

AMENDED IN ASSEMBLY AUGUST 23, 2012

SENATE BILL

No. 1028

Introduced by Committee on Budget and Fiscal Review

February 6, 2012

An act relating to the Budget Act of 2012 to amend Sections 17193.5, 17199.4, 52055.780, and 69432.7 of the Education Code, to amend Section 17581.6 of the Government Code, to amend Items 6110-485 and 6110-488 of Section 2.00 of the Budget Act of 2011 (Chapter 33 of the Statutes of 2011), and to add Item 6440-301-6048 to Section 2.00 of the Budget Act of 2012 (Chapter 21 of the Statutes of 2012), relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

SB 1028, as amended, Committee on Budget and Fiscal Review. ~~Budget Act of 2012. Education finance.~~

(1) Existing law authorizes a public credit provider, as defined, to require a participating party, with regard to providing credit enhancement for bonds, notes, certificates of participation, or other evidences of indebtedness of a participating party, to agree to specified conditions, including allowing the Controller to allocate specified school district, county office of education, or charter school apportionments to public credit providers if the public credit provider is required to make principal or interest payments, or both, pursuant to the credit enhancement agreement. Existing law imposes those same conditions on securing financing or refinancing for projects or working capital from the California School Finance Authority, in which case the Controller allocates apportionments to an identified trustee when a participating party will not make a payment to the authority at the

time the payment is required. Existing law also requires any amount apportioned pursuant to these provisions to be deemed an allocation to the participating party for specified purposes.

This bill would instead authorize these payments to a public credit provider or a trustee, as applicable, to be made, without regard to the specified funding source of the apportionment, from specified apportionments. The bill would also require that the amount apportioned for a participating party be deemed an allocation to the participating party and included in the computation of the allocation, limit, entitlement, or apportionment for the participating party.

(2) The Quality Education Investment Act of 2006 effectuates the intent of the Legislature to implement the terms of the proposed settlement agreement of a specified legal action, to provide for the discharge of the minimum state educational funding requirement, and to improve the quality of academic instruction and the level of pupil achievement in schools whose pupils have high levels of poverty and complex educational needs, among other things. A provision of the act appropriates \$218,322,000 from the General Fund for the 2013–14 fiscal year, of which \$170,322,000 is for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction pursuant to the act.

This bill would instead require, for the 2013–14 fiscal year, that \$361,000,000 be appropriated from the General Fund, of which \$313,000,000 would be for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction pursuant to the act.

(3) 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 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 (commission), and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions, as defined.

Existing law requires the commission to certify by October 1 of each year a qualifying institution's latest 3-year cohort default rate as most recently reported by the United States Department of Education. Existing law provides that, for purposes of the 2012–13 academic year, and every academic year thereafter, an otherwise qualifying institution with a 3-year cohort default rate that is equal to or greater than 15.5% is

ineligible for initial and renewal Cal Grant awards at the institution. Existing law also requires that an otherwise qualifying institution is ineligible for an initial or renewal Cal Grant award at the institution if the institution has a graduation rate of 30% or less for students taking 150% or less of the expected time to complete degree requirements, as specified, with certain exceptions. Existing law also requires that an otherwise qualifying institution that becomes ineligible under these provisions 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 relating to the cohort default rate and the graduation rate.

This bill would instead require that an otherwise qualifying institution that becomes ineligible under these provisions for initial and renewal Cal Grant awards shall regain its eligibility for the academic year for which it satisfies these requirements.

(4) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including a school district and a community college district, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law, commencing with the 2012–13 fiscal year, requires that certain funds appropriated in the annual Budget Act for reimbursement of the cost of a new program or increased level of service of an existing program mandated by statute or executive order be available as a block grant to school districts, charter schools, and county offices of education to support specified state-mandated local programs and permits those entities to elect to receive that block grant funding in lieu of claiming mandated costs pursuant to the state claims process.

This bill would add specified state-mandated local programs to the set of programs for which a school district, charter school, or county office of education may elect to receive a block grant, including, among others, interdistrict attendance permits program.

(5) The Budget Act of 2011 made numerous appropriations for the support of public education in this state.

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. The Budget Act of 2011 reappropriated \$6,824,000

from the Proposition 98 Reversion Account, of which \$6,594,000 was for allocation by the Superintendent of Public Instruction for apportionment for special education programs, as specified.

This bill would reappropriate an additional \$10,335,000 from the Proposition 98 Reversion Account for allocation by the Superintendent to support special education, as specified.

(6) The Budget Act of 2011, as amended, reappropriated \$220,137,000 from the General Fund to the State Department of Education for apportionment for special education programs.

This bill would reduce this reappropriation to the department for those purposes by \$10,335,000 to \$209,802,000.

(7) Existing law establishes the 2006 University Capital Outlay Bond Fund in the State Treasury for deposit of funds from the proceeds of bonds issued and sold for the purpose of providing funds to aid the University of California, the Hastings College of the Law, and the California State University.

This bill would amend the Budget Act of 2012 by appropriating \$4,750,000 from the 2006 University Capital Outlay Bond Fund to the University of California for the purpose of funding preliminary plans and working drawings for the Classroom and Academic Office Building at the Merced campus. The bill would require that contractors and subcontractors of the University of California be required to pay prevailing wages, as specified, as a condition of the availability of these funds. The bill would also authorize the use of the 2006 bond funds remaining at the end of capital outlay projects for specified purposes.

(8) The Budget Act of 2012 appropriated \$2,053,750,000 for the support of the University of California.

This bill would require the University of California, as a condition of receipt of those funds, to report to the Legislature by May 1, 2013, on whether it has met an enrollment goal for the 2012–13 academic year.

(9) This bill would require the State Board of Education and the Health and Human Services Agency, including the Department of Health Care Services, the Department of Mental Health, and the Department of Social Services, to repeal regulations relating to county mental health services that are no longer supported by statute, including specified regulations.

(10) 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.

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

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2012.~~

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

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

1 SECTION 1. Section 17193.5 of the Education Code is amended
2 to read:

3 17193.5. (a) For purposes of this section, “public credit
4 provider” means any financial institution or combination of
5 financial institutions, that consists either solely, or has as a member
6 or participant, a public retirement system. Notwithstanding any
7 other law, a public credit provider, in connection with providing
8 credit enhancement for bonds, notes, certificates of participation,
9 or other evidences of indebtedness of a participating party, may
10 require the participating party to agree to the following conditions:

11 (1) If a participating party adopts a resolution by a majority vote
12 of its board to participate under this section, it shall provide notice
13 to the Controller of that election. The notice shall include a
14 schedule for the repayment of principal and interest on the bonds,
15 notes, certificates of participation, or other evidence of
16 indebtedness and identify the public credit provider that provided
17 credit enhancement. The notice shall be provided not later than
18 the date of issuance of the bonds.

19 (2) If, for any reason a public credit provider is required to make
20 principal or interest payments or both pursuant to a credit
21 enhancement agreement, the public credit provider shall
22 immediately notify the Controller of that fact and of the amount
23 paid out by the public credit provider.

