

AMENDED IN SENATE MAY 19, 1998
AMENDED IN SENATE MARCH 31, 1998
AMENDED IN SENATE MARCH 19, 1998
AMENDED IN SENATE MARCH 12, 1998
AMENDED IN ASSEMBLY JANUARY 27, 1998
AMENDED IN ASSEMBLY MAY 20, 1997
AMENDED IN ASSEMBLY MAY 5, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 598

Introduced by Assembly Member Davis

February 25, 1997

An act to amend Sections 1500, 2571, 2572, 10554, 16197, 17047, 33050, 41012, 41202, 41601, 41972, 42129, 46200.5, 46201.5, 54732, 56131, 56132, 56136, 56155.5, 56156.6, ~~56200, 56205, 56207, 56195.7, 56200, 56205, 56207, 56211, 56212, 56325, 56361, 56364.1, 56365, 56366, 56366.3, 56446, 56832, 56835.04, 56836.01, 56836.02, 56836.03, 56836.08, 56836.12, 56836.05, 56836.06, 56836.08, 56836.09, 56836.12, 56836.13, 56836.15, 56836.155, 56836.16, 56836.21, and 56864~~ of, to amend and renumber Section 56364.5 of, to amend and repeal Section 56156.5 of, to add Sections ~~56048 and 56156.4~~ 42238.95, 56048, 56156.4, and 56195.10 to, and to repeal Sections 41202, 56160, 56161, 56169, 56441.10, and 56447 of, the Education Code, and to amend Sections 97.2 and 97.3 of the Revenue and Taxation Code,

relating to special education, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 598, as amended, Davis. Special education.

(1) Existing law, the Poochigian and Davis Special Education Reform Act (the act), establishes a method for financing special education that is based on the pupil population in each special education local plan area (SELPA) and equalizes funding among SELPAs. Existing law requires, commencing in the 1998–99 fiscal year, and each fiscal year thereafter, allocation of funds to be made to SELPAs. The administrator of each SELPA is responsible for the fiscal administration of the annual budget allocation plan for special education programs and the allocation of state and federal funds to the school districts and county offices of education composing the SELPA in accordance with the local plan. Existing law requires each SELPA to submit a revised local plan on or before the time it is required to submit a local plan. Until the Superintendent of Public Instruction (superintendent) approves the revised local plan, the SELPA is required to continue to operate under the reporting and accounting requirements prescribed by the State Department of Education for the special education finance provisions repealed by the act.

This bill would, *instead, require the administrator of each SELPA to be responsible for the administration of the annual budget plan and the annual allocation plan for multidistrict SELPAs. The bill would require the State Board of Education to approve the revised local plan and the superintendent to allocate the funds in accordance with the allocation plan. To the extent that this bill would place new requirements on SELPAs with respect to the governance of SELPAs and the distribution of funds, the bill would impose a state-mandated local program. The bill would also make substantive and technical changes to provisions of law relating to special education to conform those provisions with the provisions of the act.*



(2) Existing law provides a method of determining revenue limits for school districts and a method of calculating average daily attendance in order to compute the revenue limits.

This bill would set forth a method of calculating the amount per unit of average daily attendance for pupils in special classes and centers that shall be apportioned to each county office of education.

(3) Existing law prohibits, upon the submittal or approval of a revised local plan, special education programs and services already in operation in school districts or county offices of education from being transferred to another school district or county office of education or from a county office of education to a school district unless the special education local plan area has developed a plan for the transfer that addresses certain minimum requirements.

This bill would make this provision applicable to special education programs commencing on July 1, 1998, whether or not a special education local plan area has a submitted or approved revised local plan.

~~(3)~~

(4) Existing law requires the superintendent to develop a funding formula for the distribution of federal funds under Title II of the Education of the Handicapped Act Amendments of 1986.

This bill would repeal this provision.

~~(4)~~

(5) Existing law requires the superintendent to adopt rules and regulations to ensure that apportionments, inclusive of federal funds, for all individuals with exceptional needs between the ages of 3 and 5 years, inclusive, shall be paid to the extent permitted by federal law for no more than 3% of the statewide population of children between the ages of 3 and 5 years, inclusive.

This bill would repeal this provision.

~~(5)~~

(6) Existing law provides that the former method of funding special education shall apply for the purpose of recertification of amounts funded under those provisions until June 30, 2001.



This bill would instead provide that the former method of funding special education shall apply for the purpose of submitting corrections to amounts funded under those provisions until June 30, 1999, and for the purpose of certifications until June 30, 2000.

~~(6)~~

(7) Existing law, that provides a new funding formula for funding special education, includes federal funds available to the state pursuant to the Individuals with Disabilities Education Act within the computation of general purpose special education funding for the 1998-99 fiscal year and each fiscal year thereafter.

This bill would prescribe which portion of that federal funding is available for those purposes.

(8) Existing law, the new funding formula for funding special education, requires computation of a special disabilities adjustment for the 1998-99 fiscal year.

This bill would prohibit the amount of funds that a SELPA receives for the special disabilities adjustment in the 1998-99 fiscal year from being used in the calculation of a base amount for the 1999-2000 fiscal year.

~~(7)~~

(9) Existing law, that provides a new funding formula for special education, includes the computation of the amounts available for making equalization adjustments to special education local plan areas.

This bill would revise that computation.

(10) Existing law requires the State Department of Education to administer an extraordinary cost pool to protect SELPAs from the extraordinary costs associated with single placements in nonpublic, nonsectarian schools. Existing law provides that SELPAs are eligible to submit claims for costs of any nonpublic, nonsectarian school placements exceeding a threshold amount.

This bill would exclude placements reimbursed for licensed children's institutions from the extraordinary cost pool. The bill would provide that SELPAs are eligible to submit claims only for costs of any new nonpublic, nonsectarian school placements in excess of those in existence in the 1997-98 fiscal year and exceeding the threshold amount.



(11) This bill would require a separate method of determining the amount of some of the funding to be allocated to the SELPA identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area.

(12) 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, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

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.

(13) This bill would declare that it is to take effect immediately as an urgency statute and become operative on July 1, 1998.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: ~~no~~ yes.

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

1 SECTION 1. Section 1500 of the Education Code is
2 amended to read:
3 1500. All expenses shall be paid out of the County
4 School Service Fund necessary for the county board of
5 education and the county superintendent of schools to
6 perform the duties and render the services required by
7 and comply with Sections 1042, 1250, 1252, 1270, 1297,
8 1299, 1330, 1601, 1602, 1702, 41020, 41360, 42621, 42622,
9 45035, 45056, 60601, 60602, 60605, 84040, 85221, 85222,
10 87809, Chapter 7.2 (commencing with Section 56836) of
11 Part 30, and Part 1 (commencing with Section 100) of
12 Division 1 of the Unemployment Insurance Code.
13 This section shall not be construed to prohibit support
14 from the county general fund from being provided for



1 duties and services performed pursuant to the sections
2 and part enumerated above.

3 SEC. 2. Section 2571 of the Education Code is
4 amended to read:

5 2571. The Superintendent of Public Instruction shall
6 make the following computations for each county
7 superintendent of schools:

8 (a) Add the property tax revenues received for the
9 1977-78 fiscal year pursuant to subdivisions (b), (c) and
10 (d) of Section 2500, Section 2501 for purposes of Section
11 1705, Section 2502 for purposes of Section 56811, Section
12 2505 for special education tuition charges, Section 42909
13 for purposes of Section 56604, and Section 56364 or
14 Section 56364.6, as applicable. For purposes of this
15 subdivision, section references are to sections effective
16 during the 1977-78 fiscal year.

17 (b) Divide the sum computed pursuant to subdivision
18 (a) by the total amount of property tax revenues received
19 by the county superintendent of schools for the 1977-78
20 fiscal year.

21 (c) Multiply the quotient computed pursuant to
22 subdivision (b) by the total amount of property tax
23 revenues received by the county superintendent of
24 schools for the then current fiscal year.

25 (d) Subtract the product computed pursuant to
26 subdivision (c) from the total amount of property tax
27 revenues received by the county superintendent of
28 schools for the then current fiscal year.

29 (e) For purposes of subdivisions (c) and (d), "total
30 property tax revenues" include taxes on the secured roll,
31 taxes on the unsecured roll, prior year taxes and
32 subventions of property taxes.

33 SEC. 3. Section 2572 of the Education Code is
34 amended to read:

35 2572. The product computed pursuant to subdivision
36 (c) of Section 2571 is the amount of property tax revenues
37 to be allocated to special education programs. This
38 amount shall be subtracted pursuant to subdivision (c) of
39 Section 56836.08.



1 SEC. 4. Section 10554 of the Education Code is
2 amended to read:

3 10554. (a) In order for the governing board to carry
4 out its responsibilities pursuant to this chapter, there is
5 hereby established the Educational Telecommunication
6 Fund. The amount of moneys to be deposited in the fund
7 shall be the amount of any offset made to the principal
8 apportionments made pursuant to Sections 1909, 2558,
9 42238, 52616, Article 1.5 (commencing with Section
10 52335) of Chapter 9 of Part 28, and Chapter 7.2
11 (commencing with Section 56836) of Part 30, based on a
12 finding that these apportionments were not in
13 accordance with law. The maximum amount that may be
14 annually deposited in the fund from the offset shall be one
15 million dollars (\$1,000,000), or if the total of the offset is
16 less than one million dollars (\$1,000,000), then the total
17 amount of the offset. The Controller shall establish an
18 account to receive and expend moneys in the fund. The
19 placement of the moneys in the fund shall occur only
20 upon a finding by the Superintendent of Public
21 Instruction and the Director of Finance that the principal
22 apportionments made pursuant to Sections 1909, 2558,
23 42238, 52616, and Article 1.5 (commencing with Section
24 52335) of Chapter 9 of Part 28, and Chapter 7.2
25 (commencing with Section 56836) of Part 30, were not in
26 accordance with existing law, and were so identified
27 pursuant to Sections 1624, 14506, 41020, 41020.2, 41320,
28 42127.2, and 42127.3, or an independent audit that was
29 approved by the State Department of Education.

30 (b) Moneys in the fund established pursuant to
31 subdivision (a) shall only be available for expenditure
32 upon appropriation by the Legislature in the Budget Act.

33 (c) The moneys in the fund established pursuant to
34 subdivision (a) may be expended by the governing board
35 to carry out the purposes of this chapter, including for the
36 following purposes:

37 (1) To support the activities of the team established
38 pursuant to subdivision (c) of Section 10551.

39 (2) To assist the school districts and county
40 superintendents of schools in purchasing both hardware



1 and software to allow school districts, county
2 superintendents of schools, and the State Department of
3 Education to be linked for school business and
4 administrative purposes. The governing board shall
5 establish a matching share requirement that applicant
6 school districts and county superintendents of schools
7 must fulfill to receive those funds. It is the intent of the
8 Legislature to encourage the distribution of grants to
9 school districts and county superintendents of schools to
10 the widest extent possible.

11 (3) To provide technical assistance through county
12 offices of education to school districts in implementing
13 the standards established pursuant to subdivision (a) of
14 Section 10552.

15 (d) This section shall become inoperative as of January
16 1, 2000.

17 SEC. 5. Section 16197 of the Education Code is
18 amended to read:

19 16197. Notwithstanding any other provisions of this
20 article to the contrary, apportionments for the purchase
21 of mobile classrooms for the education of physically
22 handicapped pupils enrolled in integrated programs, as
23 set forth in Part 30 (commencing with Section 56000),
24 and for the education and therapy of
25 speech-handicapped pupils may, subject to the approval
26 of the State Department of Education, be made to any
27 school district not otherwise eligible to receive
28 apportionments under Article 1 (commencing with
29 Section 16000) and Article 2 (commencing with Section
30 16150) for that purpose.

31 The State Department of Education may approve
32 applications in those situations where mobile classrooms
33 will be used by a county superintendent of schools
34 required to educate physically handicapped minors
35 pursuant to Sections 1850 and Chapter 7.2 (commencing
36 with Section 56836) of Part 30. Mobile classrooms shall be
37 used pursuant to an agreement authorized by Section
38 41308.

39 Except as otherwise provided in this section, not more
40 than 50 percent of the amount of any apportionment



1 made pursuant to this section shall be repaid.
2 Repayments shall be made in the following manner: Fifty
3 percent of the amount of the apportionment shall be
4 repaid in full with interest by the district, in annual
5 amounts and at an interest rate over the period as the
6 State Allocation Board may determine, not to exceed 20
7 years from the date the apportionment became final. In
8 any school year in which 50 percent or more of the pupils
9 in average daily attendance, as determined by the county
10 superintendent of schools, and served by the facilities are
11 not pupils from districts other than the applicant district,
12 the repayment for the succeeding fiscal year shall be an
13 amount which would have been payable if the district had
14 been required to repay 100 percent of the apportionment
15 over that period.

16 The county board of supervisors of the county whose
17 superintendent of schools uses mobile classrooms during
18 any fiscal year shall at the time or times within the fiscal
19 year as may be agreed upon between the county and the
20 school district, but in any case not later than the end of the
21 fiscal year, pay to the school district having the obligation
22 to repay the apportionment made under this section for
23 the purchase of mobile classrooms, an amount equal to
24 100 percent of the amount the district is required to repay
25 in the fiscal year with respect to the apportionment
26 described above.

27 The county board of supervisors shall raise the amount
28 required through a general tax levy on the property
29 within the participating districts, or through a tuition
30 charge not to exceed one hundred sixty dollars (\$160) a
31 year per pupil by the county superintendent of schools to
32 the school districts of residence of pupils attending the
33 facility including the district having the obligation to
34 repay, or through a combination of these.

35 The county superintendent of schools shall notify the
36 county board of supervisors of his or her intention to
37 approve a school district's application for an allocation
38 under this article before he or she approves the
39 application.



1 The State Department of Education shall prepare
2 specifications or regulations for the construction of
3 mobile classrooms to provide for a useful life of no less
4 than 20 years.

5 The use of mobile classrooms shall meet specifications
6 described by the State Department of Education as they
7 relate to the needs of the physically handicapped pupils
8 being served, as set forth in Chapter 7.2 (commencing
9 with Section 56836) of Part 30.

10 SEC. 6. Section 17047 of the Education Code is
11 amended to read:

12 17047. (a) The allowable new building area for the
13 purpose of providing special day class and Resource
14 Specialist Program facilities for special education pupils
15 shall be negotiated and approved by the State Allocation
16 Board, with any necessary assistance to be provided by
17 the Special Education Division of the State Department
18 of Education. The square footage allowances shall be
19 computed within the maximum square footage set forth
20 in the following schedule:

21	22 Special Day Class	23 Grade	23 Load-	23 Square
24	24 Basic Need	24 Levels	24 ing*	24 Footage
25	25 Nonsevere Disability			
26	26 —Specific Learning			
27	27 Disability	27 All	27 12	27 1080
28	28 —Mildly Mentally			
29	29 Retarded	29 All	29 12	29 1080
30	30 —Severe Disorder			
31	31 of Language	31 All	31 10	31 1080
32	32 Severe Disability			
33	33 —Deaf and Hard of			
34	34 Hearing	34 All	34 10	34 1080
35	35 —Visually Im-			
	35 paired	35 All	35 10	35 1330 (1080 + 250 storage)



1	—Orthopedically and			
2	Other Health Im-			
3	paired	All	12	2000 (1080 + 400 toilets
4				+ 250 storage + 270 daily
5				living skills + 3000 thera-
6				py + 750 therapy per
7				additional classroom)
8	—Autistic	All	6	1160 (1080 + 80 toilets)
9	—Severely Emotion-			
10	ally Disturbed	All	6	1160 (1080 + 80 toilets)
11	—Severely Mentally			
12	Retarded	Elem.	12	1750 (1080 + 400 toilets
13				+ 270 daily living skills)
14		Secon.		2150 (1080 + 400 toilets
15				+ 270 daily living skills +
16				400 vocational)
17	—Developmentally			
18	Disabled	All	10	2000 (1080 + 400 toilets
19				+ 250 storage + 270 daily
20				living skills + 3000 thera-
21				py** + 750 therapy per
22				additional CR)
23	—Deaf-Blind/Multi	All	5	1400 (1080 + 200 stor-
24				age + 150 toilets)
25				



		Pupils	Square Feet
1			
2			
3	Resource Specialist Pro-	All Maximum	1-8 240
4	gram for those pupils with	caseload for	9-28 480
5	disabling conditions whose	RS is 28, not all	29-37 720
6	needs have been identified	served at same	38-56 960
7	by the Individualized	time.	57-65 1200
8	Education Program (IEP)		66-85 1440
9	Team, who require special		86-94 1680
10	education for a portion of		95-112 1920
11	the day, and who are as-		
12	signed to a regular class-		
13	room for a majority of the		
14	school day.***		

15

16 * Special pupils may usually be grouped

17 without accordance to type, especially in

18 smaller districts or where attendance zones

19 may indicate, to maximize loadings per class-

20 room where there are children with similar

21 educational need ~~(Sec. 56364 or Sec. needs~~

22 ~~(Sec. 56364 or 56364.6, as applicable).~~

23 ** Therapy add-ons not to be provided if on

24 same site as orthopedically impaired.

25 *** To a maximum of 4 percent of the un-

26 housed average daily attendance of the dis-

27 trict, per new school or addition, to a maxi-

28 mum of 1920 square feet.

29

30 (b) The allowable new building area shall be

31 computed by dividing the number of eligible pupils by

32 the minimum required loading per classroom for special

33 day classes for the type of pupils to be enrolled. No new

34 or additional facility shall be provided for special day

35 classes unless the number of additional eligible pupils

36 equals one-third or more of the minimum required

37 loading.

