

AMENDED IN SENATE SEPTEMBER 11, 2013

AMENDED IN SENATE SEPTEMBER 6, 2013

AMENDED IN SENATE AUGUST 28, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 103

Introduced by Committee on Budget (Skinner (Chair), Bloom, Campos, Chesbro, Daly, Dickinson, Gordon, Jones-Sawyer, Mitchell, Mullin, Muratsuchi, Nazarian, Stone, and Ting)

January 10, 2013

An act to amend Sections 1240, 1622, 2574, 2575, 2576, 8150.5, 8151, 8152, 8154, 8155, 35736.5, 41365, 41367, 42127, 42238.01, 42238.02, 42238.025, 42238.03, 42238.05, 42238.20, 42283, 42284, 42285, 42287, 46200, 46201, 46202, 46208, 47612, 47614.5, 47631, 48664, 49085, 52060, 52061, 52062, 52064, 52066, 52068, 52070, 52070.5, 52074, 56836.11, 70022, and 84321.6 of, to amend and repeal Sections 2558 and 47633 of, *to add Section 41329.575 to*, and to repeal Sections 1982, 42285.5, and 48667 of, the Education Code, to amend Section 17581.7 of the Government Code, to amend Sections 26225, 26233, and 26235 of the Public Resources Code, to amend Section 115 of Chapter 47 of the Statutes of 2013, to amend Section 83 of Chapter 48 of the Statutes of 2013, and to amend Items 6110-001-0001 and 6110-280-0001 of Section 2.00 of the Budget Act of 2013, relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 103, as amended, Committee on Budget. School finance: local control funding formula.

(1) Existing law provides for the attendance of apprentices at high schools, unified school districts, regional occupational centers or programs, community colleges, and adult schools under vocational education program 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.

Existing law establishes 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. Existing law requires, 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 for costs and services, as well as other policies related to apprenticeship programs.

This bill would amend these provisions so that they refer to local educational agencies, as defined to mean a school district or county office of education, rather than to high schools, unified school districts, regional occupational centers or programs, and adult schools. The bill would change the deadline for the development of common administrative practices and treatment of costs and services by the Chancellor of the California Community Colleges and the Division of Apprenticeship Standards of the Department of Industrial Relations by one day to March 14, 2014.

(2) Existing law establishes the Charter School Revolving Loan Fund, 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. Existing law has transferred the responsibility for the administration of these funds from the State Department of Education to the California School Finance Authority commencing with the 2013–14 fiscal year. Existing law also establishes the Charter School Facility Grant Program under the administration of the authority. Existing law requires the authority to adopt emergency regulations to implement these provisions.

This bill would authorize, rather than require, the California School Finance Authority to adopt any necessary rules and regulations for the implementation of these provisions.

(3) Existing law requires the Controller to transfer from Section A of the State School Fund and the Education Protection Account the amount of funds necessary to pay certain warrants 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 is equal to the cost of the original General Fund emergency loan made to each school district. Existing law also specifies the original interest rate to be used in determining the cost of the original emergency loan made for these school districts.

This bill would require the Controller, for the 2013–14 to 2029–30 fiscal years, inclusive, to make that transfer with respect to the lease financing provided to the South Monterey County Joint Union High School District pursuant to a specified 2009 statute. The bill would specify the original interest rate to be used in determining the cost of the original emergency loan for the South Monterey County Joint Union High School District as equal to the annual rate of return of the Pooled Money Investment Account for the applicable fiscal year, plus an additional 2%. The bill would require this rate to also apply to any disbursements of the loan pursuant to the 2009 statute that are subsequent to September 15, 2013. The bill would make legislative findings and declarations as to the necessity of a special statute for the South Monterey County Joint Union High School District.

~~(3)~~

(4) Existing law establishes a public school financing system that requires state funding for county superintendents of schools, school districts, and charter schools to be calculated pursuant to a local control funding formula, as specified. Existing law requires, as part of the local control funding formula calculation, the calculation of an annual local control funding formula transition adjustment that is calculated on the basis of moneys appropriated in the Budget Act of 2012 for specified programs, including, among others, regional occupational centers and programs. Existing law, for the 2013–14 and 2014–15 fiscal years only, requires a county superintendent of schools and a school district that, in the 2012–13 fiscal year, received funds on behalf of, or provided funds to, a regional occupational center or program joint powers agency, to not redirect that funding for another purpose, except as specified. Existing law also requires, for the 2013–14 and 2014–15 fiscal years

only, a county superintendent of schools and a school district, respectively, to spend no less for regional occupational centers and programs than the amount of funds the county superintendent and school district expended in the 2012–13 fiscal year.

This bill would, for the 2013–14 and 2014–15 fiscal years, require the Superintendent of Public Instruction to apportion to a regional occupational center or program joint powers agency the same amount that agency received in the 2012–13 fiscal year from specified funding sources. The bill would authorize a county office of education and school district to include expenditures made by the county office of education and the school districts within the county for purposes of regional occupational centers or programs so long as the total amount of expenditures made by the county office of education and school districts within the county equals or exceeds the total amount required to be expended for regional occupational centers or programs pursuant to specified provisions. The bill would, for the 2013–14 and 2014–15 fiscal years, require the Superintendent to reduce the amount of the Budget Act of 2012 entitlement for regional occupational centers and programs used in the computation of the local control funding formula transition adjustment for the Torrance Unified School District by \$3,473,574 and would require the Torrance Unified School District to continue to allocate \$3,473,574 for purposes of a regional occupational center or program joint powers agency. The bill would also make numerous technical and substantive changes to provisions related to the local control funding formula.

(4)

(5) Existing law requires a county board of education and a governing board of a school district to annually adopt a budget, as specified, and requires the Superintendent to approve the budget adopted by the county board of education and the county superintendent of schools to approve the budget adopted by the governing board of a school district. Existing law requires the budgets to not be adopted if they do not include the expenditures identified in a local control and accountability plan or an annual update to the local control and accountability plan that will be effective in the subsequent fiscal year. Existing law also requires, if a budget is disapproved, the formation of a budget review committee, as specified.

This bill would, commencing with the 2014–15 fiscal year, require that a budget review committee not be formed if the sole reason for a

budget not being approved is the lack of an approved local control and accountability plan or an annual update.

(5)

(6) Existing law requires a county superintendent of schools and a school district to expend no less for home-to-school transportation programs than the amount of funds the county superintendent of schools and school district, respectively, expended for home-to-school transportation in the 2012–13 fiscal year.

This bill would, for the 2013–14 and 2014–15 fiscal years, if a home-to-school transportation joint powers agency received, in the 2012–13 fiscal year, an apportionment of funds directly from the Superintendent for any of specified funding sources, require the Superintendent to apportion the same amount to the home-to-school transportation joint powers agency.

(6)

(7) Existing law, as part of the local control funding formula, requires a county superintendent of schools, school district, and charter school to annually report the enrollment of unduplicated pupils, defined as pupils classified as English learners, pupils eligible for free and reduced-price meals, and foster youth, to the Superintendent.

This bill would require the Superintendent to establish procedures and timeframes for the annual reporting of this information.

(7)

(8) Existing law, commencing with the 2013–14 fiscal year, requires the Superintendent to increase certain funding amounts related to necessary small schools by an amount proportionate to the increase in the statewide average local control funding formula allocations for the then current fiscal year.

This bill, commencing with the 2013–14 fiscal year, would instead require the Superintendent to increase the funding amount related to necessary small schools by the percentage change in the annual average value of a certain deflator, as specified.

(8)

(9) Existing law requires the State Department of Education and the State Department of Social Services to enter into a memorandum of understanding that requires the State Department of Social Services, at least once per week, to share information related to foster youth with the State Department of Education.

This bill would require the State Department of Education and the State Department of Social Services to enter into the memorandum of understanding on or before February 1, 2014.

(9)

(10) Existing law requires a school district and a county superintendent of schools to adopt a local control accountability plan using a template adopted by the State Board of Education. Existing law requires the local control and accountability plan to include a description of the annual goals to be achieved for each of certain state priorities and the specific actions that will be taken to achieve the annual goals. Existing law requires the governing board of a school district and the county superintendent of schools to consult with teachers, principals, administrators, other school personnel, parents, and pupils in developing the local control and accountability plan. Existing law requires the county superintendent of schools to approve a local control and accountability plan or annual update to a local control and accountability plan adopted by the governing board of a school district, and requires the Superintendent of Public Instruction to approve a local control and accountability plan or annual update to a local control and accountability plan adopted by the county board of education, if specified determinations are made. *Existing law establishes the California Collaborative for Educational Excellence for the purpose of advising and assisting school districts, county superintendents of schools, and charter schools in achieving the goals set forth in a local control and accountability plan and requires the Superintendent, with the approval of the state board, to contract with individuals, local educational agencies, or organizations with the expertise, experience, and record of success to carry out the purposes of local control accountability plans.*

This bill would require the local control and accountability plan to also include a listing and description of the expenditures for the fiscal year implementing the specific actions and the expenditures for the fiscal year that will serve unduplicated pupils, as defined, and pupils redesignated as fluent English proficient. The bill would require the governing board of a school district and county superintendent of schools to also consult with their local bargaining units in developing the local control and accountability plan. The bill would require the county superintendent of schools and the Superintendent, in approving a local control and accountability plan or annual update to a local control and accountability plan approved by the governing board of a school district

or county board of education, respectively, to also determine if the local control and accountability plan or annual update adheres to specified expenditure requirements relating to unduplicated pupils. *The bill would require the Superintendent to contract with a local educational agency, or consortium of local educational agencies, to serve as the fiscal agent for the California Collaborative for Educational Excellence and would establish a governing board for the collaborative consisting of 5 members, as specified. The bill would, at the direction of the governing board of the collaborative, require the fiscal agent for the collaborative to contract with individuals, local educational agencies, or organizations with the expertise, experience, and record of success to carry out the purposes of local control and accountability plans.*

~~(10)~~

(11) 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 require that a specified appropriation in the Budget Act of 2013 be included in the calculation of the statewide target amount per unit of average daily attendance used to determine adjustments to special education apportionments for the 2013–14 fiscal year.

~~(11)~~

(12) Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. Existing law establishes the Middle Class Scholarship Program under the administration of the Student Aid Commission. The program provides that, subject to an available and sufficient appropriation, commencing with the 2014–15 academic year, undergraduate students enrolled at the University of California or the California State University receive a scholarship award that, combined with other publicly funded student financial aid, is up to 40% of the amount charged to that student for mandatory systemwide tuition in that fiscal year if the student meets the following conditions: has an annual household income that does not exceed \$150,000; satisfies specified requirements for a Cal Grant award; is a resident of this state or exempt from paying nonresident tuition; files specified financial aid forms; makes timely application or applications for publicly funded student financial aid, as defined, for which he or she is eligible; and maintains at least a 2.0 grade point average.

The program requires, in order for students enrolled in their respective segments to remain eligible to receive financial aid under the bill, that the University of California and the California State University maintain their respective institutional need-based grant program policies and maintain their funding amounts at a level that, at a minimum, is equal to the level maintained during the 2013–14 academic year.

This bill would provide that the scholarship award under the Middle Class Scholarship, combined with other publicly funded student financial aid, would be for up to 40% of the mandatory systemwide tuition and fees, rather than up to 40% of the mandatory systemwide tuition, charged to an eligible student in a fiscal year.

The bill would require that an eligible student maintain satisfactory academic progress, rather than a 2.0 grade point average, to receive a scholarship award under the program.

The bill would also require that the University of California and the California State University not supplant their respective institutional need-based grants with funds provided for scholarships under the program, rather than maintain their respective need-based grant program policies, as specified.

(12)

(13) 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. With respect to community colleges, existing law appropriates \$591,233,000 from the General Fund to the Board of Governors of the California Community Colleges, for expenditure during the 2014–15 fiscal year, in satisfaction of specified moneys whose payment to the California Community Colleges has been deferred.

This bill would decrease the amount of apportionment to the California Community Colleges to be deferred from the month of February to the month of July from \$55,233,000 to \$52,456,000. The bill would also increase the amount of the appropriation from the General Fund to the Board of Governors of the California Community Colleges, for expenditure during the 2014–15 fiscal year, in satisfaction of specified deferred amounts from \$591,233,000 to \$592,456,000.

(13)

(14) 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, with respect to community colleges, would add the collective bargaining agreement disclosure mandate to 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.

(14)

(15) The California Clean Energy Jobs Act, an initiative approved by the voters as Proposition 39 at the November 6, 2012, statewide general election, made changes to corporate income taxes and, except as specified, provides for the transfer of \$550,000,000 annually from the General Fund to the Clean Energy Job Creation Fund, or the Job Creation Fund, for 5 fiscal years beginning with the 2013–14 fiscal year. Moneys in the Job Creation Fund are available, upon appropriation by the Legislature, for purposes of funding eligible projects that create jobs in California improving energy efficiency and expanding clean energy generation. Existing law provides for the allocation of available funds to public school facilities, university and college facilities, and other public buildings and facilities, as well as job training and workforce development and public-private partnerships for eligible projects, as specified. Existing law establishes prescribed criteria that apply to all expenditures from the Job Creation Fund.

This bill would make various revisions in the provisions of the act relating to the allocation of Job Creation Fund moneys to schools, including specifying the calculation of average daily attendance for state special schools for these purposes, and clarifying the scope of an authorization for smaller educational agencies to elect to receive 2 years of this funding at once.

(15)

(16) Existing law authorizes 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.

This bill would require that the terms and conditions of the General Fund cashflow loan to include authorization for the payment of costs incurred before June 15, 2013, by the California Infrastructure and Economic Development Bank to implement a specified provision. The bill would make legislative findings and declarations as to the necessity of a special statute for *the* Inglewood Unified School District.

(16)

(17) Existing law, the Budget Act of 2013, appropriates \$35,488,000 from the General Fund to the State Department of Education for support of various activities of the department.

This bill would appropriate an additional \$3,164,000 for the support of the Career Technical Education Pathways Trust one-time grant program, the Local Control Accountability Plan state-level activities, and the Local Control Funding Formula administration, as specified.

(17)

(18) Existing law, the Budget Act of 2013, appropriates \$250,000,000 from the General Fund to the State Department of Education for one-time grants for the Career Technical Education Pathways Grant Program, as specified.

This bill would, on a one-time basis, appropriate \$250,000 of the \$250,000,000 for an independent evaluation of the Career Technical Education Pathways Grant Program, and would require the department to allocate this funding to a local educational agency that the department has identified to contract for the evaluation.

(18)

(19) This bill would, on or before June 30, 2014, authorize the Board of Governors of the California Community Colleges to increase certain General Fund apportionment allocations, in an amount to be determined by the Director of Finance, to the extent that revenues distributed to local community colleges pursuant to provisions related to redevelopment agencies are less than the amount estimated in the Budget Act of 2012, as specified. The bill would require the Director of Finance to notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to increase the total allocations and the amount needed to address the shortfall described above.

(19)

(20) This bill would, on or before December 31, 2013, appropriate, in an amount to be determined by the Director of Finance, up to \$100,000,000 from the General Fund to the Board of Governors of the California Community Colleges, as specified, to the extent that revenues

distributed to local community colleges pursuant to provisions related to redevelopment agencies are less than the amount estimated in the Budget Act of 2012, as specified. The bill would, on or before December 31, 2013, require the Director of Finance to reduce, as specified, an existing appropriation from the General Fund to the Board of Governors of the California Community Colleges if the revenues distributed to local community colleges pursuant to provisions related to redevelopment agencies exceed the amount estimated in the Budget Act of 2012. The bill would require the Director of Finance to 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 increase or decrease the total allocations and of the amount needed to address the shortfall or surplus described above.

~~(20)~~

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

(22) *This bill would incorporate additional changes in Sections 42127, 52060, 52061, 52064, and 52066 of the Education Code proposed by SB 344, to be operative only if SB 344 and this bill are both enacted and become effective on or before January 1, 2014, to the extent each bill amends Sections 42127, 52060, 52061, 52064, and 52066 of the Education Code, and this bill is enacted after SB 344.*

~~(21)~~

(23) 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, as specified.

~~(22)~~

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

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

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

- 1 SECTION 1. Section 1240 of the Education Code is amended
- 2 to read:
- 3 1240. The county superintendent of schools shall do all of the
- 4 following:
- 5 (a) Superintend the schools of his or her county.

1 (b) Maintain responsibility for the fiscal oversight of each school
2 district in his or her county pursuant to the authority granted by
3 this code.

4 (c) (1) Visit and examine each school in his or her county at
5 reasonable intervals to observe its operation and to learn of its
6 problems. He or she annually may present a report of the state of
7 the schools in his or her county, and of his or her office, including,
8 but not limited to, his or her observations while visiting the schools,
9 to the board of education and the board of supervisors of his or
10 her county.

11 (2) (A) For fiscal years 2004–05 to 2006–07, inclusive, to the
12 extent that funds are appropriated for purposes of this paragraph,
13 the county superintendent, or his or her designee, annually shall
14 submit a report, at a regularly scheduled November board meeting,
15 to the governing board of each school district under his or her
16 jurisdiction, the county board of education of his or her county,
17 and the board of supervisors of his or her county describing the
18 state of the schools in the county or of his or her office that are
19 ranked in deciles 1 to 3, inclusive, of the 2003 base Academic
20 Performance Index (API), as described in subdivision (b) of Section
21 17592.70, and shall include, among other things, his or her
22 observations while visiting the schools and his or her
23 determinations for each school regarding the status of all of the
24 circumstances listed in subparagraph (J) and teacher
25 misassignments and teacher vacancies. As a condition for receipt
26 of funds, the county superintendent, or his or her designee, shall
27 use a standardized template to report the circumstances listed in
28 subparagraph (J) and teacher misassignments and teacher
29 vacancies, unless the current annual report being used by the county
30 superintendent, or his or her designee, already includes those details
31 for each school.

32 (B) Commencing with the 2007–08 fiscal year, the county
33 superintendent, or his or her designee, annually shall submit a
34 report, at a regularly scheduled November board meeting, to the
35 governing board of each school district under his or her jurisdiction,
36 the county board of education of his or her county, and the board
37 of supervisors of his or her county describing the state of the
38 schools in the county or of his or her office that are ranked in
39 deciles 1 to 3, inclusive, of the 2006 base API, pursuant to Section
40 52056. The annual report shall include the determinations for each

1 school made by the county superintendent, or his or her designee,
2 regarding the status of all of the circumstances listed in
3 subparagraph (J) and teacher misassignments and teacher
4 vacancies, and the county superintendent, or his or her designee,
5 shall use a standardized template to report the circumstances listed
6 in subparagraph (J) and teacher misassignments and teacher
7 vacancies, unless the current annual report being used by the county
8 superintendent, or his or her designee, already includes those details
9 with the same level of specificity that is otherwise required by this
10 subdivision. For purposes of this section, schools ranked in deciles
11 1 to 3, inclusive, on the 2006 base API shall include schools
12 determined by the department to meet either of the following:

13 (i) The school meets all of the following criteria:

14 (I) Does not have a valid base API score for 2006.

15 (II) Is operating in fiscal year 2007–08 and was operating in
16 fiscal year 2006–07 during the Standardized Testing and Reporting
17 (STAR) Program testing period.

18 (III) Has a valid base API score for 2005 that was ranked in
19 deciles 1 to 3, inclusive, in that year.

20 (ii) The school has an estimated base API score for 2006 that
21 would be in deciles 1 to 3, inclusive.

22 (C) The department shall estimate an API score for any school
23 meeting the criteria of subclauses (I) and (II) of clause (i) of
24 subparagraph (B) and not meeting the criteria of subclause (III)
25 of clause (i) of subparagraph (B), using available test scores and
26 weighting or corrective factors it deems appropriate. The
27 department shall post the API scores on its Internet Web site on
28 or before May 1.

29 (D) For purposes of this section, references to schools ranked
30 in deciles 1 to 3, inclusive, on the 2006 base API shall exclude
31 schools operated by county offices of education pursuant to Section
32 56140, as determined by the department.

33 (E) In addition to the requirements above, the county
34 superintendent, or his or her designee, annually shall verify both
35 of the following:

36 (i) That pupils who have not passed the high school exit
37 examination by the end of grade 12 are informed that they are
38 entitled to receive intensive instruction and services for up to two
39 consecutive academic years after completion of grade 12 or until
40 the pupil has passed both parts of the high school exit examination,

1 whichever comes first, pursuant to paragraphs (4) and (5) of
2 subdivision (d) of Section 37254.

3 (ii) That pupils who have elected to receive intensive instruction
4 and services, pursuant to paragraphs (4) and (5) of subdivision (d)
5 of Section 37254, are being served.

6 (F) (i) Commencing with the 2010–11 fiscal year and every
7 third year thereafter, the Superintendent shall identify a list of
8 schools ranked in deciles 1 to 3, inclusive, of the API for which
9 the county superintendent, or his or her designee, annually shall
10 submit a report, at a regularly scheduled November board meeting,
11 to the governing board of each school district under his or her
12 jurisdiction, the county board of education of his or her county,
13 and the board of supervisors of his or her county that describes the
14 state of the schools in the county or of his or her office that are
15 ranked in deciles 1 to 3, inclusive, of the base API as defined in
16 clause (ii).

17 (ii) For the 2010–11 fiscal year, the list of schools ranked in
18 deciles 1 to 3, inclusive, of the base API shall be updated using
19 the criteria set forth in clauses (i) and (ii) of subparagraph (B),
20 subparagraph (C), and subparagraph (D), as applied to the 2009
21 base API and thereafter shall be updated every third year using
22 the criteria set forth in clauses (i) and (ii) of subparagraph (B),
23 subparagraph (C), and subparagraph (D), as applied to the base
24 API of the year preceding the third year consistent with clause (i).

25 (iii) The annual report shall include the determinations for each
26 school made by the county superintendent, or his or her designee,
27 regarding the status of all of the circumstances listed in
28 subparagraph (J) and teacher misassignments and teacher
29 vacancies, and the county superintendent, or his or her designee,
30 shall use a standardized template to report the circumstances listed
31 in subparagraph (J) and teacher misassignments and teacher
32 vacancies, unless the current annual report being used by the county
33 superintendent, or his or her designee, already includes those details
34 with the same level of specificity that is otherwise required by this
35 subdivision.

36 (G) The county superintendent of the Counties of Alpine,
37 Amador, Del Norte, Mariposa, Plumas, and Sierra, and the City
38 and County of San Francisco shall contract with another county
39 office of education or an independent auditor to conduct the
40 required visits and make all reports required by this paragraph.

1 (H) On a quarterly basis, the county superintendent, or his or
2 her designee, shall report the results of the visits and reviews
3 conducted that quarter to the governing board of the school district
4 at a regularly scheduled meeting held in accordance with public
5 notification requirements. The results of the visits and reviews
6 shall include the determinations of the county superintendent, or
7 his or her designee, for each school regarding the status of all of
8 the circumstances listed in subparagraph (J) and teacher
9 misassignments and teacher vacancies. If the county
10 superintendent, or his or her designee, conducts no visits or reviews
11 in a quarter, the quarterly report shall report that fact.

12 (I) The visits made pursuant to this paragraph shall be conducted
13 at least annually and shall meet the following criteria:

14 (i) Minimize disruption to the operation of the school.

15 (ii) Be performed by individuals who meet the requirements of
16 Section 45125.1.

17 (iii) Consist of not less than 25 percent unannounced visits in
18 each county. During unannounced visits in each county, the county
19 superintendent shall not demand access to documents or specific
20 school personnel. Unannounced visits shall only be used to observe
21 the condition of school repair and maintenance, and the sufficiency
22 of instructional materials, as defined by Section 60119.

23 (J) The priority objective of the visits made pursuant to this
24 paragraph shall be to determine the status of all of the following
25 circumstances:

26 (i) Sufficient textbooks as defined in Section 60119 and as
27 specified in subdivision (i).

28 (ii) The condition of a facility that poses an emergency or urgent
29 threat to the health or safety of pupils or staff as described in school
30 district policy or paragraph (1) of subdivision (c) of Section
31 17592.72.

32 (iii) The accuracy of data reported on the school accountability
33 report card with respect to the availability of sufficient textbooks
34 and instructional materials, as defined by Section 60119, and the
35 safety, cleanliness, and adequacy of school facilities, including
36 good repair as required by Sections 17014, 17032.5, 17070.75,
37 and 17089.

38 (iv) The extent to which pupils who have not passed the high
39 school exit examination by the end of grade 12 are informed that
40 they are entitled to receive intensive instruction and services for

1 up to two consecutive academic years after completion of grade
2 12 or until the pupil has passed both parts of the high school exit
3 examination, whichever comes first, pursuant to paragraphs (4)
4 and (5) of subdivision (d) of Section 37254.

5 (v) The extent to which pupils who have elected to receive
6 intensive instruction and services, pursuant to paragraphs (4) and
7 (5) of subdivision (d) of Section 37254, are being served.

8 (K) The county superintendent may make the status
9 determinations described in subparagraph (J) during a single visit
10 or multiple visits. In determining whether to make a single visit
11 or multiple visits for this purpose, the county superintendent shall
12 take into consideration factors such as cost-effectiveness, disruption
13 to the schoolsite, deadlines, and the availability of qualified
14 reviewers.

15 (L) If the county superintendent determines that the condition
16 of a facility poses an emergency or urgent threat to the health or
17 safety of pupils or staff as described in school district policy or
18 paragraph (1) of subdivision (c) of Section 17592.72, or is not in
19 good repair, as specified in subdivision (d) of Section 17002 and
20 required by Sections 17014, 17032.5, 17070.75, and 17089, the
21 county superintendent, among other things, may do any of the
22 following:

23 (i) Return to the school to verify repairs.

24 (ii) Prepare a report that specifically identifies and documents
25 the areas or instances of noncompliance if the school district has
26 not provided evidence of successful repairs within 30 days of the
27 visit of the county superintendent or, for major projects, has not
28 provided evidence that the repairs will be conducted in a timely
29 manner. The report may be provided to the governing board of the
30 school district. If the report is provided to the school district, it
31 shall be presented at a regularly scheduled meeting held in
32 accordance with public notification requirements. The county
33 superintendent shall post the report on his or her Internet Web site.
34 The report shall be removed from the Internet Web site when the
35 county superintendent verifies the repairs have been completed.

36 (d) Distribute all laws, reports, circulars, instructions, and blanks
37 that he or she may receive for the use of the school officers.

38 (e) Annually, on or before August 15, present a report to the
39 governing board of the school district and the Superintendent
40 regarding the fiscal solvency of a school district with a disapproved

1 budget, qualified interim certification, or a negative interim
2 certification, or that is determined to be in a position of fiscal
3 uncertainty pursuant to Section 42127.6.

4 (f) Keep in his or her office the reports of the Superintendent.

5 (g) Keep a record of his or her official acts, and of all the
6 proceedings of the county board of education, including a record
7 of the standing, in each study, of all applicants for certificates who
8 have been examined, which shall be open to the inspection of an
9 applicant or his or her authorized agent.

10 (h) Enforce the course of study.

11 (i) (1) Enforce the use of state textbooks and instructional
12 materials and of high school textbooks and instructional materials
13 regularly adopted by the proper authority in accordance with
14 Section 51050.

15 (2) For purposes of this subdivision, sufficient textbooks or
16 instructional materials has the same meaning as in subdivision (c)
17 of Section 60119.

18 (3) (A) Commencing with the 2005–06 school year, if a school
19 is ranked in any of deciles 1 to 3, inclusive, of the base API, as
20 specified in paragraph (2) of subdivision (c), and not currently
21 under review pursuant to a state or federal intervention program,
22 the county superintendent specifically shall review that school at
23 least annually as a priority school. A review conducted for purposes
24 of this paragraph shall be completed by the fourth week of the
25 school year. For the 2004–05 fiscal year only, the county
26 superintendent shall make a diligent effort to conduct a visit to
27 each school pursuant to this paragraph within 120 days of receipt
28 of funds for this purpose.

29 (B) In order to facilitate the review of instructional materials
30 before the fourth week of the school year, the county superintendent
31 in a county with 200 or more schools that are ranked in any of
32 deciles 1 to 3, inclusive, of the base API, as specified in paragraph
33 (2) of subdivision (c), may utilize a combination of visits and
34 written surveys of teachers for the purpose of determining
35 sufficiency of textbooks and instructional materials in accordance
36 with subparagraph (A) of paragraph (1) of subdivision (a) of
37 Section 60119 and as defined in subdivision (c) of Section 60119.
38 If a county superintendent elects to conduct written surveys of
39 teachers, the county superintendent shall visit the schools surveyed
40 within the same academic year to verify the accuracy of the

1 information reported on the surveys. If a county superintendent
2 surveys teachers at a school in which the county superintendent
3 has found sufficient textbooks and instructional materials for the
4 previous two consecutive years and determines that the school
5 does not have sufficient textbooks or instructional materials, the
6 county superintendent shall within 10 business days provide a copy
7 of the insufficiency report to the school district as set forth in
8 paragraph (4).

9 (C) For purposes of this paragraph, “written surveys” may
10 include paper and electronic or online surveys.

11 (4) If the county superintendent of schools determines that a
12 school does not have sufficient textbooks or instructional materials
13 in accordance with subparagraph (A) of paragraph (1) of
14 subdivision (a) of Section 60119 and as defined by subdivision (c)
15 of Section 60119, the county superintendent shall do all of the
16 following:

17 (A) Prepare a report that specifically identifies and documents
18 the areas or instances of noncompliance.

19 (B) Provide within five business days of the review, a copy of
20 the report to the school district, as provided in subdivision (c), or,
21 if applicable, provide a copy of the report to the school district
22 within 10 business days pursuant to subparagraph (B) of paragraph
23 (3).

24 (C) Provide the school district with the opportunity to remedy
25 the deficiency. The county superintendent shall ensure remediation
26 of the deficiency no later than the second month of the school term.

27 (D) If the deficiency is not remedied as required pursuant to
28 subparagraph (C), the county superintendent shall request the
29 department to purchase the textbooks or instructional materials
30 necessary to comply with the sufficiency requirement of this
31 subdivision. If the department purchases textbooks or instructional
32 materials for the school district, the department shall issue a public
33 statement at the first regularly scheduled meeting of the state board
34 occurring immediately after the department receives the request
35 of the county superintendent and that meets the applicable public
36 notice requirements, indicating that the district superintendent and
37 the governing board of the school district failed to provide pupils
38 with sufficient textbooks or instructional materials as required by
39 this subdivision. Before purchasing the textbooks or instructional
40 materials, the department shall consult with the school district to

1 determine which textbooks or instructional materials to purchase.
2 The amount of funds necessary for the purchase of the textbooks
3 and materials is a loan to the school district receiving the textbooks
4 or instructional materials. Unless the school district repays the
5 amount owed based upon an agreed-upon repayment schedule with
6 the Superintendent, the Superintendent shall notify the Controller
7 and the Controller shall deduct an amount equal to the total amount
8 used to purchase the textbooks and materials from the next
9 principal apportionment of the school district or from another
10 apportionment of state funds.

11 (j) Preserve carefully all reports of school officers and teachers.

12 (k) Deliver to his or her successor, at the close of his or her
13 official term, all records, books, documents, and papers belonging
14 to the office, taking a receipt for them, which shall be filed with
15 the department.

16 (l) (1) Submit two reports during the fiscal year to the county
17 board of education in accordance with the following:

18 (A) The first report shall cover the financial and budgetary status
19 of the county office of education for the period ending October
20 31. The second report shall cover the period ending January 31.
21 Both reports shall be reviewed by the county board of education
22 and approved by the county superintendent no later than 45 days
23 after the close of the period being reported.

24 (B) As part of each report, the county superintendent shall certify
25 in writing whether or not the county office of education is able to
26 meet its financial obligations for the remainder of the fiscal year
27 and, based on current forecasts, for two subsequent fiscal years.
28 The certifications shall be classified as positive, qualified, or
29 negative, pursuant to standards prescribed by the Superintendent,
30 for the purposes of determining subsequent state agency actions
31 pursuant to Section 1240.1. For purposes of this subdivision, a
32 negative certification shall be assigned to a county office of
33 education that, based upon current projections, will not meet its
34 financial obligations for the remainder of the fiscal year or for the
35 subsequent fiscal year. A qualified certification shall be assigned
36 to a county office of education that may not meet its financial
37 obligations for the current fiscal year or two subsequent fiscal
38 years. A positive certification shall be assigned to a county office
39 of education that will meet its financial obligations for the current
40 fiscal year and subsequent two fiscal years. In accordance with

1 those standards, the Superintendent may reclassify a certification.
2 If a county office of education receives a negative certification,
3 the Superintendent, or his or her designee, may exercise the
4 authority set forth in subdivision (c) of Section 1630. Copies of
5 each certification, and of the report containing that certification,
6 shall be sent to the Superintendent at the time the certification is
7 submitted to the county board of education. Copies of each
8 qualified or negative certification and the report containing that
9 certification shall be sent to the Controller at the time the
10 certification is submitted to the county board of education.

11 (i) For the 2011–12 fiscal year, notwithstanding any of the
12 standards and criteria adopted by the state board pursuant to Section
13 33127, each county office of education budget shall project the
14 same level of revenue per unit of average daily attendance as it
15 received in the 2010–11 fiscal year and shall maintain staffing and
16 program levels commensurate with that level.

17 (ii) For the 2011–12 fiscal year, the county superintendent shall
18 not be required to certify in writing whether or not the county
19 office of education is able to meet its financial obligations for the
20 two subsequent fiscal years.

