule (1), up to \$13,178,000, plus any cost-of-living adjustment, shall be available for the purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
3. Of the funds appropriated in Schedule (1), up to \$10,058,000, plus any cost-of-living adjustment, shall be available for the purposes of vocational training and job placement for special education pupils through Project Workability I pursuant to Article 3 (commencing with Section 56470) of Chapter 4.5 of Part 30 of Division 4 of Title 2 of the Education Code. As a condition of receiving these funds, each local educational agency shall certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the level provided in the 1984–85 fiscal year. The Superintendent of Public Instruction

may waive this requirement for local educational agencies that demonstrate that the requirement would impose a severe hardship.

4. Of the funds appropriated in Schedule (1), up to \$5,246,000, plus any cost-of-living adjustment (COLA), shall be available for regional occupational centers and programs that serve pupils having disabilities; up to \$88,410,000, plus any COLA, shall be available for regionalized program specialist services; and up to \$2,637,000, plus any COLA, shall be available for small special education local plan areas (SELPAs) pursuant to Section 56836.24 of the Education Code.
5. Of the funds appropriated in Schedule (1), up to \$3,000,000 is provided for extraordinary costs associated with single placements in nonpublic, nonsectarian schools, pursuant to Section 56836.21 of the Education Code. Pursuant to legislation, these funds shall also provide reimbursement for costs associated with pupils residing in licensed children's institutes.
6. Of the funds appropriated in Schedule (1), up to \$198,344,000, plus any cost-of-living adjustment (COLA), is available to fund the costs of children placed in licensed children's institutions who attend nonpublic schools based on the funding formula authorized in Chapter 914 of the Statutes of 2004.
7. Funds available for infant units shall be allocated with the following average number of pupils per unit:
  - (a) For special classes and centers—16.
  - (b) For resource specialist programs—24.
  - (c) For designated instructional services—16.
8. Notwithstanding any other provision of law, early education programs for infants and toddlers shall be offered for 200 days. Funds appropriated in Schedule (2) shall be allocated by the State Department of Education for the 2010–11 fiscal year to those programs receiving allocations for instructional units pursuant to Section 56432 of the Education Code for the Early Education Program for Individuals with Exceptional Needs operated pursuant to Chapter 4.4 (commencing with Section 56425) of Part 30 of Division 4 of Title 2 of the Education Code, based on computing 200-day entitlements. Notwithstanding any other provision of law, funds in Schedule (2) shall be used only for the purposes specified in Provisions 10 and 11.
9. Notwithstanding any other provision of law, state funds appropriated in Schedule (2) in excess of the amount necessary to fund the deficiated entitlements

pursuant to Section 56432 of the Education Code and Provision 10 shall be available for allocation by the State Department of Education to local educational agencies for the operation of programs serving solely low-incidence infants and toddlers pursuant to Title 14 (commencing with Section 95000) of the Government Code. These funds shall be allocated to each local educational agency for each solely low-incidence child through age two in excess of the number of solely low-incidence children through age two served by the local educational agency during the 1992–93 fiscal year and reported on the April 1993 pupil count. These funds shall only be allocated if the amount of reimbursement received from the State Department of Developmental Services is insufficient to fully fund the costs of operating the Early Intervention Program, as authorized by Title 14 (commencing with Section 95000) of the Government Code.

10. The State Department of Education, through coordination with the special education local plan areas, shall ensure local interagency coordination and collaboration in the provision of early intervention services, including local training activities, child-find activities, public awareness, and the family resource center activities.
11. Funds appropriated in this item, unless otherwise specified, are available for the sole purpose of funding 2010–11 fiscal year special education program costs and shall not be used to fund any prior year adjustments, claims, or costs.
12. Of the amount provided in Schedule (1), up to \$188,000, plus any cost-of-living adjustment, shall be available to fully fund the declining enrollment of necessary small special education local plan areas pursuant to Chapter 551 of the Statutes of 2001.
13. Pursuant to Section 56427 of the Education Code, of the funds appropriated in Schedule (1), up to \$2,324,000 may be used to provide funding for infant programs, and may be used for those programs that do not qualify for funding pursuant to Section 56432 of the Education Code.
14. Of the funds appropriated in Schedule (1), up to \$29,478,000 shall be allocated to local educational agencies for the purposes of Project Workability I.
15. Of the funds appropriated in Schedule (1), up to \$1,700,000 shall be used to provide specialized services to pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.