38 SEC. 7. Section 33050 of the Education Code is

39 amended to read:



1 33050. (a) The governing board of a school district or
2 a county board of education may, on a districtwide or
3 countywide basis or on behalf of one or more of its schools
4 or programs, after a public hearing on the matter, request
5 the State Board of Education to waive all or part of any
6 section of this code or any regulation adopted by the State
7 Board of Education that implements a provision of this
8 code that may be waived, except:

9 (1) Article 1 (commencing with Section 15700) and
10 Article 2 (commencing with Section 15780) of Chapter 6
11 of Part 10.

12 (2) Chapter 8 (commencing with Section 16000) and
13 Chapter 9 (commencing with Section 16400) of Part 10.

14 (3) Chapter 22 (commencing with Section 17700),
15 Chapter 23 (commencing with Section 17760), and
16 Chapter 25 (commencing with Section 17785) of Part 10.

17 (4) Part 13 (commencing with Section 22000).

18 (5) Section 35735.1.

19 (6) Paragraph (8) of subdivision (a) of Section 37220.

20 (7) The following provisions of Part 23:

21 (A) Chapter 1 (commencing with Section 39000).

22 (B) Article 1 (commencing with Section 39100) to
23 Article 6 (commencing with Section 39210), inclusive, of
24 Chapter 2.

25 (C) Section 39248; Sections 39313 to 39325, inclusive;
26 Sections 39360.5 and 39363 and subdivision (a) of Section
27 39363.5; and Sections 39618 to 39621, inclusive.

28 (8) Sections 52163, 52165, 52166, and 52178.

29 (9) Article 3 (commencing with Section 52850) of
30 Chapter 12 of Part 28.

31 (10) The identification and assessment criteria
32 relating to any categorical aid program, including
33 Sections 52164.1 and 52164.6.

34 (11) Sections 41000 to 41360, inclusive; Sections 41420
35 to 41423, inclusive; Sections 41600 to 41866, inclusive;
36 Sections 41920 to 42911, inclusive; Article 3 (commencing
37 with Section 44930) of Chapter 4 of Part 25; Part 26
38 (commencing with Section 46000) and Chapter 6
39 (commencing with Section 48900) and Chapter 6.5
40 (commencing with Section 49060) of Part 27; or



1 regulations in Title 5 of the California Code of Regulations
 2 adopted pursuant to Article 3 (commencing with Section
 3 44930) of Chapter 4 of Part 25.

4 (12) Section 51513.

5 (13) Chapter 6.10 (commencing with Section 52120)
 6 of Part 28, relating to the Class Size Reduction Program.

7 (14) Section 56364.1, except that this restriction shall
 8 not prohibit the State Board of Education from approving
 9 any waiver of Section 56364 or Section 56364.6, as
 10 applicable, relating to full inclusion.

11 (15) Article 4 (commencing with Section 60640) of
 12 Chapter 5 of Part 33, relating to the STAR Program, and
 13 any other provisions of Chapter 5 (commencing with
 14 Section 60600) of Part 33 that establish requirements for
 15 the STAR Program.

16 (b) Any waiver of provisions related to the programs
 17 identified in Section 52851 shall be granted only pursuant
 18 to Article 3 (commencing with Section 52850) of Chapter
 19 12 of Part 28.

20 (c) The waiver of an advisory committee required by
 21 law shall be granted only pursuant to Article 4
 22 (commencing with Section 52870) of Chapter 12 of Part
 23 28.

24 (d) Any request for a waiver submitted by the
 25 governing board of a school district or a county board of
 26 education pursuant to subdivision (a) shall include a
 27 written statement as to (1) whether the exclusive
 28 representative of employees, if any, as provided in
 29 Chapter 10.7 (commencing with Section 3540) of
 30 Division 4 of Title 1 of the Government Code,
 31 participated in the development of the waiver and (2)
 32 the exclusive representative's position regarding the
 33 waiver.

34 (e) Any request for a waiver submitted pursuant to
 35 subdivision (a) relating to a regional occupational center
 36 or program established pursuant to Article 1
 37 (commencing with Section 52300) of Chapter 9 of Part 28,
 38 that is operated by a joint powers entity established
 39 pursuant to Chapter 5 (commencing with Section 6500)
 40 of Division 7 of Title 1 of the Government Code, shall be



1 submitted as a joint waiver request for each participating
2 school district and shall meet both of the following
3 conditions:

4 (1) Each joint waiver request shall comply with all of
5 the requirements of this article.

6 (2) The submission of a joint waiver request shall be
7 approved by a unanimous vote of the governing board of
8 the joint powers agency.

9 (f) The governing board of any school district
10 requesting a waiver under this section of any provision of
11 Article 5 (commencing with Section 39390) of Chapter 3
12 of Part 23 shall provide written notice of any public
13 hearing it conducted pursuant to subdivision (a), at least
14 30 days prior to the hearing, to each public agency
15 identified under Section 39394.

16 SEC. 8. Section 41012 of the Education Code is
17 amended to read:

18 41012. For purposes of determining allowances
19 pursuant to Chapter 8 (commencing with Section 52200)
20 of Part 28, and Chapter 3 (commencing with Section
21 56500) and Chapter 4 (commencing with Section 56600)
22 of Part 30, the Superintendent of Public Instruction shall
23 require the use of a uniform cost accounting procedure,
24 as set forth in the California School Accounting Manual.

25 SEC. 9. Section 41202 of the Education Code, as added
26 by Chapter 82 of the Statutes of 1989, is repealed.

27 SEC. 10. Section 41202 of the Education Code, as
28 amended by Chapter 308 of the Statutes of 1995, is
29 amended to read:

30 41202. The words and phrases set forth in subdivision
31 (b) of Section 8 of Article XVI of the Constitution of the
32 State of California shall have the following meanings:

33 (a) "Moneys to be applied by the State," as used in
34 subdivision (b) of Section 8 of Article XVI of the
35 California Constitution, means appropriations from the
36 General Fund that are made for allocation to school
37 districts, as defined, or community college districts. An
38 appropriation that is withheld, impounded, or made
39 without provisions for its allocation to school districts or



1 community college districts, shall not be considered to be
2 “moneys to be applied by the State.”

3 (b) “General Fund revenues which may be
4 appropriated pursuant to Article XIII B,” as used in
5 paragraph (1) of subdivision (b) of Section 8 of Article
6 XVI, means General Fund revenues that are the proceeds
7 of taxes as defined by subdivision (c) of Section 8 of
8 Article XIII B of the California Constitution, including,
9 for the 1986–87 fiscal year only, any revenues that are
10 determined to be in excess of the appropriations limit
11 established pursuant to Article XIII B for the fiscal year
12 in which they are received. General Fund revenues for
13 a fiscal year to which paragraph (1) of subdivision (b) is
14 being applied shall include, in that computation, only
15 General Fund revenues for that fiscal year that are the
16 proceeds of taxes, as defined in subdivision (c) of Section
17 8 of Article XIII B of the California Constitution, and shall
18 not include prior fiscal year revenues. Commencing with
19 the 1995–96 fiscal year, and each fiscal year thereafter,
20 “General Fund revenues that are the proceeds of taxes,”
21 as defined in subdivision (c) of Section 8 of Article XIII B
22 of the California Constitution, includes any portion of the
23 proceeds of taxes received from the state sales tax that are
24 transferred to the counties pursuant to, and only if,
25 legislation is enacted during the 1995–96 fiscal year the
26 purpose of which is to realign children’s programs. The
27 amount of the proceeds of taxes shall be computed for any
28 fiscal year in a manner consistent with the manner in
29 which the amount of the proceeds of taxes was computed
30 by the Department of Finance for purposes of the
31 Governor’s Budget for the Budget Act of 1986.

32 (c) “General Fund revenues appropriated for school
33 districts,” as used in paragraph (1) of subdivision (b) of
34 Section 8 of Article XVI of the California Constitution,
35 means the sum of appropriations made that are for
36 allocation to school districts, as defined in Section 41302.5,
37 regardless of whether those appropriations were made
38 from the General Fund to the Superintendent of Public
39 Instruction, to the Controller, or to any other fund or state
40 agency for the purpose of allocation to school districts.



1 The full amount of any appropriation shall be included in
2 the calculation of the percentage required by paragraph
3 (1) of subdivision (b) of Article XVI, without regard to
4 any unexpended balance of any appropriation. Any
5 reappropriation of funds appropriated in any prior year
6 shall not be included in the sum of appropriations.

7 (d) “General Fund revenues appropriated for
8 community college districts,” as used in paragraph (1) of
9 subdivision (b) of Section 8 of Article XVI of the
10 California Constitution, means the sum of appropriations
11 made that are for allocation to community college
12 districts, regardless of whether those appropriations were
13 made from the General Fund to the Controller, to the
14 Chancellor of the California Community Colleges, or to
15 any other fund or state agency for the purpose of
16 allocation to community college districts. The full amount
17 of any appropriation shall be included in the calculation
18 of the percentage required by paragraph (1) of
19 subdivision (b) of Article XVI, without regard to any
20 unexpended balance of any appropriation. Any
21 reappropriation of funds appropriated in any prior year
22 shall not be included in the sum of appropriations.

23 (e) “Total allocations to school districts and
24 community college districts from General Fund proceeds
25 of taxes appropriated pursuant to Article XIII B,” as used
26 in paragraph (2) or (3) of subdivision (b) of Section 8 of
27 Article XVI of the California Constitution, means the sum
28 of appropriations made that are for allocation to school
29 districts, as defined in Section 41302.5, and community
30 college districts, regardless of whether those
31 appropriations were made from the General Fund to the
32 Controller, to the Superintendent of Public Instruction,
33 to the Chancellor of the California Community Colleges,
34 or to any other fund or state agency for the purpose of
35 allocation to school districts and community college
36 districts. The full amount of any appropriation shall be
37 included in the calculation of the percentage required by
38 paragraph (2) or (3) of subdivision (b) of Section 8 of
39 Article XVI, without regard to any unexpended balance
40 of any appropriation. Any reappropriation of funds



1 appropriated in any prior year shall not be included in the
2 sum of appropriations.

3 (f) “General Fund revenues appropriated for school
4 districts and community college districts, respectively”
5 and “moneys to be applied by the state for the support of
6 school districts and community college districts,” as used
7 in Section 8 of Article XVI of the California Constitution,
8 shall include funds appropriated for the Child Care and
9 Development Services Act pursuant to Chapter 2
10 (commencing with Section 8200) of Part 6 and shall not
11 include any of the following:

12 (1) Any appropriation that is not made for allocation
13 to a school district, as defined in Section 41302.5, or to a
14 community college district regardless of whether the
15 appropriation is made for any purpose that may be
16 considered to be for the benefit to a school district, as
17 defined in Section 41302.5, or a community college
18 district. This paragraph shall not be construed to exclude
19 any funding appropriated for the Child Care and
20 Development Services Act pursuant to Chapter 2
21 (commencing with Section 8200) of Part 6.

22 (2) Any appropriation made to the Teachers’
23 Retirement Fund or to the Public Employees’
24 Retirement Fund except those appropriations for
25 reimbursable state mandates imposed on or before
26 January 1, 1988.

27 (3) Any appropriation made to service any public debt
28 approved by the voters of this state.

29 (g) “Allocated local proceeds of taxes,” as used in
30 paragraph (2) or (3) of subdivision (b) of Section 8 of
31 Article XVI of the California Constitution, means, for
32 school districts as defined, those local revenues, except
33 revenues identified pursuant to paragraph (5) of
34 subdivision (h) of Section 42238, that are used to offset
35 state aid for school districts in calculations performed
36 pursuant to Sections 2558, 42238, and Chapter 7.2
37 (commencing with Section 56836) of Part 30.

38 (h) “Allocated local proceeds of taxes,” as used in
39 paragraph (2) or (3) of subdivision (b) of Section 8 of
40 Article XVI of the California Constitution, means, for



1 community college districts, those local revenues that are
2 used to offset state aid for community college districts in
3 calculations performed pursuant to Section 84700. In no
4 event shall the revenues or receipts derived from student
5 fees be considered “allocated local proceeds of taxes.”

6 (i) For the purposes of calculating the 4 percent
7 entitlement pursuant to subdivision (a) of Section 8.5 of
8 Article XVI of the California Constitution, “the total
9 amount required pursuant to Section 8(b)” shall mean
10 the General Fund aid required for schools pursuant to
11 subdivision (b) of Section 8 of Article XVI of the
12 California Constitution, and shall not include allocated
13 local proceeds of taxes.

14 SEC. 11. Section 41601 of the Education Code is
15 amended to read:

16 41601. For the purposes of this chapter, the governing
17 board of each school district shall report to the
18 Superintendent of Public Instruction during each fiscal
19 year the average daily attendance of the district for all full
20 school months during (1) the period between July 1 and
21 December 31, inclusive, to be known as the “first period”
22 report for the first principal apportionment, and (2) the
23 period between July 1 and April 15, inclusive, to be known
24 as the “second period” report for the second principal
25 apportionment. Each county superintendent of schools
26 shall report the average daily attendance for the schools
27 and classes maintained by him or her and the average
28 daily attendance for the county school tuition fund.

29 Each report shall be prepared in accordance with
30 instructions on forms prescribed and furnished by the
31 Superintendent of Public Instruction. Average daily
32 attendance shall be computed in the following manner:

33 (a) The average daily attendance in the regular
34 elementary, middle, and high schools, including
35 continuation schools and classes, opportunity schools and
36 classes, and special day classes, maintained by the school
37 districts shall be determined by dividing the total number
38 of days of attendance allowed in all full school months in
39 each period by the number of days the schools are
40 actually taught in all full school months in each period,



1 exclusive of Saturdays or Sundays and exclusive of
2 weekend makeup classes pursuant to Section 37223.

3 (b) The attendance for schools and classes maintained
4 by a county superintendent of schools and the county
5 school tuition fund shall be reported in the same manner
6 as reported by school districts. The average daily
7 attendance in special education classes operated by
8 county superintendents of schools shall be determined in
9 the same manner as all other attendance under
10 subdivision (a). The average daily attendance in all other
11 schools and classes maintained by the county
12 superintendents of schools shall be determined by
13 dividing the total number of days of attendance in all full
14 school months in the first period by a divisor of 70, in the
15 second period by 135 and at annual time by 175. For
16 attendance in special classes and centers pursuant to
17 Section 56364 or Section 56364.6, as applicable, the
18 average daily attendance shall be reported by the county
19 superintendents of schools, but credited for revenue limit
20 purposes to the district in which the pupil resides.

21 (c) The days of attendance in classes for adults and
22 regional occupational centers programs shall be reported
23 in the same manner as all other attendance under
24 subdivision (a). The average daily attendance in those
25 schools and classes shall be determined by dividing the
26 total number of days of attendance in all full school
27 months in the first period by a divisor of 85 in the second
28 period by 135 and at annual time by 175.

29 SEC. 12. Section 41972 of the Education Code is
30 amended to read:

31 41972. Balances available from any appropriation for
32 apportionments from Section A of the State School Fund
33 and funds provided by subdivision (c) of Section 14002,
34 or provided by any other provision of law in lieu of those
35 sections, shall be used to restore any reductions in
36 apportionments to elementary, high, and unified school
37 districts and county superintendents of schools as follows:

38 (a) First, for revenue limits computed pursuant to
39 Sections 2558 and 42238.



1 (b) Second, for special education computed pursuant
2 to Chapter 7.2 (commencing with Section 56836) of Part
3 30.

4 (c) Third, for home-to-school transportation
5 computed pursuant to Section 41856 or, commencing
6 with the 1984–85 fiscal year, Article 10 (commencing with
7 Section 41850) of Chapter 8.

8 Any remaining balances otherwise transferable under
9 subdivisions (b) and (c) of Section 14002 shall revert to
10 the General Fund.

11 SEC. 13. Section 42129 of the Education Code is
12 amended to read:

13 42129. School districts and county offices of education
14 shall transmit to the State Department of Education, on
15 a timely basis, all budget reports, prior year expenditure
16 reports, qualified and negative financial status reports,
17 program cost accounting reports, certifications, and audit
18 reports as prescribed by subdivision (j) of Section 1240,
19 subdivision (g) of Section 35035, Sections 1621, 1623,
20 35014, 41020, 42127, and Chapter 7.2 (commencing with
21 Section 56836) of Part 30, and those reports used to
22 calculate the first, second, and annual principal
23 apportionments and special purpose apportionments for
24 school districts and county offices of education. In the
25 event that the reports are not submitted to the
26 Superintendent of Public Instruction within 14 days after
27 the submission date prescribed in the statute or specified
28 by the Superintendent of Public Instruction, the
29 Superintendent of Public Instruction may direct the
30 county auditor to withhold payment of any stipend,
31 expenses, or salaries to the district superintendent,
32 county superintendent, or members of the governing
33 boards, as appropriate. The withholding shall continue
34 only until the delinquent reports have been submitted to
35 the State Department of Education. If the county
36 superintendent performs the functions of the county
37 auditor, the Superintendent of Public Instruction may
38 direct the county superintendent to withhold the
39 payments specified in this section.



1 SEC. 13.5. Section 42238.95 is added to the Education
2 Code, to read:

3 42238.95. (a) The amount per unit of average daily
4 attendance for pupils in special classes and centers that
5 shall be apportioned to each county office of education
6 shall be equal to the amount determined for the district
7 of residence pursuant to Section 42238.9, increased by the
8 quotient equal to the amount determined pursuant to
9 subdivision (b) divided by the amount determined
10 pursuant to subdivision (c). This subdivision shall only
11 apply to average daily attendance served by employees
12 of the county office of education.

13 (b) Determine the second principal average daily
14 attendance for special education for the county office of
15 education for the 1996–97 fiscal year, including
16 attendance for excused absences, divided by the
17 corresponding average daily attendance excluding
18 attendance for excused absences pursuant to subdivision
19 (b) of 46010 as it read on July 1, 1996, reported pursuant
20 to Section 41601 for the 1996–97 fiscal year.

