Assembly Bill No. 86

Passed the Assembly June 15, 2013

_____

Chief Clerk of the Assembly

Passed the Senate June 14, 2013

_____

Secretary of the Senate

This bill was received by the Governor this _____ day of _____, 2013, at _____ o'clock ____M.

_____

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 8150, 8151, 8152, 8153.5, 8154, 8155, 8239, 8263, 8263.1, 8335.4, 8335.5, 8335.7, 8344, 8346, 8447, 17457.5, 17463.7, 17592.71, 41203.1, 41325, 41329.52, 41329.53, 41329.55, 41329.57, 41365, 41366.6, 41367, 47612, 47614.5, 49430.5, 52055.770, 56520, 56523, 56525, 56836.02, 56836.08, 56836.10, 56836.11, 56836.15, 56836.22, 56836.23, 60810, 79146, 79148, and 84043 of, to amend, add, and repeal Section 84321.6 of, to add Sections 8150.5, 44374.5, 56521.1, 56521.2, 56836.145, 56836.31, 66025.92, 79149, 79149.1, 79149.2, 79149.3, 79149.4, 79149.5, and 79149.6 to, to add Article 11.5 (commencing with Section 8273) to Chapter 2 of Part 6 of Division 1 of Title 1 of, to add Article 3 (commencing with Section 84830) to Chapter 5 of Part 50 of Division 7 of Title 3 of, to repeal Sections 8156, 38092, 38102, 47614.7, 56836.12, 56836.13, 56836.14, 56836.24, 56836.25, and 56836.30 of, to repeal Article 7 (commencing with Section 84381) of Chapter 3 of Part 50 of Division 7 of Title 3 of, and to repeal and add Section 14041.6 of, the Education Code, to amend Sections 17581.5, 17581.6, 17581.7, 63049.67, and 63049.68 of the Government Code, and to repeal Section 10 of Chapter 325 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

AB 86, Committee on Budget. Education finance: education omnibus trailer bill.

(1) Existing law establishes procedures and reimbursement provisions for the attendance of apprentices at high schools, unified school districts, regional occupational centers or programs, community colleges, and adult schools under vocational education programs standards that are established with the participation of the State Department of Education, the Chancellor of the California Community Colleges, and the Division of Apprenticeship Standards of the Department of Industrial Relations.

This bill would revise the role of the State Department of Education in these programs, and would, among other things,

establish standards for the provision of state funding and reimbursements for these programs at high schools, unified school districts, regional occupational centers or programs, and adult schools separate from these programs at community colleges. The bill would require, by March 15, 2014, the Chancellor of the California Community Colleges and the Division of Apprenticeship Standards of the Department of Industrial Relations, with equal participation by specified entities, to develop common administrative practices and treatment of costs and services, as well as other policies related to apprenticeship programs.

(2) Existing law, the Child Care and Development Services Act, administered by the State Department of Education, requires the Superintendent of Public Instruction to administer child care and development programs that offer a full range of services for eligible children from infancy to 13 years of age. Existing law requires the Superintendent to establish a fee schedule for families using child care and development services pursuant to the act, and limits a contractor's ability to charge additional fees. Existing law exempts families that meet certain criteria from family fees for a cumulative period of up to 12 months.

This bill would instead require the Superintendent to establish a revised fee schedule for families using preschool and child care and development services. The bill would require the Superintendent to first submit the adjusted family fee schedule to the Department of Finance for approval. The bill would require that families be assessed a flat monthly fee, based on income, as specified, certified family need for full-time or part-time care services, and enrollment, and not based on attendance, as specified. The bill would require that the family fee schedule differentiate between fees for part-time care and full-time care and that the family fee be assessed at initial enrollment and reassessed as specified. The bill would also state the Legislature's intent that new family fees be cost neutral to the state and generate roughly the same amount of revenue as was generated under the previous family fee schedule. The bill would specify that the family fee schedule that was in effect for the 2012–13 fiscal year shall remain in effect for the 2013–14 fiscal year until as specified. The bill would make organizational, conforming, and nonsubstantive changes.

(3) Existing law requires the Superintendent of Public Instruction to encourage state preschool program applicants or contracting agencies to offer full-day services through a combination of part-day preschool slots and wraparound general child care and development programs, as defined. Existing law also requires fees to be assessed and collected for families with children in part-day preschool programs, or families receiving wraparound child care services, or both, as provided.

This bill would require the Superintendent to annually report to the Department of Finance, on or before October 1 of each year, the fees collected from families who have children enrolled in the California state preschool program, as specified.

(4) Existing law provides for income eligibility standards for families to receive child care and development services. Existing law provides that "income eligible," for the purposes of the Child Care and Development Services Act, means that a family's adjusted monthly income is at or below 70% of the state median income, adjusted for family size, and adjusted annually. Notwithstanding this provision, existing law requires, for the 2012–13 fiscal year, the income eligibility limits to be 70% of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

This bill would require, notwithstanding these provisions, for the 2013–14 fiscal year, the income eligibility limits to be 70% of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

(5) Existing law authorizes the City and County of San Francisco, until July 1, 2014, and as a pilot project, to develop and implement an individualized county child care subsidy plan, requires the city and county, on or before June 30, 2014, to submit a final report to the Legislature and other specified entities that summarizes the impact of the plan, requires the city and county to phase out the plan and implement the state's requirements for child care subsidies as of July 1, 2016, and repeals these provisions on January 1, 2017.

This bill would instead authorize the City and County of San Francisco to implement the individualized county child care subsidy plan until July 1, 2015, require the city and county to phase out the plan and implement the state's requirements for child care subsidies as of July 1, 2017, require the city and county to submit

the final report on or before June 30, 2015, and repeal these provisions on January 1, 2018.

(6) Existing law, until January 1, 2014, authorizes the County of San Mateo to implement an individualized county child care subsidy plan, and requires the county to phase out the plan between January 1, 2014, and January 1, 2016. Existing law provides for the repeal of these provisions on January 1, 2016.

This bill would instead authorize the County of San Mateo to implement the individualized county child care subsidy plan until January 1, 2015, require the county to phase out the plan between January 1, 2015, and January 1, 2017, and repeal these provisions on January 1, 2017.

(7) Existing law requires the Controller to draw warrants on the State Treasury in each month of the year for the purpose of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of specified warrants until later dates.

This bill would revise and recast a provision authorizing the deferral of several specified warrants.

(8) Existing law, which becomes inoperative on June 30, 2013, and is repealed on January 1, 2014, requires the governing board of a school district seeking to sell or lease real property designed to provide direct instruction or instructional support that the governing board deems to be surplus property to first provide a written offer to sell or lease that property to any charter school that has submitted a written request to the school district to be notified of surplus real property offered by the school district for sale or lease, as specified.

This bill would delete the repeal provision, thereby extending the operation of this provision indefinitely. The bill would revise the procedures and requirements for the sale of surplus property to charter schools, and would limit the provisions to charter schools that, at the time of the offer, have projections of at least 80 units of in-district average daily attendance for the following fiscal year.

(9) Existing law, until January 1, 2014, authorizes a school district to deposit the proceeds from the sale of surplus real property, together with any personal property located on that property, purchased entirely with local funds, into the general fund of the school district and to use those proceeds for any one-time general fund purpose. Existing law requires the Office of Public

School Construction to submit a final report, by January 1, 2014, to the State Allocation Board and certain committees of the Legislature relating to school districts that have exercised authority pursuant to those provisions.

This bill would extend the operation of those provisions to January 1, 2016, and would revise the date on which the final report is required to be submitted from January 1, 2014, to January 1, 2015.

(10) Existing law establishes the School Facilities Emergency Repair Account in the State Treasury, and requires the State Allocation Board to administer the account. Existing law establishes the Proposition 98 Reversion Account in the General Fund, and requires that the Legislature, from time to time, transfer into this account moneys previously appropriated in satisfaction of the constitutional minimum funding requirements that have not been disbursed or otherwise encumbered for the purposes for which they were appropriated. Existing law generally requires an amount, equaling 50% of the unappropriated balance of the Proposition 98 Reversion Account or $100,000,000, whichever is greater, to be transferred in the annual Budget Act from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account. However, the amount to be transferred under this provision was set at $0 for the 2009–10, 2010–11, 2011–12, and 2012–13 fiscal years.

This bill would also set the amount to be transferred for the 2013–14 fiscal year to $0.

(11) Existing law authorizes the governing board of any school district with an average daily attendance of over 100,000 to allow as an expenditure from the cafeteria fund or account a share of money that is generated from the joint sale of items between the cafeteria and the associated student body student store, and also authorizes the governing board of a school district operating school cafeterias to establish and maintain a cafeteria equipment reserve, as specified.

This bill would repeal those provisions.

(12) Existing law requires, for the 1990–91 fiscal year and each fiscal year thereafter, that moneys to be applied by the state for the support of school districts, community college districts, and direct elementary and secondary level instructional services provided by the state be distributed in accordance with certain

calculations governing the proration of those moneys among the 3 segments of public education. Existing law makes that provision inapplicable to the 1992–93 to 2012–13 fiscal years, inclusive.

This bill would also make that provision inapplicable to the 2013–14 fiscal year.

(13) Existing law provides that when a school district becomes insolvent and requires an emergency apportionment from the state, that the Superintendent of Public Instruction, operating through an appointed administrator, take specified actions, including, among others, implementing substantial changes in the school district's fiscal policies and practices, and sets forth the administrator's powers and responsibilities in that regard.

This bill would authorize the Superintendent to also appoint a trustee with the powers and responsibilities of an administrator.

(14) Existing law authorizes a school district to receive an advance of apportionments owed to the school district by the State School Fund in accordance with specified procedures and requirements.

This bill would specify that a school district to is authorized to receive an advance of apportionments owed to the school district from the State School Fund and the Education Protection Account. The bill would also make conforming changes to related sections in the Government Code.

(15) Existing law establishes the Charter School Revolving Loan Fund in the State Treasury, and authorizes loans to be made from the fund to qualifying charter schools. Existing law establishes the Charter School Security Fund, and authorizes deposits to be made from that fund into the Charter School Revolving Loan Fund in case of a default on a loan made from the latter fund. Under existing law, these funds are administered by the State Department of Education.

This bill would require the California School Finance Authority to administer the Charter School Revolving Loan Fund and the Charter School Security Fund commencing with the 2013–14 fiscal year.

(16) Existing law establishes the Commission on Teacher Credentialing for, among other purposes, the establishment of professional standards, assessments, and examinations for entry and advancement in the teaching profession.

This bill would authorize the commission to charge fees to recover the costs of reviewing new educator preparation programs and specified accreditation activities, as provided.

(17) The Charter Schools Act of 1992 provides procedures for the calculation of average daily attendance for the purpose of funding charter schools.

This bill would revise certain of these procedures, and specifically prohibit a charter school pupil from generating more than one day of attendance in a calendar day.

(18) Existing law establishes the Charter School Facility Grant Program to provide assistance with facilities rent and lease costs for pupils in charter schools, and requires the State Department of Education to allocate annually facilities grants to eligible charter schools.

This bill would revise and recast the statutes controlling the Charter School Facility Grant Program, and, commencing with the 2013–14 fiscal year, place it under the administration of the California School Finance Authority rather than the department.

(19) Existing law sets the reimbursement a school receives for free and reduced-price meals sold or served to pupils in elementary, middle, or high schools to be $0.21, as adjusted annually for increases in cost of living, as specified.

This bill would set the reimbursement amount to $0.2229 per meal, and, for meals served in child care centers and homes, to $0.1660 per meal.

(20) The existing 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, 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, to develop exemplary school district and school practices that will create working conditions and classroom learning environments that will attract and retain well qualified teachers, administrators, and other staff, and to focus school resources solely on instructional improvement and pupil services. The act appropriates specified funds for these purposes.

This bill would adjust certain calculations and appropriations made pursuant to these provisions.

(21) Existing law makes legislative findings and declarations that the state has continually sought to provide an appropriate and meaningful educational program in a safe and healthy environment for all children regardless of possible physical, mental, or emotionally disabling conditions and that teachers of children with special needs require training and guidance that provides positive ways for working successfully with children who have difficulties conforming to acceptable behavior patterns. Existing law provides for the implementation of a program governing the use of behavior interventions for individuals with exceptional needs.

This bill would delete the legislative finding and declaration relating to teachers of children with special needs, and add certain findings and declarations relating to behavioral interventions.

The bill would require that emergency behavioral interventions be used only to control unpredictable, spontaneous behavior that poses clear and present danger of serious physical harm to the individual with exceptional needs or others, and that cannot be prevented by a response less restrictive than the temporary application of a technique used to contain the behavior. The bill would require that emergency interventions be documented in reports, as provided, and would require specified teams to review these reports. The bill would prohibit certain types of interventions by an agency serving individuals with exceptional needs, including electric shock, the release of toxic or noxious sprays or mists, or locked seclusion, except when seclusion is used as specified.

The bill would require the Superintendent of Public Instruction to repeal regulations regarding the use of behavioral interventions that are no longer supported by statute, as specified.

(22) Existing law provides for the calculation of apportionments to fund the provision of special education instruction and services for pupils who qualify for these programs.

This bill would make numerous adjustments in the calculations of apportionments related to the funding for special education.

(23) Existing law requires the Superintendent of Public Instruction to review existing tests that assess the English language development of pupils whose primary language is a language other than English. Existing law requires pupils in kindergarten and grade 1 to be assessed in English listening and speaking, and, once an assessment is developed, early literacy skills. Existing law requires an early literacy assessment to be administered for a period

of 3 years or until July 1, 2012, whichever occurs first, and requires the State Department of Education to report to the Legislature, no later than January 1, 2013, on early literacy assessment results.

The bill would instead require the early literacy assessment to be administered for 4 years or until July 1, 2014, and would require the department to submit the report on early literacy assessments results for the first 3 administered assessments no later than June 30, 2013.

(24) Existing law requires the California State University and each community college district, and requests the University of California, with respect to each campus in their respective jurisdictions that administers a priority enrollment system, to grant priority registration for enrollment to a foster youth or former foster youth, as defined.

This bill would require each community college district that administers a priority enrollment system to grant priority registration for enrollment to any student who is a recipient of aid under the California Work Opportunity and Responsibility to Kids program. By requiring additional students to receive priority registration at community college districts, the bill would impose a state-mandated local program.

(25) Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law, for the 2009–10 to 2014–15 fiscal years, inclusive, authorizes a community college district to use funds apportioned to the community college district for certain programs, including, among other programs, apprenticeship and matriculation programs, for purposes of a prescribed list of programs contained in the Budget Act of 2009.

This bill would remove the authorization for a community college district to use funds appropriated for apprenticeship and matriculation for purposes of the prescribed list of programs contained in the Budget Act of 2009.

(26) Existing law creates in the State Treasury the Community College Fund for Instructional Improvement, which consists of a revolving loan program and a direct grant program to support alternative educational programs and services for California Community Colleges, as specified.

This bill would repeal those provisions.

(27) Existing law specifies noncredit courses and classes in the various campuses of the California Community Colleges that are eligible for state funding.

This bill would require the Chancellor of the California Community Colleges and the State Department of Education, pursuant to funding made available in the annual Budget Act, to jointly provide 2-year planning and implementation grants to regional consortia of community college districts and school districts for the purpose of developing regional plans for adult education, as specified. The bill would require the chancellor and the department to submit a joint report relating to the program to the Legislature and the Governor on or before March 1, 2014.

(28) 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 provides that, under certain conditions, a school district or community college district is not required to implement or give effect to certain statutes, or portions of statutes, determined to mandate a new program or higher level of service.

This bill would expand the list of programs that a school district or community college district would not have to implement under those conditions.

(29) Existing law, commencing with the 2012–13 fiscal year, requires 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 to be available as a block grant to school districts, charter schools, county offices of education, and community college districts, to support specified state-mandated local programs. Existing law provides that a school district, charter school, county office of education, or community college district that submits a letter of intent to the Superintendent of Public Instruction or the Chancellor of the California Community Colleges, as appropriate, and receives this block grant funding is not eligible to submit a claim for reimbursement for those specified mandated programs for the fiscal year for which the block grant funding is received.

This bill would prescribe procedures and requirements for school districts, county offices of education, charter schools, and community college districts that elect to receive block grant funding for designated mandated programs. The bill would revise the list of specified state-mandated local programs that are subject to these provisions that authorize block grant funding in lieu of program-specific reimbursement.

(30) Existing law appropriates a sum of up to $29,000,000 from the General Fund to the Superintendent of Public Instruction for apportionment to the Inglewood Unified School District for the purpose of an emergency loan. Existing law requires the Inglewood Unified School District to enter into bank financing with the California Infrastructure and Economic Development Bank upon terms the bank, in its discretion, deems necessary or appropriate for purposes of financing or refinancing the emergency apportionment. Existing law authorizes the school district to augment the emergency loan with an additional $26,000,000 of bank financing, arranged as specified.

This bill would repeal the provisions requiring the Inglewood Unified School District to enter into bank financing or refinancing of the emergency apportionment and authorizing the school district to augment the emergency loan. The bill would instead authorize the Inglewood Unified School District, through the State Department of Education, to request cashflow loans from the General Fund for a total of $55,000,000. The bill would require the Controller, upon order of the Director of Finance, to draw warrants against General Fund cash to the Inglewood Unified School District once a loan is approved by the Director of Finance, thereby making an appropriation. The bill would specify conditions to be followed by the school district in receiving the funds and repaying the loan. The bill would make legislative findings and declarations as to the necessity of a special statute for the Inglewood Unified School District.

(31) This bill would provide that, of the amount allocated in a specified schedule of the Budget Act of 2011, $8,954,000 would be provided to fully fund maintenance of effort in the special education program in designated fiscal years.

(32) This bill would appropriate $1,250,000,000 from the General Fund to the Superintendent of Public Instruction for transfer to Section A of the State School Fund to support the

integration of academic content standards in instruction, as specified. The bill would require the Superintendent to apportion these funds to school districts, county offices of education, charter schools, and the state special schools using an equal rate per pupil based on prior year enrollment. The bill would require the school districts, county offices of education, charter schools, or state special schools receiving these funds to use them for certain purposes, including professional development of teachers, administrators, and paraprofessional educators or other classified employees involved in the direct instruction of pupils, as specified. The bill would require, as a condition of receiving funds apportioned pursuant to the bill, a school district, county office of education, charter school, or state special school to adopt a plan delineating how the funds shall be spent and to report detailed expenditure information to the State Department of Education on or before July 1, 2015, as specified. The bill would require the department to provide a summary of the expenditure information provided to it to the appropriate budget subcommittees and policy committees of the Legislature and to the Department of Finance on or before January 1, 2016.

(33) This bill would provide for the expenditure of funds appropriated by the Budget Act of 2013 for the establishment of the California Career Pathways Trust. The bill would require these funds to be apportioned, as specified, to school districts, county superintendents of schools, charter schools, and community college districts as competitive grants to be available for expenditure in the 2013–14 to 2015–16 fiscal years, inclusive. The bill would require the Superintendent to consult with the Chancellor of the California Community Colleges and organizations representing businesses in considering grant applications pursuant to those provisions. The bill would require recipients of grants and the Superintendent to report specified outcome measures to the Department of Finance and to the relevant policy and fiscal committees of the Legislature no later than December 1, 2016.

(34) This bill would require amounts to be determined by the Director of Finance to be appropriated from the General Fund to the Board of Governors of the California Community Colleges, on or before June 30, 2013, and on or before June 30, 2014, in the event that specified revenues distributed to community colleges

are less than estimated amounts reflected in the Budget Acts of 2012 and 2013, respectively.

(35) This bill would require that an amount to be determined by the Director of Finance would be appropriated, on or before June 30, 2014, from the General Fund to the Superintendent of Public Instruction for specified special education programs.

(36) This bill would require that the funds appropriated pursuant to designated items of the Budget Act of 2013 be encumbered by July 31, 2014, thus extending the encumbrance authority connected with those items by one month. The bill would state that this extension is provided due to the effect of the deferral of the June 2014 principal apportionment on those budget items.

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

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

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

(39) 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.

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

Appropriation: yes.

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

SECTION 1. Section 8150 of the Education Code is amended to read:

8150. (a) The Chancellor of the California Community Colleges shall be responsible for allocating funds for apprenticeship programs in good standing and approved pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code for the secondary education system.