16. Of the funds appropriated in Schedule (1), up to \$1,117,000 shall be used for a personnel development program. This program shall include state-sponsored staff development for special education personnel to have the necessary content knowledge and skills to serve children with disabilities. This funding may include training and services targeting special education teachers and related service personnel that teach core academic or multiple subjects to meet the applicable special education requirements of the Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. Sec. 1400 et seq.).
17. Of the funds appropriated in Schedule (1), up to \$200,000 shall be used for research and training in cross-cultural assessments.
18. Of the amount specified in Schedule (1), up to \$31,000,000 shall be used to provide mental health services required by an individual education plan pursuant to the federal Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. Sec. 1400 et seq.) and pursuant to Chapter 493 of the Statutes of 2004.
19. Of the amount provided in Schedule (1), \$0 is to reflect a cost-of-living adjustment.
20. Of the amount provided in Schedule (2), \$0 is to reflect a cost-of-living adjustment.
21. Of the amount appropriated in this item, up to \$1,480,000 is available for the state's share of costs in the settlement of Emma C. v. Delaine Eastin, et al. (N.D. Cal. No. C96-4179TEH). The State Department of Education shall report by January 1, 2011, to the fiscal committees of both houses of the Legislature, the Department of Finance, and the Legislative Analyst's Office on the planned use of the additional special education funds provided to the Ravenswood Elementary School District pursuant to this settlement. The report shall also provide the State Department of Education's best estimate of when this supplemental funding will no longer be required by the court. The State Department of Education shall comply with the requirements of Section 948 of the Government Code in any further request for funds to satisfy this settlement.
22. Of the funds appropriated in this item, up to \$2,500,000 shall be allocated directly to special education local plan areas for a personnel development program that meets the highly qualified teacher require-

ments and ensures that all personnel necessary to carry out this part are appropriately and adequately prepared, subject to the requirements of paragraph (14) of subdivision (a) of Section 612 of the federal Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. Sec. 1400 et seq.) and Section 2122 of the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.). The local in-service programs shall include a parent training component and may include a staff training component, and may include a special education teacher component for special education service personnel and paraprofessionals, consistent with state certification and licensing requirements. Use of these funds shall be described in the local plans. These funds may be used to provide training in alternative dispute resolution and the local mediation of disputes. All programs are to include evaluation components.

23. Notwithstanding any other provision of law, state funds appropriated in Schedule (1) in excess of the amount necessary to fund the defined entitlement shall be to fulfill other shortages in entitlements budgeted in this schedule by the State Department of Education, upon Department of Finance approval, to any program funded under Schedule (1).
24. The funds appropriated in this item reflect an adjustment to the base funding of 0.11 percent for the annual adjustment in statewide average daily attendance.
25. Of the funds appropriated in Schedule (1), the amount resulting from increases in federal funds reflected in the calculation performed in paragraph (1) of subdivision (c) of Section 56836.08 of the Education Code shall be allocated based on an equal amount per average daily attendance and added to each special education local plan area's base funding, consistent with paragraphs (1) to (4), inclusive, of subdivision (b) of Section 56836.158 of the Education Code. When the final amount is determined, the State Department of Education shall provide this information to the Department of Finance and the budget committees of each house of the Legislature.

SEC. 45. Item 6110-485 of Section 2.00 of the Budget Act of 2010 is amended to read:

6110-485—Reappropriation (Proposition 98), Department of Education. The sum of \$37,300,000 is hereby reappropri-

ated from the Proposition 98 Reversion Account for the following purposes:

0001—General Fund

- (3) The sum of \$20,000,000 shall be transferred to the Chancellor of the California Community Colleges for the purpose of providing funding to the community colleges to improve and expand career technical education in public secondary education and lower division public higher education pursuant to Section 88532 of the Education Code.
- (4) The sum of \$13,117,000 shall be allocated to Section A of the State School Fund for apportionment for special education programs pursuant to Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code.
- (5) The sum of \$4,183,000 shall be allocated to Section A of the State School Fund for apportionment for the purposes set forth in Provision 3 of Item 6110-488 of Section 2.00 of the Budget Act of 2010 (Ch. 712, Stats. 2010).