21 (c) Determine the second principal average daily
22 attendance for the 1996–97 fiscal year, including
23 attendance for excused absences, for all of the school
24 districts within the county, excluding average daily
25 attendance for county office special education and
26 county community school programs and nonpublic
27 nonsectarian schools, divided by the corresponding
28 average daily attendance excluding attendance for
29 excused absences pursuant to subdivision (b) of Section
30 46010 as it read on July 1, 1996, and reported pursuant to
31 Section 41601 for the 1996–97 fiscal year.

32 (d) A county office of education shall provide the data
33 required to perform the calculation specified in
34 subdivision (b) to the Superintendent of Public
35 Instruction in order to be eligible for the adjustment
36 pursuant to subdivision (a).

37 SEC. 14. Section 46200.5 of the Education Code is
38 amended to read:

39 46200.5. (a) In the 1985–86 fiscal year, for each
40 county office of education that certifies to the



1 Superintendent of Public Instruction that it offers 180
2 days or more of instruction per school year of special day
3 classes pursuant to Section 56364 or Section 56364.6, as
4 applicable, the Superintendent of Public Instruction shall
5 determine an amount equal to seventy dollars (\$70) per
6 unit of current year second principal apportionment
7 average daily attendance for special day classes. This
8 computation shall be included in computations made by
9 the superintendent pursuant to Chapter 7.2
10 (commencing with Section 56836) of Part 30.

11 (b) For any county office of education that received an
12 apportionment pursuant to subdivision (a), that offers
13 less than 180 days of instruction in the 1986–87 year or any
14 fiscal year thereafter, and that does not provide the
15 minimum number of instructional minutes specified in
16 subdivision (a) of Section 46201.5 for that fiscal year, the
17 Superintendent of Public Instruction shall reduce the
18 special education apportionment per unit of average
19 daily attendance for that fiscal year by an amount
20 attributable to the increase received pursuant to
21 subdivision (a), as adjusted in fiscal years subsequent to
22 the 1985–86 fiscal year.

23 SEC. 15. Section 46201.5 of the Education Code is
24 amended to read:

25 46201.5. (a) In each of the 1985–86 and 1986–87 fiscal
26 years, for each county office of education that certifies to
27 the Superintendent of Public Instruction that, for special
28 day classes pursuant to Section 56364 or Section 56364.6,
29 as applicable, it offers at least the amount of instructional
30 time specified in this subdivision, the Superintendent of
31 Public Instruction shall determine an amount equal to
32 eighty dollars (\$80) in the 1985–86 fiscal year and forty
33 dollars (\$40) in the 1986–87 fiscal year per unit of current
34 year second principal apportionment average daily
35 attendance for special day classes in kindergarten and
36 grades 1 to 8, inclusive, and one hundred sixty dollars
37 (\$160) in the 1985 –86 fiscal year and eighty dollars (\$80)
38 in the 1986–87 fiscal year per unit of current year second
39 principal apportionment average daily attendance for
40 special day classes in grades 9 to 12, inclusive.



1 This computation shall be included in computations
2 made by the superintendent pursuant to Article 2
3 (commencing with Section 56836.06) of Chapter 7.2 of
4 Part 30.

5 (1) In the 1985–86 fiscal year:

6 (A) 34,500 minutes in kindergarten.

7 (B) 47,016 minutes in grades 1 to 3, inclusive.

8 (C) 50,000 minutes in grades 4 to 8, inclusive.

9 (D) 57,200 minutes in grades 9 to 12, inclusive.

10 (2) In the 1986–87 fiscal year:

11 (A) 36,000 minutes in kindergarten.

12 (B) 50,400 minutes in grades 1 to 3, inclusive.

13 (C) 54,000 minutes in grades 4 to 8, inclusive.

14 (D) 64,800 minutes in grades 9 to 12, inclusive.

15 (b) Each county office of education that receives an
16 apportionment pursuant to subdivision (a) in a fiscal year
17 shall, in the subsequent fiscal year, add the amount
18 received per pupil to the county office's base special
19 education apportionment.

20 (c) For each county office of education that receives
21 an apportionment pursuant to subdivision (a) in the
22 1985–86 fiscal year, and that reduces the amount of
23 instructional time offered below the minimum amounts
24 specified in paragraph (1) of subdivision (a) in the
25 1986–87 fiscal year, or any fiscal year thereafter, the
26 Superintendent of Public Instruction shall reduce the
27 special education apportionment for the fiscal year in
28 which the reduction occurs by an amount attributable to
29 the increase in the 1986–87 fiscal year special education
30 apportionment pursuant to subdivision (b), as adjusted in
31 the 1986–87 fiscal year and fiscal years thereafter.

32 For each county office of education that receives an
33 apportionment pursuant to subdivision (a) in the 1986–87
34 fiscal year, and that reduces the amount of instructional
35 time offered below the minimum amounts specified in
36 paragraph (2) of subdivision (a) in the 1987–88 fiscal year,
37 or any fiscal year thereafter, the superintendent shall
38 reduce the special education apportionment for the fiscal
39 year in which the reduction occurs by an amount
40 attributable to the increase in the 1987–88 fiscal year



1 special education apportionment pursuant to subdivision
2 (b), as adjusted in the 1987–88 fiscal year and fiscal years
3 thereafter.

4 SEC. 16. Section 54732 of the Education Code is
5 amended to read:

6 54732. If a school district and school choose to include
7 with programs operated pursuant to this article funds
8 allocated pursuant to Chapter 7.2 (commencing with
9 Section 56836) of Part 30, the school district shall continue
10 to meet the requirements provided for in the federal
11 Individuals with Disabilities Education Act (20 U.S.C.
12 Sec. 1400 et seq.).

13 SEC. 17. Section 56048 is added to the Education
14 Code, to read:

15 56048. The superintendent shall review the
16 information and calculations submitted by special
17 education local plan areas in support of all apportionment
18 computations described in this part. The review shall be
19 conducted on the data submitted during the initial year
20 of apportionment and for the first succeeding fiscal year
21 only. Adjustments to any year’s apportionment shall be
22 received by the superintendent from the special
23 education local plan area prior to the end of the first fiscal
24 year following the fiscal year to be adjusted. The
25 superintendent shall consider and adjust only the
26 information and computational factors originally
27 established during an eligible fiscal year, if the
28 superintendent’s review determines that they are
29 correct.

30 SEC. 18. Section 56131 of the Education Code is
31 amended to read:

32 56131. The superintendent shall apportion funds in
33 accordance with Chapter 7.2 (commencing with Section
34 56836) and approved local plans.

35 SEC. 19. Section 56132 of the Education Code is
36 amended to read:

37 56132. The superintendent shall assist districts,
38 county offices, and special education local plan areas in
39 the improvement and evaluation of their programs.



1 SEC. 20. Section 56136 of the Education Code is
2 amended to read:

3 56136. The superintendent shall develop guidelines
4 for each low incidence disability area and provide
5 technical assistance to parents, teachers, and
6 administrators regarding the implementation of the
7 guidelines. The guidelines shall clarify the identification,
8 assessment, planning of, and the provision of, specialized
9 services to pupils with low incidence disabilities. The
10 superintendent shall consider the guidelines when
11 monitoring programs serving pupils with low incidence
12 disabilities pursuant to subdivision (a) of Section
13 56836.04. The adopted guidelines shall be promulgated
14 for the purpose of establishing recommended guidelines
15 and shall not operate to impose minimum state
16 requirements.

17 SEC. 21. Section 56155.5 of the Education Code is
18 amended to read:

19 56155.5. (a) As used in this article, “licensed
20 children’s institution” means a residential facility that is
21 licensed by the state, or other public agency having
22 delegated authority by contract with the state to license,
23 to provide nonmedical care to children, including, but
24 not limited to, individuals with exceptional needs.
25 “Licensed children’s institution” includes a group home
26 as defined by subdivision (a) of Section 80001 of Title 22
27 of the California Code of Regulations. As used in this
28 article and Article 3 (commencing with Section 56836.16)
29 of Chapter 7.2) 7.2, a “licensed children’s institution” does
30 not include any of the following:

31 (1) A juvenile court school, juvenile hall, juvenile
32 home, day center, juvenile ranch, or juvenile camp
33 administered pursuant to Article 2 (commencing with
34 Section 48645) of Chapter 4 of Part 27.

35 (2) A county community school program provided
36 pursuant to Section 1981.

37 (3) Any special education programs provided
38 pursuant to Section 56150.

39 (4) Any other public agency.



1 (b) As used in this article, “foster family home” means
2 a family residence that is licensed by the state, or other
3 public agency having delegated authority by contract
4 with the state to license, to provide 24-hour nonmedical
5 care and supervision for not more than six foster children,
6 including, but not limited to, individuals with exceptional
7 needs. “Foster family home” includes a small family
8 home as defined in paragraph (6) of subdivision (a) of
9 Section 1502 of the Health and Safety Code.

10 SEC. 22. Section 56156.4 is added to the Education
11 Code, to read:

12 56156.4. (a) Each special education local plan area
13 shall be responsible for providing appropriate education
14 to individuals with exceptional needs residing in licensed
15 children’s institutions and foster family homes located in
16 the geographical area covered by the local plan.

17 (b) In multidistrict and district and county office local
18 plan areas, local written agreements shall be developed,
19 pursuant to subdivision (f) of Section 56195.7, to identify
20 the public education entities that will provide the special
21 education services.

22 (c) If there is no local agreement, special education
23 services for individuals with exceptional needs residing in
24 licensed children’s institutions shall be the responsibility
25 of the county office in the county in which the institution
26 is located, if the county office is part of the special
27 education local plan area, and special education services
28 for individuals with exceptional needs residing in foster
29 family homes shall be the responsibility of the district in
30 which the foster family home is located. If a county office
31 is not a part of the special education local plan area,
32 special education services for individuals with
33 exceptional needs residing in licensed children’s
34 institutions, pursuant to this subdivision, shall be the
35 responsibility of the responsible local agency or other
36 administrative entity of the special education local plan
37 area. This program responsibility shall continue until the
38 time local written agreements are developed pursuant to
39 subdivision (f) of Section 56195.7.



1 (d) This section shall apply to special education local
2 plan areas that are submitting a revised local plan for
3 approval pursuant to Section 56836.03 or that have an
4 approved revised local plan pursuant to Section 56836.03.

5 SEC. 23. Section 56156.5 of the Education Code is
6 amended to read:

7 56156.5. (a) Each district, special education local
8 plan area, or county office shall be responsible for
9 providing appropriate education to individuals with
10 exceptional needs residing in licensed children's
11 institutions and foster family homes located in the
12 geographical area covered by the local plan.

13 (b) In multidistrict and district and county office local
14 plan areas, local written agreements shall be developed,
15 pursuant to subdivision (f) of Section 56195.7, to identify
16 the public education entities that will provide the special
17 education services.

18 (c) If there is no local agreement, special education
19 services for individuals with exceptional needs residing in
20 licensed children's institutions shall be the responsibility
21 of the county office in the county in which the institution
22 is located, if the county office is part of the special
23 education local plan area, and special education services
24 for individuals with exceptional needs residing in foster
25 family homes shall be the responsibility of the district in
26 which the foster family home is located. If a county office
27 is not a part of the special education local plan area,
28 special education services for individuals with
29 exceptional needs residing in licensed children's
30 institutions, pursuant to this subdivision, shall be the
31 responsibility of the responsible local agency or other
32 administrative entity of the special education local plan
33 area. This program responsibility shall continue until the
34 time local written agreements are developed pursuant to
35 subdivision (f) of Section 56195.7.

36 (d) This section shall not apply to any special
37 education local plan area that has a revised local plan
38 approved pursuant to Section 56836.03. This section shall
39 apply to special education local plan areas that have not



1 had a revised local plan approved pursuant to that
2 section.

3 (e) This section shall become inoperative on July 1,
4 2003, and, as of January 1, 2004, is repealed, unless a later
5 enacted statute, that becomes operative on or before
6 January 1, 2004, deletes or extends the date on which it
7 becomes inoperative and is repealed.

8 SEC. 24. Section 56156.6 of the Education Code is
9 amended to read:

10 56156.6. If the district in which the licensed children's
11 institution or foster family home is located is also the
12 district of residence of the parent of the individual with
13 exceptional needs, and if the parent retains legal
14 responsibility for the child's education, Sections 56836.16
15 and 56836.17 shall not apply.

16 SEC. 25. Section 56160 of the Education Code is
17 repealed.

18 SEC. 26. Section 56161 of the Education Code is
19 repealed.

20 SEC. 27. Section 56169 of the Education Code is
21 repealed.

22 SEC. 28. *Section 56195.7 of the Education Code is*
23 *amended to read:*

24 56195.7. In addition to the provisions required to be
25 included in the local plan pursuant to Chapter 3
26 (commencing with Section 56200), each special
27 education local plan area that submits a local plan
28 pursuant to subdivision (b) of Section 56195.1 and each
29 county office that submits a local plan pursuant to
30 subdivision (c) of Section 56195.1 shall develop written
31 agreements to be entered into by entities participating in
32 the plan. The agreements need not be submitted to the
33 superintendent. These agreements shall include, but not
34 be limited to, the following:

35 (a) A coordinated identification, referral, and
36 placement system pursuant to Chapter 4 (commencing
37 with Section 56300).

38 (b) Procedural safeguards pursuant to Chapter 5
39 (commencing with Section 56500).

- 1 (c) Regionalized services to local programs, including,
2 but not limited to, all of the following:
- 3 (1) Program specialist service pursuant to Section
4 56368.
- 5 (2) Personnel development, including training for
6 staff, parents, and members of the community advisory
7 committee pursuant to Article 3 (commencing with
8 Section 56240).
- 9 (3) Evaluation pursuant to Chapter 6 (commencing
10 with Section 56600).
- 11 (4) Data collection and development of management
12 information systems.
- 13 (5) Curriculum development.
- 14 (6) Provision for ongoing review of programs
15 conducted, and procedures utilized, under the local plan,
16 and a mechanism for correcting any identified problem.
- 17 (d) A description of the process for coordinating
18 services with other local public agencies that are funded
19 to serve individuals with exceptional needs.
- 20 (e) A description of the process for coordinating and
21 providing services to individuals with exceptional needs
22 placed in public hospitals, proprietary hospitals, and
23 other residential medical facilities pursuant to Article 5.5
24 (commencing with Section 56167) of Chapter 2.
- 25 (f) A description of the process for coordinating and
26 providing services to individuals with exceptional needs
27 placed in licensed children's institutions and foster family
28 homes pursuant to Article 5 (commencing with Section
29 56155) of Chapter 2.
- 30 (g) A description of the process for coordinating and
31 providing services to individuals with exceptional needs
32 placed in juvenile court schools or county community
33 schools pursuant to Section 56150.
- 34 (h) A budget for special education and related services
35 that shall be maintained by the special education local
36 plan area and be open to the public covering the entities
37 providing programs or services within the special
38 education local plan area. The budget language shall be
39 presented in a form that is understandable by the general
40 public. For each local educational agency or other entity



1 providing a program or service, the budget, at minimum,
2 shall display the following:

3 (1) Expenditures by object code and classification for
4 the previous fiscal year and the budget by the same object
5 code classification for the current fiscal year.

6 (2) The number and type of certificated instructional
7 and support personnel, including the type of class setting
8 to which they are assigned, if appropriate.

9 (3) The number of instructional aides and other
10 qualified classified personnel.

11 (4) The number of enrolled individuals with
12 exceptional needs receiving each type of service
13 provided.

14 (i) *For multidistrict special education local plan areas,*
15 *a description of the policymaking process that shall*
16 *include a description of the local method used to*
17 *distribute state and federal funds among the local*
18 *education agencies in the special education local plan*
19 *area. The local method to distribute funds shall be*
20 *approved according to the policymaking process*
21 *established consistent with subdivision (f) of Section*
22 *56001 and pursuant to paragraph (3) of subdivision (b) of*
23 *Section 56205 or subdivision (c) of Section 56200,*
24 *whichever is appropriate.*

25 *SEC. 29. Section 56195.10 is added to the Education*
26 *Code, to read:*

27 *56195.10. Unless the process described in subdivision*
28 *(i) of Section 56195.7 specifies an alternative method of*
29 *distribution of state and local funds among the*
30 *participating local education agencies, the funds shall be*
31 *distributed by the special education local plan area as*
32 *allocated instructional personnel service units and*
33 *operated as computed in Chapter 7 (commencing with*
34 *Section 56700) as that chapter existed on December 31,*
35 *1998, or Chapter 7.1 (commencing with Section 56835).*

36 *SEC. 30. Section 56200 of the Education Code is*
37 *amended to read:*

38 *56200. Each local plan submitted to the*
39 *superintendent under this part shall contain all the*
40 *following:*



1 (a) Compliance assurances, including general
2 compliance with the Individuals with Disabilities
3 Education Act (20 U.S.C. Sec. 1400 et seq.), Section 504 of
4 the Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), and
5 this part.

6 (b) A description of services to be provided by each
7 district and county office. This description shall
8 demonstrate that all individuals with exceptional needs
9 shall have access to services and instruction appropriate
10 to meet their needs as specified in their individualized
11 education programs.

12 (c) (1) A description of the governance and
13 administration of the plan, including the role of county
14 office and district governing board members.

15 (2) Multidistrict plans, submitted pursuant to
16 subdivision (b) or (c) of Section 56195.1, shall specify the
17 responsibilities of each participating county office and
18 district governing board in the policymaking process, the
19 responsibilities of the superintendents of each
20 participating district and county in the implementation
21 of the plan, and the responsibilities of district and county
22 administrators of special education in coordinating the
23 administration of the local plan.

