

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2710

Introduced by Assembly Member Muratsuchi

February 21, 2014

An act to amend Section ~~52372~~ 42127 of, and to add Sections 42135 and 42143 to, the Education Code, and to amend Sections 53234 and 53235.1 of the Government Code, relating to ~~career technical education~~ public schools.

LEGISLATIVE COUNSEL'S DIGEST

AB 2710, as amended, Muratsuchi. ~~Career technical education~~. Public schools: finances: transparency: ethics training.

(1) Existing law requires the governing board of a school district to adopt an annual budget, and requires the county superintendent of schools to examine the budget and approve, conditionally approve, or disapprove the adopted budget. Existing law requires the governing board of a school district to approve an annual statement of all receipts and expenditures of the school district for the preceding fiscal year, and to file a statement with the county superintendent of schools.

This bill would require the county superintendent of schools, as part of its budget review process, to examine and comment on any proposed employment agreement and compensation package for the employment of a district superintendent of schools. The bill would provide that an employment contract for a district or county superintendent of schools that is executed or renewed on or after January 1, 2015, may include a loan for the purchase of a home only if certain conditions are met, including that the employee is relocating to an area with a high cost of housing. The bill would require a school district or county office of

education that maintains an Internet Web site to post annual expenditures for its activities on its Internet Web site, including, but not limited to, the titles and salaries of certificated and classified employees, and the compensation and employment contract of the county or district superintendent of schools. Because the bill would impose additional duties on local educational agencies, the bill would impose a state-mandated local program.

(2) Existing law requires all local agency officials to receive training in ethics, at specified intervals, if the local agency provides any type of compensation, salary, or stipend to those officials. Existing law defines “local agency” for purposes of those provisions.

This bill would include a county office of education and a school district in the definition of “local agency.” The bill would require local agency officials who serve a county office of education or school district as of January 1, 2015, to receive the ethics training before January 1, 2016, and at least every 2 years thereafter, except as specified.

(3) 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.

~~Existing law authorizes the governing board of any high school district, the governing board of any joint powers regional occupational center or program, or the county superintendent of schools which conducts any county-operated regional occupational center or program to establish and maintain, in connection with any high school or regional occupational center or program under its jurisdiction, cooperative career technical education programs or community classrooms as part of a career technical education course, as specified.~~

~~This bill would make nonsubstantive changes to this provision.~~

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

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

- 1 SECTION 1. Section 42127 of the Education Code is amended
- 2 to read:

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

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

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

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

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

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

17 (c) The county superintendent of schools shall do all of the
18 following:

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

26 (2) Determine whether the adopted budget will allow the school
27 district to meet its financial obligations during the fiscal year and
28 is consistent with a financial plan that will enable the school district
29 to satisfy its multiyear financial commitments. In addition to his
30 or her own analysis of the budget of each school district, the county
31 superintendent of schools shall review and consider studies, reports,
32 evaluations, or audits of the school district that were commissioned
33 by the school district, the county superintendent of schools, the
34 Superintendent, and state control agencies and that contain
35 evidence that the school district is showing fiscal distress under
36 the standards and criteria adopted in Section 33127 or that contain
37 a finding by an external reviewer that more than 3 of the 15 most
38 common predictors of a school district needing intervention, as
39 determined by the County Office Fiscal Crisis and Management
40 Assistance Team, are present. The county superintendent of schools

1 shall either conditionally approve or disapprove a budget that does
2 not provide adequate assurance that the school district will meet
3 its current and future obligations and resolve any problems
4 identified in studies, reports, evaluations, or audits described in
5 this paragraph.

6 (3) Determine whether the adopted budget includes the
7 expenditures necessary to implement the local control and
8 accountability plan or annual update to the local control and
9 accountability plan approved by the county superintendent of
10 schools.

11 (4) *Review and comment on any proposed employment*
12 *agreement and compensation package for the employment of a*
13 *district superintendent of schools.*

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

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

18 (2) Notwithstanding any other provision of this article, for the
19 2014–15 fiscal year and each fiscal year thereafter, the budget
20 shall not be adopted or approved by the county superintendent of
21 schools before a local control and accountability plan or update to
22 an existing local control and accountability plan for the budget
23 year is approved.