21 (iii) For the 2011–12 fiscal year, notwithstanding any of the
22 standards and criteria adopted by the state board pursuant to Section
23 33127, the Superintendent, as a condition on approval of a county
24 office of education budget, shall not require a county office of
25 education to project a lower level of revenue per unit of average
26 daily attendance than it received in the 2010–11 fiscal year nor
27 require the county superintendent to certify in writing whether or
28 not the county office of education is able to meet its financial
29 obligations for the two subsequent fiscal years.

30 (2) All reports and certifications required under this subdivision
31 shall be in a format or on forms prescribed by the Superintendent,
32 and shall be based on standards and criteria for fiscal stability
33 adopted by the state board pursuant to Section 33127. The reports
34 and supporting data shall be made available by the county
35 superintendent to an interested party upon request.

36 (3) This subdivision does not preclude the submission of
37 additional budgetary or financial reports by the county
38 superintendent to the county board of education or to the
39 Superintendent.

1 (4) The county superintendent is not responsible for the fiscal
2 oversight of the community colleges in the county, however, he
3 or she may perform financial services on behalf of those
4 community colleges.

5 (m) If requested, act as agent for the purchase of supplies for
6 the city and high school districts of his or her county.

7 (n) For purposes of Section 44421.5, report to the Commission
8 on Teacher Credentialing the identity of a certificated person who
9 knowingly and willingly reports false fiscal expenditure data
10 relative to the conduct of an educational program. This requirement
11 applies only if, in the course of his or her normal duties, the county
12 superintendent discovers information that gives him or her
13 reasonable cause to believe that false fiscal expenditure data
14 relative to the conduct of an educational program has been reported.

15 (o) If any activities authorized pursuant to this section are found
16 to be a state reimbursable mandate pursuant to Section 6 of Article
17 XIII B of the California Constitution, funding provided for school
18 districts and county offices of education pursuant to Sections 2574,
19 2575, 42238.02, and 42238.03 shall be used to directly offset any
20 mandated costs.

21 SEC. 2. Section 1622 of the Education Code is amended to
22 read:

23 1622. (a) On or before July 1 of each fiscal year, the county
24 board of education shall adopt an annual budget for the budget
25 year and shall file the budget with the Superintendent, the county
26 board of supervisors, and the county auditor. The budget, and
27 supporting data, shall be maintained and made available for public
28 review. The budget shall indicate the date, time, and location at
29 which the county board of education held the public hearing
30 required under Section 1620. For the 2014–15 fiscal year and each
31 fiscal year thereafter, the county board of education shall not adopt
32 a budget before the county board of education adopts a local control
33 and accountability plan or approves an update to an existing local
34 control and accountability plan if an existing local control and
35 accountability plan or update to a local control and accountability
36 plan is not effective during the budget year. The county board of
37 education shall not adopt a budget that does not include the
38 expenditures identified in the local control and accountability plan
39 and any annual update to the local control and accountability plan
40 that will be effective in the subsequent fiscal year. Notwithstanding

1 any other provision of this article, for the 2014–15 fiscal year and
2 each fiscal year thereafter, the budget shall not be adopted or
3 approved by the Superintendent before a local control and
4 accountability plan or update to an existing local control and
5 accountability plan for the budget year is approved.

6 (b) (1) The Superintendent shall examine the budget to
7 determine if it (A) complies with the standards and criteria adopted
8 by the state board pursuant to Section 33127 for application to
9 final local educational agency budgets, (B) allows the county office
10 of education to meet its financial obligations during the fiscal year,
11 and (C) is consistent with a financial plan that will enable the
12 county office of education to satisfy its multiyear financial
13 commitments. In addition, the Superintendent shall identify any
14 technical corrections to the budget that must be made. On or before
15 August 15, the Superintendent shall approve or disapprove the
16 budget and, in the event of a disapproval, transmit to the county
17 office of education in writing his or her recommendations regarding
18 revision of the budget and the reasons for those recommendations.

19 (2) For the 2011–12 fiscal year, notwithstanding any of the
20 standards and criteria adopted by the state board pursuant to Section
21 33127, the Superintendent, as a condition on approval of a county
22 office of education budget, shall not require a county office of
23 education to project a lower level of revenue per unit of average
24 daily attendance than it received in the 2010–11 fiscal year nor
25 require the county superintendent to certify in writing whether or
26 not the county office of education is able to meet its financial
27 obligations for the two subsequent fiscal years.

28 (3) For the 2014–15 fiscal year and each fiscal year thereafter,
29 the Superintendent shall disapprove a budget if any of the following
30 occur:

31 (A) The Superintendent has not approved a local control and
32 accountability plan or an annual update to the local control and
33 accountability plan filed by a county superintendent of schools
34 pursuant to Section 52067.

35 (B) The Superintendent determines that the budget does not
36 include the expenditures necessary to implement the local control
37 and accountability plan or an annual update to the local control
38 and accountability plan that is effective for that budget year.

39 (c) On or before September 8, the county board of education
40 shall revise the county office of education budget to reflect changes

1 in projected income or expenditures subsequent to July 1, and to
2 include any response to the recommendations of the
3 Superintendent, shall adopt the revised budget, and shall file the
4 revised budget with the Superintendent, the county board of
5 supervisors, and the county auditor. Before revising the budget,
6 the county board of education shall hold a public hearing regarding
7 the proposed revisions, which shall be made available for public
8 inspection not less than three working days before the hearing.
9 The agenda for that hearing shall be posted at least 72 hours before
10 the public hearing and shall include the location where the budget
11 will be available for public inspection. The revised budget, and
12 supporting data, shall be maintained and made available for public
13 review.

14 (d) (1) The Superintendent shall examine the revised budget
15 to determine if it complies with the standards and criteria adopted
16 by the state board pursuant to Section 33127 for application to
17 final local educational agency budgets and, no later than October
18 8, shall approve or disapprove the revised budget. For the 2014–15
19 fiscal year and each fiscal year thereafter, the Superintendent shall
20 disapprove a revised budget if the Superintendent determines that
21 the revised budget does not include the expenditures necessary to
22 implement the local control and accountability or an annual update
23 to the local control and accountability plan approved by the
24 Superintendent pursuant to Section 52067. If the Superintendent
25 disapproves the budget, he or she shall call for the formation of a
26 budget review committee pursuant to Section 1623. For the
27 2011–12 fiscal year, notwithstanding any of the standards and
28 criteria adopted by the state board pursuant to Section 33127, the
29 Superintendent, as a condition on approval of a county office of
30 education budget, shall not require a county office of education to
31 project a lower level of revenue per unit of average daily attendance
32 than it received in the 2010–11 fiscal year nor require the county
33 superintendent to certify in writing whether or not the county office
34 of education is able to meet its financial obligations for the two
35 subsequent fiscal years.

36 (2) Notwithstanding any other law, for the 2014–15 fiscal year
37 and each fiscal year thereafter, if the Superintendent disapproves
38 the budget for the sole reason that the Superintendent has not
39 approved a local control and accountability plan or an annual
40 update to the local control and accountability plan filed by the

1 county superintendent of schools pursuant to Section 52067, the
2 Superintendent shall not call for the formation of a budget review
3 committee pursuant to Section 1623.

4 (e) Notwithstanding any other provision of this section, the
5 budget review for a county office of education shall be governed
6 by paragraphs (1), (2), and (3) of this subdivision, rather than by
7 subdivisions (c) and (d), if the county board of education so elects,
8 and notifies the Superintendent in writing of that decision, no later
9 than October 31 of the immediately preceding calendar year.

10 (1) In the event of the disapproval of the budget of a county
11 office of education pursuant to subdivision (b), on or before
12 September 8, the county superintendent of schools and the county
13 board of education shall review the recommendations of the
14 Superintendent at a regularly scheduled meeting of the county
15 board of education and respond to those recommendations. That
16 response shall include the proposed actions to be taken, if any, as
17 a result of those recommendations.

18 (2) No later than October 8, after receiving the response required
19 under paragraph (1), the Superintendent shall review that response
20 and either approve or disapprove the budget of the county office
21 of education. For the 2014–15 fiscal year and each fiscal year
22 thereafter, the Superintendent shall disapprove a budget if the
23 Superintendent determines that the budget adopted by the county
24 board of education does not include the expenditures necessary to
25 implement the local control and accountability plan or an annual
26 update to the local control and accountability plan approved by
27 the Superintendent pursuant to Section 52067. Except as provided
28 in paragraph (2) of subdivision (d), if the Superintendent
29 disapproves the budget, he or she shall call for the formation of a
30 budget review committee pursuant to Section 1623.

31 (3) Not later than 45 days after the Governor signs the annual
32 Budget Act, the county office of education shall make available
33 for public review any revisions in revenues and expenditures that
34 it has made to its budget to reflect the funding made available by
35 that Budget Act.

36 SEC. 3. Section 1982 of the Education Code is repealed.

37 SEC. 4. Section 2558 of the Education Code is amended to
38 read:

39 2558. Notwithstanding any other law, for the 1979–80 fiscal
40 year and each fiscal year thereafter, the Superintendent shall

1 apportion state aid to county superintendents of schools pursuant
2 to this section.

3 (a) The Superintendent shall total the amounts computed for
4 the fiscal year pursuant to Sections 2550, 2551.3, 2554, 2555, and
5 2557 and Section 2551, as that section read on January 1, 1999.
6 For the 1979–80 fiscal year and for purposes of calculating the
7 1979–80 fiscal year base amounts in succeeding fiscal years, the
8 amounts in Sections 2550, 2551, 2552, 2554, 2555, and 2557, as
9 they read in the 1979–80 fiscal year, shall be multiplied by a factor
10 of 0.994. For the 1981–82 fiscal year and for purposes of
11 calculating the 1981–82 fiscal year base amounts in succeeding
12 fiscal years, the amount in this subdivision shall be multiplied by
13 a factor of 0.97.

14 (b) For the 1995–96 fiscal year and each fiscal year thereafter,
15 the county superintendent of schools shall adjust the total revenue
16 limit computed pursuant to this section by the amount of increased
17 or decreased employer contributions to the Public Employees’
18 Retirement System resulting from the enactment of Chapter 330
19 of the Statutes of 1982, adjusted for any changes in those
20 contributions resulting from subsequent changes in employer
21 contribution rates, excluding rate changes due to the direct transfer
22 of the state-mandated portion of the employer contributions to the
23 Public Employees’ Retirement System through the current fiscal
24 year. The adjustment shall be calculated for each county
25 superintendent of schools as follows:

26 (1) Determine the amount of employer contributions that would
27 have been made in the current fiscal year if the applicable Public
28 Employees’ Retirement System employee contribution rate in
29 effect immediately before the enactment of Chapter 330 of the
30 Statutes of 1982 were in effect during the current fiscal year.

31 (2) Determine the actual amount of employer contributions
32 made to the Public Employees’ Retirement System in the current
33 fiscal year.

34 (3) If the amount determined in paragraph (1) is greater than
35 the amount determined in paragraph (2), the total revenue limit
36 computed pursuant to this part for that county superintendent of
37 schools shall be decreased by the amount of the difference between
38 those paragraphs; or if the amount determined in paragraph (1) is
39 less than the amount determined in paragraph (2), the total revenue

1 limit for that county superintendent of schools shall be increased
2 by the amount of the difference between those paragraphs.

3 (4) For purposes of this subdivision, employer contributions to
4 the Public Employees' Retirement System for either of the
5 following positions shall be excluded from the calculation specified
6 above:

7 (A) Positions or portions of positions supported by federal funds
8 that are subject to supplanting restrictions.

9 (B) Positions supported, to the extent of employers'
10 contributions not exceeding twenty-five thousand dollars (\$25,000)
11 by any single educational agency, from a non-General Fund
12 revenue source determined to be properly excludable from this
13 subdivision by the Superintendent with the approval of the Director
14 of Finance. Commencing in the 2002–03 fiscal year, only positions
15 supported from a non-General Fund revenue source determined
16 to be properly excludable as identified for a particular local
17 educational agency or pursuant to a blanket waiver by the
18 Superintendent and the Director of Finance, before the 2002–03
19 fiscal year, may be excluded pursuant to this paragraph.

20 (5) For accounting purposes, any reduction to county office of
21 education revenue limits made by this subdivision may be reflected
22 as an expenditure from appropriate sources of revenue as directed
23 by the Superintendent.

24 (6) The amount of the increase or decrease to the revenue limits
25 of county superintendents of schools made by this subdivision for
26 the 1995–96 to 2001–02 fiscal years, inclusive, may not be adjusted
27 by the deficit factor applied to the revenue limit of each county
28 superintendent of schools pursuant to Section 2558.45.

29 (7) For the 2003–04 fiscal year and any fiscal year thereafter,
30 the revenue limit reduction specified in Section 2558.46 may not
31 be applied to the amount of the increase or decrease to the revenue
32 limits of each county superintendent of schools computed pursuant
33 to paragraph (3).

34 (c) The Superintendent shall also subtract from the amount
35 determined in subdivision (a) the sum of all of the following:

36 (1) Local property tax revenues received pursuant to Section
37 2573 in the then current fiscal year, and tax revenues received
38 pursuant to Section 2556 in the then current fiscal year.

39 (2) State and federal categorical aid for the fiscal year.

1 (3) District contributions pursuant to Section 52321 for the fiscal
2 year, and other applicable local contributions and revenues.

3 (4) Any amounts that the county superintendent of schools was
4 required to maintain as restricted and not available for expenditure
5 in the 1978–79 fiscal year as specified in the second paragraph of
6 subdivision (c) of Section 6 of Chapter 292 of the Statutes of 1978,
7 as amended by Chapter 51 of the Statutes of 1979.

8 (5) The amount received pursuant to subparagraph (C) of
9 paragraph (3) of subdivision (a) of Section 33607.5 of the Health
10 and Safety Code that is considered property taxes pursuant to that
11 section.

12 (6) The amount, if any, received pursuant to Sections 34177,
13 34179.5, 34179.6, and 34188 of the Health and Safety Code.

14 (7) The amount, if any, received pursuant to subparagraph (B)
15 of paragraph (3) of subdivision (e) of Section 36 of Article XIII
16 of the California Constitution.

17 (d) The remainder computed in subdivision (c) shall be
18 distributed in the same manner as state aid to school districts from
19 funds appropriated to Section A of the State School Fund.

20 (e) If the remainder determined pursuant to subdivision (c) is a
21 negative amount, no state aid shall be distributed to that county
22 superintendent of schools pursuant to subdivision (d), and an
23 amount of funds of that county superintendent of schools equal to
24 that negative amount shall be deemed restricted and not available
25 for expenditure during the current fiscal year. In the next fiscal
26 year, that amount shall be considered local property tax revenue
27 for purposes of the operation of paragraph (1) of subdivision (c).

28 (f) The calculations set forth in paragraphs (1) to (3), inclusive,
29 of subdivision (b) exclude employer contributions for employees
30 of charter schools funded pursuant to Article 2 (commencing with
31 Section 47633) of Chapter 6 of Part 26.8 of Division 4 of Title 2.

32 (g) Commencing with the 2013–14 fiscal year, this section shall
33 be used only for purposes of allocating revenues received pursuant
34 to subparagraph (B) of paragraph (3) of subdivision (e) of Section
35 36 of Article XIII of the California Constitution.

36 (h) This section shall become inoperative on July 1, 2021, and,
37 as of January 1, 2022, is repealed, unless a later enacted statute,
38 that becomes operative on or before January 1, 2022, deletes or
39 extends the dates on which it becomes inoperative and is repealed.

SEC. 5. Section 2574 of the Education Code is amended to read:

2574. For the 2013–14 fiscal year and for each fiscal year thereafter, the Superintendent annually shall calculate a county local control funding formula for each county superintendent of schools as follows:

(a) Compute a county office of education operations grant equal to the sum of each of the following amounts:

(1) Six hundred fifty-five thousand nine hundred twenty dollars (\$655,920).

(2) One hundred nine thousand three hundred twenty dollars (\$109,320) multiplied by the number of school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253.

(3) (A) Seventy dollars (\$70) multiplied by the number of units of countywide average daily attendance, up to a maximum of 30,000 units.

(B) Sixty dollars (\$60) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 30,000 units, up to a maximum of 60,000 units.

(C) Fifty dollars (\$50) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 60,000, up to a maximum of 140,000 units.

(D) Forty dollars (\$40) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 140,000 units.

(E) For purposes of this section, countywide average daily attendance means the aggregate number of annual units of average daily attendance within the county attributable to all school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253, charter schools authorized by school districts for which the county superintendent of schools has jurisdiction, and charter schools authorized by the county superintendent of schools.

(4) For the 2014–15 fiscal year and each fiscal year thereafter, adjust each of the rates provided in the prior year pursuant to paragraphs (1), (2), and (3) by the percentage change in the annual average value of the Implicit Price Deflator for State and Local

Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

(b) Determine the enrollment percentage of unduplicated pupils pursuant to the following:

(1) (A) For the 2013–14 fiscal year, divide the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the 2013–14 fiscal year by the total enrollment in those schools in the 2013–14 fiscal year.

(B) For the 2014–15 fiscal year, divide the sum of the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the 2013–14 and 2014–15 fiscal years by the sum of the total enrollment in those schools in the 2013–14 and 2014–15 fiscal years.

(C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of the enrollment of unduplicated pupils in all schools operated by a county superintendent of schools in the current fiscal year and the two prior fiscal years by the sum of the total enrollment in those schools in the current fiscal year and the two prior fiscal years.

(D) For purposes of determining the enrollment percentage of unduplicated pupils pursuant to this subdivision, enrollment in schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 and the enrollment of pupils other than the pupils identified in clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4) of subdivision (c), shall be excluded from the calculation of the enrollment percentage of unduplicated pupils.

(2) For purposes of this section, an “unduplicated pupil” is a pupil who is classified as an English learner, eligible for a free or reduced-price meal, or a foster youth. For purposes of this section, the definitions in Section 42238.01 of an English learner, a pupil eligible for a free or reduced-price meal, and foster youth shall

1 apply. A pupil shall be counted only once for purposes of this
2 section if any of the following apply:

3 (A) The pupil is classified as an English learner and is eligible
4 for a free or reduced-price meal.

5 (B) The pupil is classified as an English learner and is a foster
6 youth.

7 (C) The pupil is eligible for a free or reduced-price meal and is
8 classified as a foster youth.

9 (D) The pupil is classified as an English learner, is eligible for
10 a free or reduced-price meal, and is a foster youth.

11 (3) (A) Under procedures and timeframes established by the
12 Superintendent, commencing with the 2013–14 fiscal year, a county
13 superintendent of schools annually shall report the enrollment of
14 unduplicated pupils, pupils classified as English learners, pupils
15 eligible for free and reduced-price meals, and foster youth in
16 schools operated by the county superintendent of schools to the
17 Superintendent using the California Longitudinal Pupil
18 Achievement Data System.

19 (B) The Superintendent shall make the calculations pursuant to
20 this section using the data submitted through the California
21 Longitudinal Pupil Achievement Data System.

22 (C) The Controller shall include instructions, as appropriate, in
23 the audit guide required by subdivision (a) of Section 14502.1, for
24 determining if the data reported by a county superintendent of
25 schools using the California Longitudinal Pupil Achievement Data
26 System is consistent with pupil data records maintained by the
27 county office of education.

28 (c) Compute an alternative education grant equal to the sum of
29 the following:

30 (1) (A) For the 2013–14 fiscal year, a base grant equal to the
31 2012–13 per pupil undeficitated statewide average juvenile court
32 school base revenue limit calculated pursuant to Article 3
33 (commencing with Section 2550) of Chapter 12, as that article
34 read on January 1, 2013.

35 (B) Commencing with the 2013–14 fiscal year, the per pupil
36 base grant shall be adjusted by the percentage change in the annual
37 average value of the Implicit Price Deflator for State and Local
38 Government Purchases of Goods and Services for the United States,
39 as published by the United States Department of Commerce for
40 the 12-month period ending in the third quarter of the prior fiscal

1 year. This percentage change shall be determined using the latest
2 data available as of May 10 of the preceding fiscal year compared
3 with the annual average value of the same deflator for the 12-month
4 period ending in the third quarter of the second preceding fiscal
5 year, using the latest data available as of May 10 of the preceding
6 fiscal year, as reported by the Department of Finance.

7 (2) A supplemental grant equal to 35 percent of the base grant
8 described in paragraph (1) multiplied by the enrollment percentage
9 calculated in subdivision (b). The supplemental grant shall be
10 expended in accordance with the regulations adopted pursuant to
11 Section 42238.07.

12 (3) (A) A concentration grant equal to 35 percent of the base
13 grant described in paragraph (1) multiplied by the greater of either
14 of the following:

15 (i) The enrollment percentage calculated in subdivision (b) less
16 50 percent.

17 (ii) Zero.

18 (B) The concentration grant shall be expended in accordance
19 with the regulations adopted pursuant to Section 42238.07.

20 (4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the
21 total number of units of average daily attendance for pupils
22 attending schools operated by a county office of education,
23 excluding units of average daily attendance for pupils attending
24 schools or classes established pursuant to Article 2.5 (commencing
25 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title
26 2, who are enrolled pursuant to any of the following:

27 (i) Probation-referred pursuant to Sections 300, 601, 602, and
28 654 of the Welfare and Institutions Code.

29 (ii) On probation or parole and not in attendance in a school.

30 (iii) Expelled for any of the reasons specified in subdivision (a)
31 or (c) of Section 48915.

32 (B) Multiply the number of units of average daily attendance
33 for pupils attending schools or classes established pursuant to
34 Article 2.5 (commencing with Section 48645) of Chapter 4 of Part
35 27 of Division 4 of Title 2 by the sum of the base grant calculated
36 pursuant to paragraph (1), a supplemental grant equal to 35 percent
37 of the base grant calculated pursuant to paragraph (1), and a
38 concentration grant equal to 17.5 percent of the base grant
39 calculated pursuant to paragraph (1). Funds provided for the
40 supplemental and concentration grants pursuant to this calculation

1 shall be expended in accordance with the regulations adopted
2 pursuant to Section 42238.07.

3 (C) Add the amounts calculated in subparagraphs (A) and (B).

4 (d) Add the amount calculated in subdivision (a) to the amount
5 calculated in subparagraph (C) of paragraph (4) of subdivision (c).

6 (e) Add all of the following to the amount calculated in
7 subdivision (d):

8 (1) The amount of funding a county superintendent of schools
9 received for the 2012–13 fiscal year from funds allocated pursuant
10 to the Targeted Instructional Improvement Block Grant program,
11 as set forth in Article 6 (commencing with Section 41540) of
12 Chapter 3.2 of Part 24 of Division 3 of Title 2, as that article read
13 on January 1, 2013.

14 (2) (A) The amount of funding a county superintendent of
15 schools received for the 2012–13 fiscal year from funds allocated
16 pursuant to the ~~Home-to-School~~ *Home-to-School* Transportation
17 program, as set forth in Article 2 (commencing with Section 39820)
18 of Chapter 1 of Part 23.5 of Division 3 of Title 2, Article 10
19 (commencing with Section 41850) of Chapter 5 of Part 24 of
20 Division 3 of Title 2, and the Small School District Transportation
21 program, as set forth in Article 4.5 (commencing with Section
22 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, as those
23 articles read on January 1, 2013.

24 (B) On or before March 1, 2014, the Legislative Analyst’s Office
25 shall submit recommendations to the fiscal committees of both
26 houses of the Legislature regarding revisions to the methods of
27 funding pupil transportation that address historical funding
28 inequities across county offices of education and school districts
29 and improve incentives for local educational agencies to provide
30 efficient and effective pupil transportation services.

31 SEC. 6. Section 2575 of the Education Code is amended to
32 read:

33 2575. (a) Commencing with the 2013–14 fiscal year and for
34 each fiscal year thereafter, the Superintendent shall calculate a
35 base entitlement for the transition to the county local control
36 funding formula for each county office of education based on the
37 sum of the amounts computed pursuant to paragraphs (1) to (3),
38 inclusive:

39 (1) Revenue limits in the 2012–13 fiscal year pursuant to Article
40 3 (commencing with Section 2550) of Chapter 12, as that article

read on January 1, 2013, adjusted only for changes in average daily attendance claimed by the county superintendent of schools for pupils identified in clauses (i), (ii), and (iii) of subparagraph (A) of paragraph (4) of subdivision (c) of Section 2574 and for pupils attending juvenile court schools. All other average daily attendance claimed by the county superintendent of schools and any other average daily attendance used for purposes of calculating revenue limits pursuant to Article 3 (commencing with Section 2550) of Chapter 12, as that article read on January 1, 2013, shall be considered final for purposes of this section as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Section 41332.

(2) The sum of both of the following:

(A) The amount of funding received from appropriations contained in Section 2.00 of the Budget Act of 2012, as adjusted by Section 12.42, in the following items: 6110-104-0001, 6110-105-0001, 6110-107-0001, 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-234-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001, 6110-267-0001, 6110-268-0001, and 6360-101-0001, 2012–13 fiscal year funding for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2, as that chapter read on January 1, 2013, and 2012–13 fiscal year funding for pupils enrolled in community day schools who are mandatorily expelled pursuant to subdivision (d) of Section 48915.

(B) The amount of local revenues used to support a regional occupational center or program established and maintained by a county superintendent of schools pursuant to Section 52301.

(3) For the 2014–15 fiscal year and for each fiscal year thereafter, the sum of the amounts apportioned to the county office of education pursuant to subdivision (f) in all prior years.

(b) The Superintendent shall annually compute a county local control funding formula transition adjustment for each county superintendent of schools as follows:

(1) Subtract the amount computed pursuant to subdivision (a) from the amount computed pursuant to subdivision (e) of Section 2574. A difference of less than zero shall be deemed to be zero.

(2) Divide the difference for each county superintendent of schools calculated pursuant to paragraph (1) by the total sum of the differences for all county superintendents of schools calculated pursuant to paragraph (1).

(3) Multiply the proportion calculated for each county office of education pursuant to paragraph (2) by the amount of funding specifically appropriated for purposes of subdivision (f). The amount calculated shall not exceed the difference for the county superintendent of schools calculated pursuant to paragraph (1).

(c) The Superintendent shall subtract from the amount calculated pursuant to subdivision (a) the sum of each of the following:

(1) Local property tax revenues received pursuant to Section 2573 in the then current fiscal year.

(2) Any amounts that the county superintendent of schools was required to maintain as restricted and not available for expenditure in the 1978–79 fiscal year as specified in the second paragraph of subdivision (c) of Section 6 of Chapter 292 of the Statutes of 1978, as amended by Chapter 51 of the Statutes of 1979.

(3) The amount received pursuant to subparagraph (C) of paragraph (3) of subdivision (a) of Section 33607.5 of the Health and Safety Code that is considered property taxes pursuant to that section.

(4) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.

(5) The amount, if any, received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(d) The Superintendent shall subtract from the amount computed pursuant to subdivision (e) of Section 2574 the sum of the amounts computed pursuant to paragraphs (1) to (5), inclusive, of subdivision (c).

(e) The Superintendent shall annually apportion to each county superintendent of schools the amount calculated pursuant to

1 subdivision (c) unless the amount computed pursuant to subdivision
2 (c) is negative. If the amount computed is negative, except as
3 provided in subdivision (f), an amount of property tax of the county
4 superintendent of schools equal to the negative amount shall be
5 deemed restricted and not available for expenditure during the
6 fiscal year. In the following fiscal year, that amount, excluding
7 any amount of funds used for purposes of subdivision (f), shall be
8 considered restricted local property tax revenue for purposes of
9 subdivision (a) of Section 2578. State aid shall not be apportioned
10 to the county superintendent of schools pursuant to this subdivision
11 if the amount computed pursuant to subdivision (c) is negative.

12 (f) (1) The Superintendent shall apportion, from an
13 appropriation specifically made for this purpose, the amount
14 computed pursuant to subdivision (b), or, if the amount computed
15 pursuant to subdivision (c) is negative, the sum of the amounts
16 computed pursuant to subdivisions (b) and (c) if the sum is greater
17 than zero.

18 (2) The Superintendent shall apportion any portion of the
19 appropriation made for purposes of paragraph (1) that is not
20 apportioned pursuant to paragraph (1) pursuant to the following
21 calculation:

22 (A) Add the amount calculated pursuant to subdivision (b) to
23 the amount computed pursuant to subdivision (a) for a county
24 superintendent of schools.

25 (B) Subtract the amount computed pursuant to subparagraph
26 (A) from the amount computed pursuant to subdivision (e) of
27 Section 2574 for the county superintendent of schools.

28 (C) Divide the difference for the county superintendent of
29 schools computed pursuant to subparagraph (B) by the sum of the
30 differences for all county superintendents of schools computed
31 pursuant to subparagraph (B).

32 (D) Multiply the proportion computed pursuant to subparagraph
33 (C) by the unapportioned balance in the appropriation.

34 (E) Apportion to each county superintendent of schools the
35 amount calculated pursuant to subparagraph (D), or if subdivision
36 (c) is negative, apportion the sums of subdivisions (b) and (c) and
37 subparagraph (D) of this subdivision if the sum is greater than
38 zero.

39 (F) The Superintendent shall repeat the computation made
40 pursuant to this paragraph, accounting for any additional amounts

1 apportioned after each computation, until the appropriation made
2 for purposes of paragraph (1) is fully apportioned.

3 (G) The total amount apportioned pursuant to this subdivision
4 to a county superintendent of schools shall not exceed the
5 difference for the county superintendent of schools calculated
6 pursuant to paragraph (1) of subdivision (b).

7 (g) (1) For a county superintendent of schools for whom, in the
8 2013–14 fiscal year, the amount computed pursuant to subdivision
9 (c) is less than the amount computed pursuant to subdivision (d),
10 in the first fiscal year following the fiscal year in which the sum
11 of the apportionments computed pursuant to subdivisions (e) and
12 (f) is equal to, or greater than, the amount computed pursuant to
13 subdivision (d) of this section, the Superintendent shall apportion
14 to the county superintendent of schools the amount computed in
15 subdivision (d) in that fiscal year and each fiscal year thereafter
16 instead of the amounts computed pursuant to subdivisions (e) and
17 (f).

18 (2) For a county superintendent of schools for whom, in the
19 2013–14 fiscal year, the amount computed pursuant to subdivision
20 (c) is greater than the amount computed pursuant to subdivision
21 (d), in the first fiscal year in which the amount computed pursuant
22 to subdivision (c) would be less than the amount computed pursuant
23 to subdivision (d), the Superintendent shall apportion to the county
24 superintendent of schools the amount computed in subdivision (d)
25 in that fiscal year and each fiscal year thereafter instead of the
26 amounts computed pursuant to subdivisions (e) and (f).

27 (3) In each fiscal year, the Superintendent shall determine the
28 percentage of county superintendents of schools that are
29 apportioned funding that is less than the amount computed pursuant
30 to subdivision (d), as of the second principal apportionment of the
31 fiscal year. If the percentage is less than 10 percent, the
32 Superintendent shall apportion to those county superintendents of
33 schools funding equal to the amount computed in subdivision (d)
34 in that fiscal year and for each fiscal year thereafter instead of the
35 amounts calculated pursuant to subdivisions (e) and (f).

36 (4) Commencing with the first fiscal year after the
37 apportionments in paragraph (3) are made, the adjustments in
38 paragraph (4) of subdivision (a) of Section 2574 and subparagraph
39 (B) of paragraph (1) of subdivision (c) of Section 2574 shall be

made only if an appropriation for those purposes is included in the annual Budget Act.

(5) If the calculation pursuant to subdivision (d) is negative and the Superintendent apportions to a county superintendent of schools the amount computed pursuant to subdivision (d) pursuant to paragraph (1), (2), or (3) of this subdivision, an amount of property tax of the county superintendent of schools equal to the negative amount shall be deemed restricted and not available for expenditure during that fiscal year. In the following fiscal year the restricted amount shall be considered restricted local property tax revenue for purposes of subdivision (a) of Section 2578.

(h) Commencing with the 2013–14 fiscal year, the Superintendent shall apportion to a county superintendent of schools an amount of state aid, including any amount apportioned pursuant to subdivisions (f) and (g), that is no less than the amount calculated in subparagraph (A) of paragraph (2) of subdivision (a).

(i) (1) For the 2013–14 and 2014–15 fiscal years only, a county superintendent of schools who, in the 2012–13 fiscal year, from any of the funding sources identified in paragraph (1) or (2) of subdivision (a), received funds on behalf of, or provided funds to, a regional occupational center or program joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing instruction to pupils enrolled in grades 9 to 12, inclusive, shall not redirect that funding for another purpose unless otherwise authorized in law or pursuant to an agreement between the regional occupational center or program joint powers agency and the contracting county superintendent of schools.

(2) For the 2013–14 and 2014–15 fiscal years only, if a regional occupational center or program joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing instruction to pupils enrolled in grades 9 to 12, inclusive, received, in the 2012–13 fiscal year, an apportionment of funds directly from any of the funding sources identified in subparagraph (A) of paragraph (2) of subdivision (a), the Superintendent shall apportion that same amount to the regional occupational center or program joint powers agency.

(j) For the 2013–14 and 2014–15 fiscal years only, a county superintendent of schools who, in the 2012–13 fiscal year, from any of the funding sources identified in paragraph (1) or (2) of subdivision (a), received funds on behalf of, or provided funds to, a home-to-school transportation joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation shall not redirect that funding for another purpose unless otherwise authorized in law or pursuant to an agreement between the home-to-school transportation joint powers agency and the contracting county superintendent of schools.

(k) (1) In addition to subdivision (j), of the funds a county superintendent of schools receives for home-to-school transportation programs, the county superintendent of schools shall expend, pursuant to Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5 of Division 3 of Title 2, Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2, and the Small School District Transportation program, as set forth in Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, no less for those programs than the amount of funds the county superintendent of schools expended for home-to-school transportation in the 2012–13 fiscal year.