(b) Upon an appropriation by the Legislature, the Chancellor of the California Community Colleges shall allocate funds solely for the purposes of this article consistent with the subdivision (e) of Section 8152.

(c) For purposes of this article, a "local educational agency" is defined as a school district or a county office of education.

SEC. 2. Section 8150.5 is added to the Education Code, to read:

8150.5. Attendance of apprentices enrolled in any class maintained by a high school, unified school district, regional occupation center or program, or adult school, pursuant to Section 3074 of the Labor Code, shall be reimbursed pursuant to Section 8152 only if reported separately to the Chancellor of the California Community Colleges. Attendance reported pursuant to this section shall be used only for purposes of calculating allowances pursuant to Section 8152.

SEC. 3. Section 8151 of the Education Code is amended to read:

8151. An apprentice attending a high school, unified school district, regional occupational center or program, or adult school in classes of related and supplemental instruction as provided under Section 3074 of the Labor Code and in accordance with the requirements of subdivision (d) of Section 3078 of the Labor Code shall be exempt from the requirements of any interdistrict attendance agreement for those classes.

SEC. 4. Section 8152 of the Education Code is amended to read:

8152. (a) The reimbursement rate shall be established in the annual Budget Act and the rate shall be commonly applied to all providers of instruction specified in subdivision (d).

(b) For purposes of this section, each hour of teaching time may include up to 10 minutes of passing time and breaks.

(c) This section also applies to isolated apprentices, as defined in Section 3074 of the Labor Code, for which alternative methods of instruction are provided.

(d) The Chancellor of the California Community Colleges shall make the reimbursements specified in this section for teaching time provided by high schools, unified school districts, regional occupational centers or programs, or adult schools.

(e) The hours for related and supplemental instruction derived from funds appropriated pursuant to subdivision (b) of Section 8150 shall be allocated by the Chancellor of California Community Colleges directly to participating local educational agencies that contract with apprenticeship programs pursuant to subdivision (f).

(f) Reimbursements may be made under this section for related and supplemental instruction provided to indentured apprentices only if the instruction is provided by a program approved by the Division of Apprenticeship Standards in the Department of Industrial Relations in accordance with Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

(g) The initial allocation of hours made pursuant to subdivision (e) for related and supplemental instruction at the beginning of any fiscal year when multiplied by the hourly reimbursement rate shall equal 100 percent of the total appropriation for apprenticeships.

(h) If funds remain from the appropriation pursuant to subdivision (b) of Section 8150, the Chancellor of the California Community Colleges shall reimburse local educational agencies for unfunded related and supplemental instruction hours from any of the three previous fiscal years, in the following order:

(1) Reported related and supplemental instruction hours as described in subdivision (b) of Section 8154 that were paid at a rate less than the hourly rate specified in the Budget Act.

(2) Reported related and supplemental instruction hours that were not reimbursed.

SEC. 5. Section 8153.5 of the Education Code is amended to read:

8153.5. For purposes of the California Firefighter Joint Apprenticeship Program, classes of related and supplemental instruction that qualify for funding pursuant to Section 8152 include, but are not limited to, classes that meet both of the following requirements:

(a) The classes are conducted at the workplace.

(b) The person providing instruction is qualified, by means of education or experience, as a journeyman and shares the responsibility for supervision of the apprentices participating in the classes with the certified community college or adult education coordinator.

SEC. 6. Section 8154 of the Education Code is amended to read:

8154. (a) The Chancellor of the California Community Colleges, in consultation with the Division of Apprenticeship Standards of the Department of Industrial Relations and the Superintendent, shall annually review the amount of state funding necessary to provide the reimbursements specified in Section 8152, and shall include an estimate of required funds in its budget for each fiscal year.

(b) If the amounts appropriated in any fiscal year are insufficient to provide full reimbursement, the hourly rate specified in Section 8152 shall be reduced on a pro rata basis only for reported hours that are in excess of the number of hours allocated at the beginning of the fiscal year so that the entire appropriation is allocated.

(c) If the amount appropriated is in excess of the amounts needed for full reimbursement pursuant to subdivision (h) of Section 8152, any excess shall be allocated to school and community college districts to be used for the purpose of the state general apportionment.

SEC. 7. Section 8155 of the Education Code is amended to read:

8155. (a) The Chancellor of the California Community Colleges and the Division of Apprenticeship Standards of the Department of Industrial Relations, in consultation with the Superintendent, shall jointly develop a model format for agreements between apprenticeship programs and local educational agencies for instruction pursuant to Section 3074 of the Labor Code.

(b) By March 15, 2014, the Chancellor of the California Community Colleges and the Division of Apprenticeship Standards of the Department of Industrial Relations, with equal participation by local educational agencies and community college apprenticeship administrators, shall develop common administrative practices and treatment of costs and services, as well as other policies related to apprenticeship programs. Any policies developed pursuant to the this subdivision shall become operative upon approval by the California Apprenticeship Council.

(c) Apprenticeship programs offered through local educational agencies may maintain their existing curriculum and instructors separate from the requirements of the California Community

Colleges. The person providing instruction may be a qualified journeyperson with experience and knowledge of the trade.

SEC. 8. Section 8156 of the Education Code is repealed.

SEC. 9. Section 8239 of the Education Code is amended to read:

8239. The Superintendent shall encourage state preschool program applicants or contracting agencies to offer full-day services through a combination of part-day preschool slots and wraparound general child care and development programs. In order to facilitate a full-day of services, all of the following shall apply:

(a) Part-day preschool programs provided pursuant to this section shall operate between 175 and 180 days.

(b) Wraparound general child care and development programs provided pursuant to this section may operate a minimum of 246 days per year unless the child development contract specified a lower minimum days of operation. Part-day general child care and development programs may operate a full-day for the remainder of the year after the completion of the preschool program.

(c) Part-day preschool services combined with wraparound child care services shall be reimbursed at no more than the full-day standard reimbursement rate for general child care programs with adjustment factors, pursuant to Section 8265 and as determined in the annual Budget Act.

(d) Three- and four-year-old children are eligible for wraparound child care services to supplement the part-day California state preschool program if the family meets at least one of the criteria specified in paragraph (1) of subdivision (a) of Section 8263, and the parents meet at least one of the criteria specified in paragraph (2) of subdivision (a) of Section 8263.

(e) Fees shall be assessed and collected for families with children in part-day preschool programs, or families receiving wraparound child care services, or both, pursuant to Article 11.5 (commencing with Section 8273).

(f) The Superintendent shall annually report to the Department of Finance, on or before October 1 of each year, the fees collected from families who have children enrolled in the California state preschool program. The report shall distinguish between family fees collected for part-day preschool programs and fees collected for wraparound child care services.

(g) For purposes of this section, "wraparound child care services" and "wraparound general child care and development programs" mean services provided for the remaining portion of the day or remainder of the year following the completion of part-day preschool services that are necessary to meet the child care needs of parents eligible pursuant to subdivision (a) of Section 8263. These services shall be provided consistent with the general child care and development programs provided pursuant to Article 8 (commencing with Section 8240).

SEC. 10. Section 8263 of the Education Code is amended to read:

8263. (a) The Superintendent shall adopt rules and regulations on eligibility, enrollment, and priority of services needed to implement this chapter. In order to be eligible for federal and state subsidized child development services, families shall meet at least one requirement in each of the following areas:

(1) A family is (A) a current aid recipient, (B) income eligible, (C) homeless, or (D) one whose children are recipients of protective services, or whose children have been identified as being abused, neglected, or exploited, or at risk of being abused, neglected, or exploited.

(2) A family needs the child care services (A) because the child is identified by a legal, medical, or social services agency, or emergency shelter as (i) a recipient of protective services or (ii) being neglected, abused, or exploited, or at risk of neglect, abuse, or exploitation, or (B) because the parents are (i) engaged in vocational training leading directly to a recognized trade, paraprofession, or profession, (ii) employed or seeking employment, (iii) seeking permanent housing for family stability, or (iv) incapacitated.

(b) Except as provided in Article 15.5 (commencing with Section 8350), priority for federal and state subsidized child development services is as follows:

(1) (A) First priority shall be given to neglected or abused children who are recipients of child protective services, or children who are at risk of being neglected or abused, upon written referral from a legal, medical, or social services agency. If an agency is unable to enroll a child in the first priority category, the agency shall refer the family to local resource and referral services to locate services for the child.

(B) A family who is receiving child care on the basis of being a child at risk of abuse, neglect, or exploitation, as defined in subdivision (k) of Section 8208, is eligible to receive services pursuant to subparagraph (A) for up to three months, unless the family becomes eligible pursuant to subparagraph (C).

(C) A family may receive child care services for up to 12 months on the basis of a certification by the county child welfare agency that child care services continue to be necessary or, if the child is receiving child protective services during that period of time, and the family requires child care and remains otherwise eligible. This time limit does not apply if the family's child care referral is recertified by the county child welfare agency.

(2) Second priority shall be given equally to eligible families, regardless of the number of parents in the home, who are income eligible. Within this priority, families with the lowest gross monthly income in relation to family size, as determined by a schedule adopted by the Superintendent, shall be admitted first. If two or more families are in the same priority in relation to income, the family that has a child with exceptional needs shall be admitted first. If there is no family of the same priority with a child with exceptional needs, the same priority family that has been on the waiting list for the longest time shall be admitted first. For purposes of determining order of admission, the grants of public assistance recipients shall be counted as income.

(3) The Superintendent shall set criteria for, and may grant specific waivers of, the priorities established in this subdivision for agencies that wish to serve specific populations, including children with exceptional needs or children of prisoners. These new waivers shall not include proposals to avoid appropriate fee schedules or admit ineligible families, but may include proposals to accept members of special populations in other than strict income order, as long as appropriate fees are paid.

(c) Notwithstanding any other law, in order to promote continuity of services, a family enrolled in a state or federally funded child care and development program whose services would otherwise be terminated because the family no longer meets the program income, eligibility, or need criteria may continue to receive child development services in another state or federally funded child care and development program if the contractor is able to transfer the family's enrollment to another program for

which the family is eligible before the date of termination of services or to exchange the family's existing enrollment with the enrollment of a family in another program, provided that both families satisfy the eligibility requirements for the program in which they are being enrolled. The transfer of enrollment may be to another program within the same administrative agency or to another agency that administers state or federally funded child care and development programs.

(d) In order to promote continuity of services, the Superintendent may extend the 60-working-day period specified in subdivision (a) of Section 18086.5 of Title 5 of the California Code of Regulations for an additional 60 working days if he or she determines that opportunities for employment have diminished to the degree that one or both parents cannot reasonably be expected to find employment within 60 working days and granting the extension is in the public interest. The scope of extensions granted pursuant to this subdivision shall be limited to the necessary geographic areas and affected persons, which shall be described in the Superintendent's order granting the extension. It is the intent of the Legislature that extensions granted pursuant to this subdivision improve services in areas with high unemployment rates and areas with disproportionately high numbers of seasonal agricultural jobs.

(e) A physical examination and evaluation, including age-appropriate immunization, shall be required before, or within six weeks of, enrollment. A standard, rule, or regulation shall not require medical examination or immunization for admission to a child care and development program of a child whose parent or guardian files a letter with the governing board of the child care and development program stating that the medical examination or immunization is contrary to his or her religious beliefs, or provide for the exclusion of a child from the program because of a parent or guardian having filed the letter. However, if there is good cause to believe that a child is suffering from a recognized contagious or infectious disease, the child shall be temporarily excluded from the program until the governing board of the child care and development program is satisfied that the child is not suffering from that contagious or infectious disease.

(f) Regulations formulated and promulgated pursuant to this section shall include the recommendations of the State Department

of Health Care Services relative to health care screening and the provision of health care services. The Superintendent shall seek the advice and assistance of these health authorities in situations where service under this chapter includes or requires care of children who are ill or children with exceptional needs.

(g) The Superintendent shall establish guidelines for the collection of employer-sponsored child care benefit payments from a parent whose child receives subsidized child care and development services. These guidelines shall provide for the collection of the full amount of the benefit payment, but not to exceed the actual cost of child care and development services provided, notwithstanding the applicable fee based on the fee schedule.

(h) The Superintendent shall establish guidelines according to which the director or a duly authorized representative of the child care and development program will certify children as eligible for state reimbursement pursuant to this section.

(i) Public funds shall not be paid directly or indirectly to an agency that does not pay at least the minimum wage to each of its employees.

SEC. 11. Section 8263.1 of the Education Code is amended to read:

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

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

(c) Notwithstanding any other law, for the 2012–13 fiscal year, the income eligibility limits shall be 70 percent of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

(d) Notwithstanding any other law, for the 2013–14 fiscal year, the income eligibility limits shall be 70 percent of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

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

SEC. 12. Article 11.5 (commencing with Section 8273) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 11.5. Family Fees

8273. (a) The Superintendent shall establish a fee schedule for families using preschool and child care and development services pursuant to this chapter, including families receiving services pursuant to paragraph (1) of subdivision (b) of Section 8263. It is the intent of the Legislature that the new fee schedule shall be simple and easy to implement.

(b) The family fee schedule shall retain a flat monthly fee per family. The schedule shall differentiate between fees for part-time care and full-time care.

(c) Using the most recently approved family fee schedule pursuant to subdivision (f) of Section 8447, families shall be assessed a flat monthly fee based on income, certified family need for full-time or part-time care services, and enrollment, and shall not be based on actual attendance. No recalculation of a family fee shall occur if attendance varies from enrollment unless a change in need for care is assessed.

(d) The Superintendent shall design the new family fee schedule based on the state median income data that was in use for the 2007−08 fiscal year, adjusted for family size. The revised family fee schedule shall begin at income levels at which families currently begin paying fees. The revised fees shall not exceed 10 percent of the family's monthly income. The Superintendent shall first submit the adjusted fee schedule to the Department of Finance for approval.

(e) The income of a recipient of federal supplemental security income benefits pursuant to Title XVI of the federal Social Security

Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program benefits pursuant to Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code shall not be included in total countable income for purposes of determining the amount of the family fee.

(f) Family fees shall be assessed at initial enrollment and reassessed at update of certification or recertification.

(g) It is the intent of the Legislature that the new family fees shall be cost neutral to the state and generate roughly the same amount of revenue as was generated under the previous family fee schedule.

8273.1. (a) Families receiving services pursuant to subparagraph (B) of paragraph (1) of subdivision (b) of Section 8263 may be exempt from family fees for up to three months.

(b) Families receiving services pursuant to subparagraph (C) of paragraph (1) of subdivision (b) of Section 8263 may be exempt from family fees for up to 12 months.

(c) The cumulative period time of exemption from family fees for families receiving services pursuant to paragraph (1) of subdivision (b) of Section 8263 shall not exceed 12 months.

(d) Notwithstanding any other law, a family receiving CalWORKs cash aid shall not be charged a family fee.

8273.2. (a) Notwithstanding paragraph (1) of subdivision (b) of Section 8447, for the 2006–07 fiscal year, the department shall update the family fee schedules by family size, based on the 2005 state median income survey data for a family of four. The family fee schedule used during the 2005–06 fiscal year shall remain in effect. However, the department shall adjust the family fee schedule for families that are newly eligible to receive or will continue to receive services under the new income eligibility limits. The family fees shall not exceed 10 percent of the family's monthly income.

(b) Notwithstanding any other law, the family fee schedule that was in effect for the 2007–08, 2008–09, 2009–10, and 2010–11 fiscal years shall be adjusted to reflect the income eligibility limits specified in subdivision (b) of Section 8263.1 for the 2011–12 fiscal year, and shall retain a flat fee per family. The revised family fee schedule shall begin at income levels at which families currently begin paying fees. The revised family fees shall not exceed 10 percent of the family's monthly income. The department

shall first submit the adjusted family fee schedule to the Department of Finance for approval in order for the adjusted family fee schedule to be implemented by July 1, 2011.

(c) Notwithstanding any other law, the family fee schedule that was in effect for the 2011–12 fiscal year pursuant to subdivision (b) shall remain in effect for the 2012–13 fiscal year, and shall retain a flat fee per family.

(d) Notwithstanding any other law, the family fee schedule that was in effect for the 2012–13 fiscal year pursuant to subdivision (c) shall remain in effect for the 2013–14 fiscal year until the first day of a month that is at least 60 days after the new family fee schedule developed pursuant to Section 8273 has been approved by the Department of Finance and adopted.

8273.3. (a) The family fee schedule shall provide, among other things, that a contractor or provider may require parents to provide diapers. A contractor or provider offering field trips either may include the cost of the field trips within the service rate charged to the parent or may charge parents an additional fee. Federal or state money shall not be used to reimburse parents for the costs of field trips if those costs are charged as an additional fee. A contractor or provider that charges parents an additional fee for field trips shall inform parents, before enrolling the child, that a fee may be charged and that no reimbursement will be available.

(b) A contractor or provider may require parents to provide diapers or charge parents for field trips, subject to all of the following conditions:

(1) The contractor or provider has a written policy adopted by the agency's governing board that includes parents in the decisionmaking process regarding both of the following:

(A) Whether or not, and how much, to charge for field trip expenses.

(B) Whether or not to require parents to provide diapers.

(2) The contractor or provider does not charge fees in excess of twenty-five dollars ($25) per child in a contract year.

(3) The contractor or provider does not deny participation in a field trip due to a parent's inability or refusal to pay the fee.

(4) The contractor or provider does not take adverse action against a parent for the parent's inability or refusal to pay the fee.

(c) A contractor or provider shall establish a payment system that prevents the identification of children based on whether or not a child's family has paid field trip fees.

(d) The contractor or provider shall report expenses incurred and income received for field trips to the department. Income received shall be reported as restricted income.

SEC. 13. Section 8335.4 of the Education Code is amended to read:

8335.4. (a) Upon approval of the plan by the Child Development Division of the department, the City and County of San Francisco shall annually prepare and submit to the Legislature, the State Department of Social Services, and the department a report that summarizes the success of the pilot project and the city and county's ability to maximize the use of funds and to improve and stabilize child care in the city and county.

(b) The City and County of San Francisco shall submit an interim report to the Legislature, the State Department of Social Services, and the department on or before December 31, 2010, and shall submit a final report to those entities on or before June 30, 2015, summarizing the impact of the plan on the child care needs of working families in the city and county.

SEC. 14. Section 8335.5 of the Education Code is amended to read:

8335.5. The City and County of San Francisco may implement an individualized child care subsidy plan until July 1, 2015, at which date the city and county shall terminate the plan. Between July 1, 2015, and July 1, 2017, the city and county shall phase out the individualized county child care subsidy plan and, as of July 1, 2017, shall implement the state's requirements for child care subsidies. A child enrolling for the first time for subsidized child care in the city and county after July 1, 2015, shall not be enrolled in the pilot program established pursuant to this article and is subject to existing state laws and regulations regarding child care eligibility and priority.

SEC. 15. Section 8335.7 of the Education Code is amended to read:

8335.7. This article shall become inoperative on July 1, 2017, and as of January 1, 2018, is repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 16. Section 8344 of the Education Code is amended to read:

8344. The County of San Mateo may implement its individualized county child care subsidy plan until January 1, 2015, at which date the County of San Mateo shall terminate the plan. Between January 1, 2015, and January 1, 2017, the County of San Mateo shall phase out the individualized county child care subsidy plan and, as of January 1, 2017, shall implement the state's requirements for child care subsidies. A child enrolling for the first time for subsidized child care in San Mateo County after January 1, 2015, shall not be enrolled in the pilot program established pursuant to this article and is subject to existing state laws and regulations regarding child care eligibility and priority.

SEC. 17. Section 8346 of the Education Code is amended to read:

8346. This article shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2017, deletes or extends that date.

SEC. 18. Section 8447 of the Education Code is amended to read:

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

(b) (1) The Department of Finance and the Department of General Services shall approve or disapprove annual contract funding terms and conditions, including both family fee schedules and regional market rate schedules that are required to be adhered to by contract, and contract face sheets submitted by the State Department of Education not more than 30 working days from the date of submission, unless unresolved conflicts remain between the Department of Finance, the State Department of Education, and the Department of General Services. The State Department of

Education shall resolve conflicts within an additional 30 working day time period. Contracts and funding terms and conditions shall be issued to child care contractors no later than June 1. Applications for new child care funding shall be issued not more than 45 working days after the effective date of authorized new allocations of child care moneys.

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

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

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

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

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

revisions to the state median income amount shall be implemented midyear.

