

Senate Bill No. 1789

CHAPTER 164

An act to amend Sections 17742 and 17742.7 of, and to add and repeal Chapter 23 (commencing with Section 17770) of Part 10 of, the Education Code, relating to school facilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1996. Filed with
Secretary of State July 15, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1789, Greene. School facilities: Class size reduction facilities funding.

(1) Existing law provides for the acquisition and construction, or reconstruction or modernization, of public school facilities by the state and the lease-purchase of those facilities by school districts pursuant to the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (the Greene Act); establishes a program for the acquisition of portable classrooms known as the State Relocatable Classroom Law of 1979; authorizes local government entities to propose to the electors therein that bonds of the entity be issued and sold for school facilities purposes; authorizes the creation of community facilities districts to finance the acquisition of elementary and secondary schoolsites and structures; and authorizes school districts to impose limited fees upon residential and commercial development projects for the construction or reconstruction of school facilities.

This bill would establish the Class Size Reduction Facilities Funding Program for the purpose of assisting school districts with the facilities-related costs associated with reducing class size in kindergarten and grades 1 to 3, inclusive, pursuant to a specified Class Size Reduction Program. The bill would express findings and declarations of the Legislature with respect to the financial consequences of the transition to smaller class sizes under the program.

This bill would require the Superintendent of Public Instruction to develop an application for funding under this bill by August 1, 1996, and would require school districts to submit an application for funding to the Superintendent of Public Instruction by October 1, 1996. The bill would require that a school district application include certifications by the governing board of the school district of the number of new classes that will be established by the school district in each affected grade. The bill would also require a school district

application to include certification by the governing board of the school district that the school district is qualified for new construction funding under the Greene Act or that the school district has insufficient space to house all the new classes that need to be established to participate under the Class Size Reduction Program. The bill would specify calculations, relating to the number of new teaching stations that would need to be established by the school district in order to reduce class sizes pursuant to the Class Size Reduction Program, that would be required of a school district that seeks to qualify for funding under the act but does not qualify for construction funding under the Greene Act.

This bill would provide that the Class Size Reduction Facilities Funding Program would become inoperative on June 30, 1999, and as of January 1, 2000, would be repealed, unless a later enacted statute, which becomes effective on or before January 1, 2000, deletes or extends the dates on which these provisions become inoperative and are repealed.

(2) Under existing law, the Greene Act, the State Allocation Board is required to provide for the manner of determining the area of adequate school construction in a school district at the time the district is applying for funding under the Greene Act. Existing law provides that the area of adequate school construction existing in an applicant school district does not include, among other things, the portable classrooms made available to the district under the State Relocatable Classroom Law of 1979.

This bill would exclude from the area of adequate school construction existing in an applicant school district any classroom acquired or constructed and continuously used by the district primarily for the purpose of reducing class size in kindergarten and any of grades 1 to 3, inclusive, pursuant to the school district's participation in the Class Size Reduction Program in kindergarten and grades 1 to 3, inclusive.

(3) Under existing law, the Greene Act provides that no project shall be approved, the building area of which, when added to the area of adequate school construction existing in the applicant school district at the time of the application will provide a total area of school building construction per unit of estimated average daily attendance in excess of that amount computed in accordance with specified provisions.

This bill would provide that pupils housed in any classroom acquired or constructed primarily for the purposes of reducing class size in grades 1 to 3, inclusive, pursuant to participation in the Class Size Reduction Program shall not be considered in determining or estimating the average daily attendance of the district.

(4) Section 8 of Article XVI of the California Constitution requires that the moneys applied by the state for the support of school districts



and community colleges shall not be less than a specified percentage of General Fund revenues.

This bill would appropriate, without regard to fiscal year, \$200,000,000 from the General Fund to the Superintendent of Public Instruction for allocation to school districts for the purposes of the Class Size Reduction Facilities Funding Program. From this sum, the Superintendent of Public Instruction would apportion to each applicant school district \$25,000 for each additional teaching station that needs to be established for the purposes of class size reduction that cannot be housed in existing teaching stations, as specified. The bill would require that appropriation to be included in the amount appropriated by the state in the 1995–96 fiscal year for the purpose of meeting the state’s minimum funding obligation to school districts and community college districts under Section 8 of Article XVI of the California Constitution for that fiscal year.