24 (3) Upon receipt of the notice required by paragraph (2), the
25 Controller shall make an apportionment to the public credit
26 provider in the amount of the payments made by the public credit
27 provider for the purpose of reimbursing the public credit provider
28 for its expenditures made pursuant to the credit enhancement
29 agreement. The Controller shall make that apportionment only

1 from moneys designated for apportionments to a school district
2 pursuant to Section 42238 or to a county office of education
3 pursuant to Section 2558 or to the community college district
4 pursuant to Section 84750, or in the case of a charter school,
5 pursuant to Sections 47633, 47634.1, and 47634.2. *participating*
6 *party, provided that such moneys are from one or more of the*
7 *following:*

8 (A) *Any revenue limit apportionments to a school district or*
9 *county office of education without regard to the specific funding*
10 *source of the apportionment.*

11 (B) *Any general apportionments to a community college district*
12 *without regard to the specific funding source of the apportionment.*

13 (C) *Any charter school block grant apportionments to a charter*
14 *school without regard to the specific funding source of the*
15 *apportionment.*

16 (D) *Any charter school categorical block grant apportionments*
17 *to a charter school without regard to the specific funding source*
18 *of the apportionment.*

19 (b) The amount apportioned for a participating party pursuant
20 to this section shall be deemed to be an allocation to the
21 participating party for purposes of subdivision (b) or Section 8 of
22 Article XVI of the California Constitution. For purposes of
23 computing revenue limits or revenue levels pursuant to Section
24 42338 for any school district or pursuant to Section 2558 for any
25 county office of education or pursuant to Section 84750 for any
26 community college district, the revenue limit or revenue level for
27 any fiscal year in which funds are apportioned for the district or
28 for the county office of education pursuant to this section shall
29 include any amounts apportioned by the Controller pursuant to
30 paragraph (3) of subdivision (a). For purposes of computing the
31 general-purpose entitlement of a charter school pursuant to Section
32 47633, that entitlement shall include any amounts apportioned by
33 the Controller pursuant to paragraph (3) of subdivision (a). For
34 purposes of computing the categorical block grant of a charter
35 school pursuant to Section 47634.1 or 47634.2, that grant shall
36 include any amounts apportioned by the Controller pursuant to
37 paragraph (3) of subdivision (a) and shall be included in the
38 computation of allocation, limit, entitlement, or apportionment for
39 the participating party. The participating party and its creditors
40 do not have a claim to funds apportioned or anticipated to be

1 apportioned to the trustee by the Controller pursuant to paragraph
2 (3) of subdivision (a).

3 *SEC. 2. Section 17199.4 of the Education Code is amended to*
4 *read:*

5 17199.4. (a) Notwithstanding any other law, any participating
6 party, in connection with securing financing or refinancing of
7 projects, or working capital pursuant to this chapter, may elect to
8 guarantee or provide for payment of the bonds and related
9 obligations in accordance with the following conditions:

10 (1) If a participating party adopts a resolution by a majority vote
11 of its board to participate under this section, it shall provide notice
12 to the Controller of that election. The notice shall include a
13 schedule for the repayment of principal and interest on the bonds,
14 and any other costs necessary or incidental to financing pursuant
15 to this chapter, and identify a trustee appointed by the participating
16 party or the authority for purposes of this section. If payment of
17 all or a portion of the principal and interest on the bond is secured
18 by a letter of credit or other instrument of direct payment, the
19 notice may provide for reimbursements to the provider of the
20 instrument in lieu of payment of that portion of the principal and
21 interest of the bonds. The notice shall be provided not later than
22 the date of issuance of the bonds or 60 days before the next
23 payment, whichever date is later. The participating party shall
24 update the notice at least annually if there is a change in the
25 required payment for any reason, including, but not limited to,
26 providing for new or increased costs necessary or incidental to the
27 financing.

28 (2) If, for any reason, the participating party will not make a
29 payment at the time the payment is required, the participating party
30 shall notify the trustee of that fact and of the amount of the
31 deficiency. If the trustee receives this notice from the participating
32 party, or does not receive any payment by the date that payment
33 becomes due, the trustee shall immediately communicate that
34 information to the Controller.

35 (3) Upon receipt of the notice required by paragraph (2), the
36 Controller shall make an apportionment to the trustee on the date
37 shown in the schedule in the amount of the deficiency for the
38 purpose of making the required payment. The Controller shall
39 make that apportionment only from moneys ~~in Section A of the~~
40 ~~State School Fund~~ designated for apportionment to a school district

1 pursuant to ~~Section 42238 or to the county office of education~~
2 ~~pursuant to Section 2558, or in the case of a charter school,~~
3 ~~pursuant to Sections 47633, 47634.1, and 47634.2. participating~~
4 ~~party, provided that such moneys are from one or more of the~~
5 ~~following:~~

6 (A) *Any revenue limit apportionments to a school district or*
7 *county office of education without regard to the specific funding*
8 *source of the apportionment.*

9 (B) *Any charter school block grant apportionments to a charter*
10 *school without regard to the specific funding source of the*
11 *apportionment.*

12 (C) *Any charter school categorical block grant apportionments*
13 *to a charter school without regard to the specific funding source*
14 *of the apportionment.*

15 (4) As an alternative to the procedures set forth in paragraphs
16 (2) and (3), the participating party may provide a transfer schedule
17 in its notice to the Controller of its election to participate under
18 this section. The transfer schedule shall set forth amounts to be
19 transferred to the trustee and the date for the transfers. The
20 Controller, subject to the limitation in paragraph (3), shall make
21 apportionments to the trustee of those amounts on the specified
22 date for the purpose of making those transfers. The authority may
23 require a participating party to proceed under this subdivision.

24 (b) ~~(4)~~ The amount apportioned for a participating party
25 pursuant to this section shall be deemed to be an allocation to the
26 participating party for purposes of subdivision (b) of Section 8 of
27 Article XVI of the California Constitution and shall be included
28 in the computation of allocation, limit, entitlement, or
29 apportionment for the participating party.

30 ~~(2) For purposes of computing revenue limits pursuant to Section~~
31 ~~42238 for any school district or pursuant to Section 2558 for any~~
32 ~~county office of education, the revenue limit for any fiscal year in~~
33 ~~which funds are apportioned for the participating party pursuant~~
34 ~~to this section shall include any amounts apportioned by the~~
35 ~~Controller pursuant to paragraphs (3) and (4) of subdivision (a).~~

36 ~~(3) For purposes of computing the general-purpose entitlement~~
37 ~~of a charter school pursuant to Section 47633, that entitlement~~
38 ~~shall include any amounts apportioned by the Controller pursuant~~
39 ~~to paragraphs (3) and (4) of subdivision (a). For purposes of~~
40 ~~computing the categorical block grant of a charter school pursuant~~

1 to Section 47634.1 or 47634.2, that grant shall include any amounts
2 apportioned by the Controller pursuant to paragraphs (3) and (4)
3 of subdivision (a). The participating party and its creditors do not
4 have a claim to funds apportioned or anticipated to be apportioned
5 to the trustee by the Controller pursuant to paragraph (3) and (4)
6 of subdivision (a), or to the funds apportioned to by the Controller
7 to the trustee under any other provision of this section.

8 (c) (1) Participating parties that elect to participate under this
9 section shall apply to the authority. The authority shall consider
10 each of the following priorities in making funds available:

11 (A) First priority shall be given to school districts, charter
12 schools, or county offices of education that apply for funding for
13 instructional classroom space.

14 (B) Second priority shall be given to school districts, charter
15 schools, or county offices of education that apply for funding of
16 modernization of instructional classroom space.

17 (C) Third priority shall be given to all other eligible costs, as
18 defined in Section 17173.

19 (2) The authority shall prioritize applications at appropriate
20 intervals.

21 (3) A school district electing to participate under this section
22 that has applied for revenue bond moneys for purposes of joint
23 venture school facilities construction projects, pursuant to Article
24 5 (commencing with Section 17060) of Chapter 12, shall not be
25 subject to the priorities set forth in paragraph (1).

26 (d) This section shall not be construed to make the State of
27 California liable for any payments within the meaning of Section
28 1 of Article XVI of the California Constitution or otherwise, except
29 as expressly provided in this section.