(f) Notwithstanding the June 1 date specified in subdivision (b), changes to the regional market rate schedules and fee schedules may be made at any other time to reflect the availability of accurate data necessary for their completion, provided these documents receive the approval of the Department of Finance. The Department of Finance shall review the changes within 30 working days of submission and the State Department of Education shall resolve conflicts within an additional 30 working day period. Contractors shall be given adequate notice before the effective date of the approved schedules. It is the intent of the Legislature that contracts for services not be delayed by the timing of the availability of accurate data needed to update these schedules.

SEC. 19. Section 14041.6 of the Education Code is repealed.

SEC. 20. Section 14041.6 is added to the Education Code, to read:

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

(b) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2009–10 fiscal year warrants for the principal apportionments for the month of February in the amount of two billion dollars ($2,000,000,000) instead shall be drawn in July of the same calendar year and warrants for the month of April in the amount of six hundred seventy-eight million six hundred eleven thousand dollars ($678,611,000) and for the month of May in the amount of one billion dollars ($1,000,000,000) instead shall be drawn in August pursuant to the certification made pursuant to Section 41339.

(c) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2010–11 fiscal year warrants for the principal apportionments for the month of February in the amount of two billion dollars ($2,000,000,000), for the month of April in the amount of four hundred nineteen million twenty thousand dollars ($419,020,000), for the month of May in the amount of eight hundred million dollars ($800,000,000), and for the month of June

in the amount of five hundred million dollars ($500,000,000) instead shall be drawn in July of the same calendar year and warrants for the month of April in the amount of six hundred seventy-eight million six hundred eleven thousand dollars ($678,611,000) and for the month of May in the amount of one billion dollars ($1,000,000,000) instead shall be drawn in August pursuant to the certification made pursuant to Section 41339.

(d) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2011–12 fiscal year warrants for the principal apportionments for the month of February in the amount of two billion dollars ($2,000,000,000), for the month of April in the amount of four hundred nineteen million twenty thousand dollars ($419,020,000), for the month of May in the amount of eight hundred million dollars ($800,000,000), and for the month of June in the amount of five hundred million dollars ($500,000,000) instead shall be drawn in July of the same calendar year and warrants for the month of March in the amount of one billion three hundred million dollars ($1,300,000,000) and for the month of April in the amount of one billion four hundred forty-two million four hundred five thousand dollars ($1,442,405,000) and for the month of May in the amount of one billion dollars ($1,000,000,000) instead shall be drawn in August pursuant to the certification made pursuant to Section 41339.

(e) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2012–13 fiscal year warrants for the principal apportionments for the month of February in the amount of five hundred thirty-one million seven hundred twenty thousand dollars ($531,720,000), for the month of April in the amount of five hundred ninety-four million seven hundred forty-eight thousand dollars ($594,748,000), for the month of May in the amount of one billion nine hundred seventy-six million seven hundred one thousand dollars ($1,976,701,000), and for the month of June in the amount of five hundred million dollars ($500,000,000) instead shall be drawn in July of the same calendar year and warrants for the month of March in the amount of one billion twenty-nine million four hundred ninety-three thousand dollars ($1,029,493,000) and for the month of April in the amount of seven hundred sixty-three million seven hundred ninety-four thousand dollars ($763,794,000) instead shall be drawn in August pursuant to the certification made pursuant to Section 41339.

(f) Notwithstanding subdivision (a) of Section 14041, or any other law, commencing with the 2013–14 fiscal year, warrants for the principal apportionments for the month of April in the amount of nine hundred seventeen million five hundred forty-two thousand dollars ($917,542,000), for the month of May in the amount of two billion one hundred fifty-two million four hundred thirty thousand dollars ($2,152,430,000), and for the month of June in the amount of five hundred million dollars ($500,000,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

(g) Notwithstanding subdivision (a) of Section 14041 or any other law, commencing with the 2013–14 fiscal year, warrants for the principal apportionments for the month of May in the amount of two hundred million dollars ($200,000,000) and for the month of June in the amount of six hundred ninety-nine million four hundred seventy-three thousand dollars ($699,473,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339. The Superintendent shall allocate this deferred amount and repayment to local educational agencies based on their proportionate share of funding appropriated to local educational agencies pursuant to Section 92 of Chapter 38 of the Statutes of 2012.

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

(i) Notwithstanding subdivision (h), for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, one billion five hundred ninety million four hundred forty-nine thousand dollars ($1,590,449,000) of the warrants drawn in August of 2013 pursuant to subdivision (e) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, for the 2012–13 fiscal

year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2012–13 fiscal year.

SEC. 21. Section 17457.5 of the Education Code is amended to read:

17457.5. (a) Notwithstanding Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code, the governing board of a school district seeking to sell or lease real property designed to provide direct instruction or instructional support it deems to be surplus property shall first offer that property for sale or lease to any charter school that, at the time of the offer, has projections of at least 80 units of in-district average daily attendance for the following fiscal year, and has submitted a written request to the school district to be notified of surplus property offered for sale or lease by the school district, pursuant to the following conditions:

(1) The real property sold or leased shall be used by the charter school exclusively to provide direct instruction or instructional support.

(2) If the charter school purchased real property pursuant to this section and fails to comply with paragraph (1), or otherwise desires to dispose of the real property, all of the following shall apply:

(A) The charter school shall immediately offer that real property for sale to the school district that previously owned the property. The charter school shall comply, in that regard, with all requirements under this section that would otherwise apply to a school district.

(B) If the school district does not desire to purchase that real property from the charter school, the school district shall furnish a list of charter schools that have requested notification of surplus property pursuant to subdivision (a). The charter school that owns the real property shall offer that real property for sale to the charter schools on this list and comply with all requirements under this section that would otherwise apply to a school district. In the event the charter school selling property receives more than one offer, the charter school may determine to which charter school it will sell the property. The charter school purchasing the real property shall comply with all provisions of this section.

(C) If that real property remains unsold pursuant to subparagraph (A) or (B), the charter school selling the real property shall offer that property for sale pursuant to Article 5 (commencing with Section 17485). The charter school shall comply with all requirements under that article that would otherwise apply to a school district, except that a sale price computed under subdivision (a) of Section 17491 shall be based upon the cost of acquisition incurred by the school district that sold the property pursuant to this subdivision, rather than that incurred by the charter school.

(D) If all or part of the real property remains unsold pursuant to subparagraph (C), the charter school selling that real property shall dispose of the remaining property pursuant to subdivisions (c), (d), (e), and (f) of Section 17464. References in Section 17464 to a school district shall mean the charter school selling the real property.

(3) In the event, alternatively, of a lease of real property pursuant to this subdivision, the failure by the charter school to comply with paragraph (1) shall constitute a breach of the lease, entitling the school district to immediate possession of the real property, in addition to any damages to which the school district may be entitled under the lease agreement.

(4) The school district, and each of the entities authorized to receive offers of sale pursuant to this article or Article 5 (commencing with Section 17485), has standing to enforce the conditions set forth in this subdivision, and shall be entitled to the payment of reasonable attorney's fees incurred as a prevailing party in any action or proceeding brought to enforce any of those conditions.

(b) A school district seeking to sell or lease real property designed to provide direct instruction or instructional support it deems to be surplus property shall provide a written offer to any charter school that, at the time of the offer, has projections of at least 80 units of in-district average daily attendance for the following fiscal year, and has submitted a written request to the school district to be notified of surplus property offered for sale or lease by the school district. A charter school desiring to purchase or lease the property shall, within 60 days after a written offer is received, notify the school district of its intent to purchase or lease the property. In the event more than one charter school notifies the school district of their intent to purchase or lease the property,

the governing board of the school district may determine to which charter school to sell or lease the property.

(c) The price at which property described in this section is sold pursuant to this section shall not exceed the school district's cost of acquisition, adjusted by a factor equivalent to the percentage increase or decrease in the cost of living from the date of purchase to the year in which the offer of sale is made, plus the cost of any school facilities construction undertaken on the property by the school district since its acquisition of the land, adjusted by a factor equivalent to the increase or decrease in the statewide cost index for class B construction, as annually determined by the State Allocation Board pursuant to Section 17072.10, from the year the improvement is completed to the year in which the sale is made. In the event a statewide cost index for class B construction is not available, the school district shall use a factor equal to the average statewide cost index for class B construction for the preceding 10 calendar years. In no event shall the price be less than 25 percent of the fair market value of the property described in this section or less than the amount necessary to retire the share of local bonded indebtedness plus the amount of the original cost of the approved state aid applications on the property. The percentage of annual increase or decrease in the cost of living shall be the amount shown for January 1 of the applicable year by the then current Bureau of Labor Statistics Consumers Price Index for the area in which the schoolsite is located.

(d) Land that is leased pursuant to this section shall be leased at an annual rate of not more than 5 percent of the maximum sales price determined pursuant to subdivision (c), adjusted annually by a factor equivalent to the percentage increase or decrease in the cost of living for the immediately preceding year. The percentage of annual increase or decrease in the cost of living shall be the amount shown for January 1 of the applicable year by the then current Bureau of Labor Statistics Consumers Price Index for the area in which the schoolsite is located.

(e) The sale or lease of the real property of a school district, as authorized under subdivision (a), shall not occur until the school district advisory committee has held hearings pursuant to subdivision (c) of Section 17390.

(f) This section shall only apply to real property identified by a school district as surplus property after July 1, 2012. A school

district selling or leasing surplus property is not required to offer that property to a charter school pursuant to this section on or after July 1, 2016.

(g) The construction of a school building, as defined in Section 17368, located on real property purchased by a charter school pursuant to this section shall comply with the design and construction requirements pursuant to Article 3 (commencing with Section 17280) and Article 6 (commencing with Section 17365). The reconstruction or alteration of, or an addition to, a school building, as defined in Section 17368, located on real property purchased by a charter school pursuant to this section is required to comply with the design and construction requirements pursuant to Article 3 (commencing with Section 17280) and Article 6 (commencing with Section 17365) only if the building complied with those sections on the date the real property was purchased by the charter school.

(h) A charter school selling real property obtained pursuant to this section shall use the proceeds only for capital outlay, maintenance, and other facility-related costs.

SEC. 22. Section 17463.7 of the Education Code is amended to read:

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

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

(2) For a transaction that does not result in a lump-sum payment of the proceeds of the transaction, the proceeds of the transaction

shall be calculated as the net present value of the future cashflow generated by the transaction.

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

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

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

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

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

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

(e) Before the school district exercises the authority granted pursuant to this section, the governing board of the school district at a regularly scheduled meeting shall present a plan for expending one-time resources pursuant to this section. The plan shall identify the source and use of the funds and describe the reasons why the expenditure will not result in ongoing fiscal obligations for the school district.

(f) The Office of Public School Construction shall submit an interim and a final report to the State Allocation Board and the budget, education policy, and fiscal committees of the Legislature that identifies the school districts that have exercised the authority granted by this section, the amount of proceeds involved, and the purposes for which those proceeds were used. The interim report shall be submitted by January 1, 2011, and the final report by January 1, 2015.

(g) This section shall remain in effect only until January 1, 2016 and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 23. Section 17592.71 of the Education Code is amended to read:

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

(b) (1) Commencing with the 2005–06 fiscal year, an amount of moneys shall be transferred in the annual Budget Act from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account, equaling 50 percent of the unappropriated balance of the Proposition 98 Reversion Account or one hundred million dollars ($100,000,000), whichever amount is greater. Moneys transferred pursuant to this subdivision shall be used for the purpose of addressing emergency facilities needs pursuant to Section 17592.72.

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

(3) Notwithstanding paragraph (1), for the 2009–10 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero dollars ($0).

(4) Notwithstanding paragraph (1), for the 2010–11 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero dollars ($0).

(5) Notwithstanding paragraph (1), for the 2011–12 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero dollars ($0).

(6) Notwithstanding paragraph (1), for the 2012–13 and 2013–14 fiscal years, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero dollars ($0).

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

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

SEC. 24. Section 38092 of the Education Code is repealed.

SEC. 25. Section 38102 of the Education Code is repealed.

SEC. 26. Section 41203.1 of the Education Code is amended to read:

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

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

(c) Notwithstanding any other law, this section does not apply to the 1992–93 to 2013–14 fiscal years, inclusive.

SEC. 27. Section 41325 of the Education Code is amended to read:

41325. (a) The Legislature finds and declares that when a school district becomes insolvent and requires an emergency apportionment from the state in the amount designated in this article, it is necessary that the Superintendent assume control of the district in order to ensure the district's return to fiscal solvency.

(b) It is the intent of the Legislature that the Superintendent, operating through an appointed administrator, do all of the following:

(1) Implement substantial changes in the school district's fiscal policies and practices, including, if necessary, the filing of a petition under Chapter 9 of the federal Bankruptcy Code for the adjustment of indebtedness.

(2) Revise the school district's educational program to reflect realistic income projections, in response to the dramatic effect of the changes in fiscal policies and practices upon educational program quality and the potential for the success of all pupils.

(3) Encourage all members of the school community to accept a fair share of the burden of the school district's fiscal recovery.

(4) Consult, for the purposes described in this subdivision, with the school district governing board, the exclusive representatives of the employees of the school district, parents, and the community.

(5) Consult with and seek recommendations from the county superintendent of schools for the purposes described in this subdivision.

(c) For purposes of this article, the Superintendent may also appoint a trustee with the powers and responsibilities of an administrator, as set forth in this article.

SEC. 28. Section 41329.52 of the Education Code is amended to read:

41329.52. (a) A school district may receive a two-part financing designed to provide an advance of apportionments owed to the district from the State School Fund and the Education Protection Account.

(b) The initial emergency apportionment shall be an interim loan from the General Fund to the school district. General Fund money shall not be advanced to a school district until that district agrees to obtain a lease financing as described in subdivision (c) and the bank adopts a reimbursement resolution governing the

lease financing. The interim loan shall be repaid in full, with interest, from the proceeds of the lease financing pursuant to subdivision (c) at a time mutually agreed upon between the Department of Finance and the bank. The interest rate on the interim loan shall be the rate earned by moneys in the Pooled Money Investment Account as of the date of the initial disbursement of emergency apportionments to the school district.

(c) The school district shall enter into a lease financing with the bank for the purpose of financing the emergency apportionment, including a repayment to the General Fund of the amount advanced pursuant to subdivision (b). In addition to the emergency apportionment, the lease financing may include funds necessary for reserves, capitalized interest, credit enhancements, and costs of issuance. The bank shall issue bonds for that purpose pursuant to the powers granted pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act as set forth in Division 1 (commencing with Section 63000) of Part 6.7 of the Government Code. The term of the lease shall not exceed 20 years, except that if at the end of the lease term any rent payable is not fully paid, or if the rent payable has been abated, the term of the lease shall be extended for a period not to exceed 10 years.

SEC. 29. Section 41329.53 of the Education Code is amended to read:

41329.53. (a) As an alternative to the lease financing pursuant to Section 41329.52, a school district may receive an emergency apportionment from the General Fund designed to provide an advance of apportionments owed to the district from the State School Fund and the Education Protection Account. The emergency apportionment shall be repaid within 20 years. The calculation of the amount of the apportionment, including implied costs, and the interest rate shall be calculated pursuant to subdivision (b). Each year the Superintendent shall withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due in the year.

(b) The determination by statute as to whether the emergency apportionment shall take the form of lease financing pursuant to Section 41329.52 or an emergency apportionment from the General Fund pursuant to this section shall be based upon the availability of funds within the General Fund and not on any cost differential

between the two financing mechanisms. To ensure that the two alternatives are cost neutral, if the statute does not authorize a lease financing, the bank shall commission a cost study from financial advisers under contract with the bank to determine the interest rate, costs of issuance, and if it is more cost effective, credit enhancement costs likely if the financing was a lease financing rather than an emergency apportionment from the General Fund. These implied lease costs shall be included as the fixed interest rate on the repayment of the emergency apportionment to the General Fund, repayable over 20 years.

SEC. 30. Section 41329.55 of the Education Code is amended to read:

41329.55. (a) Simultaneous with the execution of the lease financing authorized pursuant to Section 41329.52, the bank shall provide to the Controller and the school district a notification of its lease financing. The notice shall include a schedule of rent payments to become due to the bank from the school district and the bond trustee. The Controller shall make the apportionment to the bond trustee of those amounts on the dates shown on the schedule. The bank may further authorize the apportionments to be used to pay or reimburse the provider of any credit enhancement of bonds and other ongoing or periodic ancillary costs of the bond financing issued by the bank in connection with this article. If the amount of rent payments vary from the schedule as a result of variable interest rates on the bonds, early redemptions, or changes in expenses, the bank shall amend or supplement the schedule accordingly.

(b) Except where financing is for a community college district, the Controller shall make the apportionment only from moneys in Section A of the State School Fund and the Education Protection Account designated for apportionment to the district and any apportionment authorized pursuant to this subdivision shall constitute a lien senior to any other apportionment or payment of State School Fund and the Education Protection Account moneys to or for that district not made pursuant to this subdivision.

(c) If financing is for the Compton Community College District, the Controller shall make the apportionment only from moneys in Section B of the State School Fund. Any apportionment authorized pursuant to this subdivision shall constitute a lien senior to any

other apportionment or payment of Section B State School Fund moneys.

(d) The amount apportioned for a school district pursuant to this section is an allocation to the school district for purposes of subdivision (b) of Section 8 of Article XVI of the California Constitution. For purposes of computing revenue limits pursuant to Section 42238 for any school district, the revenue limit for any fiscal year in which funds are apportioned for the school district pursuant to this section shall include any amounts apportioned by the Controller pursuant to subdivisions (a), (b), and (c), as well as Section 41329.57.

(e) No party, including the school district or any of its creditors, shall have any claim to the money apportioned or to be apportioned to the bond trustee by the Controller pursuant to this section.

SEC. 31. Section 41329.57 of the Education Code is amended to read:

41329.57. (a) (1) Pursuant to a schedule provided to the Controller by the bank, the Controller shall transfer from Section A of the State School Fund and the Education Protection Account the amount of funds necessary to pay the warrants issued pursuant to paragraph (2) so that the effective cost of the lease financing provided to the Oakland Unified School District, the Vallejo City Unified School District, and the West Contra Costa Unified School District pursuant to this article shall be equal to the cost of the original General Fund emergency loan made to each school district.

(A) For purposes of determining the cost of the original emergency loan for the West Contra Costa Unified School District, the original interest rate is the rate established pursuant to Section 41474 of 1.532 percent.

(B) For purposes of determining the cost of the original emergency loan for the Oakland Unified School District, the original interest rate is 1.778 percent. This rate shall also apply to any disbursements of the loan pursuant to Chapter 14 of the Statutes of 2003 that are subsequent to August 23, 2004.

(C) For purposes of determining the cost of the original emergency loan for the Vallejo City Unified School District, the original interest rate is 1.5 percent. This rate shall also apply to any disbursements of the loan pursuant to Chapter 53 of the Statutes of 2004 that are subsequent to August 23, 2004.

(2) The executive director or chair of the bank shall periodically provide a schedule to the Controller and each school district of the actual amount of the difference between the cost of the lease financing compared to the cost of the original emergency loan for each school district for each year and the Controller shall issue warrants to each school district pursuant to the schedule. Payments to a school district shall occur only during the term of the loan for that district and shall be made no sooner than the corresponding payments are made to the bond trustee under the lease financing for that district.

(3) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the warrants issued pursuant to paragraph (2) are "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 for the fiscal years in which the warrants are issued and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the fiscal years in which the warrants are issued.

(b) It is the intent of the Legislature that the financing cost subsidies funded in this section not be deemed precedent nor in conflict with Section 41329.53, as these school districts requested loans before the enactment of this article.

SEC. 32. Section 41365 of the Education Code is amended to read:

41365. (a) The Charter School Revolving Loan Fund is hereby created in the State Treasury. The Charter School Revolving Loan Fund shall be composed of federal funds obtained by the state for charter schools and any other funds appropriated or transferred to the fund through the annual budget process. Funds appropriated to the Charter School Revolving Loan Fund shall remain available for purposes of the fund until reappropriated or reverted by the Legislature through the annual Budget Act or any other act.

(b) Commencing with the 2013–14 fiscal year, the Charter School Revolving Loan Fund shall be administered by the California School Finance Authority.

