

**Senate Bill No. 858**

\_\_\_\_\_

Passed the Senate June 15, 2014

\_\_\_\_\_  
*Secretary of the Senate*

\_\_\_\_\_

Passed the Assembly June 15, 2014

\_\_\_\_\_  
*Chief Clerk of the Assembly*

\_\_\_\_\_

This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Sections 8206.1, 8236, 8239, 8261, 8263.1, 8265, 8273.1, 8278.3, 8447, 8450, 8499.5, 14041.5, 14041.6, 17080, 24214, 41203.1, 41207.3, 42127, 44374.5, 47644, 48000, 49430.5, 51745.6, 51747, 51747.5, 52055.770, 56836.06, 56836.07, 56836.08, 56836.095, 56836.11, 56836.15, and 60640 of, to amend the heading of Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 of Division 4 of Title 2 of, to amend, repeal, and add Section 47612.1 of, to add Sections 8203.1, 44235.2, 51749.5, and 57149.6 to, to add Chapter 16 (commencing with Section 53010) to Part 28 of Division 4 of Title 2 of, to add and repeal Sections 8363.1, 42127.01, and 41841.9 of, to repeal Sections 14035 and 60640.2 of, and to repeal and add Section 8273.2 of, the Education Code, to amend Section 17581.6 of, and to add Section 17581.8 to, the Government Code, and to amend Item 6110-106-0001 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

SB 858, Committee on Budget and Fiscal Review. Education finance: education omnibus trailer bill.

(1) Existing law, the Child Care and Development Services Act, requires the State Department of Education to develop an expenditure plan, known as the Child Care and Development Fund (CCDF) Plan, that sets forth the final priorities for child care, as required by federal law. The act requires the department, before the May budget revision, to provide the revised CCDF Plan to the chairs of the committees of each house of the Legislature that consider appropriations, and to provide a report on the plan to the committees in each house of the Legislature that consider the annual Budget Act appropriation.

The bill would instead require, by April 1 of the year that the CCDF Plan is due, the department to provide the revised plan and a description of any changes to the earlier draft to the Director of Finance and the chairs of the fiscal committees of the Legislature. The bill would require the department, after the CCDF Plan is

federally approved, to provide a copy of the final plan to the Department of Finance and the fiscal committees of the Legislature and a description of any changes made since submission for review. The bill would also require the department, if the annual Budget Act requires changes to the approved CCDF Plan, to submit an amended plan to the United States Department of Education.

(2) The Child Care and Development Services Act requires the Superintendent of Public Instruction to develop standards for the implementation of quality programs and requires indicators of quality to include, among other things, a physical environment that is safe and appropriate to the ages of the children and that meets applicable licensing standards.

This bill would require the Superintendent to administer an early learning quality rating and improvement system (QRIS) block grant that would be allocated to local consortia, as defined, for support of local early learning quality rating and improvement systems that increase the number of low-income children in high-quality preschool programs that prepare those children for success in school and life. The bill would require the QRIS block grant to build on preexisting local consortia and other QRIS work. The bill would require local consortia to take certain actions in order to be eligible for a QRIS block grant, and would require the Superintendent, in consultation with the executive director of the State Board of Education, to allocate to local consortia who satisfy these eligibility requirements QRIS block grant funds based on the number of California state preschool program slots within the county or region. The bill would require local consortia receiving QRIS block grant funds to allocate those funds to contracting agencies of the California state preschool program, including certain family child care home education networks, as specified.

(3) Existing law, in the award of new funding for the expansion of the California state preschool program that is appropriated for that purpose in any fiscal year, requires an application for those expansion funds to include an estimate of the number of 4-year-old and 3-year-old children that the applicant plans to serve in the following fiscal year with those expansion funds. Existing law requires the Superintendent of Public Instruction, in awarding the contracts for expansion, to take into account certain criteria and to give priority to applicant agencies that, in expending the

expansion funds, will be serving the highest percentage of 4-year-old children.

This bill, commencing June 15, 2015, would require the Superintendent to consider different criteria and data in awarding expansion funds and would require the Superintendent to give priority to applicant agencies that would provide the greatest progress toward achieving access to full-day, full-year services for all income eligible four-year-olds. The bill would specify that a family child care home education network is eligible to apply for expansion funding.

(4) Existing law requires the Superintendent of Public Instruction to adopt rules and regulations pursuant to the Child Care and Development Services Act that include provisions that, among other things, set forth standards for State Department of Education site visits to contracting agencies, as specified.

This bill would require the Superintendent to adopt rules and regulations that authorize the department to develop a process that requires every contracting agency to recompetete for continued funding no less frequently than every 5 years.

(5) Existing law provides for income eligibility standards for families to receive child care and development services. Existing law provides that “income eligible,” for purposes of the Child Care and Development Services Act, means that a family’s adjusted monthly income is at or below 70% of the state median income, adjusted for family size, and adjusted annually. Notwithstanding this provision, existing law sets the income eligibility limits for the 2013–14 fiscal year at 70% of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

This bill would set the income eligibility limits for the 2014–15 fiscal year at 70% of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

(6) Existing law requires the Superintendent of Public Instruction to implement a plan that establishes reasonable standards and assigned reimbursement rates, and requires the standard reimbursement rate to be \$3,523 per unit of average daily enrollment for a 250-day year, increased by the cost-of-living adjustment granted by the Legislature beginning July 1, 1980. Existing law requires the Department of Finance and the Department of General Services to approve or disapprove annual state subsidized child care and development program contract

funding terms and conditions, including both family fee schedules and regional market rate schedules that are required to be adhered to by contract. Existing law requires the State Department of Education to implement the regional market rate schedules based upon the county aggregates, as determined by the Regional Market survey conducted in 2005.

This bill would require the standard reimbursement rate to be \$9,024.75 per unit of average daily enrollment for a 250-day year, and, commencing with the 2015–16 fiscal year, would require that rate to be increased by the cost-of-living adjustment granted by the Legislature annually. The bill, commencing January 1, 2015, would require the State Department of Education to implement the regional market rate schedule based upon the county aggregates, as determined by the Regional Market survey conducted in 2009 and would require the regional market rate schedule to be reduced by 13%, except as specified.

(7) Existing law requires the Superintendent of Public Instruction to establish a fee schedule for families using preschool and child care and development services, requires family fees to be assessed at initial enrollment and reassessed at update of certification or recertification, and authorizes certain families to be exempt from the family fees. Existing law requires the family fee schedule that was in effect in the 2012–13 fiscal year to remain in effect for the 2013–14 fiscal year until the first day of a month that is at least 60 days after the new family fee schedule has been approved by the Department of Finance and adopted.

This bill would prohibit fees from being assessed on income-eligible families for their children to attend a part-day California state preschool program. The bill, commencing with the 2014–15 fiscal year, would require the adopted family fee schedule that was in effect on July 1, 2014, to remain in effect.

(8) Existing law establishes the Child Care Facilities Revolving Fund to provide funding for the renovation, repair, or improvement of an existing building to make the building suitable for licensure for child care and development services, and for the purchase of new relocatable child care facilities for lease to school districts and contracting agencies that provide child care and development services, pursuant to the Child Care and Development Services Act.

This bill would make funding from the Child Care Facilities Revolving Fund available to local educational agencies and contracting agencies that provide child care and development services, pursuant to the Child Care and Development Services Act. The bill would require any augmentations to the Child Care Facilities Revolving Fund made by the Budget Act of 2014 to be used for renovation or repair of existing local educational agency facilities or new relocatable child care facilities for lease to local educational agencies that provide California state preschool program services, as specified.

(9) Existing law requires the Commission on Teacher Credentialing to establish the requirements for the issuance and renewal of permits authorizing (A) service in the care, development, and instruction of children in child care and development programs, and (B) supervision of a child care and development program.

This bill, on or before July 1, 2016, would require the Commission on Teacher Credentialing to review, and update if appropriate, the conditions for issuance or renewal of the permits described above.

(10) Existing law authorizes a child development contractor to retain a reserve fund balance equal to 5% of the sum of the maximum reimbursable amount of all contracts to which the contractor is a party, or \$2,000, whichever is greater.

This bill would authorize a California state preschool program contracting agency to retain in the reserve fund an additional 10% of the sum of the maximum reimbursable amount of all preschool contracts to which the contracting agency is a party for purposes of professional development for California state preschool program staff.

(11) Existing law establishes the county school service fund contingency account in the General Fund, which is credited with \$100,000 each fiscal year to reimburse county superintendents of schools for certain expenses, as specified.

This bill would repeal that provision.

(12) Existing law establishes the public elementary and secondary schools and the system of public community colleges in this state, and provides for a system for their funding. Provisions of the California Constitution require that a minimum amount of aggregate funding, calculated as specified, be allocated to school

districts and community college districts unless this requirement is suspended, as provided. Pursuant to existing statutes, school districts, community college districts, and other local educational agencies receive a portion of their funding through apportionments of state funds made in accordance with payment schedules. Existing law requires the Controller to draw warrants on the State Treasury in each month of each year in specified amounts for purposes of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of those warrants, as specified.

This bill would delete authorizations for deferrals for school districts and county offices of education beyond the 2014–15 fiscal year, and would, for purposes of calculations required by the California Constitution, provide that specified amounts of warrants drawn in July 2014 shall be included in the total allocations to school districts and community college districts for the 2012–13 and 2013–14 fiscal years, as specified. For the 2014–15 fiscal year, the bill would provide that warrants for the principal apportionments for the month of June in the amount \$897,184,000 instead shall be drawn in July of the same calendar, but would authorize those deferrals, as well as specified deferrals for apportionments to the California Community Colleges, to not be made if the Director of Finance, on or before May 14, 2015, determines that the total allocations required by the California Constitution for the 2013–14 and 2014–15 fiscal years, as estimated by the Director of Finance on May 13, 2015, exceed the estimate of the required allocations, as determined at the time of, and as set forth in, the 2014 Budget Act.

(13) Existing law requires, whenever moneys transferred to the General Fund each year from moneys deposited into the Public School Building Loan Fund and the State School Building Aid Fund exceed the amounts required to reimburse the General Fund on account of principal and interest due and payable for that fiscal year on all school building aid bonds outstanding against the state, an amount equal to such excess to be appropriated from the General Fund for purposes of the Leroy F. Greene State School Building Lease-Purchase Law of 1976. Existing law establishes the State School Deferred Maintenance Fund which is continuously appropriated for the purposes for which it is established.

This bill would instead require the excess amount to be appropriated from the General Fund for purposes of the School Facilities Emergency Repair Account. The bill would also eliminate the State School Deferred Maintenance Fund.

(14) Existing law, the Teachers' Retirement Law, establishes the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program. Existing law limits the amount of postretirement compensation that may be earned in specific types of employment by a retired member of the Defined Benefit Program in any one school year without a reduction in retirement allowance. Existing law exempts from the limit compensation paid to a retired member who has returned to work after the date of retirement as an appointed trustee, fiscal advisor, fiscal expert, receiver, or special trustee, as specified. Existing law, as of July 1, 2014, revises these provisions by, among other things, deleting the exemption.

This bill would delay the revisions until July 1, 2017.

(15) Existing law requires, for the 1990–91 fiscal year and each fiscal year thereafter, that moneys to be applied by the state for the support of school districts, community college districts, and direct elementary and secondary level instructional services provided by the state be distributed in accordance with certain calculations governing the proration of those moneys among the 3 segments of public education. Existing law makes that provision inapplicable to the 1992–93 to 2013–14 fiscal years, inclusive.

This bill would also make that provision inapplicable to the 2014–15 fiscal year.

(16) Existing law declares that the minimum state educational funding obligation for school districts and community college districts for the 2006–07 fiscal year is \$55,251,266,000, with an outstanding balance of \$211,533,000. Existing law, commencing with the 2014–15 fiscal year, requires the Legislature to appropriate the outstanding balance, as specified.

This bill would delay that requirement until the 2015–16 fiscal year.

(17) Existing law authorizes a school district or county superintendent of schools to claim average daily attendance for purposes of apportionments from the adult education fund for schools or classes maintained for adults in correctional facilities if those classes meet specified requirements.

This bill would, for the 2014–15 fiscal year only, apply these provisions to a charter school whose charter was granted by its chartering authority after July 1, 2014.

(18) Existing law authorizes a school district or charter school to maintain a transitional kindergarten program and defines transitional kindergarten as the first year of a 2-year kindergarten program that uses a modified kindergarten curriculum that is age and developmentally appropriate.

This bill would state the intent of the Legislature that the transitional kindergarten curriculum be aligned to the California Preschool Learning Foundations developed by the State Department of Education. The bill, as a condition of receipt of apportionment for pupils in a transitional kindergarten program, would require a school district or charter school to ensure that teachers assigned to a transitional kindergarten class after July 1, 2015, be credentialed and, by August 1, 2020, have a minimum number of units in early childhood education or childhood development, comparable experience in a preschool setting, or a child development permit issued by the Commission on Teacher Credentialing.

(19) Existing law requires the Superintendent of Public Instruction, the Controller, and the Director of Finance to develop standards and criteria, including, among others, methods of projection of reserves and fund balance, to be reviewed and adopted by the State Board of Education, and to be used by local educational agencies in the development of annual budgets and the management of subsequent expenditures from that budget. Existing law, on or before July 1 of each year, requires the governing board of each school district to hold a public hearing on, and to adopt, a budget for the subsequent fiscal year, and to file the adopted budget with the county superintendent of schools, as specified. Existing law requires the county superintendent of schools to examine the adopted budget, as specified, to make certain determinations related to the adopted budget, and to approve, conditionally approve, or disapprove the adopted budget for each school district. Existing law, on or before September 8, and after a public hearing regarding the proposed revisions to the budget, as specified, requires the governing board of the school district to revise the adopted budget to reflect certain fiscal changes,

as provided, and to file the revised budget with the county superintendent of schools.

This bill would, commencing with budgets adopted by a school district for the 2015–16 fiscal year, require a school district that proposes to adopt or revise a budget that includes a combined assigned or unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties, as established by the state board, to provide at a public hearing, among other things, a statement of reasons that substantiates the need for the balance, and would require the county superintendent of schools, when making the required determinations, to also determine whether a school district's adopted or revised budget includes a such a balance. By imposing additional duties on local educational agencies, the bill would impose a state-mandated local program.

This bill would, in a fiscal year immediately after which a transfer is made into the Public School System Stabilization Account, which would be created by an Assembly Constitutional Amendment, prohibit a school district's adopted or revised budget from containing a combined assigned or unassigned ending fund balance that is in excess of either two or three times the minimum recommended reserve for economic uncertainties, as established by the state board, depending on the school district's units of average daily attendance. The bill would authorize the county superintendent of schools to waive the prohibition, pursuant to specified conditions, for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances substantiates the need for the balance. The bill would make operation of these provisions contingent on the voter approval of a specified Assembly Constitutional Amendment at the November 4, 2014, statewide general election.

(20) Existing law establishes the Teacher Credentials Fund, requires all fees levied and collected by the Commission on Teacher Credentialing to be deposited in the fund, and prohibits those moneys from being transferred to any other fund. Existing law also establishes the Test Development and Administration Account in the Teacher Credentials Fund, and requires all fees collected by the commission for tests, examinations, or assessments to be deposited in the account.

This bill would, if, in any month in which there are insufficient moneys in the Teacher Credentials Fund to satisfy monthly payroll obligations and scheduled claims and in which there are moneys in the Test Development and Administration Account not required to meet a demand that has accrued or may accrue against it, require the Controller to transfer moneys from the account to the fund to the extent necessary to meet the immediate obligations of the fund. The bill would provide for the repayment of the transfer, as specified.

(21) Existing law establishes the Commission on Teacher Credentialing for, among other purposes, the establishment of professional standards, assessments, and examinations for entry and advancement in the teaching profession. Existing law authorizes the commission to charge a fee to applicable local educational agencies and institutions of higher education to recover the standard costs of reviewing new educator preparation programs and specified accreditation activities, as provided.

This bill would instead authorize the commission to charge fees to sponsors of educator preparation programs to cover the cost of reviewing new and existing educator preparation programs and specified accreditation activities, as provided.