(2) For the 2013–14 and 2014–15 fiscal years only, if a home-to-school transportation joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation received, in the 2012–13 fiscal year, an apportionment of funds directly from the Superintendent from any of the funding sources identified in subparagraph (A) of paragraph (2) of subdivision (a), the Superintendent shall apportion that same amount to the home-to-school transportation joint powers agency.

(3) For the 2013–14 and 2014–15 fiscal years only, of the funds a county superintendent of schools receives for purposes of regional occupational centers or programs, or adult education, the county superintendent of schools shall expend no less for each of those programs than the amount of funds the county superintendent of schools expended for purposes of regional occupational centers

1 or programs, or adult education, respectively, in the 2012–13 fiscal
2 year. For purposes of this paragraph, a county office of education
3 may include expenditures made by a school district within the
4 county for purposes of regional occupational centers or programs
5 so long as the total amount of expenditures made by the school
6 districts and the county office of education equal or exceed the
7 total amount required to be expended for purposes of regional
8 occupational centers or programs pursuant to this paragraph and
9 paragraph (7) of subdivision (a) of Section 42238.03.

10 (l) The funds apportioned pursuant to this section and Section
11 2574 shall be available to implement the activities required
12 pursuant to Article 4.5 (commencing with Section 52060) of
13 Chapter 6.1 of Part 28 of Division 4 of Title 2.

14 SEC. 7. Section 2576 of the Education Code is amended to
15 read:

16 2576. (a) If a county superintendent of schools enrolls in a
17 school operated by the county superintendent of schools a pupil
18 not funded pursuant to clause (i), (ii), or (iii) of subparagraph (A)
19 of paragraph (4) of subdivision (c) of Section 2574, or Article 2.5
20 (commencing with Section 48645) of Chapter 4 of Part 27 of
21 Division 4 of Title 2, any attendance generated by that pupil shall
22 be credited to the school district of residence. Enrollment of these
23 pupils shall be transferred to the school district of residence for
24 purposes of calculating the percentage of unduplicated pupils
25 pursuant to Section 42238.02.

26 (b) For purposes of this section, the school district of residence
27 for a homeless child, as defined in Section 1981.2, enrolled in a
28 school operated by a county superintendent of schools shall be
29 deemed to be the school district that last provided educational
30 services to that child or, if it is not possible to determine that school
31 district, the largest school district in the county.

32 SEC. 8. Section 8150.5 of the Education Code is amended to
33 read:

34 8150.5. Attendance of apprentices enrolled in any class
35 maintained by a local educational agency, pursuant to Section 3074
36 of the Labor Code, shall be reimbursed pursuant to Section 8152
37 only if reported separately to the Chancellor of the California
38 Community Colleges. Attendance reported pursuant to this section
39 shall be used only for purposes of calculating allowances pursuant
40 to Section 8152.

1 SEC. 9. Section 8151 of the Education Code is amended to
2 read:

3 8151. An apprentice attending a local educational agency in
4 classes of related and supplemental instruction as provided under
5 Section 3074 of the Labor Code and in accordance with the
6 requirements of subdivision (d) of Section 3078 of the Labor Code
7 shall be exempt from the requirements of any interdistrict
8 attendance agreement for those classes.

9 SEC. 10. Section 8152 of the Education Code is amended to
10 read:

11 8152. (a) The reimbursement rate shall be established in the
12 annual Budget Act and the rate shall be commonly applied to all
13 providers of instruction specified in subdivision (d).

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

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

19 (d) The Chancellor of the California Community Colleges shall
20 make the reimbursements specified in this section for teaching
21 time provided by local educational agencies.

22 (e) The hours for related and supplemental instruction derived
23 from funds appropriated pursuant to subdivision (b) of Section
24 8150 shall be allocated by the Chancellor of California Community
25 Colleges directly to participating local educational agencies that
26 contract with apprenticeship programs pursuant to subdivision (f).

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

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

38 (h) If funds remain from the appropriation pursuant to
39 subdivision (b) of Section 8150, the Chancellor of the California
40 Community Colleges shall reimburse local educational agencies

1 for unfunded related and supplemental instruction hours from any
2 of the three previous fiscal years, in the following order:

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

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

8 SEC. 11. Section 8154 of the Education Code is amended to
9 read:

10 8154. (a) The Chancellor of the California Community
11 Colleges, in consultation with the Division of Apprenticeship
12 Standards of the Department of Industrial Relations and the
13 Superintendent, shall annually review the amount of state funding
14 necessary to provide the reimbursements specified in Section 8152,
15 and shall include an estimate of required funds in its budget for
16 each fiscal year.

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

23 (c) If the amount appropriated is in excess of the amounts needed
24 for full reimbursement pursuant to subdivision (h) of Section 8152,
25 any excess shall be allocated to local educational agencies to be
26 used for the purpose of the state general apportionment.

27 SEC. 12. Section 8155 of the Education Code is amended to
28 read:

29 8155. (a) The Chancellor of the California Community
30 Colleges and the Division of Apprenticeship Standards of the
31 Department of Industrial Relations, in consultation with the
32 Superintendent, shall jointly develop a model format for
33 agreements between apprenticeship programs and local educational
34 agencies for instruction pursuant to Section 3074 of the Labor
35 Code.

36 (b) By March 14, 2014, the Chancellor of the California
37 Community Colleges and the Division of Apprenticeship Standards
38 of the Department of Industrial Relations, with equal participation
39 by local educational agencies and community college
40 apprenticeship administrators, shall develop common

1 administrative practices and treatment of costs and services, as
2 well as other policies related to apprenticeship programs. Any
3 policies developed pursuant to the this subdivision shall become
4 operative upon approval by the California Apprenticeship Council.

5 (c) Apprenticeship programs offered through local educational
6 agencies may maintain their existing curriculum and instructors
7 separate from the requirements of the California Community
8 Colleges. The person providing instruction may be a qualified
9 journeyperson with experience and knowledge of the trade.

10 SEC. 13. Section 35736.5 of the Education Code is amended
11 to read:

12 35736.5. Sections 35735 to 35736, inclusive, shall only apply
13 to actions to reorganize school districts for which the order to
14 reorganize, pursuant to Section 35765, is appropriately filed after
15 December 1, 2013, pursuant to Section 54902 of the Government
16 Code. Actions to reorganize school districts for which the order
17 to reorganize is appropriately filed on or before December 1, 2013,
18 shall be implemented pursuant to Sections 35735 to 35736,
19 inclusive, as those sections read on January 1, 2013.

20 SEC. 14. Section 41329.575 is added to the Education Code,
21 to read:

22 41329.575. (a) (1) Pursuant to a schedule provided to the
23 Controller by the bank, commencing with the 2013–14 fiscal year,
24 the Controller shall transfer from Section A of the State School
25 Fund and the Education Protection Account the amount of funds
26 necessary to pay the warrants issued pursuant to paragraph (3)
27 so that the effective cost of the lease financing for each fiscal year
28 from 2013–14 to 2029–30, inclusive, provided to the South
29 Monterey County Joint Union High School District pursuant to
30 Chapter 20 of the Statutes of 2009 shall be equal to the cost of
31 providing an emergency General Fund cashflow loan to the South
32 Monterey County Joint Union High School District for each fiscal
33 year from 2013–14 to 2029–30, inclusive.

34 (2) For purposes of determining the cost of providing an
35 emergency General Fund cashflow loan to the South Monterey
36 County Joint Union High School District for fiscal years from
37 2013–14 to 2029–30, inclusive, for the South Monterey County
38 Joint Union High School District, the original interest rate is equal
39 to the annual rate of return earned by the Pooled Money Investment
40 Account for the applicable fiscal year, plus an additional 2 percent.

1 *This rate shall also apply to disbursements of the loan pursuant*
2 *to Chapter 20 of the Statutes of 2009 that are subsequent to*
3 *September 15, 2013.*

4 *(3) The executive director or chair of the bank shall periodically*
5 *provide a schedule to the Controller and the South Monterey*
6 *County Joint Union High School District of the actual amount of*
7 *the difference between the annual cost of the lease financing*
8 *compared to the annual cost of providing the South Monterey*
9 *County Joint Union High School District with an emergency*
10 *General Fund cashflow loan for each applicable fiscal year and*
11 *the Controller shall issue warrants to the South Monterey County*
12 *Joint Union High School District pursuant to the schedule.*
13 *Payments to the South Monterey County Joint Union High School*
14 *District shall occur only during the term of the loan for the South*
15 *Monterey County Joint Union High School District and shall be*
16 *made no sooner than the corresponding payments are made to the*
17 *bond trustee under the lease financing for the South Monterey*
18 *County Joint Union High School District.*

19 *(4) For purposes of making the computations required by*
20 *Section 8 of Article XVI of the California Constitution, the warrants*
21 *issued pursuant to paragraph (3) are “General Fund revenues*
22 *appropriated for school districts,” as defined in subdivision (c)*
23 *of Section 41202 for the fiscal years in which the warrants are*
24 *issued and included within the “total allocations to school districts*
25 *and community college districts from General Fund proceeds of*
26 *taxes appropriated pursuant to Article XIII B,” as defined in*
27 *subdivision (e) of Section 41202, for the fiscal years in which the*
28 *warrants are issued.*

29 *(b) It is the intent of the Legislature that the financing cost*
30 *subsidies funded in this section not be deemed precedent nor in*
31 *conflict with Chapter 20 of the Statutes of 2009.*

32 ~~SEC. 14.~~

33 *SEC. 15.* Section 41365 of the Education Code is amended to
34 read:

35 41365. (a) The Charter School Revolving Loan Fund is hereby
36 created in the State Treasury. The Charter School Revolving Loan
37 Fund shall be composed of federal funds obtained by the state for
38 charter schools and any other funds appropriated or transferred to
39 the fund through the annual budget process. Funds appropriated
40 to the Charter School Revolving Loan Fund shall remain available

1 for purposes of the fund until reappropriated or reverted by the
2 Legislature through the annual Budget Act or any other act.

3 (b) Commencing with the 2013–14 fiscal year, the
4 administration of the Charter School Revolving Loan Fund shall
5 be transferred to the California School Finance Authority.

6 (c) Loans may be made from moneys in the Charter School
7 Revolving Loan Fund to a chartering authority for charter schools
8 that are not a conversion of an existing school, or directly to a
9 charter school that qualifies to receive funding pursuant to Chapter
10 6 (commencing with Section 47630) of Part 26.8 of Division 4
11 that is not a conversion of an existing school, upon application of
12 a chartering authority or charter school and approval by the
13 California School Finance Authority. Money loaned to a chartering
14 authority for a charter school, or to a charter school, pursuant to
15 this section shall be used only to meet the purposes of the charter
16 granted pursuant to Section 47605. The loan to a chartering
17 authority for a charter school, or to a charter school, pursuant to
18 this subdivision shall not exceed two hundred fifty thousand dollars
19 (\$250,000) over the lifetime of the charter school. A charter school
20 may receive money obtained from multiple loans made directly
21 to the charter school or to the school's chartering authority from
22 the Charter School Revolving Loan Fund, as long as the total
23 amount received from the fund over the lifetime of the charter
24 school does not exceed two hundred fifty thousand dollars
25 (\$250,000). This subdivision does not apply to a charter school
26 that obtains renewal of a charter pursuant to Section 47607.

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

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

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

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

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

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

1 (6) The financial needs of the charter school.

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

4 (f) Commencing with the first fiscal year following the fiscal
5 year the charter school receives the loan, the Controller shall deduct
6 from apportionments made to the chartering authority or charter
7 school, as appropriate, an amount equal to the annual repayment
8 of the amount loaned to the chartering authority or charter school
9 for the charter school under this section and pay the same amount
10 into the Charter School Revolving Loan Fund in the State Treasury.
11 Repayment of the full amount loaned to the chartering authority
12 or charter school shall be deducted by the Controller in equal
13 annual amounts over a number of years agreed upon between the
14 loan recipient and the state agency authorized to administer the
15 Charter School Revolving Loan Fund and the Charter School
16 Security Fund, not to exceed five years for any loan.

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

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

23 (h) The California School Finance Authority may adopt any
24 necessary rules and regulations for the implementation of this
25 section and Sections 41366.6 and 41367. Any regulations adopted
26 pursuant to this section may be adopted as emergency regulations
27 in accordance with the Administrative Procedure Act (Chapter 3.5
28 (commencing with Section 11340) of Part 1 of Division 3 of Title
29 2 of the Government Code). The adoption of these regulations
30 shall be deemed to be an emergency and necessary for the
31 immediate preservation of public peace, health and safety, or
32 general welfare.

33 ~~SEC. 15.~~

34 *SEC. 16.* Section 41367 of the Education Code is amended to
35 read:

36 41367. (a) The Charter School Security Fund is hereby created
37 in the State Treasury.

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

1 (c) Commencing with the 2013–14 fiscal year, the administration
2 of the Charter School Security Fund shall be transferred to the
3 California School Finance Authority.

4 ~~SEC. 16.~~

5 *SEC. 17.* Section 42127 of the Education Code is amended to
6 read:

7 42127. (a) On or before July 1 of each year, the governing
8 board of each school district shall accomplish the following:

9 (1) Hold a public hearing on the budget to be adopted for the
10 subsequent fiscal year. The budget to be adopted shall be prepared
11 in accordance with Section 42126. The agenda for that hearing
12 shall be posted at least 72 hours before the public hearing and shall
13 include the location where the budget will be available for public
14 inspection.

15 (A) For the 2011–12 fiscal year, notwithstanding any of the
16 standards and criteria adopted by the state board pursuant to Section
17 33127, each school district budget shall project the same level of
18 revenue per unit of average daily attendance as it received in the
19 2010–11 fiscal year and shall maintain staffing and program levels
20 commensurate with that level.

21 (B) For the 2011–12 fiscal year, the school district shall not be
22 required to demonstrate that it is able to meet its financial
23 obligations for the two subsequent fiscal years.

24 (2) Adopt a budget. Not later than five days after that adoption
25 or by July 1, whichever occurs first, the governing board of the
26 school district shall file that budget with the county superintendent
27 of schools. The budget and supporting data shall be maintained
28 and made available for public review. If the governing board of
29 the school district does not want all or a portion of the property
30 tax requirement levied for the purpose of making payments for the
31 interest and redemption charges on indebtedness as described in
32 paragraph (1) or (2) of subdivision (b) of Section 1 of Article
33 XIII A of the California Constitution, the budget shall include a
34 statement of the amount or portion for which a levy shall not be
35 made. For the 2014–15 fiscal year and each fiscal year thereafter,
36 the governing board of the school district shall not adopt a budget
37 before the governing board of the school district adopts a local
38 control and accountability plan, if an existing local control and
39 accountability plan or annual update to a local control and
40 accountability plan is not effective for the budget year. The

1 governing board of a school district shall not adopt a budget that
2 does not include the expenditures necessary to implement the local
3 control and accountability plan or the annual update to a local
4 control and accountability plan that is effective during the
5 subsequent fiscal year.

6 (b) The county superintendent of schools may accept changes
7 in any statement included in the budget, pursuant to subdivision
8 (a), of the amount or portion for which a property tax levy shall
9 not be made. The county superintendent of schools or the county
10 auditor shall compute the actual amounts to be levied on the
11 property tax rolls of the school district for purposes that exceed
12 apportionments to the school district pursuant to Chapter 6
13 (commencing with Section 95) of Part 0.5 of Division 1 of the
14 Revenue and Taxation Code. Each school district shall provide all
15 data needed by the county superintendent of schools or the county
16 auditor to compute the amounts. On or before August 15, the
17 county superintendent of schools shall transmit the amounts
18 computed to the county auditor who shall compute the tax rates
19 necessary to produce the amounts. On or before September 1, the
20 county auditor shall submit the rate computed to the board of
21 supervisors for adoption.

22 (c) The county superintendent of schools shall do all of the
23 following:

24 (1) Examine the adopted budget to determine whether it
25 complies with the standards and criteria adopted by the state board
26 pursuant to Section 33127 for application to final local educational
27 agency budgets. The county superintendent of schools shall
28 identify, if necessary, technical corrections that are required to be
29 made to bring the budget into compliance with those standards
30 and criteria.

31 (2) Determine whether the adopted budget will allow the school
32 district to meet its financial obligations during the fiscal year and
33 is consistent with a financial plan that will enable the school district
34 to satisfy its multiyear financial commitments. In addition to his
35 or her own analysis of the budget of each school district, the county
36 superintendent of schools shall review and consider studies, reports,
37 evaluations, or audits of the school district that were commissioned
38 by the school district, the county superintendent of schools, the
39 Superintendent, and state control agencies and that contain
40 evidence that the school district is showing fiscal distress under

1 the standards and criteria adopted in Section 33127 or that contain
2 a finding by an external reviewer that more than 3 of the 15 most
3 common predictors of a school district needing intervention, as
4 determined by the County Office Fiscal Crisis and Management
5 Assistance Team, are present. The county superintendent of schools
6 shall either conditionally approve or disapprove a budget that does
7 not provide adequate assurance that the school district will meet
8 its current and future obligations and resolve any problems
9 identified in studies, reports, evaluations, or audits described in
10 this paragraph.

11 (3) Determine whether the adopted budget includes the
12 expenditures necessary to implement the local control and
13 accountability plan or annual update to the local control and
14 accountability plan approved by the county superintendent of
15 schools.

16 (d) (1) On or before August 15, the county superintendent of
17 schools shall approve, conditionally approve, or disapprove the
18 adopted budget for each school district. For the 2014–15 fiscal
19 year and each fiscal year thereafter, the county superintendent of
20 schools shall disapprove a budget if the county superintendent of
21 schools determines that the budget does not include the
22 expenditures necessary to implement a local control and
23 accountability plan or an annual update to the local control and
24 accountability plan approved by the county superintendent of
25 schools. If a school district does not submit a budget to the county
26 superintendent of schools, the county superintendent of schools
27 shall develop, at school district expense, a budget for that school
28 district by September 15 and transmit that budget to the governing
29 board of the school district. The budget prepared by the county
30 superintendent of schools shall be deemed adopted, unless the
31 county superintendent of schools approves any modifications made
32 by the governing board of the school district. The approved budget
33 shall be used as a guide for the school district's priorities. The
34 Superintendent shall review and certify the budget approved by
35 the county. If, pursuant to the review conducted pursuant to
36 subdivision (c), the county superintendent of schools determines
37 that the adopted budget for a school district does not satisfy
38 paragraph (1), (2), or (3) of that subdivision, he or she shall
39 conditionally approve or disapprove the budget and, not later than
40 August 15, transmit to the governing board of the school district,

1 in writing, his or her recommendations regarding revision of the
2 budget and the reasons for those recommendations, including, but
3 not limited to, the amounts of any budget adjustments needed
4 before he or she can approve that budget. The county
5 superintendent of schools may assign a fiscal adviser to assist the
6 school district to develop a budget in compliance with those
7 revisions. In addition, the county superintendent of schools may
8 appoint a committee to examine and comment on the
9 superintendent's review and recommendations, subject to the
10 requirement that the committee report its findings to the county
11 superintendent of schools no later than August 20. For the 2011–12
12 fiscal year, notwithstanding any of the standards and criteria
13 adopted by the state board pursuant to Section 33127, the county
14 superintendent of schools, as a condition on approval of a school
15 district budget, shall not require a school district to project a lower
16 level of revenue per unit of average daily attendance than it
17 received in the 2010–11 fiscal year nor require the school district
18 to demonstrate that it is able to meet its financial obligations for
19 the two subsequent fiscal years.

20 (2) Notwithstanding any other provision of this article, for the
21 2014–15 fiscal year and each fiscal year thereafter, the budget
22 shall not be adopted or approved by the county superintendent of
23 schools before a local control and accountability plan or update to
24 an existing local control and accountability plan for the budget
25 year is approved.

26 (e) On or before September 8, the governing board of the school
27 district shall revise the adopted budget to reflect changes in
28 projected income or expenditures subsequent to July 1, and to
29 include any response to the recommendations of the county
30 superintendent of schools, shall adopt the revised budget, and shall
31 file the revised budget with the county superintendent of schools.
32 Before revising the budget, the governing board of the school
33 district shall hold a public hearing regarding the proposed revisions,
34 to be conducted in accordance with Section 42103. In addition, if
35 the adopted budget is disapproved pursuant to subdivision (d), the
36 governing board of the school district and the county
37 superintendent of schools shall review the disapproval and the
38 recommendations of the county superintendent of schools regarding
39 revision of the budget at the public hearing. The revised budget

1 and supporting data shall be maintained and made available for
2 public review.

3 (1) For the 2011–12 fiscal year, notwithstanding any of the
4 standards and criteria adopted by the state board pursuant to Section
5 33127, each school district budget shall project the same level of
6 revenue per unit of average daily attendance as it received in the
7 2010–11 fiscal year and shall maintain staffing and program levels
8 commensurate with that level.

9 (2) For the 2011–12 fiscal year, the school district shall not be
10 required to demonstrate that it is able to meet its financial
11 obligations for the two subsequent fiscal years.

12 (f) On or before September 22, the county superintendent of
13 schools shall provide a list to the Superintendent identifying all
14 school districts for which budgets may be disapproved.

15 (g) (1) The county superintendent of schools shall examine the
16 revised budget to determine whether it (1) complies with the
17 standards and criteria adopted by the state board pursuant to Section
18 33127 for application to final local educational agency budgets,
19 (2) allows the school district to meet its financial obligations during
20 the fiscal year, (3) satisfies all conditions established by the county
21 superintendent of schools in the case of a conditionally approved
22 budget, and (4) is consistent with a financial plan that will enable
23 the school district to satisfy its multiyear financial commitments,
24 and, not later than October 8, shall approve or disapprove the
25 revised budget. If the county superintendent of schools disapproves
26 the budget, he or she shall call for the formation of a budget review
27 committee pursuant to Section 42127.1, unless the governing board
28 of the school district and the county superintendent of schools
29 agree to waive the requirement that a budget review committee be
30 formed and the department approves the waiver after determining
31 that a budget review committee is not necessary. Upon the grant
32 of a waiver, the county superintendent of schools immediately has
33 the authority and responsibility provided in Section 42127.3. Upon
34 approving a waiver of the budget review committee, the department
35 shall ensure that a balanced budget is adopted for the school district
36 by November 30. If no budget is adopted by November 30, the
37 Superintendent may adopt a budget for the school district. The
38 Superintendent shall report to the Legislature and the Director of
39 Finance by December 10 if any school district, including a school
40 district that has received a waiver of the budget review committee

process, does not have an adopted budget by November 30. This report shall include the reasons why a budget has not been adopted by the deadline, the steps being taken to finalize budget adoption, the date the adopted budget is anticipated, and whether the Superintendent has or will exercise his or her authority to adopt a budget for the school district. For the 2011–12 fiscal year, notwithstanding any of the standards and criteria adopted by the state board pursuant to Section 33127, the county superintendent of schools, as a condition on approval of a school district budget, shall not require a school district to project a lower level of revenue per unit of average daily attendance than it received in the 2010–11 fiscal year nor require the school district to demonstrate that it is able to meet its financial obligations for the two subsequent fiscal years.

(2) Notwithstanding any other law, for the 2014–15 fiscal year and each fiscal year thereafter, if the county superintendent of schools disapproves the budget for the sole reason that the county superintendent of schools has not approved a local control and accountability plan or an annual update to the local control and accountability plan filed by the school district pursuant to Section 52061, the county superintendent of schools shall not call for the formation of a budget review committee pursuant to Section 42127.1.

(h) Not later than October 8, the county superintendent of schools shall submit a report to the Superintendent identifying all school districts for which budgets have been disapproved or budget review committees waived. The report shall include a copy of the written response transmitted to each of those school districts pursuant to paragraph (1) of subdivision (d).

(i) Notwithstanding any other provision of this section, the budget review for a school district shall be governed by paragraphs (1), (2), and (3), rather than by subdivisions (e) and (g), if the governing board of the school district so elects and notifies the county superintendent of schools in writing of that decision, not later than October 31 of the immediately preceding calendar year. On or before July 1, the governing board of a school district for which the budget review is governed by this subdivision, rather than by subdivisions (e) and (g), shall conduct a public hearing regarding its proposed budget in accordance with Section 42103.

1 (1) If the adopted budget of a school district is disapproved
2 pursuant to subdivision (d), on or before September 8, the
3 governing board of the school district, in conjunction with the
4 county superintendent of schools, shall review the superintendent's
5 recommendations at a regular meeting of the governing board of
6 the school district and respond to those recommendations. The
7 response shall include any revisions to the adopted budget and
8 other proposed actions to be taken, if any, as a result of those
9 recommendations.

10 (2) On or before September 22, the county superintendent of
11 schools shall provide a list to the Superintendent identifying all
12 school districts for which a budget may be tentatively disapproved.

13 (3) Not later than October 8, after receiving the response
14 required under paragraph (1), the county superintendent of schools
15 shall review that response and either approve or disapprove the
16 budget. Except as provided in paragraph (2) of subdivision (g), if
17 the county superintendent of schools disapproves the budget, he
18 or she shall call for the formation of a budget review committee
19 pursuant to Section 42127.1, unless the governing board of the
20 school district and the county superintendent of schools agree to
21 waive the requirement that a budget review committee be formed
22 and the department approves the waiver after determining that a
23 budget review committee is not necessary. Upon the grant of a
24 waiver, the county superintendent has the authority and
25 responsibility provided to a budget review committee in Section
26 42127.3. Upon approving a waiver of the budget review committee,
27 the department shall ensure that a balanced budget is adopted for
28 the school district by November 30. The Superintendent shall
29 report to the Legislature and the Director of Finance by December
30 10 if any school district, including a school district that has received
31 a waiver of the budget review committee process, does not have
32 an adopted budget by November 30. This report shall include the
33 reasons why a budget has not been adopted by the deadline, the
34 steps being taken to finalize budget adoption, and the date the
35 adopted budget is anticipated. For the 2011–12 fiscal year,
36 notwithstanding any of the standards and criteria adopted by the
37 state board pursuant to Section 33127, the county superintendent
38 of schools, as a condition on approval of a school district budget,
39 shall not require a school district to project a lower level of revenue
40 per unit of average daily attendance than it received in the 2010–11

fiscal year nor require the school district to demonstrate that it is able to meet its financial obligations for the two subsequent fiscal years.

(4) Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

(j) Any school district for which the county board of education serves as the governing board of the school district is not subject to subdivisions (c) to (h), inclusive, but is governed instead by the budget procedures set forth in Section 1622.

SEC. 17.5. Section 42127 of the Education Code is amended to read:

42127. (a) On or before July 1 of each year, the governing board of each school district shall accomplish the following:

(1) Hold a public hearing on the budget to be adopted for the subsequent fiscal year. The budget to be adopted shall be prepared in accordance with Section 42126. The agenda for that hearing shall be posted at least 72 hours before the public hearing and shall include the location where the budget will be available for public inspection.

(A) For the 2011–12 fiscal year, notwithstanding any of the standards and criteria adopted by the state board pursuant to Section 33127, each school district budget shall project the same level of revenue per unit of average daily attendance as it received in the 2010–11 fiscal year and shall maintain staffing and program levels commensurate with that level.

(B) For the 2011–12 fiscal year, the school district shall not be required to demonstrate that it is able to meet its financial obligations for the two subsequent fiscal years.

(2) Adopt a budget. Not later than five days after that adoption or by July 1, whichever occurs first, the governing board of the school district shall file that budget with the county superintendent of schools. The budget and supporting data shall be maintained and made available for public review. If the governing board of the school district does not want all or a portion of the property tax requirement levied for the purpose of making payments for the interest and redemption charges on indebtedness as described in paragraph (1) or (2) of subdivision (b) of Section 1 of Article

1 XIII A of the California Constitution, the budget shall include a
2 statement of the amount or portion for which a levy shall not be
3 made. For the 2014–15 fiscal year and each fiscal year thereafter,
4 the governing board of the school district shall not adopt a budget
5 before the governing board of the school district adopts a local
6 control and accountability plan, if an existing local control and
7 accountability plan or annual update to a local control and
8 accountability plan is not effective for the budget year. The
9 governing board of a school district shall not adopt a budget that
10 does not include the expenditures necessary to implement the local
11 control and accountability plan or the annual update to a local
12 control and accountability plan that is effective during the
13 subsequent fiscal year.

14 (b) The county superintendent of schools may accept changes
15 in any statement included in the budget, pursuant to subdivision
16 (a), of the amount or portion for which a property tax levy shall
17 not be made. The county superintendent of schools or the county
18 auditor shall compute the actual amounts to be levied on the
19 property tax rolls of the school district for purposes that exceed
20 apportionments to the school district pursuant to Chapter 6
21 (commencing with Section 95) of Part 0.5 of Division 1 of the
22 Revenue and Taxation Code. Each school district shall provide all
23 data needed by the county superintendent of schools or the county
24 auditor to compute the amounts. On or before August 15, the
25 county superintendent of schools shall transmit the amounts
26 computed to the county auditor who shall compute the tax rates
27 necessary to produce the amounts. On or before September 1, the
28 county auditor shall submit the rate computed to the board of
29 supervisors for adoption.

30 (c) The county superintendent of schools shall do all of the
31 following:

32 (1) Examine the adopted budget to determine whether it
33 complies with the standards and criteria adopted by the state board
34 pursuant to Section 33127 for application to final local educational
35 agency budgets. The county superintendent of schools shall
36 identify, if necessary, technical corrections that are required to be
37 made to bring the budget into compliance with those standards
38 and criteria.

39 (2) Determine whether the adopted budget will allow the school
40 district to meet its financial obligations during the fiscal year and

1 is consistent with a financial plan that will enable the school district
2 to satisfy its multiyear financial commitments. In addition to his
3 or her own analysis of the budget of each school district, the county
4 superintendent of schools shall review and consider studies, reports,
5 evaluations, or audits of the school district that were commissioned
6 by the school district, the county superintendent of schools, the
7 Superintendent, and state control agencies and that contain
8 evidence that the school district is showing fiscal distress under
9 the standards and criteria adopted in Section 33127 or that contain
10 a finding by an external reviewer that more than ~~three~~ 3 of the 15
11 most common predictors of a school district needing intervention,
12 as determined by the County Office Fiscal Crisis and Management
13 Assistance Team, are present. The county superintendent of schools
14 shall either conditionally approve or disapprove a budget that does
15 not provide adequate assurance that the school district will meet
16 its current and future obligations and resolve any problems
17 identified in studies, reports, evaluations, or audits described in
18 this paragraph.

19 (3) Determine whether the adopted budget includes the
20 expenditures necessary to implement the local control and
21 accountability plan or annual update to the local control and
22 accountability plan approved by the county superintendent of
23 ~~schools:~~ *schools and whether those expenditures comply with the*
24 *regulations adopted pursuant to Section 42238.07.*

25 (d) (1) On or before August 15, the county superintendent of
26 schools shall approve, conditionally approve, or disapprove the
27 adopted budget for each school district. For the 2014–15 fiscal
28 year and each fiscal year thereafter, the county superintendent of
29 schools shall disapprove a budget if the county superintendent of
30 schools determines that the budget does not include the
31 expenditures necessary to implement a local control and
32 accountability plan or an annual update to the local control and
33 accountability plan approved by the county superintendent of
34 ~~schools:~~ *schools or does not comply with the regulations adopted*
35 *pursuant to Section 42238.07.* If a school district does not submit
36 a budget to the county superintendent of schools, the county
37 superintendent of schools shall develop, at school district expense,
38 a budget for that school district by September 15 and transmit that
39 budget to the governing board of the school district. The budget
40 prepared by the county superintendent of schools shall be deemed

1 adopted, unless the county superintendent of schools approves any
2 modifications made by the governing board of the school district.
3 The approved budget shall be used as a guide for the school
4 district's priorities. The Superintendent shall review and certify
5 the budget approved by the county. If, pursuant to the review
6 conducted pursuant to subdivision (c), the county superintendent
7 of schools determines that the adopted budget for a school district
8 does not satisfy paragraph ~~(1) or (2)~~ (1), (2), or (3) of that
9 subdivision, he or she shall conditionally approve or disapprove
10 the budget and, not later than August 15, transmit to the governing
11 board of the school district, in writing, his or her recommendations
12 regarding revision of the budget and the reasons for those
13 recommendations, including, but not limited to, the amounts of
14 any budget adjustments needed before he or she can approve that
15 budget. The county superintendent of schools may assign a fiscal
16 adviser to assist the school district to develop a budget in
17 compliance with those revisions. In addition, the county
18 superintendent of schools may appoint a committee to examine
19 and comment on the superintendent's review and recommendations,
20 subject to the requirement that the committee report its findings
21 to the county superintendent of schools no later than August 20.
22 For the 2011–12 fiscal year, notwithstanding any of the standards
23 and criteria adopted by the state board pursuant to Section 33127,
24 the county superintendent of schools, as a condition on approval
25 of a school district budget, shall not require a school district to
26 project a lower level of revenue per unit of average daily attendance
27 than it received in the 2010–11 fiscal year nor require the school
28 district to demonstrate that it is able to meet its financial obligations
29 for the two subsequent fiscal years.