(c) Loans may be made from moneys in the Charter School Revolving Loan Fund to a chartering authority for charter schools that are not a conversion of an existing school, or directly to a charter school that qualifies to receive funding pursuant to Chapter

6 (commencing with Section 47630) that is not a conversion of an existing school, upon application of a chartering authority or charter school and approval by the California School Finance Authority. Money loaned to a chartering authority for a charter school, or to a charter school, pursuant to this section shall be used only to meet the purposes of the charter granted pursuant to Section 47605. The loan to a chartering authority for a charter school, or to a charter school, pursuant to this subdivision shall not exceed two hundred fifty thousand dollars ($250,000) over the lifetime of the charter school. A charter school may receive money obtained from multiple loans made directly to the charter school or to the school's chartering authority from the Charter School Revolving Loan Fund, as long as the total amount received from the fund over the lifetime of the charter school does not exceed two hundred fifty thousand dollars ($250,000). This subdivision does not apply to a charter school that obtains renewal of a charter pursuant to Section 47607.

(d) The California School Finance Authority may consider all of the following when making a determination as to the approval of a charter school's loan application:

(1) Soundness of the financial business plans of the applicant charter school.

(2) Availability of the charter school of other sources of funding.

(3) Geographic distribution of loans made from the Charter School Revolving Loan Fund.

(4) The impact that receipt of funds received pursuant to this section will have on the charter school's receipt of other private and public financing.

(5) Plans for creative uses of the funds received pursuant to this section, such as loan guarantees or other types of credit enhancements.

(6) The financial needs of the charter school.

(e) Priority for loans from the Charter School Revolving Loan Fund shall be given to new charter schools for startup costs.

(f) Commencing with the first fiscal year following the fiscal year the charter school receives the loan, the Controller shall deduct from apportionments made to the chartering authority or charter school, as appropriate, an amount equal to the annual repayment of the amount loaned to the chartering authority or charter school for the charter school under this section and pay the same amount into the Charter School Revolving Loan Fund in the State Treasury.

Repayment of the full amount loaned to the chartering authority shall be deducted by the Controller in equal annual amounts over a number of years agreed upon between the loan recipient and the California School Finance Authority, not to exceed five years for any loan.

(g) (1) Notwithstanding any other law, a loan may be made directly to a charter school pursuant to this section only in the case of a charter school that is incorporated.

(2) Notwithstanding any other law, in the case of default of a loan made directly to a charter school pursuant to this section, the charter school shall be solely liable for repayment of the loan.

(h) The California School Finance Authority shall adopt emergency regulations to implement this section and Sections 41366.6 and 41367.

SEC. 33. Section 41366.6 of the Education Code is amended to read:

41366.6. (a) The California School Finance Authority shall monitor the adequacy of the amount of funds in the Charter School Revolving Loan Fund and report annually to the Department of Finance and the Controller on the need, if any, to transfer funds from the Charter School Security Fund to the Charter School Revolving Loan Fund for the sole purpose of replacing funds lost in the Charter School Revolving Loan Fund due to loan defaults. Before requesting any transfer of funds from the Charter School Security Fund, the California School Finance Authority shall make all reasonable efforts to recover funds directly from the defaulting loan recipient. To the extent that the California School Finance Authority determines that a transfer from the Charter School Security Fund to the Charter School Revolving Loan Fund is necessary, the California School Finance Authority shall obtain approval from the Director of Finance before a transfer of funds is made. Not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, the Director of Finance shall direct the Controller to transfer the appropriate amount of funds.

(b) By October 1 of each year, the California School Finance Authority shall provide detailed fund condition information for the Charter School Revolving Loan Fund and the Charter School Security Fund to the Department of Finance and the Legislative Analyst's Office. At a minimum, this information shall contain an

accounting of actual beginning balances, revenues, itemized expenditures, and ending balances for the prior year, as well as projected beginning balances, revenues, itemized expenditures, and ending balances for the current year and budget year.

SEC. 34. Section 41367 of the Education Code is amended to read:

41367. (a) The Charter School Security Fund is hereby created in the State Treasury.

(b) Moneys in the fund shall be available for deposit into the Charter School Revolving Loan Fund in case of default on any loan made from the Charter School Revolving Loan Fund.

(c) Commencing with the 2013–14 fiscal year, the Charter School Security Fund shall be administered by the California School Finance Authority.

SEC. 35. Section 44374.5 is added to the Education Code, to read:

44374.5. (a) The commission may charge a fee to recover the standard costs of reviewing new educator preparation programs. Applicable local educational agencies and institutions of higher education shall submit the established fee to the commission when submitting a proposal for a new program. The commission may review the established fee on a periodic basis and adjust the fee as necessary. The commission shall notify the chairpersons of the committees and subcommittees in each house of the Legislature that consider the State Budget and the Department of Finance at least 30 days before implementing the fee and at least 30 days before making any subsequent fee adjustments.

(b) The commission may charge commission-approved entities a fee to recover the costs of accreditation activities in excess of the regularly scheduled data reports, program assessments, and accreditation site visits. This includes, but is not necessarily limited to, accreditation revisits, addressing stipulations, or program assessment reviews beyond those supported within the standard costs of review. Institutions of higher education shall submit the established fee to the commission in the year that the extraordinary activities are performed. The commission may review the established fee on a periodic basis, and adjust the fee as necessary. The commission shall notify the chairpersons of the committees and subcommittees in each house of the Legislature that consider the State Budget and the Department of Finance at least 30 days

before implementing the fee and at least 30 days before making any subsequent fee adjustments.

SEC. 36. Section 47612 of the Education Code is amended to read:

47612. (a) A charter school shall be deemed to be under the exclusive control of the officers of the public schools for purposes of Section 8 of Article IX of the California Constitution, with regard to the appropriation of public moneys to be apportioned to any charter school, including, but not necessarily limited to, appropriations made for purposes of this chapter.

(b) The average daily attendance in a charter school may not, in any event, be generated by a pupil who is not a California resident. To remain eligible for generating charter school apportionments, a pupil over 19 years of age shall be continuously enrolled in public school and make satisfactory progress towards award of a high school diploma. The state board shall, on or before January 1, 2000, adopt regulations defining "satisfactory progress."

(c) A charter school shall be deemed to be a "school district" for purposes of Article 1 (commencing with Section 14000) of Chapter 1 of Part 9, Section 41301, Section 41302.5, Article 10 (commencing with Section 41850) of Chapter 5 of Part 24, Section 47638, and Sections 8 and 8.5 of Article XVI of the California Constitution.

(d) For purposes of calculating average daily attendance, no pupil shall generate more than one day of attendance in a calendar day. Notwithstanding any other law, a charter school that operates a multitask calendar shall comply with all of the following:

(1) Calculate attendance separately for each track. The divisor in the calculation shall be the calendar days in which school was taught for pupils in each track.

(2) Operate no more than five tracks.

(3) Operate each track for a minimum of 175 days. If the charter school is a conversion school, the charter school may continue its previous schedule as long as it provides no fewer than 163 days of instruction in each track.

(4) For each track, provide the total number of instructional minutes, as specified in Section 47612.5.

(5) No track shall have less than 55 percent of its schooldays before April 15.

(6) Unless otherwise authorized by statute, no pupil shall generate more than one unit of average daily attendance in a fiscal year.

(e) Compliance with the conditions set forth in this section shall be included in the audits conducted pursuant to Section 41020.

SEC. 37. Section 47614.5 of the Education Code is amended to read:

47614.5. (a) The Charter School Facility Grant Program is hereby established, and, commencing with the 2013–14 fiscal year, shall be administered by the California School Finance Authority. The grant program is intended to provide assistance with facilities rent and lease costs for pupils in charter schools.

(b) Subject to the annual Budget Act, eligible schools shall receive an amount of up to, but not more than, seven hundred fifty dollars ($750) per unit of average daily attendance, as certified at the second principal apportionment, to provide an amount of up to, but not more than, 75 percent of the annual facilities rent and lease costs for the charter school. In any fiscal year, if the funds appropriated for the purposes of this section by the annual Budget Act are insufficient to fund the approved amounts fully, the California School Finance Authority shall apportion the available funds on a pro rata basis.

(c) For purposes of this section, the California School Finance Authority shall do all of the following:

(1) Inform charter schools of the grant program.

(2) Upon application by a charter school, determine eligibility, based on the geographic location of the charter schoolsite, pupil eligibility for free or reduced-price meals, and a preference in admissions, as appropriate. Eligibility for funding shall not be limited to the grade level or levels served by the school whose attendance area is used to determine eligibility. Charter schoolsite are eligible for funding pursuant to this section if the charter schoolsite meets either of the following conditions:

(A) The charter schoolsite is physically located in the attendance area of a public elementary school in which 70 percent or more of the pupil enrollment is eligible for free or reduced-price meals and the schoolsite gives a preference in admissions to pupils who are currently enrolled in that public elementary school and to pupils who reside in the elementary school attendance area where the charter schoolsite is located.

(B) Seventy percent or more of the pupil enrollment at the charter schoolsite is eligible for free or reduced-price meals.

(3) Inform charter schools of their grant eligibility.

(4) Commencing with the 2013–14 fiscal year, make apportionments to a charter school for eligible expenditures according to the following schedule:

(A) An initial apportionment by August 31 of each fiscal year or 30 days after enactment of the annual Budget Act, whichever is later, provided the charter school has submitted a timely application for funding, as determined by the California School Finance Authority. The initial apportionment shall be 50 percent of the school's estimated annual entitlement as determined by this section.

(B) A second apportionment by March 1 of each fiscal year. This apportionment shall be 75 percent of the charter school's estimated annual entitlement, as adjusted for any revisions in cost, enrollment, and other data relevant to computing the charter school's annual entitlement, less any funding already apportioned to the charter school.

(C) A third apportionment within 30 days of the end of each fiscal year or 30 days after receiving the data and documentation needed to compute the charter school's total annual entitlement, whichever is later. This apportionment shall be the charter school's total annual entitlement less any funding already apportioned to the charter school.

(D) Notwithstanding subparagraph (A), the initial apportionment in the 2013–14 fiscal year shall be made by October 15, 2013, or 105 days after enactment of the Budget Act of 2013, whichever is later.

(d) For the purposes of this section:

(1) The California School Finance Authority shall use prior year data on pupil eligibility for free or reduced-price meals for the charter schoolsite and prior year rent or lease costs provided by charter schools to determine eligibility for the grant program until current year data and actual rent or lease costs become known or until June 30 of each fiscal year.

(2) If prior year rent or lease costs are unavailable, and the current year lease and rent costs are not immediately available, the California School Finance Authority shall use rent or lease cost estimates provided by the charter school.

(3) The California School Finance Authority shall verify that the grant amount awarded to each charter school is consistent with eligibility requirements as specified in this section and in regulations adopted by the authority. If it is determined by the California School Finance Authority that a charter school did not receive the proper grant award amount, either the charter school shall transfer funds back to the authority as necessary within 60 days of being notified by the authority, or the authority shall provide an additional apportionment as necessary to the charter school within 60 days of notifying the charter school, subject to the availability of funds.

(e) Funds appropriated for purposes of this section shall not be apportioned for any of the following:

(1) Units of average daily attendance generated through nonclassroom-based instruction as defined by paragraph (2) of subdivision (d) of Section 47612.5 or that does not comply with conditions or limitations set forth in regulations adopted by the state board pursuant to this section.

(2) Charter schools occupying existing school district or county office of education facilities, except that charter schools shall be eligible for the portions of their facilities that are not existing school district or county office of education facilities.

(3) Charter schools receiving reasonably equivalent facilities from their chartering authorities pursuant to Section 47614, except that charter schools shall be eligible for the portions of their facilities that are not reasonably equivalent facilities received from their chartering authorities.

(f) Funds appropriated for purposes of this section shall be used for costs associated with facilities rents and leases, consistent with the definitions used in the California School Accounting Manual or regulations adopted by the California School Finance Authority. These funds also may be used for costs, including, but not limited to, costs associated with remodeling buildings, deferred maintenance, initially installing or extending service systems and other built-in equipment, and improving sites.

(g) If an existing charter school located in an elementary attendance area in which less than 50 percent of pupil enrollment is eligible for free or reduced-price meals relocates to an attendance area identified in paragraph (2) of subdivision (c), admissions

preference shall be given to pupils who reside in the elementary school attendance area into which the charter school is relocating.

(h) The California School Finance Authority annually shall report to the department and the Director of Finance, and post information on its Internet Web site, regarding the use of funds that have been made available during the fiscal year to each charter school pursuant to the grant program.

(i) The California School Finance Authority, commencing with the 2013–14 fiscal year, shall annually allocate the facilities grants to eligible charter schools according to the schedule in paragraph (4) of subdivision (c) for the current school year rent and lease costs. However, the California School Finance Authority shall first use the funding appropriated for this program to reimburse eligible charter schools for unreimbursed rent or lease costs for the prior school year.

(j) It is the intent of the Legislature that the funding level for the Charter School Facility Grant Program for the 2012–13 fiscal year be considered the base level of funding for subsequent fiscal years.

(k) The Controller shall include instructions appropriate to the enforcement of this section in the audit guide required by subdivision (a) of Section 14502.1.

(*l*) The California School Finance Authority, effective with the 2013–14 fiscal year, shall be considered the senior creditor for purposes of satisfying audit findings pursuant to the audit instructions to be developed pursuant to subdivision (k).

(m) The California School Finance Authority shall adopt emergency regulations to implement this section.

SEC. 38. Section 47614.7 of the Education Code is repealed.

SEC. 39. Section 49430.5 of the Education Code is amended to read:

49430.5. (a) The reimbursement a school receives for free and reduced-price meals sold or served to pupils in elementary, middle, or high schools included within a school district, charter school, or county office of education shall be twenty-two and twenty-nine hundredths cents ($0.2229) per meal, and, for meals served in child care centers and homes, the reimbursement shall be sixteen and six tenths cents ($0.1660) per meal.

(b) To qualify for the reimbursement for free and reduced-price meals provided to pupils in elementary, middle, or high schools,

a school shall follow the Enhanced Food Based Meal Pattern, Nutrient Standard Meal Planning, or Traditional Meal Pattern developed by the United States Department of Agriculture or the SHAPE Menu Patterns developed by the state.

(c) The reimbursement rates set forth in this section shall be adjusted annually for increases in cost of living in the same manner set forth in Section 42238.1.

SEC. 40. Section 52055.770 of the Education Code is amended to read:

52055.770. (a) School districts and chartering authorities shall receive funding at the following rate, on behalf of funded schools:

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

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

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

(b) For purposes of subdivision (a), enrollment of a pupil in a funded school in the prior fiscal year shall be based on data from the CBEDS. For the 2007–08 fiscal year, the funded rates shall be reduced to reflect the percentage difference in the total amounts appropriated for purposes of this section in that year compared to the amounts appropriated for purposes of this section in the 2008–09 fiscal year.

(c) The following amounts are hereby appropriated from the General Fund for the purposes set forth in subdivision (g):

(1) For the 2007–08 fiscal year, three hundred million dollars ($300,000,000), to be allocated as follows:

(A) Thirty-two million dollars ($32,000,000) for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges for the purpose of providing funding to the community colleges to improve and expand career technical education in public secondary education and lower division public higher education pursuant to Section 88532, including the hiring of additional faculty to expand the number of career technical education programs and course offerings.

(B) Two hundred sixty-eight million dollars ($268,000,000) for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent pursuant to this article.

(2) For each of the 2008–09 and 2011–12 fiscal years, four hundred fifty million dollars ($450,000,000) per fiscal year, to be allocated as follows:

(A) Forty-eight million dollars ($48,000,000) for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision (e) for the 2008–09 fiscal year, and under subdivision (f) for the 2011–12 fiscal year.

(B) Four hundred two million dollars ($402,000,000) for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent pursuant to this article.

(3) For the 2009–10 fiscal year, thirty million dollars ($30,000,000), to be allocated for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision (e).

(4) For the 2010–11 fiscal year, four hundred twenty million dollars ($420,000,000), to be allocated as follows:

(A) Eighteen million dollars ($18,000,000) for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision (e).

(B) Four hundred two million dollars ($402,000,000) for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent pursuant to this article.

(5) For the 2014–15 fiscal year, the amount of the difference between the sum of amounts appropriated under paragraphs (1) to (4), inclusive, and Section 41207.6, and the total fiscal settlement agreed to by the parties in California Teachers Association, et al. v. Arnold Schwarzenegger (Super. Ct., Sacramento County, 2006, No. 05CS01165), to be allocated pursuant to subparagraphs (A) and (B). The sum of all fiscal years of funding provided pursuant to this section and Section 41207.6 shall not exceed the total funds agreed to by those parties, in accordance with both of the following:

(A) Eleven percent for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision (e).

(B) Eighty-nine percent for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent pursuant to this article.

(6) Commencing with the 2010–11 fiscal year, payments made pursuant to this subdivision shall be made only on or after October 8 of each fiscal year.

(d) The annual appropriation made under this section shall continue to be made until the Director of Finance reports to the Legislature, along with all proposed adjustments to the Governor's Budget pursuant to Section 13308 of the Government Code, that the sum of appropriations made and allocated pursuant to subdivision (c) equals the total outstanding balance of the minimum state educational funding obligation to school districts and community college districts required by Section 8 of Article XVI of the California Constitution and Chapter 213 of the Statutes of 2004 for the 2004–05 and 2005–06 fiscal years, as determined in subdivision (a) or (b) of Section 41207.1.

(e) The sum transferred under subparagraph (A) of paragraph (2) of subdivision (c) for the 2008–09 fiscal year shall be allocated by the Chancellor of the California Community Colleges as follows:

(1) Thirty-eight million dollars ($38,000,000) to the community colleges for the purpose of providing funding to the community colleges to improve and expand career technical education in public secondary education and lower division public higher education pursuant to Section 88532, including the hiring of additional faculty to expand the number of career technical education programs and course offerings.

(2) Ten million dollars ($10,000,000) to the community colleges for the purpose of providing one-time block grants to community college districts to be used for one-time items of expenditure, including, but not limited to, the following purposes:

(A) Physical plant, scheduled maintenance, deferred maintenance, and special repairs.

(B) Instructional materials and support.

(C) Instructional equipment, including equipment related to career technical education, with priority for nursing program equipment.

(D) Library materials.

(E) Technology infrastructure.

(F) Hazardous substances abatement, cleanup, and repair.

(G) Architectural barrier removal.

(H) State-mandated local programs.

(3) The Chancellor of the California Community Colleges shall allocate the amount allocated pursuant to paragraph (2) to community college districts on an equal amount per actual full-time equivalent student (FTES) reported for the prior fiscal year, except that each community college district shall be allocated an amount not less than fifty thousand dollars ($50,000), and the equal amount per unit of FTES shall be computed accordingly.

(4) Funds allocated under paragraph (2) shall supplement and not supplant existing expenditures and may not be counted as the community college district contribution for physical plant projects and instructional material purchases funded in Item 6870-101-0001 of Section 2.00 of the annual Budget Act.

(f) For each of the 2011–12 and 2014–15 fiscal years, the sum transferred pursuant to subparagraph (A) of paragraph (2) and subparagraph (A) of paragraph (5) of subdivision (c) shall be allocated by the Chancellor of the California Community Colleges to the community colleges for the purpose of improving and expanding career technical education in public secondary education and lower division public higher education pursuant to Section 88532, including the hiring of additional faculty to expand the number of career technical education programs and course offerings.

(g) The appropriations made under subdivision (c) and the amount specified in Section 41207.6 are for the purpose of discharging in full the minimum state educational funding obligation to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution and Chapter 213 of the Statutes of 2004 for the 2004–05 fiscal year, and the outstanding maintenance factor for the 2005–06 fiscal year resulting from this additional payment of the Chapter 213 amount for the 2004–05 fiscal year.

(h) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, including computation of the state's minimum funding obligation to school districts and community college districts in subsequent fiscal years, the first one billion six hundred twenty million nine hundred twenty-eight thousand dollars ($1,620,928,000) in appropriations

made pursuant to subdivision (c) and the amount specified in Section 41207.6 shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 and "General Fund Revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202, for the 2004–05 fiscal year and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for that fiscal year. The remaining appropriations made pursuant to subdivision (c) and the amount specified in Section 41207.6 shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, and "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202, for the 2005–06 fiscal year and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for that fiscal year.

(i) From funds appropriated under subdivision (c), the Superintendent shall provide both of the following:

(1) Not more than two million dollars ($2,000,000) annually to county superintendents of schools to carry out the requirements of this article, allocated in a manner similar to that created to carry out the new duties of those superintendents under the settlement agreement in the case of Williams v. California (Super. Ct. San Francisco, No. CGC-00-312236).