SEC. 46. Item 6110-488 of Section 2.00 of the Budget Act of 2010 is amended to read:

6110-488—Reappropriation (Proposition 98), Department of Education. Notwithstanding any other provision of law, the balances from the following items are available for reappropriation for the purposes specified in Provisions 1, 2, 3, and 4:

0001—General Fund

- (12) \$25,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Adult Education (ROC/P) programs in paragraph (3) of subdivision (a) of Section 43 of Chapter 79 of the Statutes of 2006
- (13) \$59,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for ELL Best Practices for Improving Achievement in paragraph (13) of subdivision (a) of Section 43 of Chapter 79 of the Statutes of 2006
- (13.1) \$103,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education in Schedule (1) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (13.3) \$16,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appro-

- appropriated for CalWORKs Stage 2 child care in Schedule (1.5)(e) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (13.5) \$13,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education in Schedule (1) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
  - (14) \$14,114,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Grade 9 Class Size Reduction program of Item 6110-232-0001 of Section 2.00 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
  - (15) \$82,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Special Education in Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
  - (15.2) \$8,772,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
  - (15.3) \$128,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education in Schedule (1) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
  - (15.4) \$1,066,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for general child development programs in Schedule (1.5)(a) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
  - (15.5) \$44,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for migrant day care programs in Schedule (1.5)(c) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2008 (Ch. 268 and 269, Stats. 2008)
  - (15.6) \$5,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for alternative payment programs in Schedule

- (1.5)(d) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2008 (Ch. 268 and 269, Stats. 2008)
- (15.7) \$135,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKs Stage 2 child care programs in Schedule (1.5)(e) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (15.8) \$8,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKs Stage 3 child care programs in Schedule (1.5)(f) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (15.9) \$9,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKs Resource and Referral programs in Schedule (1.5)(g) of Item 6110-196-0001 of Section the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (15.10) \$101,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKs Extended Day Care programs in Schedule (1.5)(i) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (15.11) \$2,245,000 or whatever greater or lesser amount reflects the unexpended balance of the amount reappropriated for CalWORKs Stage 2 child care per Provision 3 of Item 6110-488 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (16) \$4,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Child Oral Health Assessments in Item 6110-268-0001 of Section 2.00 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (16.3) \$2,000,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Home to School Transportation program in Schedule (1) of Item 6110-111-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- (17) \$22,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated

- for the Foster Youth program in Item 6110-119-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- (18) \$39,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Acquisition program in Item 6110-125-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
  - (19) \$50,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Partnership Academies program in Schedule (1) of Item 6110-166-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
  - (20) \$37,887,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
  - (21) \$12,103,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKs Stage 2 child care in Schedule (1.5)(e) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
  - (22) \$6,712,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKs Stage 3 child care in Schedule (1.5)(f) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
  - (23) \$130,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California High School Exit Exam Supplemental Instruction program in Item 6110-204-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
  - (24) \$1,000,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Economic Impact Aid program for charter schools in Schedule (2) of Item 6110-211-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1,

- 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- (25) \$14,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Tutoring program in Item 6110-227-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
  - (26) \$102,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Arts and Music Block Grant program in Item 6110-265-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
  - (27) \$12,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Certificated Staff Mentoring program in Item 6110-267-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
  - (28) \$990,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California Partnership Academies program in Item 6110-650-0001, pursuant to Section 5 of Chapter 3 of the Statutes of 2009, Fourth Extraordinary Session, as amended by Chapter 31 of the Statutes of 2009, Third Extraordinary Session
  - (29) \$2,665,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the After School Education and Safety Program in Item 6110-649-0001 from the 2008–09 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002, and pursuant to Section 8483.51 of the Education Code as enacted by Chapter 2 of the Statutes of 2008, Third Extraordinary Session
  - (30) \$192,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the After School Education and Safety Program in Item 6110-649-0001 from the 2009–10 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002, and pursuant to Section 8483.51 of the Education Code as enacted by Chapter 2 of the Statutes of 2008, Third Extraordinary Session
  - (31) \$17,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated

for the After School Education and Safety Program in Item 6110-651-0001, pursuant to Section 5 of Chapter 3 of the Statutes of 2009, Fourth Extraordinary Session, as amended by Chapter 31 of the Statutes of 2009, Third Extraordinary Session

Provisions:

1. The sum of \$5,224,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction to support California School Information Services administration activities authorized pursuant to Schedule (2) of Item 6110-140-0001.
2. The sum of \$9,000,000 shall be allocated pursuant to subdivision (d) of Section 42606 of the Education Code to school districts in the 2010–11 fiscal year for the purpose of providing categorical funding for new schools commencing operations in the 2008–09, 2009–10, and 2010–11 fiscal years.
3. The sum of \$76,640,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction on a one-time basis to provide services in the 2010–11 fiscal year for pupils with mental health related services required by their individualized education programs, as described in Section 56363 of the Education Code.
  - (a) The Superintendent shall allocate these funds to each special education local plan area in the following manner, using data available from the CASEMIS system as of December 1, 2010. Each special education local plan area shall receive funding in an amount equal to:
    - (1) The sum of \$4,224 for each pupil whose individualized education program requires one or more of the following mental health related services: individual counseling, counseling and guidance, parent counseling, social work services, or behavior intervention services.
    - (2) Twice the per pupil amount provided pursuant to paragraph (1) for each pupil whose individualized education program requires psychological services.
    - (3) Four times the per pupil amount provided pursuant to paragraph (1) for each pupil whose individual-

ized education program requires day treatment services.

