

AMENDED IN ASSEMBLY JUNE 11, 2012

AMENDED IN ASSEMBLY JULY 13, 2011

AMENDED IN ASSEMBLY JUNE 22, 2011

AMENDED IN SENATE APRIL 26, 2011

AMENDED IN SENATE APRIL 13, 2011

SENATE BILL

No. 477

Introduced by Senator Wright

February 17, 2011

An act relating to the Inglewood Unified School District, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately: to add Article 9 (commencing with Section 35580) to Chapter 3 of Part 21 of Division 3 of Title 2 of the Education Code, relating to school district reorganization.

LEGISLATIVE COUNSEL'S DIGEST

SB 477, as amended, Wright. ~~Inglewood Unified School District: emergency loan.~~ *School district reorganization: bonded indebtedness: Wiseburn Unified School District: Centinela Valley Union High School District.*

(1) Existing law specifies the manner in which bonded indebtedness of a school district on general obligation bonds is reallocated among school districts when school districts are reorganized.

This bill, notwithstanding the provisions above, would specify the manner in which the liability for taxation, the bonding capacity, the permitted use of existing bond proceeds, and the allocation of authorized but unsold bonds of the Wiseburn Unified School District and the Centinela Valley Union High School District would be determined upon

the reorganization of the Wiseburn School District and the Centinela Valley Union High School District by the formation of the Wiseburn Unified School District and the termination of the Wiseburn School District. The bill also would authorize a joint powers authority created by the Wiseburn School District and the Centinela Valley Union High School District or the Wiseburn Unified School District and the Centinela Valley Union High School District to issue bonds pursuant to laws governing the issuance of school facilities construction bonds by school districts. To the extent that these actions would cause local taxing authorities to perform additional duties, the bill would impose a state-mandated local program.

(2) Existing law requires plans and recommendations for the reorganization of school districts to include a computation of the base revenue limit per unit of average daily attendance.

This bill would set the base revenue limit per unit of average daily attendance for the Wiseburn Unified School District at \$6,600.26 as increased by the statutory cost-of-living adjustment for each subsequent fiscal year.

(3) Existing law sets forth the procedures for the reorganization of school districts.

This bill would provide that no further action by various local authorities, including the governing board of the Wiseburn School District or the governing board or voters of the Centinela Valley Union High School District, is necessary to approve the reorganization plan for the Wiseburn Unified School District and allow the Los Angeles County Superintendent of Schools to call an election, except for the approval by the State Board of Education of the reorganization plans.

The bill would authorize a pupil residing in the Wiseburn Unified School District who is eligible to attend any of grades 9 to 12, inclusive, to attend the Centinela Valley Union High School District without an interdistrict attendance agreement if the Centinela Valley Union High School District accepts that pupil for attendance.

(4) This bill would make legislative findings and declarations as to the necessity of a special statute for the Centinela Valley Union High School District and the Wiseburn School District.

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

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

~~(1) Existing law provides for emergency apportionments to school districts subject to specified conditions including, in certain circumstances, the repayment of an emergency loan over a period of no more than 10 years and the appointment by the Superintendent of Public Instruction of an administrator who would exercise the powers and responsibilities of the governing board of the school district.~~

~~This bill would express the intent of the Legislature to provide emergency apportionment assistance to the Inglewood Unified School District, and require the Superintendent to assume all the rights, duties, and powers of the governing board of the Inglewood Unified School District and to appoint, in consultation with the Los Angeles County Superintendent of Schools, a state administrator to act on behalf of the Superintendent in exercising the Superintendent's authority over the school district.~~

~~The bill would continue the authority of the Superintendent and the state administrator over the school district until certain enumerated conditions are met, including the completion of assessment and improvement plans for the school district.~~

~~The bill would require the County Office Fiscal Crisis and Management Assistance Team (FCMAT) to provide specified assistance relating to the development of a multiyear financial recovery plan, the preparation of budget reports, and the recommendation of activities that could enhance revenue or achieve cost savings.~~