(2) Five million dollars ($5,000,000) in the 2007–08 fiscal year to support regional assistance under Section 52055.730. It is the intent of the Legislature that the Superintendent and the president of the state board or his or her designee, along with county offices of education, seek foundational and other financial support to sustain and expand these services. Funds provided under this paragraph that are not expended in the 2007–08 fiscal year shall be reappropriated for use in subsequent fiscal years for the same purpose.

(j) Notwithstanding any other law, funds appropriated under subdivision (c) but not allocated to schools with kindergarten or grades 1 to 12, inclusive, in a fiscal year, due to program termination in any year or otherwise, shall be reappropriated in

furtherance of the purposes of this article. First priority for those amounts shall be to provide cost-of-living increases and enrollment growth adjustments to funded schools.

(k) The sum of three hundred fifty thousand dollars ($350,000) is hereby appropriated from the General Fund to the department to fund 3.0 positions to implement this article. Funding provided under this subdivision is not part of funds provided pursuant to subdivision (c).

SEC. 41. Section 56520 of the Education Code is amended to read:

56520. (a) The Legislature finds and declares all of the following:

(1) That the state has continually sought to provide an appropriate and meaningful educational program in a safe and healthy environment for all children regardless of possible physical, mental, or emotionally disabling conditions.

(2) That some schoolage individuals with exceptional needs have significant behavioral challenges that have an adverse impact on their learning or the learning of other pupils, or both.

(3) That Section 1400(c)(5)(F) of Title 20 of the United States Code states that research and experience demonstrate that the education of children with disabilities can be made more effective by providing incentives for positive behavioral interventions and supports to address the learning and behavioral needs of those children.

(4) That procedures for the elimination of maladaptive behaviors shall not include those deemed unacceptable under Section 49001 or those that cause pain or trauma.

(b) It is the intent of the Legislature:

(1) That children exhibiting serious behavioral challenges receive timely and appropriate assessments and positive supports and interventions in accordance with the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and its implementing regulations.

(2) That assessments and positive behavioral interventions and supports be developed and implemented in a manner informed by guidance from the United States Department of Education and technical assistance centers sponsored by the Office of Special Education Programs of the United States Department of Education.

(3) That when behavioral interventions, supports, and other strategies are used, they be used in consideration of the pupil's physical freedom and social interaction, be administered in a manner that respects human dignity and personal privacy, and that ensure a pupil's right to placement in the least restrictive educational environment.

(4) That behavioral intervention plans be developed and used, to the extent possible, in a consistent manner when the pupil is also the responsibility of another agency for residential care or related services.

(5) That training programs be developed and implemented in institutions of higher education that train teachers and that in-service training programs be made available as necessary in school districts and county offices of education to ensure that adequately trained staff are available to work effectively with the behavioral intervention needs of individuals with exceptional needs.

SEC. 42. Section 56521.1 is added to the Education Code, to read:

56521.1. (a) Emergency interventions may only be used to control unpredictable, spontaneous behavior that poses clear and present danger of serious physical harm to the individual with exceptional needs, or others, and that cannot be immediately prevented by a response less restrictive than the temporary application of a technique used to contain the behavior.

(b) Emergency interventions shall not be used as a substitute for the systematic behavioral intervention plan that is designed to change, replace, modify, or eliminate a targeted behavior.

(c) No emergency intervention shall be employed for longer than is necessary to contain the behavior. A situation that requires prolonged use of an emergency intervention shall require the staff to seek assistance of the schoolsite administrator or law enforcement agency, as applicable to the situation.

(d) Emergency interventions shall not include:

(1) Locked seclusion, unless it is in a facility otherwise licensed or permitted by state law to use a locked room.

(2) Employment of a device, material, or objects that simultaneously immobilize all four extremities, except that techniques such as prone containment may be used as an emergency intervention by staff trained in those procedures.

(3) An amount of force that exceeds that which is reasonable and necessary under the circumstances.

(e) To prevent emergency interventions from being used in lieu of planned, systematic behavioral interventions, the parent, guardian, and residential care provider, if appropriate, shall be notified within one schoolday if an emergency intervention is used or serious property damage occurs. A behavioral emergency report shall immediately be completed and maintained in the file of the individual with exceptional needs. The behavioral emergency report shall include all of the following:

(1) The name and age of the individual with exceptional needs.

(2) The setting and location of the incident.

(3) The name of the staff or other persons involved.

(4) A description of the incident and the emergency intervention used, and whether the individual with exceptional needs is currently engaged in any systematic behavioral intervention plan.

(5) Details of any injuries sustained by the individual with exceptional needs, or others, including staff, as a result of the incident.

(f) All behavioral emergency reports shall immediately be forwarded to, and reviewed by, a designated responsible administrator.

(g) If a behavioral emergency report is written regarding an individual with exceptional needs who does not have a behavioral intervention plan, the designated responsible administrator shall, within two days, schedule an individualized education program (IEP) team meeting to review the emergency report, to determine the necessity for a functional behavioral assessment, and to determine the necessity for an interim plan. The IEP team shall document the reasons for not conducting the functional behavioral assessment, not developing an interim plan, or both.

(h) If a behavioral emergency report is written regarding an individual with exceptional needs who has a positive behavioral intervention plan, an incident involving a previously unseen serious behavior problem, or where a previously designed intervention is ineffective, shall be referred to the IEP team to review and determine if the incident constitutes a need to modify the positive behavioral intervention plan.

SEC. 43. Section 56521.2 is added to the Education Code, to read:

56521.2. (a) A local educational agency or nonpublic, nonsectarian school or agency serving individuals with exceptional needs pursuant to Sections 56365 and 56366, shall not authorize, order, consent to, or pay for the following interventions, or any other interventions similar to or like the following:

(1) Any intervention that is designed to, or likely to, cause physical pain, including, but not limited to, electric shock.

(2) An intervention that involves the release of noxious, toxic, or otherwise unpleasant sprays, mists, or substances in proximity to the face of the individual.

(3) An intervention that denies adequate sleep, food, water, shelter, bedding, physical comfort, or access to bathroom facilities.

(4) An intervention that is designed to subject, used to subject, or likely to subject, the individual to verbal abuse, ridicule, or humiliation, or that can be expected to cause excessive emotional trauma.

(5) Restrictive interventions that employ a device, material, or objects that simultaneously immobilize all four extremities, including the procedure known as prone containment, except that prone containment or similar techniques may be used by trained personnel as a limited emergency intervention.

(6) Locked seclusion, unless it is in a facility otherwise licensed or permitted by state law to use a locked room.

(7) An intervention that precludes adequate supervision of the individual.

(8) An intervention that deprives the individual of one or more of his or her senses.

(b) In the case of a child whose behavior impedes the child's learning or that of others, the individualized education program team shall consider the use of positive behavioral interventions and supports, and other strategies, to address that behavior, consistent with Section 1414(d)(3)(B)(i) and (d)(4) of Title 20 of the United States Code and associated federal regulations.

SEC. 44. Section 56523 of the Education Code is amended to read:

56523. (a) The Superintendent shall repeal those regulations governing the use of behavioral interventions with individuals with exceptional needs receiving special education and related services that are no longer supported by statute, including Section 3052 and subdivisions (d), (e), (f), (g), and (ab) of Section 3001 of Title

5 of the California Code of Regulations, as those provisions existed on January 10, 2013.

(b) This chapter is necessary to implement the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and associated federal regulations. This chapter is intended to provide the clarity, definition, and specificity necessary for local educational agencies to comply with the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and shall be implemented by local educational agencies without the development by the Superintendent and adoption by the state board of any additional regulations.

(c) Pursuant to Section 1401(9) of Title 20 of the United States Code, special education and related services must meet the standards of the department.

(d) As a condition of receiving funding from the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), a local educational agency shall agree to adhere to this chapter and implementing federal regulations set forth in this chapter.

(e) The Superintendent may monitor local educational agency compliance with this chapter and may take appropriate action, including fiscal repercussions, if either of the following is found:

(1) The local educational agency failed to comply with this chapter and failed to comply substantially with corrective action orders issued by the department resulting from monitoring findings or complaint investigations.

(2) The local educational agency failed to implement the decision of a due process hearing officer based on noncompliance with this part, provisions of the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), or the federal implementing regulations, wherein noncompliance resulted in the denial of, or impeded the delivery of, a free appropriate public education for an individual with exceptional needs.

(f) Commencing with the 2010–11 fiscal year, if any activities authorized pursuant to this chapter and implementing regulations are found be a state reimbursable mandate pursuant to Section 6 of Article XIII B of the California Constitution, state funding provided for purposes of special education pursuant to Item 6110-161-0001 of Section 2.00 of the annual Budget Act shall first be used to directly offset any mandated costs.

(g) The Legislature hereby requests the Department of Finance on or before December 31, 2013, to exercise its authority pursuant to subdivision (d) of Section 17557 of the Government Code to file a request with the Commission on State Mandates for the purpose of amending the parameters and guidelines of CSM-4464 to delete any reimbursable activities that have been repealed by statute or executive order and to update offsetting revenues that apply to the mandated program.

SEC. 45. Section 56525 of the Education Code is amended to read:

56525. (a) A person recognized by the national Behavior Analyst Certification Board as a Board Certified Behavior Analyst may conduct behavior assessments and provide behavioral intervention services for individuals with exceptional needs.

(b) This section does not require a district, special education local plan area, or county office to use a Board Certified Behavior Analyst to conduct behavior assessments and provide behavioral intervention services for individuals with exceptional needs.

SEC. 46. Section 56836.02 of the Education Code is amended to read:

56836.02. The Superintendent shall apportion funds from Section A of the State School Fund to districts and county offices of education in accordance with the allocation plan adopted pursuant to Section 56836.05, unless the allocation plan specifies that funds be apportioned to the administrative unit of the special education local plan area. If the allocation plan specifies that funds be apportioned to the administrative unit of the special education local plan area, the administrator of the special education local plan area shall, upon receipt, distribute the funds in accordance with the method adopted pursuant to subdivision (i) of Section 56195.7. The allocation plan shall, before submission to the Superintendent, be approved according to the local policymaking process established by the special education local plan area.

SEC. 47. Section 56836.08 of the Education Code is amended to read:

56836.08. (a) For the 1998–99 fiscal year, the Superintendent shall make the following computations to determine the amount of funding for each special education local plan area:

(1) Add the amount of funding per unit of average daily attendance computed for the special education local plan area

pursuant to paragraph (1) of subdivision (a) of Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) for the 1998–99 fiscal year.

(2) Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the 1997–98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that subdivision read on July 1, 1996.

(3) Add the actual amount of the equalization adjustment, if any, computed for the 1998–99 fiscal year pursuant to Section 56836.14 to the amount computed in paragraph (2).

(4) Add or subtract, as appropriate, the adjustment for growth computed pursuant to Section 56836.15 from the amount computed in paragraph (3).

(b) For the 1999–2000 fiscal year and each fiscal year thereafter, the Superintendent shall make the following computations to determine the amount of funding for each special education local plan area for the fiscal year in which the computation is made:

(1) Add the amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year pursuant to Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) through the 2012–13 fiscal year, and for the 2013–14 fiscal year and each fiscal year thereafter, the inflation adjustment computed pursuant to subdivision (g), for the fiscal year in which the computation is made.

(2) Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the prior fiscal year.

(3) Add or subtract, as appropriate, the adjustment for growth or decline in enrollment, if any, computed for the special education local plan area for the fiscal year in which the computation is made pursuant to Section 56836.15 from the amount computed in paragraph (2).

(c) For the 1998–99 fiscal year to the 2012–13 fiscal year, inclusive, the Superintendent shall make the following computations to determine the amount of General Fund moneys that the special education local plan area may claim:

(1) Add the total of the amount of property taxes for the special education local plan area pursuant to Section 2572 for the fiscal

year in which the computation is made to the amount of federal funds allocated for the purposes of paragraph (1) of subdivision (a) of Section 56836.09 for the fiscal year in which the computation is made.

(2) Add the amount of funding computed for the special education local plan area pursuant to subdivision (a) for the 1998–99 fiscal year, and commencing with the 1999–2000 fiscal year to the 2012–13 fiscal year, inclusive, the amount computed for the fiscal year in which the computations were made pursuant to subdivision (b) to the amount of funding computed for the special education local plan area pursuant to Article 3 (commencing with Section 56836.16).

(3) Subtract the sum computed in paragraph (1) from the sum computed in paragraph (2).

(d) For the 1998–99 fiscal year to the 2012–13 fiscal year, inclusive, the Superintendent shall make the following computations to determine the inflation adjustment for the fiscal year in which the computation is made:

(1) For the 1998–99 fiscal year, multiply the sum of the statewide target amount per unit of average daily attendance for special education local plan areas for the 1997–98 fiscal year computed pursuant to paragraph (3) of subdivision (a) of Section 56836.11 and the amount determined pursuant to paragraph (e) of Section 56836.155 for the 1997–98 fiscal year that corresponds to the amount determined pursuant to paragraph (1) of subdivision (d) of Section 56836.155 by the inflation adjustment computed pursuant to Section 42238.1 for the 1998–99 fiscal year.

(2) For the 1999–2000 fiscal year to the 2012–13 fiscal year, inclusive, multiply the sum of the statewide target amount per unit of average daily attendance for special education local plan areas for the prior fiscal year computed pursuant to Section 56836.11 and the amount determined pursuant to paragraph (1) of subdivision (d) of Section 56836.155 for the prior fiscal year by the inflation adjustment computed pursuant to Section 42238.1 for the fiscal year in which the computation is made.

(3) For purposes of computing the inflation adjustment for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area for the 1998–99 fiscal year to the 2012–13 fiscal year, inclusive, the

Superintendent shall multiply the amount of funding per unit of average daily attendance computed for that special education local plan area for the prior fiscal year pursuant to Section 56836.10 by the inflation adjustment computed pursuant to Section 42238.1 for the fiscal year in which the computation is being made.

(e) For the 1998–99 fiscal year and each fiscal year thereafter to and including the 2002–03 fiscal year, the Superintendent shall perform the calculation set forth in Section 56836.155 to determine the adjusted entitlement for the incidence of disabilities for each special education local plan area, but this amount shall not be used in the next fiscal year to determine the base amount of funding for each special education local plan area for the current fiscal year, except as specified in this article.

(f) Notwithstanding any other law, for the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall make the following computations to determine the amount of General Fund moneys that the special education local plan area may claim:

(1) Determine the total amount of property taxes for the special education local plan area pursuant to Section 2572 for the fiscal year in which the computation is made.

(2) Calculate the amount of funding computed for the special education local plan area pursuant to subdivision (b) for the fiscal year in which the computation is made.

(3) Subtract the amount computed in paragraph (1) from the amount computed in paragraph (2).

(g) For the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall make the following computations to determine the inflation adjustment for the fiscal year in which the computation is made:

(1) Multiply the statewide target amount per unit of average daily attendance for special education local plan areas for the prior fiscal year computed pursuant to Section 56836.11 by the inflation factor computed pursuant to Section 42238.1, as that section read on January 1, 2013, or any successor section of law enacted by the Legislature that specifies the inflation factor contained in Section 42238.1, as that section read on January 1, 2013, for application to the 2013–14 fiscal year and each fiscal year thereafter.

(2) For purposes of computing the inflation adjustment for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of

Alternative Education Special Education Local Plan Area, the Superintendent shall multiply the amount of funding per unit of average daily attendance computed for that special education local plan area for the prior fiscal year pursuant to Section 56836.10 by the inflation factor computed pursuant to Section 42238.1, as that section read on January 1, 2013, or any successor section of law enacted by the Legislature that specifies the inflation factor contained in Section 42238.1, as that section read on January 1, 2013, for application to the 2013–14 fiscal year and each fiscal year thereafter.

SEC. 48. Section 56836.10 of the Education Code is amended to read:

56836.10. (a) The Superintendent shall make the following computations to determine the amount of funding per unit of average daily attendance for each special education local plan area for the 1998–99 fiscal year:

(1) Divide the amount of funding for the special education local plan area computed for the 1997–98 fiscal year pursuant to Section 56836.09 by the number of units of average daily attendance, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010 as that subdivision read on July 1, 1997, reported for the special education local plan area for the 1997–98 fiscal year.

(2) Add the amount computed in paragraph (1) to the inflation adjustment computed pursuant to subdivision (d) of Section 56836.08 for the 1998–99 fiscal year.

(b) Commencing with the 1999–2000 fiscal year and continuing through the 2012–13 fiscal year, inclusive, the Superintendent shall make the following computations to determine the amount of funding per unit of average daily attendance for each special education local plan area for the fiscal year in which the computation is made:

(1) For the 1999–2000 fiscal year, divide the amount of funding for the special education local plan area computed for the 1998–99 fiscal year pursuant to subdivision (a) of Section 56836.08 by the number of units of average daily attendance upon which funding is based pursuant to subdivision (a) of Section 56836.15 for the special education local plan area for the 1998–99 fiscal year.

(2) For the 2000–01 fiscal year, to the 2012–13 fiscal year, inclusive, divide the amount of funding for the special education

local plan area computed for the prior fiscal year pursuant to subdivision (b) of Section 56836.08 by the number of units of average daily attendance upon which funding is based pursuant to subdivision (a) of Section 56836.15 for the special education local plan area for the prior fiscal year.

(c) Notwithstanding any other law, for the 2013–14 fiscal year, the Superintendent shall make the following computations to determine the amount of funding per unit of average daily attendance for each special education local plan area:

(1) From the amount of funding for the special education local plan area computed for the 2012–13 fiscal year pursuant to subdivision (b) of Section 56836.08, subtract the total amount of federal funds apportioned to the special education local plan area pursuant to Schedule (1) of Item 6110-161-0890 of Section 2.00 of the Budget Act of 2013 for purposes of special education for individuals with exceptional needs enrolled in kindergarten and grades 1 to 12, inclusive.

(2) Divide the amount computed in paragraph (1) by the number of units of average daily attendance upon which funding is based pursuant to subdivision (a) of Section 56836.15 for the special education local plan area for the 2012–13 fiscal year.

(d) For the 2014–15 fiscal year, and each fiscal year thereafter, divide the amount of funding for the special education local plan area computed for the prior fiscal year pursuant to subdivision (b) of Section 56836.08 by the number of units of average daily attendance upon which funding is based pursuant to subdivision (a) of Section 56836.15 for the special education local plan area for the prior fiscal year. For the 2014–15 fiscal year, the amount of funding per unit of average daily attendance for each special education local plan area shall include funding provided pursuant to Section 56836.145.

SEC. 49. Section 56836.11 of the Education Code is amended to read:

56836.11. (a) For the purpose of computing the equalization adjustment for special education local plan areas for the 1998–99 fiscal year, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance for special education local plan areas:

(1) Total the amount of funding computed for each special education local plan area exclusive of the amount of funding

computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, pursuant to Section 56836.09 for the 1997–98 fiscal year.

(2) Total the number of units of average daily attendance reported for each special education local plan area for the 1997–98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010 as that section read on July 1, 1996, and exclusive of the units of average daily attendance computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area.

(3) Divide the sum computed in paragraph (1) by the sum computed in paragraph (2) to determine the statewide target amount for the 1997–98 fiscal year.

(4) Add the amount computed in paragraph (3) to the inflation adjustment computed pursuant to subdivision (d) of Section 56836.08 for the 1998–99 fiscal year to determine the statewide target amount for the 1998–99 fiscal year.

(b) Commencing with the 1999–2000 fiscal year to the 2004–05 fiscal year, inclusive, to determine the statewide target amount per unit of average daily attendance for special education local plan areas, the Superintendent shall multiply the statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(c) Commencing with the 2005–06 fiscal year and each fiscal year thereafter, to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the incidence multiplier pursuant to Section 56836.155, the Superintendent shall add the statewide target amount per unit of average daily attendance computed for the prior fiscal year for this purpose to the amount computed in paragraph (2) of subdivision (d) or paragraph (2) of subdivision (e), as appropriate.