(22) The Charter Schools Act of 1992 requires that a pupil over 19 years of age be continuously enrolled in public school and make satisfactory progress towards award of a high school diploma in order to remain eligible for generating charter school apportionments. The act exempts charter school programs that provide instruction exclusively in partnership with any of several specified career preparation programs from those requirements.

This bill would, for the 2014–15 fiscal year, make that exemption applicable to a charter school whose charter was granted by its chartering authority before July 1, 2014, and that provides instruction exclusively in partnership with any of the specified career preparation programs.

(23) Existing law sets the reimbursement a school receives for free and reduced-price meals sold or served to pupils in elementary, middle, or high schools at \$0.2229 per meal, and, for meals served in child care centers and homes, at \$0.1660 per meal.

This bill would set the reimbursement amount for schools at \$0.2248 per meal, and, for meals served in child care centers and homes, at \$0.1674 per meal.

(24) Existing law authorizes the governing board of a school district or a county office of education to offer independent study to meet the educational needs of pupils in accordance with prescribed criteria. Existing law requires a written agreement for each independent study pupil, not to exceed one semester or  $\frac{1}{2}$  year for a school on a year-round calendar, and signed by prescribed individuals, and maintained on file.

This bill would instead require that the signed written agreement not exceed one school year, and would allow the signed written agreement to be maintained on file electronically. The bill would, notwithstanding any other law, and commencing with the 2015–16 school year, authorize a school district, county office of education, or charter school to offer independent study courses to pupils enrolled in kindergarten and grades 1 to 12, inclusive, in accordance with prescribed conditions, including, among others, that the courses be taught under the general supervision of certificated employees who hold the appropriate subject matter credential, that courses are annually certified, by school district, charter school, or county office of education governing board or body resolution, to be of the same rigor and educational quality as equivalent classroom-based courses, and that certificated employees and each pupil communicate in-person, by telephone, or by any other live visual or audio connection no less than twice per calendar month to assess whether each pupil is making satisfactory educational progress. The bill would also require that a signed learning agreement, as specified, be completed and on file. The bill would prohibit pupils from being required to enroll in the independent study courses.

(25) Existing law requires the ratio of average daily attendance for independent study pupils 18 years of age or less to full-time equivalent certificated employees responsible for independent study to not exceed a specified ratio. Existing law authorizes school districts and county offices of education to claim apportionment credit for independent study only to the extent of the time value of pupil work product, as personally judged in each instance by a certificated teacher.

This bill would specify the computation of average daily attendance for the independent study courses described above. The bill would provide that school districts, charter schools, and county offices of education are not required to sign and date pupil work

products when assessing their time value of pupil work products for apportionment purposes. The bill would also revise the pupil-to-teacher ratios by grade span, as specified.

(26) Existing law, the Quality Education Investment Act of 2006, among other things, effectuates the intent of the Legislature to implement the terms of the proposed settlement agreement of a specified legal action. The act appropriates specified funds for these purposes.

This bill would specify previously undetermined appropriations made pursuant to these provisions.

(27) Existing law provides for the allocation of funds appropriated by the Budget Act of 2013 for the establishment of the California Career Pathways Trust, and requires these funds to be apportioned to school districts, county superintendents of schools, charter schools, and community colleges for career pathways programs that accomplish specified objectives.

This bill would establish the California Career Pathways Trust, and would require the State Department of Education, contingent upon appropriation in the annual Budget Act, to administer the California Career Pathways Trust as a competitive grant program for kindergarten to grade 14, inclusive. The bill would require grant recipients to fulfill specified requirements and conditions, and would impose restrictions on the use of funds, including prohibiting the use of funds to supplant other funds from state, federal, or other sources, as specified. The bill would require the Superintendent of Public Instruction to consider specified priorities when approving an application for funds.

(28) Existing law establishes the Measurement of Academic Performance and Progress (MAPP), commencing with the 2013–14 school year, for the assessment of certain elementary and secondary pupils, as provided. As part of MAPP, existing law requires the State Department of Education to make available to local educational agencies a primary language assessment aligned to the English language arts standards adopted by the State Board of Education for assessing pupils who are enrolled in a dual language immersion program and who are either nonlimited English proficient or redesignated English proficient, as provided. Existing law also authorizes the governing board of a school district to administer a primary language assessment aligned to the English language arts standards adopted by the state board for assessing

pupils identified as limited English proficient who are enrolled in any of grades 2 to 11, inclusive, and who either receives instruction in his or her primary language or has been enrolled in a school in the United States for 12 months, as provided. Existing law allocates the costs associated with administration of the assessments, as specified.

This bill would change the name of the MAPP to the California Assessment of Student Performance and Progress (CAASPP). The bill would instead authorize a local educational agency to administer, as part of CAASPP, the primary language assessment to pupils identified as limited English proficient and who are enrolled in any of grades 2 to 11, inclusive, until a subsequent primary language assessment aligned to the common core standards in English language arts adopted by the state board is developed, as provided. The bill would, subject to the approval of the state board, authorize the department to make available to local educational agencies a primary language assessment that is aligned to the English language arts standards adopted by the state board for assessing pupils who are enrolled in a dual language immersion program and who are either nonlimited English proficient or redesignated English proficient until a subsequent primary language assessment is adopted, as specified. The bill would revise the allocation of costs associated with the administration of the assessments, as specified.

(29) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including a school district, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law 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, and county offices of education, to support specified state-mandated local programs. Existing law provides that a school district, charter school, or county office of education that submits a letter of intent to the Superintendent of Public Instruction and receives this block grant funding is not eligible to submit a claim for reimbursement for those specified mandated programs for the fiscal year for which the block grant funding is received.

This bill would revise the list of programs that are authorized for block grant funding in lieu of program-specific reimbursement.

(30) This bill would appropriate \$287,149,000 from the General Fund to the Superintendent of Public Instruction for allocation to school districts, county offices of education, and charter schools, and would appropriate \$49,500,000 from the General Fund to the Chancellor of the California Community Colleges for allocation to community college districts. The bill would require any allocations made to first satisfy any outstanding claims for reimbursement of state-mandated local program costs, and would authorize the Controller to audit any claims and reduce any amounts owed, as provided. The bill would authorize any funds received to be expended for any one-time purpose, but would state Legislature's intent that school districts, county offices of education, and charter schools use the funds for professional development, instructional materials, technology infrastructure, and any other investments necessary to support implementation of the common core standards in English language arts and mathematics, the implementation of English language development standards, and the implementation of the Next Generation Science standards.

(31) This bill would require that the funds appropriated pursuant to a designated item of the Budget Act of 2013 to the State Department of Education for support of the California Local Control Accountability Support Network be available for encumbrance until June 30, 2015.

(32) A certain item of the Budget Act of 2013 appropriated \$381,000,000 to the State Department of Education for allocation by the Superintendent of Public Instruction to school districts, county offices of education, state special schools, and charter schools for specified purposes.

This bill would reappropriate the balance of those appropriations to the department, for the same purposes, and would provide that those funds would be available for encumbrance until June 30, 2018.

(33) This bill would provide that, of the amount allocated in a specified schedule of the Budget Acts of 2012 and 2013 for special education instruction, \$32,806,000 and \$46,943,000, respectively, would be provided to fund the 2010–11 fiscal year maintenance of effort in the special education program.

(34) This bill would require an amount to be determined by the Director of Finance to be appropriated, on or before June 30, 2015, from the General Fund to the Superintendent of Public Instruction in the event that specified revenues distributed to local educational agencies for special education programs are less than the estimated amount reflected in the Budget Act of 2014.

(35) This bill would make conforming changes, delete obsolete provisions, correct cross-references, and make other nonsubstantive changes.

(36) 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.

(37) 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.

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

Appropriation: yes.

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

SECTION 1. (a) The Legislature finds and declares that quality early learning and care for children from infancy to five years of age is a sound and strategic investment to narrow achievement gaps that are present well before children enter kindergarten.

(b) It is the intent of the state to ensure a fair start to all low-income children by providing quality preschool opportunities for all low-income children whose families wish to enroll their children. It is further the intent of the state to provide all low-income four-year-old children from working families with full-day, full-year early education and care.

SEC. 2. Section 8203.1 is added to the Education Code, to read:

8203.1. (a) The Superintendent shall administer a QRIS block grant, pursuant to an appropriation made for that purpose in the annual Budget Act, to be allocated to local consortia for support of local early learning quality rating and improvement systems that increase the number of low-income children in high-quality preschool programs that prepare those children for success in school and life.

(b) (1) For purposes of this section, “early learning quality rating and improvement system” or “QRIS” is defined as a locally determined system for continuous quality improvement based on a tiered rating structure with progressively higher quality standards for each tier that provides supports and incentives for programs, teachers, and administrators to reach higher levels of quality, monitors and evaluates the impacts on child outcomes, and disseminates information to parents and the public about program quality.

(2) For purposes of this section, “local consortium” is defined as a local or regional entity, administered by a lead agency, that convenes a planning body that designs and implements a QRIS. A local consortium shall include representatives from organizations including, but not limited to, all of the following:

- (A) Local educational agencies.
- (B) First 5 county commissions.
- (C) Local postsecondary educational institutions.
- (D) Local child care planning councils.
- (E) Local resource and referral agencies.
- (F) Other local agencies, including nonprofit organizations, that provide services to children from birth to five years of age, inclusive.

(3) For purposes of this section, “quality continuum framework” means the tiered rating matrix created and adopted by a local consortium for purposes of implementing a QRIS. The tiered rating matrix shall include three common tiers shared by all participating local consortia. Changes to the common tiers shall be approved and adopted by all participating local consortia.

(c) The QRIS block grant shall build on local consortia and other local QRIS work in existence on or before the operative date of this section.

(d) For the 2014–15 fiscal year, if a county or region has an established local consortium that has adopted a quality continuum

framework, the local consortium's lead administering agency shall be provided the first opportunity to apply for a QRIS block grant.

(e) Local consortia shall do all of the following to be eligible for a QRIS block grant:

(1) Implement a QRIS that incorporates evidence-based elements and tools in the quality continuum framework that are tailored to the local conditions and enhanced with local resources.

(2) Set ambitious yet achievable targets for California state preschool program contracting agencies' participation in the QRIS with the goal of achieving the highest common tier, as the tier existed on June 1, 2014, or a higher level of quality.

(3) Develop an action plan that includes a continuous quality improvement process that is tied to improving child outcomes.

(4) Describe how QRIS block grant funds will be used to increase the number of sites achieving the highest common local tier and to directly support classrooms that have achieved the highest common tier, as that tier existed on June 1, 2014, or a higher level of quality.

(f) The Superintendent, in consultation with the executive director of the state board, shall allocate QRIS block grant funds to local consortia that satisfy the requirements of subdivision (e) based on the number of California state preschool program slots within the county or region.

(g) (1) Local consortia receiving QRIS block grant funds shall allocate those funds to contracting agencies of the California state preschool program, as established by Article 7 (commencing with Section 8235), or local educational agencies, for activities that support and improve quality, and assess quality and access. In allocating the QRIS block grant funds, priority shall be given to directly supporting the classrooms of the California state preschool program sites that have achieved the highest common local tier of quality.

(2) No more than 20 percent of a local consortium's QRIS block grant funds may be used for assessment and access projects.

(h) A family child care home education network established pursuant to Section 8245 that provides California state preschool program services shall be eligible for an allocation from a local consortium of QRIS block grant funds for activities that support, improve, and assess quality.

SEC. 3. Section 8206.1 of the Education Code is amended to read:

8206.1. (a) The Superintendent shall collaborate with the Secretary of Health and Human Services, with the advice and assistance of the Child Development Programs Advisory Committee, in the development of the state plan required pursuant to the federal Child Care and Development Fund, before submitting or reporting on that plan to the federal Secretary of Health and Human Services.

(b) (1) For purposes of this section, “Child Care and Development Fund” has the same meaning as in Section 98.2 of Title 45 of the Code of Federal Regulations.

(2) For purposes of this section, “collaborate” means to cooperate with and to consult with.

(c) (1) As required by federal law, the department shall develop an expenditure plan that sets forth the final priorities for child care. The department shall coordinate with the State Department of Social Services, the California Children and Families Commission, and other stakeholders, including the Department of Finance, to develop the Child Care and Development Fund (CCDF) Plan. On or before February 1 of the year that the CCDF Plan is due to the federal government, the department shall release a draft of the plan. The department shall then commence a 30-day comment period that shall include at least one hearing and the opportunity for written comments. By April 1 of the year that the CCDF Plan is due, the department shall provide the revised plan and a description of any changes to the earlier draft to the Director of Finance and the chairs of the fiscal committees of the Legislature.

(2) After the CCDF Plan is approved by the United States Department of Education, the department shall provide to the Department of Finance and the fiscal committees of the Legislature a copy of the final plan and a description of any changes made since submitting the draft plan for review.

(3) If the annual Budget Act requires changes to the approved CCDF Plan, the department shall submit an amended plan to the United States Department of Education.

SEC. 4. Section 8236 of the Education Code is amended to read:

8236. (a) (1) Each applicant or contracting agency funded pursuant to Section 8235 shall give first priority to three- or

four-year-old neglected or abused children who are recipients of child protective services, or who are at risk of being neglected, abused, or exploited upon written referral from a legal, medical, or social service agency. If an agency is unable to enroll a child in this first priority category, the agency shall refer the child's parent or guardian to local resources and referral services so that services for the child can be located.

(2) Notwithstanding Section 8263, after children in the first priority category set forth in paragraph (1) are enrolled, each agency funded pursuant to Section 8235 shall give priority to eligible four-year-old children who are not enrolled in a state-funded transitional kindergarten program before enrolling eligible three-year-old children. Each agency shall certify to the Superintendent that enrollment priority is being given to eligible four-year-old children.

(b) For California state preschool programs operating with funding that was initially allocated in a prior fiscal year, at least one-half of the children enrolled at a preschool site shall be four-year-old children. Any exception to this requirement shall be approved by the Superintendent. The Superintendent shall inform the Department of Finance of any exceptions that have been granted and the reasons for granting the exceptions.

(c) (1) (A) Commencing June 15, 2015, and notwithstanding any other law, in awarding new funding for the expansion of a California state preschool program that is appropriated by the Legislature for that purpose in any fiscal year, the Superintendent, after taking into account the geographic criteria established pursuant to Section 8279.3 and the data described in subparagraph (B), shall give priority to applicant agencies that, in expending the expansion funds, will provide the greatest progress toward achieving access to full-day, full-year services for all income-eligible four-year-old children.

(B) In awarding funding pursuant to subparagraph (A) and in order to promote access for all income-eligible four-year-old children to at least a part-day California state preschool program, the department shall take into account the needs assessments submitted to the department pursuant to Section 8499.5 and any other high-quality data resources available to the department.

(2) Expansion funding awarded pursuant to paragraph (1) shall be apportioned at the rate described in Section 8265 and as determined in the annual Budget Act.

(3) A family child care home education network shall be eligible to apply for expansion funding awarded pursuant to paragraph (1).

(d) This section does not preclude a local educational agency from subcontracting with an appropriate public or private agency to operate a California state preschool program and to apply for funds made available for purposes of this section. If a school district chooses not to operate or subcontract for a California state preschool program, the Superintendent shall work with the county office of education and other eligible agencies to explore possible opportunities in contracting or alternative subcontracting to provide a California state preschool program.

(e) This section does not prevent eligible children who are receiving services from continuing to receive those services in future years pursuant to this chapter.

SEC. 5. Section 8239 of the Education Code is amended to read:

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

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

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

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

(d) Three- and four-year-old children are eligible for wraparound child care services to supplement the part-day California state preschool program if the family meets at least one of the criteria

specified in paragraph (1) of subdivision (a) of Section 8263, and the parents meet at least one of the criteria specified in paragraph (2) of subdivision (a) of Section 8263.

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

SEC. 6. Section 8261 of the Education Code is amended to read:

8261. (a) The Superintendent shall adopt rules and regulations pursuant to this chapter. The rules and regulations shall include, but not be limited to, provisions which do all of the following:

(1) Provide clear guidelines for the selection of agencies when child development contracts are let, including, but not limited to, specification that any agency headquartered in the proposed service area on January 1, 1985, will be given priority for a new contract in that area, unless the department makes a written determination that (A) the agency is not able to deliver the level of services specified in the request for proposal, or (B) the department has notified the agency that it is not in compliance with the terms of its contract.

