

AMENDED IN ASSEMBLY APRIL 10, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1186**

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**Introduced by Assembly Member Bonilla**

February 22, 2013

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An act to amend Section 42605 of the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1186, as amended, Bonilla. School finance: categorical programs.

Existing law establishes various categorical education programs and appropriates the funding for those programs in the annual Budget Act. Existing law requires the Superintendent of Public Instruction, for the 2008–09 to 2014–15 fiscal years, inclusive, to apportion from the amounts provided in the annual Budget Act for specified categorical education programs an amount based on the relative proportion that the local educational agency received in the 2008–09 fiscal year for those programs and authorizes school districts, for those fiscal years, to use these funds, with specified exceptions, for any educational purpose, to the extent permitted by federal law. Existing law requires a local educational agency to report expenditures of these funds to the State Department of Education.

This bill would require the Superintendent to apportion from the amounts provided in the annual Budget Act for specified categorical education programs an amount based on the relative proportion that the local educational agency received in the 2008–09 fiscal year for those programs, through the 2019–20 fiscal year. The bill would authorize school districts, for each fiscal year from the 2013–14 fiscal year to the 2019–20 fiscal year, inclusive, to use these funds for any educational

purpose, with specified exceptions and to the extent permitted by federal law, if at least ~~7%~~ 9% of those funds are used for purposes of professional development for certificated and administrative employees to implement the common core academic content standards, *purchasing technology for the purpose of implementing state assessments aligned with the common core academic content standards*, or implementation of programs that integrate science, technology, engineering, and math, as appropriate for pupils in grades 7 to 12, inclusive, or a combination of those purposes. The bill would, commencing with the 2013–14 fiscal year, require these provisions to be inoperative if funding for the specified categorical programs is not increased by ~~15%~~ 18% from that funding for the prior fiscal year or if a local control funding formula for kindergarten and grades 1 to 12, inclusive, is enacted during the 2013–14 legislative session. By extending the period of time that a local educational agency is required to report expenditures of funds received pursuant to this provision to the department, the bill would impose a state-mandated local program.

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

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

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

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

1 SECTION 1. Section 42605 of the Education Code is amended  
 2 to read:  
 3 42605. (a) (1) Unless otherwise prohibited under federal law  
 4 or otherwise specified in subdivision (e), for the 2008–09 fiscal  
 5 year to the 2019–20 fiscal year, inclusive, recipients of funds from  
 6 the items listed in paragraph (2) may use funding received, pursuant  
 7 to subdivision (b), from any of these items listed in paragraph (2)  
 8 that are contained in Section 2.00 of the annual Budget Act, for  
 9 any educational purpose if, for each fiscal year from the 2013–14  
 10 fiscal year to the 2019–20 fiscal year, inclusive, the recipient uses  
 11 at least ~~7~~ 9 percent of the total amount of funds received pursuant

1 to subdivision (b) for either, any, or a combination, of the following  
2 purposes:

3 (A) Professional development for certificated and administrative  
4 employees to implement the common core academic content  
5 standards established pursuant to Section 60605.8.

6 (B) *Purchasing technology for the purpose of implementing*  
7 *state assessments aligned with the common core academic content*  
8 *standards.*

9 ~~(B)~~

10 (C) Implementation of programs that integrate science,  
11 technology, engineering, and mathematics, as appropriate for pupils  
12 in grades 7 to 12, inclusive.

13 (2) Items 6110-104-0001, 6110-105-0001, 6110-108-0001,  
14 6110-122-0001, 6110-124-0001, 6110-137-0001, 6110-144-0001,  
15 6110-150-0001, 6110-151-0001, 6110-156-0001, 6110-181-0001,  
16 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001,  
17 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001,  
18 6110-209-0001, 6110-211-0001, 6110-227-0001, 6110-228-0001,  
19 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,  
20 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,  
21 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001,  
22 6110-267-0001, 6110-268-0001, and 6360-101-0001 of Section  
23 2.00.

24 (b) (1) For the 2009–10 fiscal year to the 2014–15 fiscal year,  
25 inclusive, the Superintendent or other administering state agency,  
26 as appropriate, shall apportion from the amounts provided in the  
27 annual Budget Act for the items enumerated in paragraph (2) of  
28 subdivision (a) an amount to recipients based on the same relative  
29 proportion that the recipient received in the 2008–09 fiscal year  
30 for the programs funded through the items enumerated in paragraph  
31 (2) of subdivision (a).