~~The bill would require the school district to bear 100% of the costs associated with implementing the provisions of the bill relating to the administration of the emergency apportionment assistance and the activities of the FCMAT, thereby imposing a state-mandated local program.~~

~~The bill would appropriate \$12,900,000 from the General Fund to the Superintendent for apportionment as an emergency loan to the Inglewood Unified School District, and would specify procedures for repayment of the loan. The bill would authorize the school district to sell property owned by the school district from June 1, 2011, to June 30, 2014, inclusive, and use the proceeds from the sale to reduce or retire the emergency loan, and would prohibit the school district from being eligible for financial hardship assistance under the Leroy F.~~

~~Greene School Facilities Act of 1998 from June 1, 2011, to June 30, 2016, inclusive.~~

~~(2) This bill would make a legislative finding and declaration that the unique circumstances of the Inglewood Unified School District warrant the enactment of a special statute.~~

~~(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~(4) This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$ -majority. Appropriation: ~~yes-no~~. Fiscal committee: yes. State-mandated local program: yes.

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

1 SECTION 1. Article 9 (commencing with Section 35580) is
2 added to Chapter 3 of Part 21 of Division 3 of Title 2 of the
3 Education Code, to read:

4

5 Article 9. Formation of the Wiseburn Unified School District,
6 Bonded Indebtedness, and Revenue Limit

7

8 35580. Notwithstanding Article 8 (commencing with Section
9 35570), this article shall apply to the reorganization of the
10 Wiseburn School District and the Centinela Valley Union High
11 School District by the formation of the Wiseburn Unified School
12 District and the termination of the Wiseburn School District. This
13 article determines the liability for taxation, the bonding capacity,
14 the permitted use of existing bond proceeds, and the allocation of
15 authorized but unsold bonds of the Wiseburn Unified School
16 District and the Centinela Valley Union High School District, and
17 applies to the activities of any joint powers authority created by
18 the Wiseburn School District and the Centinela Valley Union High
19 School District or the Wiseburn Unified School District and the
20 Centinela Valley Union High School District.

21 35581. (a) Any tax for repayment of bonds of the Wiseburn
22 School District shall be levied on all taxable property of the
23 Wiseburn Unified School District.

1 (b) Any tax for repayment of bonds issued by the Wiseburn
2 Unified School District, including bonds authorized by the
3 Wiseburn School District, shall be levied on all taxable property
4 of the Wiseburn Unified School District.

5 (c) Commencing with the fiscal year that begins on the effective
6 date of the reorganization of the Wiseburn School District by the
7 formation of the Wiseburn Unified School District, any tax for
8 repayment of voter approved bonds of the Centinela Valley Union
9 High School District approved before January 1, 2012, shall be
10 levied on both of the following:

11 (1) All taxable property located within the Centinela Valley
12 Union High School District as the district exists following the
13 effective date of reorganization pursuant to this section.

14 (2) All taxable property located within the Wiseburn Unified
15 School District that was formerly part of the territory of the
16 Centinela Valley Union High School District.

17 (d) In recognition of the authority for Centinela Valley Union
18 High School District to continue levying property taxes on taxable
19 property located within the Wiseburn Unified School District for
20 repayment of bonds approved by voters before January 1, 2012,
21 beginning on the effective date of reorganization of the Wiseburn
22 School District by the formation of the Wiseburn Unified School
23 District, the Centinela Valley Union High School District shall
24 transfer to the Wiseburn Unified School District an amount equal
25 to four million dollars (\$4,000,000) from the proceeds of the sale
26 of bonds approved by voters on November 2, 2010, and issued
27 after January 1, 2012. The transfer shall be made from the
28 proceeds of the sale of the first series of bonds issued after January
29 1, 2012, unless the Centinela Valley Union High School District
30 elects to allocate the transfers to more than one series of bonds in
31 which case the transfers shall aggregate to the amount of four
32 million dollars (\$4,000,000). Proceeds transferred pursuant to
33 this subdivision shall be expended by the Wiseburn Unified School
34 District for purposes consistent with the original voter
35 authorization for the bonds.