30 *(2) Notwithstanding any other provision of this article, for the*
31 *2014–15 fiscal year and each fiscal year thereafter, the budget*
32 *shall not be adopted or approved by the county superintendent of*
33 *schools before a local control and accountability plan or update*
34 *to an existing local control and accountability plan for the budget*
35 *year is approved.*

36 (e) On or before September 8, the governing board of the school
37 district shall revise the adopted budget to reflect changes in
38 projected income or expenditures subsequent to July 1, and to
39 include any response to the recommendations of the county
40 superintendent of schools, shall adopt the revised budget, and shall

1 file the revised budget with the county superintendent of schools.
 2 Before revising the budget, the governing board of the school
 3 district shall hold a public hearing regarding the proposed revisions,
 4 to be conducted in accordance with Section 42103. In addition, if
 5 the adopted budget is disapproved pursuant to subdivision (d), the
 6 governing board of the school district and the county
 7 superintendent of schools shall review the disapproval and the
 8 recommendations of the county superintendent of schools regarding
 9 revision of the budget at the public hearing. The revised budget
 10 and supporting data shall be maintained and made available for
 11 public review.

12 (1) For the 2011–12 fiscal year, notwithstanding any of the
 13 standards and criteria adopted by the state board pursuant to Section
 14 33127, each school district budget shall project the same level of
 15 revenue per unit of average daily attendance as it received in the
 16 2010–11 fiscal year and shall maintain staffing and program levels
 17 commensurate with that level.

18 (2) For the 2011–12 fiscal year, the school district shall not be
 19 required to demonstrate that it is able to meet its financial
 20 obligations for the two subsequent fiscal years.

21 (f) On or before September 22, the county superintendent of
 22 schools shall provide a list to the Superintendent identifying all
 23 school districts for which budgets may be disapproved.

24 (g) (1) The county superintendent of schools shall examine
 25 the revised budget to determine whether it (1) complies with the
 26 standards and criteria adopted by the state board pursuant to Section
 27 33127 for application to final local educational agency budgets,
 28 (2) allows the school district to meet its financial obligations during
 29 the fiscal year, (3) satisfies all conditions established by the county
 30 superintendent of schools in the case of a conditionally approved
 31 budget, and (4) is consistent with a financial plan that will enable
 32 the school district to satisfy its multiyear financial commitments,
 33 and, not later than October 8, shall approve or disapprove the
 34 revised budget. If the county superintendent of schools disapproves
 35 the budget, he or she shall call for the formation of a budget review
 36 committee pursuant to Section 42127.1, unless the governing board
 37 of the school district and the county superintendent of schools
 38 agree to waive the requirement that a budget review committee be
 39 formed and the department approves the waiver after determining
 40 that a budget review committee is not necessary. Upon the grant

1 of a waiver, the county superintendent of schools immediately has
2 the authority and responsibility provided in Section 42127.3. Upon
3 approving a waiver of the budget review committee, the department
4 shall ensure that a balanced budget is adopted for the school district
5 by November 30. If no budget is adopted by November 30, the
6 Superintendent may adopt a budget for the school district. The
7 Superintendent shall report to the Legislature and the Director of
8 Finance by December 10 if any school district, including a school
9 district that has received a waiver of the budget review committee
10 process, does not have an adopted budget by November 30. This
11 report shall include the reasons why a budget has not been adopted
12 by the deadline, the steps being taken to finalize budget adoption,
13 the date the adopted budget is anticipated, and whether the
14 Superintendent has or will exercise his or her authority to adopt a
15 budget for the school district. For the 2011–12 fiscal year,
16 notwithstanding any of the standards and criteria adopted by the
17 state board pursuant to Section 33127, the county superintendent
18 of schools, as a condition on approval of a school district budget,
19 shall not require a school district to project a lower level of revenue
20 per unit of average daily attendance than it received in the 2010–11
21 fiscal year nor require the school district to demonstrate that it is
22 able to meet its financial obligations for the two subsequent fiscal
23 years.

24 *(2) Notwithstanding any other law, for the 2014–15 fiscal year*
25 *and each fiscal year thereafter, if the county superintendent of*
26 *schools disapproves the budget for the sole reason that the county*
27 *superintendent of schools has not approved a local control and*
28 *accountability plan or an annual update to the local control and*
29 *accountability plan filed by the school district pursuant to Section*
30 *52061, the county superintendent of schools shall not call for the*
31 *formation of a budget review committee pursuant to Section*
32 *42127.1.*

33 (h) Not later than October 8, the county superintendent of
34 schools shall submit a report to the Superintendent identifying all
35 school districts for which budgets have been disapproved or budget
36 review committees waived. The report shall include a copy of the
37 written response transmitted to each of those school districts
38 pursuant to *paragraph (1) of subdivision (d)*.

39 (i) Notwithstanding any other provision of this section, the
40 budget review for a school district shall be governed by paragraphs

(1), (2), and (3), rather than by subdivisions (e) and (g), if the governing board of the school district so elects and notifies the county superintendent of schools in writing of that decision, not later than October 31 of the immediately preceding calendar year. On or before July 1, the governing board of a school district for which the budget review is governed by this subdivision, rather than by subdivisions (e) and (g), shall conduct a public hearing regarding its proposed budget in accordance with Section 42103.

(1) If the adopted budget of a school district is disapproved pursuant to subdivision (d), on or before September 8, the governing board of the school district, in conjunction with the county superintendent of schools, shall review the superintendent's recommendations at a regular meeting of the governing board of the school district and respond to those recommendations. The response shall include any revisions to the adopted budget and other proposed actions to be taken, if any, as a result of those recommendations.

(2) On or before September 22, the county superintendent of schools shall provide a list to the Superintendent identifying all school districts for which a budget may be tentatively disapproved.

(3) Not later than October 8, after receiving the response required under paragraph (1), the county superintendent of schools shall review that response and either approve or disapprove the budget. *Except as provided in paragraph (2) of subdivision (g), if the county superintendent of schools disapproves the budget, he or she shall call for the formation of a budget review committee pursuant to Section 42127.1, unless the governing board of the school district and the county superintendent of schools agree to waive the requirement that a budget review committee be formed and the department approves the waiver after determining that a budget review committee is not necessary. Upon the grant of a waiver, the county superintendent has the authority and responsibility provided to a budget review committee in Section 42127.3. Upon approving a waiver of the budget review committee, the department shall ensure that a balanced budget is adopted for the school district by November 30. The Superintendent shall report to the Legislature and the Director of Finance by December 10 if any school district, including a school district that has received a waiver of the budget review committee process, does not have an adopted budget by November 30. This report shall include the*

1 reasons why a budget has not been adopted by the deadline, the
2 steps being taken to finalize budget adoption, and the date the
3 adopted budget is anticipated. For the 2011–12 fiscal year,
4 notwithstanding any of the standards and criteria adopted by the
5 state board pursuant to Section 33127, the county superintendent
6 of schools, as a condition on approval of a school district budget,
7 shall not require a school district to project a lower level of revenue
8 per unit of average daily attendance than it received in the 2010–11
9 fiscal year nor require the school district to demonstrate that it is
10 able to meet its financial obligations for the two subsequent fiscal
11 years.

12 (4) Not later than 45 days after the Governor signs the annual
13 Budget Act, the school district shall make available for public
14 review any revisions in revenues and expenditures that it has made
15 to its budget to reflect the funding made available by that Budget
16 Act.

17 (j) Any school district for which the county board of education
18 serves as the governing board of the school district is not subject
19 to subdivisions (c) to (h), inclusive, but is governed instead by the
20 budget procedures set forth in Section 1622.

21 ~~SEC. 17.~~

22 *SEC. 18.* Section 42238.01 of the Education Code is amended
23 to read:

24 42238.01. For purposes of Section 42238.02, the following
25 definitions shall apply:

26 (a) “Eligible for free or reduced-price meals” means determined
27 to meet federal income eligibility criteria or deemed to be
28 categorically eligible for free or reduced-price meals under the
29 National School Lunch Program, as described in Part 245 of Title
30 7 of the Code of Federal Regulations.

31 (b) “Foster youth” means a foster child, as described in
32 subdivision (a) of Section 48853.5, or a nonminor under the
33 transition jurisdiction of the juvenile court, as described in Section
34 450 of the Welfare and Institutions Code, who satisfies all of the
35 following criteria:

36 (1) He or she has attained 18 years of age while under an order
37 of foster care placement by the juvenile court, and is not more than
38 19 years of age on or after January 1, 2012, not more than 20 years
39 of age on or after January 1, 2013, and not more than 21 years of

age, on or after January 1, 2014, and as described in Section 10103.5 of the Welfare and Institutions Code.

(2) He or she is in foster care under the placement and care responsibility of the county welfare department, county probation department, Indian tribe, consortium of tribes, or tribal organization that entered into an agreement pursuant to Section 10553.1 of the Welfare and Institutions Code.

(3) He or she is participating in a transitional independent living case plan pursuant to Section 475(8) of the federal Social Security Act (42 U.S.C. Sec. 675(8)), as contained in the federal Fostering Connections to Success and Increasing Adoptions Act of 2008 (Public Law 110-351), as described in Section 11403 of the Welfare and Institutions Code.

(c) “Pupils of limited English proficiency” means pupils who do not have the clearly developed English language skills of comprehension, speaking, reading, and writing necessary to receive instruction only in English at a level substantially equivalent to pupils of the same age or grade whose primary language is English. “English learner” shall have the same meaning as is provided for in subdivision (a) of Section 306 and as “pupils of limited English proficiency.”

~~SEC. 18.~~

SEC. 19. Section 42238.02 of the Education Code is amended to read:

42238.02. (a) The amount computed pursuant to this section shall be known as the school district and charter school local control funding formula.

(b) (1) For purposes of this section “unduplicated pupil” means a pupil enrolled in a school district or a charter school who is either classified as an English learner, eligible for a free or reduced-price meal, or is a foster youth. A pupil shall be counted only once for purposes of this section if any of the following apply:

(A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.

(B) The pupil is classified as an English learner and is a foster youth.

(C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.

(D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.

(2) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a school district or charter school shall annually submit its enrolled free and reduced-price meal eligibility, foster youth, and English learner pupil-level records for enrolled pupils to the Superintendent using the California Longitudinal Pupil Achievement Data System.

(3) (A) Commencing with the 2013–14 fiscal year, a county office of education shall review and validate certified aggregate English learner, foster youth, and free or reduced-price meal eligible pupil data for school districts and charter schools under its jurisdiction to ensure the data is reported accurately. The Superintendent shall provide each county office of education with appropriate access to school district and charter school data reports in the California Longitudinal Pupil Achievement Data System for purposes of ensuring data reporting accuracy.

(B) The Controller shall include the instructions necessary to enforce paragraph (2) in the audit guide required by Section 14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the English learner, foster youth, and free or reduced-price meal eligible pupil counts are consistent with the school district’s or charter school’s English learner, foster youth, and free or reduced-price meal eligible pupil records.

(4) The Superintendent shall make the calculations pursuant to this section using the data submitted by local educational agencies, including charter schools, through the California Longitudinal Pupil Achievement Data System. Under timeframes and procedures established by the Superintendent, school districts and charter schools may review and revise their submitted data on English learner, foster youth, and free or reduced-price meal eligible pupil counts to ensure the accuracy of data reflected in the California Longitudinal Pupil Achievement Data System.

(5) The Superintendent shall annually compute the percentage of unduplicated pupils for each school district and charter school by dividing the enrollment of unduplicated pupils in a school district or charter school by the total enrollment in that school district or charter school pursuant to all of the following:

(A) For the 2013–14 fiscal year, divide the sum of unduplicated pupils for the 2013–14 fiscal year by the sum of the total pupil enrollment for the 2013–14 fiscal year.

(B) For the 2014–15 fiscal year, divide the sum of unduplicated pupils for the 2013–14 and 2014–15 fiscal years by the sum of the total pupil enrollment for the 2013–14 and 2014–15 fiscal years.

(C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of unduplicated pupils for the current fiscal year and the two prior fiscal years by the sum of the total pupil enrollment for the current fiscal year and the two prior fiscal years.

(c) Commencing with the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall annually calculate a local control funding formula grant for each school district and charter school in the state pursuant to this section.

(d) The Superintendent shall compute a grade span adjusted base grant equal to the total of the following amounts:

(1) For the 2013–14 fiscal year, a base grant of:

(A) Six thousand eight hundred forty-five dollars (\$6,845) for average daily attendance in kindergarten and grades 1 to 3, inclusive.

(B) Six thousand nine hundred forty-seven dollars (\$6,947) for average daily attendance in grades 4 to 6, inclusive.

(C) Seven thousand one hundred fifty-four dollars (\$7,154) for average daily attendance in grades 7 and 8.

(D) Eight thousand two hundred eighty-nine dollars (\$8,289) for average daily attendance in grades 9 to 12, inclusive.

(2) In each year the grade span adjusted base grants in paragraph (1) shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

(3) (A) The Superintendent shall compute an additional adjustment to the kindergarten and grades 1 to 3, inclusive, base grant as adjusted for inflation pursuant to paragraph (2) equal to 10.4 percent. The additional grant shall be calculated by

1 multiplying the kindergarten and grades 1 to 3, inclusive, base
2 grant, as adjusted by paragraph (2), by 10.4 percent.

3 (B) Until paragraph (4) of subdivision (b) of Section 42238.03
4 is effective, as a condition of the receipt of funds in this paragraph,
5 a school district shall make progress toward maintaining an average
6 class enrollment of not more than 24 pupils for each schoolsite in
7 kindergarten and grades 1 to 3, inclusive, unless a collectively
8 bargained alternative annual average class enrollment for each
9 schoolsite in those grades is agreed to by the school district,
10 pursuant to the following calculation:

11 (i) Determine a school district's average class enrollment for
12 each schoolsite for kindergarten and grades 1 to 3, inclusive, in
13 the prior year. For the 2013–14 fiscal year, this amount shall be
14 the average class enrollment for each schoolsite for kindergarten
15 and grades 1 to 3, inclusive, in the 2012–13 fiscal year.

16 (ii) Determine a school district's proportion of total need
17 pursuant to paragraph (2) of subdivision (b) of Section 42238.03.

18 (iii) Determine the percentage of the need calculated in clause
19 (ii) that is met by funding provided to the school district pursuant
20 to paragraph (3) of subdivision (b) of Section 42238.03.

21 (iv) Determine the difference between the amount computed
22 pursuant to clause (i) and an average class enrollment of not more
23 than 24 pupils.

24 (v) Calculate a current year average class enrollment adjustment
25 for each schoolsite for kindergarten and grades 1 to 3, inclusive,
26 equal to the adjustment calculated in clause (iv) multiplied by the
27 percentage determined pursuant to clause (iii).

28 (C) School districts that have an average class enrollment for
29 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
30 24 pupils or less for each schoolsite in the 2012–13 fiscal year,
31 shall be exempt from the requirements of subparagraph (B) so long
32 as the school district continues to maintain an average class
33 enrollment for each schoolsite for kindergarten and grades 1 to 3,
34 inclusive, of not more than 24 pupils, unless a collectively
35 bargained alternative ratio is agreed to by the school district.

36 (D) Upon full implementation of the local control funding
37 formula, as a condition of the receipt of funds in this paragraph,
38 all school districts shall maintain an average class enrollment for
39 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
40 not more than 24 pupils for each schoolsite in kindergarten and

1 grades 1 to 3, inclusive, unless a collectively bargained alternative
2 ratio is agreed to by the school district.

3 (E) The average class enrollment requirement for each schoolsite
4 for kindergarten and grades 1 to 3, inclusive, established pursuant
5 to this paragraph shall not be subject to waiver by the state board
6 pursuant to Section 33050 or by the Superintendent.

7 (F) The Controller shall include the instructions necessary to
8 enforce this paragraph in the audit guide required by Section
9 14502.1. The instructions shall include, but are not necessarily
10 limited to, procedures for determining if the average class
11 enrollment for each schoolsite for kindergarten and grades 1 to 3,
12 inclusive, exceeds 24 pupils, or an alternative average class
13 enrollment for each schoolsite pursuant to a collectively bargained
14 alternative ratio. The procedures for determining average class
15 enrollment for each schoolsite shall include criteria for employing
16 sampling.

17 (4) The Superintendent shall compute an additional adjustment
18 to the base grant for grades 9 to 12, inclusive, as adjusted for
19 inflation pursuant to paragraph (2), equal to 2.6 percent. The
20 additional grant shall be calculated by multiplying the base grant
21 for grades 9 to 12, inclusive, as adjusted by paragraph (2), by 2.6
22 percent.

23 (e) The Superintendent shall compute a supplemental grant
24 add-on equal to 20 percent of the base grants as specified in
25 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
26 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision
27 (d), for each school district's or charter school's percentage of
28 unduplicated pupils calculated pursuant to paragraph (5) of
29 subdivision (b). The supplemental grant shall be calculated by
30 multiplying the base grants as specified in subparagraphs (A) to
31 (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to
32 (4), inclusive, of subdivision (d), by 20 percent and by the
33 percentage of unduplicated pupils calculated pursuant to paragraph
34 (5) of subdivision (b) in that school district or charter school. The
35 supplemental grant shall be expended in accordance with the
36 regulations adopted pursuant to Section 42238.07.

37 (f) (1) The Superintendent shall compute a concentration grant
38 add-on equal to 50 percent of the base grants as specified in
39 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
40 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision

1 (d), for each school district's or charter school's percentage of
2 unduplicated pupils calculated pursuant to paragraph (5) of
3 subdivision (b) in excess of 55 percent of the school district's or
4 charter school's total enrollment. The concentration grant shall be
5 calculated by multiplying the base grants as specified in
6 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
7 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision
8 (d), by 50 percent and by the percentage of unduplicated pupils
9 calculated pursuant to paragraph (5) of subdivision (b) in excess
10 of 55 percent of the total enrollment in that school district or charter
11 school.

12 (2) For a charter school physically located in only one school
13 district, the percentage of unduplicated pupils calculated pursuant
14 to paragraph (5) of subdivision (b) in excess of 55 percent used to
15 calculate concentration grants shall not exceed the percentage of
16 unduplicated pupils calculated pursuant to paragraph (5) of
17 subdivision (b) in excess of 55 percent of the school district in
18 which the charter school is physically located. For a charter school
19 physically located in more than one school district, the charter
20 school's percentage of unduplicated pupils calculated pursuant to
21 paragraph (5) of subdivision (b) in excess of 55 percent used to
22 calculate concentration grants shall not exceed that of the school
23 district with the highest percentage of unduplicated pupils
24 calculated pursuant to paragraph (5) of subdivision (b) in excess
25 of 55 percent of the school districts in which the charter school
26 has a school facility. The concentration grant shall be expended
27 in accordance with the regulations adopted pursuant to Section
28 42238.07.

29 (g) The Superintendent shall compute an add-on to the total
30 sum of a school district's or charter school's base, supplemental,
31 and concentration grants equal to the amount of funding a school
32 district or charter school received from funds allocated pursuant
33 to the Targeted Instructional Improvement Block Grant program,
34 as set forth in Article 6 (commencing with Section 41540) of
35 Chapter 3.2, for the 2012–13 fiscal year, as that article read on
36 January 1, 2013. A school district or charter school shall not receive
37 a total funding amount from this add-on greater than the total
38 amount of funding received by the school district or charter school
39 from that program in the 2012–13 fiscal year. The amount

computed pursuant to this subdivision shall reflect the reduction specified in paragraph (2) of subdivision (a) of Section 42238.03.

(h) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentration grants equal to the amount of funding a school district or charter school received from funds allocated pursuant to the Home-to-School Transportation program, as set forth in former Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5, former Article 10 (commencing with Section 41850) of Chapter 5, and the Small School District Transportation program, as set forth in former Article 4.5 (commencing with Section 42290), for the 2012–13 fiscal year. A school district or charter school shall not receive a total funding amount from this add-on greater than the total amount received by the school district or charter school for those programs in the 2012–13 fiscal year. The amount computed pursuant to this subdivision shall reflect the reduction specified in paragraph (2) of subdivision (a) of Section 42238.03.

(i) (1) The sum of the local control funding formula rates computed pursuant to subdivisions (c) to (f), inclusive, shall be multiplied by:

(A) For school districts, the average daily attendance of the school district in the corresponding grade level ranges computed pursuant to Section 42238.05, excluding the average daily attendance computed pursuant to paragraph (2) of subdivision (a) of Section 42238.05 for purposes of the computation specified in subdivision (d).

(B) For charter schools, the total current year average daily attendance in the corresponding grade level ranges.

(2) The amount computed pursuant to Article 4 (commencing with Section 42280) shall be added to the amount computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (d), as multiplied by subparagraph (A) or (B) of paragraph (1), as appropriate.

(j) The Superintendent shall adjust the sum of each school district's or charter school's amount determined in subdivisions (g) to (i), inclusive, pursuant to the calculation specified in Section 42238.03, less the sum of the following:

(1) (A) For school districts, the property tax revenue received pursuant to Chapter 3.5 (commencing with Section 75) and Chapter

1 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
2 Revenue and Taxation Code.

3 (B) For charter schools, the in-lieu property tax amount provided
4 to a charter school pursuant to Section 47635.

5 (2) The amount, if any, received pursuant to Part 18.5
6 (commencing with Section 38101) of Division 2 of the Revenue
7 and Taxation Code.

8 (3) The amount, if any, received pursuant to Chapter 3
9 (commencing with Section 16140) of Part 1 of Division 4 of Title
10 2 of the Government Code.

11 (4) Prior years' taxes and taxes on the unsecured roll.

12 (5) Fifty percent of the amount received pursuant to Section
13 41603.

14 (6) The amount, if any, received pursuant to the Community
15 Redevelopment Law (Part 1 (commencing with Section 33000)
16 of Division 24 of the Health and Safety Code), less any amount
17 received pursuant to Section 33401 or 33676 of the Health and
18 Safety Code that is used for land acquisition, facility construction,
19 reconstruction, or remodeling, or deferred maintenance and that
20 is not an amount received pursuant to Section 33492.15, or
21 paragraph (4) of subdivision (a) of Section 33607.5, or Section
22 33607.7 of the Health and Safety Code that is allocated exclusively
23 for educational facilities.

24 (7) The amount, if any, received pursuant to Sections 34177,
25 34179.5, 34179.6, 34183, and 34188 of the Health and Safety
26 Code.

27 (8) Revenue received pursuant to subparagraph (B) of paragraph
28 (3) of subdivision (e) of Section 36 of Article XIII of the California
29 Constitution.

30 (k) A school district shall annually transfer to each of its charter
31 schools funding in lieu of property taxes pursuant to Section 47635.

32 (l) (1) Nothing in this section shall be interpreted to authorize
33 a school district that receives funding on behalf of a charter school
34 pursuant to Section 47651 to redirect this funding for another
35 purpose unless otherwise authorized in law pursuant to paragraph
36 (2) or pursuant to an agreement between the charter school and its
37 chartering authority.

38 (2) A school district that received funding on behalf of a locally
39 funded charter school in the 2012–13 fiscal year pursuant to
40 paragraph (2) of subdivision (b) of Section 42605, Section 42606,

and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or a school district that was required to pass through funding to a conversion charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42606, as that section read on January 1, 2013, may annually redirect for another purpose a percentage of the amount of the funding received on behalf of that charter school. The percentage of funding that may be redirected shall be determined pursuant to the following computation:

(A) (i) Determine the sum of the need fulfilled for that charter school pursuant to paragraph (3) of subdivision (b) of Section 42238.03 in the then current fiscal year for the charter school.

(ii) Determine the sum of the need fulfilled in every fiscal year before the then current fiscal year pursuant to paragraph (3) of subdivision (b) of Section 42238.03 adjusted for changes in average daily attendance pursuant to paragraph (3) of subdivision (a) of Section 42238.03 for the charter school.

(iii) Subtract the amount computed pursuant to paragraphs (1) to (3), inclusive, of subdivision (a) of Section 42238.03 from the amount computed for that charter school under the local control funding formula entitlement computed pursuant to subdivision (i) of Section 42238.02.

(iv) Compute a percentage by dividing the sum of the amounts computed to clauses (i) and (ii) by the amount computed pursuant to clause (iii).

(B) Multiply the percentage computed pursuant to subparagraph (A) by the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013.

(C) The maximum amount that may be redirected shall be the lesser of the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or the amount computed pursuant to subparagraph (B).

(3) Commencing with the 2013–14 fiscal year, a school district operating one or more affiliated charter schools shall provide each

1 affiliated charter school schoolsite with no less than the amount
2 of funding the schoolsite received pursuant to the charter school
3 block grant in the 2012–13 fiscal year.

4 (m) Any calculations in law that are used for purposes of
5 determining if a local educational agency is an excess tax school
6 entity or basic aid school district, including, but not limited to, this
7 section and Sections 42238.03, 41544, 47632, 47660, 47663,
8 48310, and 48359.5, and Section 95 of the Revenue and Taxation
9 Code, shall be made exclusive of the revenue received pursuant
10 to subparagraph (B) of paragraph (3) of subdivision (e) of Section
11 36 of Article XIII of the California Constitution.

12 (n) The funds apportioned pursuant to this section and Section
13 42238.03 shall be available to implement the activities required
14 pursuant to Article 4.5 (commencing with Section 52060) of
15 Chapter 6.1 of Part 28 of Division 4 of Title 2.

16 (o) A school district that does not receive an apportionment of
17 state funds pursuant to this section, as implemented pursuant to
18 Section 42238.03, excluding funds apportioned pursuant to the
19 requirements of subdivision (e) of Section 42238.03 shall be
20 considered a “basic aid school district” or an “excess tax entity.”

21 ~~SEC. 19.~~

22 *SEC. 20.* Section 42238.025 of the Education Code is amended
23 to read:

24 42238.025. (a) In the 2013–14 fiscal year, the Superintendent
25 shall compute an economic recovery target rate for each school
26 district and charter school equal to the sum of the following:

27 (1) (A) For each school district, the school district’s revenue
28 limit in the 2012–13 fiscal year as computed pursuant to this article,
29 as this article read on January 1, 2013, divided by the 2012–13
30 fiscal year average daily attendance of the school district computed
31 pursuant to Section 42238.05. For purposes of this section, average
32 daily attendance shall include any applicable revenue limit average
33 daily attendance and shall be considered final for purposes of this
34 section as of the annual apportionment for the 2012–13 fiscal year,
35 as calculated for purposes of the certification required on or before
36 February 20, 2014, pursuant to Sections 41332 and 41339.

37 (B) For each charter school, the charter school’s general purpose
38 funding as computed pursuant to Article 2 (commencing with
39 Section 47633) of Chapter 6 of Part 26.8 of Division 4, as that
40 article read on January 1, 2013, and the in-lieu property tax amount

provided to the charter school pursuant to Section 47635, as that section read on January 1, 2013, divided by the 2012–13 fiscal year average daily attendance of the charter school computed pursuant to Section 42238.05. For purposes of this section, average daily attendance shall include any applicable charter school general purpose funding average daily attendance and shall be considered final for purposes of this section as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.

(C) The amounts determined pursuant to subparagraphs (A) and (B) shall not reflect the deficit factor adjustments set forth in Section 42238.146 as that section read on January 1, 2013.

(D) The amounts determined pursuant to subparagraphs (A) and (B) shall be adjusted for the cost-of-living adjustment for the 2013–14 fiscal year pursuant to paragraph (2) of subdivision (d) of Section 42238.02 and an annual average cost-of-living adjustment of 1.94 percent for the 2014–15 fiscal year to the 2020–21 fiscal year, inclusive.

(2) (A) For each school district and charter school, the sum of the entitlements from items contained in Section 2.00 of the Budget Act of 2012 for Items 6110-104-0001, 6110-105-0001, 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001, 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4, as it read on January 1, 2013, and 2012–13 fiscal year funding for pupils enrolled in community day schools who are mandatorily expelled pursuant to subdivision (d) of Section 48915, divided by the 2012–13 fiscal year average daily attendance of the school district computed pursuant to Section 42238.05.

1 (B) The amounts determined pursuant to this subdivision shall
2 not be adjusted for the reduction set forth in Section 12.42 of the
3 Budget Act of 2012.

4 (b) Of the amounts computed for school districts pursuant to
5 subdivision (a), the Superintendent shall determine the funding
6 rate per unit of average daily attendance above which fall not more
7 than 10 percent of the total number of school districts statewide.

8 (c) The Superintendent shall compute a 2020–21 fiscal year
9 local control funding formula rate for each school district and
10 charter school equal to the amount computed pursuant to Section
11 42238.02 for the 2013–14 fiscal year, adjusted for an annual
12 average cost-of-living adjustment of 1.94 percent for the 2014–15
13 fiscal year to the 2020–21 fiscal year, inclusive, divided by the
14 2012–13 fiscal year average daily attendance of the school district
15 or charter school computed pursuant to Section 42238.05.

16 (d) (1) For each school district and charter school that has a
17 funding rate per unit of average daily attendance computed pursuant
18 to subdivision (a) that is equal to, or below, the funding rate per
19 unit of average daily attendance determined pursuant to subdivision
20 (b), the Superintendent shall subtract the amount computed
21 pursuant to subdivision (c) from the amount computed pursuant
22 to subdivision (a). Each school district or charter school for which
23 this calculation yields an amount greater than zero shall be eligible
24 for an economic recovery target payment equal to the amount of
25 the difference. A school district or charter school that has a funding
26 rate per unit of average daily attendance calculated pursuant to
27 subdivision (a) that exceeds the rate calculated pursuant to
28 subdivision (b) shall not be eligible for an economic recovery
29 target payment.

30 (2) Each school district or charter school eligible for an
31 economic recovery target payment pursuant to paragraph (1) shall
32 receive the following apportionments:

33 (A) For the 2013–14 fiscal year, one-eighth of the amount
34 calculated pursuant to paragraph (1) multiplied by the 2012–13
35 fiscal year average daily attendance computed pursuant to Section
36 42238.05.

37 (B) For the 2014–15 fiscal year, two-eighths of the amount
38 calculated pursuant to paragraph (1) multiplied by the 2012–13
39 fiscal year average daily attendance computed pursuant to Section
40 42238.05.

(C) For the 2015–16 fiscal year, three-eighths of the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(D) For the 2016–17 fiscal year, four-eighths of the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(E) For the 2017–18 fiscal year, five-eighths of the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(F) For the 2018–19 fiscal year, six-eighths of the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(G) For the 2019–20 fiscal year, seven-eighths of the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(H) For the 2020–21 fiscal year and each fiscal year thereafter, the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(3) In each fiscal year until a determination has been made that all school districts and charter schools equal or exceed the local control funding formula target computed pursuant to Section 42238.02, as determined by the calculation of a zero difference pursuant to paragraph (1) of subdivision (b) of Section 42238.03, the economic recovery target payment apportioned to each eligible school district or charter school pursuant to paragraph (2) shall be added to the school district’s or charter school’s funding amounts that are continuously appropriated pursuant to subdivision (a) of Section 42238.03 and included in the amount of funding that may be offset pursuant to subdivision (c) of Section 42238.03. The amount apportioned pursuant to paragraph (2) shall not receive a cost-of-living adjustment.

(4) Commencing with the first fiscal year in which all school districts and charter schools are apportioned funding pursuant to Section 42238.02, the economic recovery target calculated pursuant

1 to paragraph (2) shall be included as an add-on to the amounts
2 computed pursuant to subdivisions (c) to (i), inclusive, of Section
3 42238.02 and included in the amount of funding that may be offset
4 pursuant to subdivision (j) of Section 42238.02. The amount
5 included as an add-on pursuant to this paragraph shall not receive
6 a cost-of-living adjustment.

7 ~~SEC. 20.~~

8 *SEC. 21.* Section 42238.03 of the Education Code is amended
9 to read:

10 42238.03. (a) Commencing with the 2013–14 fiscal year and
11 each fiscal year thereafter, the Superintendent shall calculate a
12 base entitlement for the transition to the local control funding
13 formula for each school district and charter school equal to the
14 sum of the amounts computed pursuant to paragraphs (1) to (4),
15 inclusive. The amounts computed pursuant to paragraphs (1) to
16 (4), inclusive, shall be continuously appropriated pursuant to
17 Section 14002.

18 (1) The current fiscal year base entitlement funding level shall
19 be the sum of all of the following:

20 (A) For school districts, revenue limits in the 2012–13 fiscal
21 year as computed pursuant to Article 2 (commencing with Section
22 42238), as that article read on January 1, 2013, divided by the
23 2012–13 average daily attendance of the school district computed
24 pursuant to Section 42238.05. That quotient shall be multiplied
25 by the current fiscal year average daily attendance of the school
26 district computed pursuant Section 42238.05. A school district's
27 2012–13 fiscal year revenue limit funding shall exclude amounts
28 computed pursuant to Article 4 (commencing with Section 42280).

29 (B) (i) For charter schools, general purpose funding as
30 computed pursuant to Article 2 (commencing with Section 47633)
31 of Chapter 6, as that article read on January 1, 2013, and the
32 amount of in-lieu property tax provided to the charter school
33 pursuant to Section 47635, as that section read on June 30, 2013,
34 divided by the 2012–13 average daily attendance of the charter
35 school computed pursuant to Section 42238.05. That quotient shall
36 be multiplied by the current fiscal year average daily attendance
37 of the charter school computed pursuant to Section 42238.05.

38 (ii) The amount computed pursuant to clause (i) shall exclude
39 funds received by a charter school pursuant to Section 47634.1,
40 as that section read on January 1, 2013.

(C) The amount computed pursuant to subparagraph (A) shall exclude funds received pursuant to Section 47633, as that section read on January 1, 2013.

(D) For school districts, funding for qualifying necessary small high school and necessary small elementary schools shall be adjusted to reflect the funding levels that correspond to the 2012–13 necessary small high school and necessary small elementary school allowances pursuant Article 4 (commencing with Section 42280) and Section 42238.146, as those provisions read on January 1, 2013.