(d) For the 2005–06 fiscal year, the Superintendent shall make the following computation to determine the statewide target amount

per unit of average daily attendance to determine the inflation adjustment pursuant to paragraph (2) of subdivision (d) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15, as follows:

(1) The 2004–05 fiscal year statewide target amount per unit of average daily attendance less the sum of the 2004–05 fiscal year total amount of federal funds apportioned pursuant to Schedule (1) in Item 6110-161-0890 of Section 2.00 of the Budget Act of 2004 for purposes of special education for individuals with exceptional needs enrolled in kindergarten and grades 1 to 12, inclusive, divided by the total average daily attendance computed for the 2004–05 fiscal year.

(2) Multiply the amount computed in paragraph (1) by the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(3) Add the amounts computed in paragraphs (1) and (2).

(e) Commencing with the 2006–07 fiscal year and continuing through the 2012–13 fiscal year, inclusive, the Superintendent shall make the following computation to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the inflation adjustment pursuant to paragraph (2) of subdivision (d) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15:

(1) The statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section.

(2) Multiply the amount computed in paragraph (1) by the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(3) Add the amounts computed in paragraphs (1) and (2).

(f) For the 2013–14 fiscal year, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance to determine the inflation adjustment pursuant to subdivision (g) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15, as follows:

(1) Total the amount of funding computed for each special education local plan area pursuant to the amount computed in subdivision (b) of Section 56836.08 exclusive of the amount of

funding computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, for the 2013–14 fiscal year.

(2) Total the number of units of average daily attendance reported for each special education local plan area for the 2012–13 fiscal year, exclusive of the units of average daily attendance computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area.

(3) Divide the sum computed in paragraph (1) by the sum computed in paragraph (2).

(g) Commencing with the 2014–15 fiscal year and continuing each fiscal year thereafter, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the inflation adjustment pursuant to subdivision (g) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15:

(1) The statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section.

(2) Multiply the amount computed in paragraph (1) by the inflation factor computed pursuant to Section 42238.1, as that section read on January 1, 2013, or any successor section of law enacted by the Legislature that specifies the inflation factor contained in Section 42238.1, as that section read on January 1, 2013, for application to the 2014–15 fiscal year and each fiscal year thereafter.

(3) Add the amounts computed in paragraphs (1) and (2).

SEC. 50. Section 56836.12 of the Education Code is repealed.

SEC. 51. Section 56836.13 of the Education Code is repealed.

SEC. 52. Section 56836.14 of the Education Code is repealed.

SEC. 53. Section 56836.145 is added to the Education Code, to read:

56836.145. (a) For the 2013–14 fiscal year, the Superintendent shall compute an equalization adjustment for each special education local plan area, exclusive of the special education local plan area identified as the Los Angeles County Juvenile Court and

Community School/Division of Alternative Education Special Education Local Plan Area, so that the special education funding rate per unit of average daily attendance calculated pursuant to subdivision (c) of Section 56836.10 of a special education local plan area is not less than the special education funding rate per unit of average daily attendance calculated pursuant to subdivision (c) of Section 56836.10 that does not fall below more than 10 percent of the total statewide units of average daily attendance for each special education local plan area.

(b) The Superintendent shall compute an equalization adjustment for each special education local plan area's special education funding rate per unit of average daily attendance, exclusive of the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, as follows:

(1) Multiply the amount computed for each special education local plan area pursuant to subdivision (a) by the average daily attendance used to calculate the special education local plan area's special education funding for the 2013–14 fiscal year.

(2) Divide the amount appropriated for purposes of this section for the 2013–14 fiscal year by the statewide sum of the amount computed pursuant to paragraph (1).

(3) Multiply the amount computed for the special education local plan area pursuant to subdivision (a) by the amount computed pursuant to paragraph (2).

(c) For purposes of this section, the statewide 90th percentile special education funding rate determined pursuant to subdivision (a), and the fraction computed pursuant to paragraph (2) of subdivision (b) for the 2012–13 second principal apportionment, shall be final, and shall not be recalculated at subsequent apportionments. The fraction computed pursuant to paragraph (2) of subdivision (b) shall not exceed 1.00.

SEC. 54. Section 56836.15 of the Education Code is amended to read:

56836.15. (a) In order to mitigate the effects of any declining enrollment, commencing in the 1998–99 fiscal year, and each fiscal year thereafter, the Superintendent shall calculate allocations to special education local plan areas based on the average daily attendance reported for the special education local plan area for

the fiscal year in which the computation is made or the prior fiscal year, whichever is greater. However, the prior fiscal year average daily attendance reported for the special education local plan area shall be adjusted for any loss or gain of average daily attendance reported for the special education local plan area due to a reorganization or transfer of territory in the special education local plan area.

(b) For the 1998–99 fiscal year only, the prior year average daily attendance used in this section shall be the 1997–98 average daily attendance reported for the special education local plan area, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that section read on July 1, 1996.

(c) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is greater than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall be allocated a growth adjustment equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2).

(1) The statewide target amount per unit of average daily attendance for special education local plan areas determined pursuant to Section 56836.11, added to the amount determined in paragraph (1) of subdivision (d) of Section 56836.155.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

(d) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is less than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall receive a funding reduction equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2):

(1) The amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year. For the 2013–14 fiscal year only, the amount of funding per unit of average daily attendance computed for the special education local plan area for the 2013–14 fiscal year shall be used for this purpose.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

(e) If, in the fiscal year for which the computation is made, the number of units of average daily attendance upon which the allocations to the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area are based is greater than the number of units of average daily attendance upon which the allocations to that special education local plan area were based in the prior fiscal year, that special education local plan area shall be allocated a growth adjustment equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2).

(1) The amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year pursuant to Section 56836.10 multiplied by one plus the inflation factor computed pursuant to Section 42238.1, as that section read on January 1, 2013, or any successor section of law enacted by the Legislature that specifies the inflation factor contained in Section 42238.1, as that section read on January 1, 2013. For the 2013–14 fiscal year only, the amount of funding per unit of average daily attendance computed for the special education local plan area for the 2013–14 fiscal year shall be used, and multiplied by one plus the inflation factor computed pursuant to Section 42238.1, as that section read on January 1, 2013, or any successor section of law enacted by the Legislature that specifies the inflation factor contained in Section 42238.1, as that section read on January 1, 2013, for application to the 2013–14 fiscal year and each fiscal year thereafter.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

SEC. 55. Section 56836.22 of the Education Code is amended to read:

56836.22. (a) Commencing with the 1985–86 fiscal year, and for each fiscal year thereafter, funds to support special education and related services as required under the individualized education program for each pupil with low-incidence disabilities, as defined in Section 56026.5, shall be determined by dividing the total number of pupils with low-incidence disabilities in the state, as reported on December 1 of the prior fiscal year, into the annual appropriation provided for this purpose in the Budget Act.

(b) The per-pupil entitlement determined pursuant to subdivision (a) shall be multiplied by the number of pupils with low-incidence disabilities in each special education local plan area to determine the total funds available for each local plan.

(c) The Superintendent shall apportion the amount determined pursuant to subdivision (b) to the special education local plan area for purposes of providing special education and related services as required under the individualized education program for each pupil with low-incidence disabilities.

SEC. 56. Section 56836.23 of the Education Code is amended to read:

56836.23. Each special education local plan area shall dedicate a portion of the funds it receives pursuant to Section 56836.10 for regionalized operations and services and the direct instructional support of program specialists. As a condition of receiving those funds, the special education local plan area shall ensure that all functions listed below are performed in accordance with the description set forth in its local plan adopted pursuant to Section 56205:

(a) Coordination of the special education local plan area and the implementation of the local plan.

(b) Coordinated system of identification and assessment.

(c) Coordinated system of procedural safeguards.

(d) Coordinated system of staff development and parent and guardian education.

(e) Coordinated system of curriculum development and alignment with the core curriculum.

(f) Coordinated system of internal program review, evaluation of the effectiveness of the local plan, and implementation of a local plan accountability mechanism.

(g) Coordinated system of data collection and management.

(h) Coordination of interagency agreements.

(i) Coordination of services to medical facilities.

(j) Coordination of services to licensed children's institutions and foster family homes.

(k) Preparation and transmission of required special education local plan area reports.

(*l*) Fiscal and logistical support of the community advisory committee.

(m) Coordination of transportation services for individuals with exceptional needs.

(n) Coordination of career and vocational education and transition services.

(o) Assurance of full educational opportunity.

(p) Fiscal administration and the allocation of state and federal funds pursuant to Section 56836.01.

(q) Direct instructional program support that may be provided by program specialists in accordance with Section 56368.

SEC. 57. Section 56836.24 of the Education Code is repealed.

SEC. 58. Section 56836.25 of the Education Code is repealed.

SEC. 59. Section 56836.30 of the Education Code is repealed.

SEC. 60. Section 56836.31 is added to the Education Code, to read:

56836.31. To accomplish the activities set forth in Section 56836.23, supplemental funds shall be apportioned to special education local plan areas that are designated as necessary small special education local plan areas in accordance with Section 56212 and that report fewer than 15,000 units of average daily attendance.

(a) For 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall allocate this supplemental amount based on the following computations:

(1) Calculate the difference between the number of units of average daily attendance reported for the necessary small special

education local plan area for the current fiscal year and 15,000 units of average daily attendance.

(2) Multiply the amount calculated in paragraph (1) by the rate calculated in subdivision (b).

(b) For the 2013–14 fiscal year, the supplemental rate per unit of average daily attendance shall be fifteen dollars ($15). For the 2014–15 fiscal year and each fiscal year thereafter, the supplemental rate per unit of average daily attendance shall be fifteen dollars ($15) multiplied by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the current fiscal year.

SEC. 61. Section 60810 of the Education Code is amended to read:

60810. (a) (1) The Superintendent shall review existing tests that assess the English language development of pupils whose primary language is a language other than English. The tests shall include, but not be limited to, an assessment of achievement of these pupils in English reading, speaking, and written skills. The Superintendent shall determine which tests, if any, meet the requirements of subdivisions (b) and (c). If any existing test or series of tests meets these criteria, the Superintendent, with approval of the state board, shall report to the Legislature on its findings and recommendations.

(2) If no suitable test exists, the Superintendent shall explore the option of a collaborative effort with other states to develop a test or series of tests and share test development costs. If no suitable test exists, the Superintendent, with approval of the state board, may contract to develop a test or series of tests that meets the criteria of subdivisions (b) and (c) or may contract to modify an existing test or series of tests so that it will meet the requirements of subdivisions (b) and (c).

(3) The Superintendent and the state board shall release a request for proposals for the development of the test or series of tests required by this subdivision. The state board shall select a contractor or contractors for the development of the test or series of tests required by this subdivision, to be available for administration during the 2000–01 school year.

(4) The Superintendent shall apportion funds appropriated to enable school districts to meet the requirements of subdivision (d). The state board shall establish the amount of funding to be

apportioned per test administered, based on a review of the cost per test.

(5) An adjustment to the amount of funding to be apportioned per test is not valid without the approval of the Director of Finance. A request for approval of an adjustment to the amount of funding to be apportioned per test shall be submitted in writing to the Director of Finance and the chairpersons of the fiscal committees of both houses of the Legislature with accompanying material justifying the proposed adjustment. The Director of Finance is authorized to approve only those adjustments related to activities required by statute. The Director of Finance shall approve or disapprove the amount within 30 days of receipt of the request and shall notify the chairpersons of the fiscal committees of both houses of the Legislature of the decision.

(b) (1) The test or series of tests developed or acquired pursuant to subdivision (a) shall have sufficient range to assess pupils in grades 2 to 12, inclusive, in English listening, speaking, reading, and writing skills. Pupils in kindergarten and grade 1 shall be assessed in English listening and speaking, and, once an assessment is developed, early literacy skills. The early literacy assessment shall be administered for a period of four years beginning after the initial administration of the assessment or until July 1, 2014, whichever occurs first. Six months after the three administered assessments are collected, but no later than June 30, 2013, the department shall report to the Legislature on the administration of the kindergarten and grade 1 early literacy assessment results, as well as on the administrative process, in order to determine whether reauthorization of the early literacy assessment is appropriate.

(2) In the development and administration of the assessment for pupils in kindergarten and grade 1, the department shall minimize any additional assessment time, to the extent possible. To the extent that it is technically possible, items that are used to assess listening and speaking shall be used to measure early literacy skills. The department shall ensure that the test and procedures for its administration are age and developmentally appropriate. Age and developmentally appropriate procedures for administration may include, but are not limited to, one-on-one administration, a small group setting, and orally responding or circling a response to a question.

(c) The test or series of tests shall meet all of the following requirements:

(1) Provide sufficient information about pupils at each grade level to determine levels of proficiency ranging from no English proficiency to fluent English proficiency with at least two intermediate levels.

(2) Have psychometric properties of reliability and validity deemed adequate by technical experts.

(3) Be capable of administration to pupils with any primary language other than English.

(4) Be capable of administration by classroom teachers.

(5) Yield scores that allow comparison of the growth of a pupil over time, can be tied to readiness for various instructional options, and can be aggregated for use in the evaluation of program effectiveness.

(6) Not discriminate on the basis of race, ethnicity, or gender.

(7) Be aligned with the standards for English language development adopted by the state board pursuant to Section 60811.

(8) Be age and developmentally appropriate for pupils.

(d) The test shall be used for the following purposes:

(1) To identify pupils who are limited English proficient.

(2) To determine the level of English language proficiency of pupils who are limited English proficient.

(3) To assess the progress of limited-English-proficient pupils in acquiring the skills of listening, reading, speaking, and writing in English.

(e) (1) A pupil in any of grades 3 to 12, inclusive, shall not be required to retake those portions of the test that measure English language skills for which he or she has previously tested as advanced within each appropriate grade span, as determined by the department in accordance with paragraph (8) of subdivision (c).

(2) Notwithstanding paragraph (1), a pupil in any of grades 10 to 12, inclusive, shall not be required to retake those portions of the test that measure English language skills for which he or she has previously tested as early advanced or advanced.

(3) This subdivision shall not be implemented until the test publisher's contract that is in effect on January 1, 2012, expires.

(4) This subdivision shall not be implemented unless and until the department receives written documentation from the United

States Department of Education that implementation is permitted by federal law.

SEC. 62. Section 66025.92 is added to the Education Code, to read:

66025.92. (a) The Legislature finds and declares that the priority enrollment for registration required by this section is necessary to ensure that the flexibility related to educational opportunities that was adopted as part of the broader changes to the California Work Opportunity and Responsibility to Kids (CalWORKs) program in Chapter 47 of the Statutes of 2012 is not undermined by students who are CalWORKs recipients being unable to access necessary classes.

(b) Each community college district that administers a priority enrollment system shall grant priority in that system for registration for enrollment to any student who is a CalWORKs recipient.

(c) Students who receive priority registration for enrollment pursuant to this section shall comply with the requirements of subdivision (a) of Section 78212.

(d) For purposes of this section, "CalWORKs recipient" means a recipient of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code or any successor program.

SEC. 63. Section 79146 of the Education Code is amended to read:

79146. To the extent sufficient resources exist, the board of governors may establish internship training programs and actively support apprenticeship training programs in collaboration with the Division of Apprenticeship Standards of the Department of Industrial Relations. The board of governors may establish internship training programs pursuant to this section for only those occupations not covered by an apprenticeship training program approved by the Division of Apprenticeship Standards of the Department of Industrial Relations before January 1, 1998.

SEC. 64. Section 79148 of the Education Code is amended to read:

79148. To the extent that sufficient federal funds and other resources are available, the Division of Apprenticeship Standards of the Department of Industrial Relations, in partnership with the California Community Colleges, shall develop and implement innovative apprenticeship training demonstration projects in

high-growth industries in emerging and transitioning occupations that meet local labor market needs and that are validated by current labor market data.

SEC. 65. Section 79149 is added to the Education Code, to read:

79149. (a) The Chancellor of the California Community Colleges shall be responsible for allocating funds for apprenticeship programs in good standing and approved pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code for the community colleges.

(b) Upon appropriation by the Legislature, the Chancellor of the California Community Colleges shall allocate funds solely for the purposes of reimbursing community colleges pursuant to Section 79149.3.

SEC. 66. Section 79149.1 is added to the Education Code, to read:

79149.1. Attendance of apprentices enrolled in any class maintained by a community college, pursuant to Section 3074 of the Labor Code, shall be reimbursed pursuant to Section 79149.3 only if reported separately to the Chancellor of the California Community Colleges. Attendance reported pursuant to this section shall be used only for purposes of calculating allowances pursuant to Section 79149.3.

SEC. 67. Section 79149.2 is added to the Education Code, to read:

79149.2. (a) An apprentice attending community college in classes of related and supplemental instruction as provided pursuant to Section 3074 of the Labor Code and in accordance with subdivision (d) of Section 3078 of the Labor Code shall be exempt from the requirements of any interdistrict attendance agreement for those classes.

(b) A community college shall be exempt from Section 55301 of Title 5 of the California Code of Regulations when establishing an apprenticeship course or program outside the territory of its community college district for nonresidents of that district when the participants in the class are indentured apprentices and the apprenticeship course or program is approved by the Division of Apprenticeship Standards of the Department of Industrial Relations.

SEC. 68. Section 79149.3 is added to the Education Code, to read:

79149.3. (a) The reimbursement rate shall be established in the annual Budget Act and the rate shall be commonly applied to all providers of instruction specified in subdivision (d).

(b) For purposes of this section, each hour of teaching time may include up to 10 minutes of passing time and breaks.

(c) This section also applies to isolated apprentices, as defined in Section 3074 of the Labor Code, for which alternative methods of instruction are provided.

(d) The Chancellor of the California Community Colleges shall make the reimbursements specified in this section for teaching time provided by community colleges.

(e) The hours for related and supplemental instruction derived from funds appropriated pursuant to subdivision (b) of Section 79149 shall be allocated by the Chancellor of the California Community Colleges directly to participating community colleges that contract with apprenticeship programs pursuant to subdivision (f).

(f) Reimbursements may be made under this section for related and supplemental instruction provided to indentured apprentices only if the instruction is provided by a program approved by the Division of Apprenticeship Standards of the Department of Industrial Relations in accordance with Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

(g) The initial allocation of hours for related and supplemental instruction pursuant to subdivision (e) at the beginning of any fiscal year when multiplied by the hourly rate established in the Budget Act for that year shall equal 100 percent of total appropriation for apprenticeships.

(h) If funds remain from the appropriation pursuant to subdivision (b) of Section 79149, the Chancellor of the California Community Colleges shall reimburse community colleges for unfunded related and supplemental instruction hours from any of the three previous fiscal years, in the following order:

(1) Reported related and supplemental instruction hours as described in subdivision (b) of Section 79149.5 that were paid at a rate less than the hourly rate specified in the Budget Act.

(2) Reported related and supplemental instruction hours that were not reimbursed.

SEC. 69. Section 79149.4 is added to the Education Code, to read:

79149.4. For purposes of the California Firefighter Joint Apprenticeship Program, a class of related and supplemental instruction that qualifies for funding pursuant to Section 79149.3 includes, but is not necessarily limited to, a class that meets both of the following requirements:

(a) The class is conducted at the workplace.

(b) The person providing instruction is qualified, by means of education or experience, as a journeyman and shares the responsibility for supervision of the apprentices participating in the classes with the certified community college or adult education coordinator.

SEC. 70. Section 79149.5 is added to the Education Code, to read:

79149.5. (a) The Chancellor of the California Community Colleges, in consultation with the Division of Apprenticeship Standards of the Department of Industrial Relations and the Superintendent, shall annually review the amount of state funding necessary to provide the reimbursements specified in Section 79149.3, and shall include an estimate of required funds in its budget for each fiscal year.

(b) If the amounts appropriated in any fiscal year are insufficient to provide full reimbursement, the hourly rate specified in Section 79149 shall be reduced on a pro rata basis only for reported hours that are in excess of the number of hours allocated at the beginning of the fiscal year so that the entire appropriation is allocated.

(c) If the amount appropriated is in excess of the amounts needed for full reimbursement pursuant to subdivision (h) of section 79149.3, any excess shall be allocated to community college districts to be used for the purpose of the state general apportionment.

SEC. 71. Section 79149.6 is added to the Education Code, to read:

79149.6. (a) The Chancellor of the California Community Colleges and the Division of Apprenticeship Standards of the Department of Industrial Relations, in consultation with the Superintendent, shall jointly develop a model format for agreements between apprenticeship programs and community colleges for instruction pursuant to Section 3074 of the Labor Code.