36 35582. (a) The bonding limit applicable to the Wiseburn
37 Unified School District shall be equal to the sum of both of the
38 following:

39 (1) The limit specified in Section 15106 as applied to all taxable
40 real property within the Wiseburn Unified School District zoned

1 *for residential purposes of any classification by reference to the*
2 *general plan of the County of Los Angeles or any other zoning*
3 *ordinance applicable to the territory.*

4 *(2) The limit specified in Section 15102 as applied to all taxable*
5 *property within the territory of the Wiseburn Unified School*
6 *District other than real property zoned for residential purposes*
7 *of any classification by reference to the general plan of the County*
8 *of Los Angeles or any other zoning ordinance applicable to the*
9 *territory.*

10 *(b) Notwithstanding Section 35543 or any other law, the bonding*
11 *limit applicable to the Centinela Valley Union High School District*
12 *shall be equal to the sum of both of the following:*

13 *(1) The limit specified in Section 15102 as applied to all taxable*
14 *property within the Centinela Valley Union High School District.*

15 *(2) The limit specified in Section 15102 as applied to all taxable*
16 *property within the territory of the Wiseburn Unified School*
17 *District other than real property zoned for residential purposes*
18 *of any classification by reference to the general plan of the County*
19 *of Los Angeles or any other zoning ordinance applicable to the*
20 *territory.*

21 *(c) The bonding limit applicable to bonds payable from ad*
22 *valorem property taxes of a joint powers authority created by the*
23 *Wiseburn School District and the Centinela Valley Union High*
24 *School District or the two surviving districts, acting together*
25 *pursuant to the Joint Exercise of Powers Act (Chapter 5*
26 *(commencing with Section 6500) of Division 7 of Title 1 of the*
27 *Government Code), shall be equal to the sum of the respective*
28 *bonding limits applicable to the members of such authority.*

29 *(d) If a joint powers authority created by the Wiseburn School*
30 *District and the Centinela Valley Union High School District, or*
31 *the two surviving districts, acting together pursuant to the Joint*
32 *Exercise of Powers Act (Chapter 5 (commencing with Section*
33 *6500) of Division 7 of Title 1 of the Government Code), maintains*
34 *outstanding bonded indebtedness issued pursuant to Chapter 1*
35 *(commencing with Section 15100), Chapter 1.5 (commencing with*
36 *Section 15264), or Chapter 2 (commencing with Section 15300),*
37 *of Part 10 of Division 1 of Title 1, the bonded indebtedness shall*
38 *be allocated to the Wiseburn Unified School District and the*
39 *Centinela Valley Union High School District, respectively, for*
40 *purposes of the calculation of debt capacity pursuant to the*

1 *bonding limits set forth in subdivisions (a) and (b), in proportionate*
2 *amounts calculated based on the assessed value of taxable property*
3 *within each respective school district securing repayment of the*
4 *bonds.*

5 *(e) This section does not prohibit the Wiseburn Unified School*
6 *District or the Centinela Valley Union High School District from*
7 *seeking a waiver pursuant to Article 3 (commencing with Section*
8 *33050) of Chapter 1 of Part 20 of Division 2 or any other similar*
9 *law of the bonding limits of this section or any other applicable*
10 *statutory bonding limit.*

11 35583. *(a) For purposes of paragraph (1) of subdivision (a)*
12 *of Section 35735.1, the blended base revenue limit per unit of*
13 *average daily attendance for the Wiseburn Unified School District*
14 *shall be six thousand six hundred dollars and twenty-six cents*
15 *(\$6,600.26) and increased by the cost-of-living adjustment provided*
16 *in Section 42238.1 for each subsequent fiscal year.*

