

## Senate Bill No. 803

### CHAPTER 379

An act to add Article 9.5 (commencing with Section 33425) to Chapter 3 of Part 20 of Division 2 of Title 2 of the Education Code, and to add and repeal Article 4.5 (commencing with Section 18736) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to youth education.

[Approved by Governor September 19, 2012. Filed with  
Secretary of State September 19, 2012.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 803, DeSaulnier. California Youth Leadership Project.

Existing law establishes the State Department of Education under the administration of the Superintendent of Public Instruction, and provides for numerous duties of the department with respect to the education of youth.

This bill would establish the California Youth Leadership Project under the department for the purpose of supporting and promoting youth civic engagement by awarding scholarships to youth from 14 to 18 years of age, in accordance with specified criteria, for youth and civic engagement programs that would improve the quality of life for California's disconnected and disadvantaged youth, as specified. The bill would create the California Youth Leadership Project Committee, which would be chaired by the Superintendent and be composed of specified appointed members. The bill would authorize the committee to enter into an interagency agreement with the department to carry out necessary administrative functions. The committee also would be charged with determining when there are sufficient funds to support the program, and if it determines that there are insufficient funds to cover all costs, the activities of the project would cease.

The Personal Income Tax Law authorizes taxpayers to contribute amounts in excess of their tax liability for the support of specified funds.

This bill would create in the State Treasury the California Youth Leadership Fund to receive contributions from tax return designations to support the California Youth Leadership Project. The bill would allocate all moneys transferred to the California Youth Leadership Fund, upon appropriation by the Legislature, to the Franchise Tax Board and the Controller for the reimbursement of costs incurred, and to the department to provide for the California Youth Leadership Project. The bill would provide for the repeal of this contribution provision for this fund on January 1 of the 5th taxable year following the first appearance of the California Youth Leadership Fund on the tax return or on January 1 of an earlier calendar year, if the Franchise Tax Board estimates that the annual contribution amount will be less than \$250,000, or an adjusted amount, as

specified, for subsequent taxable years. The bill also would authorize the California Youth Leadership Project Committee to accept gifts and grants from any source to help perform its functions.

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

SECTION 1. (a) The Legislature finds and declares that the needs of California's youth can best be assessed by California's youth.

(b) The Legislature recognizes that there are more than 9,000,000 youth under 19 years of age in California and an additional 3,000,000 more young adults between 18 and 24 years of age.

(c) The Legislature recognizes that all young people need five key developmental resources in order to become productive citizens: caring adults, safe places, a healthy start, an effective education, and opportunities to help others. The Legislature further recognizes that young people who receive more of these developmental resources fare better than young people who receive fewer, and that those young people are more likely to avoid violence, contribute to their communities, and achieve high grades in school. The Legislature further recognizes the significant number of California's youth who live disadvantaged lives. Of those youth, an estimated 200,000 minors and thousands more youth between 18 and 24 years of age experience homelessness each year. Another 60,000 youth are in the foster care system, over 1,250 youth in California currently occupy juvenile justice facilities, and more than 2,500 youth are on parole from those facilities. Youth who are homeless, in the juvenile justice system, or in foster care have limited opportunities to participate in the policy process that ultimately impacts their well-being.

(d) The Legislature recognizes that there are limited civic engagement opportunities for these disconnected and disadvantaged youth, especially opportunities developed and designed for and with them in mind.

(e) The Legislature is alarmed that hundreds of thousands of California youth are among the two-thirds of America's children and youth recently identified by the America's Promise Alliance as not receiving sufficient developmental resources to safely put them on the path to adulthood. The Legislature also is concerned that the high school completion rate is less than 60 percent for pupils from low-income households and pupils of color in California, that gang and youth violence continue to be a concern and, although birth rates to teen mothers have decreased, teen pregnancy and parenting continues to be a significant social problem in California. The Legislature is encouraged, however, by research indicating that providing more of the five developmental resources for more young people can help prevent many of these problems, and that millions of dollars in later prison, health, and welfare costs can be avoided by providing more developmental resources for more young people now.

(f) The Legislature also agrees with the America's Promise Alliance's call for greater collaboration and integration in working to turn failure into

action and improve the lives of young people at risk and with the actions of the more than 20 states that have committed their state resources for the creation of statewide entities charged with improving the developmental well-being of their children and youth.

(g) The Legislature further acknowledges that youth with disabilities often face even greater obstacles and barriers to educational attainment and civic engagement opportunities than their nondisabled peers and could benefit from outreach efforts to participate in the California Youth Leadership Project. The most recent data reveal significant disparities in achievement between disabled and nondisabled youth. While 12 percent of the nondisabled do not have a high school diploma, 28 percent of people with disabilities do not have a high school diploma. In addition, only 4 percent of people with disabilities hold a college degree, compared to 14 percent of those without a disability.