32 (2) This section and Section 42 of Chapter 12 of the Third  
33 Extraordinary Session of the Statutes of 2009 do not authorize a  
34 school district that receives funding on behalf of a charter school  
35 pursuant to Sections 47634.1 and 47651 to redirect this funding  
36 for another purpose unless otherwise authorized in law or pursuant  
37 to an agreement between a charter school and its chartering  
38 authority. Notwithstanding paragraph (1), for the 2008–09 fiscal  
39 year to the 2019–20 fiscal year, inclusive, a school district that  
40 receives funding on behalf of a charter school pursuant to Sections

1 47634.1 and 47651 shall continue to distribute the funds to those  
2 charter schools based on the relative proportion that the school  
3 district distributed in the 2007–08 fiscal year, and shall adjust those  
4 amounts to reflect changes in charter school attendance in the  
5 school district. The amounts allocated shall be adjusted for any  
6 greater or lesser amount appropriated for the items enumerated in  
7 paragraph (2) of subdivision (a). For a charter school that began  
8 operation in the 2008–09 fiscal year, if a school district received  
9 funding on behalf of that charter school pursuant to Sections  
10 47634.1 and 47651, the school district shall continue to distribute  
11 the funds to that charter school based on the relative proportion  
12 that the school district distributed in the 2008–09 fiscal year and  
13 shall adjust the amount of those funds to reflect changes in charter  
14 school attendance in the school district. The amounts allocated  
15 shall be adjusted for any greater or lesser amount appropriated for  
16 the items enumerated in paragraph (2) of subdivision (a).

17 (3) Notwithstanding paragraph (1), for the 2008–09 fiscal year  
18 to the 2019–20 fiscal year, inclusive, the Superintendent shall  
19 apportion from the amounts appropriated by Item 6110-211-0001  
20 of Section 2.00 of the annual Budget Act an amount to a charter  
21 school in accordance with the per-pupil methodology prescribed  
22 in subdivision (c) of Section 47634.1.

23 (4) Notwithstanding paragraph (1), for the 2008–09 fiscal year  
24 to the 2019–20 fiscal year, inclusive, the Superintendent shall  
25 apportion from the amounts provided in the annual Budget Act an  
26 amount to a school district, charter school, and county office of  
27 education based on the same relative proportion that the local  
28 educational agency received in the 2007–08 fiscal year for the  
29 programs funded through the following items contained in Section  
30 2.00 of the annual Budget Act: 6110-104-0001, 6110-105-0001,  
31 6110-156-0001, 6110-190-0001, Schedule (3) of 6110-193-0001,  
32 6110-198-0001, 6110-232-0001, and Schedule (2) of  
33 6110-240-0001.

34 (5) For purposes of paragraph (4), if a direct-funded charter  
35 school began operation in the 2008–09 fiscal year, the amount that  
36 the charter school was entitled to receive from the items  
37 enumerated in paragraph (4) for the 2008–09 fiscal year, as certified  
38 by the Superintendent in March 2009, is deemed to have been  
39 received in the 2007–08 fiscal year.

1 (c) (1) This section does not obligate the state to refund or repay  
2 reductions made pursuant to this section. A decision by a school  
3 district to reduce funding pursuant to this section for a  
4 state-mandated local program shall constitute a waiver of the  
5 subvention of funds that the school district is otherwise entitled to  
6 pursuant to Section 6 of Article XIII B of the California  
7 Constitution on the amount so reduced.

8 (2) (A) As a condition of receipt of funds, the governing board  
9 of the school district or governing board of the county office of  
10 education, as appropriate, at a regularly scheduled open public  
11 hearing shall take testimony from the public, discuss, approve or  
12 disapprove the proposed use of funding, and make explicit for each  
13 of the budget items in paragraph (2) of subdivision (a) the purposes  
14 for which the funds will be used.