(2) Provide for a contract monitoring system to ensure that agencies expend funds received pursuant to this chapter in accordance with the provisions of their contracts.

(3) Specify adequate standards of agency performance.

(4) Establish reporting requirements for service reports, including provisions for varying the frequency with which these reports are to be submitted on the basis of agency performance.

(5) Specify standards for withholding payments to agencies that fail to submit required fiscal reports.

(6) Set forth standards for department site visits to contracting agencies, including, but not limited to, specification as to the purpose of the visits, the personnel that will perform these visits, and the frequency of these visits which shall be as frequently as staff and budget resources permit. By September 1 of each year,

the department shall report to the Senate Education, Senate Health and Human Services, Assembly Education, and Assembly Human Services Committees on the number of visits conducted during the previous fiscal year pursuant to this paragraph.

(7) Authorize the department to develop a process that requires every contracting agency to recompetete for continued funding no less frequently than every five years.

(b) The Superintendent shall consult with the State Department of Social Services with respect to rules and regulations adopted relative to the disbursal of federal funds under Title XX of the federal Social Security Act.

(c) For purposes of expediting the implementation of state or federal legislation to expand child care services, the Superintendent may waive (1) the regulations regarding the point qualifications for, and the process and scoring of, interviews of contract applicants pursuant to Section 18002 of Title 5 of the California Code of Regulations, or (2) the time limitations for scheduling and notification of appeal hearings and their results pursuant to Section 18003 of Title 5 of the California Code of Regulations. The Superintendent shall ensure that the appeal hearings provided for in Section 18003 of Title 5 of the California Code of Regulations are conducted in a timely manner.

(d) (1) Child care and development programs operated under contract from funds made available pursuant to the federal Child Care and Development Fund, shall be administered according to Division 19 (commencing with Section 17906) of Chapter 1 of Title 5 of the California Code of Regulations, unless provisions of these regulations conflict with federal regulations. If state and federal regulations conflict, the federal regulations shall apply unless a waiver of federal regulations is authorized.

(2) For purposes of this section, “Child Care and Development Fund” has the same meaning as in Section 98.2 of Title 45 of the Code of Federal Regulations.

SEC. 7. Section 8263.1 of the Education Code is amended to read:

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

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

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

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

(e) Notwithstanding any other law, for the 2014–15 fiscal year, the income eligibility limits shall be 70 percent of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

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

SEC. 8. Section 8265 of the Education Code is amended to read:

8265. (a) The Superintendent shall implement a plan that establishes reasonable standards and assigned reimbursement rates, which vary with the length of the program year and the hours of service.

(1) Parent fees shall be used to pay reasonable and necessary costs for providing additional services.

(2) When establishing standards and assigned reimbursement rates, the Superintendent shall confer with applicant agencies.

(3) The reimbursement system, including standards and rates, shall be submitted to the Joint Legislative Budget Committee.

(4) The Superintendent may establish any regulations he or she deems advisable concerning conditions of service and hours of enrollment for children in the programs.

(b) The standard reimbursement rate shall be nine thousand twenty-four dollars and seventy-five cents (\$9,024.75) per unit of average daily enrollment for a 250-day year, and commencing with the 2015–16 fiscal year, shall be increased by the cost-of-living adjustment granted by the Legislature annually pursuant to Section 42238.15.

(c) The plan shall require agencies having an assigned reimbursement rate above the current year standard reimbursement rate to reduce costs on an incremental basis to achieve the standard reimbursement rate.

(d) The plan shall provide for adjusting reimbursement on a case-by-case basis, in order to maintain service levels for agencies currently at a rate less than the standard reimbursement rate. Assigned reimbursement rates shall be increased only on the basis of one or more of the following:

- (1) Loss of program resources from other sources.
- (2) Need of an agency to pay the same child care rates as those prevailing in the local community.
- (3) Increased costs directly attributable to new or different regulations.
- (4) Documented increased costs necessary to maintain the prior year’s level of service and ensure the continuation of threatened programs.

Child care agencies funded at the lowest rates shall be given first priority for increases.

(e) The plan shall provide for expansion of child development programs at no more than the standard reimbursement rate for that fiscal year.

(f) The Superintendent may reduce the percentage of reduction for a public agency that satisfies any of the following:

- (1) Serves more than 400 children.
- (2) Has in effect a collective bargaining agreement.
- (3) Has other extenuating circumstances that apply, as determined by the Superintendent.

SEC. 9. Section 8273.1 of the Education Code is amended to read:

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

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

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

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

(e) Notwithstanding any other law, commencing with the 2014–15 fiscal year, family fees shall not be assessed for the part-day California preschool program to income eligible families whose children are enrolled in that program pursuant to Article 7 (commencing with Section 8235).

SEC. 10. Section 8273.2 of the Education Code is repealed.

SEC. 11. Section 8273.2 is added to the Education Code, to read:

8273.2. Commencing with the 2014–15 fiscal year, the adopted family fee schedule that was in effect on July 1, 2014, shall remain in effect.

SEC. 12. Section 8278.3 of the Education Code is amended to read:

8278.3. (a) (1) The Child Care Facilities Revolving Fund is hereby established in the State Treasury to provide funding for the renovation, repair, or improvement of an existing building to make the building suitable for licensure for child care and development services and for the purchase of new relocatable child care facilities for lease to local educational agencies and contracting agencies that provide child care and development services, pursuant to this chapter. The Superintendent may transfer state funds appropriated for child care facilities into this fund for allocation to local educational agencies and contracting agencies, as specified, for the purchase, transportation, and installation of facilities for replacement and expansion of capacity. Local educational agencies and contracting agencies using facilities made available by the use of these funds shall be charged a leasing fee, either at a fair market value for those facilities or at an amount sufficient to amortize the cost of purchase and relocation, whichever amount is lower, over a 10-year period. Upon full repayment of the purchase and relocation costs, title shall transfer from the State of California to the local educational agency or contracting agency. The

Superintendent shall deposit all revenue derived from the lease payments into the Child Care Facilities Revolving Fund.

(2) Notwithstanding Section 13340 of the Government Code, all moneys in the fund, including moneys deposited from lease payments, are continuously appropriated, without regard to fiscal years, to the Superintendent for expenditure pursuant to this article.

(3) Augmentations to the Child Care Facilities Revolving Fund made in the Budget Act of 2014 shall be used for renovation or repair of existing local educational agency facilities or new relocatable child care facilities for lease to local educational agencies that provide California state preschool program services pursuant to this chapter.

(b) On or before August 1 of each fiscal year, the Superintendent shall submit to the Department of Finance and the Legislative Analyst's Office a report detailing the number of funding requests received and their purpose, the types of agencies that received funding from the Child Care Facilities Revolving Fund, the increased capacity that these facilities generated, a description of the manner in which the facilities are being used, and a projection of the lease payments collected and the funds available for future use.

(c) A local educational agency that provides child care pursuant to the California School Age Families Education Program (Article 7.1 (commencing with Section 54740) of Chapter 9 of Part 29 of Division 4 of Title 2) is eligible to apply for and receive funding pursuant to this section.

SEC. 13. Section 8363.1 is added to the Education Code, to read:

8363.1. (a) On or before, July 1, 2016, the Commission on Teacher Credentialing shall review, and update if appropriate, the requirements for the issuance and renewal of permits authorizing service in the care, development, and instruction of children in child care and development programs and permits authorizing supervision of a child care and development program.

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

SEC. 14. Section 8447 of the Education Code is amended to read:

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

(b) (1) The Department of Finance and the Department of General Services shall approve or disapprove annual contract funding terms and conditions, including both family fee schedules and regional market rate schedules that are required to be adhered to by contract, and contract face sheets submitted by the State Department of Education not more than 30 working days from the date of submission, unless unresolved conflicts remain between the Department of Finance, the State Department of Education, and the Department of General Services. The State Department of Education shall resolve conflicts within an additional 30 working day time period. Contracts and funding terms and conditions shall be issued to child care contractors no later than June 1. Applications for new child care funding shall be issued not more than 45 working days after the effective date of authorized new allocations of child care moneys.

(2) Notwithstanding paragraph (1), until January 1, 2015, the State Department of Education shall implement the regional market rate schedules based upon the county aggregates, as determined by the Regional Market survey conducted in 2005. Commencing January 1, 2015, the State Department of Education shall implement the regional market rate schedules based upon the 85th percentile of county aggregates, as determined by the Regional Market survey conducted in 2009. Commencing January 1, 2015, the regional market rate schedule developed pursuant to this paragraph shall be reduced by 13 percent. If a ceiling for a county is less than the ceiling provided for that county before January 1, 2015, the State Department of Education shall use the ceiling from the Regional Market survey conducted in 2005.

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

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

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

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

(f) Notwithstanding the June 1 date specified in subdivision (b), changes to the regional market rate schedules and fee schedules may be made at any other time to reflect the availability of accurate data necessary for their completion, provided these documents receive the approval of the Department of Finance. The Department of Finance shall review the changes within 30 working days of submission and the State Department of Education shall resolve conflicts within an additional 30 working day period. Contractors shall be given adequate notice before the effective date of the approved schedules. It is the intent of the Legislature that contracts

for services not be delayed by the timing of the availability of accurate data needed to update these schedules.

SEC. 15. Section 8450 of the Education Code is amended to read:

8450. (a) All child development contractors are encouraged to develop and maintain a reserve within the child development fund, derived from earned but unexpended funds. Child development contractors may retain all earned funds. For purposes of this section, “earned funds” are those for which the required number of eligible service units have been provided.

(b) (1) Earned funds shall not be expended for any activities proscribed by Section 8406.7. Earned but unexpended funds shall remain in the contractor’s reserve account within the child development fund and shall be expended only by direct service child development programs that are funded under contract with the department.

(2) (A) Commencing July 1, 2011, a contractor may retain a reserve fund balance, separate from the reserve fund retained pursuant to subdivision (c) or (d), equal to 5 percent of the sum of the maximum reimbursable amounts of all contracts to which the contractor is a party, or two thousand dollars (\$2,000), whichever is greater. This paragraph applies to direct service child development programs that are funded under contract with the department.

(B) A California state preschool program contracting agency may retain in the reserve fund an additional 10 percent of the sum of the maximum reimbursable amounts of all preschool contracts to which the contracting agency is a party for purposes of professional development for California state preschool program instructional staff.

(c) Notwithstanding subdivisions (a) and (b), a contractor may retain a reserve fund balance for a resource and referral program, separate from the balance retained pursuant to subdivision (b) or (d), not to exceed 3 percent of the contract amount. Funds from this reserve account may be expended only by resource and referral programs that are funded under contract with the department.

(d) Notwithstanding subdivisions (a) and (b), a contractor may retain a reserve fund balance for alternative payment model and certificate child care contracts, separate from the reserve fund retained pursuant to subdivisions (b) and (c). Funds from this

reserve account may be expended only by alternative payment model and certificate child care programs that are funded under contract with the department. The reserve amount allowed by this section may not exceed either of the following, whichever is greater:

(1) Two percent of the sum of the parts of each contract to which that contractor is a party that is allowed for administration pursuant to Section 8276.7 and that is allowed for supportive services pursuant to the provisions of the contract.

(2) One thousand dollars (\$1,000).

(e) Each contractor's audit shall identify any funds earned by the contractor for each contract through the provision of contracted services in excess of funds expended.

(f) Any interest earned on reserve funds shall be included in the fund balance of the reserve. This reserve fund shall be maintained in an interest-bearing account.

(g) Moneys in a contractor's reserve fund may be used only for expenses that are reasonable and necessary costs as defined in subdivision (n) of Section 8208.

(h) Any reserve fund balance in excess of the amount authorized pursuant to subdivisions (b), (c), and (d) shall be returned to the department pursuant to procedures established by the department.

(i) Upon termination of all child development contracts between a contractor and the department, all moneys in a contractor's reserve fund shall be returned to the department pursuant to procedures established by the department.

(j) Expenditures from, additions to, and balances in, the reserve fund shall be included in the agency's annual financial statements and audit.

SEC. 16. Section 8499.5 of the Education Code is amended to read:

8499.5. (a) The department shall allocate child care funding pursuant to Chapter 2 (commencing with Section 8200) based on the amount of state and federal funding that is available.

(b) By May 30 of each year, upon approval by the county board of supervisors and the county superintendent of schools, a local planning council shall submit to the department the local priorities it has identified that reflect all child care needs in the county. To accomplish this, a local planning council shall do all of the following:

(1) Conduct an assessment of child care needs in the county no less frequently than once every five years. The department shall define and prescribe data elements to be included in the needs assessment and shall specify the format for the data reporting. The needs assessment shall also include all factors deemed appropriate by the local planning council in order to obtain an accurate picture of the comprehensive child care needs in the county. The factors include, but are not limited to, all of the following:

(A) The needs of families eligible for subsidized child care.

(B) The needs of families not eligible for subsidized child care.

(C) The waiting lists for programs funded by the department and the State Department of Social Services.

(D) The need for child care for children determined by the child protective services agency to be neglected, abused, or exploited, or at risk of being neglected, abused, or exploited.

(E) The number of children in families receiving public assistance, including CalFresh benefits, housing support, and Medi-Cal, and assistance from the Healthy Families Program and the Temporary Assistance for Needy Families (TANF) program.

(F) Family income among families with preschool or schoolage children.

(G) The number of children in migrant agricultural families who move from place to place for work or who are currently dependent for their income on agricultural employment in accordance with subdivision (a) of, and paragraphs (1) and (2) of subdivision (b) of, Section 8231.

(H) The number of children who have been determined by a regional center to require services pursuant to an individualized family service plan, or by a local educational agency to require services pursuant to an individualized education program or an individualized family service plan.

(I) The number of children in the county by primary language spoken pursuant to the department's language survey.

(J) Special needs based on geographic considerations, including rural areas.

(K) The number of children needing child care services by age cohort.

(2) Document information gathered during the needs assessment which shall include, but need not be limited to, data on supply,

demand, cost, and market rates for each category of child care in the county.

(3) Encourage public input in the development of the priorities. Opportunities for public input shall include at least one public hearing during which members of the public can comment on the proposed priorities.

(4) Prepare a comprehensive countywide child care plan designed to mobilize public and private resources to address identified needs.

(5) Conduct a periodic review of child care programs funded by the department and the State Department of Social Services to determine if identified priorities are being met.

(6) Collaborate with subsidized and nonsubsidized child care providers, county welfare departments, human service agencies, regional centers, job training programs, employers, integrated child and family service councils, local and state children and families commissions, parent organizations, early start family resource centers, family empowerment centers on disability, local child care resource and referral programs, and other interested parties to foster partnerships designed to meet local child care needs.

(7) Design a system to consolidate local child care waiting lists, if a centralized eligibility list is not already in existence.

(8) Coordinate part-day programs, including state preschool and Head Start, with other child care and development services to provide full-day child care.

(9) Submit the results of the needs assessment and the local priorities identified by the local planning council to the board of supervisors and the county superintendent of schools for approval before submitting them to the department.

(10) Identify at least one, but not more than two, members to serve as part of the department team that reviews and scores proposals for the provision of services funded through contracts with the department. Local planning council representatives may not review and score proposals from the geographic area covered by their own local planning council. The department shall notify each local planning council whenever this opportunity is available.

(c) The department shall, in conjunction with the State Department of Social Services and all appropriate statewide agencies and associations, develop guidelines for use by local planning councils to assist them in conducting needs assessments

that are reliable and accurate. The guidelines shall include acceptable sources of demographic and child care data, and methodologies for assessing child care supply and demand.

(d) Except as otherwise required by subdivision (c) of Section 8236, the department shall allocate funding within each county in accordance with the priorities identified by the local planning council of that county and submitted to the department pursuant to this section, unless the priorities do not meet the requirements of state or federal law.

SEC. 17. Section 14035 of the Education Code is repealed.

SEC. 18. Section 14041.5 of the Education Code is amended to read:

14041.5. (a) Notwithstanding subdivision (a) of Section 14041, for the 2002–03 fiscal year to the 2013–14 fiscal year, inclusive, warrants for the principal apportionments for the month of June instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41335.