17 *(b) The Wiseburn Unified School District shall be deemed to*
18 *be eligible for the adjustments provided in subparagraph (B) of*
19 *paragraph (2) of subdivision (a) of Section 35735.1 and*
20 *subparagraph (B) of paragraph (3) of subdivision (a) of Section*
21 *35735.1 and all other adjustments in Section 35735.1 as if the*
22 *Centinela Valley Union High School District average daily*
23 *attendance will make up 25 percent of the average daily attendance*
24 *in the resulting Wiseburn Unified School District.*

25 35584. *A pupil residing in the Wiseburn Unified School District*
26 *who is eligible to attend any of grades 9 to 12, inclusive, may*
27 *attend the Centinela Valley Union High School District without*
28 *an interdistrict attendance agreement if the Centinela Valley Union*
29 *High School District accepts that pupil for attendance.*

30 35585. *Notwithstanding Chapter 3 (commencing with Section*
31 *35500), no further action of the Los Angeles County Committee*
32 *on School District Organization, the Board of Education of the*
33 *County of Los Angeles, the Los Angeles County Superintendent of*
34 *Schools, the Board of Supervisors of the County of Los Angeles,*
35 *the Local Agency Formation Commission for the County of Los*
36 *Angeles, the governing board of the Wiseburn School District, the*
37 *governing board or voters of the Centinela Valley Union High*
38 *School District, or the governing board of any other governmental*
39 *body, except the state board pursuant to Section 35755, shall be*
40 *necessary to approve the reorganization plan for the Wiseburn*

1 *Unified School District and allow the Los Angeles County*
2 *Superintendent of Schools to call an election pursuant to Section*
3 *35756.*

4 *35586. Notwithstanding any other law, the election to approve*
5 *the reorganization plan for the Wiseburn Unified School District*
6 *shall be conducted within the territory of the Wiseburn School*
7 *District, and shall be approved upon a favorable vote of a majority*
8 *of all votes cast on the reorganization proposal.*

9 *35587. The governing board of a joint powers authority formed*
10 *by the Wiseburn School District and the Centinela Valley Union*
11 *High School District or the two surviving school districts, acting*
12 *together pursuant to the Joint Exercise of Powers Act (Chapter 5*
13 *(commencing with Section 6500) of Division 7 of Title 1 of the*
14 *Government Code), may proceed pursuant to Chapter 1*
15 *(commencing with Section 15100), Chapter 1.5 (commencing with*
16 *Section 15264), or Chapter 2 (commencing with Section 15300),*
17 *of Part 10 of Division 1 of Title 1 on behalf of the joint powers*
18 *authority that is created by and under the exclusive authority of*
19 *its member school districts.*

20 *SEC. 2. The Legislature finds and declares that a special law*
21 *is necessary and that a general law cannot be made applicable*
22 *within the meaning of Section 16 of Article IV of the California*
23 *Constitution because of the unique nature of the reorganization*
24 *of school districts involving the Centinela Valley Union High*
25 *School District, the Wiseburn School District, and equitable access*
26 *to the commercial and industrial assessed valuation of property*
27 *in those school districts.*

28 *SEC. 3. If the Commission on State Mandates determines that*
29 *this act contains costs mandated by the state, reimbursement to*
30 *local agencies and school districts for those costs shall be made*
31 *pursuant to Part 7 (commencing with Section 17500) of Division*
32 *4 of Title 2 of the Government Code.*

33 ~~*SECTION 1. It is the intent of the Legislature to provide*~~
34 ~~*emergency appropriation assistance to the Inglewood Unified*~~
35 ~~*School District, and invoke the provisions of Article 2*~~
36 ~~*(commencing with Section 41320) of, and Article 2.5 (commencing*~~
37 ~~*with Section 41325) of, Chapter 3 of Part 24 of Division 3 of Title*~~
38 ~~*2 of the Education Code, except as otherwise provided in this act,*~~
39 ~~*in order to restore the school district to fiscal solvency.*~~