30 (e) A school district that has a qualified or negative certification
31 pursuant to Section 42131, or a county office of education that has
32 a qualified or negative certification pursuant to Section 1240, may
33 not participate under this section.

34 *SEC. 3. Section 52055.780 of the Education Code is amended*
35 *to read:*

36 52055.780. (a) School districts and chartering authorities shall
37 receive funding at the following rate, on behalf of funded schools:

38 (1) For kindergarten and grades 1 to 3, inclusive, five hundred
39 dollars (\$500) per enrolled pupil in funded schools.

1 (2) For grades 4 to 8, inclusive, nine hundred dollars (\$900) per
2 enrolled pupil in funded schools.

3 (3) For grades 9 to 12, inclusive, one thousand dollars (\$1,000)
4 per enrolled pupil in funded schools.

5 (b) For purposes of subdivision (a), enrollment of a pupil in a
6 funded school in the prior fiscal year shall be based on data from
7 the CBEDS.

8 (c) For the 2012–13 fiscal year, three hundred sixty-one million
9 dollars (\$361,000,000) is hereby appropriated from the General
10 Fund to be allocated as follows:

11 (1) Forty-eight million dollars (\$48,000,000) for transfer by the
12 Controller to Section B of the State School Fund for allocation by
13 the Chancellor of the California Community Colleges to
14 community colleges as required under subdivision (d).

15 (2) Three hundred thirteen million dollars (\$313,000,000) for
16 transfer by the Controller to Section A of the State School Fund
17 for allocation by the Superintendent pursuant to this article.

18 (3) Payments made pursuant to this subdivision shall be made
19 only on or after October 8 of the 2012–13 fiscal year.

20 (d) The sum transferred pursuant to paragraph (1) of subdivision
21 (c) shall be allocated by the Chancellor of the California
22 Community Colleges to the community colleges for the purpose
23 of improving and expanding career technical education in public
24 secondary education and lower division public higher education
25 pursuant to Section 88532, including the hiring of additional faculty
26 to expand the number of career technical education programs and
27 course offerings.

28 (e) For the 2013–14 fiscal year, ~~two hundred eighteen million~~
29 ~~three hundred twenty-two thousand dollars (\$218,322,000)~~ *three*
30 *hundred sixty-one million dollars (\$361,000,000)* is hereby
31 appropriated from the General Fund to be allocated as follows:

32 (1) Forty-eight million dollars (\$48,000,000) for transfer by the
33 Controller to Section B of the State School Fund for allocation by
34 the Chancellor of the California Community Colleges to
35 community colleges as required under subdivision (d).

36 (2) ~~One hundred seventy million three hundred twenty-two~~
37 ~~thousand dollars (\$170,322,000)~~ *Three hundred thirteen million*
38 *dollars (\$313,000,000)* for transfer by the Controller to Section A
39 of the State School Fund for allocation by the Superintendent
40 pursuant to this article.

1 (f) From funds appropriated under subdivision (c), the
2 Superintendent shall provide not more than two million dollars
3 (\$2,000,000) to county superintendents of schools to carry out the
4 requirements of this article, allocated in a manner similar to that
5 created to carry out the new duties of those superintendents under
6 the settlement agreement in the case of Williams v. California
7 (Super. Ct. San Francisco, No. CGC-00-312236).

8 (g) For purposes of making the computations required by Section
9 8 of Article XVI of the California Constitution, including
10 computation of the state’s minimum funding obligation to school
11 districts and community college districts in subsequent fiscal years,
12 the appropriations made pursuant to subdivisions (c) and (e) shall
13 be deemed to be “General Fund revenues appropriated for school
14 districts,” as defined in subdivision (c) of Section 41202 and
15 “General Fund revenues appropriated for community college
16 districts,” as defined in subdivision (d) of Section 41202, for the
17 2012–13 and 2013–14 fiscal-year years and included within the
18 “total allocations to school districts and community college districts
19 from General Fund proceeds of taxes appropriated pursuant to
20 Article XIII B,” as defined in subdivision (e) of Section 41202,
21 for that fiscal year.

22 *SEC. 4. Section 69432.7 of the Education Code is amended to*
23 *read:*

24 69432.7. As used in this chapter, the following terms have the
25 following meanings:

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

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

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

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

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

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

- 1 (1) “Part time,” for purposes of Cal Grant eligibility, means 6
 2 to 11 semester units, inclusive, or the equivalent.
- 3 (2) “Full time,” for purposes of Cal Grant eligibility, means 12
 4 or more semester units or the equivalent.
- 5 (g) “Expected family contribution,” with respect to an applicant,
 6 shall be determined using the federal methodology pursuant to
 7 subdivision (a) of Section 69506 (as established by Title IV of the
 8 federal Higher Education Act of 1965, as amended (20 U.S.C. Sec.
 9 1070 et seq.)) and applicable rules and regulations adopted by the
 10 commission.
- 11 (h) “High school grade point average” means a grade point
 12 average calculated on a 4.0 scale, using all academic coursework,
 13 for the sophomore year, the summer following the sophomore
 14 year, the junior year, and the summer following the junior year,
 15 excluding physical education, reserve officer training corps
 16 (ROTC), and remedial courses, and computed pursuant to
 17 regulations of the commission. However, for high school graduates
 18 who apply after their senior year, “high school grade point average”
 19 includes senior year coursework.
- 20 (i) “Instructional program of not less than one academic year”
 21 means a program of study that results in the award of an associate
 22 or baccalaureate degree or certificate requiring at least 24 semester
 23 units or the equivalent, or that results in eligibility for transfer from
 24 a community college to a baccalaureate degree program.
- 25 (j) “Instructional program of not less than two academic years”
 26 means a program of study that results in the award of an associate
 27 or baccalaureate degree requiring at least 48 semester units or the
 28 equivalent, or that results in eligibility for transfer from a
 29 community college to a baccalaureate degree program.
- 30 (k) “Maximum household income and asset levels” means the
 31 applicable household income and household asset levels for
 32 participants, including new applicants and renewing recipients, in
 33 the Cal Grant Program, as defined and adopted in regulations by
 34 the commission for the 2001–02 academic year, which shall be
 35 set pursuant to the following income and asset ceiling amounts:

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 37 CAL GRANT PROGRAM INCOME CEILINGS
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	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

1 greater of the adjusted maximum household income and asset
2 levels or the 2010–11 academic year maximum household income
3 and asset levels. An applicant or renewal recipient who qualifies
4 to be considered under the simplified needs test established by
5 federal law for student assistance shall be presumed to meet the
6 asset level test under this section. Prior to disbursing any Cal Grant
7 funds, a qualifying institution shall be obligated, under the terms
8 of its institutional participation agreement with the commission,
9 to resolve any conflicts that may exist in the data the institution
10 possesses relating to that individual.

11 (d) (1) “Qualifying institution” means an institution that
12 complies with paragraphs (2) and (3) and is any of the following:

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

17 (i) Federal Work-Study.

18 (ii) Perkins Loan Program.

19 (iii) Supplemental Educational Opportunity Grant Program.

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

33 (C) A California public postsecondary educational institution.

34 (2) (A) The institution shall provide information on where to
35 access California license examination passage rates for the most
36 recent available year from graduates of its undergraduate programs
37 leading to employment for which passage of a California licensing
38 examination is required, if that data is electronically available
39 through the Internet Web site of a California licensing or regulatory
40 agency. For purposes of this paragraph, “provide” may exclusively

1 include placement of an Internet Web site address labeled as an
2 access point for the data on the passage rates of recent program
3 graduates on the Internet Web site where enrollment information
4 is also located, on an Internet Web site that provides centralized
5 admissions information for postsecondary educational systems
6 with multiple campuses, or on applications for enrollment or other
7 program information distributed to prospective students.

