

AMENDED IN ASSEMBLY APRIL 16, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

Assembly Constitutional Amendment

No. 2

Introduced by Assembly Members Nestande and Olsen
(Coauthors: Assembly Members Bigelow, Harkey, Maienschein,
Wagner, and Wilk)
(Coauthor: Senator Cannella)

December 18, 2012

Assembly Constitutional Amendment No. 2—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 8.7 to Article XVI thereof, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

ACA 2, as amended, Nestande. Education finance: payment of state apportionments.

Existing law establishes the public elementary and secondary schools and the system of public community colleges in this state, and provides for a system for their funding. Provisions of the California Constitution require that a minimum amount of aggregate funding, calculated as specified, be allocated to school districts and community college districts. Pursuant to existing statutes, school districts, community college districts, and other local educational agencies receive a portion of their funding through apportionments of state funds made in accordance with payment schedules.

This measure would require that the total amount due for allocation to school districts, county offices of education, charter schools, and community college districts pursuant to the constitutional minimum funding requirement described above for a fiscal year, as estimated at

the time of enactment of the annual Budget Act for that fiscal year, be apportioned pursuant to statute during that fiscal year, unless that minimum funding requirement is suspended for that fiscal year pursuant to an existing constitutional provision authorizing that suspension. The measure would require this estimate to be set forth in the Budget Bill passed by the Legislature.

The measure would require apportionments of state aid to school districts, county offices of education, charter schools, and community college districts to be made no later than the times specified by the statutory payment schedule that was in effect during the 2000–01 fiscal year, except that the Legislature may require by statute that these apportionments be made earlier in the fiscal year.

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

1 *Resolved by the Assembly, the Senate concurring,* That the
2 Legislature of the State of California at its 2013–14 Regular
3 Session commencing on the third day of December 2012,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California that the
6 Constitution of the State be amended as follows:

7 First—The people of the State of California find and declare all
8 of the following:

9 (a) Beginning in the 2001–02 school year as a small and
10 temporary budget solution, and increasing significantly in the
11 2008–09 school year, California has excessively relied on deferring
12 state apportionments to school districts and community college
13 districts to balance the state budget. Over ten billion dollars
14 (\$10,000,000,000) is now used as a budget mechanism to fund
15 other government programs by withholding funds for our public
16 schools and community colleges and not paying what is owed to
17 them under constitutional K-12 and community college funding
18 guarantees, misleading Californians as to the true amount of cuts
19 and the actual funding available to operate our public schools and
20 community colleges.

21 (b) The fact that one dollar (\$1) out of every five dollars (\$5)
22 owed to K-12 schools and community colleges is not paid until
23 after the end of the academic school year has taken a demoralizing
24 toll on the teaching professions of both systems by contributing
25 to education program uncertainty and unprecedented educator

1 layoffs. Programs for K-12 pupils have been reduced or eliminated,
2 including all of the following: career, vocational, and technical
3 education; university preparation; afterschool programs; sports,
4 arts, and music; counseling services; libraries; and even core
5 academic programs. Community colleges have reduced access to
6 courses that students need to graduate on time.

7 (c) California’s increasing reliance on the budget practice of
8 deferring state payments to school districts and community college
9 districts results in broken promises to voters, students, and
10 educators because money arrives too late to be used during the
11 school year and is never recovered for the education of the students
12 for whom the money was intended.

13 (d) Because state revenue limit funding is reduced according to
14 the amount of property taxes collected at the local level,
15 low-property-tax-wealth school districts suffer more than
16 high-property-tax-wealth *school* districts, in that state funding
17 represents a greater portion of their overall budget. As a result of
18 these property tax differentials, for some school districts the
19 amounts deferred represent only a relatively small amount of
20 money, while for other school districts the moneys deferred are a
21 much larger part of their budget. This practice ultimately violates
22 the Equal Protection Clause of the California Constitution with
23 respect to California’s funding of public education.

24 (e) Cross-year deferrals have directly resulted in reduced local
25 school district and community college district control over the
26 maintenance of sound education practices, and have led to
27 inadequate course offerings, unreasonable class sizes, the
28 deterioration of education facilities for lack of maintenance
29 funding, and the depletion of reserves for economic uncertainty
30 because of accumulated annual funding losses. To make ends meet,
31 school districts and community college districts have suffered
32 increased borrowing costs and increased layoffs, and have been
33 forced to take emergency actions that jeopardize their long-term
34 financial health.

35 (f) Eliminating the practice of the deferral of state
36 apportionments to school districts and community college districts
37 will improve our children’s education by improving school district
38 and community college district financial health, and reducing the
39 risk of school district or community college district insolvency or

1 the disruption of services from emergency budget cuts to school
2 programs.

3 (g) This measure will force the Legislature and the Governor
4 to account for state funding shortfalls in an open way so that voters
5 can accurately judge what is actually spent on public education
6 without the mask of budget manipulation. If cuts are made to public
7 education because of lack of funding, those cuts should be done
8 openly and based on the projection of revenue for that year, and
9 without deferrals that suggest that a promised payment will be
10 made on some future date that has nothing to do with the current
11 school year.

12 Second—That Section 8.7 is added to Article XVI thereof, to
13 read:

14 SEC. 8.7. (a) The total amount due for allocation to school
15 districts, county offices of education, charter schools, and
16 community college districts to meet the minimum funding
17 requirement of Section 8 for a fiscal year, as estimated at the time
18 of the enactment of the Budget Act for that fiscal year, shall be
19 apportioned pursuant to statute during that fiscal year, unless that
20 minimum funding requirement is suspended for that fiscal year
21 pursuant to subdivision (h) of Section 8. That estimate shall be set
22 forth in the Budget Bill passed by the Legislature.

23 (b) Apportionments of state aid to school districts, county offices
24 of education, charter schools, and community college districts shall
25 be made no later than the times specified by the statutory payment
26 schedule that was in effect during the 2000–01 fiscal year, except
27 that the Legislature may require by statute that these
28 apportionments be made earlier in the fiscal year.