1 ~~SEC. 2. As provided in subdivision (b) of Section 41326 of~~
2 ~~the Education Code, the Superintendent of Public Instruction shall~~
3 ~~assume all legal rights, duties, and powers of the governing board~~
4 ~~of the Inglewood Unified School District, and shall appoint a state~~
5 ~~administrator, in consultation with the county superintendent of~~
6 ~~schools, to act on his or her behalf in carrying out the requirements~~
7 ~~of Article 2 (commencing with Section 41320) of, and Article 2.5~~
8 ~~(commencing with Section 41325) of, Chapter 3 of Part 24 of~~
9 ~~Division 3 of Title 2 of the Education Code. Notwithstanding~~
10 ~~subdivision (e) of Section 41326 of the Education Code, the~~
11 ~~authority of the Superintendent of Public Instruction and the state~~
12 ~~administrator shall continue until all of the following occur:~~

13 ~~(a) (1) At any time after one complete fiscal year has elapsed~~
14 ~~following the school district's acceptance of a loan as described~~
15 ~~in subdivision (a) of Section 41326 of the Education Code, the~~
16 ~~state administrator determines, and so notifies the Superintendent~~
17 ~~of Public Instruction and the county superintendent of schools,~~
18 ~~that future compliance by the school district with the recovery~~
19 ~~plans approved pursuant to paragraph (2) is probable.~~

20 ~~(2) The Superintendent of Public Instruction may return power~~
21 ~~to the governing board of the school district for any area listed in~~
22 ~~subdivision (a) of Section 41327.1 of the Education Code, if~~
23 ~~performance under the recovery plan for that area has been~~
24 ~~demonstrated to the satisfaction of the Superintendent of Public~~
25 ~~Instruction.~~

26 ~~(b) The Superintendent of Public Instruction has approved all~~
27 ~~of the recovery plans referred to in subdivision (a) of Section 41327~~
28 ~~of the Education Code, and the County Office Fiscal Crisis and~~
29 ~~Management Assistance Team completes the improvement plans~~
30 ~~specified in Section 41327.1 of the Education Code and has~~
31 ~~completed a minimum of two reports identifying the school~~
32 ~~district's progress in implementing the improvement plans.~~

33 ~~(c) The state administrator certifies that all necessary collective~~
34 ~~bargaining agreements have been negotiated and ratified, and that~~
35 ~~the agreements are consistent with the terms of the recovery plans.~~

36 ~~(d) The school district has completed all reports required by the~~
37 ~~Superintendent of Public Instruction and the state administrator.~~

38 ~~(e) The state administrator certifies that the members of the~~
39 ~~school board and district personnel, as appropriate, have~~

1 successfully completed the training specified in subdivision (b) of
2 Section 6 of this act.

3 ~~(f) The Superintendent of Public Instruction determines that~~
4 ~~future compliance by the school district with the recovery plans~~
5 ~~approved pursuant to subdivision (b) is probable.~~

6 ~~SEC. 3. In addition to the implementation of subdivision (b)~~
7 ~~of Section 41325 of the Education Code, it is the intent of the~~
8 ~~Legislature that the Superintendent of Public Instruction, operating~~
9 ~~through the appointed state administrator, do all of the following:~~

10 ~~(a) Work with the staff and governing board of the Inglewood~~
11 ~~Unified School District to identify the procedures and programs~~
12 ~~that the school district will implement during the 2010–11 school~~
13 ~~year and future school years that do all of the following:~~

14 ~~(1) Significantly raise pupil achievement.~~

15 ~~(2) Improve pupil attendance.~~

16 ~~(3) Lower pupil dropout rate.~~

17 ~~(4) Increase parental involvement.~~

18 ~~(5) Attract, retain, and train a quality teaching staff.~~

19 ~~(6) Manage fiscal expenditures in a manner that is consistent~~
20 ~~with the current and projected revenues of the school district.~~

21 ~~(b) Analyze the identified procedures and programs and, where~~
22 ~~applicable and appropriate, protect, maintain, and expand them as~~
23 ~~the budget of the school district allows. The state administrator~~
24 ~~shall report any findings applicable to this section to the~~
25 ~~Superintendent of Public Instruction and the education committees~~
26 ~~of the Legislature.~~