(2) Entitlements from items contained in Section 2.00, as adjusted pursuant to Section 12.42, of the Budget Act of 2012 for Items 6110-104-0001, 6110-105-0001, 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001, 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4, as it read on January 1, 2013, and 2012–13 fiscal year funding for pupils enrolled in community day schools who are mandatorily expelled pursuant to subdivision (d) of Section 48915. The entitlement for basic aid school districts shall include the reduction of 8.92 percent as applied pursuant to subparagraph (A) of paragraph (1) of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

(3) The allocations pursuant to Sections 42606 and 47634.1, as those sections read on January 1, 2013, divided by the 2012–13 average daily attendance of the charter school computed pursuant to Section 42238.05. That quotient shall be multiplied by the current fiscal year average daily attendance of the charter school computed pursuant to Section 42238.05.

(4) The amount allocated to a school district or charter school pursuant to paragraph (3) of subdivision (b) for the fiscal years before the current fiscal year divided by the average daily attendance of the school district or charter school for the fiscal

1 years before the current fiscal year computed pursuant to Section
2 42238.05. That quotient shall be multiplied by the current fiscal
3 year average daily attendance of the school district or charter school
4 computed pursuant to Section 42238.05.

5 (5) (A) For the 2013–14 and 2014–15 fiscal years only, a school
6 district that, in the 2012–13 fiscal year, from any of the funding
7 sources identified in paragraph (1) or (2), received funds on behalf
8 of, or provided funds to, a regional occupational center or program
9 joint powers agency established in accordance with Article 1
10 (commencing with Section 6500) of Chapter 5 of Division 7 of
11 Title 1 of the Government Code for purposes of providing
12 instruction to secondary pupils shall not redirect that funding for
13 another purpose unless otherwise authorized in law or pursuant to
14 an agreement between the regional occupational center or program
15 joint powers agency and the contracting school district.

16 (B) For the 2013–14 and 2014–15 fiscal years only, if a regional
17 occupational center or program joint powers agency established
18 in accordance with Article 1 (commencing with Section 6500) of
19 Chapter 5 of Division 7 of Title 1 of the Government Code for
20 purposes of providing instruction to pupils enrolled in grades 9 to
21 12, inclusive, received, in the 2012–13 fiscal year, an
22 apportionment of funds directly from any of the funding sources
23 identified in subparagraph (A) of paragraph (2) of subdivision (a),
24 the Superintendent shall apportion that same amount to the regional
25 occupational center or program joint powers agency.

26 (6) (A) (i) For the 2013–14 and 2014–15 fiscal years only, a
27 school district that, in the 2012–13 fiscal year, from any of the
28 funding sources identified in paragraph (1) or (2), received funds
29 on behalf of, or provided funds to, a home-to-school transportation
30 joint powers agency established in accordance with Article 1
31 (commencing with Section 6500) of Chapter 5 of Division 7 of
32 Title 1 of the Government Code for purposes of providing pupil
33 transportation shall not redirect that funding for another purpose
34 unless otherwise authorized in law or pursuant to an agreement
35 between the home-to-school transportation joint powers agency
36 and the contracting school district.

37 (ii) For the 2013–14 and 2014–15 fiscal years only, if a
38 home-to-school transportation joint powers agency established in
39 accordance with Article 1 (commencing with Section 6500) of
40 Chapter 5 of Division 7 of Title 1 of the Government Code for

purposes of providing pupil transportation received, in the 2012–13 fiscal year, an apportionment of funds directly from the Superintendent from any of the funding sources identified in subparagraph (A) of paragraph (2) of subdivision (a), the Superintendent shall apportion that same amount to the home-to-school transportation joint powers agency.

(B) In addition to subparagraph (A), of the funds a school district receives for home-to-school transportation programs the school district shall expend, pursuant to Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5, Article 10 (commencing with Section 41850) of Chapter 5, and the Small School District Transportation program, as set forth in Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, no less for those programs than the amount of funds the school district expended for home-to-school transportation in the 2012–13 fiscal year.

(7) For the 2013–14 and 2014–15 fiscal years only, of the funds a school district receives for purposes of regional occupational centers or programs, or adult education, the school district shall expend no less than the amount of funds the school district expended for purposes of regional occupational centers or programs, or adult education, respectively, in the 2012–13 fiscal year. For purposes of this paragraph, a school district may include expenditures made by its county office of education within the school district for purposes of regional occupational centers or programs so long as the total amount of expenditures by the school district and the county office of education equal or exceed the total amount required to be expended for purposes of regional occupational centers or programs pursuant to this paragraph and paragraph (3) of subdivision (k) of Section 2575.

(b) Compute an annual local control funding formula transition adjustment for each school district and charter school as follows:

(1) Subtract the amount computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a) from the amount computed for each school district or charter school under the local control funding formula entitlements computed pursuant to Section 42238.02. School districts and charter schools with a negative difference shall be deemed to have a zero difference.

(2) Each school district’s and charter school’s total need, as calculated pursuant to paragraph (1), shall be divided by the sum

1 of all school districts' and charter schools' total need to determine
2 the school district's or charter school's respective proportions of
3 total need.

4 (3) Each school district's and charter school's proportion of
5 total need shall be multiplied by any available appropriations
6 specifically made for purposes of this subdivision, and added to
7 the school district's or charter school's funding amounts as
8 calculated pursuant to subdivision (a).

9 (4) If the total amount of funds appropriated for purposes of
10 paragraph (3) pursuant to this subdivision are sufficient to fully
11 fund any positive amounts computed pursuant to paragraph (1),
12 the local control funding formula grant computed pursuant to
13 subdivision (c) of Section 42238.02 shall be adjusted to ensure
14 that any available appropriation authority is expended for purposes
15 of the local control funding formula.

16 (5) Commencing with the first fiscal year after either paragraph
17 (4) of this subdivision or paragraph (2) of subdivision (g) applies,
18 the adjustments in paragraph (2) of subdivision (d) of Section
19 42238.02 shall be made only if an appropriation for those
20 adjustments is included in the annual Budget Act.

21 (c) The Superintendent shall subtract from the amounts
22 computed pursuant to subdivisions (a) and (b) the sum of the
23 following:

24 (1) (A) For school districts, the property tax revenue received
25 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter
26 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
27 Revenue and Taxation Code.

28 (B) For charter schools, the in-lieu property tax amount provided
29 to a charter school pursuant to Section 47635.

30 (2) The amount, if any, received pursuant to Part 18.5
31 (commencing with Section 38101) of Division 2 of the Revenue
32 and Taxation Code.

33 (3) The amount, if any, received pursuant to Chapter 3
34 (commencing with Section 16140) of Part 1 of Division 4 of Title
35 2 of the Government Code.

36 (4) Prior years' taxes and taxes on the unsecured roll.

37 (5) Fifty percent of the amount received pursuant to Section
38 41603.

39 (6) The amount, if any, received pursuant to the Community
40 Redevelopment Law (Part 1 (commencing with Section 33000))

of Division 24 of the Health and Safety Code), less any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance and that is not an amount received pursuant to Section 33492.15, or paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

(7) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.

(8) Revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(d) A school district or charter school that has a zero difference pursuant to paragraph (1) of subdivision (b) in the prior fiscal year shall receive an entitlement equal to the amount calculated pursuant to Section 42238.02 in the current fiscal year and future fiscal years.

(e) Notwithstanding the computations pursuant to subdivisions (b) to (d), inclusive, and Section 42238.02, commencing with the 2013–14 fiscal year, a school district or charter school shall receive state-aid funding of no less than the sum of the amounts computed pursuant to paragraphs (1) to (3), inclusive.

(1) (A) For school districts, revenue limits in the 2012–13 fiscal year as computed pursuant to Article 2 (commencing with Section 42238), as that article read on January 1, 2013, divided by the 2012–13 average daily attendance of the school district computed pursuant to Section 42238.05. That quotient shall be multiplied by the current fiscal year average daily attendance of the school district computed pursuant Section 42238.05. A school district’s 2012–13 revenue limit funding shall exclude amounts computed pursuant to Article 4 (commencing with Section 42280).

(B) (i) For charter schools, general purpose funding in the 2012–13 fiscal year as computed pursuant to Article 2 (commencing with Section 47633) of Chapter 6, as that article read on January 1, 2013, and the amount of in-lieu property tax provided to the charter school in the 2012–13 fiscal year pursuant to Section 47635, as that section read on January 1, 2013, divided by the 2012–13 average daily attendance of the charter school

1 computed pursuant to Section 42238.05. That quotient shall be
2 multiplied by the current fiscal year average daily attendance of
3 the charter school computed pursuant to Section 42238.05.

4 (ii) The amount computed pursuant to clause (i) shall exclude
5 funds received by a charter school pursuant to Section 47634.1,
6 as that section read on January 1, 2013.

7 (C) The amount computed pursuant to subparagraph (A) shall
8 exclude funds received pursuant to Section 47633, as that section
9 read on January 1, 2013.

10 (D) For school districts, the 2012–13 funding allowance
11 provided for qualifying necessary small high schools and necessary
12 small elementary schools pursuant to Article 4 (commencing with
13 Section 42280) and Section 42238.146, as those provisions read
14 on January 1, 2013.

15 (E) The amount computed pursuant to subparagraphs (A) to
16 (D), inclusive, shall be reduced by the sum of the amount computed
17 pursuant to paragraphs (1) to (8), inclusive, of subdivision (c).

18 (2) (A) Entitlements from items contained in Section 2.00, as
19 adjusted pursuant to Section 12.42, of the Budget Act of 2012 for
20 Items 6110-104-0001, 6110-105-0001, 6110-108-0001,
21 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001,
22 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001,
23 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001,
24 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001,
25 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001,
26 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,
27 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,
28 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001,
29 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for
30 the Class Size Reduction Program pursuant to Chapter 6.10
31 (commencing with Section 52120) of Part 28 of Division 4, as it
32 read on January 1, 2013, and 2012–13 fiscal year funding for pupils
33 enrolled in community day schools who are mandatorily expelled
34 pursuant to subdivision (d) of Section 48915. Notwithstanding
35 Section 39 of Chapter 38 of the Statutes of 2012, the entitlement
36 for basic aid school districts shall include the reduction of 8.92
37 percent as applied pursuant to subparagraph (A) of paragraph (1)
38 of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

39 (B) The Superintendent shall annually apportion any entitlement
40 provided to the state special schools from the items specified in

1 subparagraph (A) to the state special schools in the same amount
2 as the state special schools received from those items in the
3 2012–13 fiscal year.

4 (3) The allocations pursuant to Sections 42606 and 47634.1, as
5 those sections read on January 1, 2013, divided by the 2012–13
6 average daily attendance of the charter school. That quotient shall
7 be multiplied by the current fiscal year average daily attendance
8 of the charter school.

9 (f) (1) For purposes of this section, commencing with the
10 2013–14 fiscal year and until all school districts and charter schools
11 equal or exceed their local control funding formula target computed
12 pursuant to Section 42238.02, as determined by the calculation of
13 a zero difference pursuant to paragraph (1) of subdivision (b), a
14 newly operational charter school shall be determined to have a
15 prior year per average daily attendance funding amount equal to
16 the lesser of:

17 (A) The prior year funding amount per unit of average daily
18 attendance for the school district in which the charter school is
19 physically located. The Superintendent shall calculate the funding
20 amount per unit of average daily attendance for this purpose by
21 dividing the total local control funding formula entitlement,
22 calculated pursuant to subdivisions (a) and (b), received by that
23 school district in the prior year by prior year funded average daily
24 attendance of that school district. For purposes of this
25 subparagraph, a charter school that is physically located in more
26 than one school district shall use the calculated local control
27 funding entitlement per unit of average daily attendance of the
28 school district with the highest prior year funding amount per unit
29 of average daily attendance.

30 (B) The charter school's local control funding formula rate
31 computed pursuant to subdivisions (c) to (i), inclusive, of Section
32 42238.02.

33 (2) For charter schools funded pursuant to paragraph (1), the
34 charter school shall be eligible to receive growth funding pursuant
35 to subdivision (b) toward meeting the newly operational charter
36 school's local control funding formula target.

37 (3) Upon a determination that all school districts and charter
38 schools equal or exceed the local control funding formula target
39 computed pursuant to Section 42238.02, as determined by the
40 calculation of a zero difference pursuant to paragraph (1) of

subdivision (b) for all school districts and charter schools, this subdivision shall not apply and the charter school shall receive an allocation equal to the amount calculated under Section 42238.02 in that fiscal year and future fiscal years.

(g) (1) In each fiscal year the Superintendent shall determine the percentage of school districts that are apportioned funding pursuant to this section that is less than the amount computed pursuant to Section 42238.02 as of the second principal apportionments of the fiscal year. If the percentage is less than 10 percent, the Superintendent shall apportion funding to school districts and charter schools equal to the amount computed pursuant to Section 42238.02 in that fiscal year.

(2) For each fiscal year thereafter, the Superintendent shall apportion funding to a school district and charter school equal to the amount computed pursuant to Section 42238.02.

~~SEC. 21.~~

SEC. 22. Section 42238.05 of the Education Code is amended to read:

42238.05. (a) For purposes of Sections 42238.02, 42238.025, and 42238.03, the fiscal year average daily attendance for a school district shall be computed pursuant to paragraphs (1) to (3), inclusive, as applicable.

(1) The second principal apportionment regular average daily attendance for either the current or prior fiscal year, whichever is greater, excluding units of average daily attendance resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280).

(2) The units of average daily attendance resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280).

(3) Prior fiscal year average daily attendance shall be adjusted for any loss or gain of average daily attendance due to a reorganization or transfer of territory.

(b) For purposes of this article, regular average daily attendance shall be the base grant average daily attendance.

(c) For purposes of this section, the Superintendent shall distribute total ungraded enrollment and average daily attendance among kindergarten and each of grades 1 to 12, inclusive, in proportion to the amounts of graded enrollment and average daily attendance, respectively, in each of these grades.

1 (d) Subdivisions (a) to (c), inclusive, shall only apply to average
2 daily attendance generated by school districts and shall not apply
3 to average daily attendance generated by charter schools.

4 (e) A pupil shall not be counted more than once for purposes
5 of calculating average daily attendance pursuant to this section.

6 (f) For purposes of Sections 42238.02, 42238.025, and 42238.03,
7 average daily attendance for a charter school shall be the total
8 current year average daily attendance in the corresponding grade
9 level ranges for the charter school as computed pursuant to Section
10 47634.3.

11 ~~SEC. 22.~~

12 *SEC. 23.* Section 42238.20 of the Education Code is amended
13 to read:

14 42238.20. (a) Notwithstanding any other law, commencing in
15 the 2008–09 fiscal year, the minimum schoolday for a pupil
16 concurrently enrolled in regular secondary school classes and
17 classes operating pursuant to a joint powers agreement that became
18 effective before January 1, 2008, is 180 minutes. These regular
19 secondary school classes constitute regular school classes for the
20 purposes of Section 46010.3.

21 (b) For a pupil described in subdivision (a), the average daily
22 attendance shall be included as school district average daily
23 attendance computed pursuant to Section 42238.5.

24 (c) For purposes of computing attendance pursuant to Section
25 46300 or any other law, immediate supervision and control of
26 pupils while attending classes pursuant to a joint powers agreement
27 described in subdivision (a) is deemed satisfied regardless of the
28 school district employing the certificated employee providing the
29 supervision and control, provided the school district is a party to
30 the joint powers agreement.

31 (d) This section shall become inoperative on July 1, 2017, and,
32 as of January 1, 2018, is repealed, unless a later enacted statute,
33 that becomes operative on or before January 1, 2018, deletes or
34 extends the dates on which it becomes inoperative and is repealed.

35 ~~SEC. 23.~~

36 *SEC. 24.* Section 42283 of the Education Code is amended to
37 read:

38 42283. (a) For purposes of Sections 42281 and 42282, a
39 “necessary small school” is an elementary school with an average
40 daily attendance of less than 97, exclusive of pupils attending the

1 seventh and eighth grades of a junior high school, maintained by
2 a school district to which any of the following conditions apply:

3 (1) If as many as five pupils residing in the school district and
4 attending kindergarten and grades 1 to 8, inclusive, exclusive of
5 pupils attending the seventh and eighth grades of a junior high
6 school in the elementary school with an average daily attendance
7 of less than 97 would be required to travel more than 10 miles one
8 way from a point on a well-traveled road nearest their home to the
9 nearest other public elementary school.

10 (2) If as many as 15 pupils residing in the school district and
11 attending kindergarten and grades 1 to 8, inclusive, exclusive of
12 pupils attending the seventh and eighth grades of a junior high
13 school in the elementary school with an average daily attendance
14 of less than 97 would be required to travel more than five miles
15 one way from a point on a well-traveled road nearest their home
16 to the nearest other public elementary school.

17 (3) If topographical or other conditions exist in a school district
18 which would impose unusual hardships if the number of miles
19 specified in paragraph (1) or (2) were required to be traveled, or
20 if during the fiscal year the roads which would be traveled have
21 been impassable for more than an average of two weeks per year
22 for the preceding five years, the governing board of the school
23 district may, on or before April 1, request the Superintendent, in
24 writing, for an exemption from these requirements or for a
25 reduction in the miles required. The request shall be accompanied
26 by a statement of the conditions upon which the request is based,
27 giving the information in a form required by the Superintendent.
28 The Superintendent shall cause an investigation to be made, and
29 shall either grant the request to the extent he or she deems
30 necessary, or deny the request.

31 (b) For purposes of this section, “other public elementary
32 school” is a public school, including a charter school, that serves
33 kindergarten or any of grades 1 to 8, inclusive, exclusive of grades
34 7 and 8 of a junior high school.

35 ~~SEC. 24.~~

36 *SEC. 25.* Section 42284 of the Education Code is amended to
37 read:

38 42284. (a) For each district with fewer than 2,501 units of
39 average daily attendance, on account of each necessary small high
40 school, the county superintendent of schools shall make one of the

following computations selected with regard only to the number of certificated employees employed or average daily attendance, whichever provides the lesser amount:

Average daily attendance	Minimum number of certificated employees	Amount to be computed
1– 19	less than 3	\$42,980
1– 19	3	191,340
20– 38	4	234,320
39– 57	5	277,300
58– 71	6	320,280
72– 86	7	363,260
87– 100	8	406,240
101–114	9	449,220
115–129	10	492,200
130–143	11	535,180
144–171	12	578,160
172–210	13	621,140
211–248	14	664,120
249–286	15	707,100

(b) For purposes of this section, a “certificated employee” means an equivalent full-time position of an individual holding a credential authorizing service and providing service in grades 9 to 12, inclusive, in any secondary school. Any fraction of an equivalent full-time position remaining after all equivalent full-time positions for certificated employees within the school district have been calculated shall be deemed to be a full-time position.

(c) A school district that qualifies under this section may use the funding calculation as provided in this section until the local control funding formula allocation pursuant to Section 42238.02, as implemented by Section 42238.03, per unit of average daily attendance multiplied by the average daily attendance produces state aid equal to the funding provided under this section.

~~SEC. 25.~~

SEC. 26. Section 42285 of the Education Code is amended to read:

1 42285. (a) For purposes of Section 42284, a necessary small
2 high school is a high school with an average daily attendance of
3 less than 287 that comes within any of the following conditions:

4 (1) The projection of its future enrollment on the basis of the
5 enrollment of the elementary schools in the school district shows
6 that within eight years the enrollment in high school in grades 9
7 to 12, inclusive, will exceed 286 pupils.

8 (2) Any one of the following combinations of distance and units
9 of average daily attendance applies:

10 (A) The high school had an average daily attendance of less
11 than 96 in grades 9 to 12, inclusive, during the preceding fiscal
12 year and is more than 15 miles by well-traveled road from the
13 nearest other public high school and either 90 percent of the pupils
14 would be required to travel 20 miles or 25 percent of the pupils
15 would be required to travel 30 miles one way from a point on a
16 well-traveled road nearest their homes to the nearest other public
17 high school.

18 (B) The high school had an average daily attendance of 96 or
19 more and less than 144 in grades 9 to 12, inclusive, during the
20 preceding fiscal year and is more than 10 miles by well-traveled
21 road from the nearest other public high school and either 90 percent
22 of the pupils would be required to travel 18 miles or 25 percent of
23 the pupils would be required to travel 25 miles one way from a
24 point on a well-traveled road nearest their homes to the nearest
25 other public high school.

26 (C) The high school had an average daily attendance of 144 or
27 more and less than 192 in grades 9 to 12, inclusive, during the
28 preceding fiscal year and is more than 7 ½ miles by well-traveled
29 road from the nearest other public high school and either 90 percent
30 of the pupils would be required to travel 15 miles or 25 percent of
31 the pupils would be required to travel 20 miles one way from a
32 point on a well-traveled road nearest their homes to the nearest
33 other public high school.

34 (D) The high school had an average daily attendance of 192 or
35 more and less than 287 in grades 9 to 12, inclusive, during the
36 preceding fiscal year and is more than ~~five~~ 5 miles by well-traveled
37 road from the nearest other public high school and either 90 percent
38 of the pupils would be required to travel 10 miles or 25 percent of
39 the pupils would be required to travel 15 miles to the nearest other
40 public high school.

1 (3) Topographical or other conditions exist in the school district
2 which would impose unusual hardships on the pupils if the number
3 of miles specified above were required to be traveled. In these
4 cases, the Superintendent may, when requested, and after
5 investigation, grant exceptions from the distance requirements.

6 (4) The Superintendent has approved the recommendation of a
7 county committee on school district organization designating one
8 of two or more schools as necessary isolated schools in a situation
9 where the schools are operated by two or more school districts and
10 the average daily attendance of each of the schools is less than 287
11 in grades 9 to 12, inclusive.

12 (b) For purposes of Section 42284, a necessary small high school
13 also includes a high school maintained by a school district for the
14 exclusive purpose of educating juvenile hall pupils or pupils with
15 exceptional needs.

16 (c) For purposes of Section 42284, a necessary small high school
17 does not include a continuation school.

18 (d) For purposes of this section, “other public high school” is
19 a public school, including a charter school, that serves any of
20 grades 9 to 12, inclusive.

21 ~~SEC. 26.~~

22 ~~SEC. 27.~~ Section 42285.5 of the Education Code is repealed.

23 ~~SEC. 27.~~

24 ~~SEC. 28.~~ Section 42287 of the Education Code is amended to
25 read:

26 42287. (a) For the 1984–85 fiscal year to the 2012–13 fiscal
27 year, inclusive, the Superintendent shall increase the funding
28 amounts specified in Sections 42281, 42282, and 42284 by an
29 amount proportionate to the increase applied to the statewide
30 average revenue limit for unified school districts for the then
31 current fiscal year.

32 (b) Commencing with the 2013–14 fiscal year, the
33 Superintendent shall increase the funding amounts specified in
34 Sections 42281, 42282, and 42284, as previously increased
35 pursuant to subdivision (a) and Sections 42289 to 42289.5,
36 inclusive, by the percentage calculated pursuant to paragraph (2)
37 of subdivision (d) of Section 42238.02, subject to the criteria
38 specified in paragraph (5) of subdivision (b) of Section 42238.03,
39 for the then current fiscal year.

1 ~~SEC. 28.~~

2 *SEC. 29.* Section 46200 of the Education Code is amended to
3 read:

4 46200. For a school district that received an apportionment
5 pursuant to subdivision (a) of this section, as it read on January 1,
6 2013, and that offers less than 180 days of instruction or, in
7 multitrack year-round schools, fewer than the number of days
8 required in subdivision (a) of this section, as it read on January 1,
9 2013, in the 2013–14 fiscal year, or any fiscal year thereafter, the
10 Superintendent shall withhold from the school district’s local
11 control funding formula grant apportionment pursuant to Section
12 42238.02, as implemented by Section 42238.03, for the average
13 daily attendance of each affected grade level the sum of 0.0056
14 multiplied by that apportionment for each day less than what was
15 required in subdivision (a) of this section, as it read on January 1,
16 2013, up to a maximum of five days.

17 ~~SEC. 29.~~

18 *SEC. 30.* Section 46201 of the Education Code is amended to
19 read:

20 46201. (a) For each school district that received an
21 apportionment pursuant to subdivision (a) of this section, as it read
22 on January 1, 2013, and that reduces the amount of instructional
23 time offered below the minimum amounts specified in subdivision
24 (b), the Superintendent shall withhold from the school district’s
25 local control funding formula grant apportionment pursuant to
26 Section 42238.02, as implemented by Section 42238.03, for the
27 average daily attendance of each affected grade level, the sum of
28 that apportionment multiplied by the percentage of the minimum
29 offered minutes at that grade level that the school district failed to
30 offer.

31 (b) Commencing with the 2013–14 fiscal year:

32 (1) Thirty-six thousand minutes in kindergarten.

33 (2) Fifty thousand four hundred minutes in grades 1 to 3,
34 inclusive.

35 (3) Fifty-four thousand minutes in grades 4 to 8, inclusive.

36 (4) Sixty-four thousand eight hundred minutes in grades 9 to
37 12, inclusive.

38 ~~SEC. 30.~~

39 *SEC. 31.* Section 46202 of the Education Code is amended to
40 read:

46202. If a school district that does not participate in the program set forth in Sections 46200 to 46206, inclusive, as those sections read on January 1, 2013, offers less instructional time in a fiscal year than the amount of instructional time fixed for the 1982–83 fiscal year, the Superintendent shall withhold for that fiscal year, from the school district’s local control funding formula grant apportionment pursuant to Section 42238.02, as implemented by Section 42238.03, for the average daily attendance of each affected grade level, the amount of that apportionment multiplied by the percentage of instructional minutes fixed in the 1982–83 school year, at that grade level, that the school district failed to offer.

~~SEC. 31.~~

SEC. 32. Section 46208 of the Education Code is amended to read:

46208. (a) Notwithstanding Sections 46200 to 46205, inclusive, upon a determination that a school district equals or exceeds its local control funding formula target computed pursuant to Section 42238.02 as determined by the calculation of a zero difference pursuant to paragraph (1) of subdivision (b) of Section 42238.03, each school district, as a condition of apportionment pursuant to Section 42238.02, as implemented pursuant to Section 42238.03, shall offer 180 days or more of instruction per school year. A school operating as a multitrack year-round school shall be deemed to be in compliance with the 180-day requirement if it certifies to the Superintendent that it is a multitrack year-round school and maintains its school for a minimum of 163 schooldays.

(b) Notwithstanding subdivision (a), for the 2013–14 and 2014–15 school years, a school district that equals or exceeds its computed local control funding formula target may reduce the equivalent of up to five days of instruction or the equivalent number of instructional minutes without incurring the penalties set forth in this section.

(c) For a school district that has met its local control funding formula target and that offers fewer than the number of instructional days required pursuant to this section, the Superintendent shall withhold from the school district’s local control funding formula grant apportionment pursuant to Section 42238.02, as implemented by Section 42238.03, for the average daily attendance of each affected grade level, the sum of 0.0056

1 multiplied by that apportionment for each day less than what was
2 required pursuant to this section, for up to five days.

3 ~~SEC. 32.~~

4 *SEC. 33.* Section 47612 of the Education Code is amended to
5 read:

6 47612. (a) A charter school shall be deemed to be under the
7 exclusive control of the officers of the public schools for purposes
8 of Section 8 of Article IX of the California Constitution, with
9 regard to the appropriation of public moneys to be apportioned to
10 any charter school, including, but not necessarily limited to,
11 appropriations made for purposes of this chapter.

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

19 (c) A charter school shall be deemed to be a “school district”
20 for purposes of Article 1 (commencing with Section 14000) of
21 Chapter 1 of Part 9 of Division 1 of Title 1, Section 41301, Section
22 41302.5, Article 10 (commencing with Section 41850) of Chapter
23 5 of Part 24 of Division 3, Section 47638, and Sections 8 and 8.5
24 of Article XVI of the California Constitution.

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

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

32 (2) Operate no more than five tracks.

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

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

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

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

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

6 ~~SEC. 33.~~

7 *SEC. 34.* Section 47614.5 of the Education Code is amended
8 to read:

9 47614.5. (a) The Charter School Facility Grant Program is
10 hereby established, and, commencing with the 2013–14 fiscal year,
11 shall be administered by the California School Finance Authority.
12 The grant program is intended to provide assistance with facilities
13 rent and lease costs for pupils in charter schools.

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

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

26 (1) Inform charter schools of the grant program.

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

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

1 who reside in the elementary school attendance area where the
2 charter schoolsite is located.

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

5 (3) Inform charter schools of their grant eligibility.

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

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

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

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

28 (D) Notwithstanding subparagraph (A), the initial apportionment
29 in the 2013–14 fiscal year shall be made by October 15, 2013, or
30 105 days after enactment of the Budget Act of 2013, whichever is
31 later.

32 (d) For the purposes of this section:

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

39 (2) If prior year rent or lease costs are unavailable, and the
40 current year lease and rent costs are not immediately available,

1 the California School Finance Authority shall use rent or lease
2 cost estimates provided by the charter school.

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

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

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

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

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

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

38 (g) If an existing charter school located in an elementary
39 attendance area in which less than 50 percent of pupil enrollment
40 is eligible for free or reduced-price meals relocates to an attendance

1 area identified in paragraph (2) of subdivision (c), admissions
2 preference shall be given to pupils who reside in the elementary
3 school attendance area into which the charter school is relocating.

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

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

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

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

24 (l) The California School Finance Authority, effective with the
25 2013–14 fiscal year, shall be considered the senior creditor for
26 purposes of satisfying audit findings pursuant to the audit
27 instructions to be developed pursuant to subdivision (k).

28 (m) The California School Finance Authority may adopt
29 regulations to implement this section. Any regulations adopted
30 pursuant to this section may be adopted as emergency regulations
31 in accordance with the Administrative Procedure Act (Chapter 3.5
32 (commencing with Section 11340) of Part 1 of Division 3 of the
33 Title 2 of the Government Code). The adoption of these regulations
34 shall be deemed to be an emergency and necessary for the
35 immediate preservation of the public peace, health and safety, or
36 general welfare.

37 ~~SEC. 34.~~

38 SEC. 35. Section 47631 of the Education Code is amended to
39 read:

1 47631. (a) Article 3 (commencing with Section 47636) shall
2 not apply to a charter granted pursuant to Section 47605.5.

3 (b) A charter school authorized pursuant to Section 47605.5
4 shall receive the average daily attendance rate calculated pursuant
5 to paragraph (1) of subdivision (c) of Section 2574 for enrolled
6 pupils who are identified as any of the following:

7 (1) Probation-referred pursuant to Section 300, 601, 602, or 654
8 of the Welfare and Institutions Code.

9 (2) On probation or parole and not attending a school.

10 (3) Expelled for any of the reasons specified in subdivision (a)
11 or (c) of Section 48915.

12 (c) A charter school authorized pursuant to Section 47605.5
13 shall be funded pursuant to the local control funding formula
14 pursuant to Section 42238.02, as implemented by Section 42238.03,
15 for all pupils except for pupils funded pursuant to subdivision (b).

16 ~~SEC. 35.~~

17 *SEC. 36.* Section 47633 of the Education Code is amended to
18 read:

19 47633. The Superintendent shall annually compute a
20 general-purpose entitlement, funded from a combination of state
21 aid and local funds, for each charter school as follows:

22 (a) The Superintendent shall annually compute the statewide
23 average amount of general-purpose funding per unit of average
24 daily attendance received by school districts for each of four grade
25 level ranges: kindergarten and grades 1, 2, and 3; grades 4, 5, and
26 6; grades 7 and 8; and, grades 9 to 12, inclusive. For purposes of
27 making these computations, both of the following conditions shall
28 apply:

29 (1) Revenue limit funding attributable to pupils in kindergarten
30 and grades 1 to 5, inclusive, shall equal the statewide average
31 revenue limit funding per unit of average daily attendance received
32 by elementary school districts; revenue limit funding attributable
33 to pupils in grades 6, 7, and 8, shall equal the statewide average
34 revenue limit funding per unit of average daily attendance received
35 by unified school districts; and revenue limit funding attributable
36 to pupils in grades 9 to 12, inclusive, shall equal the statewide
37 average revenue limit funding per unit of average daily attendance
38 received by high school districts.

39 (2) Revenue limit funding received by school districts shall
40 exclude the value of any benefit attributable to the presence of

1 necessary small schools or necessary small high schools within
2 the school district.

3 (b) The Superintendent shall multiply each of the four amounts
4 computed in subdivision (a) by the charter school's average daily
5 attendance in the corresponding grade level ranges. The resulting
6 figure shall be the amount of the charter school's general-purpose
7 entitlement, which shall be funded through a combination of state
8 aid and local funds. From funds appropriated for this purpose
9 pursuant to Section 14002, the superintendent shall apportion to
10 each charter school this amount, less local funds allocated to the
11 charter school pursuant to Section 47635 and any amount received
12 pursuant to subparagraph (B) of paragraph (3) of subdivision (e)
13 of Section 36 of Article XIII of the California Constitution.

14 (c) General-purpose entitlement funding may be used for any
15 public school purpose determined by the governing body of the
16 charter school.

17 (d) Commencing with the 2013–14 fiscal year, this section shall
18 be used only for purposes of allocating revenues received pursuant
19 to subparagraph (B) of paragraph (3) of subdivision (e) of Section
20 36 of Article XIII of the California Constitution.

21 (e) This section shall become inoperative on July 1, 2021, and,
22 as of January 1, 2022, is repealed, unless a later enacted statute,
23 that becomes operative on or before January 1, 2022, deletes or
24 extends the dates on which it becomes inoperative and is repealed.