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

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

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

21 (C) For purposes of the 2012–13 academic year, and every
22 academic year thereafter, an otherwise qualifying institution with
23 a three-year cohort default rate that is equal to or greater than 15.5
24 percent, as certified by the commission on October 1, 2011, and
25 every year thereafter, shall be ineligible for initial and renewal Cal
26 Grant awards at the institution, except as provided in subparagraph
27 (F).

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

34 (ii) If the United States Department of Education corrects or
35 revises an institution's three-year cohort default rate or graduation
36 rate that originally failed to satisfy the requirements established
37 in subparagraph (B), (C), or (G), as applicable, and the correction
38 or revision results in the institution's three-year cohort default rate
39 or graduation rate satisfying those requirements, that institution
40 shall immediately regain its eligibility for the academic year to

1 which the corrected or revised three-year cohort default rate or
2 graduation rate would have been applied.

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

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

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

19 (II) The reductions specified in this subparagraph shall not
20 impact access costs as specified in subdivision (b) of Section
21 69435.

22 (ii) This subparagraph shall become inoperative on July 1, 2013.

23 (G) For purposes of the 2012–13 academic year, and every
24 academic year thereafter, an otherwise qualifying institution with
25 a graduation rate of 30 percent or less for students taking 150
26 percent or less of the expected time to complete degree
27 requirements, as reported by the United States Department of
28 Education and as certified by the commission pursuant to
29 subparagraph (A), shall be ineligible for initial and renewal Cal
30 Grant awards at the institution, except as provided for in
31 subparagraphs (F) and (I).

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

39 (I) Notwithstanding subparagraph (G), an otherwise qualifying
40 institution with a three-year cohort default rate that is less than 10

1 percent and a graduation rate above 20 percent for students taking
2 150 percent or less of the expected time to complete degree
3 requirements, as certified by the commission pursuant to
4 subparagraph (A), shall remain eligible for initial and renewal Cal
5 Grant awards at the institution through the 2016–17 academic year.

6 (J) The commission shall do all of the following:

7 (i) Notify initial Cal Grant recipients seeking to attend, or
8 attending, an institution that is ineligible for initial and renewal
9 Cal Grant awards under subparagraph (C) or (G) that the institution
10 is ineligible for initial Cal Grant awards for the academic year for
11 which the student received an initial Cal Grant award.

12 (ii) Notify renewal Cal Grant recipients attending an institution
13 that is ineligible for initial and renewal Cal Grant awards at the
14 institution under subparagraph (C) or (G) that the student’s Cal
15 Grant award will be reduced by 20 percent, or eliminated, as
16 appropriate, if the student attends the ineligible institution in an
17 academic year in which the institution is ineligible.

18 (iii) Provide initial and renewal Cal Grant recipients seeking to
19 attend, or attending, an institution that is ineligible for initial and
20 renewal Cal Grant awards at the institution under subparagraph
21 (C) or (G) with a complete list of all California postsecondary
22 educational institutions at which the student would be eligible to
23 receive an unreduced Cal Grant award.

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

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

39 *SEC. 5. Section 17581.6 of the Government Code is amended*
40 *to read:*

1 17581.6. (a) Commencing with the 2012–13 fiscal year, funds
2 provided in Item 6110-296-0001 of Section 2.00 of the annual
3 Budget Act shall be allocated as block grants to school districts,
4 charter schools, and county offices of education to support all of
5 the mandated programs described in subdivision (d).

6 (b) (1) Notwithstanding any other law, each fiscal year a school
7 district or county office of education may receive funding for the
8 performance of the mandated activities listed in subdivision (d)
9 either through the block grant established pursuant to this section
10 or by claiming reimbursement pursuant to Section 17560. A school
11 district or county office of education that claims reimbursement
12 for any mandated activities pursuant to Section 17560 for mandated
13 costs incurred during a fiscal year shall not be eligible for funding
14 pursuant to this section for the same fiscal year.

15 (2) A school district and county office of education that elects
16 to receive block grant funding instead of seeking reimbursement
17 pursuant to Section 17560 shall, and any charter school that elects
18 to receive block grant funding shall, submit a letter of intent to the
19 Superintendent of Public Instruction on or before September 30
20 of each year requesting block grant funding pursuant to this section.
21 The Superintendent of *Public Instruction* shall distribute funding
22 provided pursuant to subdivision (a) to school districts, charter
23 schools, and county offices of education pursuant to the rates set
24 forth in Item 6110-296-0001 of Section 2.00 of the annual Budget
25 Act. Funding distributed pursuant to this section is in lieu of
26 reimbursement pursuant to Section 6 of Article XIII B of the
27 California Constitution for the performance of all activities
28 specified in subdivision (d) as those activities pertain to school
29 districts and county offices of education. A school district, county
30 office of education, or charter school that submits a letter of intent
31 and receives block grant funding pursuant to this section shall not
32 also be eligible to submit a claim for reimbursement of costs
33 incurred for a mandated program set forth in subdivision (d) for
34 the fiscal year for which the block grant funding is received.

35 (c) Block grant funding provided to school districts, charter
36 schools, and county offices of education pursuant to this section
37 is subject to annual audits required by Section 41020 of the
38 Education Code.

1 (d) Block grant funding provided pursuant to this section to
2 individual school districts, charter schools, and county offices of
3 education is to support all of the following mandated programs:

4 (1) Absentee Ballots (CSM 3713; Chapter 77 of the Statutes of
5 1978 and Chapter 1032 of the Statutes of 2002).

6 (2) *Academic Performance Index (01-TC-22; Chapter 3 of the*
7 *Statutes of 1999, First Extraordinary Session; and Chapter 695*
8 *of the Statutes of 2000).*

9 ~~(2)~~

10 (3) Agency Fee Arrangements (00-TC-17 and 01-TC-14;
11 Chapter 893 of the Statutes of 2000 and Chapter 805 of the Statutes
12 of 2001).

13 ~~(3)~~

14 (4) AIDS Instruction and AIDS Prevention Instruction (CSM
15 4422, 99-TC-07, and 00-TC-01; Chapter 818 of the Statutes of
16 1991; and Chapter 403 of the Statutes of 1998).

17 ~~(4)~~

18 (5) California State Teachers' Retirement System Service Credit
19 (02-TC-19; Chapter 603 of the Statutes of 1994; Chapters 383,
20 634, and 680 of the Statutes of 1996; Chapter 838 of the Statutes
21 of 1997; Chapter 965 of the Statutes of 1998; Chapter 939 of the
22 Statutes of 1999; and Chapter 1021 of the Statutes of 2000).

23 ~~(5)~~

24 (6) Caregiver Affidavits (CSM 4497; Chapter 98 of the Statutes
25 of 1994).

26 ~~(6)~~

27 (7) Charter Schools I, II, and III (CSM 4437, 99-TC-03, and
28 99-TC-14; Chapter 781 of the Statutes of 1992; Chapters 34 and
29 673 of the Statutes of 1998; Chapter 34 of the Statutes of 1998;
30 and Chapter 78 of the Statutes of 1999).

31 (8) *Child Abuse and Neglect Reporting (01-TC-21: Chapters*
32 *640 and 1459 of the Statutes of 1987; Chapter 132 of the Statutes*
33 *of 1991; Chapter 459 of the Statutes of 1992; Chapter 311 of the*
34 *Statutes of 1998; Chapter 916 of the Statutes of 2000; and Chapters*
35 *133 and 754 of the Statutes of 2001).*

36 ~~(7)~~

37 (9) Collective Bargaining (CSM 4425; Chapter 961 of the
38 Statutes of 1975).