(b) By March 14, 2014, the Chancellor of the California Community Colleges and the Division of Apprenticeship Standards of the Department of Industrial Relations, with equal participation by local educational agencies and community college apprenticeship administrators, shall develop common administrative practices and treatment of costs and services, as well as other policies related to apprenticeship programs. Any policies developed pursuant to this subdivision shall become operative upon approval by the California Apprenticeship Council.

SEC. 72. Section 84043 of the Education Code is amended to read:

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

(2) (A) Academic Senate for the Community Colleges.

(B) Equal Employment Opportunity.

(C) Part-time Faculty Health Insurance.

(D) Part-time Faculty Compensation.

(E) Part-time Faculty Office Hours.

(F) Economic Development.

(G) Transfer Education and Articulation.

(H) Physical Plant and Instructional Support.

(I) Campus Childcare Tax Bailout.

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

(c) (1) This section does not obligate the state to refund or repay reductions made pursuant to this section. A decision by a

community college district to reduce funding pursuant to this section for a state-mandated local program shall constitute a waiver of the subvention of funds that the community college district is otherwise entitled to pursuant to Section 6 of Article XIII B of the California Constitution on the amount so reduced.

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

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

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

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

SEC. 73. Section 84321.6 of the Education Code is amended to read:

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

(1) For the month of January, one hundred twenty-six million ninety-four thousand dollars ($126,094,000) shall be deferred to July.

(2) For the month of February, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.

(3) For the month of March, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.

(4) For the month of April, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.

(5) For the month of May, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.

(6) For the month of June, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.

(b) In satisfaction of the moneys deferred pursuant to subdivision (a), the sum of eight hundred one million ninety-four thousand dollars ($801,094,000) is hereby appropriated in July of the 2013–14 fiscal year from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts, for expenditure during the 2013–14 fiscal year, to be expended in accordance with Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2012.

(c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, one hundred seventy-eight million six hundred thirty-eight thousand dollars ($178,638,000) of the appropriations made by subdivision (b) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202, for the 2012–13 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2012–13 fiscal year.

(d) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, six hundred twenty-two million four hundred fifty-six thousand dollars ($622,456,000) of the appropriations made by subdivision (b) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202, for the 2013–14 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant

to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2013–14 fiscal year.

(e) This section shall not become operative until December 15, 2012, shall become inoperative on December 15, 2013, and shall be repealed on January 1, 2014.

SEC. 74. Section 84321.6 is added to the Education Code, to read:

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

(1) For the month of February, fifty-five million two hundred thirty-three thousand dollars ($55,233,000) shall be deferred to July.

(2) For the month of March, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.

(3) For the month of April, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.

(4) For the month of May, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.

(5) For the month of June, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.

(b) In satisfaction of the moneys deferred pursuant to subdivision (a), the sum of five hundred ninety-one million two hundred thirty-three thousand dollars ($591,233,000) is hereby appropriated in July of the 2014–15 fiscal year from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts, for expenditure during the 2014–15 fiscal year, to be expended in accordance with Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2013.

(c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (b) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202, for the 2014–15 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes

appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2014–15 fiscal year.

(d) This section shall become operative on December 15, 2013.

(e) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 75. Article 7 (commencing with Section 84381) of Chapter 3 of Part 50 of Division 7 of Title 3 of the Education Code is repealed.

SEC. 76. Article 3 (commencing with Section 84830) is added to Chapter 5 of Part 50 of Division 7 of Title 3 of the Education Code, to read:

Article 3. Adult Education Consortium Program

84830. (a) The Chancellor of the California Community Colleges and the State Department of Education shall, pursuant to funding made available in the annual Budget Act, jointly provide two-year planning and implementation grants to regional consortia of community college districts and school districts for the purpose of developing regional plans to better serve the educational needs of adults.

(1) Eligibility shall be limited to consortiums consisting of at least one community college district and at least one school district within the boundaries of the community college district, either of which may serve as the consortium's fiscal agent, as determined by the applicant consortium.

(2) If a community college district chooses not to participate in a consortium, a neighboring community college district may form a consortium with school districts within the boundaries of the nonparticipating community college district.

(3) Consortia may include other entities providing adult education courses, including, but not necessarily limited to, correctional facilities, other local public entities, and community-based organizations.

(b) Grant funds provided pursuant to this section shall be used by each regional consortium to create and implement a plan to better provide adults in its region with all of the following:

(1) Elementary and secondary basic skills, including classes required for a high school diploma or high school equivalency certificate.

(2) Classes and courses for immigrants eligible for educational services in citizenship and English as a second language, and workforce preparation classes in basic skills.

(3) Education programs for adults with disabilities.

(4) Short-term career technical education programs with high employment potential.

(5) Programs for apprentices.

(c) Each regional consortium's plan shall include, at a minimum:

(1) An evaluation of current levels and types of adult education programs within its region, including education for adults in correctional facilities; credit, noncredit, and enhanced noncredit adult education coursework; and programs funded through Title II of the federal Workforce Investment Act, known as the Adult Education and Family Literacy Act (Public Law 105-220).

(2) An evaluation of current needs for adult education programs within its region.

(3) Plans for parties that make up the consortium to integrate their existing programs and create seamless transitions into postsecondary education or the workforce.

(4) Plans to address the gaps identified pursuant to paragraphs (1) and (2).

(5) Plans to employ approaches proven to accelerate a student's progress toward his or her academic or career goals, such as contextualized basic skills and career technical education, and other joint programming strategies between adult education and career technical education.

(6) Plans to collaborate in the provision of ongoing professional development opportunities for faculty and other staff to help them achieve greater program integration and improve student outcomes.

(7) Plans to leverage existing regional structures, including, but not necessarily limited to, local workforce investment areas.

(d) The Chancellor of the California Community Colleges and the State Department of Education may identify additional elements that consortia must include in a plan.

(e) (1) On or before March 1, 2014, the Chancellor of the California Community Colleges and the State Department of Education shall submit a joint report to the Legislature and the

Governor. This report shall include, but not necessarily be limited to, all of the following:

(A) The status of developing regional consortia across the state, including identification of unserved geographic areas or emerging gaps in regional program delivery.

(B) The status and allocation of grant awards made to the regional consortia.

(2) The report shall be submitted to the Legislature as provided in Section 9795 of the Government Code.

(f) (1) On or before March 1, 2015, the Chancellor of the California Community Colleges and the State Department of Education shall submit a joint report to the Legislature and the Governor. This report shall include, but is not limited to, all of the following:

(A) The plans developed by the regional consortia across the state.

(B) Recommendations for additional improvements in the delivery system serving adult learners.

(2) The report shall be submitted to the Legislature as provided in Section 9795 of the Government Code.

(g) It is the intent of the Legislature to work toward developing common policies related to adult education affecting adult schools at local educational agencies and community colleges, including policies on fees and funding levels.

(h) It is the intent of the Legislature to provide additional funding in the 2015–16 fiscal year to the regional consortia to expand and improve the provision of adult education.

SEC. 77. Section 17581.5 of the Government Code is amended to read:

17581.5. (a) A school district or community college district shall not be required to implement or give effect to the statutes, or a portion of the statutes, identified in subdivision (c) during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply:

(1) The statute or a portion of the statute, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of school districts or community college districts pursuant to Section 6 of Article XIII B of the California Constitution.

(2) The statute, or a portion of the statute, or the test claim number utilized by the commission, specifically has been identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered specifically to have been identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it specifically is identified in the language of a provision of the item providing the appropriation for mandate reimbursements.

(b) Within 30 days after enactment of the Budget Act, the Department of Finance shall notify school districts of any statute or executive order, or portion thereof, for which reimbursement is not provided for the fiscal year pursuant to this section.

(c) This section applies only to the following mandates:

(1) School Bus Safety I (CSM-4433) and II (97-TC-22) (Chapter 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994; and Chapter 739 of the Statutes of 1997).

(2) County Treasury Withdrawals (96-365-03; and Chapter 784 of the Statutes of 1995 and Chapter 156 of the Statutes of 1996).

(3) Grand Jury Proceedings (98-TC-27; and Chapter 1170 of the Statutes of 1996, Chapter 443 of the Statutes of 1997, and Chapter 230 of the Statutes of 1998).

(4) Law Enforcement Sexual Harassment Training (97-TC-07; and Chapter 126 of the Statutes of 1993).

(5) Health Benefits for Survivors of Peace Officers and Firefighters (Chapter 1120 of the Statutes of 1996 and 97-TC-25).

(6) Removal of Chemicals (Chapter 1107 of the Statutes of 1984 and CSM 4211 and 4298).

(7) Scoliosis Screening (Chapter 1347 of the Statutes of 1980 and CSM 4195).

(8) Pupil Residency Verification and Appeals (Chapter 309 of the Statutes of 1995 and 96-384-01).

(9) Integrated Waste Management (Chapter 1116 of the Statutes of 1992 and 00-TC-07).

(10) Law Enforcement Jurisdiction Agreements (Chapter 284 of the Statutes of 1998 and 98-TC-20).

(11) Physical Education Reports (Chapter 640 of the Statutes of 1997 and 98-TC-08).

(12) Sexual Assault Response Procedures (Chapter 423 of the Statutes of 1990 and 99-TC-12).

(13) Student Records (Chapter 593 of the Statutes of 1989 and 02-TC-34).

(14) Absentee Ballots (Chapter 77 of the Statutes of 1978 and CSM-3713).

(15) Brendon Maguire Act (Chapter 391 of the Statutes of 1988 and CSM-4357).

(16) Mandate Reimbursement Process I and II (Chapter 486 of the Statutes of 1975; Chapter 890 of the Statutes of 2004; CSM-4204; CSM-4485; and 05-TC-05).

(17) Sex Offenders: Disclosure by Law Enforcement Officers (Chapters 908 and 909 of the Statutes of 1996; and 97-TC-15).

SEC. 78. Section 17581.6 of the Government Code is amended to read:

17581.6. (a) Funding apportioned pursuant to this section shall constitute reimbursement pursuant to Section 6 of Article XIII B of the California Constitution for the performance of any state mandates included in the statutes and executive orders identified in subdivision (e).

(b) Any school district, county office of education, or charter school may elect to receive block grant funding pursuant to this section.

(c) (1) A school district, county office of education, or charter school that elects to receive block grant funding pursuant to this section in a given fiscal year shall submit a letter requesting funding to the Superintendent of Public Instruction on or before August 30 of that fiscal year.

(2) The Superintendent of Public Instruction shall, in the month of November of each year, apportion block grant funding appropriated pursuant to Item 6110-296-0001 of Section 2.00 of the annual Budget Act to all school districts, county offices of education, and charter schools that submitted letters requesting funding in that fiscal year according to the provisions of that item.

(3) A school district or county office of education that receives block grant funding pursuant to this section shall not be eligible to submit claims to the Controller for reimbursement pursuant to Section 17560 for any costs of any state mandates included in the statutes and executive orders identified in subdivision (e) incurred

in the same fiscal year during which the school district or county office of education received funding pursuant to this section.

(d) Block grant funding apportioned pursuant to this section is subject to annual financial and compliance audits required by Section 41020 of the Education Code.

(e) Block grant funding apportioned pursuant to this section is specifically intended to fund the costs of the following programs and activities:

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

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

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

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

(5) Caregiver Affidavits (CSM 4497; Chapter 98 of the Statutes of 1994).

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

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

(8) Collective Bargaining (CSM 4425; Chapter 961 of the Statutes of 1975).

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

(10) Consolidation of Annual Parent Notification/Schoolsite Discipline Rules/Alternative Schools (CSM 4488, CSM 4461,

99-TC-09, 00-TC-12, 97-TC-24, CSM 4453, CSM 4474, CSM 4462; Chapter 448 of the Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 975 of the Statutes of 1980; Chapter 469 of the Statutes of 1981; Chapter 459 of the Statutes of 1985; Chapters 87 and 97 of the Statutes of 1986; Chapter 1452 of the Statutes of 1987; Chapters 65 and 1284 of the Statutes of 1988; Chapter 213 of the Statutes of 1989; Chapters 10 and 403 of the Statutes of 1990; Chapter 906 of the Statutes of 1992; Chapter 1296 of the Statutes of 1993; Chapter 929 of the Statutes of 1997; Chapters 846 and 1031 of the Statutes of 1998; Chapter 1 of the Statutes of 1999, First Extraordinary Session; Chapter 73 of the Statutes of 2000; Chapter 650 of the Statutes of 2003; Chapter 895 of the Statutes of 2004; and Chapter 677 of the Statutes of 2005).

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

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

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

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

(15) Criminal Background Checks II (00-TC-05; Chapters 594 and 840 of the Statutes of 1998; and Chapter 78 of the Statutes of 1999).

(16) Differential Pay and Reemployment (99-TC-02; Chapter 30 of the Statutes of 1998).

(17) Expulsion of Pupil: Transcript Cost for Appeals (SMAS; Chapter 1253 of the Statutes of 1975).

(18) Financial and Compliance Audits (CSM 4498 and CSM 4498-A; Chapter 36 of the Statutes of 1977).

(19) Graduation Requirements (CSM 4181; Chapter 498 of the Statutes of 1983).

(20) Habitual Truants (CSM 4487 and CSM 4487-A; Chapter 1184 of the Statutes of 1975).

(21) High School Exit Examination (00-TC-06; Chapter 1 of the Statutes of 1999, First Extraordinary Session; and Chapter 135 of the Statutes of 1999).

(22) Immunization Records (SB 90-120; Chapter 1176 of the Statutes of 1977).

(23) Immunization Records—Hepatitis B (98-TC-05; Chapter 325 of the Statutes of 1978; Chapter 435 of the Statutes of 1979; Chapter 472 of the Statutes of 1982; Chapter 984 of the Statutes of 1991; Chapter 1300 of the Statutes of 1992; Chapter 1172 of the Statutes of 1994; Chapters 291 and 415 of the Statutes of 1995; Chapter 1023 of the Statutes of 1996; and Chapters 855 and 882 of the Statutes of 1997).

(24) Interdistrict Attendance Permits (CSM 4442; Chapters 172 and 742 of the Statutes of 1986; Chapter 853 of the Statutes of 1989; Chapter 10 of the Statutes of 1990; and Chapter 120 of the Statutes of 1992).

(25) Intradistrict Attendance (CSM 4454; Chapters 161 and 915 of the Statutes of 1993).

(26) Juvenile Court Notices II (CSM 4475; Chapters 1011 and 1423 of the Statutes of 1984; Chapter 1019 of the Statutes of 1994; and Chapter 71 of the Statutes of 1995).

(27) Notification of Truancy (CSM 4133; Chapter 498 of the Statutes of 1983; Chapter 1023 of the Statutes of 1994; and Chapter 19 of the Statutes of 1995).

(28) Physical Performance Tests (96-365-01; Chapter 975 of the Statutes of 1995).

(29) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the Statutes of 1978).

(30) Pupil Health Screenings (CSM 4440; Chapter 1208 of the Statutes of 1976; Chapter 373 of the Statutes of 1991; and Chapter 750 of the Statutes of 1992).

(31) Pupil Promotion and Retention (98-TC-19; Chapter 100 of the Statutes of 1981; Chapter 1388 of the Statutes of 1982; Chapter 498 of the Statutes of 1983; Chapter 1263 of the Statutes of 1990; and Chapters 742 and 743 of the Statutes of 1998).

(32) Pupil Safety Notices (02-TC-13; Chapter 498 of the Statutes of 1983; Chapter 482 of the Statutes of 1984; Chapter 948 of the Statutes of 1984; Chapter 196 of the Statutes of 1986; Chapter 332

of the Statutes of 1986; Chapter 445 of the Statutes of 1992; Chapter 1317 of the Statutes of 1992; Chapter 589 of the Statutes of 1993; Chapter 1172 of the Statutes of 1994; Chapter 1023 of the Statutes of 1996; and Chapter 492 of the Statutes of 2000).

(33) Pupil Expulsions (CSM 4455; Chapter 1253 of the Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 668 of the Statutes of 1978; Chapter 318 of the Statutes of 1982; Chapter 498 of the Statutes of 1983; Chapter 622 of the Statutes of 1984; Chapter 942 of the Statutes of 1987; Chapter 1231 of the Statutes of 1990; Chapter 152 of the Statutes of 1992; Chapters 1255, 1256, and 1257 of the Statutes of 1993; and Chapter 146 of the Statutes of 1994).

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

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

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

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

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

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

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

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

(42) Pupil Expulsions II, Pupil Suspensions II, and Educational Services Plan for Expelled Pupils (96-358-03, 03A, 98-TC-22, 01-TC-18, 98-TC-23, 97-TC-09; Chapters 972 and 974 of the Statutes of 1995; Chapters 915, 937, and 1052 of the Statutes of 1996; Chapter 637 of the Statutes of 1997; Chapter 498 of the Statutes of 1998; Chapter 332 of the Statutes of 1999; Chapter 147 of the Statutes of 2000; and Chapter 116 of the Statutes of 2001).

(f) Notwithstanding Section 10231.5, on or before November 1 of each fiscal year, the Superintendent of Public Instruction shall produce a report that indicates the total amount of block grant funding each school district, county office of education, and charter school received in that fiscal year pursuant to this section. The Superintendent of Public Instruction shall provide this report to the appropriate fiscal and policy committees of the Legislature, the Controller, the Department of Finance, and the Legislative Analyst's Office.

SEC. 79. Section 17581.7 of the Government Code is amended to read:

17581.7. (a) Funding apportioned pursuant to this section shall constitute reimbursement pursuant to Section 6 of Article XIII B of the California Constitution for the performance of any state mandates included in the statutes and executive orders identified in subdivision (e).

(b) Any community college district may elect to receive block grant funding pursuant to this section.

(c) (1) A community college district that elects to receive block grant funding pursuant to this section in a given fiscal year shall submit a letter requesting funding to the Chancellor of the California Community Colleges on or before August 30 of that fiscal year.

(2) The Chancellor of the California Community Colleges shall apportion, in the month of November of each year, block grant funding appropriated in Item 6870-296-0001 of Section 2.00 of the annual Budget Act to all community college districts that submitted letters requesting funding in that fiscal year according to the provisions of that item.

(3) A community college district that receives block grant funding pursuant to this section shall not be eligible to submit claims to the Controller for reimbursement pursuant to Section 17560 for any costs of any state mandates included in the statutes and executive orders identified in subdivision (e) incurred in the same fiscal year during which the community college district received funding pursuant to this section.

(d) All funding apportioned pursuant to this section is subject to annual financial and compliance audits required by Section 84040 of the Education Code.

(e) Block grant funding apportioned pursuant to this section is specifically intended to fund the costs of the following programs:

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

(2) Cal Grants (02-TC-28; Chapter 403 of the Statutes of 2000).

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

(4) Collective Bargaining (CSM 4425 and 97-TC-08; Chapter 961 of the Statutes of 1975).

(5) Community College Construction (02-TC-47; Chapter 910 of the Statutes of 1980; Chapters 470 and 891 of the Statutes of 1981; Chapter 973 of the Statutes of 1988; Chapter 1372 of the Statutes of 1990; Chapter 1038 of the Statutes of 1991; and Chapter 758 of the Statutes of 1995).

(6) Discrimination Complaint Procedures (02-TC-42 and portions of 02-TC-25 and 02-TC-31; Chapter 1010 of the Statutes of 1976; Chapter 470 of the Statutes of 1981; Chapter 1117 of the Statutes of 1982; Chapter 143 of the Statutes of 1983; Chapter 1371 of the Statutes of 1984; Chapter 973 of the Statutes of 1988; Chapter 1372 of the Statutes of 1990; Chapter 1198 of the Statutes of 1991; Chapter 914 of the Statutes of 1998; Chapter 587 of the Statutes of 1999; and Chapter 1169 of the Statutes of 2002).

(7) Enrollment Fee Collection and Waivers (99-TC-13 and 00-TC-15).

(8) Health Fee Elimination (CSM 4206; Chapter 1 of the Statutes of 1984, Second Extraordinary Session).

(9) Minimum Conditions for State Aid (02-TC-25 and 02-TC-31; Chapter 802 of the Statutes of 1975; Chapters 275, 783, 1010, and 1176 of the Statutes of 1976; Chapters 36 and 967 of the Statutes of 1977; Chapters 797 and 977 of the Statutes of 1979; Chapter 910 of the Statutes of 1980; Chapters 470 and 891 of the Statutes of 1981; Chapters 1117 and 1329 of the Statutes of 1982; Chapters 143 and 537 of the Statutes of 1983; Chapter 1371 of the Statutes of 1984; Chapter 1467 of the Statutes of 1986; Chapters 973 and 1514 of the Statutes of 1988; Chapters 1372 and 1667 of the Statutes of 1990; Chapters 1038, 1188, and 1198 of the Statutes of 1991; Chapters 493 and 758 of the Statutes of 1995; Chapters 365, 914, and 1023 of the Statutes of 1998; Chapter 587 of the Statutes of 1999; Chapter 187 of the Statutes of 2000; and Chapter 1169 of the Statutes of 2002).