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

(c) For the 2003–04 school year, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the 2004–05 fiscal year shall be seven hundred twenty-six million two hundred seventy thousand dollars (\$726,270,000). Any amount in excess of seven hundred twenty-six million two hundred seventy thousand

dollars (\$726,270,000) that is apportioned in July of 2004 is deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the 2003–04 fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the 2003–04 fiscal year.

(d) For the 2004–05 school year to the 2007–08 school year, inclusive, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the following fiscal year shall be seven hundred fifteen million one hundred eighteen thousand dollars (\$715,118,000). Any amount in excess of seven hundred fifteen million one hundred eighteen thousand dollars (\$715,118,000) that is apportioned in July of any year is deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the prior fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the prior fiscal year.

(e) For the 2008–09 school year to the 2013–14 school year, inclusive, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the following fiscal year shall be one billion one hundred one million six hundred fifty-five thousand dollars (\$1,101,655,000). Any amount in excess of one

billion one hundred one million six hundred fifty-five thousand dollars (\$1,101,655,000) that is apportioned in July of any year is deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the prior fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the prior fiscal year.

SEC. 19. Section 14041.6 of the Education Code is amended to read:

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

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

(c) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2010–11 fiscal year, warrants for the principal apportionments for the month of February in the amount of two billion dollars (\$2,000,000,000), for the month of April in the amount of four hundred nineteen million twenty thousand dollars (\$419,020,000), for the month of May in the amount of eight hundred million dollars (\$800,000,000), and for the month of June in the amount of five hundred million dollars (\$500,000,000) instead shall be drawn in July of the same calendar year and warrants for the month of April in the amount of six hundred seventy-eight million six hundred eleven thousand dollars (\$678,611,000) and for the month of May in the amount of one billion dollars (\$1,000,000,000) instead shall be drawn in August pursuant to the certification made pursuant to Section 41339.

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

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

(f) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2013–14 fiscal year, warrants for the principal apportionments for the month of April in the amount of nine hundred seventeen million five hundred forty-two thousand dollars (\$917,542,000), for the month of May in the amount of two billion one hundred fifty-two million four hundred thirty thousand dollars (\$2,152,430,000), and for the month of June in the amount of five

hundred million dollars (\$500,000,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

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

(h) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2014–15 fiscal year, warrants for the principal apportionments for the month of June in the amount of eight hundred ninety-seven million one hundred eighty-four thousand dollars (\$897,184,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

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

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

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

(k) Notwithstanding subdivision (i) of this section and subdivision (e) of Section 14041.5, for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, one billion two hundred ninety-four million seven hundred twenty thousand dollars (\$1,294,720,000) of the warrants drawn in July 2014 pursuant to subdivisions (f) and (g) of this section and subdivision (e) of Section 14041.5 shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202, for the 2012–13 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for the 2012–13 fiscal year.

(l) Notwithstanding subdivision (i) of this section and subdivision (e) of Section 14041.5, for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, two billion seven hundred eighty million five hundred twenty-six thousand dollars (\$2,780,526,000) of the warrants drawn in July 2014 pursuant to subdivisions (f) and (g) of this section and subdivision (e) of Section 14041.5 shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202, for the 2013–14 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for the 2013–14 fiscal year.

SEC. 20. Section 17080 of the Education Code is amended to read:

17080. Notwithstanding any other law, whenever moneys transferred to the General Fund each year from (1) moneys deposited in the Public School Building Loan Fund pursuant to Section 15735, and (2) moneys deposited in the State School Building Aid Fund pursuant to Section 16080, are in excess of the amounts required to reimburse the General Fund on account of principal and interest due and payable for that fiscal year on all school building aid bonds outstanding against the state, an amount

equal to such excess is appropriated from the General Fund for purposes of the School Facilities Emergency Repair Account established pursuant to Section 17592.71. The Controller shall transfer the appropriated amount to the School Facilities Emergency Repair Account.

SEC. 21. Section 24214 of the Education Code, as amended by Section 28 of Chapter 559 of the Statutes of 2013, is amended to read:

24214. (a) A member retired for service under this part may perform retired member activities, but the member shall not make contributions to the retirement fund or accrue service credit based on compensation earned from that service. The employer shall maintain accurate records of the earnings of the retired member and report those earnings monthly to the system and retired member as described in Section 22461.

(b) If a member is retired for service under this part, the annualized rate of pay for retired member activities, performed by that member shall not be less than the minimum, nor exceed the maximum, paid by the employer to other employees performing comparable duties.

(c) A member retired for service under this part shall not be required to reinstate for performing retired member activities.

(d) A member retired for service under this part may earn compensation for performing retired member activities in any one school year up to the limitation specified in subdivision (f) without a reduction in his or her retirement allowance.

(e) The postretirement compensation limitation provisions set forth in this section are not applicable to compensation earned for the performance of retired member activities that are not wholly or in part supported by state, local, or federal funds.

(f) (1) The limitation that shall apply to the compensation paid in cash to the retired member for performance of retired member activities, excluding reimbursements paid by an employer for expenses incurred by the member in which payment of the expenses by the member is substantiated, shall, in any one school year, be an amount calculated by the system each July 1 equal to one-half of the median final compensation of all members who retired for service during the fiscal year ending in the previous calendar year.

(2) For written agreements pertaining to the performance of retired member activities entered into, extended, renewed, or

amended on or after January 1, 2014, the limitation in paragraph (1) shall also apply to payments, including, but not limited to, those for participation in a deferred compensation plan; to purchase an annuity contract, tax-deferred retirement plan, or insurance program; and for contributions to a plan that meets the requirements of Section 125, 401(a), 401(k), 403(b), 457(b), or 457(f) of Title 26 of the United States Code when the cost is covered by an employer.

(g) If a member retired for service under this part earns compensation for performing retired member activities, in excess of the limitation specified in subdivision (f), and if that compensation is not exempt from that limitation under subdivision (e) or (h) or any other law, the member's retirement allowance shall be reduced by the amount of the excess compensation. The amount of the reduction may be equal to the monthly allowance payable but shall not exceed the amount of the annual allowance payable under this part for the fiscal year in which the excess compensation was earned after any reduction made in accordance with subdivision (h) of Section 24214.5.

(h) The limitation specified in this section is not applicable to compensation paid to a member retired for service under this part who has returned to work after the date of retirement:

(1) As a trustee appointed by the Superintendent pursuant to Section 41320.1.

(2) As a fiscal adviser or fiscal expert appointed by a county superintendent of schools pursuant to Article 2 (commencing with Section 42122) of Chapter 6 of Part 24 of Division 3 of Title 2.

(3) As a receiver or trustee appointed by the state board pursuant to Article 3.1 (commencing with Section 52055.57) of Chapter 6.1 of Part 28 of Division 4 of Title 2.

(4) As a special trustee appointed by the Board of Governors of the California Community Colleges pursuant to Section 84040.

(i) The Superintendent, the Executive Director of the State Board of Education, the Chancellor of the California Community Colleges, or the county superintendent of schools exercising the exemption pursuant to subdivision (h) shall submit all documentation required by the system to substantiate the eligibility of the retired member for the exemption, including compliance with subdivisions (j) and (k). The documentation shall be received

by the system prior to the retired member's performance of retired member activities.

(j) Subdivision (h) shall not apply to a retired member who has not attained normal retirement age at the time the compensation is earned by the member, received additional service credit pursuant to Section 22714 or 22715, or received from any public employer any financial inducement to retire in the previous six months. For purposes of this section and Section 24214.5, "financial inducement to retire" includes, but is not limited to, any form of compensation or other payment that is paid directly or indirectly by a public employer to the member, even if not in cash, either before or after retirement, if the member retires for service on or before a specific date or specific range of dates established by the public employer on or before the date the inducement is offered. The system shall liberally interpret this subdivision to further the Legislature's intent to make subdivision (h) inapplicable to members if the member received a financial incentive from any public employer to retire or otherwise terminate employment with the public employer.

(k) The documentation required for subdivision (i) shall include certification of the following:

(1) The position was first advertised for appointment to current active or inactive members of the program with the necessary qualifications to perform the requirements of the position and no qualified current active or inactive member was available to be appointed.

(2) The appointing authority made a good faith effort to hire a retired member who reinstated to active membership for the position at the same salary that was offered as first advertised pursuant to paragraph (1).

(3) The appointing authority, having tried and failed to hire a current active or inactive member or a reinstated retired member, hired a retired member and the salary offered to the retired member subject to this paragraph does not exceed the salary that was offered as first advertised pursuant to paragraph (1).

(4) The salary paid shall be no greater than the salary offered to current active members for the appointed position.

(l) The amendments to this section enacted during the 1995–96 Regular Session shall be deemed to have become operative on July 1, 1996.

(m) The amendments to this section enacted during the second year of the 2011–12 Regular Session shall apply to compensation paid during the 2012–13 and 2013–14 fiscal years.

(n) The amendments to this section enacted during the first year of the 2013–14 Regular Session shall apply to compensation paid on or after January 1, 2014.

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

SEC. 22. Section 24214 of the Education Code, as amended by Section 29 of Chapter 559 of the Statutes of 2013, is amended to read:

24214. (a) A member retired for service under this part may perform retired member activities, but the member shall not make contributions to the retirement fund or accrue service credit based on compensation earned from that service. The employer shall maintain accurate records of the earnings of the retired member and report those earnings monthly to the system and retired member as described in Section 22461.

(b) If a member is retired for service under this part, the annualized rate of pay for retired member activities performed by that member shall not be less than the minimum, nor exceed the maximum, paid by the employer to other employees performing comparable duties.

(c) A member retired for service under this part shall not be required to reinstate for performing retired member activities.

(d) A member retired for service under this part may earn compensation for performing retired member activities in any one school year up to the limitation specified in subdivision (f) without a reduction in his or her retirement allowance.

(e) The postretirement compensation limitation provisions set forth in this section are not applicable to compensation earned for the performance of retired member activities that are not wholly or in part supported by state, local, or federal funds.

(f) (1) The limitation that shall apply to the compensation paid in cash to the retired member for performance of retired member activities, excluding reimbursements paid by an employer for expenses incurred by the member in which payment of the expenses by the member is substantiated, shall, in any one school year, be

an amount calculated by the system each July 1 equal to one-half of the median final compensation of all members who retired for service during the fiscal year ending in the previous calendar year.

(2) For written agreements pertaining to the performance of retired member activities entered into, extended, renewed, or amended on or after January 1, 2014, the limitation in paragraph (1) shall also apply to payments, including, but not limited to, those for participation in a deferred compensation plan; to purchase an annuity contract, tax-deferred retirement plan, or insurance program; and for contributions to a plan that meets the requirements of Section 125, 401(a), 401(k), 403(b), 457(b), or 457(f) of Title 26 of the United States Code when the cost is covered by an employer.

(g) If a member retired for service under this part earns compensation for performing retired member activities, in excess of the limitation specified in subdivision (f), the member's retirement allowance shall be reduced by the amount of the excess compensation. The amount of the reduction may be equal to the monthly allowance payable but may not exceed the amount of the annual allowance payable under this part for the fiscal year in which the excess compensation was earned after any reduction made in accordance with subdivision (h) of Section 24214.5.

(h) The language of this section derived from the amendments to the section of this number added by Chapter 394 of the Statutes of 1995, enacted during the 1995–96 Regular Session, is deemed to have become operative on July 1, 1996.

(i) This section shall become operative on July 1, 2017.

SEC. 23. Section 41203.1 of the Education Code is amended to read:

41203.1. (a) For the 1990–91 fiscal year and each fiscal year thereafter, allocations calculated pursuant to Section 41203 shall be distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for purposes of this section, school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article

XVI of the California Constitution were to be applied separately to each segment and the base year for purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989–90 fiscal year. Calculations made pursuant to this subdivision shall be made so that each segment of public education is entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

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

(c) Notwithstanding any other law, this section does not apply to the 1992–93 to 2014–15 fiscal years, inclusive.

SEC. 24. Section 41207.3 of the Education Code, as added by Section 4 of Chapter 3 of the 4th Extraordinary Session of the Statutes of 2009, is amended to read:

41207.3. (a) Notwithstanding Section 41206, the minimum state educational funding obligation for school districts and community college districts pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution is determined to be the following:

(1) Fifty-three billion three hundred forty-five million four hundred twenty thousand dollars (\$53,345,420,000) for the 2005–06 fiscal year, with an outstanding balance of one billion one hundred ten million five hundred sixteen thousand dollars (\$1,110,516,000). The outstanding balance is appropriated and allocated pursuant to Article 3.7 (commencing with Section 52055.700) of Chapter 6.1 of Part 28.

(2) Fifty-five billion two hundred fifty-one million two hundred sixty-six thousand dollars (\$55,251,266,000) for the 2006–07 fiscal year, with an outstanding balance of two hundred eleven million five hundred thirty-three thousand dollars (\$211,533,000). Commencing with the 2015–16 fiscal year, the Legislature shall appropriate the outstanding balance and specify in the annual Budget Act or other statute making those appropriations that the funds shall be used for any one-time purpose so long as those

appropriations are made for allocation to school districts or community college districts.

(3) Fifty-six billion five hundred seventy-seven million four hundred ninety-one thousand dollars (\$56,577,491,000) for the 2007–08 fiscal year, with no outstanding balance.

(b) (1) The amount determined pursuant to paragraph (1) of subdivision (a) shall be deemed certified for purposes of Section 41206 when the conditions set forth in subdivision (c) of Section 41207.1 are met.

(2) The amount determined pursuant to paragraph (2) of subdivision (a) shall be deemed certified for purposes of Section 41206 upon appropriation of the full amount of the outstanding balance determined for that year.

(3) The amount determined pursuant to paragraph (3) of subdivision (a) is deemed to be certified for purposes of Section 41206 upon enactment of this section.

SEC. 25. Section 41841.9 is added to the Education Code, to read:

41841.9. (a) For the 2014–15 fiscal year, this article shall apply to a charter school whose charter was granted by its chartering authority after July 1, 2014.

(b) This section shall become inoperative on July 1, 2015, and, as of January 1, 2016, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2016, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 26. 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) (A) 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 XIII A of the California Constitution, the budget shall include a statement of the amount or portion for which a levy shall not be made. For the 2014–15 fiscal year and each fiscal year thereafter, the governing board of the school district shall not adopt a budget before the governing board of the school district adopts a local control and accountability plan, if an existing local control and accountability plan or annual update to a local control and accountability plan is not effective for the budget year. The governing board of a school district shall not adopt a budget that does not include the expenditures necessary to implement the local control and accountability plan or the annual update to a local control and accountability plan that is effective during the subsequent fiscal year.

(B) Commencing with budgets adopted for the 2015–16 fiscal year, the governing board of a school district that proposes to adopt a budget, or revise a budget pursuant to subdivision (e), that includes a combined assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties adopted by the state board pursuant to subdivision (a) of Section 33128, shall, at the public hearing held pursuant to paragraph (1), provide all of the following for public review and discussion:

(i) The minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.

(ii) The combined assigned and unassigned ending fund balances that are in excess of the minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.

(iii) A statement of reasons that substantiates the need for an assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties for each fiscal year that the school district identifies an assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties, as identified pursuant to clause (ii).

(C) The governing board of a school district shall include the information required pursuant to subparagraph (B) in its budgetary submission each time it files an adopted or revised budget with the county superintendent of schools. The information required pursuant to subparagraph (B) shall be maintained and made available for public review.

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

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

(1) Examine the adopted budget to determine whether it complies with the standards and criteria adopted by the state board pursuant to Section 33127 for application to final local educational agency budgets. The county superintendent of schools shall identify, if necessary, technical corrections that are required to be

made to bring the budget into compliance with those standards and criteria.

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

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

(4) Determine whether the adopted budget includes a combined assigned and unassigned ending fund balance that exceeds the minimum recommended reserve for economic uncertainties. If the adopted budget includes a combined assigned and unassigned ending fund balance that exceeds the minimum recommended reserve for economic uncertainties, the county superintendent of schools shall verify that the school district complied with the requirements of subparagraphs (B) and (C) of paragraph (2) of subdivision (a).