39 ~~(8)~~

1 (10) Comprehensive School Safety Plans (98-TC-01 and
2 99-TC-10; Chapter 736 of the Statutes of 1997; Chapter 996 of
3 the Statutes of 1999; and Chapter 828 of the Statutes of 2003).

4 ~~(9)~~

5 (11) Consolidation of Annual Parent Notification/Schoolsite
6 Discipline Rules/Alternative Schools (CSM 4488, CSM 4461,
7 99-TC-09, 00-TC-12, 97-TC-24, CSM 4453, CSM 4474, CSM
8 4462; Chapter 448 of the Statutes of 1975; Chapter 965 of the
9 Statutes of 1977; Chapter 975 of the Statutes of 1980; Chapter 469
10 of the Statutes of 1981; Chapter 459 of the Statutes of 1985;
11 Chapters 87 and 97 of the Statutes of 1986; Chapter 1452 of the
12 Statutes of 1987; Chapters 65 and 1284 of the Statutes of 1988;
13 Chapter 213 of the Statutes of 1989; Chapters 10 and 403 of the
14 Statutes of 1990; Chapter 906 of the Statutes of 1992; Chapter
15 1296 of the Statutes of 1993; Chapter 929 of the Statutes of 1997;
16 Chapters 846 and 1031 of the Statutes of 1998; Chapter 1 of the
17 Statutes of 1999, First Extraordinary Session; Chapter 73 of the
18 Statutes of 2000; Chapter 650 of the Statutes of 2003; Chapter 895
19 of the Statutes of 2004; and Chapter 677 of the Statutes of 2005).

20 ~~(10)~~

21 (12) Consolidation of Law Enforcement Agency Notification
22 and Missing Children Reports (CSM 4505; Chapter 1117 of the
23 Statutes of 1989 and 01-TC-09; Chapter 249 of the Statutes of
24 1986; and Chapter 832 of the Statutes of 1999).

25 ~~(11)~~

26 (13) Consolidation of Notification to Teachers: Pupils Subject
27 to Suspension or Expulsion I and II, and Pupil Discipline Records
28 (00-TC-10 and 00-TC-11; Chapter 345 of the Statutes of 2000).

29 ~~(12)~~

30 (14) County Office of Education Fiscal Accountability Reporting
31 (97-TC-20; Chapters 917 and 1452 of the Statutes of 1987;
32 Chapters 1461 and 1462 of the Statutes of 1988; Chapter 1372 of
33 the Statutes of 1990; Chapter 1213 of the Statutes of 1991; Chapter
34 323 of the Statutes of 1992; Chapters 923 and 924 of the Statutes
35 of 1993; Chapters 650 and 1002 of the Statutes of 1994; and
36 Chapter 525 of the Statutes of 1995).

37 ~~(13)~~

38 (15) Criminal Background Checks (97-TC-16; Chapters 588
39 and 589 of the Statutes of 1997).

40 ~~(14)~~

- 1 (16) Criminal Background Checks II (00-TC-05; Chapters 594
2 and 840 of the Statutes of 1998; and Chapter 78 of the Statutes of
3 1999).
- 4 ~~(15)~~
- 5 (17) Differential Pay and Reemployment (99-TC-02; Chapter
6 30 of the Statutes of 1998).
- 7 (18) *Expulsion of Pupil: Transcript Cost for Appeals (SMAS;*
8 *Chapter 1253 of the Statutes of 1975).*
- 9 ~~(16)~~
- 10 (19) Financial and Compliance Audits (CSM 4498 and CSM
11 4498-A; Chapter 36 of the Statutes of 1977).
- 12 ~~(17)~~
- 13 (20) Habitual Truants (CSM 4487 and CSM 4487-A; Chapter
14 1184 of the Statutes of 1975).
- 15 ~~(18)~~
- 16 (21) High School Exit Examination (00-TC-06; Chapter 1 of
17 the Statutes of 1999, First Extraordinary Session; and Chapter 135
18 of the Statutes of 1999).
- 19 ~~(19)~~
- 20 (22) Immunization Records (SB 90-120; Chapter 1176 of the
21 Statutes of 1977).
- 22 ~~(20)~~
- 23 (23) Immunization Records—Hepatitis B (98-TC-05; Chapter
24 325 of the Statutes of 1978; Chapter 435 of the Statutes of 1979;
25 Chapter 472 of the Statutes of 1982; Chapter 984 of the Statutes
26 of 1991; Chapter 1300 of the Statutes of 1992; Chapter 1172 of
27 the Statutes of 1994; Chapters 291 and 415 of the Statutes of 1995;
28 Chapter 1023 of the Statutes of 1996; and Chapters 855 and 882
29 of the Statutes of 1997).
- 30 (24) *Interdistrict Attendance Permits (CSM 4442; Chapters 172*
31 *and 742 of the Statutes of 1986; Chapter 853 of the Statutes of*
32 *1989; Chapter 10 of the Statutes of 1990; and Chapter 120 of the*
33 *Statutes of 1992).*
- 34 ~~(21)~~
- 35 (25) Intradistrict Attendance (CSM 4454; Chapters 161 and 915
36 of the Statutes of 1993).
- 37 ~~(22)~~
- 38 (26) Juvenile Court Notices II (CSM 4475; Chapters 1011 and
39 1423 of the Statutes of 1984; Chapter 1019 of the Statutes of 1994;
40 and Chapter 71 of the Statutes of 1995).

- 1 ~~(23)~~
- 2 (27) Mandate Reimbursement Process I and II (CSM 4204,
- 3 CSM 4485, and 05-TC-05; Chapter 486 of the Statutes of 1975).
- 4 ~~(24)~~
- 5 (28) Notification of Truancy (CSM 4133; Chapter 498 of the
- 6 Statutes of 1983; Chapter 1023 of the Statutes of 1994; and Chapter
- 7 19 of the Statutes of 1995).
- 8 ~~(25)~~
- 9 (29) Open Meetings/Brown Act Reform (CSM 4257 and CSM
- 10 4469; Chapter 641 of the Statutes of 1986; and Chapters 1136,
- 11 1137, and 1138 of the Statutes of 1993).
- 12 ~~(26)~~
- 13 (30) Physical Performance Tests (96-365-01; Chapter 975 of
- 14 the Statutes of 1995).
- 15 ~~(27)~~
- 16 (31) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the
- 17 Statutes of 1978).
- 18 ~~(28)~~
- 19 (32) Pupil Health Screenings (CSM 4440; Chapter 1208 of the
- 20 Statutes of 1976; Chapter 373 of the Statutes of 1991; and Chapter
- 21 750 of the Statutes of 1992).
- 22 ~~(29)~~
- 23 (33) Pupil Promotion and Retention (98-TC-19; Chapter 100
- 24 of the Statutes of 1981; Chapter 1388 of the Statutes of 1982;
- 25 Chapter 498 of the Statutes of 1983; Chapter 1263 of the Statutes
- 26 of 1990; and Chapters 742 and 743 of the Statutes of 1998).
- 27 ~~(30)~~
- 28 (34) Pupil Safety Notices (02-TC-13; Chapter 498 of the Statutes
- 29 of 1983; Chapter 482 of the Statutes of 1984; Chapter 948 of the
- 30 Statutes of 1984; Chapter 196 of the Statutes of 1986; Chapter 332
- 31 of the Statutes of 1986; Chapter 445 of the Statutes of 1992;
- 32 Chapter 1317 of the Statutes of 1992; Chapter 589 of the Statutes
- 33 of 1993; Chapter 1172 of the Statutes of 1994; Chapter 1023 of
- 34 the Statutes of 1996; and Chapter 492 of the Statutes of 2000).
- 35 ~~(31)~~
- 36 (35) Pupil Expulsions (CSM 4455; Chapter 1253 of the Statutes
- 37 of 1975; Chapter 965 of the Statutes of 1977; Chapter 668 of the
- 38 Statutes of 1978; Chapter 318 of the Statutes of 1982; Chapter 498
- 39 of the Statutes of 1983; Chapter 622 of the Statutes of 1984;
- 40 Chapter 942 of the Statutes of 1987; Chapter 1231 of the Statutes

1 of 1990; Chapter 152 of the Statutes of 1992; Chapters 1255, 1256,
2 and 1257 of the Statutes of 1993; and Chapter 146 of the Statutes
3 of 1994).