24 (d) Copies of joint powers agreements or contractual
25 agreements, as appropriate, for districts and counties that
26 elect to enter into those agreements pursuant to
27 subdivision (b) or (c) of Section 56170.

28 (e) An annual budget plan to allocate instructional
29 personnel service units, support services, and
30 transportation services directly to entities operating
31 those services and to allocate regionalized services funds
32 to the county office, responsible local agency, or other
33 alternative administrative structure. The annual budget
34 plan shall be adopted at a public hearing held by the
35 district, special education local plan area, or county office,
36 as appropriate. Notice of this hearing shall be posted in
37 each school in the local plan area at least 15 days prior to
38 the hearing. The annual budget plan may be revised
39 during the fiscal year, and these revisions may be
40 submitted to the superintendent as amendments to the



1 allocations set forth in the plan. However, the revisions
2 shall, prior to submission to the superintendent, be
3 approved according to the policymaking process,
4 established pursuant to paragraph (2) of subdivision (c).

5 (f) Verification that the plan has been reviewed by the
6 community advisory committee and that the committee
7 had at least 30 days to conduct this review prior to
8 submission of the plan to the superintendent.

9 (g) A description of the identification, referral,
10 assessment, instructional planning, implementation, and
11 review in compliance with Chapter 4 (commencing with
12 Section 56300).

13 (h) A description of the process being utilized to meet
14 the requirements of Section 56303.

15 (i) A description of the process being utilized to meet
16 the requirements of the California Early Intervention
17 Services Act, Title 14 (commencing with Section 95000)
18 of the Government Code.

19 ~~SEC. 29.~~

20 *SEC. 31.* Section 56205 of the Education Code is
21 amended to read:

22 56205. Each special education local plan area shall
23 submit a local plan to the superintendent under this part.
24 The local plan shall contain all the following:

25 (a) Compliance assurances, including general
26 compliance with the Individuals with Disabilities
27 Education Act (20 U.S.C. Sec. 1400 et seq.), Section 504 of
28 the Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), the
29 Americans with Disabilities Act of 1990 (42 U.S.C. Sec.
30 12101 et seq.), federal regulations relating thereto, and
31 this part.

32 (b) (1) A description of the governance and
33 administration of the plan, including identification of the
34 governing body of a multidistrict plan or the individual
35 responsible for administration in a single district plan, and
36 a description of the elected officials to whom the
37 governing body or individual is responsible.

38 (2) A description of the regionalized operations and
39 services listed in Section 56836.23 and the direct
40 instructional support provided by program specialists in



1 accordance with Section 56368 to be provided through
2 the plan.

3 (3) Multidistrict plans, submitted pursuant to
4 subdivision (b) or (c) of Section 56195.1, shall specify the
5 responsibilities of each participating county office and
6 district governing board in the policymaking process, the
7 responsibilities of the superintendents of each
8 participating district and county in the implementation
9 of the plan, and the responsibilities of district and county
10 administrators of special education in coordinating the
11 administration of the local plan.

12 (4) Multidistrict plans, submitted pursuant to
13 subdivision (b) or (c) of Section 56195.1, shall identify the
14 respective roles of the administrative unit and the
15 administrator of the special education local plan area and
16 the individual local education agencies within the special
17 education local plan area in relation to the following:

18 (A) The hiring, supervision, evaluation, and discipline
19 of the administrator of the special education local plan
20 area and staff employed by the administrative unit in
21 support of the local plan.

22 (B) The allocation from the state of federal and state
23 funds to the special education local plan area
24 *administrative unit* or to local education agencies within
25 the special education local plan area.

26 (C) The operation of special education programs.

27 (D) Monitoring the appropriate use of federal, state,
28 and local funds allocated for special education programs.

29 (E) The preparation of program and fiscal reports
30 required of the special education local plan area by the
31 state.

32 (5) The description of the governance and
33 administration of the plan, and the policymaking process,
34 shall be consistent with subdivision (f) of Section 56001,
35 subdivision (a) of Section 56195.3, and Section 56195.9 and
36 shall reflect a schedule of regular consultations regarding
37 policy and budget development with representatives of
38 special and regular teachers and administrators selected
39 by the groups they represent and parent members of the



1 community advisory committee established pursuant to
2 Article 7 (commencing with Section 56190) of Chapter 2.

3 (c) A description of the method by which members of
4 the public, including parents or guardians of individuals
5 with exceptional needs who are receiving services under
6 the plan, may address questions or concerns to the
7 governing body or individual identified in paragraph (1)
8 of subdivision (b).

9 (d) A description of an alternative *dispute* resolution
10 process, including mediation and final and binding
11 arbitration to resolve disputes over the distribution of
12 funding, the responsibility for service provision, and
13 other activities specified within the plan. Any arbitration
14 shall be conducted by the department.

15 (e) Copies of joint powers agreements or contractual
16 agreements, as appropriate, for districts and counties that
17 elect to enter into those agreements pursuant to
18 subdivision (b) or (c) of Section 56195.1.

19 (f) An annual budget ~~allocation~~ plan that shall be
20 adopted at a public hearing held by the special education
21 local plan area. Notice of this hearing shall be posted in
22 each school in the local plan area at least 15 days prior to
23 the hearing. The annual budget ~~allocation~~ plan may be
24 ~~revised during any fiscal year, and these revisions may be~~
25 ~~submitted to the superintendent as amendments to the~~
26 ~~allocations set forth in the local plan. However, the~~
27 ~~revisions shall, prior to submission to the superintendent,~~
28 ~~be approved according to the policymaking process~~
29 ~~revised during any fiscal year according to the~~
30 ~~policymaking process~~ established pursuant to ~~paragraph~~
31 ~~(3) paragraphs (3) and (5) of subdivision (b) and~~
32 consistent with subdivision (f) of Section 56001 and
33 Section 56195.9. The annual budget plan shall ~~separately~~
34 identify ~~the allocations for all of expected expenditures~~
35 ~~for all items required by this part which shall include, but~~
36 ~~not be limited to~~, the following:

37 (1) Funds received in accordance with Chapter 7.2
38 (commencing with Section 56836).

39 (2) Administrative costs of the plan.



1 (3) Special education services to pupils with severe
2 disabilities and low incidence disabilities.

3 (4) Special education services to pupils with
4 nonsevere disabilities.

5 (5) Supplemental aids and services to meet the
6 individual needs of pupils placed in regular education
7 classrooms and environments.

8 (6) Regionalized operations and services, and direct
9 instructional support by program specialists in
10 accordance with Article 6 (commencing with Section
11 56836.23) of Chapter 7.2.

12 (7) The use of property taxes allocated to the special
13 education local plan area pursuant to Section 2572.

14 (g) An annual service plan shall be adopted at a public
15 hearing held by the special education local plan area.
16 Notice of this hearing shall be posted in each school in the
17 special education local plan area at least 15 days prior to
18 the hearing. The annual service plan may be revised
19 ~~during any fiscal year, and these revisions may be~~
20 ~~submitted to the superintendent as amendments to the~~
21 ~~plan. However, the revisions shall, prior to submission to~~
22 ~~the superintendent, be approved according to the~~ *during*
23 *any fiscal year according to the* policymaking process
24 established pursuant to ~~paragraph (3)~~ *paragraphs (3)*
25 *and (5)* of subdivision (b) and consistent with subdivision
26 (f) of Section 56001 and Section 56195.9. The annual
27 service plan shall include a description of services to be
28 provided by each district and county office, including the
29 nature of the services and the location at which the
30 services will be provided, including alternative schools,
31 charter schools, opportunity schools and classes,
32 community day schools operated by school districts,
33 community schools operated by county offices of
34 education, and juvenile court schools regardless of
35 whether the district or county office of education is
36 participating in the local plan. This description shall
37 demonstrate that all individuals with exceptional needs
38 shall have access to services and instruction appropriate
39 to meet their needs as specified in their individualized
40 education programs.



1 (h) Verification that the plan has been reviewed by
2 the community advisory committee and that the
3 committee had at least 30 days to conduct this review
4 prior to submission of the plan to the superintendent.

5 (i) A description of the identification, referral,
6 assessment, instructional planning, implementation, and
7 review in compliance with Chapter 4 (commencing with
8 Section 56300).

9 (j) A description of the process being utilized to meet
10 the requirements of Section 56303.

11 (k) A description of the process being utilized to meet
12 the requirements of the California Early Intervention
13 Services Act, Title 14 (commencing with Section 95000)
14 of the Government Code.

15 (l) The local plan, budget ~~allocation~~ plan, and annual
16 service plan shall be written in language that is
17 understandable to the general public.

18 ~~SEC. 30.~~

19 *SEC. 32.* Section 56207 of the Education Code is
20 amended to read:

21 56207. (a) No educational programs and services
22 already in operation in school districts or a county office
23 of education pursuant to Part 30 (commencing with
24 Section 56000) shall be transferred to another school
25 district or a county office of education or from a county
26 office of education to a school district unless the special
27 education local plan area has developed a plan for the
28 transfer which addresses, at a minimum, all of the
29 following:

30 (1) Pupil needs.

31 (2) The availability of the full continuum of services to
32 affected pupils.

33 (3) The functional continuation of the current
34 individualized education programs of all affected pupils.

35 (4) The provision of services in the least restrictive
36 environment from which affected pupils can benefit.

37 (5) The maintenance of all appropriate support
38 services.



1 (6) The assurance that there will be compliance with
 2 all federal and state laws and regulations and special
 3 education local plan area policies.

4 (7) The means through which parents and staff were
 5 represented in the planning process.

6 (b) The date on which the transfer will take effect may
 7 be no earlier than the first day of the second fiscal year
 8 beginning after the date on which the sending or
 9 receiving agency has informed the other agency and the
 10 governing body or individual identified in paragraph (1)
 11 of subdivision (b) of Section 56205, unless the governing
 12 body or individual identified in paragraph (1) of
 13 subdivision (b) of Section 56205 unanimously approves
 14 the transfer taking effect on the first day of the first fiscal
 15 year following that date.

16 (c) If either the sending or receiving agency disagree
 17 with the proposed transfer, the matter shall be resolved
 18 by the alternative resolution process established pursuant
 19 to subdivision (d) of Section 56205.

20 (d) Notwithstanding Section 56208, this section shall
 21 apply to all special education local plan areas
 22 commencing on July 1, 1998, whether or not a special
 23 education local plan area has submitted a revised local
 24 plan for approval or has an approved revised local plan
 25 pursuant to Section 56836.03.

26 ~~SEC. 31.—~~

27 *SEC. 33. Section 56211 of the Education Code is*
 28 *amended to read:*

29 56211. A special education local plan area submitting
 30 a local plan, pursuant to subdivision (c) of Section 56195.1,
 31 which includes all of the school districts located in the
 32 county *or counties* submitting the plan, except those
 33 participating in a countywide special education local plan
 34 area located in an adjacent county, and which meets the
 35 criteria for special education local plan areas with small
 36 populations set forth in Section 56212, is eligible to
 37 request that designation in its local plan application.

38 This section shall become operative on July 1, 1998.

39 *SEC. 34. Section 56212 of the Education Code is*
 40 *amended to read:*



1 56212. An eligible special education local plan area,
2 which submits a local plan under the provisions of Section
3 56211, may request designation as a necessary small
4 special education local plan area if its total reported units
5 of average daily attendance in kindergarten and grades
6 1 to 12, inclusive, is less than 15,000, and if it includes all
7 of the school districts located in the county or counties
8 participating in the local plan, *except those districts*
9 *participating in a countywide special education local plan*
10 *area located in an adjacent county that also meets the*
11 *criteria of this section.*

12 This section shall become operative on July 1, 1998.

13 *SEC. 35. Section 56325 of the Education Code is*
14 *amended to read:*

15 56325. (a) Whenever a pupil transfers into a school
16 district from a school district not operating programs
17 under the same local plan in which he or she was last
18 enrolled in a special education program, the
19 administrator of a local program under this part shall
20 ensure that the pupil is immediately provided an interim
21 placement for a period not to exceed 30 days. The interim
22 placement must be in conformity with an individualized
23 education program, unless the parent or guardian agrees
24 otherwise. The individualized education program
25 implemented during the interim placement may be
26 either the pupil's existing individualized education
27 program, implemented to the extent possible within
28 existing resources, which may be implemented without
29 complying with subdivision (a) of Section 56321, or a new
30 individualized education program developed pursuant to
31 Section 56321.

32 (b) Before the expiration of the 30-day period, the
33 interim placement shall be reviewed by the
34 individualized education program team and a final
35 recommendation shall be made by the team in
36 accordance with the requirements of this chapter. The
37 team may utilize information, records, and reports from
38 the school district or county program from which the
39 pupil transferred.



1 (c) ~~Whenever~~ *Commencing on July 1, 1998, whenever*
 2 a pupil described in subdivision (a) ~~is~~ *was* placed and
 3 residing in a residential nonpublic, nonsectarian school,
 4 *prior to transferring to a school district in another special*
 5 *education local plan area, and this placement is not*
 6 *eligible for funding pursuant to Section 56836.16, the*
 7 special education local plan area ~~making that placement~~
 8 *that contains the district that made the residential*
 9 *nonpublic, nonsectarian school placement* shall continue
 10 to be responsible for the funding of the placement for the
 11 remainder of the school year.

12 SEC. 36. Section 56361 of the Education Code is
 13 amended to read:

14 56361. The continuum of program options shall
 15 include, but not necessarily be limited to, all of the
 16 following or any combination of the following:

17 (a) Regular education programs consistent with
 18 subparagraph (B) of paragraph (5) of Section 1412 and
 19 clause (iv) of subparagraph (C) of paragraph (1) of
 20 subsection (a) of Section 1414 of Title 20 of the United
 21 States Code and implementing regulations.

22 (b) A resource specialist program pursuant to Section
 23 56362.

24 (c) Designated instruction and services pursuant to
 25 Section 56363.

26 (d) Special classes and centers pursuant to Section
 27 56364 or Section 56364.6, as applicable.

28 (e) Nonpublic, nonsectarian school services pursuant
 29 to Section 56365.

30 (f) State special schools pursuant to Section 56367.

31 (g) Instruction in settings other than classrooms
 32 where specially designed instruction may occur.

33 (h) Itinerant instruction in classrooms, resource
 34 rooms, and settings other than classrooms where specially
 35 designed instruction may occur to the extent required by
 36 federal law or regulation.

37 (i) Instruction using telecommunication, and
 38 instruction in the home, in hospitals, and in other
 39 institutions to the extent required by federal law or
 40 regulation.



1 ~~SEC. 32.~~

2 *SEC. 37.* Section 56364.1 of the Education Code is
3 amended to read:

4 56364.1. Notwithstanding the provisions of Section
5 56364 or Section 56364.6, as applicable, pupils with low
6 incidence disabilities may receive all or a portion of their
7 instruction in the regular classroom and may also be
8 enrolled in special classes taught by appropriately
9 credentialed teachers who serve these pupils at one or
10 more schoolsites. The instruction shall be provided in a
11 manner which is consistent with the guidelines adopted
12 pursuant to Section 56136 and in accordance with the
13 individualized education program.

14 ~~SEC. 33.~~

15 *SEC. 38.* Section 56364.5 of the Education Code, as
16 added by Chapter 854 of the Statutes of 1997, is amended
17 and renumbered to read:

18 56364.6. (a) Special classes and centers that enroll
19 pupils with similar and more intensive educational needs
20 shall be available. The classes and centers shall enroll
21 pupils when the nature or severity of the disability
22 precludes their participation in the regular school
23 program for all or significant portions of a schoolday.
24 Special classes and centers and other removal of
25 individuals with exceptional needs from the regular
26 education environment shall occur only when education
27 in regular classes with the use of supplementary aids and
28 services cannot be achieved satisfactorily due to the
29 nature or severity of the exceptional needs.

30 (b) In providing or arranging for the provision of
31 activities, each public agency shall ensure that each
32 individual with exceptional needs participates in those
33 activities with nondisabled pupils to the maximum extent
34 appropriate to the needs of the individual with
35 exceptional needs, including nonacademic and
36 extracurricular services and activities. Special classes and
37 centers shall meet standards adopted by the board.

38 (c) This section shall only apply to special education
39 local plan areas that have had a revised local plan
40 approved pursuant to Section 56836.03.



1 ~~SEC. 34.~~

2 *SEC. 39.* Section 56365 of the Education Code is
3 amended to read:

4 56365. (a) Nonpublic, nonsectarian school services,
5 including services by nonpublic, nonsectarian agencies
6 shall be available. These services shall be provided
7 pursuant to Section 56366 under contract with the
8 district, special education local plan area, or county office
9 to provide the appropriate special educational facilities,
10 special education, or designated instruction and services
11 required by the individual with exceptional needs when
12 no appropriate public education program is available.

13 (b) Pupils enrolled in nonpublic, nonsectarian schools
14 and agencies under this section shall be deemed to be
15 enrolled in public schools for all purposes of Chapter 4
16 (commencing with Section 41600) of Part 24 and Section
17 42238. The district, special education local plan area, or
18 county office shall be eligible to receive allowances under
19 Chapter 7.2 (commencing with Section 56836) for
20 services that are provided to individuals with exceptional
21 needs pursuant to the contract.

22 (c) If the state participates in the federal program of
23 assistance for state-operated or state-supported programs
24 for children with disabilities (P.L. 89-313, Sec. 6), pupils
25 enrolled in nonpublic, nonsectarian schools shall be
26 deemed to be enrolled in state-supported institutions for
27 all purposes of that program and shall be eligible to
28 receive allowances under Chapter 7.2 (commencing with
29 Section 56836) for supplemental services provided to
30 individuals with exceptional needs pursuant to a contract
31 with a district, special education local plan area, or county
32 office of education. In order to participate in the federal
33 program, the state must find that participation will not
34 result in any additional expenditures from the General
35 Fund.