(d) (1) On or before August 15, the county superintendent of schools shall approve, conditionally approve, or disapprove the adopted budget for each school district. For the 2014–15 fiscal year and each fiscal year thereafter, the county superintendent of

schools shall disapprove a budget if the county superintendent of schools determines that the budget does not include the expenditures necessary to implement a local control and accountability plan or an annual update to the local control and accountability plan approved by the county superintendent of schools. If a school district does not submit a budget to the county superintendent of schools, the county superintendent of schools shall develop, at school district expense, a budget for that school district by September 15 and transmit that budget to the governing board of the school district. The budget prepared by the county superintendent of schools shall be deemed adopted, unless the county superintendent of schools approves any modifications made by the governing board of the school district. The budget prepared by the county superintendent of schools shall also comply with the requirements of subparagraph (B) of paragraph (2) of subdivision (a). The approved budget shall be used as a guide for the school district's priorities. The Superintendent shall review and certify the budget approved by the county. If, pursuant to the review conducted pursuant to subdivision (c), the county superintendent of schools determines that the adopted budget for a school district does not satisfy paragraph (1), (2), (3), or (4) of that subdivision, he or she shall conditionally approve or disapprove the budget and, not later than August 15, transmit to the governing board of the school district, in writing, his or her recommendations regarding revision of the budget and the reasons for those recommendations, including, but not limited to, the amounts of any budget adjustments needed before he or she can approve that budget. The county superintendent of schools may assign a fiscal adviser to assist the school district to develop a budget in compliance with those revisions. In addition, the county superintendent of schools may appoint a committee to examine and comment on the superintendent's review and recommendations, subject to the requirement that the committee report its findings to the county superintendent of schools no later than August 20. 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 provision of this article, for the 2014–15 fiscal year and each fiscal year thereafter, the budget shall not be adopted or approved by the county superintendent of schools before a local control and accountability plan or update to an existing local control and accountability plan for the budget year is approved.

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

(1) 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.

(2) 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.

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

(g) (1) The county superintendent of schools shall examine the revised budget to determine whether it (A) complies with the standards and criteria adopted by the state board pursuant to Section 33127 for application to final local educational agency budgets,

(B) allows the school district to meet its financial obligations during the fiscal year, (C) satisfies all conditions established by the county superintendent of schools in the case of a conditionally approved budget, (D) is consistent with a financial plan that will enable the school district to satisfy its multiyear financial commitments, and, not later than October 8, shall approve or disapprove the revised budget, and (E) whether the revised budget complies with the requirements of subparagraph (B) of paragraph (2) of subdivision (a). 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 of schools immediately has the authority and responsibility provided 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. If no budget is adopted by November 30, the Superintendent may adopt a budget for the school district. 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 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) 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 reasons why a budget has not been adopted by the deadline, the steps being taken to finalize budget adoption, and the date the adopted budget is anticipated. 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.

(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. 27. Section 42127.01 is added to the Education Code, to read:

42127.01. (a) In a fiscal year immediately after a fiscal year in which a transfer is made into the Public School System Stabilization Account, a school district budget that is adopted or

revised pursuant to Section 42127 shall not contain a combined assigned or unassigned ending fund balance that is in excess of the following:

(1) For school districts with fewer than 400,000 units of average daily attendance, the sum of the school district's applicable minimum recommended reserve for economic uncertainties adopted by the state board pursuant to subdivision (a) of Section 33128, multiplied by two.

(2) For school districts with more than 400,000 units of average daily attendance, the sum of the school district's applicable minimum recommended reserve for economic uncertainties adopted by the state board pursuant to subdivision (a) of Section 33128, multiplied by three.

(b) A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements of subdivision (a) for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multiyear infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties. As a condition of receiving an exception, a school district shall do all of the following:

(1) Provide a statement that substantiates the need for an assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties.

(2) Identify the funding amounts in the budget adopted by the school district that are associated with the extraordinary fiscal circumstances.

(3) Provide documentation that no other fiscal resources are available to fund the extraordinary fiscal circumstances.

(c) This section shall become operative on December 15, 2014, only if Assembly Constitutional Amendment No. 1 of the 2013–14 Second Extraordinary Session is approved by the voters at the November 4, 2014, statewide general election. If Assembly Constitutional Amendment No. 1 of the 2013–14 Second Extraordinary Session is not approved by the voters at the November 4, 2014, statewide general election, this section shall not become operative and is repealed on January 1, 2015.

SEC. 28. Section 44235.2 is added to the Education Code, to read:

44235.2. (a) If in any month there are insufficient moneys in the Teacher Credentials Fund to satisfy monthly payroll obligations and scheduled claims, and there are moneys in the Test Development and Administration Account not required to meet any demand that has accrued or may accrue against it, the Controller shall transfer moneys from the Test Development and Administration Account to the Teacher Credentials Fund to the extent necessary to meet the immediate obligations of the Teacher Credentials Fund.

(b) Moneys transferred pursuant to subdivision (a) shall be returned to the Test Development and Administration Account as soon as there are sufficient moneys in the Teacher Credentials Fund to do so, but by no later than 60 days after the transfer was made.

(c) If sufficient moneys do not accumulate in the Teacher Credentials Fund within 60 days after the transfer was made, whatever portion of the amount received from the Test Development and Administration Account that is in the Teacher Credentials Fund at that time shall be returned to the Test Development and Administration Account. The remaining balance of the outstanding transfer, if any, shall be returned thereafter in monthly installments as moneys accumulate in the Teacher Credentials Fund. If the Teacher Credentials Fund fails to return the full amount of any transfer by the end of the fiscal year, the Teacher Credentials Fund shall be ineligible to receive further transfers until it has returned the full amount previously transferred from the Test Development and Administration Account.

SEC. 29. Section 44374.5 of the Education Code is amended to read:

44374.5. (a) The commission may charge fees to cover the standard costs of reviewing new and existing educator preparation programs. Sponsors of educator preparation programs shall submit the established fee to the commission when submitting a proposal for a new program, and, as determined by the commission, for the review of an existing program. The commission shall not waive the fee for the review of existing programs for in-kind contributions from sponsors of educator preparation programs. The commission may review the established fees on a periodic basis and adjust the

fees as necessary. The commission shall notify the chairpersons of the committees and subcommittees in each house of the Legislature that consider the State Budget and the Department of Finance at least 30 days before implementing the fees and at least 30 days before making any subsequent fee adjustments.

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

SEC. 30. Section 47612.1 of the Education Code is amended to read:

47612.1. (a) Except for the requirement that a pupil be a California resident, subdivision (b) of Section 47612 shall not apply to a charter school whose charter was granted by its chartering authority before July 1, 2014, and that provides instruction exclusively in partnership with any of the following:

(1) The federal Workforce Investment Act of 1998 (Public Law No. 105-220; 29 U.S.C. Sec. 2801 et seq.).

(2) Federally affiliated Youth Build programs.

(3) Federal job corps training or instruction provided pursuant to a memorandum of understanding with the federal provider.

(4) The California Conservation Corps or local conservation corps certified by the California Conservation Corps pursuant to Sections 14406 or 14507.5 of the Public Resources Code.

(b) This section shall become inoperative on July 1, 2015, and, as of January 1, 2016, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2016, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 31. Section 47612.1 is added to the Education Code, to read:

47612.1. (a) Except for the requirement that a pupil be a California resident, subdivision (b) of Section 47612 shall not apply to a charter school program that provides instruction exclusively in partnership with any of the following:

(1) The federal Workforce Investment Act of 1998 (Public Law No. 105-220; 29 U.S.C. Sec. 2801 et seq.).

(2) Federally affiliated Youth Build programs.

(3) Federal job corps training or instruction provided pursuant to a memorandum of understanding with the federal provider.

(4) The California Conservation Corps or local conservation corps certified by the California Conservation Corps pursuant to Sections 14406 or 14507.5 of the Public Resources Code.

(b) This section shall become operative on July 1, 2015.

SEC. 32. Section 47644 of the Education Code is amended to read:

47644. For each charter school deemed a local educational agency for the purposes of special education, an amount equal to the amount computed pursuant to Section 56836.08 for the special education local plan area in which the charter school is included shall be apportioned by the Superintendent pursuant to the local allocation plan developed pursuant to subdivision (i) of Section 56195.7 or Section 56836.05, or both. If the charter school is a participant in a local plan that only includes other charter schools pursuant to subdivision (f) of Section 56195.1, the amount computed pursuant to Section 56836.11 shall be apportioned by the Superintendent for each unit of average daily attendance reported pursuant to subdivision (a) of Section 56836.06.

SEC. 33. Section 48000 of the Education Code is amended to read:

48000. (a) A child shall be admitted to a kindergarten maintained by the school district at the beginning of a school year, or at a later time in the same year if the child will have his or her fifth birthday on or before one of the following dates:

(1) December 2 of the 2011–12 school year.

(2) November 1 of the 2012–13 school year.

(3) October 1 of the 2013–14 school year.

(4) September 1 of the 2014–15 school year and each school year thereafter.

(b) The governing board of a school district maintaining one or more kindergartens may, on a case-by-case basis, admit to a kindergarten a child having attained the age of five years at any time during the school year with the approval of the parent or guardian, subject to the following conditions:

(1) The governing board determines that the admittance is in the best interests of the child.

(2) The parent or guardian is given information regarding the advantages and disadvantages and any other explanatory information about the effect of this early admittance.

(c) As a condition of receipt of apportionment for pupils in a transitional kindergarten program pursuant to subdivision (g) of Section 46300, a school district or charter school shall ensure the following:

(1) In the 2012–13 school year, a child who will have his or her fifth birthday between November 2 and December 2 shall be admitted to a transitional kindergarten program maintained by the school district.

(2) In the 2013–14 school year, a child who will have his or her fifth birthday between October 2 and December 2 shall be admitted to a transitional kindergarten program maintained by the school district.

(3) In the 2014–15 school year and each school year thereafter, a child who will have his or her fifth birthday between September 2 and December 2 shall be admitted to a transitional kindergarten program maintained by the school district.

(d) For purposes of this section, “transitional kindergarten” means the first year of a two-year kindergarten program that uses a modified kindergarten curriculum that is age and developmentally appropriate.

(e) A transitional kindergarten shall not be construed as a new program or higher level of service.

(f) It is the intent of the Legislature that transitional kindergarten curriculum be aligned to the California Preschool Learning Foundations developed by the department.

(g) As a condition of receipt of apportionment for pupils in a transitional kindergarten program pursuant to subdivision (g) of Section 46300, a school district or charter school shall ensure that teachers assigned to a transitional kindergarten classroom after July 1, 2015, have been issued at least one credential by the

Commission on Teacher Credentialing, and shall, by August 1, 2020, have one of the following:

(1) At least 24 units in early childhood education, or childhood development, or both.

(2) As determined by the local educational agency employing the teacher, professional experience in a classroom setting with preschool age children that is comparable to the 24 units of education described in paragraph (1).

(3) A child development permit issued by the Commission on Teacher Credentialing.

SEC. 34. Section 49430.5 of the Education Code is amended to read:

49430.5. (a) The reimbursement a school receives for free and reduced-price meals sold or served to pupils in elementary, middle, or high schools included within a school district, charter school, or county office of education shall be twenty-two and forty-eight hundredths cents (\$0.2248) per meal, and, for meals served in child care centers and homes, the reimbursement shall be sixteen and seventy-four hundredths cents (\$0.1674) per meal.

(b) To qualify for the reimbursement for free and reduced-price meals provided to pupils in elementary, middle, or high schools, a school shall follow the Enhanced Food Based Meal Pattern, Nutrient Standard Meal Planning, or Traditional Meal Pattern developed by the United States Department of Agriculture or the SHAPE Menu Patterns developed by the state.

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

SEC. 35. Section 51745.6 of the Education Code is amended to read:

51745.6. (a) (1) The ratio of average daily attendance for independent study pupils 18 years of age or less to school district full-time equivalent certificated employees responsible for independent study, for the applicable grade span, calculated as specified by the department, shall not exceed the equivalent ratio of pupils to full-time certificated employees for all other educational programs operated by the school district for the applicable grade span, unless a new higher or lower grade span ratio for all other educational programs offered within the respective grade span is negotiated in a collective bargaining

agreement or a memorandum of understanding is entered into that indicates an existing collective bargaining agreement contains an alternative grade span ratio for the applicable grade span. The ratio of average daily attendance for independent study pupils 18 years of age or less to county office of education full-time equivalent certificated employees responsible for independent study, for the applicable grade span, to be calculated in a manner prescribed by the department, shall not exceed the equivalent ratio of pupils to full-time certificated employees for all other educational programs operated by the high school or unified school district with the largest average daily attendance of pupils in that county for the applicable grade span, unless a new higher or lower grade span ratio for all other educational programs offered within the respective grade span is negotiated in a collective bargaining agreement or a memorandum of understanding is entered into that indicates an existing collective bargaining agreement contains an alternative grade span ratio for the applicable grade span. The computation of the ratios shall be performed annually by the reporting agency at the time of, and in connection with, the second principal apportionment report to the Superintendent.

(2) For purposes of this section, the following grade spans shall apply:

- (A) Kindergarten and grades 1 to 3, inclusive.
- (B) Grades 4 to 6, inclusive.
- (C) Grades 7 to 8, inclusive.
- (D) Grades 9 to 12, inclusive.

(b) Only those units of average daily attendance for independent study that reflect a pupil-teacher ratio that does not exceed the applicable grade span ratios described in subdivision (a) shall be eligible for apportionment pursuant to Section 2575, for county offices of education, and Section 42238.05, for school districts. Nothing in this section shall prevent a school district or county office of education from serving additional units of average daily attendance greater than the applicable grade span ratios described in subdivision (a), except that those additional units shall not be funded pursuant to Section 2575 or 42238.05, as applicable. If a school district, charter school, or county office of education has a memorandum of understanding to provide instruction in coordination with the school district, charter school, or county office of education at which a pupil is enrolled, then the applicable

grade span ratios that shall apply for purposes of this paragraph are the ratios for the local educational agency providing the independent study program to the pupil pursuant to Section 51749.5.

(c) The calculations performed for purposes of this section shall not include either of the following:

(1) The average daily attendance generated by special education pupils enrolled in special day classes on a full-time basis, or the teachers of those classes.

(2) The average daily attendance or teachers in necessary small schools that are eligible to receive funding pursuant to Article 4 (commencing with Section 42280) of Chapter 7 of Part 24.

(d) The applicable pupils-to-certificated-employee grade span ratios described in subdivision (a) may, in a charter school, be calculated by using a fixed pupils-to-certificated-employee ratio of 25 to 1, or by being a ratio of less than 25 pupils per certificated employee. All charter school pupils, regardless of age, shall be included in the applicable pupil-to-certificated-employee grade span ratio calculations.

SEC. 36. Section 51747 of the Education Code is amended to read:

51747. A school district or county office of education shall not be eligible to receive apportionments for independent study by pupils, regardless of age, unless it has adopted written policies, and has implemented those policies, pursuant to rules and regulations adopted by the Superintendent, that include, but are not limited to, all of the following:

(a) The maximum length of time, by grade level and type of program, that may elapse between the time an independent study assignment is made and the date by which the pupil must complete the assigned work.

(b) The number of missed assignments that will be allowed before an evaluation is conducted to determine whether it is in the best interests of the pupil to remain in independent study, or whether he or she should return to the regular school program. A written record of the findings of any evaluation made pursuant to this subdivision shall be treated as a mandatory interim pupil record. The record shall be maintained for a period of three years from the date of the evaluation and, if the pupil transfers to another

California public school, the record shall be forwarded to that school.

(c) A requirement that a current written agreement for each independent study pupil shall be maintained on file, including, but not limited to, all of the following:

(1) The manner, time, frequency, and place for submitting a pupil's assignments and for reporting his or her progress.

(2) The objectives and methods of study for the pupil's work, and the methods utilized to evaluate that work.

(3) The specific resources, including materials and personnel, that will be made available to the pupil.

(4) A statement of the policies adopted pursuant to subdivisions (a) and (b) regarding the maximum length of time allowed between the assignment and the completion of a pupil's assigned work, and the number of missed assignments allowed before an evaluation of whether or not the pupil should be allowed to continue in independent study.

(5) The duration of the independent study agreement, including the beginning and ending dates for the pupil's participation in independent study under the agreement. No independent study agreement shall be valid for any period longer than one school year.