25 ~~SEC. 36.~~

26 *SEC. 37.* Section 48664 of the Education Code is amended to
27 read:

28 48664. (a) (1) In addition to funds from all other sources, the
29 Superintendent shall apportion to each school district that operates
30 a community day school four thousand dollars (\$4,000) per year,
31 and for each county office of education that operates a community
32 day school three thousand dollars (\$3,000) per year, for each unit
33 of average daily attendance reported at the annual apportionment
34 for pupil attendance at community day schools, adjusted annually
35 commencing with the 1999–2000 fiscal year for the inflation
36 adjustment calculated pursuant to subdivision (b) of Section
37 42238.1. Average daily attendance reported for this program shall
38 not exceed 0.375 percent of a school district's prior year P2 average
39 daily attendance in an elementary school district, 0.5 percent of a
40 school district's prior year P2 average daily attendance in a unified

1 school district, or 0.625 percent of a school district's prior year P2
2 average daily attendance in a high school district. The units of
3 average daily attendance of a community day school operated by
4 a county office of education shall not exceed the unused units of
5 average daily attendance of the community day schools operated
6 by the school districts within the jurisdiction of that county office
7 of education.

8 (2) The Superintendent may reallocate to any school district
9 any unexpended balance of the appropriations made for purposes
10 of this subdivision for actual pupil attendance in excess of the
11 percentage specified in this subdivision for the school district in
12 an amount not to exceed one-half of that percentage. However,
13 the average daily attendance generated by pupils expelled pursuant
14 to subdivision (d) of Section 48915, shall not be subject to these
15 percentage caps on average daily attendance.

16 (b) The average daily attendance of a community day school
17 shall be determined by dividing the total number of days of
18 attendance in all full school months, by a divisor of 70 in the first
19 period of each fiscal year, by a divisor of 135 in the second period
20 of each fiscal year, and by a divisor of 180 at the annual time of
21 each fiscal year.

22 (c) The Superintendent shall apportion to each school district
23 that operates a community day school an amount equal to four
24 dollars (\$4), adjusted annually commencing with the 1999–2000
25 fiscal year for inflation pursuant to subdivision (b) of Section
26 42238.1, multiplied by the total of the number of hours each
27 schoolday, up to a maximum of two hours daily, that each
28 community day school pupil remains at the community day school
29 under the supervision of an employee of the school district, or a
30 consortium of school districts pursuant to Section 48916.1,
31 reporting the attendance of the pupils for apportionment funding
32 following completion of the full six-hour instructional day.

33 (d) It is the intent of the Legislature that school districts enter
34 into consortia, as feasible, for purposes of providing community
35 day school programs. A school district with fewer than 2,501 units
36 of average daily attendance may request a waiver for any fiscal
37 year of the funding limitations set forth in this section. The
38 Superintendent shall approve a waiver if he or she deems it
39 necessary in order to permit the operation of a community day
40 school of reasonably comparable quality to those offered in a

1 school district with 2,501 or more units of average daily attendance.
2 In no event shall the amount allocated pursuant to a waiver exceed
3 the amount provided for one teacher pursuant to Section 42284,
4 for pupils enrolled in kindergarten and grades 1 to 6, inclusive, or
5 the amount provided for one teacher pursuant to Section 42284,
6 for pupils enrolled in grades 7 to 12, inclusive. The provisions of
7 this act shall not apply to a school district that applied for a waiver
8 within the funding limits established by this subdivision but was
9 denied funding or not fully funded.

10 (e) The department shall evaluate and report to the appropriate
11 legislative policy committees and budget committees on or before
12 October 1, 1998, and for two years thereafter the following
13 programmatic and fiscal issues:

14 (1) The number of expulsions statewide.

15 (2) The number of school districts operating community day
16 schools.

17 (3) Status of the countywide plans as defined in Section 48926.

18 (4) An evaluation of the community day school average daily
19 attendance funding percentage cap.

20 (5) Number of small school districts requesting and the number
21 receiving a waiver under this section.

22 (6) The effect of hourly accounting under Section 48663 for
23 purposes of receiving the additional funding under Section 48664.

24 (7) The number of pupils and average daily attendance served
25 in community day programs, further identified as the number
26 expelled pursuant to subdivision (b) of Section 48915, subdivision
27 (d) of Section 48915, other expulsion criteria, or referred through
28 a formal school district process.

29 (8) Pupil outcome data and other data as required under Section
30 48916.1.

31 (9) Other programmatic or fiscal matters as determined by the
32 department.

33 (f) The additional funds provided in subdivisions (a), (c), and
34 (d) shall only be allocated to the extent that funds are appropriated
35 for this purpose in the annual Budget Act or other legislation, or
36 both.

37 (g) A one-time adjustment shall be made to the amount specified
38 in subdivision (a), for the 1998–99 fiscal year and subsequent fiscal
39 years, by increasing that amount by the statewide average quotient
40 resulting from dividing the average daily attendance specified in

1 subparagraph (B) of paragraph (3) of subdivision (a) of Section
2 42238.8 by the amount specified in subparagraph (C) of paragraph
3 (3) of subdivision (a) of Section 42238.8.

4 ~~SEC. 37.~~

5 *SEC. 38.* Section 48667 of the Education Code is repealed.

6 ~~SEC. 38.~~

7 *SEC. 39.* Section 49085 of the Education Code is amended to
8 read:

9 49085. (a) On or before February 1, 2014, the department and
10 the State Department of Social Services shall develop and enter
11 into a memorandum of understanding that shall, at a minimum,
12 require the State Department of Social Services, at least once per
13 week, to share with the department both of the following:

14 (1) Disaggregated information on children and youth in foster
15 care sufficient for the department to identify pupils in foster care.

16 (2) Disaggregated data on children and youth in foster care that
17 is helpful to county offices of education and other local educational
18 agencies responsible for ensuring that pupils in foster care received
19 appropriate educational supports and services.

20 (b) To the extent allowable under federal law, the department
21 shall regularly identify pupils in foster care and designate those
22 pupils in the California Longitudinal Pupil Achievement Data
23 System or any future data system used by the department to collect
24 disaggregated pupil outcome data.

25 (c) To the extent allowable under federal law, the
26 Superintendent, on or before July 1 of each even-numbered year,
27 shall report to the Legislature and the Governor on the educational
28 outcomes for pupils in foster care at both the individual schoolsite
29 level and school district level. The report shall include, but is not
30 limited to, all of the following:

31 (1) Individual schoolsite level and school district level
32 educational outcome data for each local educational agency that
33 enrolls at least 15 pupils in foster care, each county in which at
34 least 15 pupils in foster care attend school, and for the entire state.

35 (2) The number of pupils in foster care statewide and by each
36 local educational agency.

37 (3) The academic achievement of pupils in foster care.

38 (4) The incidence of suspension and expulsion for pupils in
39 foster care.

1 (5) Truancy rates, attendance rates, and dropout rates for pupils
2 in foster care.

3 (d) To the extent allowable under federal law, the department,
4 at least once per week, shall do all of the following:

5 (1) Inform school districts and charter schools of any pupils
6 enrolled in those school districts or charter schools who are in
7 foster care.

8 (2) Inform county offices of education of any pupils enrolled
9 in schools in the county who are in foster care.

10 (3) Provide schools districts, county office of education, and
11 charter schools disaggregated data helpful to ensuring pupils in
12 foster care receive appropriate educational supports and services.

13 (e) For purposes of this section “pupil in foster care” has the
14 same meaning as “foster youth,” as defined in Section 42238.01.

15 ~~SEC. 39.~~

16 *SEC. 40.* Section 52060 of the Education Code is amended to
17 read:

18 52060. (a) On or before July 1, 2014, the governing board of
19 each school district shall adopt a local control and accountability
20 plan using a template adopted by the state board.

21 (b) A local control and accountability plan adopted by a
22 governing board of a school district shall be effective for a period
23 of three years, and shall be updated on or before July 1 of each
24 year.

25 (c) A local control and accountability plan adopted by a
26 governing board of a school district shall include, for the school
27 district and each school within the school district, both of the
28 following:

29 (1) A description of the annual goals, for all pupils and each
30 subgroup of pupils identified pursuant to Section 52052, to be
31 achieved for each of the state priorities identified in subdivision
32 (d) and for any additional local priorities identified by the
33 governing board of the school district. For purposes of this article,
34 a subgroup of pupils identified pursuant to Section 52052 shall be
35 a numerically significant pupil subgroup as specified in paragraphs
36 (2) and (3) of subdivision (a) of Section 52052.

37 (2) A description of the specific actions the school district will
38 take during each year of the local control and accountability plan
39 to achieve the goals identified in paragraph (1), including the
40 enumeration of any specific actions necessary for that year to

1 correct any deficiencies in regard to the state priorities listed in
2 paragraph (1) of subdivision (d). The specific actions shall not
3 supersede the provisions of *existing* local collective bargaining
4 agreements within the jurisdiction of the school district. ~~Specific~~
5 ~~actions described in the local control and accountability plan that~~
6 ~~are inconsistent with local collective bargaining agreements shall~~
7 ~~be renegotiated, and implemented only as agreed to after~~
8 ~~renegotiation.~~

9 (d) All of the following are state priorities:

10 (1) The degree to which the teachers of the school district are
11 appropriately assigned in accordance with Section 44258.9, and
12 fully credentialed in the subject areas, and, for the pupils they are
13 teaching, every pupil in the school district has sufficient access to
14 the standards-aligned instructional materials as determined pursuant
15 to Section 60119, and school facilities are maintained in good
16 repair as specified in subdivision (d) of Section 17002.

17 (2) Implementation of the academic content and performance
18 standards adopted by the state board, including how the programs
19 and services will enable English learners to access the common
20 core academic content standards adopted pursuant to Section
21 60605.8 and the English language development standards adopted
22 pursuant to Section 60811.3 for purposes of gaining academic
23 content knowledge and English language proficiency.

24 (3) Parental involvement, including efforts the school district
25 makes to seek parent input in making decisions for the school
26 district and each individual schoolsite, and including how the
27 school district will promote parental participation in programs for
28 unduplicated pupils and individuals with exceptional needs.

29 (4) Pupil achievement, as measured by all of the following, as
30 applicable:

31 (A) Statewide assessments administered pursuant to Article 4
32 (commencing with Section 60640) of Chapter 5 of Part 33 or any
33 subsequent assessment, as certified by the state board.

34 (B) The Academic Performance Index, as described in Section
35 52052.

36 (C) The percentage of pupils who have successfully completed
37 courses that satisfy the requirements for entrance to the University
38 of California and the California State University, or career technical
39 education sequences or programs of study that align with state
40 board-approved career technical educational standards and

1 frameworks, including, but not limited to, those described in
2 subdivision (a) of Section 52302, subdivision (a) of Section
3 52372.5, or paragraph (2) of subdivision (e) of Section 54692.

4 (D) The percentage of English learner pupils who make progress
5 toward English proficiency as measured by the California English
6 Language Development Test or any subsequent assessment of
7 English proficiency, as certified by the state board.

8 (E) The English learner reclassification rate.

9 (F) The percentage of pupils who have passed an advanced
10 placement examination with a score of 3 or higher.

11 (G) The percentage of pupils who participate in, and demonstrate
12 college preparedness pursuant to, the Early Assessment Program,
13 as described in Chapter 6 (commencing with Section 99300) of
14 Part 65 of Division 14 of Title 3, or any subsequent assessment of
15 college preparedness.

16 (5) Pupil engagement, as measured by all of the following, as
17 applicable:

18 (A) School attendance rates.

19 (B) Chronic absenteeism rates.

20 (C) Middle school dropout rates, as described in paragraph (3)
21 of subdivision (a) of Section 52052.1.

22 (D) High school dropout rates.

23 (E) High school graduation rates.

24 (6) School climate, as measured by all of the following, as
25 applicable:

26 (A) Pupil suspension rates.

27 (B) Pupil expulsion rates.

28 (C) Other local measures, including surveys of pupils, parents,
29 and teachers on the sense of safety and school connectedness.

30 (7) The extent to which pupils have access to, and are enrolled
31 in, a broad course of study that includes all of the subject areas
32 described in Section 51210 and subdivisions (a) to (i), inclusive,
33 of Section 51220, as applicable, including the programs and
34 services developed and provided to unduplicated pupils and
35 individuals with exceptional needs, and the program and services
36 that are provided to benefit these pupils as a result of the funding
37 received pursuant to Section 42238.02, as implemented by Section
38 42238.03.

(8) Pupil outcomes, if available, in the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable.

(e) For purposes of the descriptions required by subdivision (c), a governing board of a school district may consider qualitative information, including, but not limited to, findings that result from school quality reviews conducted pursuant to subparagraph (J) or of paragraph (4) of subdivision (a) of Section 52052 or any other reviews.

(f) To the extent practicable, data reported in a local control and accountability plan shall be reported in a manner consistent with how information is reported on a school accountability report card.

(g) A governing board of a school district shall consult with teachers, principals, administrators, other school personnel, local bargaining units of the school district, parents, and pupils in developing a local control and accountability plan.

(h) A school district may identify local priorities, goals in regard to the local priorities, and the method for measuring the school district's progress toward achieving those goals.

SEC. 40.5. Section 52060 of the Education Code is amended to read:

52060. (a) On or before July 1, 2014, the governing board of each school district shall adopt a local control and accountability plan using a template adopted by the state board.

(b) A local control and accountability plan adopted by a governing board of a school district shall be effective for a period of three years, and shall be updated on or before July 1 of each year.

(c) A local control and accountability plan adopted by a governing board of a school district shall include, for the school district and each school within the school district, ~~a description of both~~ all of the following:

(1) ~~The~~ A description of the annual goals, for all pupils and each subgroup of pupils identified pursuant to Section 52052, to be achieved for each of the state priorities identified in subdivision (d) and for any additional local priorities identified by the governing board of the school district. For purposes of this article, a subgroup of pupils identified pursuant to Section 52052 shall be a numerically significant pupil subgroup as specified in paragraphs (2) and (3) of subdivision (a) of Section 52052.

(2) ~~The~~ *A description of the specific actions the school district will take during each year of the local control and accountability plan to achieve the goals identified in paragraph (1), including the enumeration of any specific actions necessary for that year to correct any deficiencies in regard to the state priorities listed in paragraph (1) of subdivision (d). The specific actions shall not supersede the provisions of existing local collective bargaining agreements within the jurisdiction of the school district.*

(3) *A listing and description of the expenditures for the initial fiscal year implementing the specific actions included in the local control and accountability plan.*

(4) *A listing and description of the expenditures for the initial fiscal year that will serve pupils to whom one or more of the definitions in Section 42238.01 apply, and pupils reclassified as fluent English proficient.*

(d) All of the following are state priorities:

(1) The degree to which the teachers of the school district are appropriately assigned in accordance with Section 44258.9, and fully credentialed in the subject areas, and, for the pupils they are teaching, every pupil in the school district has sufficient access to the standards-aligned instructional materials as determined pursuant to Section 60119, and school facilities are maintained in good repair as specified in subdivision (d) of Section 17002.

(2) Implementation of the academic content and performance standards adopted by the state board, including how the programs and services will enable English learners to access the common core academic content standards adopted pursuant to Section 60605.8 and the English language development standards adopted pursuant to Section 60811.3 for purposes of gaining academic content knowledge and English language proficiency.

(3) Parental involvement, including efforts the school district makes to seek parent input in making decisions for the school district and each individual schoolsite, and including how the school district will promote parental participation in programs for unduplicated pupils and individuals with exceptional needs.

(4) Pupil achievement, *including for each subgroup as identified in Section 52052*, as measured by all of the following, as applicable:

1 (A) Statewide assessments administered pursuant to Article 4
2 (commencing with Section 60640) of Chapter 5 of Part 33 or any
3 subsequent assessment, as certified by the state board.

4 (B) The Academic Performance Index, as described in Section
5 52052.

6 (C) The percentage of pupils who have successfully completed
7 courses that satisfy the requirements for entrance to the University
8 of California and the California State University, or career technical
9 education sequences or ~~clusters of courses that satisfy the~~
10 ~~requirements of programs of study that align with state~~
11 ~~board-approved career technical educational standards and~~
12 ~~frameworks, including, but not limited to, those described in~~
13 subdivision (a) of Section 52302, subdivision (a) of Section
14 52372.5, or paragraph (2) of subdivision (e) of Section ~~54692, and~~
15 ~~align with state board-approved career technical education~~
16 ~~standards and frameworks. 54692.~~

17 (D) The percentage of English learner pupils who make progress
18 toward English proficiency as measured by the California English
19 Language Development Test or any subsequent assessment of
20 English proficiency, as certified by the state board.

21 (E) The English learner reclassification rate.

22 (F) The percentage of pupils who have passed an advanced
23 placement examination with a score of 3 or higher.

24 (G) The percentage of pupils who participate in, and demonstrate
25 college preparedness pursuant to, the Early Assessment Program,
26 as described in Chapter 6 (commencing with Section 99300) of
27 Part 65 of Division 14 of Title 3, or any subsequent assessment of
28 college preparedness.

29 (5) Pupil engagement, as measured by all of the following, as
30 applicable:

31 (A) School attendance rates.

32 (B) Chronic absenteeism rates.

33 (C) Middle school dropout rates, as described in paragraph (3)
34 of subdivision (a) of Section 52052.1.

35 (D) High school dropout rates.

36 (E) High school graduation rates.

37 (6) School climate, as measured by all of the following, as
38 applicable:

39 (A) Pupil suspension rates.

40 (B) Pupil expulsion rates.

1 (C) Other local measures, including surveys of pupils, parents,
2 and teachers on the sense of safety and school connectedness.

3 (7) The extent to which pupils have access to, and are enrolled
4 in, a broad course of study that includes all of the subject areas
5 described in Section 51210 and subdivisions (a) to (i), inclusive,
6 of Section 51220, as applicable, including the programs and
7 services developed and provided to unduplicated pupils and
8 individuals with exceptional needs, and the program and services
9 that are provided to benefit these pupils as a result of the funding
10 received pursuant to Section 42238.02, as implemented by Section
11 42238.03.

12 (8) Pupil outcomes, if available, in the subject areas described
13 in Section 51210 and subdivisions (a) to (i), inclusive, of Section
14 51220, as applicable.

15 (9) *The extent to which teachers, administrators, and staff*
16 *receive professional development or participate in induction*
17 *programs, including the type and subject areas of the professional*
18 *development provided.*

19 (e) For purposes of the descriptions required by subdivision (c),
20 a governing board of a school district may consider qualitative
21 information, including, but not limited to, findings that result from
22 school quality reviews conducted pursuant to subparagraph (J) ~~or~~
23 *of paragraph (4) of subdivision (a) of Section 52052 or any other*
24 *reviews.*

25 (f) To the extent practicable, data reported in a local control and
26 accountability plan shall be reported in a manner consistent with
27 how information is reported on a school accountability report card.

28 (g) A governing board of a school district shall consult with
29 teachers, principals, administrators, other school personnel, *local*
30 *bargaining units of the school district*, parents, and pupils in
31 developing a local control and accountability plan.

32 (h) A school district may identify local priorities, goals in regard
33 to the local priorities, and the method for measuring the school
34 district's progress toward achieving those goals.

35 ~~SEC. 40.~~

36 *SEC. 41.* Section 52061 of the Education Code is amended to
37 read:

38 52061. (a) On or before July 1, 2015, and each year thereafter,
39 a school district shall update the local control and accountability
40 plan. The annual update shall be developed using a template

developed pursuant to Section 52064 and shall include all of the following:

(1) A review of any changes in the applicability of the goals described in paragraph (1) of subdivision (c) of Section 52060.

(2) A review of the progress toward the goals included in the existing local control and accountability plan, an assessment of the effectiveness of the specific actions described in the existing local control and accountability plan toward achieving the goals, and a description of changes to the specific actions the school district will make as a result of the review and assessment.

(3) A listing and description of the expenditures for the fiscal year implementing the specific actions included in the local control and accountability plan and the changes to the specific actions made as a result of the reviews and assessment required by paragraphs (1) and (2).

(4) A listing and description of expenditures for the fiscal year that will serve the pupils to whom one or more of the definitions in Section 42238.01 apply and pupils redesignated as fluent English proficient.

(b) The expenditures identified in subdivision (a) shall be classified using the California School Accounting Manual pursuant to Section 41010.

SEC. 41.5. Section 52061 of the Education Code is amended to read:

52061. (a) On or before July 1, 2015, and each year thereafter, a school district shall update the local control and accountability plan. The annual update shall be developed using a template developed pursuant to Section 52064 and shall include all of the following:

(1) A review of any changes in the applicability of the goals described in paragraph (1) of subdivision (c) of Section 52060.

(2) A review of the progress toward the goals included in the existing local control and accountability plan, an assessment of the effectiveness of the specific actions described in the existing local control and accountability plan toward achieving the goals, and a description of changes to the specific actions the school district will make as a result of the review and assessment.

(3) A listing and description of the expenditures for the fiscal year implementing the specific actions included in the local control and accountability plan *and the changes to the specific actions*

1 *made* as a result of the reviews and assessment required by
2 paragraphs (1) and (2).

3 (4) A listing and description of expenditures for the fiscal year
4 that will serve the pupils to whom one or more of the definitions
5 in Section 42238.01 apply and pupils redesignated as fluent English
6 proficient.

7 (b) The expenditures identified in subdivision (a) *of this section*
8 *and subdivision (c) of Section 52060* shall be classified using the
9 California School Accounting Manual pursuant to Section 41010.

10 ~~SEC. 41.~~

11 ~~SEC. 42.~~ Section 52062 of the Education Code is amended to
12 read:

13 52062. (a) Before the governing board of a school district
14 considers the adoption of a local control and accountability plan
15 or an annual update to the local control and accountability plan,
16 all of the following shall occur:

17 (1) The superintendent of the school district shall present the
18 local control and accountability plan or annual update to the local
19 control and accountability plan to the parent advisory committee
20 established pursuant to Section 52063 for review and comment.
21 The superintendent of the school district shall respond, in writing,
22 to comments received from the parent advisory committee.

23 (2) The superintendent of the school district shall present the
24 local control and accountability plan or annual update to the local
25 control and accountability plan to the English learner parent
26 advisory committee established pursuant to Section 52063, if
27 applicable, for review and comment. The superintendent of the
28 school district shall respond, in writing, to comments received
29 from the English learner parent advisory committee.

30 (3) The superintendent of the school district shall notify
31 members of the public of the opportunity to submit written
32 comments regarding the specific actions and expenditures proposed
33 to be included in the local control and accountability plan or annual
34 update to the local control and accountability plan, using the most
35 efficient method of notification possible. This paragraph shall not
36 require a school district to produce printed notices or to send
37 notices by mail. The superintendent of the school district shall
38 ensure that all written notifications related to the local control and
39 accountability plan or annual update to the local control and
40 accountability plan are provided consistent with Section 48985.

1 (4) The superintendent of the school district shall review school
2 plans submitted pursuant to Section 64001 for schools within the
3 school district and ensure that the specific actions included in the
4 local control and accountability plan or annual update to the local
5 control and accountability plan are consistent with strategies
6 included in the school plans submitted pursuant to Section 64001.

7 (b) (1) A governing board of a school district shall hold at least
8 one public hearing to solicit the recommendations and comments
9 of members of the public regarding the specific actions and
10 expenditures proposed to be included in the local control and
11 accountability plan or annual update to the local control and
12 accountability plan. The agenda for the public hearing shall be
13 posted at least 72 hours before the public hearing and shall include
14 the location where the local control and accountability plan or
15 annual update to the local control and accountability plan will be
16 available for public inspection. The public hearing shall be held
17 at the same meeting as the public hearing required by paragraph
18 (1) of subdivision (a) of Section 42127.

19 (2) A governing board of a school district shall adopt a local
20 control and accountability plan or annual update to the local control
21 and accountability plan in a public meeting. This meeting shall be
22 held after, but not on the same day as, the public hearing held
23 pursuant to paragraph (1). This meeting shall be the same meeting
24 as that during which the governing board of the school district
25 adopts a budget pursuant to paragraph (2) of subdivision (a) of
26 Section 42127.

27 (c) A governing board of a school district may adopt revisions
28 to a local control and accountability plan during the period the
29 local control and accountability plan is in effect. A governing board
30 of a school district may only adopt a revision to a local control
31 and accountability plan if it follows the process to adopt a local
32 control and accountability plan pursuant to this section and the
33 revisions are adopted in a public meeting.

34 ~~SEC. 42.~~

35 *SEC. 43.* Section 52064 of the Education Code is amended to
36 read:

37 52064. (a) On or before March 31, 2014, the state board shall
38 adopt templates for the following purposes:

39 (1) For use by school districts to meet the requirements of
40 Sections 52060 to 52063, inclusive.

1 (2) For use by county superintendents of schools to meet the
2 requirements of Sections 52066 to 52069, inclusive.

3 (3) For use by charter schools to meet the requirements of
4 Section 47606.5.

5 (b) The templates developed by the state board shall allow a
6 school district, county superintendent of schools, or charter school
7 to complete a single local control and accountability plan to meet
8 the requirements of this article and the requirements of the federal
9 No Child Left Behind Act of 2001 related to local educational
10 agency plans pursuant to Section 1112 of Subpart 1 of Part A of
11 Title I of Public Law 107-110. The state board shall also take steps
12 to minimize duplication of effort at the local level to the greatest
13 extent possible. The template shall include guidance for school
14 districts, county superintendents of schools, and charter schools
15 to report both of the following:

16 (1) A listing and description of expenditures for the 2014–15
17 fiscal year, and each fiscal year thereafter, implementing the
18 specific actions included in the local control and accountability
19 plan.

20 (2) A listing and description of expenditures for the 2014–15
21 fiscal year, and each fiscal year thereafter, that will serve the pupils
22 to whom one or more of the definitions in Section 42238.01 apply
23 and pupils redesignated as fluent English proficient.

24 (c) If possible, the templates identified in paragraph (2) of
25 subdivision (a) for use by county superintendents of schools shall
26 allow a county superintendent of schools to develop a single local
27 control and accountability plan that would also satisfy the
28 requirements of Section 48926.

29 (d) The state board shall adopt the template pursuant to the
30 requirements of the Administrative Procedure Act (Chapter 3.5
31 (commencing with Section 11340) of Part 1 of Division 3 of Title
32 2 of the Government Code). The state board may adopt emergency
33 regulations for purposes of implementing this section.

34 (e) Revisions to a template or evaluation rubric shall be approved
35 by the state board by January 31 before the fiscal year during which
36 the template or evaluation rubric is to be used by a school district,
37 county superintendent of schools, or charter school.

38 (f) The adoption of a template or evaluation rubric by the state
39 board shall not create a requirement for a governing board of a
40 school district, a county board of education, or a governing body

1 of a charter school to submit a local control and accountability
2 plan to the state board, unless otherwise required by federal law.
3 The Superintendent shall not require a local control and
4 accountability plan to be submitted by a governing board of a
5 school district or the governing body of a charter school to the
6 state board. The state board may adopt a template or evaluation
7 rubric that would authorize a school district or a charter school to
8 submit to the state board only the sections of the local control and
9 accountability plan required by federal law.

10 *SEC. 43.5. Section 52064 of the Education Code is amended*
11 *to read:*

12 52064. (a) On or before March 31, 2014, the state board shall
13 adopt templates for the following purposes:

14 (1) For use by school districts to meet the requirements of
15 Sections 52060 to 52063, inclusive.

16 (2) For use by county superintendents of schools to meet the
17 requirements of Sections 52066 to 52069, inclusive.

18 (3) For use by charter schools to meet the requirements of
19 Section 47606.5.

20 (b) The templates developed by the state board shall allow a
21 school district, county superintendent of schools, or charter school
22 to complete a single local control and accountability plan to meet
23 the requirements of this ~~article~~ and *article*, the requirements of the
24 federal No Child Left Behind Act of 2001 related to local
25 educational agency plans pursuant to Section 1112 of Subpart 1
26 of Part A of Title I of Public Law ~~107-110~~, *107-110*, and the
27 *requirements of the federal No Child Left Behind Act of 2001*
28 *(Public Law 107-110) and Section 64001 related to the Single*
29 *Plan for Pupil Achievement, including the requirements of Title*
30 *III of the federal No Child Left Behind Act of 2001 (Public Law*
31 *107-110).* The state board shall also take steps to minimize
32 duplication of effort at the local level to the greatest extent possible.
33 *The template shall include guidance for school districts, county*
34 *superintendents of schools, and charter schools to report both of*
35 *the following:*

36 (1) *A listing and description of expenditures for the 2014–15*
37 *fiscal year, and each fiscal year thereafter, implementing the*
38 *specific actions included in the local control and accountability*
39 *plan.*

1 (2) *A listing and description of expenditures for the 2014–15*
2 *fiscal year, and each fiscal year thereafter, that will serve the*
3 *pupils to whom one or more of the definitions in Section 42238.01*
4 *apply and pupils redesignated as fluent English proficient.*

5 (c) *The templates developed by the state board shall ensure that*
6 *each school district, county superintendent of schools, or charter*
7 *school that receives supplemental and concentration funds for*
8 *unduplicated pupils, pursuant to Sections 2574, 2575, 42238.02,*
9 *and 42238.03, include information on the instructional programs*
10 *and services provided to unduplicated pupils for the purpose of*
11 *increasing their academic achievement, as referenced in Sections*
12 *52060 and 52066, in its local control and accountability plan.*

13 (d) *The templates shall ensure that school districts, county*
14 *superintendents of schools, or charter schools include information*
15 *on the types of English language development instructional*
16 *programs provided to English learners, and how those programs*
17 *support the core instructional program, including, but not limited*
18 *to, the types of instructional materials provided to pupils and the*
19 *professional development provided to schoolsite staff.*

20 ~~(e)~~

21 (e) *If possible, the templates identified in paragraph (2) of*
22 *subdivision (a) for use by county superintendents of schools shall*
23 *allow a county superintendent of schools to develop a single local*
24 *control and accountability plan that would also satisfy the*
25 *requirements of Section 48926.*

26 ~~(d)~~

27 (f) *The state board shall adopt the template pursuant to the*
28 *requirements of the Administrative Procedure Act (Chapter 3.5*
29 *(commencing with Section 11340) of Part 1 of Division 3 of Title*
30 *2 of the Government Code). The state board may adopt emergency*
31 *regulations for purposes of implementing this section.*

32 ~~(e)~~

33 (g) *Revisions to a template or evaluation rubric shall be*
34 *approved by the state board by January 31 before the fiscal year*
35 *during which the template or evaluation rubric is to be used by a*
36 *school district, county superintendent of schools, or charter school.*

37 ~~(f)~~

38 (h) *The adoption of a template or evaluation rubric by the state*
39 *board shall not create a requirement for a governing board of a*
40 *school district, a county board of education, or a governing body*

1 of a charter school to submit a local control and accountability
2 plan to the state board, unless otherwise required by federal law.
3 The Superintendent shall not require a local control and
4 accountability plan to be submitted by a governing board of a
5 school district or the governing body of a charter school to the
6 state board. The state board may adopt a template or evaluation
7 rubric that would authorize a school district or a charter school to
8 submit to the state board only the sections of the local control and
9 accountability plan required by federal law.

10 ~~SEC. 43.~~

11 *SEC. 44.* Section 52066 of the Education Code is amended to
12 read:

13 52066. (a) On or before July 1, 2014, each county
14 superintendent of schools shall develop, and present to the county
15 board of education for adoption, a local control and accountability
16 plan using a template adopted by the state board.

17 (b) A local control and accountability plan adopted by a county
18 board of education shall be effective for a period of three years,
19 and shall be updated on or before July 1 of each year.

20 (c) A local control and accountability plan adopted by a county
21 board of education shall include, for each school or program
22 operated by the county superintendent of schools, both of the
23 following:

24 (1) A description of the annual goals, for all pupils and each
25 subgroup of pupils identified pursuant to Section 52052, to be
26 achieved for each of the state priorities identified in subdivision
27 (d), as applicable to the pupils served, and for any additional local
28 priorities identified by the county board of education.

29 (2) A description of the specific actions the county
30 superintendent of schools will take during each year of the local
31 control and accountability plan to achieve the goals identified in
32 paragraph (1), including the enumeration of any specific actions
33 necessary for that year to correct any deficiencies in regard to the
34 state priorities listed in paragraph (1) of subdivision (d). The
35 specific actions shall not supersede the provisions of *existing* local
36 collective bargaining agreements within the jurisdiction of the
37 county superintendent of schools. ~~Specific actions described in~~
38 ~~the local control and accountability plan that are inconsistent with~~
39 ~~local collective bargaining agreements shall be renegotiated, and~~
40 ~~implemented only as agreed to after renegotiation.~~

1 (d) All of the following are state priorities:

2 (1) The degree to which the teachers in the schools or programs
3 operated by the county superintendent of schools are appropriately
4 assigned in accordance with Section 44258.9 and fully credentialed
5 in the subject areas, and, for the pupils they are teaching, every
6 pupil in the schools or programs operated by the county
7 superintendent of schools has sufficient access to the
8 standards-aligned instructional materials as determined pursuant
9 to Section 60119, and school facilities are maintained in good
10 repair as specified in subdivision (d) of Section 17002.

11 (2) Implementation of the academic content and performance
12 standards adopted by the state board, including how the programs
13 and services will enable English learners to access the common
14 core academic content standards adopted pursuant to Section
15 60605.8 and the English language development standards adopted
16 pursuant to Section 60811.3 for purposes of gaining academic
17 content knowledge and English language proficiency.

18 (3) Parental involvement, including efforts the county
19 superintendent of schools makes to seek parent input in making
20 decisions for each individual schoolsite and program operated by
21 a county superintendent of schools, and including how the county
22 superintendent of schools will promote parental participation in
23 programs for unduplicated pupils and individuals with exceptional
24 needs.