36 (d) The district, special education local plan area, or
37 county office shall pay to the nonpublic, nonsectarian
38 school or agency the full amount of the tuition for
39 individuals with exceptional needs that are enrolled in



1 programs provided by the nonpublic, nonsectarian school
2 pursuant to the contract.

3 (e) Before contracting with a nonpublic, nonsectarian
4 school or agency outside of this state, the district, special
5 education local plan area, or county office shall document
6 its efforts to utilize public schools or to locate an
7 appropriate nonpublic, nonsectarian school or agency
8 program, or both, within the state.

9 (f) If a district, special education local plan area, or
10 county office places a pupil with a nonpublic,
11 nonsectarian school or agency outside of this state, the
12 pupil's individualized education program team shall
13 submit a report to the superintendent within 15 days of
14 the placement decision. The report shall include
15 information about the special education and related
16 services provided by the out-of-state program placement
17 and the costs of the special education and related services
18 provided, and shall indicate the efforts of the local
19 educational agency to locate an appropriate public school
20 or nonpublic, nonsectarian school or agency, or a
21 combination thereof, within the state. The
22 superintendent shall submit a report to the State Board
23 of Education on all placements made outside of this state.

24 (g) If a school district, special education local plan
25 area, or county office of education decides to place a pupil
26 with a nonpublic, nonsectarian school or agency outside
27 of this state, that local education agency shall indicate the
28 anticipated date for the return of the pupil to a public or
29 nonpublic, nonsectarian school or agency placement, or
30 a combination thereof, located in the state and shall
31 document efforts during the previous placement year to
32 return the pupil.

33 (h) In addition to meeting the requirements of Section
34 56366.1, a nonpublic, nonsectarian school or agency that
35 operates a program outside of this state shall be certified
36 or licensed by that state to provide, respectively, special
37 education and related services and designated instruction
38 and related services to pupils under the Individuals with
39 Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.).



1 (i) A nonpublic, nonsectarian school or agency that is
2 located outside of this state is eligible for certification
3 pursuant to Section 56366.1 only if a pupil is enrolled in a
4 program operated by that school or agency pursuant to
5 the recommendation of an individualized education
6 program team in California, and if that pupil's parents or
7 guardians reside in California.

8 ~~SEC. 35.~~

9 *SEC. 40.* Section 56366 of the Education Code is
10 amended to read:

11 56366. It is the intent of the Legislature that the role
12 of the nonpublic, nonsectarian school or agency shall be
13 maintained and continued as an alternative special
14 education service available to districts, special education
15 local plan areas, county offices, and parents.

16 (a) The master contract for nonpublic, nonsectarian
17 school or agency services shall be developed in
18 accordance with the following provisions:

19 (1) The master contract shall specify the general
20 administrative and financial agreements between the
21 nonpublic, nonsectarian school or agency and the district,
22 special education local plan area, or county office to
23 provide the special education and designated instruction
24 and services, as well as transportation specified in the
25 pupil's individualized education program. The
26 administrative provisions of the contract also shall
27 include procedures for recordkeeping and
28 documentation, and the maintenance of school records
29 by the contracting district, special education local plan
30 area, or county office to ensure that appropriate high
31 school graduation credit is received by the pupil. The
32 contract may allow for partial or full-time attendance at
33 the nonpublic, nonsectarian school.

34 (2) The master contract shall include an individual
35 services agreement for each pupil placed by a district,
36 special education local plan area, or county office that will
37 be negotiated for the length of time for which nonpublic,
38 nonsectarian school or agency special education and
39 designated instruction and services are specified in the
40 pupil's individualized education program.



1 Changes in educational instruction, services, or
2 placement provided under contract may only be made on
3 the basis of revisions to the pupil's individualized
4 education program.

5 At any time during the term of the contract or
6 individual services agreement, the parent; nonpublic,
7 nonsectarian school or agency; or district, special
8 education local plan area, or county office may request a
9 review of the pupil's individualized education program
10 by the individualized education program team. Changes
11 in the administrative or financial agreements of the
12 master contract that do not alter the individual services
13 agreement that outlines each pupil's educational
14 instruction, services, or placement may be made at any
15 time during the term of the contract as mutually agreed
16 by the nonpublic, nonsectarian school or agency and the
17 district, special education local plan area, or county office.

18 (3) The master contract or individual services
19 agreement may be terminated for cause. The cause shall
20 not be the availability of a public class initiated during the
21 period of the contract unless the parent agrees to the
22 transfer of the pupil to a public school program. To
23 terminate the contract either party shall give 20 days'
24 notice.

25 (4) The nonpublic, nonsectarian school or agency shall
26 provide all services specified in the individualized
27 education program, unless the nonpublic, nonsectarian
28 school or agency and the district, special education local
29 plan area, or county office agree otherwise in the contract
30 or individualized services agreement.

31 (5) Related services provided pursuant to a nonpublic,
32 nonsectarian agency master contract shall only be
33 provided during the period of the child's regular or
34 extended school year program, or both, unless otherwise
35 specified by the pupil's individualized education
36 program.

37 (6) The nonpublic, nonsectarian school or agency shall
38 report attendance of pupils receiving special education
39 and designated instruction and services as defined by
40 Section 46307 for purposes of submitting a warrant for



1 tuition to each contracting district, special education local
2 plan area, or county office.

3 (b) The master contract or individual services
4 agreement shall not include special education
5 transportation provided through the use of services or
6 equipment owned, leased, or contracted by a district,
7 special education local plan area, or county office for
8 pupils enrolled in the nonpublic, nonsectarian school or
9 agency unless provided directly or subcontracted by that
10 nonpublic, nonsectarian school or agency.

11 The superintendent shall withhold 20 percent of the
12 amount apportioned to a school district or county office
13 for costs related to the provision of nonpublic,
14 nonsectarian school or agency placements if the
15 superintendent finds that the local education agency is in
16 noncompliance with this subdivision. This amount shall
17 be withheld from the apportionments in the fiscal year
18 following the superintendent’s finding of noncompliance.
19 The superintendent shall take other appropriate actions
20 to prevent noncompliant practices from occurring and
21 report to the Legislature on those actions.

22 (c) (1) If the pupil is enrolled in the nonpublic,
23 nonsectarian school or agency with the approval of the
24 district, special education local plan area, or county office
25 prior to agreement to a contract or individual services
26 agreement, the district, special education local plan area,
27 or county office shall issue a warrant, upon submission of
28 an attendance report and claim, for an amount equal to
29 the number of creditable days of attendance at the per
30 diem tuition rate agreed upon prior to the enrollment of
31 the pupil. This provision shall be allowed for 90 days
32 during which time the contract shall be consummated.

33 (2) If after 60 days the master contract or individual
34 services agreement has not been finalized as prescribed
35 in paragraph (1) of subdivision (a), either party may
36 appeal to the county superintendent of schools, if the
37 county superintendent is not participating in the local
38 plan involved in the nonpublic, nonsectarian school or
39 agency contract, or the superintendent, if the county
40 superintendent is participating in the local plan involved



1 in the contract, to negotiate the contract. Within 30 days
2 of receipt of this appeal, the county superintendent or the
3 superintendent, or his or her designee, shall mediate the
4 formulation of a contract which shall be binding upon
5 both parties.

6 (d) No master contract for special education and
7 related services provided by a nonpublic, nonsectarian
8 school or agency shall be authorized under this part
9 unless the school or agency has been certified as meeting
10 those standards relating to the required special education
11 and specified related services and facilities for individuals
12 with exceptional needs. The certification shall result in
13 the school's or agency's receiving approval to educate
14 pupils under this part for a period no longer than four
15 years from the date of the approval.

16 (e) By September 30, 1998, the procedures, methods,
17 and regulations for the purposes of contracting for
18 nonpublic, nonsectarian school and agency services
19 pursuant to this section and for reimbursement pursuant
20 to Sections 56836.16 and 56836.20 shall be developed by
21 the superintendent in consultation with statewide
22 organizations representing providers of special education
23 and designated instruction and services. The regulations
24 shall be established by rules and regulations issued by the
25 board.

26 ~~SEC. 36.~~

27 *SEC. 41.* Section 56366.3 of the Education Code is
28 amended to read:

29 56366.3. (a) No contract for special education and
30 related services provided by a nonpublic, nonsectarian
31 school or agency shall be reimbursed by the state
32 pursuant to Article 4 (commencing with Section
33 56836.20) of Chapter 7.2 and Section 56836.16 if the
34 contract covers special education and related services,
35 administration, or supervision by an individual who was
36 an employee of a contracting district, special education
37 local plan area, or county office within the last 365 days,
38 unless the contract contains an addendum establishing
39 that the individual was involuntarily terminated or laid



1 off as part of necessary staff reductions from the district,
2 special education local plan area, or county office.

3 (b) This section does not apply to any person who is
4 able to provide designated instruction and services
5 during the extended school year because he or she is
6 otherwise employed for up to 10 months of the school year
7 by the district, special education local plan area, or county
8 office.

9 ~~SEC. 37.~~

10 *SEC. 42.* Section 56441.10 of the Education Code is
11 repealed.

12 ~~SEC. 38.~~

13 *SEC. 43.* Section 56446 of the Education Code is
14 amended to read:

15 56446. Public special education funding shall not be
16 used to purchase regular preschool services or to
17 purchase any instructional service other than special
18 education and services permitted by this chapter.

19 ~~SEC. 39.~~

20 *SEC. 44.* Section 56447 of the Education Code is
21 repealed.

22 ~~SEC. 40.~~

23 *SEC. 45.* Section 56832 of the Education Code is
24 amended to read:

25 56832. (a) This chapter shall become inoperative on
26 July 1, 1998, and, as of January 1, 1999, is repealed, unless
27 a later enacted statute, that becomes operative on or
28 before January 1, 1999, deletes or extends the dates on
29 which it becomes inoperative and is repealed.

30 (b) Notwithstanding subdivision (a), this chapter, as it
31 existed on December 31, 1998, shall apply until June 30,
32 1999, for the purpose of submitting corrections to
33 amounts funded under this chapter, and until June 30,
34 2000, for the purpose of certifications of amounts funded
35 under this chapter.

36 ~~SEC. 41.~~

37 *SEC. 46.* Section 56835.04 of the Education Code is
38 amended to read:

39 56835.04. (a) The data certified by the State
40 Department of Education to the Controller for the



1 1995–96 fiscal year with respect to apportionments
2 computed under Chapter 7 (commencing with Section
3 56700), excluding data for services to individuals with
4 exceptional needs younger than three years of age, shall
5 be used for the purposes of making computations based
6 upon the 1995–96 fiscal year pursuant to this chapter.

7 (b) For purposes of this chapter, information reported
8 “for the 1995–96 annual apportionment” means the data
9 meeting the requirements of subdivision (a), as certified
10 in March 1997.

11 ~~SEC. 42.—~~

12 *SEC. 47. Section 56836.01 of the Education Code is*
13 *amended to read:*

14 56836.01. Commencing with the 1998–99 fiscal year
15 and each fiscal year thereafter, the administrator of each
16 special education local plan area, in accordance with the
17 local plan approved by the ~~superintendent~~ board, shall be
18 responsible for the following:

19 (a) The fiscal administration of the annual budget
20 ~~allocation~~ plan pursuant to subdivision (f) of Section
21 56205 and annual allocation plan for multidistrict special
22 education local plan areas pursuant to Section 56836.05 for
23 special education programs of school districts and county
24 superintendents of schools composing the special
25 education local plan area.

26 (b) The allocation of state and federal funds allocated
27 to the special education local plan area for the provision
28 of special education and related services by those entities.

29 (c) The reporting and accounting requirements
30 prescribed by this part.

31 *SEC. 48. Section 56836.02 of the Education Code is*
32 *amended to read:*

33 56836.02. (a) The superintendent shall apportion
34 funds from Section A of the State School Fund to districts
35 and county offices of education in accordance with the
36 allocation plan adopted pursuant to ~~subdivision (f) of~~
37 ~~Section 56205~~ Section 56836.05, unless the ~~local~~ allocation
38 plan approved by the ~~superintendent~~ specified specifies
39 that ~~they~~ funds be apportioned to the administrative unit
40 of the special education local plan area. If the ~~local~~



1 *allocation* plan specifies that ~~the~~ funds be apportioned to
2 the administrative unit of the special education local plan
3 area, the administrator of the special education local plan
4 area shall, upon receipt, distribute the funds in
5 accordance with the ~~allocation plan method~~ adopted
6 pursuant to ~~subdivision (f) of Section 56205. Unless the~~
7 ~~local plan approved by the superintendent specifies an~~
8 ~~alternative method of distributing state and local funds~~
9 ~~among the participating local educational agencies, the~~
10 ~~funds shall be distributed by the special education local~~
11 ~~plan area as allocated instructional personnel service~~
12 ~~units and operated as computed in Chapter 7~~
13 ~~(commencing with Section 56700) as that chapter existed~~
14 ~~on December 31, 1998, or Chapter 7.1 (commencing with~~
15 ~~Section 56835) subdivision (i) of Section 56195.7. The~~
16 *allocation plan shall, prior to submission to the*
17 *superintendent, be approved according to the local*
18 *policymaking process established by the special*
19 *education local plan area.*

20 (b) The superintendent shall apportion funds for
21 regionalized services and program specialists from
22 Section A of the State School Fund to the administrative
23 unit of each special education local plan area. Upon
24 receipt, the administrator of a special education local plan
25 area shall direct the administrative unit of the special
26 education local plan area to distribute the funds in
27 accordance with the allocation plan adopted pursuant to
28 subdivision (f) of Section 56205.

29 *SEC. 49.* Section 56836.03 of the Education Code is
30 amended to read:

31 56836.03. (a) On or after January 1, 1998, each special
32 education local plan area shall submit a revised local plan.
33 Each special education local plan area shall submit its
34 revised local plan not later than the time it is required to
35 submit its local plan pursuant to subdivision (b) of Section
36 56100 and the revised local plan shall meet the
37 requirements of Chapter 3 (commencing with Section
38 56200).

39 (b) Until the ~~superintendent board~~ has approved the
40 revised local plan and the special education local plan



1 area begins to operate under the revised local plan, each
2 special education local plan area shall continue to operate
3 under the programmatic, reporting, and accounting
4 requirements prescribed by the State Department of
5 Education for the purposes of Chapter 7 (commencing
6 with Section 56700) as that chapter existed on December
7 31, 1998. The department shall develop transition
8 guidelines, and, as necessary, transition forms, to facilitate
9 a transition from the reporting and accounting methods
10 required for Chapter 7 (commencing with Section 56700)
11 as that chapter existed on December 31, 1998, and related
12 provisions of this part, to the reporting and accounting
13 methods required for this chapter. Under no
14 circumstances shall the transition guidelines exceed the
15 requirements of the provisions described in paragraphs
16 (1) and (2). The transition guidelines shall, at a
17 minimum, do the following:

18 (1) Describe the method for accounting for the
19 instructional service personnel units and caseloads, as
20 required by Chapter 7 (commencing with Section 56700)
21 as that chapter existed on December 31, 1998.

22 (2) Describe the accounting that is required to be
23 made, if any, for the purposes of Sections 56030, 56140,
24 56156.4, 56156.5, 56361.5, 56362, 56363.3, 56366.2, 56366.3,
25 56370, 56441.5, and 56441.7.

26 (c) Commencing with the 1997–98 fiscal year, through
27 and including the fiscal year in which equalization among
28 special education local plan areas has been achieved, the
29 board shall not approve any proposal to divide a special
30 education local plan area into two or more units, unless
31 the division has no net impact on state costs for special
32 education; provided, however, that the board may
33 approve a proposal that was initially submitted to the
34 department prior to January 1, 1997.

35 ~~SEC. 43.—~~

36 *SEC. 50. Section 56836.05 of the Education Code is*
37 *amended to read:*

38 56836.05. (a) Apportionments made under this part
39 shall be made by the superintendent as early as
40 practicable in the fiscal year. Upon order of the



1 superintendent, the Controller shall draw warrants upon
2 the money appropriated, in favor of the eligible special
3 education local plan areas.

4 *(b) If the special education local plan area is a*
5 *multidistrict special education local plan area, and the*
6 *approved allocation plan does not specify that funds will*
7 *be apportioned to the special education local plan area*
8 *administrative unit, the special education local plan area*
9 *shall submit to the superintendent an annual allocation*
10 *plan to allocate funds received in accordance with this*
11 *chapter among the local education agencies within the*
12 *special education local plan area. The annual allocation*
13 *plan may be revised during any fiscal year, and these*
14 *revisions may be submitted to the superintendent as*
15 *amendments. The amendments shall, prior to submission*
16 *to the superintendent, be approved according to the*
17 *policymaking process established by the special*
18 *education local plan area.*

19 *(c) If funds are apportioned to a special education*
20 *local plan area administrative unit, monthly payments*
21 *shall be made according to the schedule in paragraph (2)*
22 *of subdivision (a) of Section 14041.*

23 *SEC. 51. Section 56836.06 of the Education Code is*
24 *amended to read:*

25 56836.06. For the purposes of this article, the
26 following terms or phrases shall have the following
27 meanings, unless the context clearly requires otherwise:

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

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

36 (2) The total number of units of average daily
37 attendance reported pursuant to *subdivisions (a) and (b)*
38 *of Section 41601 for all pupils enrolled in schools operated*
39 *by the county office or offices that compose the special*
40 *education local plan area, or for those county offices that*



1 are a part of more than one special education local plan
2 area, that portion of the average daily attendance of
3 pupils enrolled in the schools operated by the county
4 office that are under the jurisdiction of the special
5 education local plan area.

