

**ASSEMBLY BILL**

**No. 1064**

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**Introduced by Assembly Member Roger Hernández**

February 26, 2015

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An act to amend Section 33338 of the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1064, as introduced, Roger Hernández. Education finance: indirect cost rates.

Existing law requires the State Department of Education or any other state agency that administers a grant or allocation of state funds to a school district to allow an indirect cost rate that is not less than the indirect cost rate established by the department, unless a lower rate is required by law.

This bill would make a nonsubstantive change to that provision.

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

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

- 1 SECTION 1. Section 33338 of the Education Code is amended  
2 to read:  
3 33338. (a) The department or any other state agency that  
4 administers a grant or allocation of state funds to a school district  
5 shall allow an indirect cost rate that is not less than the indirect  
6 cost rate established by the department, unless a lower rate is  
7 required by law.  
8 ~~(b) As used in this section:~~

1 (b) For purposes of this section, the following terms have the  
2 following meanings:

3 (1) “Direct cost” means a cost that provides measurable, direct  
4 benefits to a particular program of an agency. Direct costs of a  
5 local educational agency include, but are not necessarily limited  
6 to, salaries and benefits of teachers and instructional aides, costs  
7 for purchasing textbooks and instructional supplies, and costs for  
8 providing pupils with counseling, health services, and  
9 transportation.

10 (2) “Indirect cost” means the agencywide, general management  
11 cost of the activities for the direction and control of the agency as  
12 a whole. Indirect costs include, but are not necessarily limited to,  
13 administrative activities necessary for the general operation of the  
14 agency, such as accounting, budgeting, payroll preparation,  
15 personnel services, purchasing, and centralized data processing.

16 (3) “Indirect cost rate” means the indirect cost rate established  
17 by the department for each school district.

18 (4) “School district” has the same meaning as defined in  
19 subdivision (d) of Section 12000.

20 (c) This section shall remain in effect only until January 1, 2016,  
21 and as of that date is repealed, unless a later enacted statute, that  
22 is enacted before January 1, 2016, deletes or extends that date.