25 (4) Pupil achievement, as measured by all of the following, as
26 applicable:

27 (A) Statewide assessments administered pursuant to Article 4
28 (commencing with Section 60640) of Chapter 5 of Part 33 or any
29 subsequent assessment, as certified by the state board.

30 (B) The Academic Performance Index, as described in Section
31 52052.

32 (C) The percentage of pupils who have successfully completed
33 courses that satisfy the requirements for entrance to the University
34 of California and the California State University, or career technical
35 education sequences or programs of study that align with state
36 board-approved career technical education standards and
37 frameworks, including, but not limited to, those described in
38 subdivision (a) of Section 52302, subdivision (a) of Section
39 52372.5, or paragraph (2) of subdivision (e) of Section 54692.

1 (D) The percentage of English learner pupils who make progress
2 toward English proficiency as measured by the California English
3 Language Development Test or any subsequent assessment of
4 English proficiency, as certified by the state board.

5 (E) The English learner reclassification rate.

6 (F) The percentage of pupils who have passed an advanced
7 placement examination with a score of 3 or higher.

8 (G) The percentage of pupils who participate in, and demonstrate
9 college preparedness pursuant to, the Early Assessment Program,
10 as described in Chapter 6 (commencing with Section 99300) of
11 Part 65 of Division 14 of Title 3, or any subsequent assessment of
12 college preparedness.

13 (5) Pupil engagement, as measured by all of the following, as
14 applicable:

15 (A) School attendance rates.

16 (B) Chronic absenteeism rates.

17 (C) Middle school dropout rates, as described in paragraph (3)
18 of subdivision (a) of Section 52052.1.

19 (D) High school dropout rates.

20 (E) High school graduation rates.

21 (6) School climate, as measured by all of the following, as
22 applicable:

23 (A) Pupil suspension rates.

24 (B) Pupil expulsion rates.

25 (C) Other local measures, including surveys of pupils, parents,
26 and teachers on the sense of safety and school connectedness.

27 (7) The extent to which pupils have access to, and are enrolled
28 in, a broad course of study that includes all of the subject areas
29 described in Section 51210 and subdivisions (a) to (i), inclusive,
30 of Section 51220, as applicable, including the programs and
31 services developed and provided to unduplicated pupils and
32 individuals with exceptional needs, and the program and services
33 that are provided to benefit these pupils as a result of the funding
34 received pursuant to Section 42238.02, as implemented by Section
35 42238.03.

36 (8) Pupil outcomes, if available, in the subject areas described
37 in Section 51210 and subdivisions (a) to (i), inclusive, of Section
38 51220, as applicable.

39 (9) How the county superintendent of schools will coordinate
40 instruction of expelled pupils pursuant to Section 48926.

(10) How the county superintendent of schools will coordinate services for foster children, including, but not limited to, all of the following:

(A) Working with the county child welfare agency to minimize changes in school placement.

(B) Providing education-related information to the county child welfare agency to assist the county child welfare agency in the delivery of services to foster children, including, but not limited to, educational status and progress information that is required to be included in court reports.

(C) Responding to requests from the juvenile court for information and working with the juvenile court to ensure the delivery and coordination of necessary educational services.

(D) Establishing a mechanism for the efficient expeditious transfer of health and education records and the health and education passport.

(e) For purposes of the descriptions required by subdivision (c), a county board of education may consider qualitative information, including, but not limited to, findings that result from school quality reviews conducted pursuant to subparagraph (J) ~~or~~ of paragraph (4) of subdivision (a) of Section 52052 or any other reviews.

(f) To the extent practicable, data reported in a local control and accountability plan shall be reported in a manner consistent with how information is reported on a school accountability report card.

(g) The county superintendent of schools shall consult with teachers, principals, administrators, other school personnel, local bargaining units of the county office of education, parents, and pupils in developing a local control and accountability plan.

(h) A county board of education may identify local priorities, goals in regard to the local priorities, and the method for measuring the county office of education's progress toward achieving those goals.

SEC. 44.5. Section 52066 of the Education Code is amended to read:

52066. (a) On or before July 1, 2014, each county superintendent of schools shall develop, and present to the county board of education for adoption, a local control and accountability plan using a template adopted by the state board.

1 (b) A local control and accountability plan adopted by a county
2 board of education shall be effective for a period of three years,
3 and shall be updated on or before July 1 of each year.

4 (c) A local control and accountability plan adopted by a county
5 board of education shall include, for each school or program
6 operated by the county superintendent of schools, ~~a description of~~
7 ~~both~~ all of the following:

8 (1) ~~The~~ *A description of the* annual goals, for all pupils and each
9 subgroup of pupils identified pursuant to Section 52052, to be
10 achieved for each of the state priorities identified in subdivision
11 (d), as applicable to the pupils served, and for any additional local
12 priorities identified by the county board of education.

13 (2) ~~The~~ *A description of the* specific actions the county
14 superintendent of schools will take during each year of the local
15 control and accountability plan to achieve the goals identified in
16 paragraph (1), including the enumeration of any specific actions
17 necessary for that year to correct any deficiencies in regard to the
18 state priorities listed in paragraph (1) of subdivision (d). *The*
19 *specific actions shall not supersede the provisions of existing local*
20 *collective bargaining agreements within the jurisdiction of the*
21 *county superintendent of schools.*

22 (3) *A listing and description of the expenditures for the fiscal*
23 *year implementing the specific actions included in the local control*
24 *and accountability plan pursuant to paragraph (2).*

25 (4) *A listing and description of expenditures for the fiscal year*
26 *that will serve the pupils to whom one or more of the definitions*
27 *in Section 42238.01 apply, and pupils redesignated as fluent*
28 *English proficient.*

29 (d) All of the following are state priorities:

30 (1) The degree to which the teachers in the schools or programs
31 operated by the county superintendent of schools are appropriately
32 assigned in accordance with Section 44258.9 and fully credentialed
33 in the subject areas, and, for the pupils they are teaching, every
34 pupil in the schools or programs operated by the county
35 superintendent of schools has sufficient access to the
36 standards-aligned instructional materials as determined pursuant
37 to Section 60119, and school facilities are maintained in good
38 repair as specified in subdivision (d) of Section 17002.

39 (2) Implementation of the academic content and performance
40 standards adopted by the state board, including how the programs

1 and services will enable English learners to access the common
2 core academic content standards adopted pursuant to Section
3 60605.8 and the English language development standards adopted
4 pursuant to Section 60811.3 for purposes of gaining academic
5 content knowledge and English language proficiency.

6 (3) Parental involvement, including efforts the county
7 superintendent of schools makes to seek parent input in making
8 decisions for each individual schoolsite and program operated by
9 a county superintendent of schools, and including how the county
10 superintendent of schools will promote parental participation in
11 programs for unduplicated pupils and individuals with exceptional
12 needs.

13 (4) Pupil achievement, *including for each of the subgroups*
14 *identified pursuant to Section 52052*, as measured by all of the
15 following, as applicable:

16 (A) Statewide assessments administered pursuant to Article 4
17 (commencing with Section 60640) of Chapter 5 of Part 33 or any
18 subsequent assessment, as certified by the state board.

19 (B) The Academic Performance Index, as described in Section
20 52052.

21 (C) The percentage of pupils who have successfully completed
22 courses that satisfy the requirements for entrance to the University
23 of California and the California State University, or career technical
24 education sequences ~~or clusters of courses that satisfy the~~
25 ~~requirements of~~ *or programs of study that align with state*
26 *board-approved career technical education standards and*
27 *frameworks, including, but not limited to, those described in*
28 *subdivision (a) of Section 52302, subdivision (a) of Section*
29 *52372.5, or paragraph (2) of subdivision (e) of Section 54692, and*
30 ~~align with state board-approved career technical education~~
31 ~~standards and frameworks. 54692.~~

32 (D) The percentage of English learner pupils who make progress
33 toward English proficiency as measured by the California English
34 Language Development Test or any subsequent assessment of
35 English proficiency, as certified by the state board.

36 (E) The English learner reclassification rate.

37 (F) The percentage of pupils who have passed an advanced
38 placement examination with a score of 3 or higher.

39 (G) The percentage of pupils who participate in, and demonstrate
40 college preparedness pursuant to, the Early Assessment Program,

1 as described in Chapter 6 (commencing with Section 99300) of
2 Part 65 of Division 14 of Title 3, or any subsequent assessment of
3 college preparedness.

4 (5) Pupil engagement, as measured by all of the following, as
5 applicable:

6 (A) School attendance rates.

7 (B) Chronic absenteeism rates.

8 (C) Middle school dropout rates, as described in paragraph (3)
9 of subdivision (a) of Section 52052.1.

10 (D) High school dropout rates.

11 (E) High school graduation rates.

12 (6) School climate, as measured by all of the following, as
13 applicable:

14 (A) Pupil suspension rates.

15 (B) Pupil expulsion rates.

16 (C) Other local measures, including surveys of pupils, parents,
17 and teachers on the sense of safety and school connectedness.

18 (7) The extent to which pupils have access to, and are enrolled
19 in, a broad course of study that includes all of the subject areas
20 described in Section 51210 and subdivisions (a) to (i), inclusive,
21 of Section 51220, as applicable, including the programs and
22 services developed and provided to unduplicated pupils and
23 individuals with exceptional needs, and the program and services
24 that are provided to benefit these pupils as a result of the funding
25 received pursuant to Section 42238.02, as implemented by Section
26 42238.03.

27 (8) Pupil outcomes, if available, in the subject areas described
28 in Section 51210 and subdivisions (a) to (i), inclusive, of Section
29 51220, as applicable.

30 (9) How the county superintendent of schools will coordinate
31 instruction of expelled pupils pursuant to Section 48926.

32 (10) How the county superintendent of schools will coordinate
33 services for foster children, including, but not limited to, all of the
34 following:

35 (A) Working with the county child welfare agency to minimize
36 changes in school placement.

37 (B) Providing education-related information to the county child
38 welfare agency to assist the county child welfare agency in the
39 delivery of services to foster children, including, but not limited

1 to, educational status and progress information that is required to
2 be included in court reports.

3 (C) Responding to requests from the juvenile court for
4 information and working with the juvenile court to ensure the
5 delivery and coordination of necessary educational services.

6 (D) Establishing a mechanism for the efficient expeditious
7 transfer of health and education records and the health and
8 education passport.

9 *(11) The extent to which teachers, administrators, and staff*
10 *receive professional development or participate in induction*
11 *programs, including the type and subject areas of the professional*
12 *development provided.*

13 (e) For purposes of the descriptions required by subdivision (c),
14 a county board of education may consider qualitative information,
15 including, but not limited to, findings that result from school quality
16 reviews conducted pursuant to subparagraph (J) ~~or of~~ paragraph
17 (4) of subdivision (a) of Section 52052 or any other reviews.

18 (f) To the extent practicable, data reported in a local control and
19 accountability plan shall be reported in a manner consistent with
20 how information is reported on a school accountability report card.

21 (g) The county superintendent of schools shall consult with
22 teachers, principals, administrators, other school personnel, *local*
23 *bargaining units of the county office of education*, parents, and
24 pupils in developing a local control and accountability plan.

25 (h) A county board of education may identify local priorities,
26 goals in regard to the local priorities, and the method for measuring
27 the county office of education's progress toward achieving those
28 goals.

29 ~~SEC. 44.~~

30 *SEC. 45.* Section 52068 of the Education Code is amended to
31 read:

32 52068. (a) Before the county board of education considers the
33 adoption of a local control and accountability plan or an annual
34 update to the local control and accountability plan, all of the
35 following shall occur:

36 (1) The county superintendent of schools shall present the local
37 control and accountability plan or annual update to the local control
38 and accountability plan to a parent advisory committee established
39 pursuant to Section 52069 for review and comment. The county

1 superintendent of schools shall respond, in writing, to comments
2 received from the parent advisory committee.

3 (2) The county superintendent of schools shall present the local
4 control and accountability plan or annual update to the local control
5 and accountability plan to the English learner parent advisory
6 committee established pursuant to Section 52069, if applicable,
7 for review and comment. The county superintendent of schools
8 shall respond, in writing, to comments received from the English
9 learner parent advisory committee.

10 (3) The county superintendent of schools shall notify members
11 of the public of the opportunity to submit written comments
12 regarding the specific actions and expenditures proposed to be
13 included in the local control and accountability plan or annual
14 update to the local control and accountability plan, using the most
15 efficient method of notification possible. This paragraph shall not
16 require a county superintendent of schools to produce printed
17 notices or to send notices by mail. The county superintendent of
18 schools shall ensure that all written notifications related to the
19 local control and accountability plan or annual update to the local
20 control and accountability plan are provided consistent with Section
21 48985.

22 (4) The county superintendent of schools shall review school
23 plans submitted pursuant to Section 64001 for schools operated
24 by the county superintendent of schools and ensure that the specific
25 actions included in the local control and accountability plan or
26 annual update to the local control and accountability plan are
27 consistent with strategies included in the school plans submitted
28 pursuant to Section 64001.

29 (b) (1) The county board of education shall hold at least one
30 public hearing to solicit the recommendations and comments of
31 members of the public regarding the specific actions and
32 expenditures proposed to be included in the local control and
33 accountability plan or annual update to the local control and
34 accountability plan. The agenda for the public hearing shall be
35 posted at least 72 hours before the public hearing and shall include
36 the location where the local control and accountability plan or
37 annual update to the local control and accountability plan, and any
38 comments received pursuant to paragraphs (1) to (3), inclusive, of
39 subdivision (a), will be available for public inspection. The public

1 hearing shall be held at the same meeting as the public hearing
2 required by Section 1620.

3 (2) The county board of education shall adopt a local control
4 and accountability plan or annual update to the local control and
5 accountability plan in a public meeting. This meeting shall be held
6 after, but not on the same day as, the public hearing held pursuant
7 to paragraph (1). This meeting shall be the same meeting as that
8 during which the county board of education adopts a budget
9 pursuant to Section 1622.

10 (c) A county superintendent of schools may develop and present
11 to a county board of education for adoption revisions to a local
12 control and accountability plan during the period the local control
13 and accountability plan is in effect. The county board of education
14 may only adopt a revision to a local control and accountability
15 plan if it follows the process to adopt a local control and
16 accountability plan pursuant to this section and the revisions are
17 adopted in a public meeting.

18 ~~SEC. 45.~~

19 *SEC. 46.* Section 52070 of the Education Code is amended to
20 read:

21 52070. (a) Not later than five days after adoption of a local
22 control and accountability plan or annual update to a local control
23 and accountability plan, the governing board of a school district
24 shall file the local control and accountability plan or annual update
25 to the local control and accountability plan with the county
26 superintendent of schools.

27 (b) On or before August 15 of each year, the county
28 superintendent of schools may seek clarification, in writing, from
29 the governing board of a school district about the contents of the
30 local control and accountability plan or annual update to the local
31 control and accountability plan. Within 15 days the governing
32 board of a school district shall respond, in writing, to requests for
33 clarification.

34 (c) Within 15 days of receiving the response from the governing
35 board of the school district, the county superintendent of schools
36 may submit recommendations, in writing, for amendments to the
37 local control and accountability plan or annual update to the local
38 control and accountability plan. The governing board of a school
39 district shall consider the recommendations submitted by the county

1 superintendent of schools in a public meeting within 15 days of
2 receiving the recommendations.

3 (d) The county superintendent of schools shall approve a local
4 control and accountability plan or annual update to a local control
5 and accountability plan on or before October 8, if he or she
6 determines all of the following:

7 (1) The local control and accountability plan or annual update
8 to the local control and accountability plan adheres to the template
9 adopted by the state board pursuant to Section 52064.

10 (2) The budget for the applicable fiscal year adopted by the
11 governing board of the school district includes expenditures
12 sufficient to implement the specific actions and strategies included
13 in the local control and accountability plan adopted by the
14 governing board of the school district, based on the projections of
15 the costs included in the plan.

16 (3) The local control and accountability plan or annual update
17 to the local control and accountability plan adheres to the
18 expenditure requirements adopted pursuant to Section 42238.07
19 for funds apportioned on the basis of the number and concentration
20 of unduplicated pupils pursuant to Sections 42238.02 and 42238.03.

21 (e) If a county superintendent of schools has jurisdiction over
22 a single school district, the Superintendent shall designate a county
23 superintendent of schools of an adjoining county to perform the
24 duties specified in this section.

25 ~~SEC. 46.~~

26 *SEC. 47.* Section 52070.5 of the Education Code is amended
27 to read:

28 52070.5. (a) Not later than five days after adoption of a local
29 control and accountability plan or annual update to a local control
30 and accountability plan, the county board of education shall file
31 the local control and accountability plan or annual update to the
32 local control and accountability plan with the Superintendent.

33 (b) On or before August 15 of each year, the Superintendent
34 may seek clarification, in writing, from the county board of
35 education about the contents of the local control and accountability
36 plan or annual update to the local control and accountability plan.
37 Within 15 days the county board of education shall respond, in
38 writing, to requests for clarification.

39 (c) Within 15 days of receiving the response from the county
40 board of education, the Superintendent may submit

1 recommendations, in writing, for amendments to the local control
2 and accountability plan or annual update to the local control and
3 accountability plan. The county board of education shall consider
4 the recommendations submitted by the Superintendent in a public
5 meeting within 15 days of receiving the recommendations.

6 (d) The Superintendent shall approve a local control and
7 accountability plan or annual update to a local control and
8 accountability plan on or before October 8, if he or she determines
9 all of the following:

10 (1) The local control and accountability plan or annual update
11 to the local control and accountability plan adheres to the template
12 adopted by the state board pursuant to Section 52064.

13 (2) The budget for the applicable fiscal year adopted by the
14 county board of education includes expenditures sufficient to
15 implement the specific actions and strategies included in the local
16 control and accountability plan adopted by the county board of
17 education, based on the projections of the costs included in the
18 plan.

19 (3) The local control and accountability plan or annual update
20 to the local control and accountability plan adheres to the
21 expenditure requirements adopted pursuant to Section 42238.07
22 for funds apportioned on the basis of the number and concentration
23 of unduplicated pupils pursuant to Sections 2574 and 2575.

24 *SEC. 47.5. Section 52074 of the Education Code is amended*
25 *to read:*

26 52074. (a) The California Collaborative for Educational
27 Excellence is hereby established.

28 (b) The purpose of the California Collaborative for Educational
29 Excellence is to advise and assist school districts, county
30 superintendents of schools, and charter schools in achieving the
31 goals set forth in a local control and accountability plan adopted
32 pursuant to this article.

33 (c) *The Superintendent shall, with the approval of the state*
34 *board, contract with a local educational agency, or consortium*
35 *of local educational agencies, to serve as the fiscal agent for the*
36 *California Collaborative for Educational Excellence. The*
37 *Superintendent shall apportion funds appropriated for the*
38 *California Collaborative for Educational Excellence to the fiscal*
39 *agent.*

1 (d) *The California Collaborative for Educational Excellence*
2 *shall be governed by a board consisting of the following five*
3 *members:*

- 4 (1) *The Superintendent or his or her designee.*
5 (2) *The president of the state board or his or her designee.*
6 (3) *A county superintendent of schools appointed by the Senate*
7 *Committee on Rules.*
8 (4) *A teacher appointed by the Speaker of the Assembly.*
9 (5) *A superintendent of a school district appointed by the*
10 *Governor.*

11 ~~(e) The Superintendent shall, with the approval of the state~~
12 ~~board,~~

13 (e) *At the direction of the governing board of the California*
14 *Collaborative for Educational Excellence, the fiscal agent shall*
15 *contract with individuals, local educational agencies, or*
16 *organizations with the expertise, experience, and a record of*
17 *success to carry out the purposes of this article. The areas of*
18 *expertise, experience, and record of success shall include, but are*
19 *not limited to, all of the following:*

20 (1) *State priorities as described in subdivision (d) of Section*
21 *52060.*

22 (2) *Improving the quality of teaching.*

23 (3) *Improving the quality of school district and schoolsite*
24 *leadership.*

25 (4) *Successfully addressing the needs of special pupil*
26 *populations, including, but not limited to, English learners, pupils*
27 *eligible to receive a free or reduced-price meal, pupils in foster*
28 *care, and individuals with exceptional needs.*

29 ~~(f)~~

30 (f) *The Superintendent may direct the California Collaborative*
31 *for Educational Excellence to advise and assist a school district,*
32 *county superintendent of schools, or charter school in any of the*
33 *following circumstances:*

34 (1) *If the governing board of a school district, county board of*
35 *education, or governing body or a charter school requests the advice*
36 *and assistance of the California Collaborative for Educational*
37 *Excellence.*

38 (2) *If the county superintendent of schools of the county in*
39 *which the school district or charter school is located determines,*
40 *following the provision of technical assistance pursuant to Section*

1 52071 or 47607.3 as applicable, that the advice and assistance of
2 the California Collaborative for Educational Excellence is
3 necessary to help the school district or charter school accomplish
4 the goals described in the local control and accountability plan
5 adopted pursuant to this article.

6 (3) If the Superintendent determines that the advice and
7 assistance of the California Collaborative for Educational
8 Excellence is necessary to help the school district, county
9 superintendent of schools, or charter school accomplish the goals
10 set forth in the local control and accountability plan adopted
11 pursuant to this article.

12 ~~SEC. 47.~~

13 *SEC. 48.* Section 56836.11 of the Education Code is amended
14 to read:

15 56836.11. (a) For the purpose of computing the equalization
16 adjustment for special education local plan areas for the 1998–99
17 fiscal year, the Superintendent shall make the following
18 computations to determine the statewide target amount per unit of
19 average daily attendance for special education local plan areas:

20 (1) Total the amount of funding computed for each special
21 education local plan area exclusive of the amount of funding
22 computed for the special education local plan area identified as
23 the Los Angeles County Juvenile Court and Community
24 School/Division of Alternative Education Special Education Local
25 Plan Area, pursuant to Section 56836.09 for the 1997–98 fiscal
26 year.

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

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

39 (4) Add the amount computed in paragraph (3) to the inflation
40 adjustment computed pursuant to subdivision (d) of Section

1 56836.08 for the 1998–99 fiscal year to determine the statewide
2 target amount for the 1998–99 fiscal year.

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

11 (c) Commencing with the 2005–06 fiscal year and ending with
12 the 2010–11 fiscal year, to determine the statewide target amount
13 per unit of average daily attendance for special education local
14 plan areas for the purpose of computing the incidence multiplier
15 pursuant to former Section 56836.155, the Superintendent shall
16 add the statewide target amount per unit of average daily attendance
17 computed for the prior fiscal year for this purpose to the amount
18 computed in paragraph (2) of subdivision (d) or paragraph (2) of
19 subdivision (e), as appropriate.

20 (d) For the 2005–06 fiscal year, the Superintendent shall make
21 the following computation to determine the statewide target amount
22 per unit of average daily attendance to determine the inflation
23 adjustment pursuant to paragraph (2) of subdivision (d) of Section
24 56836.08 and growth pursuant to subdivision (c) of Section
25 56836.15, as follows:

26 (1) The 2004–05 fiscal year statewide target amount per unit of
27 average daily attendance less the sum of the 2004–05 fiscal year
28 total amount of federal funds apportioned pursuant to Schedule
29 (1) in Item 6110-161-0890 of Section 2.00 of the Budget Act of
30 2004 for purposes of special education for individuals with
31 exceptional needs enrolled in kindergarten and grades 1 to 12,
32 inclusive, divided by the total average daily attendance computed
33 for the 2004–05 fiscal year.

34 (2) Multiply the amount computed in paragraph (1) by the
35 inflation factor computed pursuant to subdivision (b) of Section
36 42238.1 for the fiscal year in which the computation is made.

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

38 (e) Commencing with the 2006–07 fiscal year and continuing
39 through the 2012–13 fiscal year, inclusive, the Superintendent
40 shall make the following computation to determine the statewide

1 target amount per unit of average daily attendance for special
2 education local plan areas for the purpose of computing the
3 inflation adjustment pursuant to paragraph (2) of subdivision (d)
4 of Section 56836.08 and growth pursuant to subdivision (c) of
5 Section 56836.15:

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

9 (2) Multiply the amount computed in paragraph (1) by the
10 inflation factor computed pursuant to subdivision (b) of Section
11 42238.1 for the fiscal year in which the computation is made.

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

13 (f) For the 2013–14 fiscal year, the Superintendent shall make
14 the following computations to determine the statewide target
15 amount per unit of average daily attendance to determine the
16 inflation adjustment pursuant to subdivision (g) of Section
17 56836.08 and growth pursuant to subdivision (c) of Section
18 56836.15, as follows:

19 (1) Total the amount of funding computed for each special
20 education local plan area pursuant to the amount computed in
21 subdivision (b) of Section 56836.08, including the amount of funds
22 appropriated pursuant to Provision 22 of Item 6110-161-0001 of
23 Section 2.00 of the Budget Act of 2013, and excluding the amount
24 of funding computed for the special education local plan area
25 identified as the Los Angeles County Juvenile Court and
26 Community School/Division of Alternative Education Special
27 Education Local Plan Area, for the 2013–14 fiscal year.

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

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

37 (g) Commencing with the 2014–15 fiscal year and continuing
38 each fiscal year thereafter, the Superintendent shall make the
39 following computations to determine the statewide target amount
40 per unit of average daily attendance for special education local

1 plan areas for the purpose of computing the inflation adjustment
2 pursuant to subdivision (g) of Section 56836.08 and growth
3 pursuant to subdivision (c) of Section 56836.15:

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

7 (2) Multiply the amount computed in paragraph (1) by the
8 inflation factor computed pursuant to Section 42238.1, as that
9 section read on January 1, 2013, or any successor section of law
10 enacted by the Legislature that specifies the inflation factor
11 contained in Section 42238.1, as that section read on January 1,
12 2013, for application to the 2014–15 fiscal year and each fiscal
13 year thereafter.

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

15 ~~SEC. 48.~~

16 *SEC. 49.* Section 70022 of the Education Code is amended to
17 read:

18 70022. (a) (1) Subject to an available and sufficient
19 appropriation, commencing with the 2014–15 academic year, an
20 undergraduate student enrolled in the California State University
21 or the University of California who meets the requirements of
22 paragraph (2) is eligible for a scholarship award as described in
23 that paragraph.

24 (2) Each academic year, except as provided in paragraphs (3)
25 and (4), a student shall receive a scholarship award in an amount
26 that, combined with other publicly funded student financial aid
27 received by an eligible student, is up to 40 percent of the amount
28 charged to that student in that academic year for mandatory
29 systemwide tuition and fees, if all of the following requirements
30 are met:

31 (A) The student's annual household income does not exceed
32 one hundred fifty thousand dollars (\$150,000). For purposes of
33 this article, annual household income shall be calculated in a
34 manner that is consistent with the requirements applicable to the
35 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
36 (Chapter 1.7 (commencing with Section 69430)) and Section
37 69506.

38 (B) The student satisfies the eligibility requirements for a Cal
39 Grant award pursuant to Section 69433.9, except that a student
40 who is exempt from nonresident tuition under Section 68130.5

1 shall not be required to satisfy the requirements of subdivision (a)
2 of Section 69433.9.

3 (C) The student is exempt from paying nonresident tuition.

4 (D) The student completes and submits a Free Application for
5 Federal Student Aid (FAFSA) application. If the student is not
6 able to complete a FAFSA application, the student submits an
7 application determined by the commission to be equivalent to the
8 FAFSA application for purposes of this article.

9 (E) The student makes a timely application or applications for
10 publicly funded student financial aid from programs for which he
11 or she is eligible, other than the program established by this article.
12 For purposes of this article, “publicly funded student financial aid”
13 shall be defined as the federal Pell Grant Program, the Cal Grant
14 Program, and institutional need-based grants.

15 (F) The student maintains satisfactory academic progress in a
16 manner that is consistent with the requirements applicable to the
17 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
18 pursuant to subdivision (m) of Section 69432.7.

19 (3) The scholarship award under this article to a student whose
20 annual household income is greater than one hundred thousand
21 dollars (\$100,000), and who otherwise meets the requirements of
22 paragraph (2), shall be reduced by 0.6-percent increments, from a
23 maximum 40 percent of mandatory systemwide tuition and fees
24 for an academic year to a minimum 10 percent of mandatory
25 systemwide tuition and fees for an academic year, per one thousand
26 dollars (\$1,000) of annual household income in excess of one
27 hundred thousand dollars (\$100,000), provided that no scholarship
28 award shall be provided to a student with an annual household
29 income exceeding one hundred fifty thousand dollars (\$150,000).
30 This reduction shall be in addition to any reduction required by
31 subdivision (e) of Section 70023.

32 (4) For the 2014–15, 2015–16, and 2016–17 academic years,
33 the maximum amount of a student’s scholarship award shall be 35
34 percent, 50 percent, and 75 percent, respectively, of the total
35 scholarship award amount that the student would otherwise be
36 eligible to receive.

37 (b) In order for students enrolled in their respective segments
38 to remain eligible to receive a scholarship under this article, the
39 University of California and the California State University shall
40 not supplant their respective institutional need-based grants with

the funds provided for scholarships under this article, and shall maintain their funding amounts at a level that, at a minimum, is equal to the level maintained for undergraduate students during the 2013–14 academic year.

(c) The University of California and the California State University shall report on the implementation of this article as part of the report made pursuant to Section 66021.1.

~~SEC. 49:~~

SEC. 50. Section 84321.6 of the Education Code, as added by Section 74 of Chapter 48 of the Statutes of 2013, 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 February, fifty-two million four hundred fifty-six thousand dollars (\$52,456,000) 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-two million four hundred fifty-six thousand dollars (\$592,456,000) 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,

1 and included within the “total allocations to school districts and
2 community college districts from General Fund proceeds of taxes
3 appropriated pursuant to Article XIII B,” as defined in subdivision
4 (e) of Section 41202, for the 2014–15 fiscal year.

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

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

9 ~~SEC. 50.~~

10 *SEC. 51.* Section 17581.7 of the Government Code is amended
11 to read:

12 17581.7. (a) Funding apportioned pursuant to this section shall
13 constitute reimbursement pursuant to Section 6 of Article XIII B
14 of the California Constitution for the performance of any state
15 mandates included in the statutes and executive orders identified
16 in subdivision (e).

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

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

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

30 (3) A community college district that receives block grant
31 funding pursuant to this section shall not be eligible to submit
32 claims to the Controller for reimbursement pursuant to Section
33 17560 for any costs of any state mandates included in the statutes
34 and executive orders identified in subdivision (e) incurred in the
35 same fiscal year during which the community college district
36 received funding pursuant to this section.

37 (d) All funding apportioned pursuant to this section is subject
38 to annual financial and compliance audits required by Section
39 84040 of the Education Code.

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

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

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

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

13 (4) Collective Bargaining and Collective Bargaining Agreement
14 Disclosure (CSM 4425 and 97-TC-08; Chapter 961 of the Statutes
15 of 1975; Chapter 1213 of the Statutes of 1991).

16 (5) Community College Construction (02-TC-47; Chapter 910
17 of the Statutes of 1980; Chapters 470 and 891 of the Statutes of
18 1981; Chapter 973 of the Statutes of 1988; Chapter 1372 of the
19 Statutes of 1990; Chapter 1038 of the Statutes of 1991; and Chapter
20 758 of the Statutes of 1995).

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

29 (7) Enrollment Fee Collection and Waivers (99-TC-13 and
30 00-TC-15).

31 (8) Health Fee Elimination (CSM 4206; Chapter 1 of the Statutes
32 of 1984, Second Extraordinary Session).

33 (9) Minimum Conditions for State Aid (02-TC-25 and 02-TC-31;
34 Chapter 802 of the Statutes of 1975; Chapters 275, 783, 1010, and
35 1176 of the Statutes of 1976; Chapters 36 and 967 of the Statutes
36 of 1977; Chapters 797 and 977 of the Statutes of 1979; Chapter
37 910 of the Statutes of 1980; Chapters 470 and 891 of the Statutes
38 of 1981; Chapters 1117 and 1329 of the Statutes of 1982; Chapters
39 143 and 537 of the Statutes of 1983; Chapter 1371 of the Statutes
40 of 1984; Chapter 1467 of the Statutes of 1986; Chapters 973 and

1 1514 of the Statutes of 1988; Chapters 1372 and 1667 of the
2 Statutes of 1990; Chapters 1038, 1188, and 1198 of the Statutes
3 of 1991; Chapters 493 and 758 of the Statutes of 1995; Chapters
4 365, 914, and 1023 of the Statutes of 1998; Chapter 587 of the
5 Statutes of 1999; Chapter 187 of the Statutes of 2000; and Chapter
6 1169 of the Statutes of 2002).

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

9 (11) Reporting Improper Governmental Activities (02-TC-24;
10 Chapter 416 of the Statutes of 2001; and Chapter 81 of the Statutes
11 of 2002).

12 (12) Threats Against Peace Officers (CSM 96-365-02; Chapter
13 1249 of the Statutes of 1992; and Chapter 666 of the Statutes of
14 1995).

15 (13) Tuition Fee Waivers (02-TC-21; Chapter 36 of the Statutes
16 of 1977; Chapter 580 of the Statutes of 1980; Chapter 102 of the
17 Statutes of 1981; Chapter 1070 of the Statutes of 1982; Chapter
18 753 of the Statutes of 1988; Chapters 424, 900, and 985 of the
19 Statutes 1989; Chapter 1372 of the Statutes of 1990; Chapter 455
20 of the Statutes of 1991; Chapter 8 of the Statutes of 1993; Chapter
21 389 of the Statutes of 1995; Chapter 438 of the Statutes of 1997;
22 Chapter 952 of the Statutes of 1998; Chapters 571 and 949 of the
23 Statutes of 2000; Chapter 814 of the Statutes of 2001; and Chapter
24 450 of the Statutes of 2002).