6 (b) *For the purposes of computing apportionments*
7 *pursuant to this chapter for the special education local*
8 *plan area identified as the Los Angeles County Juvenile*
9 *Court and Community School/Division of Alternative*
10 *Education Special Education Local Plan Area, the term*
11 *“average daily attendance” shall mean the total number*
12 *of units of average daily attendance reported for the*
13 *second principal apportionment pursuant to Section*
14 *41601 for all pupils enrolled in districts within Los Angeles*
15 *County and all schools operated by the Los Angeles*
16 *County Office of Education and the districts within Los*
17 *Angeles County.*

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

22 ~~(e)~~

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

29 SEC. 52. Section 56836.08 of the Education Code is
30 amended to read:

31 56836.08. (a) For the 1998–99 fiscal year, the
32 superintendent shall make the following computations to
33 determine the amount of funding for each special
34 education local plan area:

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



1 (2) Multiply the amount computed in paragraph (1)
2 by the units of average daily attendance reported for the
3 special education local plan area for the 1997–98 fiscal
4 year.

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

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

12 (5) Add the special disabilities adjustment computed
13 pursuant to Article 2.5 (commencing with Section
14 56836.155). The special disabilities adjustment received in
15 the 1998–99 fiscal year shall not be included in the
16 calculations made pursuant to paragraph (1) of
17 subdivision (b) of Section 56836.10 for the 1999–2000 fiscal
18 year.

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

24 (1) Add the amount of funding per unit of average
25 daily attendance computed for the special education local
26 plan area for the prior fiscal year pursuant to Section
27 56836.10 to the inflation adjustment computed pursuant
28 to subdivision (d) for the fiscal year in which the
29 computation is made.

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

33 (3) Add the actual amount of the equalization
34 adjustment, if any, computed for the special education
35 local plan area for the fiscal year in which the
36 computation is made pursuant to Section 56836.14 to the
37 amount computed in paragraph (2).

38 (4) Add or subtract, as appropriate, the adjustment for
39 growth or decline in enrollment, if any, computed for the
40 special education local plan area for the fiscal year in



1 which the computation is made pursuant to Section
2 56836.15 from the amount computed in paragraph (3).

3 (5) Add the special disabilities adjustment computed
4 pursuant to Article 2.5 (commencing with Section
5 56836.155) and increased pursuant to subparagraph (D)
6 if the adjusted funding per unit of average daily
7 attendance of the special education local plan area is
8 below the statewide target amount per unit of average
9 daily attendance as determined pursuant to
10 subparagraphs (A) to (C), inclusive, as follows:

11 (A) Calculate the adjusted amount of funding per unit
12 of average daily attendance for each special education
13 local plan area, measured in dollars and cents, using the
14 methodology contained in subdivision (a) of Section
15 56836.10, except that the amount used from the
16 computation in Section 56836.09 shall be reduced by the
17 amount computed pursuant to Article 2.5 (commencing
18 with Section 56836.155).

19 (B) Determine the statewide target amount per unit
20 of average daily attendance, measured in dollars and
21 cents and rounded up to the nearest 50 cents (\$0.50), as
22 computed pursuant to subdivision (a) of Section 56836.11.

23 (C) The adjusted funding per unit of average daily
24 attendance is below the statewide target amount if the
25 amount calculated pursuant to subparagraph (A),
26 subtracted from the amount calculated pursuant to
27 subparagraph (B), yields a positive value.

28 (D) If the computation made pursuant to
29 subparagraph (C) yields a positive value, increase the
30 special disabilities adjustment in the 1999–2000 fiscal year
31 and each year thereafter by the percent increase in
32 growth in average daily attendance reported by the
33 special education local plan area and the inflation factor
34 computed pursuant to subdivision (b) of Section 42238.1
35 for the applicable fiscal year.

36 (E) Inclusion of the special disabilities adjustment in
37 the total funding of a special education local plan area
38 shall neither change nor be included in the computation
39 of equalization funding pursuant to Section 56836.12 or



1 the computations made after this computation that
2 precede the computation in Section 56836.12.

3 *(F) This paragraph shall not apply to the special*
4 *education local plan area identified as the Los Angeles*
5 *County Juvenile Court and Community School/Division*
6 *of Alternative Education Special Education Local Plan*
7 *Area.*

8 (c) For the 1998–99 fiscal year and each fiscal year
9 thereafter, the superintendent shall make the following
10 computations to determine the amount of General Fund
11 moneys that the special education local plan area may
12 claim:

13 (1) Add the total of the amount of property taxes
14 ~~allocated to~~ for the special education local plan area
15 pursuant to Section 2572 for the fiscal year in which the
16 computation is made to the amount of federal funds
17 ~~allocated to the special education local plan area pursuant~~
18 ~~to Part B of the Individuals with Disabilities Education~~
19 ~~Act (20 U.S.C. Sec. 1400 et seq.) for the fiscal year in which~~
20 *allocated for the purposes of paragraphs (1) and (2) of*
21 *subdivision (a) of Section 56836.09 for the fiscal year in*
22 *which the computation is made.*

23 (2) Add the amount of funding computed for the
24 special education local plan area pursuant to subdivision
25 (a) for the 1998–99 fiscal year, and commencing with the
26 1999–2000 fiscal year and each fiscal year thereafter, the
27 amount computed for the fiscal year in which the
28 computations were made pursuant to subdivision (b) to
29 the amount of funding computed for the special
30 education local plan area pursuant to Article 3
31 (commencing with Section 56836.16).

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

34 (d) For the 1998–99 fiscal year and each fiscal year
35 thereafter, the superintendent shall make the following
36 computations to determine the inflation adjustment for
37 the fiscal year in which the computation is made:

38 (1) For the 1998–99 fiscal year, multiply the statewide
39 target amount per unit of average daily attendance for
40 special education local plan areas for the 1997–98 fiscal



1 year computed pursuant to paragraph (3) of Section
2 56836.11 by the inflation factor computed pursuant to
3 subdivision (b) of Section 42238.1 for the 1998–99 fiscal
4 year.

5 (2) For the 1999–2000 fiscal year and each fiscal year
6 thereafter, multiply the statewide target amount per unit
7 of average daily attendance for special education local
8 plan areas for the prior fiscal year computed pursuant to
9 Section 56836.11 by the inflation factor computed
10 pursuant to subdivision (b) of Section 42238.1 for the
11 fiscal year in which the computation is made.

12 ~~SEC. 44.—~~

13 *(3) For the purposes of computing the inflation*
14 *adjustment for the special education local plan area*
15 *identified as the Los Angeles County Juvenile Court and*
16 *Community School/Division of Alternative Education*
17 *Special Education Local Plan Area for the 1998–99 fiscal*
18 *year and each fiscal year thereafter, the superintendent*
19 *shall multiply the amount of funding per unit of average*
20 *daily attendance computed for that special education*
21 *local plan area for the prior fiscal year pursuant to Section*
22 *56836.10 by the inflation factor computed pursuant to*
23 *subdivision (b) of Section 42238.1 for the fiscal year in*
24 *which the computation is being made.*

25 *SEC. 53. Section 56836.09 of the Education Code is*
26 *amended to read:*

27 56836.09. For the purpose of computing the amount
28 to apportion to each special education local plan area for
29 the 1998–99 fiscal year, the superintendent shall compute
30 the total amount of funding received by the special
31 education local plan area for the 1997–98 fiscal year as
32 follows:

33 (a) Add the following amounts that were received for
34 the 1997–98 fiscal year:

35 (1) ~~The total amount of federal funds available to the~~
36 ~~state pursuant to Part B of the Individuals with~~
37 ~~Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.)~~
38 ~~allocated~~ *apportioned* to the special education local plan
39 area *pursuant to subdivision (b) of the Schedule in Item*
40 *6110-161-0890 of Section 2.00 of the Budget Act of 1997* for



1 the purposes of special education for individuals with
2 exceptional needs enrolled in kindergarten and grades 1
3 to 12, inclusive.

4 (2) ~~The total amount of federal funds available to the~~
5 ~~state pursuant to Part B of the Individuals with~~
6 ~~Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.)~~
7 ~~allocated to the special education local plan area pursuant~~
8 ~~to Section 56836.19 for licensed children's institutions for~~
9 the purposes of providing preschool and related services
10 to individuals with exceptional needs who are ages 3 to 5
11 years, inclusive, pursuant to Chapter 4.45 (commencing
12 with Section 56440) *apportioned to the special education*
13 *local plan area pursuant to subdivisions (c) and (e) of the*
14 *Schedule in Item 6110-161-0890 of Section 2.00 of the*
15 *Budget Act of 1997, excluding amounts appropriated for*
16 *local and state sponsored preschool in-service training*
17 *programs pursuant to Provision 7 of Item 6110-161-0890 of*
18 *Section 2.00 of the Budget Act of 1997.*

19 (3) The total amount of property taxes allocated to the
20 special education local plan area pursuant to Section 2572.

21 (4) The total amount of General Fund moneys
22 allocated to the special education local plan area pursuant
23 to Chapter 7 (commencing with Section 56700) plus the
24 total amount received for equalization pursuant to
25 Chapter 7.1 (commencing with Section 56835), as those
26 chapters existed on December 31, 1998.

27 (5) The total amount of General Fund moneys ~~and~~
28 ~~federal funds~~ available to the state pursuant to Part B of
29 the Individuals with Disabilities Education Act (20 U.S.C.
30 Sec. 1400 et seq.) allocated to another special education
31 local plan area for any pupils with exceptional needs who
32 are served by the other special education local plan area
33 but who are residents of the special education local plan
34 area for which this computation is being made.

35 (b) Add the following amounts received in the 1997-98
36 fiscal year:

37 (1) The total amount determined for the special
38 education local plan area for the purpose of providing
39 nonpublic, nonsectarian school services to licensed
40 children's institutions, foster family homes, residential



1 medical facilities, and other similar facilities for the
2 1997–98 fiscal year pursuant to Article 3 (commencing
3 with Section 56836.16).

4 (2) The total amount of General Fund moneys ~~and~~
5 ~~federal funds~~ available to the state pursuant to Part B of
6 the Individuals with Disabilities Education Act (20 U.S.C.
7 Sec. 1400 et seq.) allocated for any pupils with exceptional
8 needs who are served by the special education local plan
9 area but who do not reside within the boundaries of the
10 special education local plan area.

11 (3) The total amount of General Fund moneys
12 allocated to the special education local plan area to
13 perform the regionalized operations and services
14 functions listed in Article 6 (commencing with Section
15 56836.23) and to provide the direct instructional support
16 of program specialists in accordance with Section 56368.

17 (4) The total amount of General Fund moneys
18 allocated to the special education local plan area for
19 individuals with exceptional needs younger than three
20 years of age pursuant to Chapter 7 (commencing with
21 Section 56700), as that chapter existed on December 31,
22 1998.

23 (5) The total amount of General Fund moneys
24 allocated to local education agencies within the special
25 education local plan area pursuant to Section 56771, as
26 that section existed on December 31, 1998, for specialized
27 books, materials, and equipment for pupils with
28 low-incidence disabilities.

29 (c) Subtract the sum computed in subdivision (b)
30 from the sum computed in subdivision (a).

31 *SEC. 54.* Section 56836.12 of the Education Code is
32 amended to read:

33 56836.12. (a) For the purpose of computing the
34 equalization adjustment for special education local plan
35 areas for the 1998–99 fiscal year, the superintendent shall
36 make the following computations to determine the
37 amount that each special education local plan area that
38 has an amount per unit of average daily attendance that
39 is below the statewide target amount per unit of average



1 daily attendance may request as an equalization
2 adjustment:

3 (1) Subtract the amount per unit of average daily
4 attendance computed for the special education local plan
5 area pursuant to subdivision (a) of Section 56836.10 from
6 the statewide target amount per unit of average daily
7 attendance determined pursuant to subdivision (a) of
8 Section 56836.11.

9 (2) If the remainder computed in paragraph (1) is
10 greater than zero, multiply that remainder by the
11 number of units of average daily attendance reported for
12 the special education local plan area for the 1997–98 fiscal
13 year.

14 (b) Commencing with the 1999–2000 fiscal year,
15 through and including the fiscal year in which
16 equalization among the special education local plan areas
17 has been achieved, the superintendent shall make the
18 following computations to determine the amount that
19 each special education local plan area that has an amount
20 per unit of average daily attendance that is below the
21 statewide target amount per unit of average daily
22 attendance may request as an equalization adjustment:

23 (1) Add to the amount per unit of average daily
24 attendance computed for the special education local plan
25 area pursuant to subdivision (b) of Section 56836.10 for
26 the fiscal year in which the computation is made the
27 inflation adjustment computed pursuant to subdivision
28 (d) of Section 56836.08 for the fiscal year in which the
29 computation is made.

30 (2) Subtract the amount computed pursuant to
31 paragraph (1) from the statewide target amount per unit
32 of average daily attendance computed pursuant to
33 subdivision (b) of Section 56836.11 for the fiscal year in
34 which the computation is made.

35 (3) If the remainder computed in paragraph (2) is
36 greater than zero, multiply that remainder by the
37 number of units of average daily attendance reported for
38 the special education local plan area for the prior fiscal
39 year.

40 ~~SEC. 45.—~~



1 (d) This section shall not apply to the special education
2 local plan area identified as the Los Angeles County
3 Juvenile Court and Community School/Division of
4 Alternative Education Special Education Local Plan
5 Area.

6 SEC. 55. Section 56836.13 of the Education Code is
7 amended to read:

8 56836.13. Commencing with the 1998–99 fiscal year,
9 through and including the fiscal year in which
10 equalization among the special education local plan areas
11 has been achieved, the superintendent shall make the
12 following computations to determine the amount
13 available for making equalization adjustments for the
14 fiscal year in which the computation is made:

15 ~~(a) Determine the amounts of funds equal to the~~
16 ~~increase in federal funds, if any, appropriated in the~~
17 ~~annual Budget Act for the purposes of equalizing funding~~
18 ~~for special education local plan areas pursuant to this~~
19 ~~chapter. The increase shall be computed by subtracting~~
20 ~~the amount of federal funds available to the state~~
21 ~~pursuant to Part B of the Individuals with Disabilities~~
22 ~~Education Act (20 U.S.C. Sec. 1400 et seq.) for the fiscal~~
23 ~~year in which the computation is made from the amount~~
24 ~~available to the state from those funds for the prior fiscal~~
25 ~~year.~~

26 ~~(b) Subtract the amount computed in subdivision (a)~~
27 ~~from the amount of funds provided for increased costs to~~
28 ~~the state in administering the special education program.~~

29 ~~(c) Add to the amount in subdivision (b), the amount~~
30 ~~of additional funds, if any, appropriated in the fiscal year~~
31 ~~for which the computation is made in the annual Budget~~
32 ~~Act for the purposes of equalizing funding for special~~
33 ~~education local plan areas pursuant to this chapter.~~

34 *(a) Subtract the prior fiscal year funds pursuant to*
35 *paragraph (1) of subdivision (c) of Section 56836.08 from*
36 *the current fiscal year funds pursuant to paragraph (1) of*
37 *subdivision (c) of Section 56836.08.*

38 *(b) The amount of any increase in federal funds*
39 *computed pursuant to subdivision (a) shall result in a*
40 *reduction in state general funds computed pursuant to*



1 paragraph (3) of subdivision (c) of Section 56836.08. This
2 is the amount of state general funds that shall be
3 designated in the annual Budget Act for the purpose of
4 Section 56836.12, as augmented by any deficiency
5 appropriation for the purposes of equalizing funding for
6 special education local plan areas pursuant to this
7 chapter.

8 (c) Until the actual amount of any increase in federal
9 funds pursuant to subdivision (a) can be determined for
10 the current fiscal year, equalization apportionments
11 pursuant to Section 56836.12 shall be certified based on
12 the authority available in Item 6110-161-0001 of the
13 Budget Act of 1998, or its successor in the annual Budget
14 Act.

15 SEC. 56. Section 56836.15 of the Education Code is
16 amended to read:

17 56836.15. (a) In order to mitigate the effects of any
18 declining enrollment, commencing in the 1998–99 fiscal
19 year, and each fiscal year thereafter, the superintendent
20 shall calculate allocations to special education local plan
21 areas based on the average daily attendance reported for
22 the special education local plan area for the fiscal year in
23 which the computation is made or the prior fiscal year,
24 whichever is greater. However, the prior fiscal year
25 average daily attendance reported for the special
26 education local plan area shall be adjusted for any loss or
27 gain of average daily attendance reported for the special
28 education local plan area due to a reorganization or
29 transfer of territory in the special education local plan
30 area.

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



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

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

11 (c) If in the fiscal year for which the computation is
12 made, the number of units of average daily attendance
13 upon which allocations to the special education local plan
14 area are based is less than the number of units of average
15 daily attendance upon which allocations to the special
16 education local plan area were based in the prior fiscal
17 year, the special education local plan area shall receive a
18 funding reduction equal to the product determined by
19 multiplying the amounts determined under paragraphs
20 (1) and (2):

21 (1) The amount of funding per unit of average daily
22 attendance computed for the special education local plan
23 area for the prior fiscal year.

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

31 *(d) If the fiscal year for which the computation is*
32 *made, the number of units of average daily attendance*
33 *upon which the allocations to the special education local*
34 *plan area identified as the Los Angeles County Juvenile*
35 *Court and Community School/Division of Alternative*
36 *Education Special Education Local Plan Area are based*
37 *is greater than the number of units of average daily*
38 *attendance upon which the allocations to that special*
39 *education local plan area were based in the prior fiscal*
40 *year, that special education local plan area shall be*



1 allocated a growth adjustment equal to the product
2 determined by multiplying the amounts determined
3 under paragraphs (1) and (2).

4 (1) The amount of funding per unit of average daily
5 attendance computed for the special education local plan
6 area for the prior fiscal year pursuant to Section 56836.10
7 multiplied by one plus the inflation adjustment factor
8 computed pursuant to subdivision (b) of Section 42238.1
9 for the fiscal year in which the computation is being
10 made.