27 ~~(c) To the extent allowed by school district finances, maintain,~~
28 ~~under the revised program, core educational reforms that will lead~~
29 ~~to districtwide improvement of academic achievement, including,~~
30 ~~but not necessarily limited to, educational reforms targeting~~
31 ~~underperforming and program improvement schools and other~~
32 ~~reforms that have demonstrated measurable success.~~

33 ~~SEC. 4. (a) The County Office Fiscal Crisis and Management~~
34 ~~Assistance Team (FCMAT), with concurrence from the~~
35 ~~Superintendent of Public Instruction, shall do all of the following:~~

36 ~~(1) Provide assistance to the state administrator in the~~
37 ~~development of the first annual multiyear financial recovery plan~~
38 ~~required under paragraph (2) of subdivision (a) of Section 41327~~
39 ~~of the Education Code.~~

1 ~~(2) Provide assistance to the state administrator in the~~
2 ~~development of the adopted budget and interim reports.~~

3 ~~(3) Recommend to the Superintendent of Public Instruction any~~
4 ~~studies or activities that should be undertaken by the state~~
5 ~~administrator to enhance revenue or achieve cost savings.~~

6 ~~(4) Provide any other assistance as described in Section 42127.8~~
7 ~~of the Education Code.~~

8 ~~(b) The Inglewood Unified School District shall bear 100 percent~~
9 ~~of all costs associated with implementing Article 2.5 (commencing~~
10 ~~with Section 41325) of Chapter 3 of Part 24 of Division 3 of Title~~
11 ~~2 of the Education Code, including the activities of the FCMAT.~~
12 ~~The FCMAT's assistance under this section shall continue until~~
13 ~~the school district is certified as positive pursuant to the definition~~
14 ~~in paragraph (1) of subdivision (a) of Section 42131 of the~~
15 ~~Education Code, or until all legal rights, duties, and powers are~~
16 ~~returned to the governing board of the school district, whichever~~
17 ~~comes first.~~

18 ~~SEC. 5. For the purposes of Article 2 (commencing with~~
19 ~~Section 41320) of, and Article 2.5 (commencing with Section~~
20 ~~41325) of, Chapter 3 of Part 24 of Division 3 of Title 2 of the~~
21 ~~Education Code, the administrator is a public school employer~~
22 ~~within the meaning of the Educational Employment Relations Act~~
23 ~~(Chapter 10.7 (commencing with Section 3540) of Division 4 of~~
24 ~~Title 1 of the Government Code).~~

25 ~~SEC. 6. (a) The Superintendent of Public Instruction may~~
26 ~~consider the comprehensive assessment conducted by the County~~
27 ~~Office Fiscal Crisis and Management Assistance Team (FCMAT)~~
28 ~~pursuant to Section 41327.1 of the Education Code to meet the~~
29 ~~requirements for the financial management review and recovery~~
30 ~~plan identified in paragraph (1) of subdivision (a) of Section~~
31 ~~41327.1 of the Education Code.~~

32 ~~(b) The improvement plan for personnel management specified~~
33 ~~in paragraph (3) of subdivision (a) of Section 41327.1 of the~~
34 ~~Education Code shall include, but not necessarily be limited to,~~
35 ~~the following training:~~

36 ~~(1) Training for members of the governing board of the~~
37 ~~Inglewood Unified School District in the subjects about which~~
38 ~~members of the governing board need to have knowledge to~~
39 ~~effectively discharge their duties as school board members, with~~
40 ~~specific training in the fiduciary responsibilities of a governing~~

1 board member and in the financial management practices necessary
2 for governing board members to effectively discharge their duty
3 to oversee and monitor the budget, accounting practices, revenues,
4 and expenditures of the school district. At a minimum, each school
5 board member shall participate in the Masters In Governance
6 training provided by the California School Boards Association.
7 The cost for this training shall be borne by the school district.