25 (f) Notwithstanding Section 10231.5, on or before November
26 1 of each fiscal year, the Chancellor of the California Community
27 Colleges shall produce a report that indicates the total amount of
28 block grant funding each community college district received in
29 the current fiscal year pursuant to this section. The chancellor shall
30 provide this report to the appropriate fiscal and policy committees
31 of the Legislature, the Controller, the Department of Finance, and
32 the Legislative Analyst's Office.

33 ~~SEC. 51.~~

34 SEC. 52. Section 26225 of the Public Resources Code is
35 amended to read:

36 26225. For the purposes of this chapter, the following terms
37 have the following meanings:

38 (a) "Chancellor" means the Chancellor of the California
39 Community Colleges.

1 (b) “Energy Commission” means the State Energy Resources
2 Conservation and Development Commission.

3 (c) “Local education agency,” “local educational agency,” or
4 “LEA” means a school district, county office of education, charter
5 school, or state special school.

6 (d) “Job Creation Fund” means the Clean Energy Job Creation
7 Fund established in Section 26205.

8 ~~SEC. 52.~~

9 *SEC. 53.* Section 26233 of the Public Resources Code is
10 amended to read:

11 26233. (a) Commencing with the 2013–14 fiscal year and
12 through the 2017–18 fiscal year, inclusive, the funds deposited
13 annually in the Job Creation Fund and remaining after the transfer
14 pursuant to Section 26227 and the appropriation pursuant to Section
15 26230 shall be allocated, to the extent consistent with this division,
16 as follows:

17 (1) Eighty-nine percent of the funds shall be available to local
18 educational agencies and allocated by the Superintendent of Public
19 Instruction pursuant to subdivision (b).

20 (2) Eleven percent of the funds shall be available to community
21 college districts and allocated by the Chancellor of the California
22 Community Colleges at his or her discretion.

23 (b) The Superintendent of Public Instruction shall allocate the
24 funds provided in paragraph (1) of subdivision (a) as follows:

25 (1) Eighty-five percent on the basis of average daily attendance
26 reported as of the second principal apportionment for the prior
27 fiscal year. For purposes of this section, average daily attendance
28 for the state special schools shall be deemed to be 97 percent of
29 the prior year enrollment as reported in the California Longitudinal
30 Pupil Achievement Data System.

31 (A) For every local educational agency with average daily
32 attendance as reported pursuant to this subdivision of 100 or less,
33 the amount awarded shall be fifteen thousand dollars (\$15,000).

34 (B) For every local educational agency with average daily
35 attendance as reported pursuant to this subdivision in excess of
36 100, but 1,000 or less, the amount awarded shall be either that
37 local educational agency’s proportional award on the basis of
38 average daily attendance or fifty thousand dollars (\$50,000),
39 whichever amount is larger.

(C) For every local educational agency with average daily attendance as reported pursuant to this subdivision in excess of 1,000, but less than 2,000, the amount awarded shall be either that local educational agency's proportional award on the basis of average daily attendance or one hundred thousand dollars (\$100,000), whichever amount is larger.

(D) For every local educational agency with average daily attendance as reported pursuant to this subdivision of 2,000 or more, the amount awarded shall be the local educational agency's proportional award on the basis of average daily attendance.

(2) Fifteen percent on the basis of students eligible for free and reduced-price meals in the prior year.

(3) For every local educational agency that receives over one million dollars (\$1,000,000) pursuant to this subdivision, not less than 50 percent of the funds shall be used for projects larger than two hundred fifty thousand dollars (\$250,000) that achieve substantial energy efficiency, clean energy, and jobs benefits.

(c) A local educational agency subject to subparagraph (A) or (B) of paragraph (1) of subdivision (b) may submit a written request to the Superintendent of Public Instruction, by September 1 of each year, to receive in the current year its funding allocation for both the current year and the following year, both of which would be based on the average daily attendance used in the current year for determining funding pursuant to the applicable subparagraph. A local educational agency requesting funding pursuant to this subdivision shall not receive a funding allocation in the year following the request. This election applies to the funding available pursuant to paragraphs (1) and (2) of subdivision (b).

(d) A local educational agency shall encumber funds received pursuant to this section by June 30, 2018.

~~SEC. 53.~~

SEC. 54. Section 26235 of the Public Resources Code is amended to read:

26235. (a) The Energy Commission, in consultation with the Superintendent of Public Instruction, the Chancellor of the California Community Colleges, and the Public Utilities Commission, shall establish guidelines for the following:

(1) Standard methods for estimating energy benefits, including reasonable assumptions for current and future costs of energy, and

1 guidelines to compute the cost of energy saved as a result of
2 implementing eligible projects funded by this chapter.

3 (2) Contractor qualifications, licensing, and certifications
4 appropriate for the work to be performed, provided that the Energy
5 Commission shall not create any new qualification, license, or
6 certification pursuant to this subparagraph.

7 (3) Project evaluation, including the following:

8 (A) Benchmarks or energy rating systems to select best
9 candidate facilities.

10 (B) Use of energy surveys or audits to inform project
11 opportunities, costs, and savings.

12 (C) Sequencing of facility improvements.

13 (D) Methodologies for cost-effectiveness determination.

14 (4) To ensure that adequate energy audit, measurement, and
15 verification procedures are employed to ensure that energy savings
16 and greenhouse gas emissions reductions occur as a result of any
17 funding provided pursuant to this section. The Energy Commission
18 shall develop a simple preinstallation verification form that includes
19 project description, estimated energy savings, expected number
20 of jobs created, current energy usage, and costs. The Energy
21 Commission may develop benchmarking and other innovative
22 facility evaluation systems in coordination with the University of
23 California.

24 (5) Achievement of the maximum feasible energy efficiency or
25 clean energy benefits, as well as job creation benefits for
26 Californians, resulting from projects implemented pursuant to this
27 chapter.

28 (6) Where applicable, ensuring LEAs assist classified school
29 employees with training and information to better understand how
30 they can support and maximize the achievement of energy savings
31 envisioned by the funded project.

32 (b) The Energy Commission shall allow the use of data analytics
33 of energy usage data, where possible, in the energy auditing,
34 evaluation, inventorying, measuring, and verification of projects.
35 To ensure quality of results, data analytics providers shall have
36 received prior technical validation by the Energy Commission, a
37 local utility, or the Public Utilities Commission.

38 (c) A community college district or LEA shall not use a sole
39 source process to award funds pursuant to this chapter. A
40 community college district or LEA may use the best value criteria

1 as defined in paragraph (1) of subdivision (c) of Section 20133 of
2 the Public Contract Code to award funds pursuant to this chapter.

3 (d) The Energy Commission shall adopt the guidelines in
4 accordance with this section at a publicly noticed meeting and
5 provide an opportunity for public comment. The Energy
6 Commission shall provide written public notice of a meeting at
7 least 30 days prior to the meeting.

8 (1) For substantive revision of the guidelines, the Energy
9 Commission shall provide written notice of a meeting at least 15
10 days prior to the meeting at which the revision is to be considered
11 or adopted.

12 (2) The adoption or revision of guidelines pursuant to this
13 subdivision is exempt from Chapter 3.5 (commencing with Section
14 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

15 (e) Each participating LEA shall prioritize the eligible projects
16 within its jurisdiction taking into consideration, as applicable, at
17 least the following factors:

18 (1) The age of the school facilities, as well as any plans to close
19 or demolish the facilities.

20 (2) The proportion of pupils eligible for funds under Title I of
21 the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301
22 et seq.) at particular schoolsites.

23 (3) Whether the facilities have been recently modernized.

24 (4) The facilities' hours of operation, including whether the
25 facilities are operated on a year-round basis.

26 (5) The school's energy intensity as determined from an energy
27 rating or benchmark system such as the United States
28 Environmental Protection Agency's Energy Star system or other
29 acceptable benchmarking approach that may be available from
30 local utilities, the American Society for Heating, Refrigerating,
31 and Air-Conditioning Engineers, Inc., or reputable building analysis
32 software as is appropriate to the size, budget, and expertise
33 available to the school.

34 (6) The estimated financial return of each project's investment
35 over the expected lifecycle of the project, in terms of net present
36 value and return on investment.

37 (7) Each project's potential for energy demand reduction.

38 (8) The anticipated health and safety improvements or other
39 nonenergy benefits for each project.

1 (9) The individual or collective project's ability to facilitate
2 matriculation of local residents into state-certified apprenticeship
3 programs.

4 (10) The expected number of trainees and direct full-time
5 employees likely to be engaged for each LEA's annual funding
6 commitments based upon a formula to be made available by the
7 Energy Commission or California Workforce Investment Board.
8 The formula shall be stated as labor-intensities per total project
9 dollar expended, and may differentiate by type of improvement,
10 equipment, or building trade involved.

11 (11) The ability of the project to enhance workforce
12 development and employment opportunities, utilize members of
13 the California Conservation Corps, certified local conservation
14 corps, Youth Build, veterans, Green Partnership Academies,
15 nonprofit organizations, high school career technical academies,
16 high school regional occupational programs, or state-certified
17 apprenticeship programs, or to accommodate learning opportunities
18 for school pupils or at-risk youth in the community.

19 (f) The Superintendent of Public Instruction shall not distribute
20 funds to an LEA unless the LEA has submitted to the Energy
21 Commission, and the Energy Commission has approved, an
22 expenditure plan that outlines the energy projects to be funded.
23 An LEA shall utilize a simple form expenditure plan developed
24 by the Energy Commission. The Energy Commission shall
25 promptly review the plan to ensure that it meets the criteria
26 specified in this section and in the guidelines developed by the
27 Energy Commission. A portion of the funds may be distributed to
28 an LEA upon request for energy audits and other plan development
29 activities prior to submission of the plan.

30 (g) This section shall not affect the eligibility of any eligible
31 entity awarded a grant pursuant to this section to receive other
32 incentives available from federal, state, and local government, or
33 from public utilities or other sources, or to leverage the grant from
34 this section with any other incentive.

35 (h) Any limitation of funds awarded to individual projects
36 pursuant to this chapter shall not preclude or otherwise limit the
37 total amount of funds that a recipient LEA or community college
38 may otherwise be eligible to receive as a result of identifying
39 multiple projects that meet the overall objectives and criteria
40 described in this chapter.

(i) For a school facility that is not publicly owned, an LEA receiving moneys pursuant to this chapter for a project for that facility shall require that the school repay to the state all moneys received from the Job Creation Fund for the project if the school voluntarily vacates the facility within five years of project completion. The facility owner shall repay to the state all moneys received from the Job Creation Fund for the project if the school was forced to vacate the facility within the life of the project completion. All benefits of these public funds should be received by the school utilizing the facility.

(j) It is the intent of the Legislature that monetary savings at eligible institutions from retrofit and installation projects pursuant to this section be used to benefit students and learning at those institutions.

~~SEC. 54.~~

SEC. 55. Section 115 of Chapter 47 of the Statutes of 2013 is amended to read:

~~SEC. 115.~~

Sec. 115. (a) The sum of two billion one hundred one million one hundred sixty-one thousand dollars (\$2,101,161,000) is hereby appropriated from the General Fund for the purposes of this act as follows:

(1) Two million dollars (\$2,000,000) shall be appropriated to the Governor's Office of Planning and Research for purposes of implementing Sections 42238.07, 52064, and 52064.5 of the Education Code.

(2) Two billion sixty-seven million one hundred forty thousand dollars (\$2,067,140,000) shall be appropriated to the Superintendent of Public Instruction and shall be allocated pursuant to the calculation in subdivision (b) of Section 42238.03 of the Education Code.

(3) Thirty-two million twenty-one thousand dollars (\$32,021,000) shall be appropriated to the Superintendent of Public Instruction and shall be allocated pursuant to the calculation in subdivision (f) of Section 2575 of the Education Code.

(b) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the amount appropriated in paragraphs (2) and (3) of subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the

1 Education Code, for the 2013–14 fiscal year, and included within
2 the “total allocations to school districts and community college
3 districts from General Fund proceeds of taxes appropriated pursuant
4 to Article XIII B,” as defined in subdivision (e) of Section 41202
5 of the Education Code, for the 2013–14 fiscal year.

6 ~~SEC. 55.~~

7 *SEC. 56.* Section 83 of Chapter 48 of the Statutes of 2013 is
8 amended to read:

9 Sec. 83. (a) Notwithstanding any other law, the Inglewood
10 Unified School District, through the State Department of Education,
11 may request cashflow loans from the General Fund for a total of
12 up to fifty-five million dollars (\$55,000,000) for emergency
13 operational purposes.

14 (b) Unless otherwise specified in this section, the terms and
15 conditions of any General Fund cashflow loan provided pursuant
16 to this section shall be subject to approval by the Director of
17 Finance and shall be consistent with the terms and conditions of
18 the General Fund emergency apportionment issued pursuant to
19 Chapter 325 of the Statutes of 2012. The terms and conditions of
20 the General Fund cashflow loan shall include authorization for the
21 payment of costs incurred before June 15, 2013, by the California
22 Infrastructure and Economic Development Bank to implement
23 Section 10 of Chapter 325 of the Statutes of 2012. Notwithstanding
24 the interest rates specified in the terms and conditions of the
25 General Fund loan issued pursuant to Chapter 325 of the Statutes
26 of 2012, the interest on these loans shall be charged at the annual
27 rate of return of the Pooled Money Investment Account, plus an
28 additional 2 percent.

29 (c) Once a General Fund cashflow loan is approved pursuant
30 to this section, and upon the order of the Director of Finance, the
31 Controller shall draw warrants against General Fund cash to the
32 Inglewood Unified School District to provide a cashflow loan.

33 (d) Upon approval of a General Fund cashflow loan pursuant
34 to this section, a repayment schedule shall be determined by the
35 Department of Finance. If a required payment is not made within
36 60 days after a scheduled date, upon order of the Department of
37 Finance, the Controller shall pay the defaulted General Fund
38 cashflow loan repayment by withholding that amount from the
39 next available payment that would otherwise be made to the county

1 treasurer on behalf of the school district pursuant to Section 14041
2 of the Education Code.

3 (e) The Department of Finance shall notify the Legislature
4 within 15 days of authorizing a General Fund cashflow loan
5 pursuant to this section.

6 (f) A cashflow loan from the General Fund authorized by this
7 section does not constitute budgetary expenditures. A cashflow
8 loan, and the repayment of a cashflow loan, made under this section
9 shall not affect the General Fund reserve.

10 (g) Issuance of a General Fund cashflow loan authorized
11 pursuant to this section shall require the Inglewood Unified School
12 District to abide by all provisions associated with the issuance of
13 the emergency loan specified in Chapter 325 of the Statutes of
14 2012, including those cited in Article 2 (commencing with Section
15 41320) and Article 2.5 (commencing with Section 41325) of
16 Chapter 3 of Part 24 of Division 3 of Title 2 of the Education Code.

17 (h) As a condition of requesting a General Fund cashflow loan
18 pursuant to this section, the Inglewood Unified School District
19 shall repay the twenty-nine million dollar (\$29,000,000) General
20 Fund loan issued pursuant to Chapter 325 of the Statutes of 2012
21 from the proceeds of the school district's initial request for a
22 General Fund cashflow loan.

23 ~~SEC. 56.~~

24 SEC. 57. Item 6110-001-0001 of Section 2.00 of the Budget
25 Act of 2013 is amended to read:

26		
27	6110-001-0001—For support of Department of Education.....	38,652,000
28	Schedule:	
29	(2) 20-Instructional Support.....	148,109,000
30	(3) 30-Special Programs.....	69,267,000
31	(6) 42.01-Department Management and	
32	Special Services.....	34,901,000
33	(7) 42.02-Distributed Department Manage-	
34	ment and Special Services.....	-34,901,000
35	(8) Reimbursements.....	-16,104,000
36	(9) Amount payable from the Federal	
37	Trust Fund (Item 6110-001-0890).....	-165,605,000
38	(10) Amount payable from the Mental	
39	Health Services Fund (Item 6110-001-	
40	3085).....	-179,000

Provisions:

1. Notwithstanding Section 33190 of the Education Code or any other provision of law, the State Department of Education shall expend no funds to prepare (a) a statewide summary of pupil performance on school district proficiency assessments or (b) a compilation of information on private schools with five or fewer pupils.
2. Funds appropriated in this item may be expended or encumbered to make one or more payments under a personal services contract of a visiting educator pursuant to Section 19050.8 of the Government Code, a long-term special consultant services contract, or an employment contract between an entity that is not a state agency and a person who is under the direct or daily supervision of a state agency, only if all of the following conditions are met:
 - (a) The person providing service under the contract provides full financial disclosure to the Fair Political Practices Commission in accordance with the rules and regulations of the Commission.
 - (b) The service provided under the contract does not result in the displacement of any represented civil service employee.
 - (c) The rate of compensation for salary and health benefits for the person providing service under the contract does not exceed by more than 10 percent the current rate of compensation for salary and health benefits determined by the Department of Human Resources for civil service personnel in a comparable position. The payment of any other compensation or any reimbursement for travel or per diem expenses shall be in accordance with the State Administrative Manual and the rules and regulations of the California Victim Compensation and Government Claims Board.
3. The funds appropriated in this item may not be expended for any REACH program.
4. The funds appropriated in this item may not be expended for the development or dissemination of program

advisories, including, but not limited to, program advisories on the subject areas of reading, writing, and mathematics, unless explicitly authorized by the State Board of Education.

5. Of the funds appropriated in this item, \$206,000 shall be available as matching funds for the State Department of Rehabilitation to provide coordinated services to disabled pupils. Expenditure of the funds shall be identified in the memorandum of understanding or other written agreement with the State Department of Rehabilitation to ensure an appropriate match to federal vocational rehabilitation funds.
6. Of the funds appropriated in this item, no less than \$1,973,000 is available for support of child care services, including state preschool.
7. By October 31 of each year, the State Department of Education (SDE) shall provide to the Department of Finance a file of all charter school average daily attendance (ADA) and state and local revenue associated with charter school general purpose entitlements as part of the P2 Revenue Limit File. By March 1 of each year, the SDE shall provide to the Department of Finance a file of all charter school ADA and state and local revenue associated with charter school general purpose entitlements as part of the P1 Revenue Limit File. It is the expectation that such reports will be provided annually.
8. On or before April 15 of each year, the State Department of Education (SDE) shall provide to the Department of Finance an electronic file that includes complete district- and county-level state appropriations limit information reported to the SDE. The SDE shall make every effort to ensure that all districts have submitted the necessary information requested on the relevant reporting forms.
9. The State Department of Education shall make information available to the Department of Finance, the Legislative Analyst's Office, and the budget committees of each house of the Legislature by October 31, March 31, and May 31 of each year regarding the

- amount of Proposition 98 savings estimated to be available for reversion by June 30 of that year.
10. Of the reimbursement funds appropriated in this item, \$1,300,000 shall be available to the State Department of Education for nutrition education and physical activity promotion pursuant to an interagency agreement with the State Department of State Hospitals.
11. Reimbursement expenditures pursuant to this item resulting from the imposition by the State Department of Education (SDE) of a commercial copyright fee may not be expended sooner than 30 days after the SDE submits to the Department of Finance a legal opinion affirming the authority to impose such fees and the arguments supporting that position against any objections or legal challenges to the fee filed with the SDE. Any funds received pursuant to imposition of a commercial copyright fee may only be expended as necessary for outside counsel contingent on a certification of the Superintendent of Public Instruction that sufficient expertise is not available within departmental legal staff. The SDE shall not expend greater than \$300,000 for such purposes without first notifying the Department of Finance of the necessity therefor, and upon receiving approval in writing.
12. Of the amount appropriated in this item, \$139,000 from reimbursement funds may be expended for administering the Education Technology K–12 Voucher Program pursuant to the Microsoft settlement.
13. Of the funds appropriated in this item, up to \$1,011,000 is for dispute resolution services, including mediation and fair hearing services, provided through contract for special education programs.
14. Of the reimbursement funds appropriated in this item, \$422,000 shall be available to the State Department of Education (SDE) to contract for assistance in developing an approved listing of food and beverage items that comply with the nutrition standards of Chapters 235 and 237 of the Statutes of 2005. In order to fund the development and maintenance of the approved product listing, the SDE shall collect a fee, as it deems

- 1 appropriate, from vendors seeking to have their prod-
2 ucts reviewed for potential placement on the approved
3 product listing.
- 4 15. Of the reimbursement funds appropriated in this item,
5 \$612,000 is provided to the State Department of Edu-
6 cation for the oversight of State Board of Education-
7 authorized charter schools. The Department of Finance
8 may administratively establish up to 2.0 positions for
9 this purpose as workload materializes.
- 10 16. Of the funds appropriated in this item, \$158,000 and
11 1.5 positions are provided to support new requirements
12 contained in Chapter 723 of the Statutes of 2011,
13 which strengthens antidiscrimination and antibullying
14 policies in schools.
- 15 17. Of the funds appropriated in this item, \$109,000 and
16 1.0 position is provided to support new requirements
17 contained in Chapter 776 of the Statutes of 2012,
18 which clarifies the prohibition against public schools
19 charging pupil fees for participation in educational
20 activities.
- 21 18. Of the funds appropriated in this item, \$217,000 and
22 2.0 positions are available for workload to implement
23 Chapter 577 of the Statutes of 2012, including activi-
24 ties necessary to revise the Academic Performance
25 Index.
- 26 19. Of the funds appropriated in this item, \$109,000 shall
27 be for 1.0 position within the State Department of
28 Education to support activities associated with the
29 Clean Energy Job Creation Fund.
- 30 20. Of the funds appropriated in this item, \$233,000 is
31 available in one-time funds for the Instructional
32 Quality Commission to support activities necessary
33 to meet the deadlines required pursuant to Section
34 60207 of the Education Code for development of
35 common core curriculum frameworks for mathematics
36 and English language arts.
- 37 22. Of the amount appropriated in this item, \$459,000 is
38 provided to support the Career Technical Education
39 Pathways Trust one-time grant program pursuant to
40 Chapter 48 of the Statutes of 2013 in the 2013–14

fiscal year. The funds appropriated in this item shall support the activities authorized by Section 86 of Chapter 48 of the Statutes of 2013, as follows:

- (a) 3.0 limited-term 3-year positions to administer and oversee the one-time California Career Technical Education Pathways Trust competitive grant program.
- (b) Grant application development and distribution, and grantee selection.
- (c) Desk monitoring of grant recipients and technical assistance.
- (d) An external data repository, data collection, and outcome measures reporting.

23. Of the amount appropriated in this item, \$570,000 and 5.0 positions are provided to support the Local Control Accountability Plan state-level activities pursuant to Chapter 48 of the Statutes of 2013. These funds and positions shall be used by the State Department of Education to support activities including, but not limited to, ~~departmentwide~~ *department-wide* coordination of consistent Local Control Funding Formula information and its dissemination, and assisting the development of regulations and Local Control and Accountability Plan templates. Of the amount appropriated in this item, up to an additional seven hundred twenty-three thousand dollars (\$723,000) and 6.0 positions may be expended for these state-level activities by the State Department of Education upon approval of an expenditure plan, or plans, for those funds by the Department of Finance. The Department of Finance shall notify, in writing, the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, of any expenditure plan approvals and positions established pursuant to the authority authorized in this provision.

24. Of the amount appropriated in this item, \$933,000 and 6.0 positions are provided to support the Local Control

Funding Formula administration pursuant to Chapter 48 of the Statutes of 2013. These funds and positions shall be used by the State Department of Education to support the apportionment of, and fiscal oversight of, funding pursuant to the Local Control Funding Formula. Of the amount appropriated in this item, up to an additional four hundred seventy-nine thousand dollars (\$479,000) and 5.0 positions may be expended to support Local Control Funding Formula administration by the State Department of Education upon approval of an expenditure plan, or plans, for those funds by the Department of Finance. The Department of Finance shall notify, in writing, the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, of any expenditure plan approvals and positions established pursuant to the authority authorized in this provision.

~~SEC. 57.~~

SEC. 58. Item 6110-280-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

6110-280-0001—For local assistance, Department of Education (Proposition 98), Program 20.40.800 Instructional Support

- Career Technical Education.....	250,000,000
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Provisions:

1. Of the funds appropriated in this item, \$249,750,000 is available for one-time grants for the Career Technical Education Pathways Grant Program pursuant to legislation to be adopted during the 2013–14 fiscal year.
2. Of the funds appropriated in this item, \$250,000 is provided on a one-time basis for an independent evaluation of the Career Technical Education Pathways Grant Program. The State Department of Education shall allocate the funding to a local educational agency

1 that the State Department of Education has identified
2 to contract for the evaluation.

3
4 ~~SEC. 58.~~

5 *SEC. 59.* For purposes of calculating the local control funding
6 formula transition adjustment pursuant to subdivision (b) of Section
7 42238.03 of the Education Code for the Torrance Unified School
8 District for the 2013–14 and 2014–15 fiscal years, the
9 Superintendent of Public Instruction shall reduce the amount of
10 entitlement for Item 6110-105-0001, as set forth in paragraph (2)
11 of subdivision (a) of Section 42238.03 of the Education Code, by
12 three million four hundred seventy-three thousand five hundred
13 seventy-four dollars (\$3,473,574). For the 2013–14 and 2014–15
14 fiscal years, the Torrance Unified School District shall continue
15 to allocate three million four hundred seventy-three thousand five
16 hundred seventy-four dollars (\$3,473,574) in accordance with
17 paragraph (5) of subdivision (a) of Section 42238.03 of the
18 Education Code.

19 ~~SEC. 59.~~

20 *SEC. 60.* (a) On or before June 30, 2014, the Board of
21 Governors of the California Community Colleges is authorized to
22 increase the total General Fund apportionment allocations to be
23 made between July 1, 2013, and February 1, 2014, specified in
24 subdivisions (d) and (e) of Section 58770 of Title 5 of the
25 California Code of Regulations and authorized in subdivision (b)
26 of Section 70901 of the Education Code, by an amount to be
27 determined by the Director of Finance.

28 (b) The funds in subdivision (a) shall be increased only to the
29 extent that revenues distributed to community college districts
30 pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188
31 of the Health and Safety Code are less than the estimated amount
32 reflected in the Budget Act of 2012, as determined by the Director
33 of Finance.

34 (c) In making the determinations pursuant to subdivision (b),
35 the Director of Finance shall consider any other local property tax
36 revenue, student fee revenue, or other sources of revenue collected
37 in excess of, or in deficit of, the estimated amount reflected in the
38 Budget Act of 2012.

39 (d) The Director of Finance shall notify the Chairperson of the
40 Joint Legislative Budget Committee, or his or her designee, of his

1 or her intent to increase the total allocations to be made between
2 July 1, 2013, and February 1, 2014, and the amount needed to
3 address the shortfall determined pursuant to subdivision (b). The
4 Controller shall make the funds available not sooner than five days
5 after this notification and the Office of the Chancellor of the
6 California Community Colleges shall work with the Controller to
7 allocate these funds to community college districts as soon as
8 practicable.

9 ~~SEC. 60.~~

10 *SEC. 61.* (a) On or before December 31, 2013, an amount to
11 be determined by the Director of Finance of up to, but not more
12 than, one hundred million dollars (\$100,000,000) is hereby
13 appropriated from the General Fund to the Board of Governors of
14 the California Community Colleges in augmentation of Schedule
15 (1) in Item 6870-101-0001 of Section 2.00 of the Budget Act of
16 2012.

17 (b) The funds appropriated in subdivision (a) shall be available
18 only to the extent that revenues distributed to community college
19 districts pursuant to Sections 34177, 34179.5, 34179.6, 34183,
20 and 34188 of the Health and Safety Code are less than the estimated
21 amount reflected in the Budget Act of 2012, as determined by the
22 Director of Finance.

23 (c) On or before December 31, 2013, the Director of Finance
24 shall determine if the revenues distributed to community college
25 districts pursuant to Sections 34177, 34179.5, 34179.6, 34183,
26 and 34188 of the Health and Safety Code exceed the estimated
27 amount reflected in the Budget Act of 2012, and shall reduce
28 Schedule (1) in Item 6870-101-0001 of Section 2.00 of the Budget
29 Act of 2012 by the amount of that excess.

30 (d) In making the determinations pursuant to subdivisions (b)
31 and (c), the Director of Finance shall consider any other local
32 property tax revenue, student fee revenue, or other sources of
33 revenue collected in excess of, or in deficit of, the estimated
34 amount reflected in the Budget Act of 2012.

35 (e) The Director of Finance shall notify the Chairperson of the
36 Joint Legislative Budget Committee, or his or her designee, of his
37 or her intent to notify the Controller of the necessity to release
38 funds appropriated in subdivision (a), or to make the reduction
39 pursuant to subdivision (c), and of the amount needed to address
40 the property tax shortfall determined pursuant to subdivision (b),

1 or the amount of the reduction made pursuant to subdivision (c).
2 The Controller shall make the funds available not sooner than five
3 days after this notification and the Office of the Chancellor of the
4 California Community Colleges shall work with the Controller to
5 allocate these funds to community college districts as soon as
6 practicable.

7 (f) For purposes of making the computations required by Section
8 8 of Article XVI of the California Constitution, the appropriations
9 made by subdivision (a) shall be deemed to be “General Fund
10 revenues appropriated for community college districts,” as defined
11 in subdivision (d) of Section 41202 of the Education Code, for the
12 2012–13 fiscal year, and included within the “total allocations to
13 school districts and community college districts from General Fund
14 proceeds of taxes appropriated pursuant to Article XIII B,” as
15 defined in subdivision (e) of Section 41202 of the Education Code,
16 for the 2012–13 fiscal year.

17 *SEC. 62. The Legislature finds and declares that a special law,*
18 *as set forth in Section 14 of this act, is necessary and that a general*
19 *law cannot be made applicable within the meaning of Section 16*
20 *of Article IV of the California Constitution because of the unique*
21 *circumstances relating to the fiscal emergency in the South*
22 *Monterey County Joint Union High School District.*

23 ~~SEC. 61.~~

24 *SEC. 63. The Legislature finds and declares that a special law,*
25 *as set forth in Section 55 56 of this act, is necessary and that a*
26 *general law cannot be made applicable within the meaning of*
27 *Section 16 of Article IV of the California Constitution because of*
28 *the unique circumstances relating to the fiscal emergency in the*
29 *Inglewood Unified School District.*

30 *SEC. 64. Section 17.5 of this bill incorporates amendments to*
31 *Section 42127 of the Education Code proposed by both this bill*
32 *and Senate Bill 344. It shall only become operative if (1) both bills*
33 *are enacted and become effective on or before January 1, 2014,*
34 *but this bill becomes operative first, (2) each bill amends Section*
35 *42127 of the Education Code, and (3) this bill is enacted after*
36 *Senate Bill 344, in which case Section 42127 of the Education*
37 *Code, as amended by Section 17 of this bill, shall remain operative*
38 *only until the operative date of Senate Bill 344, at which time*
39 *Section 17.5 of this bill shall become operative.*

1 SEC. 65. Section 40.5 of this bill incorporates amendments to
2 Section 52060 of the Education Code proposed by both this bill
3 and Senate Bill 344. It shall only become operative if (1) both bills
4 are enacted and become effective on or before January 1, 2014,
5 but this bill becomes operative first, (2) each bill amends Section
6 52060 of the Education Code, and (3) this bill is enacted after
7 Senate Bill 344, in which case Section 52060 of the Education
8 Code, as amended by Section 40 of this bill, shall remain operative
9 only until the operative date of Senate Bill 344, at which time
10 Section 40.5 of this bill shall become operative.

11 SEC. 66. Section 41.5 of this bill incorporates amendments to
12 Section 52061 of the Education Code proposed by both this bill
13 and Senate Bill 344. It shall only become operative if (1) both bills
14 are enacted and become effective on or before January 1, 2014,
15 but this bill becomes operative first, (2) each bill amends Section
16 52061 of the Education Code, and (3) this bill is enacted after
17 Senate Bill 344, in which case Section 52061 of the Education
18 Code, as amended by Section 41 of this bill, shall remain operative
19 only until the operative date of Senate Bill 344, at which time
20 Section 41.5 of this bill shall become operative.

21 SEC. 67. Section 43.5 of this bill incorporates amendments to
22 Section 52064 of the Education Code proposed by both this bill
23 and Senate Bill 344. It shall only become operative if (1) both bills
24 are enacted and become effective on or before January 1, 2014,
25 but this bill becomes operative first, (2) each bill amends Section
26 52064 of the Education Code, and (3) this bill is enacted after
27 Senate Bill 344, in which case Section 52064 of the Education
28 Code, as amended by Section 43 of this bill, shall remain operative
29 only until the operative date of Senate Bill 344, at which time
30 Section 43.5 of this bill shall become operative.

31 SEC. 68. Section 44.5 of this bill incorporates amendments to
32 Section 52066 of the Education Code proposed by both this bill
33 and Senate Bill 344. It shall only become operative if (1) both bills
34 are enacted and become effective on or before January 1, 2014,
35 but this bill becomes operative first, (2) each bill amends Section
36 52066 of the Education Code, and (3) this bill is enacted after
37 Senate Bill 344, in which case Section 52066 of the Education
38 Code, as amended by Section 44 of this bill, shall remain operative
39 only until the operative date of Senate Bill 344, at which time
40 Section 44.5 of this bill shall become operative.

1 ~~SEC. 62.~~

2 *SEC. 69.* This act is a bill providing for appropriations related
3 to the Budget Bill within the meaning of subdivision (e) of Section
4 12 of Article IV of the California Constitution, has been identified
5 as related to the budget in the Budget Bill, and shall take effect
6 immediately.

O