(5) The bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

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

SECTION 1. Section 17742 of the Education Code is amended to read:

17742. (a) The board, by the adoption of rules, shall provide for the manner of determining the area of adequate school construction existing in an applicant school district at the time of application. Those rules shall define and provide for the method of determining building areas that are to be included in, in whole or in part, or to be excluded from, the area of existing adequate school construction. Any building to which Article 3 (commencing with Section 39140) of Chapter 1 of Part 23 of Division 3 of Title 2 does not apply shall not be considered adequate school construction for the purpose of determining the maximum total building area per attendance unit.

The board may make exceptions to the provisions of this section, or to the rules adopted pursuant thereto, if it determines that the exception or exceptions will be for the benefit of pupils affected.

(b) For the purposes of this chapter, the area of adequate school construction existing in an applicant school district does not include any of the following:

(1) Any portable classroom made available to the district under Chapter 25 (commencing with Section 17785).

(2) In any school operated on a year-round schedule, any building area that has been in continuous use during the preceding five-year period primarily for the operation of any preschool program or programs.

(3) Any building area, not to exceed the area that is equivalent to one classroom per schoolsite, used to provide support services



pursuant to Chapter 5 (commencing with Section 8800) of Part 6 or to provide integrated children's services pursuant to Section 18986.40 of the Welfare and Institutions Code. A school shall meet the definition of a "qualifying school" under paragraph (1) of subdivision (h) of Section 8802 to qualify for this exemption from the area of adequate school construction.

(4) Any classroom acquired or constructed and continuously used by the school district primarily for the purpose of reducing class size in kindergarten or in any of grades 1 to 3, inclusive, pursuant to the school district's participation in the Class Size Reduction Program contained in Chapter 6.10 (commencing with Section 52120) of Part 28.

(c) The board may make exceptions to this section, or to the rules adopted pursuant thereto, if it determines that the exception or exceptions will be for the benefit of pupils affected.

SEC. 2. Section 17742.7 of the Education Code is amended to read:

17742.7. (a) For any project application filed or amended on or after January 1, 1993, the area of adequate school construction existing in the applicant school district or, where appropriate, in the attendance area, at the time of application shall be calculated pursuant to the following formula:

(1) Identify by grade level all teaching stations existing in the school district or, where appropriate, the attendance area, as of January 1, 1993. For the purposes of this section, "teaching station" means any space that was constructed or reconstructed to serve as an area in which to provide pupil instruction.

(2) Determine the maximum pupil loading figure for each grade level pursuant to the district pupil loading standards in effect on January 1, 1993. For the purposes of this section, the "district pupil loading standards" are those pupil loading standards in effect in a school district on July 1, 1992, as a result of actions including, but not necessarily limited to, the execution of a collective bargaining agreement or the adoption of a district policy by the governing board of the school district. In no event may this figure be more than the maximum pupil loading standards established by the board, or less than three pupil units lower than those maximum pupil loading standards.

(3) Multiply the figure determined under paragraph (2) for each grade level by the number of teaching stations for the particular grade level, as determined under paragraph (1).

(4) Multiply the product determined under paragraph (3) by the maximum area allowance established for that grade level under this article.

(5) The sum of these computations for each grade level, as determined under paragraphs (1) to (4), inclusive, shall be the total



area of adequate school construction existing in the district or attendance area pursuant to this formula.

(b) For purposes of this section, a school district that is participating in a class size reduction program set forth in this code, other than the Class Size Reduction Program (Ch. 6.10 (commencing with Section 52120) of Part 28), shall use the pupil loading standard established pursuant to that program.

(c) The area of existing adequate school construction calculated under this section shall not include, in any school operated on a year-round schedule, any teaching station that has been in continuous use during the preceding five-year period primarily for the operation of a preschool program or programs.

SEC. 3. Chapter 23 (commencing with Section 17770) is added to Part 10 of the Education Code, to read:

CHAPTER 23. CLASS SIZE REDUCTION FACILITIES FUNDING

17770. There is hereby established the Class Size Reduction Facilities Funding Program, for the purpose of assisting school districts with the facilities-related costs associated with reducing class size in kindergarten and grades 1 to 3, inclusive, pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28.