- (4) Nine times the per pupil amount provided pursuant to paragraph (1) for each pupil whose individualized education program requires mental health related residential treatment services.
- (b) The Superintendent shall count individual pupils in only one of the four categories set forth in paragraphs (1) to (4), inclusive, of subdivision (a), based on the most intensive level of services required by the pupil's individualized education program.
- (c) If the overall funding allocation is insufficient to fully fund the amount set forth in subdivision (a), or if there is excess funding available, the Superintendent shall adjust the per pupil amount set forth in paragraph (1) of subdivision (a) and the corresponding per pupil amounts set forth in paragraphs (2), (3), and 4 of subdivision (a), in order to match the full allocation.

SEC. 47. Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Social Services or the State Department of Education may implement Sections 4 to 12, inclusive, and Section 43, of this act, through all-county letters, management bulletins, or similar instructions.

SEC. 48. Notwithstanding any other provision of law, the implementation of Sections 4 to 12, inclusive, and Section 43, of this act is not subject to the appeal and resolution procedures for agencies that contract with the State Department of Education for the provision of child care services or the due process requirements afforded to families that are denied services specified in Chapter 19 (commencing with Section 18000) of Division 1 of Title 5 of the California Code of Regulations.

SEC. 49. (a) Notwithstanding any other provision of law, the unobligated balances from the following budget items are reappropriated to the State Department of Education for CalWORKs Stage 3 child care services, in augmentation of, and for the purposes specified in, Schedule (1.5)(f) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2010 (Ch. 712, Stats. 2010), for the period of April 1, 2011, to June 30, 2011, inclusive.

(1) Up to twenty million dollars (\$20,000,000) from Schedule (1) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.).

(2) Up to forty million dollars (\$40,000,000) from Schedule (1.5) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.).

(b) Pursuant to this section, the State Department of Education shall use the funds appropriated in subdivision (a) for eligible families pursuant to Section 8354 of the Education Code as it read on January 1, 2011.

SEC. 50. (a) The sum of nine hundred five million seven hundred thousand dollars (\$905,700,000) is hereby appropriated from the General Fund to the State Department of Education. This appropriation reflects the portion of the payment for class size reduction in kindergarten and grades 1 to 3, inclusive, that is to be deferred until and attributed to the 2012–13 fiscal year and the June 2012 principal apportionment that is to be deferred until July 2012 and attributed to the 2012–13 fiscal year. Notwithstanding any other law, the department shall encumber the funds appropriated in this section by July 31, 2012. It is the intent of the Legislature that, by extending the encumbrance authority for the funds appropriated in this section to July 31, 2012, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2011. The appropriation is made in accordance with the following schedule:

(1) Six million two hundred twenty-seven thousand dollars (\$6,227,000) for apprenticeship programs to be expended consistent with the requirements specified in Item 6110-103-0001 of Section 2.00 of the Budget Act of 2011.

(2) Ninety million one hundred seventeen thousand dollars (\$90,117,000) for supplemental instruction to be expended consistent with the requirements specified in Item 6110-104-0001 of Section 2.00 of the Budget Act of 2011. Of the amount appropriated by this paragraph, fifty-one million sixty-one thousand dollars (\$51,061,000) shall be expended consistent with Schedule (1) of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2011, twelve million three hundred thirty thousand dollars (\$12,330,000) shall be expended consistent with Schedule (2) of that item, four million six hundred ninety thousand dollars (\$4,690,000) shall be expended consistent with Schedule (3) of that item, and twenty-two million thirty-six thousand dollars (\$22,036,000) shall be expended consistent with Schedule (4) of that item.

(3) Thirty-nine million six hundred thirty thousand dollars (\$39,630,000) for regional occupational centers and programs to be expended consistent with the requirements specified in Schedule (1) of Item 6110-105-0001 of Section 2.00 of the Budget Act of 2011.

(4) Four million two hundred ninety-four thousand dollars (\$4,294,000) for the Gifted and Talented Pupil Program to be expended consistent with the requirements specified in Item 6110-124-0001 of Section 2.00 of the Budget Act of 2011.