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

18 SEC. 57. Section 56836.155 of the Education Code is
19 amended to read:

20 56836.155. (a) For the 1998–99 fiscal year, prior to
21 calculating the apportionment in Article 2 (commencing
22 with Section 56836.06), the superintendent shall perform
23 the following calculation:

24 (1) Determine for each special education local plan
25 area the number of pupils with exceptional needs with
26 the special disabilities specified in subdivision (b) for
27 pupils residing in the special education local plan area
28 based on the April 1996 pupil count.

29 (2) Determine for each special education local plan
30 area the total reported incidence of all disabilities for
31 pupils of age 3 to 22 years, inclusive, excluding pupils in
32 placements as described in paragraph (1) of subdivision
33 (b).

34 (3) Determine the statewide total of reported
35 incidence of special disabilities determined pursuant to
36 paragraph (1).

37 (4) Determine the statewide total reported incidence
38 of all disabilities determined pursuant to paragraph (2).

39 (b) For the purposes of paragraph (1) of subdivision
40 (a), the superintendent shall use the count of all pupils



1 with exceptional needs of age 3 to 22 years, inclusive,
2 exclusive of placements in paragraph (1) and inclusive of
3 the disabilities in paragraph (2).

4 (1) Pupils in state operated programs, nonpublic
5 schools, and out-of-home placements.

6 (2) Pupils with low-incidence disabilities of autistic,
7 hard of hearing, deaf, visually impaired, ~~deaf-blind~~
8 *deaf/blind*, and severe orthopedic impairment, except
9 that, for the purposes of subdivision (a), pupils in the
10 disability category of orthopedic impairment shall be
11 used in the absence of special education local plan area
12 counts of only severe orthopedic impairment. To the
13 count of low-incidence disabilities, also add pupils in the
14 disability category of traumatic brain injury.

15 (c) Calculate, for each special education local plan
16 area, the reported incidence of special disabilities as a
17 percentage of its total reported incidence of all disabilities
18 by dividing the amount in paragraph (1) of subdivision
19 (a) by the amount in paragraph (2) of subdivision (a).
20 The percentage amount is to be expressed to the accuracy
21 of one hundredth of a percentage point.

22 (d) Calculate the statewide total of reported
23 incidence of special disabilities as a percent of the
24 statewide total incidence of all disabilities by dividing the
25 amount in paragraph (3) of subdivision (a) by the
26 amount in paragraph (4) of subdivision (a). The percent
27 amount is to be expressed to the accuracy of one
28 hundredth of a percentage point.

29 (e) For each special education local plan area whose
30 percentage of special disabilities calculated pursuant to
31 subdivision (c) is greater than the statewide percent of
32 special disabilities pursuant to subdivision (d), determine
33 the number of excess pupils in the special education local
34 plan area as follows:

35 (1) Multiply the statewide percent of special
36 disabilities calculated in subdivision (d) by the count by
37 the special education local plan area of all disabilities
38 determined pursuant to paragraph (2) of subdivision (a).

39 (2) Subtract the amount calculated in paragraph (1)
40 from the count by the special education local plan area of



1 special disabilities determined pursuant to paragraph (1)
2 of subdivision (a). Round this number to the nearest
3 whole number.

4 (f) Multiply the number of excess pupils calculated in
5 subdivision (e) by one thousand dollars (\$1,000). This is
6 the amount that each special education local plan area
7 having excess pupils is to receive as a special disabilities
8 adjustment in the 1998–99 fiscal year and that is to be
9 included in the total amount of funding received by the
10 special education local plan area pursuant to Section
11 56836.08.

12 (g) *This section shall not apply to the special education*
13 *local plan area identified as the Los Angeles County*
14 *Juvenile Court and Community School/Division of*
15 *Alternative Education Special Education Local Plan*
16 *Area.*

17 *SEC. 58. Section 56836.16 of the Education Code is*
18 *amended to read:*

19 56836.16. (a) For the ~~1980–81~~ 1998–99 fiscal year and
20 each fiscal year thereafter, the superintendent shall
21 apportion to each district and county superintendent
22 providing programs pursuant to Article 5 (commencing
23 with Section 56155) of Chapter 2 an amount equal to the
24 difference, if any, between (1) the costs of master
25 contracts with nonpublic, nonsectarian schools and
26 agencies to provide special education instruction,
27 designated instruction and services, or both, to pupils in
28 licensed children’s institutions, foster family homes,
29 residential medical facilities, and other similar facilities
30 funded under this chapter, and (2) the state ~~and federal~~
31 income received by the district or county superintendent
32 for providing these programs. The sum of the excess cost,
33 plus any state or federal income for these programs, shall
34 not exceed the cost of master contracts with nonpublic,
35 nonsectarian schools and agencies to provide special
36 education and designated instruction and services for
37 these pupils, as determined by the superintendent.

38 (b) The cost of master contracts with nonpublic,
39 nonsectarian schools and agencies that a district or county
40 office of education reports under this section shall not



1 include any of the following costs that a district, county
2 office, or special education local plan area may incur:

3 (1) Administrative or indirect costs for the local
4 education agency.

5 (2) Direct support costs for the local education
6 agency.

7 (3) Transportation costs provided either directly, or
8 through a nonpublic, nonsectarian school or agency
9 master contract or individual services agreement for use
10 of services or equipment owned, leased, or contracted, by
11 a district, special education local plan area, or county
12 office for any pupils enrolled in nonpublic, nonsectarian
13 schools or agencies, unless provided directly or
14 subcontracted by that nonpublic, nonsectarian school or
15 agency pursuant to subdivisions (a) and (b) of Section
16 56366.

17 (4) Costs for services routinely provided by the district
18 or county office including the following, unless the board
19 grants a waiver under 56101:

20 (A) School psychologist services other than those
21 described in Sections 56324 and 56363 and included in a
22 master contract and individual services agreement under
23 subdivision (a) of Section 56366.

24 (B) School nurse services other than those described
25 in Sections 49423.5, 56324, and 56363 and included in a
26 master contract and individual services agreement under
27 subdivision (a) of Section 56366.

28 (C) Language, speech, and hearing services other
29 than those included in a master contract and individual
30 services agreement under subdivision (a) of Section
31 56366.

32 (D) Modified, specialized, or adapted physical
33 education services other than those included in a master
34 contract and individual services agreement under
35 subdivision (a) of Section 56366.

36 (E) Other services not specified by a pupil's
37 individualized education program or funded by the state
38 on a caseload basis.

39 (5) Costs for nonspecial education programs or
40 settings, including those provided for individuals with



1 exceptional needs between the ages of birth and five
2 years, inclusive, pursuant to Sections 56431 and 56441.8.

3 (6) Costs for nonpublic, nonsectarian school or agency
4 placements outside of the state unless the board has
5 granted a waiver pursuant to subdivisions (e) and (f) of
6 Section 56365.

7 (7) Costs for related nonpublic, nonsectarian school
8 pupil assessments by a school psychologist or school nurse
9 pursuant to Sections 56320 and 56324.

10 (8) Costs for services that the nonpublic, nonsectarian
11 school or agency is not certified to provide.

12 (9) Costs for services provided by personnel who do
13 not meet the requirements specified in subdivision (l) of
14 Section 56366.1.

15 (10) Costs for services provided by public school
16 employees.

17 ~~(d)~~

18 (c) A nonpublic, nonsectarian school or agency shall
19 not claim and is not entitled to receive reimbursement for
20 attendance unless the site where the pupil is receiving
21 special education or designated instruction and services
22 is certified.

23 *SEC. 59. Section 56836.21 of the Education Code is*
24 *amended to read:*

25 56836.21. (a) The State Department of Education
26 shall administer an extraordinary cost pool to protect
27 special education local plan areas from the extraordinary
28 costs associated with single placements in nonpublic,
29 nonsectarian schools, *excluding placements reimbursed*
30 *pursuant to Article 3 (commencing with Section*
31 *56836.16)*. Funds shall be appropriated for this purpose in
32 the annual Budget Act. Special education local plan areas
33 shall be eligible for reimbursement from this pool in
34 accordance with this section.

35 (b) The threshold amount for claims under this section
36 shall be the lesser of the following:

37 (1) One percent of the allocation calculated pursuant
38 to Section 56836.08 for the special education local plan
39 area for the current fiscal year for any special education



1 local plan area that meets the criteria in ~~subdivision (a)~~
2 of Section 56212.

3 (2) The State Department of Education shall calculate
4 the average cost of a nonpublic, nonsectarian school
5 placement in the 1997–98 fiscal year. This amount shall be
6 multiplied by 2.5, then by one plus the inflation factor
7 computed pursuant to Section 42238.1, to obtain the
8 alternative threshold amount for claims in the 1998–99
9 fiscal year. In subsequent fiscal years, the alternative
10 threshold amount shall be the alternative threshold
11 amount for the prior fiscal year multiplied by one plus the
12 inflation factor computed pursuant to Section 42238.1.

13 (c) Special education local plan areas shall be eligible
14 to submit claims for costs of any *new* nonpublic,
15 nonsectarian school placements *in excess of those in*
16 *existence in the 1997–98 fiscal year and* exceeding the
17 threshold amount on forms developed by the State
18 Department of Education. All claims for a fiscal year shall
19 be submitted by November 30 following the close of the
20 fiscal year. If the total amount claimed by special
21 education local plan areas exceeds the amount
22 appropriated, the claims shall be prorated.

23 *SEC. 60.* Section 56864 of the Education Code is
24 amended to read:

25 56864. Individuals with exceptional needs residing in
26 state hospitals shall not be included within the funding
27 calculation made pursuant to Chapter 7.2 (commencing
28 with Section 56836).

29 ~~SEC. 46.~~

30 *SEC. 61.* Section 97.2 of the Revenue and Taxation
31 Code is amended to read:

32 97.2. Notwithstanding any other provision of this
33 chapter, the computations and allocations made by each
34 county pursuant to Section 96.1 or its predecessor section
35 shall be modified for the 1992–93 fiscal year pursuant to
36 subdivisions (a) to (d), inclusive, and for the 1997–98 and
37 1998–99 fiscal years pursuant to subdivision (e), as follows:

38 (a) (1) Except as provided in paragraph (2), the
39 amount of property tax revenue deemed allocated in the



1 prior fiscal year to each county shall be reduced by the
2 dollar amounts indicated as follows, multiplied by .953649:

	Property Tax Reduction per County
3	
4	
5	
6	
7	\$ 27,323,576
8	5,169
9	286,131
10	846,452
11	507,526
12	186,438
13	12,504,318
14	46,523
15	1,544,590
16	5,387,570
17	378,055
18	1,084,968
19	998,222
20	366,402
21	6,907,282
22	1,303,774
23	998,222
24	93,045
25	244,178,806
26	809,194
27	3,902,258
28	40,136
29	1,004,112
30	2,445,709
31	134,650
32	319,793
33	2,519,507
34	1,362,036
35	762,585
36	9,900,654
37	1,991,265
38	71,076
39	7,575,353
40	15,323,634



1	San Benito	198,090
2	San Bernardino	14,467,099
3	San Diego	17,687,776
4	San Francisco	53,266,991
5	San Joaquin	8,574,869
6	San Luis Obispo	2,547,990
7	San Mateo	7,979,302
8	Santa Barbara	4,411,812
9	Santa Clara	20,103,706
10	Santa Cruz	1,416,413
11	Shasta	1,096,468
12	Sierra	97,103
13	Siskiyou	467,390
14	Solano	5,378,048
15	Sonoma	5,455,911
16	Stanislaus	2,242,129
17	Sutter	831,204
18	Tehama	450,559
19	Trinity	50,399
20	Tulare	4,228,525
21	Tuolumne	740,574
22	Ventura	9,412,547
23	Yolo	1,860,499
24	Yuba	842,857

25
26 (2) Notwithstanding paragraph (1), the amount of the
27 reduction specified in that paragraph for any county or
28 city and county that has been materially and substantially
29 impacted as a result of a federally declared disaster, as
30 evidenced by at least 20 percent of the cities, or cities and
31 unincorporated areas of the county representing 20
32 percent of the population within the county suffering
33 substantial damage, as certified by the Director of the
34 Office of Emergency Services, occurring between
35 October 1, 1989, and the effective date of this section, shall
36 be reduced by that portion of five million dollars
37 (\$5,000,000) determined for that county or city and
38 county pursuant to subparagraph (B) of paragraph (3).

39 (3) On or before October 1, 1992, the Director of
40 Finance shall do all of the following:



1 (A) Determine the population of each county and city
2 and county in which a federally declared disaster has
3 occurred between October 1, 1989, and the effective date
4 of this section.

5 (B) Determine for each county and city and county as
6 described in subparagraph (A) its share of five million
7 dollars (\$5,000,000) on the basis of that county's
8 population relative to the total population of all counties
9 described in subparagraph (A).

10 (C) Notify each auditor of each county and city and
11 county of the amounts determined pursuant to
12 subparagraph (B).

13 (b) (1) Except as provided in paragraph (2), the
14 amount of property tax revenue deemed allocated in the
15 prior fiscal year to each city, except for a newly
16 incorporated city that did not receive property tax
17 revenues in the 1991–92 fiscal year, shall be reduced by 9
18 percent. In making the above computation with respect
19 to cities in Alameda County, the computation for a city
20 described in paragraph (6) of subdivision (a) of Section
21 100.7, as added by Section 73.5 of Chapter 323 of the
22 Statutes of 1983, shall be adjusted so that the amount
23 multiplied by 9 percent is reduced by the amount
24 determined for that city for “museums” pursuant to
25 paragraph (2) of subdivision (h) of Section 95.

26 (2) Notwithstanding paragraph (1), the amount of the
27 reduction determined pursuant to that paragraph for any
28 city that has been materially and substantially impacted
29 as a result of a federally declared disaster, as certified by
30 the Director of the Office of Emergency Services,
31 occurring between October 1, 1989, and the effective
32 date of this section, shall be reduced by that portion of
33 fifteen million dollars (\$15,000,000) determined for that
34 city pursuant to subparagraph (B) of paragraph (3).

35 (3) On or before October 1, 1992, the Director of
36 Finance shall do all of the following:

37 (A) Determine the population of each city in which a
38 federally declared disaster has occurred between
39 October 1, 1989, and the effective date of this section.



1 (B) Determine for each city as described in
2 subparagraph (A) its share of fifteen million dollars
3 (\$15,000,000) on the basis of that city's population relative
4 to the total population of all cities described in
5 subparagraph (A).

6 (C) Notify each auditor of each county and city and
7 county of the amounts determined pursuant to
8 subparagraph (B).

9 (4) In the 1992–93 fiscal year and each fiscal year
10 thereafter, the auditor shall adjust the computations
11 required pursuant to Article 4 (commencing with Section
12 98) so that those computations do not result in the
13 restoration of any reduction required pursuant to this
14 section.

15 (c) (1) Subject to paragraph (2), the amount of
16 property tax revenue, other than those revenues that are
17 pledged to debt service, deemed allocated in the prior
18 fiscal year to a special district, other than a multicounty
19 district, a local hospital district, or a district governed by
20 a city council or whose governing board has the same
21 membership as a city council, shall be reduced by 35
22 percent. For purposes of this subdivision, “revenues that
23 are pledged to debt service” include only those amounts
24 required to pay debt service costs in the 1991–92 fiscal
25 year on debt instruments issued by a special district for
26 the acquisition of capital assets.

27 (2) No reduction pursuant to paragraph (1) for any
28 special district, other than a countywide water agency
29 that does not sell water at retail, shall exceed an amount
30 equal to 10 percent of that district's total annual revenues,
31 from whatever source, as shown in the 1989–90 edition of
32 the State Controller's Report on Financial Transactions
33 Concerning Special Districts (not including any annual
34 revenues from fiscal years following the 1989–90 fiscal
35 year). With respect to any special district, as defined
36 pursuant to subdivision (m) of Section 95, that is allocated
37 property tax revenue pursuant to this chapter but does
38 not appear in the State Controller's Report on Financial
39 Transactions Concerning Special Districts, the auditor
40 shall determine the total annual revenues for that special



1 district from the information in the 1989–90 edition of the
2 State Controller’s Report on Financial Transactions
3 Concerning Counties. With respect to a special district
4 that did not exist in the 1989–90 fiscal year, the auditor
5 may use information from the first full fiscal year, as
6 appropriate, to determine the total annual revenues for
7 that special district. No reduction pursuant to paragraph
8 (1) for any countywide water agency that does not sell
9 water at retail shall exceed an amount equal to 10 percent
10 of that portion of that agency’s general fund derived from
11 property tax revenues.

12 (3) The auditor in each county shall, on or before
13 January 15, 1993, and on or before January 30 of each year
14 thereafter, submit information to the Controller
15 concerning the amount of the property tax revenue
16 reduction to each special district within that county as a
17 result of paragraphs (1) and (2). The Controller shall
18 certify that the calculation of the property tax revenue
19 reduction to each special district within that county is
20 accurate and correct, and submit this information to the
21 Director of Finance.

22 (A) The Director of Finance shall determine whether
23 the total of the amounts of the property tax revenue
24 reductions to special districts, as certified by the
25 Controller, is equal to the amount that would be required
26 to be allocated to school districts and community college
27 districts as a result of a three hundred seventy-five million
28 dollar (\$375,000,000) shift of property tax revenues from
29 special districts for the 1992–93 fiscal year. If, for any year,
30 the total of the amount of the property tax revenue
31 reductions to special districts is less than the amount as
32 described in the preceding sentence, the amount of
33 property tax revenue, other than those revenues that are
34 pledged to debt service, deemed allocated in the prior
35 fiscal year to a special district, other than a multicounty
36 district, a local hospital district, or a district governed by
37 a city council or whose governing board has the same
38 membership as a city council, shall, subject to
39 subparagraph (B), be reduced by an amount up to 5



1 percent of the amount subject to reduction for that
2 district pursuant to paragraphs (1) and (2).