17771. (a) The Legislature finds and declares that the reduction of class size in the early primary grades leads to significant and sustained improvement in the academic achievement levels of pupils. In enacting the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28, the Legislature is seeking an orderly and efficient transition to smaller class sizes in the 1996–97 school year. Accordingly, the Legislature has allowed school districts to delay implementation of a class size reduction program in the respective districts until February 16, 1997, but receive operational funding pursuant to Section 52126 as if the program had operated for the entire 1996–97 school year.

(b) The Legislature further finds and declares that the first priority for expenditure of the accrued savings in operational funding due to the delayed implementation date in the 1996–97 school year shall be for facilities-related costs of class size reduction.

(c) The Legislature further finds and declares that the eligibility of a school district under the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)) shall not be affected by the provisions of this chapter.

17772. An application for funding under this chapter, the form of which shall be developed by the Superintendent of Public Instruction by August 1, 1996, shall be submitted by each school district that elects to apply for funding under this chapter to the Superintendent of Public Instruction by October 1, 1996, and shall



include the following certifications by the governing board of the school district:

(a) Certification of the number of new classes that will be established by the school district solely for the purpose of reducing class size in grade 1 pursuant to the Class Size Reduction Program contained in Chapter 6.10 (commencing with Section 52120) of Part 28.

(b) Certification of the number of new classes that will be established by the school district solely for the purpose of reducing class size in grade 2 pursuant to the Class Size Reduction Program contained in Chapter 6.10 (commencing with Section 52120) of Part 28.

(c) Certification of the number of new classes that will be established by the school district solely for the purpose of reducing class size in kindergarten or grade 3 pursuant to the Class Size Reduction Program contained in Chapter 6.10 (commencing with Section 52120) of Part 28.

(d) Certification that, for the grades in which class sizes are to be reduced, the school district can show either of the following:

(1) The school district is qualified as of the date of the application for new construction funding under the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)) on a districtwide basis or for the relevant school attendance area, as defined in Section 17741.

(2) The school district has insufficient space to house all the new classes that need to be established in order for the district to participate in the Class Size Reduction Program contained in Chapter 6.10 (commencing with Section 52120) of Part 28, as demonstrated through the eligibility calculation specified in Section 17773 that shall be certified by the governing board of the school district.

17773. Any school district that seeks to qualify for funding under this chapter and that does not currently qualify for new construction funding under the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)) shall complete the following calculations either on a districtwide basis or on the basis of each attendance area, as defined in Section 17741, to demonstrate eligibility for funding under this chapter:

(a) Identify by grade level all available teaching stations in the schools in the school district that serve kindergarten or any of grades 1 to 8, inclusive. For the purposes of this section, “teaching station” shall be determined as specified in Sections 17742.5 and 17742.7.

(b) Determine the number of teaching stations available for class size reduction by calculating the number of pupils that may be housed in existing teaching stations, utilizing the loading standards established by the State Allocation Board or the district loading



standards pursuant to paragraph (2) of subdivision (a) of Section 17742.7. For the purposes of this calculation, a school district may utilize any of the following:

(1) The current number of pupils in the school district.

(2) The projected number of pupils, as determined under the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)).

(3) The projected number of pupils, as determined under the Emergency School Classroom Law of 1979 (Chapter 25 (commencing with Section 17785)).

17774. (a) If, pursuant to the calculations made pursuant to subdivision (b) of Section 17773, the school district has no available teaching stations for the additional classes created by its class size reduction program, the school district shall qualify for funding pursuant to this chapter for each additional teaching station that needs to be established to reduce class size to not more than 20 pupils pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28.

(b) If, pursuant to the calculations made pursuant to subdivision (b) of Section 17773, the school district has an insufficient number of teaching stations available for its class size reduction program, the school district shall qualify for funding available under this chapter only for each additional teaching station that needs to be established to reduce class size to not more than 20 pupils pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 that reasonably cannot be housed in available teaching stations.

(c) If, pursuant to the calculations made pursuant to subdivision (b) of Section 17773, the school district has no need for additional teaching stations in order to implement its class size reduction program to not more than 20 pupils pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28, the school district shall not qualify for funding under this chapter.