(5) Forty-five million eight hundred ninety-six thousand dollars (\$45,896,000) for adult education to be expended consistent with the requirements specified in Schedule (1) of Item 6110-156-0001 of Section 2.00 of the Budget Act of 2011.

(6) Four million seven hundred fifty-one thousand dollars (\$4,751,000) for community day schools to be expended consistent with the requirements specified in Item 6110-190-0001 of Section 2.00 of the Budget Act of 2011.

(7) Five million nine hundred forty-seven thousand dollars (\$5,947,000) for categorical block grants for charter schools to be expended consistent

with the requirements specified in Item 6110-211-0001 of Section 2.00 of the Budget Act of 2011.

(8) Thirty-eight million seven hundred twenty thousand dollars (\$38,720,000) for the School Safety Block Grant to be expended consistent with the requirements specified in Item 6110-228-0001 of Section 2.00 of the Budget Act of 2011.

(9) One hundred million one hundred eighteen thousand dollars (\$100,118,000) for the Targeted Instructional Improvement Block Grant Program to be expended consistent with the requirements specified in Item 6110-246-0001 of Section 2.00 of the Budget Act of 2011.

(b) The amount appropriated in subdivision (a) shall be reduced by the lesser of five hundred seventy million dollars (\$570,000,000) or the sum of the amounts transferred pursuant to paragraphs (3) and (4) of subdivision (b) of Section 58 of this act.

(c) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2012–13 fiscal year, and included within the “[t]otal allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2012–13 fiscal year.

SEC. 51. The sum of five million dollars (\$5,000,000) is hereby appropriated from the General Fund to augment the Charter School Revolving Loan Fund for use pursuant to Section 41365 of the Education Code.

SEC. 52. (a) Notwithstanding Sections 42238.1 and 42238.15 of the Education Code or any other law, the cost-of-living adjustment for Items 6110-104-0001, 6110-105-0001, 6110-119-0001, 6110-122-0001, 6110-124-0001, 6110-128-0001, 6110-150-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-167-0001, 6110-181-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-196-0001, 6110-203-0001, 6110-209-0001, 6110-211-0001, 6110-224-0001, 6110-232-0001, 6110-234-0001, 6110-244-0001, and 6110-246-0001 of Section 2.00 of the Budget Act of 2011 is zero percent for the 2011–12 fiscal year. All funds appropriated in the Budget Act of 2011 in the items identified in this section are in lieu of the amounts that would otherwise be appropriated pursuant to any other provision of law.

(b) Notwithstanding Section 42238.1 of the Education Code or any other law, for purposes of Section 48664 of the Education Code, the cost-of-living adjustment is zero percent for the 2011–12 fiscal year.

SEC. 53. Notwithstanding any other provision of law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-124-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-190-0001, 6110-211-0001, 6110-234-0001, and 6110-243-0001 of Section 2.00 of the Budget Act of 2011 shall be

encumbered by July 31, 2012. This one-month extension of encumbrance authority is provided due to the effect of the deferral of the June 2012 principal apportionment on the budget items specified in this section. It is the intent of the Legislature that, by extending the encumbrance authority for the funds identified in this section to July 31, 2012, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2011.

SEC. 54. The sum of two million two hundred fifty-seven thousand dollars (\$2,257,000) is hereby appropriated for the 2010–11 fiscal year, payable from the Federal Trust Fund to the State Department of Education, State Operations, for allocation pursuant to the following schedule:

(a) One million nine hundred seventy-three thousand dollars (\$1,973,000) for the development of a comprehensive strategy to address data reporting requirements and the development of the California Longitudinal Pupil Achievement Data System (CALPADS), to meet requirements of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) and Chapter 1002 of the Statutes of 2002, as follows:

(1) Six hundred ninety-eight thousand dollars (\$698,000) for vendor costs associated with systems integration activities.

(2) Two hundred seventy-seven thousand dollars (\$277,000) for vendor project management costs.

(3) Three hundred thousand dollars (\$300,000) for an independent project oversight consultant and independent validation and verification costs.

(4) Four thousand dollars (\$4,000) for system hardware costs.

(5) Six thousand dollars (\$6,000) for system software costs.

(6) Fifteen thousand dollars (\$15,000) for Department of General Services contract revision charges.

(7) Five hundred twenty-two thousand dollars (\$522,000) for various costs, including indirect charges, charges from the Office of Technology Services, and operating expenses and equipment.

(8) One hundred fifty-one thousand dollars (\$151,000) for State Department of Education staff support for the project.