8 (2) Training for all personnel with management, policymaking,
9 and advisory responsibilities who report or would report directly
10 to the state administrator, to ensure they have the knowledge and
11 skills to effectively administer their areas of responsibility
12 consistent with sound fiscal practices and the budgetary
13 requirements of the school district.

14 (e) Notwithstanding the timelines in subdivision (d) of Section
15 41327.1 of the Education Code, after the first written status report,
16 FCMAT shall file subsequent reports annually thereafter as
17 determined by the Superintendent of Public Instruction.

18 SEC. 7. (a) The sum of twelve million nine hundred thousand
19 dollars (\$12,900,000) is hereby appropriated from the General
20 Fund to the Superintendent of Public Instruction for apportionment
21 to the Inglewood Unified School District for the purpose of an
22 emergency loan. In order to qualify for the loan, the school district
23 shall comply with Article 2 (commencing with Section 41320) of,
24 and Article 2.5 (commencing with Section 41325) of, Chapter 3
25 of Part 24 of Division 3 of Title 2 of the Education Code to the
26 extent those provisions are consistent with the conditions specified
27 in this act.

28 (b) Funds may be disbursed from the proceeds of the loan only
29 if the state administrator and the County Office Fiscal Crisis and
30 Management Assistance Team jointly determine that the
31 disbursement is necessary to support the immediate cashflow needs
32 of the school district.

33 (c) Based on the needs of the school district to meet its
34 obligations, the Superintendent of Public Instruction may direct
35 the Controller to disburse, on a monthly basis, specific amounts
36 of the emergency loan before the approval of all of the conditions
37 established by this act.

38 (d) For the fiscal year in which the apportionments are disbursed
39 and each year thereafter, the Controller, or his or her designee,
40 shall cause an audit in lieu of the audit required by Section 41020

1 of the Education Code to be conducted of the books and accounts
2 of the school district. At the discretion of the Controller, the audit
3 may be conducted by the Controller, his or her designee, or an
4 auditor selected by the school district and approved by the
5 Controller. The costs of these audits shall be borne by the school
6 district. The audits shall be required until the Controller determines,
7 in consultation with the Superintendent of Public Instruction, that
8 the school district is financially solvent but in no event earlier than
9 one year following the implementation of the plan or later than
10 the time the apportionment made is repaid, including interest.

11 SEC. 8. (a) The Inglewood Unified School District shall repay
12 the emergency loan incurred pursuant to Section 7 of this act as a
13 straight line loan amortized over a 20-year term. This amount shall
14 be repaid by the school district, plus interest calculated at a rate
15 equal to the rate earned by the Pooled Money Investment Account
16 on the date this act becomes effective, for a period not to exceed
17 20 years.

18 (b) If a required payment is not made within 60 days after a
19 scheduled date, the Controller shall pay the defaulted loan payment
20 of principal and interest by withholding that amount from the next
21 available payment that would otherwise be made to the county
22 treasurer on behalf of the school district pursuant to Section 14041
23 of the Education Code. However, subject to the approval of the
24 Department of Finance, the amount withheld may be in monthly
25 amounts as determined by an agreement between the Inglewood
26 Unified School District and the Controller during the period
27 beginning with the next available apportionment through the month
28 preceding the next scheduled payment.

29 (c) The school district shall enter into a lease financing with the
30 California Infrastructure and Economic Development Bank for
31 the purpose of financing the emergency apportionment, including
32 a repayment to the General Fund of the amount advanced pursuant
33 to Section 7 of this act. In addition to the emergency
34 apportionment, the lease financing may include funds necessary
35 for reserves, capitalized interest, credit enhancements, and costs
36 of issuance. The bank shall issue bonds for that purpose pursuant
37 to the powers granted pursuant to the Bergeson-Peace Infrastructure
38 and Economic Development Bank Act as set forth in Division 1
39 (commencing with Section 63000) of Title 6.7 of the Government
40 Code. The term of the lease shall not exceed 20 years, except that

1 if at the end of the lease term any rent payable is not fully paid, or
2 if the rent payable has been abated, the term of the lease shall be
3 extended for a period not to exceed 10 years.