(h) The Legislature also believes that the quality of an educational program directly impacts the ability of disabled youth to live independently as adults. Nationally, only 29 percent of youth with disabilities between the ages of 20 to 24 are employed, which is far below the 60 percent figure for nondisabled youth. Moreover, the unemployment figure for adults with disabilities later rises to an astonishing rate of 72 percent.

SEC. 2. Article 9.5 (commencing with Section 33425) is added to Chapter 3 of Part 20 of Division 2 of Title 2 of the Education Code, to read:

Article 9.5. California Youth Leadership Project

33425. (a) The California Youth Leadership Project is hereby established under the department for the purpose of promoting youth civic engagement through meaningful opportunities to improve the quality of life for California's disconnected and disadvantaged youth.

(b) The California Youth Leadership Project shall support and promote youth civic engagement by awarding scholarships to youth between 14 and 18 years of age. Furthermore, youths awarded scholarships by the California Youth Leadership Project shall be given the opportunity to make meaningful recommendations regarding legislation and policies that impact their own lives and the lives of the thousands of other youth in California whose voices often go unheard. An organization that operates civic engagement programs may submit applications for participation in the project on behalf of interested youth.

(c) The California Youth Leadership Project shall allocate scholarship award funds to organizations that submit applications on behalf of youth who are selected to receive scholarship awards under this article. These organizations shall do, without limitation, all of the following for the youth who receive scholarship awards under this article:

(1) Provide youth participants tools to examine and discuss policy and fiscal issues affecting the interests, needs, and conditions of the youth of California.

(2) Provide youth participants the opportunity to formally advise and make recommendations to the Legislature and the Governor on specific issues affecting youth. These issues may include, but need not be limited to, all of the following:

- (A) Education.
- (B) Employment.
- (C) Access to state and local governmental services.
- (D) The environment.
- (E) Behavioral and physical health.
- (F) Safety.
- (G) Technology.
- (H) Criminal justice.
- (I) Homelessness.
- (J) Foster care.
- (K) Child welfare.
- (L) Emancipation.
- (M) Financial literacy.
- (N) Substance abuse.
- (O) Driver's license requirements.
- (P) Poverty.
- (Q) Increased youth participation in state and local government.
- (R) Issues affecting youth with disabilities.
- (S) Any other policy or fiscal issues deemed appropriate by the department.

(3) Provide youth participants the opportunity to consult with any existing local level youth advisory commissions and community-based, grassroots youth-led organizations for input and potential solutions on issues related to youth.

(4) Provide youth participants the opportunity to convene and conduct meetings to fulfill the purposes of this chapter.

(5) Provide youth participants the opportunity to act as an information center on California youth policy and fiscal issues, including, but not limited to, the issues listed in paragraph (2).

(6) When available, enable individual youth to travel to the State Capitol to learn the legislative process and, on occasion, to testify at legislative hearings.

(d) An organization that receives a scholarship award on behalf of youth under this article shall use these funds only for youth-related activities described in subdivision (c).

(e) For purposes of this article, disconnected and disadvantaged youth described in subdivision (a) include, but are not limited to, youth who are homeless between 18 and 24 years of age, youth with disabilities, youth who are from minority racial or ethnic groups, youth who are in or have been emancipated from foster care, youth who have been in or are on parole from the juvenile justice system, youth who are from low-income households, youth who are high school dropouts or are at risk of dropping out of school, youth who are pregnant or are young mothers, and other youth

who could benefit from participation in the California Youth Leadership Project.

33426. (a) The California Youth Leadership Project shall be overseen by the California Youth Leadership Project Committee.

(b) The California Youth Leadership Project Committee shall be established and oversee the California Youth Leadership Project and distribute funds pursuant to Article 4.5 (commencing with Section 18736) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code and this article.

(c) Members of the California Youth Leadership Project Committee, in making youth scholarship awards, shall take into consideration that awarded youth represent the racial, ethnic, socioeconomic, cultural, physical, and educational diversity of California. Priority for awarding scholarships under this article shall be given to at-risk or disadvantaged youth between 14 and 18 years of age, as their participation in the California Youth Leadership Project will provide keen insight into many of the issues that youth face in their day-to-day lives.

(d) (1) The California Youth Leadership Project Committee shall be chaired by the Superintendent, or his or her designee, and shall include no more than six members.

(2) The Superintendent shall appoint the following four members to the California Youth Leadership Project Committee:

(A) A representative from a statewide nonprofit youth organization.

(B) A representative from a community-based nonprofit organization that serves youth or deals with youth-related issues, including, but not limited to, the issues described in paragraph (2) of subdivision (c) of Section 33425.

(C) A representative of a local educational agency or school district.

(D) A youth between 14 and 18 years of age who has participated in a youth leadership program involving lobbying the Legislature on issue areas affecting youth. This person shall serve only in an advisory capacity.

(3) The California Health and Human Services Agency may also, but is not required to, appoint a member to the California Youth Leadership Project Committee.