(b) Two hundred eighty-four thousand dollars (\$284,000) for State Department of Education data management staff responsible for fulfilling certain federal requirements not directly associated with CALPADS.

(c) First priority for funds provided in this section shall be to support the transfer of knowledge from the CALPADS vendor to staff of the State Department of Education and any other relevant state agency. This knowledge transfer shall ensure the ability of the State Department of Education to operate and maintain CALPADS over time.

SEC. 55. As a condition of receiving funds to administer the California Longitudinal Pupil Achievement Data System established pursuant to Section 60900 of the Education Code, the State Department of Education shall ensure that local educational agencies are provided with the standardized templates consistent with Section 33126.1 of the Education Code that include all available prepopulated data necessary for local educational agencies to meet the requirements established in the School Accountability Report Card pursuant to Section 33126 of the Education Code.

SEC. 56. (a) It is the intent of the Legislature that basic aid school districts assume categorical funding reductions proportionate to the revenue limit reductions implemented for nonbasic aid districts in the 2008–09 and 2009–10 fiscal years. It is the intent of the Legislature that the reductions to categorical funding for basic aid school districts set forth in this section be restored at the same time as, and in direct proportion to, reductions in the deficit factor for school district revenue limits set forth in Section 42238.146 of the Education Code. The Superintendent of Public Instruction shall reduce the amount of categorical funding allocated to basic aid school districts in the 2010–11 fiscal year, as follows:

(1) For the 2010–11 fiscal year, the State Department of Education shall notify each basic aid school district, by September 1, 2011, or two months after the Budget Act of 2011 is enacted, whichever is later, of the amount of funds to be reduced from its categorical funding allocations, as follows:

(A) Multiply each district’s 2010–11 fiscal year total revenue limit subject to the deficit factor specified in paragraph (5) of subdivision (a) of Section 42238.146 of the Education Code, calculated as of the 2010–11 fiscal year certified second principal apportionment, by 8.92 percent.

(B) The department shall recover from categorical funds identified in paragraph (2) and apportioned in the 2011–12 fiscal year to school districts that were basic aid school districts in the 2010–11 fiscal year, the lesser of the amount calculated in subparagraph (A) or the amount by which the sum of the amounts described in subdivision (h) of Section 42238 of the Education Code exceeds the school district’s revenue limit. This result will be further limited by the following:

(i) The amount of categorical funds to be reduced shall be limited to the extent that the provisions of Section 41975 of the Education Code cannot be met through other state aid.

(ii) If the amount determined in subparagraph (A) exceeds the amount of categorical funding owed or paid in the 2011–12 fiscal year to the basic aid school district for programs identified in paragraph (2), the department shall recover the lesser amount.

(2) The State Department of Education shall recover the amount of funds calculated in paragraph (1) and may offset funds for any categorical program to be received in the 2011–12 fiscal year, with the exception of funds received under the After School Education and Safety Program, the Quality Education Investment Act of 2006, and child care and development.

(b) By June 30, 2012, the State Department of Education shall report to the Controller and the Director of Finance the amounts that were recovered from each categorical education program and the corresponding item of appropriation in the Budget Act of 2010 that is to be reduced. The amounts so reduced shall revert to the General Fund. The reductions pursuant to this subdivision shall be reductions in the amount appropriated for purposes of Section 8 of Article XVI of the California Constitution for the 2010–11 fiscal year.

(c) For purposes of this section, “basic aid school district” means a school district that does not receive from the state, for the 2010–11 fiscal year, an

apportionment of state funds pursuant to subdivision (h) of Section 42238 of the Education Code.

SEC. 57. (a) It is the intent of the Legislature that basic aid school districts assume categorical funding reductions proportionate to the revenue limit reductions implemented for nonbasic aid districts in the 2008–09 and 2009–10 fiscal years. It is the intent of the Legislature that the reductions to categorical funding for basic aid school districts set forth in this section be restored at the same time as, and in direct proportion to, reductions in the deficit factor for school district revenue limits set forth in Section 42238.146 of the Education Code. The Superintendent of Public Instruction shall reduce the amount of categorical funding allocated to basic aid school districts in the 2011–12 fiscal year, as follows:

(1) For the 2011–12 fiscal year, the State Department of Education shall notify each basic aid school district, by September 1, 2012, or two months after the Budget Act of 2012 is enacted, whichever is later, of the amount of funds to be reduced from its categorical funding allocations, as follows:

(A) Multiply each district’s 2011–12 fiscal year total revenue limit subject to the deficit factor specified in paragraph (5) of subdivision (a) of Section 42238.146 of the Education Code, calculated as of the 2011–12 fiscal year certified second principal apportionment, by 8.92 percent.