4 ~~(32)~~

5 (36) Pupil Expulsion Appeals (CSM 4463; Chapter 1253 of the
6 Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 668
7 of the Statutes of 1978; and Chapter 498 of the Statutes of 1983).

8 ~~(33)~~

9 (37) Pupil Suspensions (CSM 4456; Chapter 965 of the Statutes
10 of 1977; Chapter 668 of the Statutes of 1978; Chapter 73 of the
11 Statutes of 1980; Chapter 498 of the Statutes of 1983; Chapter 856
12 of the Statutes of 1985; and Chapter 134 of the Statutes of 1987).

13 ~~(34)~~

14 (38) School Accountability Report Cards (97-TC-21, 00-TC-09,
15 00-TC-13, and 02-TC-32; Chapter 918 of the Statutes of 1997;
16 Chapter 912 of the Statutes of 1997; Chapter 824 of the Statutes
17 of 1994; Chapter 1031 of the Statutes of 1993; Chapter 759 of the
18 Statutes of 1992; and Chapter 1463 of the Statutes of 1989).

19 ~~(35)~~

20 (39) School District Fiscal Accountability Reporting (97-TC-19;
21 Chapter 100 of the Statutes of 1981; Chapter 185 of the Statutes
22 of 1985; Chapter 1150 of the Statutes of 1986; Chapters 917 and
23 1452 of the Statutes of 1987; Chapters 1461 and 1462 of the
24 Statutes of 1988; Chapter 525 of the Statutes of 1990; Chapter
25 1213 of the Statutes of 1991; Chapter 323 of the Statutes of 1992;
26 Chapters 923 and 924 of the Statutes of 1993; Chapters 650 and
27 1002 of the Statutes of 1994; and Chapter 525 of the Statutes of
28 1995).

29 ~~(36)~~

30 (40) School District Reorganization (98-TC-24; Chapter 1192
31 of the Statutes of 1980; and Chapter 1186 of the Statutes of 1994).

32 (41) *Student Records* (02-TC-34; Chapter 593 of the Statutes
33 of 1989; Chapter 561 of the Statutes of 1993; Chapter 311 of the
34 Statutes of 1998; and Chapter 67 of the Statutes of 2000).

35 ~~(37)~~

36 (42) The Stull Act (98-TC-25; Chapter 498 of the Statutes of
37 1983; and Chapter 4 of the Statutes of 1999).

38 ~~(38)~~

1 (43) Threats Against Peace Officers (CSM 96-365-02; Chapter
 2 1249 of the Statutes of 1992; and Chapter 666 of the Statutes of
 3 1995).

4 (e) The Superintendent of Public Instruction shall compile a list
 5 of all school districts, charter schools, and county offices of
 6 education that received block grant funding in the prior fiscal year
 7 pursuant to this section. This list shall include the total amount
 8 each school district, charter school, and county office of education
 9 received. The Superintendent of *Public Instruction* shall provide
 10 this information to the appropriate fiscal and policy committees
 11 of the Legislature, the Controller, the Department of Finance, and
 12 the Legislative Analyst Office on or before September 9 of each
 13 year.

14 *SEC. 6. Item 6110-485 of Section 2.00 of the Budget Act of*
 15 *2011 is amended to read:*

16
 17 6110-485—Reappropriation (Proposition 98), Department of
 18 Education. The sum of ~~\$6,824,000~~ \$17,159,000 is hereby
 19 reappropriated from the Proposition 98 Reversion Account
 20 for the following purposes:

21 0001—General Fund

22 (1) The sum of \$6,594,000 to the State Department of
 23 Education for transfer by the Controller to Section A
 24 of the State School Fund for allocation by the Superin-
 25 tendent of Public Instruction for apportionment for
 26 special education programs pursuant to Part 30 (com-
 27 mencing with Section 56000) of Division 4 of Title 2
 28 of the Education Code.

29 (2) The sum of \$230,000 to the State Department of Edu-
 30 cation for transfer by the Controller to Section A of
 31 the State School Fund for allocation by the Superinten-
 32 dent of Public Instruction for the purpose of funding
 33 California School Information Services administration
 34 activities authorized pursuant to Schedule (2) of Item
 35 6110-140-0001.

36 (3) *The sum of \$10,335,000 to the State Department of*
 37 *Education for the transfer by the Controller to Section*
 38 *A of the State School Fund for allocation by the Super-*
 39 *intendent of Public Instruction to support special edu-*

1 *ction authorized pursuant to Schedule (1) of Item*
2 *6110-161-0001.*

3
4 *SEC. 7. Item 6110-488 of Section 2.00 of the Budget Act of*
5 *2011, as amended by Section 84 of Chapter 38 of the Statutes of*
6 *2012, is amended to read:*

7
8 6110-488—Reappropriation, Department of Education.

9 Notwithstanding any other provision of law, the balances
10 from the following items are available for reappropriation
11 for the purposes specified in Provisions 1 to 5, inclusive:

12 0001—General Fund

13 (1) \$24,000,000 of the unexpended balance of the amount
14 appropriated for child care programs in Schedules (1)
15 and (1.5) of Item 6110-196-0001 of the Budget Act
16 of 2010 (Ch. 712, Stats. 2010)

17 (2) \$6,900,000 or whatever greater or lesser amount of
18 the unexpended balance of the amount appropriated
19 for Economic Impact Aid in Item 6110-128-0001 of
20 the Budget Act of 2010 (Ch. 712, Stats. 2010)

21 (3) \$20,000,000 or whatever greater or lesser amount of
22 the unexpended balance of the amount appropriated
23 for special education in Schedule (1) of Item 6110-
24 161-0001 of the Budget Act of 2010 (Ch. 712, Stats.
25 2010)

26 (4) \$15,121,000 or whatever greater or lesser amount of
27 the unexpended balance of the amount appropriated
28 for the K–3 Class Size Reduction program in para-
29 graph (9) of subdivision (a) of Section 38 of Chapter
30 12 of the Statutes of 2009

31 (5) \$40,000,000 or whatever greater or lesser amount of
32 the unexpended balance of the amount appropriated
33 for the Quality Education Investment Act in the
34 2010–11 fiscal year pursuant to Section 52055.770 of
35 the Education Code

36 (7) \$9,000 or whatever greater or lesser amount reflects
37 the unexpended balance of the amount appropriated
38 for the English Language Learners Supplemental In-
39 structional Materials program in paragraph (10) of