(4) To the extent possible, a member of the California Youth Leadership Project Committee, appointed under any of subparagraphs (A) to (C), inclusive, of paragraph (2) shall have experience and be trained to work with youth between 14 and 18 years of age on any of the issues described in paragraph (2) of subdivision (c) of Section 33425, and shall have special experience in civic engagement, advocacy, and at least one of the following issue areas affecting youth:

(A) Crisis prevention or intervention.

(B) Drug, alcohol, and tobacco abuse prevention or intervention.

(C) Foster care.

(D) Juvenile justice.

(E) Homelessness.

(F) Lesbian, gay, bisexual, and transgender rights and social justice.

(G) Mental health.

(H) Youth with disabilities.

(e) The members of the California Youth Leadership Project Committee shall serve on a voluntary basis and shall not receive a salary.

33427. Duties of the California Youth Leadership Project Committee shall include, but not be limited to, all of the following:

(a) Develop and provide applications for the California Youth Leadership Project scholarship and collect applications from youth who would like to apply.

(b) Determine ways to promote the program and make applications available.

(c) Establish criteria for the selection of youth, and make awards based on those criteria and the purposes of this chapter.

(d) Ensure that there is no discrimination based on race, religious creed, color, national origin, age, gender, marital status, disability, sex, or sexual orientation.

(e) Establish the time, location, and number of annual meetings of the committee. The committee shall meet no less than once each year.

(f) If necessary, enter into a mutually agreed upon interagency agreement with the department to carry out administrative duties related to the project.

(g) Submit an annual budget and report to the department.

(h) (1) Determine when there are sufficient funds to support the project. If the committee determines that there are insufficient funds to cover all costs, the activities of the California Youth Leadership Project shall cease.

(2) State funds shall not be used to support the California Youth Leadership Project except as provided in Article 4.5 (commencing with Section 18736) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code.

33428. (a) The funds for the California Youth Leadership Project shall be allocated from the California Youth Leadership Fund pursuant to Article 4.5 (commencing with Section 18736) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, or from private funds directed to the department and allocated to the California Youth Leadership Project Committee for the purpose of funding activities of the California Youth Leadership Project.

(b) The California Youth Leadership Project may accept gifts and grants from any source, public or private, to help perform its functions, pursuant to this article.

(c) The California Youth Leadership Project Committee shall have the authority to define its program and utilize its funds in any way necessary to carry out the duties of this article, including, but not limited to, partnering with nonprofit groups or state agencies to perform various duties required by this article, as long as the program or activity is not in violation of a state law or regulation.

SEC. 3. Article 4.5 (commencing with Section 18736) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 4.5. California Youth Leadership Fund

18736. (a) An individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Youth Leadership Fund established by Section 18737.

(b) The contributions shall be in full dollar amounts, and may be made individually by each signatory on a joint return.

(c) A designation under subdivision (a) shall be made for any taxable year on the original return for that taxable year, and once made shall be irrevocable. If payments and credits reported on the return, together with any other credits associated with the individual's account, do not exceed the individual's tax liability, the return shall be treated as though no designation has been made.

(d) If an individual designates a contribution to more than one account or fund listed on the tax return, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) The Franchise Tax Board shall revise the form of the return to include a space labeled "California Youth Leadership Fund" to allow for the designation permitted under subdivision (a). The form also shall include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used to support the California Youth Leadership Project.

(f) Notwithstanding any other provision, a voluntary contribution designation for the California Youth Leadership Fund shall be added on the tax return when another voluntary contribution designation is removed or as soon as space is available on the tax return.

(g) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18737. There is hereby established in the State Treasury the California Youth Leadership Fund to receive contributions made pursuant to Section 18736. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money that taxpayers have designated pursuant to Section 18736 to be transferred to the California Youth Leadership Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Youth Leadership Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18736 for payment into that fund.

18738. All moneys transferred to the California Youth Leadership Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) To the State Department of Education to provide for the California Youth Leadership Project, pursuant to Article 9.5 (commencing with Section

33425) of Chapter 3 of Part 20 of Division 2 of Title 2 of the Education Code.

(c) All moneys allocated pursuant to subdivision (b) may be carried over from the year in which they were received.

18739. (a) Except as otherwise provided in subdivision (b), this article shall remain in effect only until January 1 of the fifth taxable year following the first appearance of the California Youth Leadership Fund on the tax return, and as of that date is repealed.

(b) (1) By September 1 of the second calendar year, and by September 1 of each subsequent calendar year that the California Youth Leadership Fund appears on a tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the State Department of Education of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not equal or exceed the minimum contribution amount for the calendar year, this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year.

(3) For purposes of this section, “minimum contribution amount for the calendar year” means two hundred fifty thousand dollars (\$250,000) for the second calendar year after the first appearance of the California Youth Leadership Fund on the personal income tax return or the adjusted minimum contribution amount adjusted pursuant to subdivision (c).

(c) For each calendar year, beginning with the third calendar year that the California Youth Leadership Fund appears on the tax return, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer

Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article before its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately before that repeal.

O