(6) A statement of the number of course credits or, for the elementary grades, other measures of academic accomplishment appropriate to the agreement, to be earned by the pupil upon completion.

(7) The inclusion of a statement in each independent study agreement that independent study is an optional educational alternative in which no pupil may be required to participate. In the case of a pupil who is referred or assigned to any school, class, or program pursuant to Section 48915 or 48917, the agreement also shall include the statement that instruction may be provided to the pupil through independent study only if the pupil is offered the alternative of classroom instruction.

(8) (A) Each written agreement shall be signed, before the commencement of independent study, by the pupil, the pupil's parent, legal guardian, or caregiver, if the pupil is less than 18 years of age, the certificated employee who has been designated as having responsibility for the general supervision of independent study, and all persons who have direct responsibility for providing

assistance to the pupil. For purposes of this paragraph “caregiver” means a person who has met the requirements of Part 1.5 (commencing with Section 6550) of the Family Code.

(B) A signed written agreement may be maintained on file electronically.

SEC. 37. Section 51747.5 of the Education Code is amended to read:

51747.5. (a) The independent study by each pupil shall be coordinated, evaluated, and, notwithstanding subdivision (a) of Section 46300, shall be under the general supervision of an employee of the school district, charter school, or county office of education who possesses a valid certification document pursuant to Section 44865 or an emergency credential pursuant to Section 44300, registered as required by law.

(b) School districts, charter schools, and county offices of education may claim apportionment credit for independent study only to the extent of the time value of pupil work products, as personally judged in each instance by a certificated teacher.

(c) For purposes of this section, school districts, charter schools, and county offices of education shall not be required to sign and date pupil work products when assessing the time value of pupil work products for apportionment purposes.

SEC. 38. Section 51749.5 is added to the Education Code, to read:

51749.5. (a) Notwithstanding any other law, and commencing with the 2015–16 school year, a school district, charter school, or county office of education may, for pupils enrolled in kindergarten and grades 1 to 12, inclusive, provide independent study courses pursuant to the following conditions:

(1) The governing board or body of a participating school district, charter school, or county office of education adopts policies, at a public meeting, that comply with the requirements of this section and any applicable regulations adopted by the state board.

(2) A signed learning agreement is completed and on file pursuant to Section 51749.6.

(3) Courses are taught under the general supervision of certificated employees who hold the appropriate subject matter credential pursuant to Section 44300 or 44865, or subdivision (I) of Section 47605, meet the requirements for highly qualified

teachers pursuant to the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), and are employed by the school district, charter school, or county office of education at which the pupil is enrolled, or by a school district, charter school, or county office of education that has a memorandum of understanding to provide the instruction in coordination with the school district, charter school, or county office of education at which the pupil is enrolled.

(4) (A) Courses are annually certified, by school district, charter school, or county office of education governing board or body resolution, to be of the same rigor and educational quality as equivalent classroom-based courses, and shall be aligned to all relevant local and state content standards.

(B) This certification shall, at a minimum, include the duration, number of equivalent daily instructional minutes for each schoolday that a pupil is enrolled, number of equivalent total instructional minutes, and number of course credits for each course. This information shall be consistent with that of equivalent classroom-based courses.

(5) Pupils enrolled in courses authorized by this section shall meet the applicable age requirements established pursuant to Sections 46300.1, 46300.4, 47612, and 47612.1.

(6) Pupils enrolled in courses authorized by this section shall meet the applicable residency and enrollment requirements established pursuant to Sections 46300.2, 47612, 48204, and 51747.3.

(7) (A) Certificated employees and each pupil shall communicate in-person, by telephone, or by any other live visual or audio connection no less than twice per calendar month to assess whether each pupil is making satisfactory educational progress.

(B) For purposes of this section, satisfactory educational progress includes, but is not limited to, applicable statewide accountability measures and the completion of assignments, examinations, or other indicators that evidence that the pupil is working on assignments, learning required concepts, and progressing toward successful completion of the course, as determined by certificated employees providing instruction.

(C) If satisfactory educational progress is not being made, certificated employees providing instruction shall notify the pupil and, if the pupil is less than 18 years of age, the pupil's parent or

legal guardian, and conduct an evaluation to determine whether it is in the best interest of the pupil to remain in the course or whether he or she should be referred to an alternative program, which may include, but is not limited to, a regular school program. A written record of the findings of an evaluation made pursuant to this subdivision shall be treated as a mandatory interim pupil record. The record shall be maintained for a period of three years from the date of the evaluation and, if the pupil transfers to another California public school, the record shall be forwarded to that school.

(D) Written or computer-based evidence of satisfactory educational progress, as defined in subparagraph (B), shall be retained for each course and pupil. At a minimum, this evidence shall include a grade book or summary document that, for each course, lists all assignments, examinations, and associated grades.

(8) A proctor shall administer examinations.

(9) (A) Statewide testing results for pupils enrolled in any course authorized pursuant to this section shall be reported and assigned to the school or charter school at which the pupil is enrolled, and to any school district, charter school, or county office of education within which that school's or charter school's testing results are aggregated.

(B) Statewide testing results for pupils enrolled in a course or courses pursuant to this section shall be disaggregated for purposes of comparing the testing results of those pupils to the testing results of pupils enrolled in classroom-based courses.

(10) A pupil shall not be required to enroll in courses authorized by this section.

(11) The pupil-to-certificated-employee ratio limitations established pursuant to Section 51745.6 are applicable to courses authorized by this section.

(12) For each pupil, the combined equivalent daily instructional minutes for enrolled courses authorized by this section and enrolled courses authorized by all other laws and regulations shall meet the minimum instructional day requirements applicable to the local educational agency. Pupils enrolled in courses authorized by this section shall be offered the minimum annual total equivalent instructional minutes pursuant to Sections 46200 to 46208, inclusive, and Section 47612.5.

(13) Courses required for high school graduation or for admission to the University of California or California State University shall not be offered exclusively through independent study.

(14) A pupil participating in independent study shall not be assessed a fee prohibited by Section 49011.

(15) A pupil shall not be prohibited from participating in independent study solely on the basis that he or she does not have the materials, equipment, or Internet access that are necessary to participate in the independent study course.

(b) For purposes of computing average daily attendance for each pupil enrolled in one or more courses authorized by this section, the following computations shall apply:

(1) (A) For each schoolday, add the combined equivalent daily instructional minutes, as certified in paragraph (4) of subdivision (a), for courses authorized by this section in which the pupil is enrolled.

(B) For each schoolday, add the combined daily instructional minutes of courses authorized by all other laws and regulations in which the pupil is enrolled and for which the pupil meets applicable attendance requirements.

(C) For each schoolday, add the sum of subparagraphs (A) and (B).

(2) If subparagraph (C) of paragraph (1) meets applicable minimum schoolday requirements for each schoolday, and all other requirements in this section have been met, credit each schoolday that the pupil is demonstrating satisfactory educational progress pursuant to the requirements of this section, with up to one school day of attendance.

(3) (A) Using credited schoolday attendance pursuant to paragraph (2), calculate average daily attendance pursuant to Section 41601 or 47612, whichever is applicable, for each pupil.

(B) The average daily attendance computed pursuant to this subdivision shall not result in more than one unit of average daily attendance per pupil.

(4) Notwithstanding any other law, average daily attendance computed for pupils enrolled in courses authorized by this section shall not be credited with average daily attendance other than what is specified in this section.

(c) For purposes of this section, “equivalent total instructional minutes” means the same number of minutes as required for an equivalent classroom-based course.

(d) (1) The Superintendent shall conduct an evaluation of independent study courses offered pursuant to this section and report findings to the Legislature and the Director of Finance no later than September 1, 2019. The report shall, at a minimum, compare the academic performance of pupils in independent study with demographically similar pupils enrolled in equivalent classroom-based courses.

(2) The requirement for submitting a report imposed under paragraph (1) is inoperative on September 1, 2023, pursuant to Section 10231.5 of the Government Code.

(3) A report to be submitted pursuant to paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 39. Section 51749.6 is added to the Education Code, to read:

51749.6. (a) Before enrolling a pupil in a course authorized by Section 51749.5, each school district, charter school, or county office of education shall provide the pupil and, if the pupil is less than 18 years of age, the pupil’s parent or legal guardian, with a written learning agreement that includes all of the following:

(1) A summary of the policies and procedures adopted by the governing board or body of the school district, charter school, or county office of education pursuant to Section 51749.5, as applicable.

(2) The duration of the enrolled course or courses, the duration of the learning agreement, and the number of course credits for each enrolled course consistent with the certifications adopted by the governing board or body of the school district, charter school, or county office of education pursuant to Section 51749.5. The duration of a learning agreement shall not exceed a school year or span multiple school years.

(3) The learning objectives and expectations for each course, including, but not limited to, a description of how satisfactory educational progress is measured and when a pupil evaluation is required to determine whether the pupil should remain in the course or be referred to an alternative program, which may include, but is not limited to, a regular school program.

(4) The specific resources, including materials and personnel, that will be made available to the pupil.

(5) A statement that the pupil is not required to enroll in courses authorized pursuant to Section 51749.5.

(b) (1) The learning agreement shall be signed by the pupil and, if the pupil is less than 18 years of age, the pupil's parent or legal guardian, and all certificated employees providing instruction before instruction may commence.

(2) The signed learning agreement constitutes permission from a pupil's parent or legal guardian, if the pupil is less than 18 years of age, for the pupil to receive instruction through independent study.

(3) A physical or electronic copy of the signed learning agreement shall be retained by the school district, county office of education, or charter school for at least three years and as appropriate for auditing purposes.

(4) For purposes of this section, an electronic copy includes a computer or electronic stored image of an original document, including, but not limited to, portable document format, JPEG, or other digital image file type, that may be sent via fax machine, email, or other electronic means.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) For the 2014–15 fiscal year, four hundred nine million six hundred fourteen thousand dollars (\$409,614,000), the amount determined by the Director of Finance to be the amount of the difference between the sum of amounts appropriated under paragraphs (1) to (4), inclusive, and Section 41207.6, and the total fiscal settlement agreed to by the parties in *California Teachers Association, et al. v. Arnold Schwarzenegger* (Super. Ct., Sacramento County, 2006, No. 05CS01165), to be allocated pursuant to subparagraphs (A) to (C), inclusive. The sum of all fiscal years of funding provided pursuant to this section and Section 41207.6 shall not exceed the total funds agreed to by those parties, in accordance with both of the following:

(A) Forty-eight million dollars (\$48,000,000) for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision (d) of Section 52055.780.

(B) (i) Two hundred sixty-seven million dollars (\$267,000,000) for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent pursuant to this article.

(ii) Notwithstanding any other law, funds appropriated for the 2014–15 fiscal year pursuant to clause (i) that are not allocated to schools with kindergarten or grades 1 to 12, inclusive, due to program termination or otherwise, shall be reallocated within the fiscal year for purposes of this article. The amount reallocated shall be distributed based on the proportionate share of funding each school that was funded received pursuant to this paragraph for the 2014–15 fiscal year.

(C) Ninety-four million six hundred fourteen thousand dollars (\$94,614,000) for transfer by the Controller to the School Facilities Emergency Repair Account pursuant to Section 17592.71.

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

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

(1) Thirty-eight million dollars (\$38,000,000) to the community colleges for the purpose of providing funding to the community

colleges to improve and expand career technical education in public secondary education and lower division public higher education pursuant to Section 88532, including the hiring of additional faculty to expand the number of career technical education programs and course offerings.

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

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

(B) Instructional materials and support.

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

(D) Library materials.

(E) Technology infrastructure.

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

(G) Architectural barrier removal.

(H) State-mandated local programs.

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

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

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

number of career technical education programs and course offerings.

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

(g) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, including computation of the state’s minimum funding obligation to school districts and community college districts in subsequent fiscal years, the first one billion six hundred twenty million nine hundred twenty-eight thousand dollars (\$1,620,928,000) in appropriations made pursuant to subdivision (c) and the amount specified in Section 41207.6 shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 and “General Fund Revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202, for the 2004–05 fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for that fiscal year. The remaining appropriations made pursuant to subdivision (c) and the amount specified in Section 41207.6 shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202, and “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202, for the 2005–06 fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for that fiscal year.

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

(1) Not more than two million dollars (\$2,000,000) annually to county superintendents of schools to carry out the requirements

of this article, allocated in a manner similar to that created to carry out the new duties of those superintendents under the settlement agreement in the case of *Williams v. California* (Super. Ct. San Francisco, No. CGC-00-312236).

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

(i) Notwithstanding any other law, funds appropriated under subdivision (c) but not allocated to schools with kindergarten or grades 1 to 12, inclusive, in a fiscal year, due to program termination in any year or otherwise, shall be reappropriated in furtherance of the purposes of this article. First priority for those amounts shall be to provide cost-of-living increases and enrollment growth adjustments to funded schools.

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

SEC. 41. Chapter 16 (commencing with Section 53010) is added to Part 28 of Division 4 of Title 2 of the Education Code, to read:

#### CHAPTER 16. CALIFORNIA CAREER PATHWAYS TRUST

53010. The California Career Pathways Trust is hereby established as a state education and economic and workforce development initiative with the goal of preparing pupils in kindergarten and grades 1 to 12, inclusive, to successfully transition to postsecondary education and training and to employment in high-skill, high-wage, and high-growth or emerging sectors of the state's economy.

53011. Contingent upon funding provided for this purpose in the annual Budget Act, the department shall administer the

California Career Pathways Trust as a competitive grant program for kindergarten and grades 1 to 14, inclusive. Recipients shall do all of the following:

(a) Prioritize work-based learning opportunities, as defined in Section 51760.1, for pupils and students in partnership with regional business and industry, state and local governmental entities, and nonprofit and community-based organizations.

(b) Define the labor market of the regional economy in a manner that identifies high-skill, high-wage, high-growth jobs in the current regional economy or in emerging economic sectors.

(c) Establish or strengthen existing regional collaborative relationships and partnerships among business entities, schools serving pupils in kindergarten and grades 1 to 12, inclusive, and postsecondary educational agencies, organizations that provide apprenticeship opportunities, and nonprofit or government entities.

(d) Develop and integrate standards-based academics with a career-relevant, sequenced curriculum following industry-themed pathways that are aligned to high-skill, high-wage, high-growth jobs in the current regional economy, or in emerging regional economic sectors.

(e) Provide articulated pathways from high school to postsecondary education and training that are aligned with the workforce development needs of regional economies.

(f) Ensure that career pathway programs are designed and implemented in a manner that leads students to a postsecondary degree or certification in a high-skill, high-wage, and high-growth or emerging field.

(g) Leverage and build on any of the following:

(1) Existing structures, requirements, and resources of the Carl D. Perkins Career and Technical Education Improvement Act of 2006, California Partnership Academies, and Regional Occupational Centers and Programs.

(2) The California Community Colleges Economic and Workforce Development Program.

(3) Matching resources and in-kind contributions from public, private, and philanthropic sources.

53012. A grant recipient under this chapter may be a school district, a county office of education, a direct-funded charter school, or a community college district.

53013. The following are conditions of receipt of California Career Pathways Trust funds:

(a) A grant recipient shall not use the funds to supplant other funding from state, federal, or any other public or private sources that would otherwise be used in the absence of funding provided by a California Career Pathways Trust grant.

(b) A grant recipient shall identify and set aside funding within its own budget and obtain funding commitments from program partners sufficient to support the ongoing costs of the program for multiple years following the expiration of grant funding pursuant to this chapter.

(c) A grant recipient subject to the requirements of Sections 52060 and 52061, Sections 52066 and 52067, or Section 47606.5 shall ensure that the activities supported by the California Career Pathways Trust funds are in alignment with the priorities and activities of the grant recipient's local control and accountability plan.

(d) A grant recipient subject to the requirements of subdivision (c) of Section 52302 shall ensure that the activities supported by the California Career Pathways Trust funds are in alignment with the elements of the plan identified in that section.

(e) A grant recipient shall annually collect and submit data on outcome measures to the department, which shall include, but are not limited to, all of the following:

- (1) Pupil and student academic performance indicators.
- (2) The number and rate of school or program graduates.
- (3) Attainment of certificates, transfer readiness, and postsecondary enrollment.
- (4) Transitions to appropriate employment, apprenticeships, or job training.