- 1 subdivision (a) of Section 43 of Chapter 79 of the
2 Statutes of 2006
- 3 (8) \$6,000 or whatever greater or lesser amount reflects
4 the unexpended balance of the amount appropriated
5 for the Agricultural Career Technical Education Pro-
6 gram in Item 6110-167-0001 of the Budget Act of
7 2008 (Chs. 268 and 269, Stats. 2008)
- 8 (9) \$973,000 or whatever greater or lesser amount reflects
9 the unexpended balance of the amount appropriated
10 for the Class Size Reduction Program in Item 6110-
11 234-0001 of the Budget Act of 2008 (Chs. 268 and
12 269, Stats. 2008)
- 13 (10) \$422,000 or whatever greater or lesser amount repre-
14 sents the balance available from Schedule (1) of Item
15 6870-101-0001 of the Budget Act of 2006 (Chs. 47
16 and 48, Stats. 2006), as reappropriated in Item 6870-
17 492 of the Budget Act of 2008 (Chs. 268 and 269,
18 Stats. 2008)
- 19 (11) \$902,000 or whatever greater or lesser amount repre-
20 sents the balance available from Schedules (7), (8),
21 and (19) of Item 6870-101-0001 of the Budget Act of
22 2008 (Chs. 268 and 269, Stats. 2008)
- 23 (12) \$1,039,000 or whatever greater or lesser amount re-
24 flects the unexpended balance of the amount appropri-
25 ated for Special Education Instruction in Schedule (2)
26 of Item 6110-161-0001 of the Budget Act of 2009
27 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1,
28 2009–10 4th Ex. Sess.)
- 29 (13) \$82,000 or whatever greater or lesser amount reflects
30 the unexpended balance of the amount appropriated
31 for Child Nutrition in Item 6110-651-0001, pursuant
32 to Section 5 of Chapter 3 of the 2009–10 Fourth Ex-
33 traordinary Session, as amended by Chapter 31 of the
34 2009–10 Third Extraordinary Session
- 35 (14) \$267,000 or whatever greater or lesser amount reflects
36 the unexpended balance of the amount appropriated
37 for the Supplemental School Counseling Program in
38 Item 6110-108-0001 of the Budget Act of 2010 (Ch.
39 712, Stats. 2010)

- 1 (15) \$15,000 or whatever greater or lesser amount reflects
2 the unexpended balance of the amount appropriated
3 for the Special Education Program in Schedule (2) of
4 Item 6110-161-0001 of the Budget Act of 2010 (Ch.
5 712, Stats. 2010)
- 6 (16) \$30,000 or whatever greater or lesser amount reflects
7 the unexpended balance of the amount appropriated
8 for the California Partnership Academies in Item
9 6110-166-0001 of the Budget Act of 2010 (Ch. 712,
10 Stats. 2010)
- 11 (17) \$418,000 or whatever greater or lesser amount reflects
12 the unexpended balance of the amount appropriated
13 for the California High School Exit Exam Supplemen-
14 tal Instruction program in Item 6110-204-0001 of the
15 Budget Act of 2010 (Ch. 712, Stats. 2010)
- 16 (18) \$369,000 or whatever greater or lesser amount reflects
17 the unexpended balance of the amount appropriated
18 for the Arts and Music Block Grant program in Item
19 6110-265-0001 of the Budget Act of 2010 (Ch. 712,
20 Stats. 2010)
- 21 (19) \$18,677,000 or whatever greater or lesser amount
22 represents the balance available from Schedules (1),
23 (7), (8), (9), and (19) of Item 6870-101-0001 of the
24 Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess.,
25 as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- 26 (20) \$33,000 or whatever greater or lesser amount reflects
27 the unexpended balance of the amount appropriated
28 for the Charter Schools Facilities Grant Program in
29 paragraph (11) of subdivision (a) of Section 43 of
30 Chapter 79 of the Statutes of 2006.
- 31 (21) \$413,000 or whatever greater or lesser amount reflects
32 the unexpended balance of the amount appropriated
33 for the Charter Schools Facilities Grant Program
34 pursuant to Section 47614.5 of the Education Code
35 (Ch. 215, Stats. 2007).
- 36 (22) \$18,000 or whatever greater or lesser amount reflects
37 the unexpended balance of the amount appropriated
38 for the California Partnership Academies in Item
39 6110–166–0001 of the Budget Act of 2008 (Chs. 268
40 and 269, Stats. 2008).

- 1 (23) \$201,000 or whatever greater or lesser amount reflects
2 the unexpended balance of the amount appropriated
3 for the Supplemental School Counseling Program in
4 Item 6110-108-0001 of the Budget Act of 2009 (Ch.
5 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1,
6 2009-10 4th Ex. Sess.).
- 7 (24) \$14,058,000 or whatever greater or lesser amount re-
8 flects the unexpended balance of the amount appropri-
9 ated for Special Education Instruction in Schedule (1)
10 of Item 6110-161-0001 of the Budget Act of 2009
11 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1,
12 2009-10 4th Ex. Sess.).
- 13 (25) \$1,003,000 or whatever greater or lesser amount re-
14 flects the unexpended balance of the amount appropri-
15 ated for the California Partnership Academies in Item
16 6110-166-0001 of the Budget Act of 2009 (Ch. 1,
17 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10
18 4th Ex. Sess.).
- 19 (26) \$1,334,000 or whatever greater or lesser amount re-
20 flects the unexpended balance of the amount appropri-
21 ated for the Charter School Economic Impact Aid
22 Program in Schedule (2) of Item 6110-211-0001 of
23 the Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess.,
24 as revised by Ch. 1, 2009-10 4th Ex. Sess.).
- 25 (27) \$1,275,000 or whatever greater or lesser amount re-
26 flects the unexpended balance of the amount appropri-
27 ated for Special Education Instruction in Item
28 6110-650-0001 (pursuant to Sec. 5, Ch. 3, 2009-10
29 4th Ex. Sess., as revised by Ch. 31, 2009-10 3rd Ex.
30 Sess.).
- 31 (28) \$48,000 or whatever greater or lesser amount reflects
32 the unexpended balance of the amount appropriated
33 for the English Language Tutoring program in Item
34 6110-227-0001 of the Budget Act of 2010 (Ch. 712,
35 Stats. 2010).
- 36 (29) \$29,000 or whatever greater or lesser amount reflects
37 the unexpended balance of the amount appropriated
38 for the Physical Education Incentive Grants program
39 in Item 6110-260-0001 of the Budget Act of 2010
40 (Ch. 712, Stats. 2010).

- 1 (30) \$18,000 or whatever greater or lesser amount reflects
2 the unexpended balance of the amount appropriated
3 for the Certificated Staff Mentoring program in Item
4 6110-267-0001 of the Budget Act of 2010 (Ch. 712,
5 Stats. 2010).
- 6 (31) \$5,337,000 or whatever greater or lesser amount re-
7 flects the unexpended balance of the amount appropri-
8 ated for the After School Education and Safety pro-
9 gram in Item 6110-649-0001 in the 2008-09 fiscal
10 year, pursuant to Sections 8483.5 and 8483.51 of the
11 Education Code.
- 12 (32) \$713,000 or whatever greater or lesser amount of the
13 unexpended balance of the amount appropriated for
14 the special education instruction in Schedule (1) of
15 Item 6110-161-0001 of the Budget Act of 2009 (Ch.
16 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-
17 10 4th Ex. Sess.)
- 18 (33) \$56,717,000 or whatever greater or lesser amount of
19 the unexpended balance of the amount appropriated
20 for special education instruction in Schedule (1) of
21 Item 6110-161-0001 of the Budget Act of 2010 (Ch.
22 712, Stats. 2010)
- 23 (34) \$4,000,000 or whatever greater or lesser amount of
24 the unexpended balance of the amount appropriated
25 for the Child Nutrition Program in Schedule (1) of
26 Item 6110-203-0001 of the Budget Act of 2010 (Ch.
27 712, Stats. 2010)
- 28 (35) \$13,925,000 or whatever greater or lesser amount of
29 the unexpended balance of the amount appropriated
30 for child care programs in Schedules (1) and (1.5) of
31 Item 6110-196-0001 of the Budget Act of 2009 (Ch.
32 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-
33 10 4th Ex. Sess.)
- 34 (36) \$32,314,000 or whatever greater or lesser amount of
35 the unexpended balance of the amount appropriated
36 for Child Care Programs in Schedule (1.5) of Item
37 6110-196-0001 of the Budget Act of 2010 (Ch. 712,
38 Stats. 2010)
- 39 (37) \$11,663,000 or whatever greater or lesser amount re-
40 flects the unexpended balance of the amount appropri-