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

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

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

10 (f) 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 budgets may be disapproved.

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

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

13 (2) Notwithstanding any other law, for the 2014–15 fiscal year
14 and each fiscal year thereafter, if the county superintendent of
15 schools disapproves the budget for the sole reason that the county
16 superintendent of schools has not approved a local control and
17 accountability plan or an annual update to the local control and
18 accountability plan filed by the school district pursuant to Section
19 52061, the county superintendent of schools shall not call for the
20 formation of a budget review committee pursuant to Section
21 42127.1.

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

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

39 (1) If the adopted budget of a school district is disapproved
40 pursuant to subdivision (d), on or before September 8, the

1 governing board of the school district, in conjunction with the
2 county superintendent of schools, shall review the superintendent's
3 recommendations at a regular meeting of the governing board of
4 the school district and respond to those recommendations. The
5 response shall include any revisions to the adopted budget and
6 other proposed actions to be taken, if any, as a result of those
7 recommendations.

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

11 (3) Not later than October 8, after receiving the response
12 required under paragraph (1), the county superintendent of schools
13 shall review that response and either approve or disapprove the
14 budget. Except as provided in paragraph (2) of subdivision (g), if
15 the county superintendent of schools disapproves the budget, he
16 or she shall call for the formation of a budget review committee
17 pursuant to Section 42127.1, unless the governing board of the
18 school district and the county superintendent of schools agree to
19 waive the requirement that a budget review committee be formed
20 and the department approves the waiver after determining that a
21 budget review committee is not necessary. Upon the grant of a
22 waiver, the county superintendent has the authority and
23 responsibility provided to a budget review committee in Section
24 42127.3. Upon approving a waiver of the budget review committee,
25 the department shall ensure that a balanced budget is adopted for
26 the school district by November 30. The Superintendent shall
27 report to the Legislature and the Director of Finance by December
28 10 if any school district, including a school district that has received
29 a waiver of the budget review committee process, does not have
30 an adopted budget by November 30. This report shall include the
31 reasons why a budget has not been adopted by the deadline, the
32 steps being taken to finalize budget adoption, and the date the
33 adopted budget is anticipated. For the 2011–12 fiscal year,
34 notwithstanding any of the standards and criteria adopted by the
35 state board pursuant to Section 33127, the county superintendent
36 of schools, as a condition on approval of a school district budget,
37 shall not require a school district to project a lower level of revenue
38 per unit of average daily attendance than it received in the 2010–11
39 fiscal year nor require the school district to demonstrate that it is

1 able to meet its financial obligations for the two subsequent fiscal
 2 years.

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

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

12 *SEC. 2. Section 42135 is added to the Education Code, to read:*
 13 *42135. An employment contract executed or renewed on or*
 14 *after January 1, 2015, between a local educational agency and a*
 15 *district or county superintendent of schools may include a loan*
 16 *for the purchase of a home only if both of the following conditions*
 17 *are satisfied:*

18 (a) *The employee is relocating to an area with a high cost of*
 19 *housing, and the school board makes a public finding to that effect.*

20 (b) *The loan agreement contains a provision that, if employment*
 21 *is terminated by either the employer or the employee, the unpaid*
 22 *balance of the loan may be recovered by the local educational*
 23 *agency within a reasonable period of time.*

24 *SEC. 3. Section 42143 is added to the Education Code, to read:*
 25 *42143. (a) If a school district or county office of education*
 26 *maintains an Internet Web site, it shall post the annual*
 27 *expenditures for its activities in a clear, visible, and searchable*
 28 *format that includes, but is not limited to, the following:*

29 (1) *The cost of instruction.*

30 (2) *The titles and salaries of certificated employees.*

31 (3) *The titles and salaries of classified employees.*

32 (4) *The compensation and employment contract of the county*
 33 *superintendent of schools or the district superintendent of schools,*
 34 *as applicable.*

35 (5) *The total amount of expenditures.*

36 (6) *The expenditure per unit of average daily attendance, and*
 37 *a comparison of that number to the statewide average for all school*
 38 *districts.*

39 (b) *The school district or county office of education shall*
 40 *annually update the information required pursuant to this section,*

1 *and shall include a link on its Internet Web site to the school*
2 *district's or county office of education's profile on Ed-Data.*

3 *SEC. 4. Section 53234 of the Government Code is amended to*
4 *read:*

5 53234. For the purposes of this article, the following terms
6 have the following meanings:

7 (a) "Legislative body" has the same meaning as specified in
8 Section 54952.