(10) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the Statutes of 1978).

(11) Reporting Improper Governmental Activities (02-TC-24; Chapter 416 of the Statutes of 2001; and Chapter 81 of the Statutes of 2002).

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

(13) Tuition Fee Waivers (02-TC-21; Chapter 36 of the Statutes of 1977; Chapter 580 of the Statutes of 1980; Chapter 102 of the Statutes of 1981; Chapter 1070 of the Statutes of 1982; Chapter 753 of the Statutes of 1988; Chapters 424, 900, and 985 of the Statutes 1989; Chapter 1372 of the Statutes of 1990; Chapter 455 of the Statutes of 1991; Chapter 8 of the Statutes of 1993; Chapter 389 of the Statutes of 1995; Chapter 438 of the Statutes of 1997; Chapter 952 of the Statutes of 1998; Chapters 571 and 949 of the Statutes of 2000; Chapter 814 of the Statutes of 2001; and Chapter 450 of the Statutes of 2002).

(f) Notwithstanding Section 10231.5, on or before November 1 of each fiscal year, the Chancellor of the California Community Colleges shall produce a report that indicates the total amount of block grant funding each community college district received in the current fiscal year pursuant to this section. The chancellor shall provide this report to the appropriate fiscal and policy committees of the Legislature, the Controller, the Department of Finance, and the Legislative Analyst's Office.

SEC. 80. Section 63049.67 of the Government Code is amended to read:

63049.67. (a) Notwithstanding any other provision of this division, a financing of emergency apportionments upon the request of a school district pursuant to Article 2.7 (commencing with Section 41329.50) of Chapter 3 of Part 24 of Division 3 of Title 2 of the Education Code, is deemed to be in the public interest and eligible for financing by the bank. Article 3 (commencing with Section 63040), Article 4 (commencing with Section 63042), and Article 5 (commencing with Section 63043) do not apply to the financing provided by the bank in connection with an emergency apportionment.

(b) The bank may issue bonds pursuant to Chapter 5 (commencing with Section 63070) and provide the proceeds to a school district pursuant to a lease agreement. The proceeds may be used as an emergency apportionment, to reimburse the interim emergency apportionment from the General Fund authorized pursuant to subdivision (b) of Section 41329.52 of the Education Code, or to refund bonds previously issued under this section. Bond proceeds may also be used to fund necessary reserves, capitalized interest, credit enhancement costs, and costs of issuance.

(c) Bonds issued under this article are not deemed to constitute a debt or liability of the state or of any political subdivision of the state, other than a limited obligation of the bank, or a pledge of the faith and credit of the state or of any political subdivision. All bonds issued under this article shall contain on the face of the bonds a statement to the same effect.

(d) Any fund or account established in connection with the bonds shall be established outside of the centralized treasury system. Notwithstanding any other law, the bank shall select the financing team and the trustee for the bonds, and the trustee shall be a corporation or banking association authorized to exercise corporate trust powers.

(e) Pursuant to Section 41329.55 of the Education Code, a school district other than the Compton Community College District shall instruct the Controller to repay the lease from moneys in the State School Fund and the Education Protection Account designated for apportionment to the school district. Pursuant to Section 41329.55 of the Education Code, if the school district is the Compton Community College District, the Controller shall be instructed to

repay the lease from moneys in Section B of the State School Fund. Any amounts necessary to make this repayment shall be drawn from the total statewide funding available for community college apportionment consisting of funds in Section B of the State School Fund. Thereafter the Controller shall transfer to Section B of the State School Fund, either in a single or multiple transfers, an amount equal to the total repayment, which amount shall be transferred from the amount designated for apportionment to the Compton Community College District from the State School Fund. If these transfers from the district prove inadequate to repay any repayments for any reason, the Compton Community College District is required to use any revenue sources available to it for transfer and repayment purposes.

(f) Notwithstanding any other law, as long as any bonds issued pursuant to this section are outstanding, the following requirements apply:

(1) The school district for which the bonds were issued is not eligible to be a debtor in a case under Chapter 9 of the United States Bankruptcy Code, as it may be amended from time to time, and no governmental officer or organization is or may be empowered to authorize the school district to be a debtor under that chapter.

(2) It is the intent of the Legislature that the Legislature should not in the future abolish the Compton Community College District or take any action that would prevent the Compton Community College from entering into or performing binding agreements or invalidate any prior binding agreements of the Compton Community College District, where invalidation may have a material adverse effect on the bonds issued pursuant to this section.

(3) The Compton Community College District shall not be reorganized or merged with another community college district unless all of the following apply:

(A) The successor district becomes by operation of law the owner of all property previously owned by the Compton Community College District.

(B) Any agreement entered into by the Compton Community College District in connection with bonds issued pursuant to this section are assumed by the successor district.

(C) The apportionment authorized by subdivision (e) remains in effect.

(D) Receipt by the bank of an opinion of bond counsel that the bonds issued for the Compton Community College District will remain tax exempt following the reorganization or merger.

(g) Nothing in this section limits the authority of the Legislature to abolish the Compton Community College District when bonds issued for that district are no longer outstanding. Further, the Legislature may provide for the redemption or defeasance of the bonds at any time so that no bonds are outstanding. If the Legislature provides for the redemption or defeasance of the bonds issued for the Compton Community College District in order to abolish that district, it is the intent of the Legislature that the funds required for the redemption or defeasance should be appropriated from Section B of the State School Fund.

(h) The bank may enter into contracts or agreements with banks, insurers, or other financial institutions or parties that it determines are necessary or desirable to improve the security and marketability of, or to manage interest rates or other risks associated with, the bonds issued pursuant to this section. The bank may pledge apportionments made by the Controller directly to the bond trustee pursuant to Section 41329.55 of the Education Code as security for repayment of any obligation owed to a bank, insurer, or other financial institution pursuant to this subdivision.

SEC. 81. Section 63049.68 of the Government Code is amended to read:

63049.68. The State of California pledges that (a) the state will not alter the directive to the Controller to make apportionments to the bond trustee of moneys in the State School Fund and the Education Protection Account from that set forth in Section 41329.55 of the Education Code, and (b) the state will not amend or repeal subdivision (f) of Section 63049.67, in each case in any manner that would materially impair the security or other interests of holders of any bonds issued pursuant to this article. The bank is authorized to include this pledge in the bonds, or other documents entered into in connection with the bonds, as a covenant for the benefit of the bondholders.

SEC. 82. Section 10 of Chapter 325 of the Statutes of 2012 is repealed.

SEC. 83. (a) Notwithstanding any other law, the Inglewood Unified School District, through the State Department of Education, may request cashflow loans from the General Fund for a total of

up to fifty-five million dollars ($55,000,000) for emergency operational purposes.

(b) Unless otherwise specified in this section, the terms and conditions of any General Fund cashflow loan provided pursuant to this section shall be subject to approval by the Director of Finance and shall be consistent with the terms and conditions of the General Fund emergency apportionment issued pursuant to Chapter 325 of the Statutes of 2012. Notwithstanding the interest rates specified in the terms and conditions of the General Fund loan issued pursuant to Chapter 325 of the Statutes of 2012, the interest on these loans shall be charged at the annual rate of return of the Pooled Money Investment Account, plus an additional 2 percent.

(c) Once a General Fund cashflow loan is approved pursuant to this section, and upon the order of the Director of Finance, the Controller shall draw warrants against General Fund cash to the Inglewood Unified School District to provide a cashflow loan.

(d) Upon approval of a General Fund cashflow loan pursuant to this section, a repayment schedule shall be determined by the Department of Finance. If a required payment is not made within 60 days after a scheduled date, upon order of the Department of Finance, the Controller shall pay the defaulted General Fund cashflow loan repayment by withholding that amount from the next available payment that would otherwise be made to the county treasurer on behalf of the school district pursuant to Section 14041 of the Education Code.

(e) The Department of Finance shall notify the Legislature within 15 days of authorizing a General Fund cashflow loan pursuant to this section.

(f) A cashflow loan from the General Fund authorized by this section does not constitute budgetary expenditures. A cashflow loan, and the repayment of a cashflow loan, made under this section shall not affect the General Fund reserve.

(g) Issuance of a General Fund cashflow loan authorized pursuant to this section shall require the Inglewood Unified School District to abide by all provisions associated with the issuance of the emergency loan specified in Chapter 325 of the Statutes of 2012, including those cited in Article 2 (commencing with Section 41320) and Article 2.5 (commencing with Section 41325) of Chapter 3 of Part 24 of Division 3 of Title 2 of the Education Code.

(h) As a condition of requesting a General Fund cashflow loan pursuant to this section, the Inglewood Unified School District shall repay the twenty-nine million dollar ($29,000,000) General Fund loan issued pursuant to Chapter 325 of the Statutes of 2012 from the proceeds of the school district's initial request for a General Fund cashflow loan.

SEC. 84. Of the amount allocated in Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2011, eight million nine hundred fifty-four thousand dollars ($8,954,000) is provided to fully fund the 2008–09 fiscal year maintenance of effort and thirty-six million six hundred sixty-four thousand dollars ($36,664,000) is provided to fully fund the 2009–10 fiscal year maintenance of effort in the special education program.

SEC. 85. (a) (1) The sum of one billion two hundred fifty million dollars ($1,250,000,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for transfer to Section A of the State School Fund. The sum of six hundred twenty-five million dollars ($625,000,000) shall be transferred in July 2013 and the sum of six hundred twenty-five million dollars ($625,000,000) shall be transferred in August 2013.

(2) It is the intent of the Legislature that school districts, county offices of education, charter schools, and the state special schools use funds allocated pursuant to subdivision (b) to support the integration of academic content standards in instruction adopted pursuant to Sections 60605.8, 60605.85, 60605.10, 60605.11, and 60811.3 of the Education Code, for kindergarten and grades 1 to 12, inclusive, for purposes of establishing high-quality instructional programs for all pupils.

(b) The Superintendent of Public Instruction shall apportion funds to school districts, county offices of education, charter schools, and the state special schools using an equal rate per pupil based on prior year enrollment.

(c) A school district, county office of education, charter school, or state special school may encumber funds apportioned pursuant to this section at any time during the 2013–14 or 2014–15 fiscal year.

(d) A school district, county office of education, charter school, or state special school shall expend funds allocated pursuant to this section for any of the following purposes:

(1) Professional development for teachers, administrators, and paraprofessional educators or other classified employees involved in the direct instruction of pupils that is aligned to the academic content standards adopted pursuant to Sections 60605.8, 60605.11, 60605.85, and 60811.3 of the Education Code.

(2) Instructional materials aligned to the academic content standards adopted pursuant to Sections 60605.8, 60605.85, 60605.11, and 60811.3 of the Education Code, including, but not limited to, supplemental instructional materials as provided in Sections 60605.86, 60605.87, and 60605.88 of the Education Code.

(3) Integration of these academic content standards through technology-based instruction for purposes of improving the academic performance of pupils, including, but not necessarily limited to, expenditures necessary to support the administration of computer-based assessments and provide high-speed, high-bandwidth Internet connectivity for the purpose of administration of computer-based assessments.

(e) As a condition of receiving funds allocated pursuant to this section, a school district, county office of education, charter school, or state special school shall do both of the following:

(1) Develop and adopt a plan delineating how funds allocated pursuant to this section shall be spent. The plan shall be explained in a public meeting of the governing board of the school district, county board of education, or governing body of the charter school, before its adoption in a subsequent public meeting.

(2) On or before July 1, 2015, report detailed expenditure information to the State Department of Education, including, but not limited to, specific purchases made and the number of teachers, administrators, or paraprofessional educators that received professional development. The State Department of Education shall determine the format for this report.

(f) The State Department of Education shall summarize the information reported pursuant to paragraph (2) of subdivision (e) and shall submit the summary to the appropriate budget subcommittees and policy committees of the Legislature and to the Department of Finance on or before January 1, 2016.

(g) Funding apportioned pursuant to this section is specifically intended to fund, and shall first be used to offset, the costs of any new programs or higher levels of service associated with implementation of the academic content standards adopted by the

State Board of Education pursuant to Sections 60605.8, 60605.85, 60605.10, 60605.11, and 60811.3 of the Education Code, including those required by this section or Article 3.8 (commencing with Section 52060) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code.

(h) Funding apportioned pursuant to this section is subject to the annual audits required by Section 41020 of the Education Code.

(i) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, of the funds appropriated by this section:

(1) One billion dollars ($1,000,000,000) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2012–13 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2012–13 fiscal year.

(2) Two hundred fifty million dollars ($250,000,000) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2013–14 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2013–14 fiscal year.

SEC. 86. (a) Funding appropriated in Item 6110-280-0001 of the Budget Act of 2013 for career technical education shall be allocated for the establishment of the California Career Pathways Trust.

(b) The funds appropriated in Item 6110-280-0001 of the Budget Act of 2013 shall be apportioned to school districts, county superintendents of schools, charter schools, and community colleges in the form of one-time competitive grants. Funds shall be available for expenditure in the 2013–14 fiscal year to the 2015–16 fiscal year, inclusive.

(c) Grants shall be available for K–14 career pathways programs that accomplish any of the following:

(1) Fund specialists in work-based learning, as defined in Section 51760.1 of the Education Code, to convene, connect, measure, or

broker efforts to establish or enhance a locally defined career pathways program that connects school districts, county superintendents of schools, charter schools, and community colleges with business entities.

(2) Establish regional collaborative relationships and partnerships with business entities, community organizations, and local institutions of postsecondary education.

(3) Develop and integrate standards-based academics with a career-relevant, sequenced curriculum following industry-themed pathways that are aligned to high-need, high-growth, or emerging regional economic sectors.

(4) Provide articulated pathways to postsecondary education aligned with regional economies.

(5) Leverage and build on any of the following:

(A) Existing structures, requirements, and resources of the Carl D. Perkins, California Partnership Academies, and regional occupational programs, including staff knowledge, community relationships, and course development.

(B) Matching resources and in-kind contributions from public, private, and philanthropic sources.

(C) The California Community Colleges Economic and Workforce Development Program and its sector strategies and deputy sector navigators.

(D) Participation in the local California Community Colleges Skills Panel.

(d) As a condition of receipt of funds, a grant recipient under this section shall identify and set aside funding within its own budget and obtain funding commitments from program partners sufficient to support the ongoing costs of the program.

(e) The Superintendent of Public Instruction shall consult with the Chancellor of the California Community Colleges and organizations representing businesses in considering grant applications under this section.

(f) No later than December 1, 2016, grant recipients and the Superintendent of Public Instruction shall report to the Department of Finance and to relevant policy and fiscal committees of the Legislature outcome measures, which shall include, but not necessarily be limited to, all of the following:

(1) Pupil and student academic performance indicators.

(2) The number and rate of school or program graduates.

(3) Attainment of certificates, transfer readiness, and postsecondary enrollment.

(4) Transitions to appropriate employment, apprenticeships, or job training.

SEC. 87. (a) On or before June 30, 2013, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Board of Governors of the California Community Colleges in augmentation of Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2012.

(b) The funds appropriated in subdivision (a) shall only be available to the extent that revenues distributed to community colleges pursuant to subparagraph (A) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution are less than the estimated amount reflected in the Budget Act of 2012, as determined by the Director of Finance.

(c) On or before June 30, 2013, the Director of Finance shall determine if the revenues distributed to community college districts pursuant to subparagraph (A) of paragraph (3) of subdivision (e) Section 36 of Article XIII of the California Constitution exceed the estimated amount reflected in the Budget Act of 2012, and shall reduce Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2012 by that same amount.

(d) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (a) or to make the reduction pursuant to subdivision (c), and the amount needed to address the Education Protection Account shortfall determined pursuant to subdivision (b) or the amount of the reduction made pursuant to subdivision (c). The Controller shall make the funds available not sooner than five days after this notification and the Office of the Chancellor of the California Community Colleges shall work with the Controller to allocate these funds to community college districts as soon as practicable.

(e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2012–13 fiscal year, and included within the "total allocations to

school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2012–13 fiscal year.

SEC. 88. (a) On or before June 30, 2014, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Board of Governors of the California Community Colleges in augmentation of Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2013.

(b) The funds appropriated in subdivision (a) shall only be available to the extent that revenues distributed to community colleges pursuant to subparagraph (A) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution are less than the estimated amount reflected in the Budget Act of 2013, as determined by the Director of Finance.

(c) On or before June 30, 2014, the Director of Finance shall determine if the revenues distributed to community college districts pursuant to subparagraph (A) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution exceed the estimated amount reflected in the Budget Act of 2013 and shall reduce Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2013 by that same amount.

(d) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (a) or to make the reduction pursuant to subdivision (c), and the amount needed to address the Education Protection Account shortfall determined pursuant to subdivision (b) or the amount of the reduction made pursuant to subdivision (c). The Controller shall make the funds available not sooner than five days after this notification and the Office of the Chancellor of the California Community Colleges shall work with the Controller to allocate these funds to community college districts as soon as practicable.

(e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2013–14 fiscal year, and included within the "total allocations to

school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2013–14 fiscal year.

SEC. 89. (a) On or before June 30, 2014, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Board of Governors of the California Community Colleges in augmentation of Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2013.

(b) The funds appropriated in subdivision (a) shall only be available to the extent that revenues distributed to community colleges pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code are less than the estimated amount reflected in the Budget Act of 2013, as determined by the Director of Finance.

(c) On or before June 30, 2014, the Director of Finance shall determine if the revenues distributed to community college districts pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code exceed the estimated amount reflected in the Budget Act of 2013 and shall reduce Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2013 by the amount of that excess.

(d) In making the determinations pursuant to subdivisions (b) and (c), the Director of Finance shall consider any other local property tax revenues and student fee revenues collected in excess or in deficit of the estimated amounts reflected in the Budget Act of 2013.

(e) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (a) or to make the reduction pursuant to subdivision (c), and the amount needed to address the property tax shortfall determined pursuant to subdivision (b) or the amount of the reduction made pursuant to subdivision (c). The Controller shall make the funds available not sooner than five days after this notification and the Office of the Chancellor of the California Community Colleges shall work with the Controller to allocate these funds to community college districts as soon as practicable.

(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2013–14 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2013–14 fiscal year.

SEC. 90. (a) On or before June 30, 2014, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Superintendent of Public Instruction in augmentation of Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2013.

(b) The funds appropriated in subdivision (a) shall only be available to the extent that revenues distributed to local educational agencies for special education programs pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code are less than the estimated amount reflected in the Budget Act of 2013, as determined by the Director of Finance.

(c) On or before June 30, 2014, the Director of Finance shall determine if the revenues distributed to local educational agencies for special education programs pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code exceed the estimated amount reflected in the Budget Act of 2013 and shall reduce Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2013 by the amount of that excess.

(d) In making the determinations pursuant to subdivisions (b) and (c), the Director of Finance shall consider any other local property tax revenues collected in excess or in deficit of the estimated amounts reflected in the Budget Act of 2013.

(e) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (a) or to make the reduction pursuant to subdivision (c), and the amount needed to address the property tax shortfall determined pursuant to subdivision (b) or the amount of the reduction made pursuant to subdivision (c). The Controller shall make the funds available not sooner than five days

after this notification and the State Department of Education shall work with the Controller to allocate these funds to local educational agencies as soon as practicable.

(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2013–14 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2013–14 fiscal year.

SEC. 91. Notwithstanding any other law, the funds appropriated pursuant to Items 6110-158-0001 and 6110-161-0001 of Section 2.00 of the Budget Act of 2013 shall be encumbered by July 31, 2014. This one-month extension of encumbrance authority is provided due to the effect of the deferral of the June 2014 principal apportionment on the budget items specified in this section. It is the intent of the Legislature that, by extending the encumbrance authority for the funds identified in this section to July 31, 2014, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2013.

SEC. 92. The Legislature finds and declares that a special law, as set forth in Section 83 of this act, is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances relating to the fiscal emergency in the Inglewood Unified School District.

SEC. 93. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 94. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

Approved _____, 2013

_____

Governor