53014. The Superintendent shall consult with the Chancellor of the California Community Colleges, state workforce investment organizations, and organizations representing business in the development of the request for grant applications and in the consideration of grant applications under this chapter.

53015. For purposes of administering the California Career Pathways Trust, the Superintendent may do any of the following:

- (a) Establish a structure for awarding grants on a regional or local basis as defined by the Superintendent.

(b) Determine specific funding amount categories and the number of grants to be awarded in each category.

(c) Distribute funding on a multiyear schedule, and establish a process for monitoring the use of the funding, and, if necessary, cease distribution of funding and recover previously distributed funding in the case of a recipient's failure to comply with a grant award condition.

(d) Require grant recipients to submit program reports pursuant to a schedule determined by the Superintendent.

(e) Set aside up to 1 percent of the total amount provided for in the trust for one or both of the following purposes:

(1) To provide planning grants.

(2) To contract with a local educational agency for the provision of technical assistance to applicants and grant recipients.

53016. For purposes of considering competitive priorities for the California Career Pathways Trust, the Superintendent shall do all of the following:

(a) Consider how to prioritize grants to applicants in regions with higher-than-state-average rates of high school dropouts as measured by the California Longitudinal Pupil Achievement Data System.

(b) Provide special consideration to an applicant or applicants seeking to establish or strengthen legal career pathways and promote a better understanding of the role and operations of state and federal courts and their relationship to the other branches of government.

(c) Provide special consideration to an applicant or applicants seeking to establish or strengthen career pathways that include both high school opportunities and at least one of the following significant postsecondary pathways: a degree pursuant to Section 78041, if that section is added by Senate Bill 850 of the 2013–14 Regular Session of the Legislature, or an EdPrize apprenticeship opportunity pursuant to Section 33135.5, if that section is added by Senate Bill 923 of the 2013–14 Regular Session of the Legislature.

SEC. 42. Section 56836.06 of the Education Code is amended to read:

56836.06. For purposes of this article, the following terms or phrases have the following meanings, unless the context clearly requires otherwise:

(a) “Average daily attendance reported for the special education local plan area” means the total of the following:

(1) The total number of units of average daily attendance reported for the second principal apportionment pursuant to Section 41601 for all pupils enrolled in the district or districts that are a part of the special education local plan area.

(2) The total number of units of average daily attendance reported pursuant to subdivisions (a) and (b) of Section 41601 for all pupils enrolled in schools operated by the county office or offices that compose the special education local plan area, or for those county offices that are a part of more than one special education local plan area, that portion of the average daily attendance of pupils enrolled in the schools operated by the county office that are under the jurisdiction of the special education local plan area.

(b) For purposes of computing apportionments pursuant to this chapter for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, the term “average daily attendance” means the total number of units of average daily attendance reported for the second principal apportionment pursuant to subdivisions (a) and (b) of Section 41601 for all pupils enrolled in districts within Los Angeles County and all schools operated by the Los Angeles County Office of Education and the districts within Los Angeles County.

(c) “Special education local plan area” includes the school district or districts and county office or offices of education composing the special education local plan area.

(d) “The fiscal year in which equalization among special education local plan areas has been achieved” means the first fiscal year in which each special education local plan area is funded at or above the statewide target amount per unit of average daily attendance, as computed pursuant to Section 56836.11.

(e) For a charter school deemed a local educational agency for purposes of special education, an amount equal to the amount computed pursuant to Section 56836.08 for the special education local plan area in which the charter school is included shall be apportioned by the department pursuant to the local allocation plan developed pursuant to subdivision (i) of Section 56195.7 or 56836.05, or both. If the charter school is a participant in a local

plan that only includes other charter schools pursuant to subdivision (f) of Section 56195.1, the amount computed pursuant to Section 56836.11 shall be apportioned by the department pursuant for each unit of average daily attendance reported pursuant to subdivision (a).

SEC. 43. Section 56836.07 of the Education Code is amended to read:

56836.07. For the 2004–05 fiscal year and each fiscal year thereafter, to the extent there is an appropriation in the annual Budget Act for purposes of educationally related mental health services, the Superintendent shall allocate funds per unit of average daily attendance, as defined in Section 56836.06, reported for the special education local plan area. For the 2004–05 fiscal year and each fiscal year thereafter for which there is an appropriation in the annual Budget Act for this purpose, the Superintendent shall determine a proportionate share, consistent with existing law, to the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area based on the ratio of the amount per unit of average daily attendance determined pursuant to Section 56836.10 to the amount of the statewide target per unit of average daily attendance determined pursuant to Section 56836.11.

SEC. 44. Section 56836.08 of the Education Code is amended to read:

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

(1) Add the amount of funding per unit of average daily attendance computed for the special education local plan area pursuant to paragraph (1) of subdivision (a) of Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) for the 1998–99 fiscal year.

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

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

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

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

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

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

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

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

(1) Add the total of the amount of property taxes for the special education local plan area pursuant to Section 2572 for the fiscal year in which the computation is made to the amount of federal funds allocated for the purposes of paragraph (1) of subdivision (a) of Section 56836.09 for the fiscal year in which the computation is made.

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

special education local plan area pursuant to Article 3 (commencing with Section 56836.16).

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

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

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

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

(3) For purposes of computing the inflation adjustment for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area for the 1998–99 fiscal year to the 2012–13 fiscal year, inclusive, the Superintendent shall multiply the amount of funding per unit of average daily attendance computed for that special education local plan area for the prior fiscal year pursuant to Section 56836.10 by the inflation adjustment computed pursuant to Section 42238.1 for the fiscal year in which the computation is being made.

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

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

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

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

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

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

(2) For purposes of computing the inflation adjustment for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, the Superintendent shall multiply the amount of funding per unit of average daily attendance computed for that special education local plan area for the prior fiscal year pursuant to Section 56836.10 by the inflation factor computed pursuant to Section 42238.1, as that section read on January 1, 2013, or any successor section of law enacted by the Legislature that specifies the inflation factor contained in Section 42238.1, as that section read on January 1, 2013, for application to the 2013–14 fiscal year and each fiscal year thereafter.

SEC. 45. Section 56836.095 of the Education Code is amended to read:

56836.095. For the 2001–02 fiscal year, the Superintendent shall make the following computations in the following order:

(a) Complete the calculations required to adjust the statewide total average daily attendance pursuant to Section 56836.156, and adjust the statewide target per unit of average daily attendance for the 2001–02 fiscal year in accordance with this calculation.

(b) Compute and distribute the amount of funding appropriated for increasing the statewide target amount per unit of average daily attendance pursuant to Section 56836.158.

(c) Compute and provide a permanent adjustment for each special education local plan area pursuant to Section 56836.159.

SEC. 46. Section 56836.11 of the Education Code is amended to read:

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

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

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

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

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

(b) Commencing with the 1999–2000 fiscal year to the 2004–05 fiscal year, inclusive, to determine the statewide target amount per unit of average daily attendance for special education local plan areas, the Superintendent shall multiply the statewide target amount per unit of average daily attendance computed for the prior fiscal

year pursuant to this section by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(c) For the 2005–06 fiscal year, the Superintendent shall make the following computation to determine the statewide target amount per unit of average daily attendance to determine the inflation adjustment pursuant to paragraph (2) of subdivision (d) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15, as follows:

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

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

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

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

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

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

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

(e) For the 2013–14 fiscal year, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance to determine the inflation adjustment pursuant to subdivision (f) of Section 56836.08

and growth pursuant to subdivision (c) of Section 56836.15, as follows:

(1) Total the amount of funding computed for each special education local plan area pursuant to the amount computed in subdivision (b) of Section 56836.08, including the amount of funds appropriated pursuant to Provision 22 of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2013, and excluding the amount of funding computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, for the 2013–14 fiscal year.

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

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

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

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

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

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

SEC. 47. Section 56836.15 of the Education Code is amended to read:

56836.15. (a) In order to mitigate the effects of any declining enrollment, commencing in the 1998–99 fiscal year, and each fiscal year thereafter, the Superintendent shall calculate allocations to special education local plan areas based on the average daily attendance reported for the special education local plan area for the fiscal year in which the computation is made or the prior fiscal year, whichever is greater. However, the prior fiscal year average daily attendance reported for the special education local plan area shall be adjusted for any loss or gain of average daily attendance reported for the special education local plan area due to a reorganization or transfer of territory in the special education local plan area.

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

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

(1) The statewide target amount per unit of average daily attendance for special education local plan areas determined pursuant to Section 56836.11.

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

(d) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is less than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior

fiscal year, the special education local plan area shall receive a funding reduction equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2):

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

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

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

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

read on January 1, 2013, for application to the 2013–14 fiscal year and each fiscal year thereafter.

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

SEC. 48. The heading of Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 of Division 4 of Title 2 of the Education Code is amended to read:

Article 4. California Assessment of Student Performance and  
Progress

SEC. 49. Section 60640 of the Education Code is amended to read:

60640. (a) There is hereby established the California Assessment of Student Performance and Progress, to be known as the CAASPP.

(b) Commencing with the 2013–14 school year, the CAASPP shall be composed of all of the following:

(1) (A) A consortium summative assessment in English language arts and mathematics for grades 3 to 8, inclusive, and grade 11 that measures content standards adopted by the state board.

(B) In the 2013–14 school year, the consortium summative assessment in English language arts and mathematics shall be a field test only, to enable the consortium to gauge the validity and reliability of these assessments and to conduct all necessary psychometric procedures and studies, including, but not necessarily limited to, achievement standard setting, and to allow the department to conduct studies regarding full implementation of the assessment system. These field tests and results shall not be used for any other purpose, including the calculation of any accountability measure.

(2) (A) Science grade level assessments in grades 5, 8, and 10 that measure content standards adopted pursuant to Section 60605, until a successor assessment is implemented pursuant to subparagraph (B).

(B) For science assessments, the Superintendent shall make a recommendation to the state board as soon as is feasible after the adoption of science content standards pursuant to Section 60605.85 regarding the assessment of the newly adopted standards. Before making recommendations, the Superintendent shall consult with stakeholders, including, but not necessarily limited to, California science teachers, individuals with expertise in assessing English learners and pupils with disabilities, parents, and measurement experts, regarding the grade level and type of assessment. The recommendations shall include cost estimates and a plan for implementation of at least one assessment in each of the following grade spans:

- (i) Grades 3 to 5, inclusive.
- (ii) Grades 6 to 9, inclusive.
- (iii) Grades 10 to 12, inclusive.

(3) The California Alternate Performance Assessment in grades 2 to 11, inclusive, in English language arts and mathematics and science in grades 5, 8, and 10, which measures content standards adopted pursuant to Section 60605 until a successor assessment is implemented. The successor assessment shall be limited to the grades and subject areas assessed pursuant to paragraph (1) and subparagraph (B) of paragraph (2).

(4) The Early Assessment Program established by Chapter 6 (commencing with Section 99300) of Part 65 of Division 14 of Title 3.

(5) (A) A local educational agency may administer a primary language assessment aligned to the English language arts standards adopted pursuant to Section 60605, as it read on January 1, 2013, to pupils who are identified as limited English proficient and enrolled in any of grades 2 to 11, inclusive, until a subsequent primary language assessment aligned to the common core standards in English language arts adopted pursuant to Section 60605.8 is developed pursuant to subparagraph (E).

(B) If a local educational agency chooses to administer a primary language assessment to pupils identified as limited English proficient and enrolled in any of grades 2 to 11, inclusive, pursuant to subparagraph (A), it shall notify the department in a manner to be determined by the department and the costs shall be paid by the state and included as part of the testing contract, and the department shall provide the local educational agency a per pupil

apportionment for administering the assessment pursuant to subdivision (I).

(C) The Superintendent shall consult with stakeholders, including assessment and English learner experts, to determine the content and purpose of a stand-alone language arts summative assessment in primary languages other than English that aligns with the English language arts content standards. The Superintendent shall consider the appropriate purpose for this assessment, including, but not necessarily limited to, support for the State Seal of Biliteracy and accountability. It is the intent of the Legislature that an assessment developed pursuant to this section be included in the state accountability system.

(D) The Superintendent shall report and make recommendations to the state board at a regularly scheduled public meeting no sooner than one year after the first full administration of the consortium computer-adaptive assessments in English language arts and mathematics summative assessments in grades 3 to 8, inclusive, and grade 11, regarding an implementation timeline and estimated costs of a stand-alone language arts summative assessment in primary languages other than English.

(E) The Superintendent shall develop, and the state board shall adopt, a primary language assessment. The Superintendent shall administer this assessment no later than the 2016–17 school year.

(F) This paragraph shall be operative only to the extent that funding is provided in the annual Budget Act or another statute for the purpose of this section.

(c) No later than March 1, 2016, the Superintendent shall submit to the state board recommendations on expanding the CAASPP to include additional assessments, for consideration at a regularly scheduled public meeting. The Superintendent shall also submit these recommendations to the appropriate policy and fiscal committees of the Legislature and to the Director of Finance in accordance with all of the following:

(1) In consultation with stakeholders, including, but not necessarily limited to, California teachers, individuals with expertise in assessing English learners and pupils with disabilities, parents, and measurement experts, the Superintendent shall make recommendations regarding assessments including the grade level, content, and type of assessment. These recommendations shall take into consideration the assessments already administered or

planned pursuant to subdivision (b). The Superintendent shall consider the use of consortium-developed assessments, various item types, computer-based testing, and a timeline for implementation.

(2) The recommendations shall consider assessments in subjects, including, but not necessarily limited to, history-social science, technology, visual and performing arts, and other subjects as appropriate, as well as English language arts, mathematics, and science assessments to augment the assessments required under subdivision (b), and the use of various assessment options, including, but not necessarily limited to, computer-based tests, locally scored performance tasks, and portfolios.

(3) The recommendations shall include the use of an assessment calendar that would schedule the assessments identified pursuant to paragraph (2) over several years, the use of matrix sampling, if appropriate, and the use of population sampling.

(4) The recommendations shall include a timeline for test development, and shall include cost estimates for subject areas, as appropriate.

(5) Upon approval by the state board and the appropriation of funding for this purpose, the Superintendent shall develop and administer approved assessments. The state board shall approve test blueprints, achievement level descriptors, testing periods, performance standards, and a reporting plan for each approved assessment.

(d) For the 2013–14 and 2014–15 school years, the department shall make available to local educational agencies Standardized Testing and Reporting Program test forms no longer required by the CAASPP. The cost of implementing this subdivision, including, but not necessarily limited to, shipping, printing, scoring, and reporting per pupil shall be the same for all local educational agencies, and shall not exceed the marginal cost of the assessment, including any cost the department incurs to implement this section. A local educational agency that chooses to administer an assessment pursuant to this subdivision shall do so at its own expense, and shall enter into an agreement for that purpose with a contractor, subject to the approval of the department.

(e) The Superintendent shall make available a paper and pencil version of any computer-based CAASPP assessment for use by pupils who are unable to access the computer-based version of the

assessment for a maximum of three years after a new operational test is first administered.

(f) (1) From the funds available for that purpose, each local educational agency shall administer assessments to each of its pupils pursuant to subdivision (b). As allowable by federal statute, recently arrived English learner pupils are exempted from taking the assessment in English language arts. The state board shall establish a testing period to provide that all schools administer these tests to pupils at approximately the same time during the instructional year. The testing period established by the state board shall take into consideration the need of local educational agencies to provide makeup days for pupils who were absent during testing, as well as the need to schedule testing on electronic computing devices.

(2) For the 2013–14 school year, each local educational agency shall administer the field tests in a manner described by the department in consultation with the president or executive director of the state board. Additional participants in the field test beyond the representative sample may be approved by the department, and the department shall use existing contract savings to fund local educational agency participation in one or more tests per participant. Funds for this purpose shall be used to allow for maximum participation in the field tests across the state. To the extent savings in the current contract are not available to fully fund this participation, the department shall prorate available funds by test. Local educational agencies shall bear any additional costs to administer these assessments that are in excess of the contracted amount. With approval of the state board and the Director of Finance, the department shall amend the existing assessment contract to accommodate field testing beyond the representative sample, and to allow for special studies using information collected from the field tests.