(B) The department shall recover from categorical funds identified in paragraph (2) and apportioned in the 2012–13 fiscal year to school districts that were basic aid school districts in the 2011–12 fiscal year, the lesser of the amount calculated in subparagraph (A) or the amount by which the sum of the amounts described in subdivision (h) of Section 42238 of the Education Code exceeds the school district’s revenue limit. This result will be further limited by the following:

(i) The amount of categorical funds to be reduced shall be limited to the extent that the provisions of Section 41975 of the Education Code cannot be met through other state aid.

(ii) If the amount determined in subparagraph (A) exceeds the amount of categorical funding owed or paid in the 2012–13 fiscal year to the basic aid school district for programs identified in paragraph (2), the department shall recover the lesser amount.

(2) The State Department of Education shall recover the amount of funds calculated in paragraph (1) and may offset funds for any categorical program to be received in the 2012–13 fiscal year, with the exception of funds received under the After School Education and Safety Program, the Quality Education Investment Act of 2006, and child care and development.

(b) By June 30, 2013, the State Department of Education shall report to the Controller and the Director of Finance the amounts that were recovered from each categorical education program and the corresponding item of appropriation in the Budget Act of 2011 that is to be reduced. The amounts so reduced shall revert to the General Fund. The reductions pursuant to this subdivision shall be reductions in the amount appropriated for purposes of Section 8 of Article XVI of the California Constitution for the 2011–12 fiscal year.

(c) For purposes of this section, “basic aid school district” means a school district that does not receive from the state, for the 2011–12 fiscal year, an apportionment of state funds pursuant to subdivision (h) of Section 42238 of the Education Code.

SEC. 58. (a) Notwithstanding any other law, the Superintendent of Public Instruction shall certify to the Controller the amounts needed for the 2011–12 fiscal year to fund the class size reduction program operated pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2 of the Education Code, pursuant to the following schedule:

(1) Within 90 days of the enactment of the Budget Act of 2011, the Superintendent of Public Instruction shall certify to the Controller the amount needed to fund the advance apportionments for the 2011–12 fiscal year, consistent with paragraph (2) of subdivision (c), and paragraph (1) of subdivision (g), of Section 52126 and Section 52124.3 of the Education Code.

(2) By February 25, 2012, the Superintendent of Public Instruction shall certify to the Controller the amount needed to fund the apportionment payments for the 2011–12 fiscal year on the basis of applications received, consistent with paragraph (2) of subdivision (c), and paragraph (2) of subdivision (g), of Section 52126 and Section 52124.3 of the Education Code.

(3) By July 25, 2012, the Superintendent of Public Instruction shall certify to the Controller the amount needed to fund the apportionments for the 2011–12 fiscal year on the basis of actual enrollment, consistent with paragraph (2) of subdivision (c), and paragraph (3) of subdivision (g), of Section 52126 and Section 52124.3 of the Education Code.

(4) By April 30, 2013, the Superintendent of Public Instruction shall certify to the Controller the amount needed to fund the full apportionments for the 2011–12 fiscal year on the basis of revised reports of actual enrollment, consistent with paragraph (2) of subdivision (c), and paragraph (3) of subdivision (g), of Section 52126 and Section 52124.3 of the Education Code.

(b) Not later than five days following each certification made pursuant to subdivision (a), the Controller shall transfer from the General Fund to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for purposes of Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2 of the Education Code the following amounts:

(1) For the certification made pursuant to paragraph (1) of subdivision (a), the amount certified.

(2) For the certification made pursuant to paragraph (2) of subdivision (a), 55 percent of the amount certified minus the amount transferred pursuant to paragraph (1).

(3) For the certification made pursuant to paragraph (3) of subdivision (a), the amount certified minus the sum of the amounts transferred pursuant to paragraphs (1) and (2).

(4) For the certification made pursuant to paragraph (4) of subdivision (a), the amount certified pursuant to paragraph (4) of subdivision (a) minus the sum of the amounts transferred pursuant to paragraphs (1), (2), and (3).

(c) Not less than 30 days before making each certification pursuant to subdivision (a), the Superintendent of Public Instruction shall notify the Department of Finance, the Legislative Analyst, and the appropriate policy and fiscal committees of the Legislature regarding the amounts the Superintendent intends to certify to the Controller and shall include in that notification the data used in determining the amounts to be certified.

(d) The per pupil amounts for Option One and Option Two for the 2011–12 fiscal year shall be the same as those provided in the 2009–10 fiscal year.