15 (B) The regularly scheduled open public hearing held pursuant  
16 to subparagraph (A) shall be held before and independent of a  
17 meeting where the governing board of the school district or  
18 governing board of the county office of education adopts a budget.  
19 If the governing board intends to close a program funded by the  
20 items listed in paragraph (2) of subdivision (a), the governing board  
21 shall identify, in the notice of the agenda of the public hearing or  
22 at another public hearing, the program or programs proposed to  
23 be closed.

24 (3) Using the Standardized Account Code Structure reporting  
25 process, a local educational agency shall report expenditures of  
26 funds pursuant to the authority of this section by using the  
27 appropriate function codes to indicate the activities for which these  
28 funds are expended. The department shall collect this information  
29 and provide it to the Department of Finance and the appropriate  
30 policy and budget committees of the Legislature by April 15, 2010,  
31 and annually thereafter on April 15 until, and including, April 15,  
32 2021.

33 (d) For the 2008–09 fiscal year to the 2019–20 fiscal year,  
34 inclusive, local educational agencies that use the flexibility  
35 provision of this section shall be deemed to be in compliance with  
36 the program and funding requirements contained in statutory,  
37 regulatory, and provisional language, associated with the items  
38 enumerated in subdivision (a).

39 (e) Notwithstanding subdivision (d), the following requirements  
40 shall continue to apply:

1 (1) For Item 6110-105-0001 of Section 2.00 of the annual  
2 Budget Act, the amount authorized for flexibility shall exclude the  
3 funding provided to fund remedial educational services pursuant  
4 to Provision 4. For Item 6110-156-0001 of Section 2.00 of the  
5 annual Budget Act, the amount authorized for flexibility shall  
6 exclude the funding provided for instruction of CalWORKs-eligible  
7 students pursuant to Schedules (2) and (3) and Provisions 2 and  
8 4.

9 (2) (A) Any instructional materials purchased by a local  
10 educational agency for kindergarten and grades 1 to 8, inclusive,  
11 and for grades 9 to 12, inclusive, shall be aligned with the state  
12 standards adopted pursuant to Section 60605 or 60605.8, and shall  
13 also meet the reporting and sufficiency requirements contained in  
14 Section 60119.

15 (B) For purposes of this section, “sufficiency requirements” are  
16 the requirements that each pupil has sufficient textbooks and  
17 instructional materials in the four core areas as defined by Section  
18 60119 and that all pupils within the local educational agency who  
19 are enrolled in the same course shall have identical textbooks and  
20 instructional materials, as specified in Section 1240.3.

21 (3) For Item 6110-195-0001 of Section 2.00 of the annual  
22 Budget Act, the item shall exclude moneys that are required to  
23 fund awards for teachers that have previously met the requirements  
24 necessary to obtain these awards, until the award is paid in full.

25 (4) For Item 6110-266-0001 of Section 2.00 of the annual  
26 Budget Act, a county office of education shall conduct at least one  
27 site visit to each of the required schoolsites pursuant to Section  
28 1240 and shall fulfill all of the duties set forth in Sections 1240  
29 and 44258.9.

30 (5) For Item 6110-198-0001 of Section 2.00 of the annual  
31 Budget Act, a school district or county office of education that  
32 operates the child care component of the Cal-SAFE program shall  
33 comply with paragraphs (5) and (6) of subdivision (c) of Section  
34 54746.

35 (f) This section does not invalidate any state law pertaining to  
36 teacher credentialing requirements or the functions that require  
37 credentials.

38 (g) (1) Commencing with the 2013–14 fiscal year, this section  
39 shall be inoperative if either of the following apply:

1 (A) The amounts provided for the items enumerated in paragraph  
2 (2) of subdivision (a) for the 2013–14 fiscal year are increased by  
3 less than ~~15~~ 18 percent over the amount provided for those items  
4 in the 2012–13 fiscal year.

5 (B) A local control funding formula for kindergarten and grades  
6 1 to 12, inclusive, is enacted during the 2013–14 legislative session.

7 (2) If the department determines that this subdivision applies,  
8 it shall promptly display that fact prominently on the department’s  
9 Internet Web site.

10 SEC. 2. If the Commission on State Mandates determines that  
11 this act contains costs mandated by the state, reimbursement to  
12 local agencies and school districts for those costs shall be made  
13 pursuant to Part 7 (commencing with Section 17500) of Division  
14 4 of Title 2 of the Government Code.

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