

**ASSEMBLY BILL**

**No. 200**

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**Introduced by Assembly Member Hagman**

January 29, 2013

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An act to amend Section 42238.1 of the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 200, as introduced, Hagman. Education finance: inflation adjustment to revenue limits.

Existing law establishes the public elementary and secondary school system in this state and further establishes a funding system under which the state apportions funds to local educational agencies in accordance with school district revenue limits that are calculated as specified. Existing law requires the Superintendent of Public Instruction to annually calculate an inflation adjustment, as specified, that is then used in calculating school district revenue limits.

This bill would make nonsubstantive changes to the provision requiring the annual calculation of the inflation adjustment.

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

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

1 SECTION 1. Section 42238.1 of the Education Code is  
2 amended to read:  
3 42238.1. (a) For the 1986–87 fiscal year and each fiscal year  
4 up to and including the 1998–99 fiscal year, the Superintendent

1 of ~~Public Instruction~~ shall compute an inflation adjustment equal  
2 to the product of paragraphs (1) and (2):

3 (1) Compute the sum of the following:

4 (A) The statewide average base revenue limit per unit of average  
5 daily attendance for the prior fiscal year for *school* districts of  
6 similar type.

7 (B) The amount, if any, per unit of average daily attendance  
8 received by the *school* district pursuant to Article 8 (commencing  
9 with Section 46200) of Chapter 2 of Part 26 of *Division 4* for the  
10 prior fiscal year.

11 (2) The percentage change in the annual average value of the  
12 Implicit Price Deflator for State and Local Government Purchases  
13 of Goods and Services for the United States, as published by the  
14 United States Department of Commerce for the 12-month period  
15 ending in the third quarter of the prior fiscal year. This percentage  
16 change shall be determined using the latest data available as of  
17 May 1 of the preceding fiscal year compared with the annual  
18 average value of the same deflator for the 12-month period ending  
19 in the third quarter of the second preceding fiscal year, using the  
20 latest data available as of May 1 of the second preceding fiscal  
21 year, as reported by the Department of Finance.

22 (b) For the 1999–2000 fiscal year and each fiscal year thereafter,  
23 the Superintendent of ~~Public Instruction~~ shall compute an inflation  
24 adjustment equal to the product of paragraphs (1) and (2):

25 (1) Compute the sum of the following:

26 (A) The statewide average base revenue limit per unit of average  
27 daily attendance for the prior fiscal year for *school* districts of  
28 similar type.

29 (B) The amount, if any, per unit of average daily attendance  
30 received by the *school* district pursuant to Article 8 (commencing  
31 with Section 46200) of Chapter 2 of Part 26 of *Division 4* for the  
32 prior fiscal year.

33 (2) The percentage change in the annual average value of the  
34 Implicit Price Deflator for State and Local Government Purchases  
35 of Goods and Services for the United States, as published by the  
36 United States Department of Commerce for the 12-month period  
37 ending in the third quarter of the prior fiscal year. This percentage  
38 change shall be determined using the latest data available as of  
39 May 10 of the preceding fiscal year compared with the annual  
40 average value of the same deflator for the 12-month period ending

- 1 in the third quarter of the second preceding fiscal year, using the
- 2 latest data available as of May 10 of the preceding fiscal year, as
- 3 ~~report~~ *reported* by the Department of Finance.
- 4 (c) This section shall become operative July 1, 1986.

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