(e) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the transfers made by paragraphs (3) and (4) of subdivision (b) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2012–13 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2012–13 fiscal year.

SEC. 59. (a) For the 2011–12 fiscal year only, items 6440-001-0001, 6440-004-0001, and 6440-005-0001 of Section 2.00 of the Budget Act of 2011 collectively reflect a General Fund budget reduction of five hundred million dollars (\$500,000,000), which is offset by revenues associated with the fee increases adopted by the Regents of the University of California (regents) in November 2010, including an 8 percent increase for undergraduates, for a net programmatic reduction of, approximately three hundred eighty-four million dollars (\$384,000,000) excluding mandatory cost increases. In implementing the General Fund reduction, the regents shall minimize fee and enrollment impacts on students by targeting actions that lower the costs of instruction and administration.

(b) The regents shall submit recommended budget options, based on input from stakeholders, including, but not limited to, input received as of February 18, 2011, with savings estimates for each identified solution, for implementing the budget reductions to the Legislature, the Governor, and stakeholders, including representatives of students and employees, for review and comment by June 1, 2011, prior to adoption of a final plan by the regents.

(c) The Legislature expects the university to enroll 209,977 state-supported full-time equivalent students (FTES) during the 2011–12 academic year. This enrollment target does not include nonresident students and students enrolled in nonstate-supported summer programs. The regents shall report to the Legislature by May 1, 2012, on whether the university has met the 2011–12 enrollment goal. If the university does not meet its total state-supported enrollment goal by at least 1,050 FTES, the Director of Finance shall revert to the General Fund by May 15, 2012, the total amount of enrollment funding associated with the total share of the

enrollment goal that was not met, using the marginal cost per student of \$10,011.

(d) Not later than September 1, 2012, the regents shall submit a final detailed report to the Governor, the Department of Finance, and the Legislature identifying the value of all of the solutions implemented to achieve the intent of this provision, including the value of any solutions that were not anticipated in the initially approved plan pursuant to subdivision (b), including the reasons therefor.

SEC. 60. (a) For the 2011–12 fiscal year only, items 6610-001-0001 and 6610-002-0001 of Section 2.00 of the Budget Act of 2011 collectively reflect a General Fund budget reduction of five hundred million dollars (\$500,000,000), which is offset by revenues associated with the fee increases adopted by the Trustees of the California State University (trustees) in November 2010, including an 10 percent increase for undergraduates, for a net programmatic reduction of approximately three hundred fifty-three million dollars (\$353,000,000) excluding mandatory cost increases. In implementing this General Fund reduction, the trustees shall minimize fee and enrollment impacts on students by targeting actions that lower the costs of instruction and administration.

(b) The trustees shall submit recommended budget options, based on input from stakeholders, including, but not limited to, input received as of February 18, 2011, with savings estimates for each identified solution, for implementing the budget reductions to the Legislature, the Governor, and stakeholders, including representatives of students and employees for review and comment by June 1, 2011, prior to adoption of a final plan by the trustees.

(c) The Legislature expects the university to enroll 331,716 state-supported full-time equivalent students (FTES) during the 2011–12 academic year. This enrollment target does not include nonresident students and students enrolled in nonstate-supported summer programs. The trustees shall report to the Legislature by May 1, 2012, on whether the university has met the 2011–12 enrollment goal. If the university does not meet its total state-supported enrollment goal by at least 1,659 FTES, the Director of Finance shall revert to the General Fund by May 15, 2012, the total amount of enrollment funding associated with the total share of the enrollment goal that was not met, using the marginal cost per student of \$7,305.

(d) Not later than September 1, 2012, the trustees shall submit a final detailed report to the Governor, the Department of Finance, and the Legislature identifying the value of all of the solutions implemented to achieve the intent of this provision, including the value of any solutions that were not anticipated in the initially approved plan pursuant to subdivision (b), including the reasons therefor.

SEC. 60.5. It is the intent of the Legislature to reenact the “fuel tax swap,” as originally enacted by Assembly Bill 6 of the 2009–10 Eighth Extraordinary Session and subsequently modified by Senate Bill 70 of the 2009–10 Regular Session, and as further modified, with a two-thirds vote

of each house of the Legislature pursuant to the requirements of Proposition 26, as approved by the voters at the November 2, 2010, statewide General Election. Sections 23.5 and 23.7 of this act effectuate this intent.

SEC. 61. This act addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation on January 20, 2011, pursuant to subdivision (f) of Section 10 of Article IV of the California Constitution.

SEC. 62. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.