4 (d) ~~The Director of Finance may amend the payment schedule~~
5 ~~set forth in subdivision (a) if the director concludes that the~~
6 ~~amendment is warranted and is in the best interests of both the~~
7 ~~state and the Inglewood Unified School District education program.~~
8 ~~Upon that determination, the director shall notify the Joint~~
9 ~~Legislative Budget Committee that the payment schedule will be~~
10 ~~changed on the date that is 90 days from the date of notification~~
11 ~~if the Legislature is in session. If the 90-day period ends during a~~
12 ~~recess of the Legislature or while the Legislature is not in session,~~
13 ~~the 90-day period shall be extended until the Legislature~~
14 ~~reconvenes. Amendments to the payment schedule shall defer the~~
15 ~~unpaid portion of a repayment of the earliest fiscal year in which~~
16 ~~no other repayment is scheduled. Interest shall accrue on the unpaid~~
17 ~~portion of a repayment from the scheduled due date until the time~~
18 ~~the payment is actually made. The interest charge shall be the rate~~
19 ~~equal to the daily investment rate of the Pooled Money Investment~~
20 ~~Account on the date the pay schedule is changed.~~

21 (e) ~~The school district may repay its loan obligation without~~
22 ~~incurring any prepayment penalties.~~

23 ~~SEC. 9. (a) Notwithstanding Sections 17456, 17457, 17462,~~
24 ~~and 17463 of the Education Code, or any other law, from June 1,~~
25 ~~2011, to June 30, 2014, inclusive, the Inglewood Unified School~~
26 ~~District may sell property owned by the school district and use the~~
27 ~~proceeds from the sale to reduce or retire the emergency loan~~
28 ~~provided in Section 7 of this act. The sale only of property pursuant~~
29 ~~to this subdivision is not subject to Section 17459 or 17464 of the~~
30 ~~Education Code.~~

31 (b) ~~Notwithstanding any other law, from June 1, 2011, to June~~
32 ~~30, 2016, inclusive, the Inglewood Unified School District is not~~
33 ~~eligible for financial hardship assistance pursuant to Article 8~~
34 ~~(commencing with Section 17075.10) of Chapter 12.5 of Part 10~~
35 ~~of Division 1 of Title 1 of the Education Code.~~

36 ~~SEC. 10. The Los Angeles County Superintendent of Schools~~
37 ~~maintains the responsibility to superintend school districts under~~
38 ~~his or her jurisdiction. This act does not remove any statutory or~~
39 ~~regulatory rights, duties, or obligations from the county~~
40 ~~superintendent of schools.~~

1 ~~SEC. 11.— The Legislature finds and declares that, due to unique~~
2 ~~circumstances relating to the fiscal emergency in the Inglewood~~
3 ~~Unified School District, a general statute cannot be made applicable~~
4 ~~within the meaning of Section 16 of Article IV of the California~~
5 ~~Constitution.~~

6 ~~SEC. 12.— No reimbursement is required by this act pursuant to~~
7 ~~Section 6 of Article XIII B of the California Constitution because~~
8 ~~the only costs that may be incurred by a local agency or school~~
9 ~~district are the result of a program for which legislative authority~~
10 ~~was requested by that local agency or school district, within the~~
11 ~~meaning of Section 17556 of the Government Code and Section~~
12 ~~6 of Article XIII B of the California Constitution.~~

13 ~~SEC. 13.— This act is an urgency statute necessary for the~~
14 ~~immediate preservation of the public peace, health, or safety within~~
15 ~~the meaning of Article IV of the Constitution and shall go into~~
16 ~~immediate effect. The facts constituting the necessity are:~~

17 ~~In order to address the fiscal emergency in which the Inglewood~~
18 ~~Unified School District finds itself and to ensure that it meets its~~
19 ~~cash obligations for this fiscal year, it is necessary that this act~~
20 ~~take effect immediately.~~