17775. (a) From the sum appropriated for the purposes of this chapter, the Superintendent of Public Instruction shall apportion to each applicant school district the sum of twenty-five thousand dollars (\$25,000) for each additional teaching station that needs to be established for the purposes of class size reduction that cannot be housed in existing teaching stations, as determined pursuant to this chapter.

(b) (1) If the funds appropriated for the purposes of this chapter are insufficient to fund all applicant school districts pursuant to this chapter, the Superintendent of Public Instruction shall first apportion funds for all applications from school districts related to reducing class size in grade 1. If funds are insufficient to fund all applications related to reducing class size in grade 1, the Superintendent of Public Instruction shall apportion to each applicant school district its pro rata share of funding for all new grade



1 teaching stations that need to be established for the purpose of class size reduction. In determining the pro rata share for each school district the Superintendent of Public Instruction shall round up to the nearest twenty-five thousand dollar (\$25,000) increment, but no qualifying school district shall receive less than twenty-five thousand dollars (\$25,000).

(2) If funds remain available after funding all applications related to reducing class size in grade 1, the Superintendent of Public Instruction shall next apportion funds for all applications related to reducing class size in grade 2. If funds are insufficient to fund all applications related to reducing class size in grade 2, the Superintendent of Public Instruction shall apportion to each applicant school district its pro rata share of funding for all new grade 2 teaching stations that need to be established for the purpose of class size reduction. In determining the pro rata share for each school district the Superintendent of Public Instruction shall round up to the nearest twenty-five thousand dollar (\$25,000) increment, but no qualifying school district shall receive less than twenty-five thousand dollars (\$25,000).

(3) If funds remain available after funding all applications related to reducing class size in grades 1 and 2, the Superintendent of Public Instruction shall then apportion funds for applications related to reducing class size in kindergarten or grade 3. If funds are insufficient to fund all applications related to reducing class size in kindergarten or grade 3, the Superintendent of Public Instruction shall apportion to each applicant school district its pro rata share of funding for all new kindergarten or grade 3 teaching stations that need to be established for the purpose of class size reduction. In determining the pro rata share for each school district the Superintendent of Public Instruction shall round up to the nearest twenty-five thousand dollar (\$25,000) increment, but no qualifying school district shall receive less than twenty-five thousand dollars (\$25,000).

17776. (a) Funds allocated to school districts pursuant to this chapter shall be expended solely for the purpose of providing the additional teaching stations necessary for the implementation of the Class Size Reduction Program contained in Chapter 6.10 (commencing with Section 52120) of Part 28.

(b) Funds shall not be allocated to school districts pursuant to this chapter for the purpose of assisting school districts in implementing Option Two, as set forth in paragraph (2) of subdivision (b) of Section 52122.

(c) Funds shall not be allocated to a school district pursuant to this chapter if the school district fails to submit to the Superintendent of Public Instruction an application for funds by November 1, 1996, pursuant to the Class Size Reduction Program contained in Chapter 6.10 (commencing with Section 52120) of Part 28.



(d) If a school district receives funding pursuant to this chapter but has not implemented its class size reduction program for all grades and classes for which it received funding pursuant to this chapter, the Superintendent of Public Instruction shall notify the Controller and the school district in writing and the Controller shall deduct an amount equal to the amount received by the school district under this chapter from the school district's next apportionment or apportionments of state funds to the district other than basic aid apportionments required by Section 6 of Article IX of the California Constitution.

17777. This chapter shall become inoperative on June 30, 1999, and as of January 1, 2000, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2000, deletes or extends the dates on which the chapter becomes inoperative and is repealed.

SEC. 4. (a) The sum of two hundred million dollars (\$200,000,000) is hereby appropriated, without regard to fiscal year, from the General Fund to the Superintendent of Public Instruction for allocation to school districts for the purposes of the Class Size Reduction Facilities Funding Program contained in Chapter 23 (commencing with Section 17770) of Part 10 of the Education Code.

(b) For the purpose of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by this section shall be deemed to be "General Fund revenues appropriated to school districts," as defined in subdivision (c) of Section 41202 for the 1995-96 fiscal year and be 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 1995-96 fiscal year.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement the Class Size Reduction Facilities Funding Program contained in this act, at the earliest opportunity, and to appropriate funds therefor for the 1996-97 school year, it is necessary that this act take effect immediately.