- 1 ated for the After School Education and Safety pro-
2 gram in Item 6110-649-0001 in the 2009-10 fiscal
3 year, pursuant to Sections 8483.5 and 8483.51 of the
4 Education Code.
- 5 (38) \$16,801,000 or whatever greater or lesser amount re-
6 flects the unexpended balance of the amount appropri-
7 ated for the After School Education and Safety pro-
8 gram in Item 6110-649-0001 in the 2010-11 fiscal
9 year, pursuant to Sections 8483.5 and 8483.51 of the
10 Education Code.
- 11 (39) \$45,000 or whatever greater or lesser amount of the
12 unexpended balance of the amount appropriated for
13 Categorical Programs for charter schools in Schedule
14 (1) of Item 6110-211-0001 of the Budget Act of 2009
15 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1,
16 2009-10 4th Ex. Sess.)
- 17 (40) \$5,000 or whatever greater or lesser amount of the
18 unexpended balance of the amount appropriated for
19 English Language Development Assessment in Item
20 6110-651-0001 pursuant to Section 5 of Chapter 3 of
21 the 2009-10 Fourth Extraordinary Session, as
22 amended by Chapter 31 of the 2009-10 Third Extraor-
23 dinary Session.
- 24 (41) \$652,000 or whatever greater or lesser amount of the
25 unexpended balance of the amount appropriated for
26 Economic Impact Aid in Item 6110-128-0001 of the
27 Budget Act of 2010 (Ch. 712, Stats. 2010)
- 28 (42) \$722,000 or whatever greater or lesser amount of the
29 unexpended balance of the amount appropriated for
30 the Early Education Program for Individuals with
31 Exceptional Needs in Schedule (2) of Item 6110-161-
32 0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)
- 33 (43) \$2,245,000 or whatever greater or lesser amount of
34 the unexpended balance of the amount appropriated
35 for the Quality Education Investment Act in the 2010-
36 11 fiscal year pursuant to Section 52055.770 of the
37 Education Code.
- 38 (44) \$70,000,000 or whatever greater or lesser amount of
39 the unexpended balance of the amount appropriated
40 for the Quality Education Investment Act in the 2011-

1 12 fiscal year pursuant to Section 52055.770 of the
2 Education Code.

3 Provisions:

4 2. The sum of \$5,303,000 is hereby reappropriated to the
5 State Department of Education for transfer by the
6 Controller to Section A of the State School Fund for
7 allocation by the Superintendent of Public Instruction
8 to support costs during the 2011–12 fiscal year associ-
9 ated with the Class Size Reduction Program operated
10 pursuant to Chapter 6.10 (commencing with Section
11 52120) of Part 28 of Division 4 of Title 2 of the Edu-
12 cation Code.

13 3. The sum of \$5,673,000 is hereby reappropriated to the
14 State Department of Education for transfer by the
15 Controller to Section A of the State School Fund for
16 allocation by the Superintendent of Public Instruction
17 to support California School Information Services
18 administration activities authorized pursuant to
19 Schedule (2) of Item 6110-140-0001.

20 4. The sum of \$142,021,000 is hereby reappropriated to
21 the State Department of Education for transfer by the
22 Controller to Section A of the State School Fund for
23 allocation by the Superintendent of Public Instruction
24 for apportionment for special education programs
25 pursuant to Part 30 (commencing with Section 56000)
26 of Division 4 of Title 2 of the Education Code.

27 5. The sum of ~~\$220,137,000~~ \$209,802,000 is hereby re-
28 appropriated to the State Department of Education for
29 transfer by the Controller to Section A of the State
30 School Fund for allocation by the Superintendent of
31 Public Instruction for apportionment for special edu-
32 cation programs pursuant to Part 30 (commencing with
33 Section 56000) of Division 4 of Title 2 of the Educa-
34 tion Code

35

36 *SEC. 8. Item 6440-301-6048 is added to Section 2.00 of the*
37 *Budget Act of 2012, to read:*

1 6440-301-6048—*For capital outlay, University of California,*
2 *payable from the 2006 University Capital Outlay Bond*
3 *Fund* 4,750,000
4 *Schedule:*
5 *Merced Campus*
6 (1) 99.11.075-*Classroom and Academic*
7 *Office Building—Preliminary plans and*
8 *working drawings* 4,750,000
9 *Provisions:*
10 1. *Identified savings in funds encumbered from this gen-*
11 *eral obligation bond fund for construction contracts*
12 *for capital outlay projects, remaining after completion*
13 *of a capital outlay project and upon resolution of all*
14 *change orders and claims, may be used prior to the*
15 *appropriation reversion date: (a) to begin working*
16 *drawings for a project for which preliminary plan*
17 *funds have been appropriated and the plans have been*
18 *approved by the State Public Works Board consistent*
19 *with the scope and cost approved by the Legislature*
20 *as adjusted for inflation only, (b) to proceed further*
21 *with the underground tank corrections program, (c)*
22 *to perform engineering evaluations on buildings that*
23 *have been identified as potentially in need of seismic*
24 *retrofitting, (d) to proceed with design and construc-*
25 *tion of projects to meet requirements under the federal*
26 *Americans with Disabilities Act of 1990 (42 U.S.C.*
27 *Sec. 12101 et seq.), or (e) to fund minor capital outlay*
28 *projects.*
29 2. *The funds provided in this item shall be available for*
30 *expenditure only if the University of California re-*
31 *quires the payment of prevailing wage rates by the*
32 *contractors and subcontractors on all projects in this*
33 *item and on all other capital outlay projects undertak-*
34 *en by the University of California that are funded using*
35 *nonstate funds or are otherwise not financed with the*
36 *funds appropriated in this item. This requirement shall*
37 *represent a moratorium on granting further exceptions*
38 *to paying prevailing wage rates until June 30, 2013.*
39

1 *SEC. 9. The Legislature expects the University of California*
2 *to enroll a total of 209,977 state-supported full-time equivalent*
3 *students during the 2012–13 academic year. This enrollment target*
4 *does not include nonresident students and students enrolled in*
5 *nonstate supported summer programs. As a condition of receipt*
6 *of funds pursuant to Item 6440-001-0001 of Section 2.00 of the*
7 *Budget Act of 2012, the University of California shall report to*
8 *the Legislature by May 1, 2013, on whether it has met the 2012–13*
9 *academic year enrollment goal.*

10 *SEC. 10. The State Board of Education and the Health and*
11 *Human Services Agency, including the Department of Health Care*
12 *Services, the Department of Mental Health, and the Department*
13 *of Social Services, shall repeal regulations related to mental health*
14 *services provided by county mental health agencies that are no*
15 *longer supported by statute, including Sections 60020, 60025,*
16 *60030, 60040, 60045, 60050, 60055, 60100, 60110, and 60200 of*
17 *Title 2 of the California Code of Regulations.*

18 *SEC. 11. This act is a bill providing for appropriations related*
19 *to the Budget Bill within the meaning of subdivision (e) of Section*
20 *12 of Article IV of the California Constitution, has been identified*
21 *as related to the budget in the Budget Bill, and shall take effect*
22 *immediately.*

23 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
24 ~~changes relating to the Budget Act of 2012.~~