(g) From the funds available for that purpose, each local educational agency shall administer assessments as determined by the state board pursuant to paragraph (5) of subdivision (c).

(h) As feasible, the CAASPP field tests shall be conducted in a manner that will minimize the testing burden on individual schools. The CAASPP field tests shall not produce individual pupil scores unless it is determined that these scores are valid and reliable.

(i) The governing board of a school district may administer achievement tests in grades other than those required by this section as it deems appropriate.

(j) Subject to the approval of the state board, the department may make available to local educational agencies a primary language assessment aligned to the English language arts standards adopted pursuant to Section 60605, as it read on January 1, 2013, for assessing pupils who are enrolled in a dual language immersion program that includes the primary language of the assessment and who are either nonlimited English proficient or redesignated fluent English proficient until a subsequent primary language assessment aligned to the common core standards in English language arts adopted pursuant to Section 60605.8 is developed pursuant to paragraph (5) of subdivision (b). The cost for the assessment shall be the same for all local educational agencies and shall not exceed the marginal cost of the assessment, including any cost the department incurs to implement this section. A local educational agency that elects to administer a primary language assessment pursuant to this subdivision shall do so at its own expense and shall enter into an agreement for that purpose with the state testing contractor, subject to the approval of the department.

(k) Pursuant to Section 1412(a)(16) of Title 20 of the United States Code, individuals with exceptional needs, as defined in Section 56026, shall be included in the testing requirement of subdivision (b) with appropriate accommodations in administration, where necessary, and the individuals with exceptional needs who are unable to participate in the testing, even with accommodations, shall be given an alternate assessment.

(l) (1) The Superintendent shall apportion funds appropriated for these purposes to local educational agencies to enable them to meet the requirements of subdivisions (b) and (c).

(A) For the CAASPP field tests administered in the 2013–14 school year or later school years, the Superintendent shall apportion funds to local educational agencies if funds are specifically provided for this purpose in the annual Budget Act.

(B) The Superintendent shall apportion funds to local educational agencies to enable them to administer assessments used to satisfy the voluntary Early Assessment Program in the 2013–14 school year pursuant to paragraph (4) of subdivision (b).

(2) The state board annually shall establish the amount of funding to be apportioned to local educational agencies for each test administered and annually shall establish the amount that each contractor shall be paid for each test administered under the contracts required pursuant to Section 60643. The amounts to be paid to the contractors shall be determined by considering the cost estimates submitted by each contractor each September and the amount included in the annual Budget Act, and by making allowance for the estimated costs to local educational agencies for compliance with the requirements of subdivisions (b) and (c). The state board shall take into account changes to local educational agency test administration activities under the CAASPP, including, but not limited to, the number and type of tests administered and changes in computerized test registration and administration procedures, when establishing the amount of funding to be apportioned to local educational agencies for each test administered.

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

(m) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation for the apportionments made pursuant to paragraph (1) of subdivision (I), and the payments made to the contractors under the contracts required pursuant to Section 60643 or subparagraph (C) of paragraph (1) of subdivision (a) of Section 60605 between the department and the contractor, are “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202, for the applicable fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes

appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for that fiscal year.

(n) As a condition to receiving an apportionment pursuant to subdivision (l), a local educational agency shall report to the Superintendent all of the following:

(1) The pupils enrolled in the local educational agency in the grades in which assessments were administered pursuant to subdivisions (b) and (c).

(2) The pupils to whom an achievement test was administered pursuant to subdivisions (b) and (c) in the local educational agency.

(3) The pupils in paragraph (1) who were exempted from the test pursuant to this section.

(o) The Superintendent and the state board are authorized and encouraged to assist postsecondary educational institutions to use the assessment results of the CAASPP, including, but not necessarily limited to, the grade 11 consortium summative assessments in English language arts and mathematics, for academic credit, placement, or admissions processes.

(p) Subject to the availability of funds in the annual Budget Act for this purpose, and exclusive of the consortium assessments, the Superintendent, with the approval of the state board, annually shall release to the public test items from the achievement tests pursuant to Section 60642.5 administered in previous years. Where feasible and practicable, the minimum number of test items released per year shall be equal to 25 percent of the total number of test items on the test administered in the previous year.

(q) On or before July 1, 2014, Sections 850 to 868, inclusive, of Title 5 of the California Code of Regulations shall be revised by the state board to conform to the changes made to this section in the first year of the 2013–14 Regular Session. The state board shall adopt initial regulations as emergency regulations to immediately implement the CAASPP assessments, including, but not necessarily limited to, the administration, scoring, and reporting of the tests, as the adoption of emergency regulations is necessary for the immediate preservation of the public peace, health, safety, or general welfare within the meaning of Section 11346.1 of the Government Code. The emergency regulations shall be followed by the adoption of permanent regulations, in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with

Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 50. Section 60640.2 of the Education Code is repealed.

SEC. 51. Section 17581.6 of the Government Code is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

(7) Charter Schools IV (03-TC-03; Chapter 1058 of the Statutes of 2002).

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

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

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

(11) Consolidation of Annual Parent Notification/Schoolsite Discipline Rules/Alternative Schools (CSM 4488, CSM 4461, 99-TC-09, 00-TC-12, 97-TC-24, CSM 4453, CSM 4474, CSM 4462; Chapter 448 of the Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 975 of the Statutes of 1980; Chapter 469 of the Statutes of 1981; Chapter 459 of the Statutes of 1985; Chapters 87 and 97 of the Statutes of 1986; Chapter 1452 of the Statutes of 1987; Chapters 65 and 1284 of the Statutes of 1988; Chapter 213 of the Statutes of 1989; Chapters 10 and 403 of the Statutes of 1990; Chapter 906 of the Statutes of 1992; Chapter

1296 of the Statutes of 1993; Chapter 929 of the Statutes of 1997; Chapters 846 and 1031 of the Statutes of 1998; Chapter 1 of the Statutes of 1999, First Extraordinary Session; Chapter 73 of the Statutes of 2000; Chapter 650 of the Statutes of 2003; Chapter 895 of the Statutes of 2004; and Chapter 677 of the Statutes of 2005).

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

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

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

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

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

(17) Developer Fees (02-TC-42; Chapter 955 of the Statutes of 1977; Chapter 282 of the Statutes of 1979; Chapter 1354 of the Statutes of 1980; Chapter 201 of the Statutes of 1981; Chapter 923 of the Statutes of 1982; Chapter 1254 of the Statutes of 1983; Chapter 1062 of the Statutes of 1984; Chapter 1498 of the Statutes of 1985; Chapters 136 and 887 of the Statutes of 1986; and Chapter 1228 of the Statutes of 1994).

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

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

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

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

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

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

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

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

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

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

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

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

(30) Parental Involvement Programs (03-TC-16; Chapter 1400 of the Statutes of 1990; Chapters 864 and 1031 of the Statutes of 1998; Chapter 1037 of the Statutes of 2002).

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

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

(33) Public Contracts (02-TC-35; Chapter 1073 of the Statutes of 1985; Chapter 1408 of the Statutes 1988; Chapter 330 of the Statutes of 1989; Chapter 1414 of the Statutes of 1990; Chapter 321 of the Statutes of 1990; Chapter 799 of the Statutes of 1992; and Chapter 726 of the Statutes of 1994).

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

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

(36) Pupil Safety Notices (02-TC-13; Chapter 498 of the Statutes of 1983; Chapter 482 of the Statutes of 1984; Chapter 948 of the Statutes of 1984; Chapter 196 of the Statutes of 1986; Chapter 332 of the Statutes of 1986; Chapter 445 of the Statutes of 1992; Chapter 1317 of the Statutes of 1992; Chapter 589 of the Statutes of 1993; Chapter 1172 of the Statutes of 1994; Chapter 1023 of the Statutes of 1996; and Chapter 492 of the Statutes of 2000).

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

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

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

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

(41) School District Fiscal Accountability Reporting (97-TC-19; Chapter 100 of the Statutes of 1981; Chapter 185 of the Statutes of 1985; Chapter 1150 of the Statutes of 1986; Chapters 917 and 1452 of the Statutes of 1987; Chapters 1461 and 1462 of the Statutes of 1988; Chapter 525 of the Statutes of 1990; Chapter 1213 of the Statutes of 1991; Chapter 323 of the Statutes of 1992;

Chapters 923 and 924 of the Statutes of 1993; Chapters 650 and 1002 of the Statutes of 1994; and Chapter 525 of the Statutes of 1995).

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

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

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

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

(46) Uniform Complaint Procedures (03-TC-02; Chapter 1117 of the Statutes of 1982; Chapter 1514 of the Statutes 1988; and Chapter 914 of the Statutes of 1998).

(47) Williams Case Implementation I, II, and III (05-TC-04, 07-TC-06, and 08-TC-01; Chapters 900, 902, and 903 of the Statutes of 2004; Chapter 118 of the Statutes of 2005; Chapter 704 of the Statutes of 2006; and Chapter 526 of the Statutes of 2007).

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

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

SEC. 52. Section 17581.8 is added to the Government Code, to read:

17581.8. (a) (1) The sum of two hundred eighty-seven million one hundred forty-nine thousand dollars (\$287,149,000) is hereby

appropriated from the General Fund to the Superintendent of Public Instruction for allocation to school districts in the manner, and for the purposes, set forth in this section.

(2) The sum of forty-nine million five hundred thousand dollars (\$49,500,000) is hereby appropriated from the General Fund to the Chancellor of the California Community Colleges for allocation to community college districts in the manner, and for the purposes, set forth in this section.

(3) For purposes of this section, a school district includes a county office of education and a charter school.

(b) (1) The Superintendent of Public Instruction shall allocate the funds appropriated pursuant to paragraph (1) of subdivision (a), and the funds appropriated for purposes of this section pursuant to Item 6110-488 of the Budget Act of 2014, to school districts on the basis of an equal amount per unit of regular average daily attendance, as those numbers are reported at the time of the second principal apportionment for the 2013–14 fiscal year.

(2) The Chancellor shall allocate the funds appropriated pursuant to paragraph (2) of subdivision (a) to community college districts on the basis of an equal amount per enrolled full-time equivalent student, as those numbers are reported at the time of the second principal apportionment for the 2013–14 fiscal year.

(c) Allocations made pursuant to this section shall first satisfy any outstanding claims pursuant to Section 6 of Article XIII B of the California Constitution for reimbursement of state-mandated local program costs for any fiscal year. Notwithstanding any amounts that are paid in satisfaction of outstanding claims for reimbursement of state-mandated local program costs, the Controller may audit any claim as allowed by law, and may reduce any amount owed by school districts or community college districts pursuant to an audit by reducing amounts owed by the state to school districts or community college districts for any other mandate claims. The Controller shall apply amounts received by each school district or community college district against any balances of unpaid claims for reimbursement of state-mandated local program costs and interest in chronological order beginning with the earliest claim. The Controller shall report to each school district and community college district the amounts of any claims and interest that are offset from funds provided pursuant to this section, and shall report a summary of the amounts offset for each

mandate for each fiscal year to the Department of Finance and the fiscal committees of the Legislature.

(d) (1) The governing board of a school district or community college district may expend funds received pursuant to this section for any one-time purpose, as determined by the governing board.

(2) It is the intent of the Legislature that school districts will prioritize the use of these one-time funds for professional development, instructional materials, technology infrastructure, and any other investments necessary to support implementation of the common core standards in English language arts and mathematics, the implementation of English language development standards, and the implementation of the Next Generation Science standards.

SEC. 53. Item 6110-106-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

6110-106-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, for support of the California Local Control Accountability Support Network..... 10,000,000

Provisions:

1. Funds appropriated in this item shall be used to support the California Local Control Accountability Support Network, composed of regional Mentor Teams to assist in the improvement of Local Control and Accountability Plans (LCAP) established in Article 3.8 (commencing with Section 52060) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code. Up to \$300,000 of this amount may be used to support a statewide evaluation to measure the effectiveness of the support network in responding to the needs of local education agencies.
2. Funds appropriated in this item shall be available for encumbrance until June 30, 2015.

SEC. 54. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 55. The balance of the appropriations provided by Item 6110-139-8080 of Section 2.00 of the Budget Act of 2013, as added by Chapters 20 and 354 of the Statutes of 2013, are hereby reappropriated to the State Department of Education for the purposes of, and subject to, that item, and, notwithstanding any other law, shall be available for encumbrance until June 30, 2018.

SEC. 56. (a) Of the amount allocated in Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2012, thirty-two million eight hundred six thousand dollars (\$32,806,000) is provided to fund the 2010–11 fiscal year maintenance of effort in the special education program.

(b) Of the amount allocated in Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2013, forty-six million nine hundred forty-three thousand dollars (\$46,943,000) is provided to fund the 2010–11 fiscal year maintenance of effort in the special education program.

SEC. 57. (a) Notwithstanding any other law, the Director of Finance shall determine, on or before May 14, 2015, whether the total allocations required by subdivision (b) of Section 8 of Article XVI of the California Constitution for the 2013–14 and 2014–15 fiscal years, as estimated by the Director of Finance on May 13, 2015, exceed the total allocations required by subdivision (b) of Section 8 of Article XVI of the California Constitution for the 2013–14 and 2014–15 fiscal years as determined at the time of, and as set forth in, the 2014 Budget Act.

(b) (1) Any excess amount determined pursuant to subdivision (a) shall be appropriated to school districts and community college districts in satisfaction of the minimum funding obligation for school districts and community college districts required by Section 8 of Article XVI of the California Constitution for the 2013–14 and 2014–15 fiscal years, and are appropriations made and allocated in those respective fiscal years based on any positive amounts attributable to each of those fiscal years, as determined pursuant to the calculations made in subdivision (a).

(2) The amount of funding appropriated to school districts and community college districts pursuant to paragraph (1) shall be distributed to school districts and community college districts based on their respective proportion of the sum of warrants that would otherwise be drawn in July pursuant to subdivision (h) of

Section 14041.6 of the Education Code and paragraph (6) of subdivision (a) of Section 84321.6 of the Education Code.

(c) Notwithstanding any other law, up to eight hundred ninety-seven million one hundred eighty-four thousand dollars (\$897,184,000) of the warrants that would otherwise be drawn in July 2015 pursuant subdivision (h) of Section 14041.6 of the Education Code may instead be drawn in June 2015, based on the amount of available funding attributable to school districts pursuant to paragraph (2) of subdivision (b).

(d) Notwithstanding any other law, up to ninety-four million four hundred sixty-five thousand dollars (\$94,465,000) of the warrants that would otherwise be drawn in July 2015 pursuant to paragraph (6) of subdivision (a) of Section 84321.6 of the Education Code may instead be drawn in June 2015, based on the amount of available funding attributable to community college districts pursuant to paragraph (2) of subdivision (b).

(e) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, on or before June 30, 2015, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (b). The Controller shall make the funds available no earlier than five days after the notification, and the Superintendent of Public Instruction and Chancellor of the California Community Colleges shall work with the Controller to allocate the funds to school districts and community college districts as soon as practicable.

SEC. 58. (a) On or before June 30, 2015, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Superintendent of Public Instruction in augmentation of Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2014.

(b) The funds appropriated in subdivision (a) shall only be available to the extent that revenues distributed to local educational agencies for special education programs pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code are less than the estimated amount reflected in the Budget Act of 2014, as determined by the Director of Finance.

(c) On or before June 30, 2015, the Director of Finance shall determine if the revenues distributed to local educational agencies for special education programs pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code exceed

the estimated amount reflected in the Budget Act of 2014 and shall reduce Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2014 by the amount of that excess.

(d) In making the determinations pursuant to subdivisions (b) and (c), the Director of Finance shall consider any other local property tax revenues collected in excess or in deficit of the estimated amounts reflected in the Budget Act of 2014.

(e) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (a) or to make the reduction pursuant to subdivision (c), and the amount needed to address the property tax shortfall determined pursuant to subdivision (b) or the amount of the reduction made pursuant to subdivision (c). The Controller shall make the funds available not sooner than five days after this notification and the State Department of Education shall work with the Controller to allocate these funds to local educational agencies as soon as practicable.

(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2014–15 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2014–15 fiscal year.

SEC. 59. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.











Approved \_\_\_\_\_, 2014

---

*Governor*