9 (b) "Local agency" means a city, county, city and county, charter
10 city, charter county, charter city and county, *county office of*
11 *education, school district*, or special district.

12 (c) "Local agency official" means the following:

13 (1) Any member of a local agency legislative body or any
14 elected local agency official who receives any type of
15 compensation, salary, or stipend or reimbursement for actual and
16 necessary expenses incurred in the performance of official duties.

17 (2) Any employee designated by a local agency governing body
18 to receive the training specified under this article.

19 (d) "Ethics laws" include, but are not limited to, the following:

20 (1) Laws relating to personal financial gain by public servants,
21 including, but not limited to, laws prohibiting bribery and
22 conflict-of-interest laws.

23 (2) Laws relating to claiming perquisites of office, including,
24 but not limited to, gift and travel restrictions, prohibitions against
25 the use of public resources for personal or political purposes,
26 prohibitions against gifts of public funds, mass mailing restrictions,
27 and prohibitions against acceptance of free or discounted
28 transportation by transportation companies.

29 (3) Government transparency laws, including, but not limited
30 to, financial interest disclosure requirements and open government
31 laws.

32 (4) Laws relating to fair processes, including, but not limited
33 to, common law bias prohibitions, due process requirements,
34 incompatible offices, competitive bidding requirements for public
35 contracts, and disqualification from participating in decisions
36 affecting family members.

37 *SEC. 5. Section 53235.1 of the Government Code is amended*
38 *to read:*

39 53235.1. (a) Each local agency official in local agency service
40 as of January 1, 2006, except for officials whose term of office

1 ends before January 9, 2007, shall receive the training required by
 2 subdivision (a) of Section 53235 before January 1, 2007.
 3 Thereafter, each local agency official shall receive the training
 4 required by subdivision (a) of Section 53235 at least once every
 5 two years.

6 (b) Each local agency official who commences service with a
 7 local agency on or after January 1, 2006, shall receive the training
 8 required by subdivision (a) of Section 53235 no later than one year
 9 from the first day of service with the local agency. Thereafter, each
 10 local agency official shall receive the training required by
 11 subdivision (a) of Section 53235 at least once every two years.

12 (c) *For county offices of education or school districts, each*
 13 *local agency official in service as of January 1, 2015, except for*
 14 *officials whose term of office ends before January 1, 2016, shall*
 15 *receive the training required pursuant to subdivision (a) of Section*
 16 *53235 before January 1, 2016. Thereafter, each local agency*
 17 *official shall receive the training required by subdivision (a) of*
 18 *Section 53235 at least once every two years.*

19 (e)

20 (d) A local agency official who serves more than one local
 21 agency shall satisfy the requirements of this article once every two
 22 years without regard to the number of local agencies with which
 23 he or she serves.

24 *SEC. 6. If the Commission on State Mandates determines that*
 25 *this act contains costs mandated by the state, reimbursement to*
 26 *local agencies and school districts for those costs shall be made*
 27 *pursuant to Part 7 (commencing with Section 17500) of Division*
 28 *4 of Title 2 of the Government Code.*

29 ~~SECTION 1. Section 52372 of the Education Code is amended~~
 30 ~~to read:~~

31 ~~52372. The governing board of any high school district, subject~~
 32 ~~to the provisions of this code relating to courses of study for high~~
 33 ~~schools, the governing board of any joint powers regional~~
 34 ~~occupational center or program, or the county superintendent of~~
 35 ~~schools that conducts any county-operated regional occupational~~
 36 ~~center or program may establish and maintain, in connection with~~
 37 ~~any high school or regional occupational center or program under~~
 38 ~~its or his or her jurisdiction, cooperative career technical education~~
 39 ~~programs or community classrooms as part of a career technical~~

- 1 ~~education course in accordance with rules and regulations~~
- 2 prescribed by the Superintendent.

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