3 (B) No reduction pursuant to subparagraph (A), in
4 conjunction with a reduction pursuant to paragraphs (1)
5 and (2), for any special district, other than a countywide
6 water agency that does not sell water at retail, shall
7 exceed an amount equal to 10 percent of that district's
8 total annual revenues, from whatever source, as shown in
9 the most recent State Controller's Report on Financial
10 Transactions Concerning Special Districts. No reduction
11 pursuant to subparagraph (A), in conjunction with a
12 reduction pursuant to paragraphs (1) and (2), for any
13 countywide water agency that does not sell water at retail
14 shall exceed an amount equal to 10 percent of that portion
15 of that agency's general fund derived from property tax
16 revenues.

17 (C) In no event shall the amount of the property tax
18 revenue loss to a special district derived pursuant to
19 subparagraphs (A) and (B) exceed 40 percent of that
20 district's property tax revenues or 10 percent of that
21 district's total revenues, from whatever source.

22 (4) For the purpose of determining the total annual
23 revenues of a special district that provides fire protection
24 or fire suppression services, all of the following shall be
25 excluded from the determination of total annual
26 revenues:

27 (A) If the district had less than two million dollars
28 (\$2,000,000) in total annual revenues in the 1991-92 fiscal
29 year, the revenue generated by a fire suppression
30 assessment levied pursuant to Article 3.6 (commencing
31 with Section 50078) of Chapter 1 of Part 1 of Division 1 of
32 Title 5 of the Government Code.

33 (B) In counties that contract with the state to protect
34 state responsibility areas, the total amount of all funds,
35 regardless of the source, that are appropriated to a
36 district, including a fire department, by a board of
37 supervisors pursuant to Section 25642 of the Government
38 Code or Chapter 7 (commencing with Section 13890) of
39 Part 2.7 of Division 12 of the Health and Safety Code for
40 fire protection.



1 (C) The revenue received by a district as a result of
2 contracts entered into pursuant to Section 4133 of the
3 Public Resources Code.

4 (5) For the purpose of determining the total annual
5 revenues of a resource conservation district, all of the
6 following shall be excluded from the determination of
7 total annual revenues:

8 (A) Any revenues received by that district from the
9 state for financing the acquisition of land, or the
10 construction or improvement of state projects, and for
11 which that district serves as the fiscal agent in
12 administering those state funds pursuant to an agreement
13 entered into between that district and a state agency.

14 (B) Any amount received by that district as a private
15 gift or donation.

16 (C) Any amount received as a county grant or contract
17 as supplemental to, or independent of, that district's
18 property tax share.

19 (D) Any amount received by that district as a federal
20 or state grant.

21 (d) (1) The amount of property tax revenues not
22 allocated to the county, cities within the county, and
23 special districts as a result of the reductions calculated
24 pursuant to subdivisions (a), (b), and (c) shall instead be
25 deposited in the Educational Revenue Augmentation
26 Fund to be established in each county. The amount of
27 revenue in the Educational Revenue Augmentation
28 Fund, derived from whatever source, shall be allocated
29 pursuant to paragraphs (2) and (3) to school districts and
30 county offices of education, in total, and to community
31 college districts, in total, in the same proportion that
32 property tax revenues were distributed to school districts
33 and county offices of education, in total, and community
34 college districts, in total, during the 1991-92 fiscal year.

35 (2) The auditor shall, based on information provided
36 by the county superintendent of schools pursuant to this
37 paragraph, allocate the proportion of the Educational
38 Revenue Augmentation Fund to those school districts
39 and county offices of education within the county that are
40 not excess tax school entities, as defined in subdivision (n)



1 of Section 95. The county superintendent of schools shall
2 determine the amount to be allocated to each school
3 district and county office of education in inverse
4 proportion to the amounts of property tax revenue per
5 average daily attendance in each school district and
6 county office of education. In no event shall any
7 additional money be allocated from the fund to a school
8 district or county office of education upon that school
9 district or county office of education becoming an excess
10 tax school entity.

11 (3) The auditor shall, based on information provided
12 by the Chancellor of the California Community Colleges
13 pursuant to this paragraph, allocate the proportion of the
14 Educational Revenue Augmentation Fund to those
15 community college districts within the county that are
16 not excess tax school entities, as defined in subdivision (n)
17 of Section 95. The chancellor shall determine the amount
18 to be allocated to each community college district in
19 inverse proportion to the amounts of property tax
20 revenue per funded full-time equivalent student in each
21 community college district. In no event shall any
22 additional money be allocated from the fund to a
23 community college district upon that district becoming
24 an excess tax school entity.

25 (4) (A) If, after making the allocation required
26 pursuant to paragraph (2), the auditor determines that
27 there are still additional funds to be allocated, the auditor
28 shall allocate those excess funds pursuant to paragraph
29 (3). If, after making the allocation pursuant to paragraph
30 (3), the auditor determines that there are still additional
31 funds to be allocated, the auditor shall allocate those
32 excess funds pursuant to paragraph (2).

33 (B) (i) For the 1995–96 fiscal year and each fiscal year
34 thereafter, if, after making the allocations pursuant to
35 paragraphs (2) and (3) and subparagraph (A), the
36 auditor determines that there are still additional funds to
37 be allocated, the auditor shall, subject to clauses (ii) and
38 (iii), allocate those excess funds to the county
39 superintendent of schools. Funds allocated pursuant to
40 this subparagraph shall be counted as property tax



1 revenues for special education programs in
2 augmentation of the amount calculated pursuant to
3 Section 2572 of the Education Code, to the extent that
4 those property tax revenues offset state aid for county
5 offices of education and school districts within the county
6 pursuant to subdivision (c) of Section 56836.08 of the
7 Education Code.

8 (ii) For the 1995–96 fiscal year only, this subparagraph
9 shall have no application to the County of Mono and the
10 amount allocated pursuant to this subparagraph in the
11 County of Marin shall not exceed five million dollars
12 (\$5,000,000).

13 (iii) For the 1996–97 fiscal year only, the total amount
14 of funds allocated by the auditor pursuant to this
15 subparagraph and subparagraph (B) of paragraph (4) of
16 subdivision (d) of Section 97.3 shall not exceed that
17 portion of two million five hundred thousand dollars
18 (\$2,500,000) that corresponds to the county's
19 proportionate share of all moneys allocated pursuant to
20 this subparagraph and subparagraph (B) of paragraph
21 (4) of subdivision (d) of Section 97.3 for the 1995–96 fiscal
22 year. Upon the request of the auditor, the Department of
23 Finance shall provide to the auditor all information in the
24 department's possession that is necessary for the auditor
25 to comply with this clause.

26 (C) For purposes of allocating the Educational
27 Revenue Augmentation Fund for the 1996–97 fiscal year,
28 the auditor shall, after making the allocations for special
29 education programs, if any, required by subparagraph
30 (B), allocate all remaining funds among the county,
31 cities, and special districts in proportion to the amounts
32 of ad valorem property tax revenue otherwise required
33 to be shifted from those local agencies to the county's
34 Educational Revenue Augmentation Fund for the
35 relevant fiscal year. For purposes of ad valorem property
36 tax revenue allocations for the 1997–98 fiscal year and
37 each fiscal year thereafter, no amount of ad valorem
38 property tax revenue allocated to the county, a city, or a
39 special district pursuant to this subparagraph shall be
40 deemed to be an amount of ad valorem property tax



1 revenue allocated to that local agency in the prior fiscal
2 year.

3 (5) For purposes of allocations made pursuant to
4 Section 96.1 or its predecessor section for the 1993–94
5 fiscal year, the amounts allocated from the Educational
6 Revenue Augmentation Fund pursuant to this
7 subdivision, other than amounts deposited in the
8 Educational Revenue Augmentation Fund pursuant to
9 Section 33681 of the Health and Safety Code, shall be
10 deemed property tax revenue allocated to the
11 Educational Revenue Augmentation Fund in the prior
12 fiscal year.

13 (e) (1) For the 1997–98 fiscal year:

14 (A) The amount of property tax revenue deemed
15 allocated in the prior fiscal year to any city subject to the
16 reduction specified in paragraph (2) of subdivision (b)
17 shall be reduced by an amount that is equal to the
18 difference between the amount determined for the city
19 pursuant to paragraph (1) of subdivision (b) and the
20 amount of the reduction determined for the city pursuant
21 to paragraph (2) of subdivision (b).

22 (B) The amount of property tax revenue deemed
23 allocated in the prior fiscal year to any county or city and
24 county subject to the reduction specified in paragraph
25 (2) of subdivision (a) shall be reduced by an amount that
26 is equal to the difference between the amount specified
27 for the county or city and county pursuant to paragraph
28 (1) of subdivision (a) and the amount of the reduction
29 determined for the county or city and county pursuant to
30 paragraph (2) of subdivision (a).

31 (2) The amount of property tax revenues not allocated
32 to a city or city and county as a result of this subdivision
33 shall be deposited in the Educational Revenue
34 Augmentation Fund described in subparagraph (A) of
35 paragraph (1) of subdivision (d).

36 (3) For purposes of allocations made pursuant to
37 Section 96.1 for the 1998–99 fiscal year, the amounts
38 allocated from the Educational Revenue Augmentation
39 Fund pursuant to this subdivision shall be deemed



1 property tax revenues allocated to the Educational
2 Revenue Augmentation Fund in the prior fiscal year.

3 (f) It is the intent of the Legislature in enacting this
4 section that this section supersede and be operative in
5 place of Section 97.03 of the Revenue and Taxation Code,
6 as added by Senate Bill 617 of the 1991–92 Regular Session.

7 ~~SEC. 47.~~

8 SEC. 62. Section 97.3 of the Revenue and Taxation
9 Code is amended to read:

10 97.3. Notwithstanding any other provision of this
11 chapter, the computations and allocations made by each
12 county pursuant to Section 96.1 or its predecessor section,
13 as modified by Section 97.2 or its predecessor section for
14 the 1992–93 fiscal year, shall be modified for the 1993–94
15 fiscal year pursuant to subdivisions (a) to (c), inclusive,
16 as follows:

17 (a) The amount of property tax revenue deemed
18 allocated in the prior fiscal year to each county and city
19 and county shall be reduced by an amount to be
20 determined by the Director of Finance in accordance
21 with the following:

22 (1) The total amount of the property tax reductions for
23 counties and cities and counties determined pursuant to
24 this section shall be one billion nine hundred ninety-eight
25 million dollars (\$1,998,000,000) in the 1993–94 fiscal year.

26 (2) The Director of Finance shall determine the
27 amount of the reduction for each county or city and
28 county as follows:

29 (A) The proportionate share of the property tax
30 revenue reduction for each county or city and county that
31 would have been imposed on all counties under the
32 proposal specified in the “May Revision of the 1993–94
33 Governor’s Budget” shall be determined by reference to
34 the document entitled “Estimated County Property Tax
35 Transfers Under Governor’s May Revision Proposal,”
36 published by the Legislative Analyst’s Office on June 1,
37 1993.

38 (B) Each county’s or city and county’s proportionate
39 share of total taxable sales in all counties in the 1991–92
40 fiscal year shall be determined.



1 (C) An amount for each county and city and county
2 shall be determined by applying its proportionate share
3 determined pursuant to subparagraph (A) to the one
4 billion nine hundred ninety-eight million dollar
5 (\$1,998,000,000) statewide reduction for counties and
6 cities and counties.

7 (D) An amount for each county and city and county
8 shall be determined by applying its proportionate share
9 determined pursuant to subparagraph (B) to the one
10 billion nine hundred ninety-eight million dollar
11 (\$1,998,000,000) statewide reduction for counties and
12 cities and counties.

13 (E) The Director of Finance shall add the amounts
14 determined pursuant to subparagraphs (C) and (D) for
15 each county and city and county, and divide the resulting
16 figure by two. The amount so determined for each county
17 and city and county shall be divided by a factor of 1.038.
18 The resulting figure shall be the amount of property tax
19 revenue to be subtracted from the amount of property tax
20 revenue deemed allocated in the prior fiscal year.

21 (3) The Director of Finance shall, by July 15, 1993,
22 report to the Joint Legislative Budget Committee its
23 determination of the amounts determined pursuant to
24 paragraph (2).

25 (4) On or before August 15, 1993, the Director of
26 Finance shall notify the auditor of each county and city
27 and county of the amount of property tax revenue
28 reduction determined for each county and city and
29 county.

30 (5) Notwithstanding any other provision of this
31 subdivision, the amount of the reduction specified in
32 paragraph (2) for any county or city and county that has
33 first implemented, for the 1993-94 fiscal year, the
34 alternative procedure for the distribution of property tax
35 levies authorized by Chapter 2 (commencing with
36 Section 4701) of Part 8 shall be reduced, for the 1993-94
37 fiscal year only, in the amount of any increased revenue
38 allocated to each qualifying school entity that would not
39 have been allocated for the 1993-94 fiscal year but for the
40 implementation of that alternative procedure. For



1 purposes of this paragraph, “qualifying school entity”
2 means any school district, county office of education, or
3 community college district that is not an excess tax school
4 entity as defined in Section 95.1. Notwithstanding any
5 other provision of this paragraph, the amount of any
6 reduction calculated pursuant to this paragraph for any
7 county or city and county shall not exceed the reduction
8 calculated for that county or city and county pursuant to
9 paragraph (2).

10 (b) The amount of property tax revenue deemed
11 allocated in the prior fiscal year to each city shall be
12 reduced by an amount to be determined by the Director
13 of Finance in accordance with the following:

14 (1) The total amount of the property tax reductions
15 determined for cities pursuant to this section shall be two
16 hundred eighty-eight million dollars (\$288,000,000) in the
17 1993–94 fiscal year.

18 (2) The Director of Finance shall determine the
19 amount of reduction for each city as follows:

20 (A) The amount of property tax revenue that is
21 estimated to be attributable in the 1993–94 fiscal year to
22 the amount of each city’s state assistance payment
23 received by that city pursuant to Chapter 282 of the
24 Statutes of 1979 shall be determined.

25 (B) A factor for each city equal to the amount
26 determined pursuant to subparagraph (A) for that city,
27 divided by the total of the amounts determined pursuant
28 to subparagraph (A) for all cities, shall be determined.

29 (C) An amount for each city equal to the factor
30 determined pursuant to subparagraph (B), multiplied by
31 three hundred eighty-two million five hundred thousand
32 dollars (\$382,500,000), shall be determined.

33 (D) In no event shall the amount for any city
34 determined pursuant to subparagraph (C) exceed a per
35 capita amount of nineteen dollars and thirty-one cents
36 (\$19.31), as determined in accordance with that city’s
37 population on January 1, 1993, as estimated by the
38 Department of Finance.

39 (E) The amount determined for each city pursuant to
40 subparagraphs (C) and (D) shall be the amount of



1 property tax revenue to be subtracted from the amount
2 of property tax revenue deemed allocated in the prior
3 year.

4 (3) The Director of Finance shall, by July 15, 1993,
5 report to the Joint Legislative Budget Committee those
6 amounts determined pursuant to paragraph (2).

7 (4) On or before August 15, 1993, the Director of
8 Finance shall notify each county auditor of the amount of
9 property tax revenue reduction determined for each city
10 located within that county.

11 (c) (1) The amount of property tax revenue deemed
12 allocated in the prior fiscal year to each special district, as
13 defined pursuant to subdivision (m) of Section 95, shall be
14 reduced by the amount determined for the district
15 pursuant to paragraph (3) and increased by the amount
16 determined for the district pursuant to paragraph (4).
17 The total net amount of these changes is intended to
18 equal two hundred forty-four million dollars
19 (\$244,000,000) in the 1993-94 fiscal year.

20 (2) (A) Notwithstanding any other provision of this
21 subdivision, no reduction shall be made pursuant to this
22 subdivision with respect to any of the following special
23 districts:

24 (i) A local hospital district as described in Division 23
25 (commencing with Section 32000) of the Health and
26 Safety Code.

27 (ii) A water agency that does not sell water at retail,
28 but not including an agency the primary function of
29 which, as determined on the basis of total revenues, is
30 flood control.

31 (iii) A transit district.

32 (iv) A police protection district formed pursuant to
33 Part 1 (commencing with Section 20000) of Division 14 of
34 the Health and Safety Code.

35 (v) A special district that was a multicounty special
36 district as of July 1, 1979.

37 (B) Notwithstanding any other provision of this
38 subdivision, the first one hundred four thousand dollars
39 (\$104,000) of the amount of any reduction that otherwise
40 would be made under this subdivision with respect to a



1 qualifying community services district shall be excluded.
2 For purposes of this subparagraph, a “qualifying
3 community services district” means a community service
4 district that meets all of the following requirements:

5 (i) Was formed pursuant to Division 3 (commencing
6 with Section 61000) of Title 6 of the Government Code.

7 (ii) Succeeded to the duties and properties of a police
8 protection district upon the dissolution of that district.

9 (iii) Currently provides police protection services to
10 substantially the same territory as did that district.

11 (iv) Is located within a county in which the board of
12 supervisors has requested the Department of Finance
13 that this subparagraph be operative in the county.

14 (3) (A) On or before September 15, 1993, the county
15 auditor shall determine an amount for each special
16 district equal to the amount of its allocation determined
17 pursuant to Section 96 or 96.1, and Section 96.5 or their
18 predecessor sections for the 1993–94 fiscal year multiplied
19 by the ratio determined pursuant to paragraph (1) of
20 subdivision (a) of former Section 98.6 as that section read
21 on June 15, 1993. In those counties that were subject to
22 former Sections 98.66, 98.67, and 98.68, as those sections
23 read on that same date, the county auditor shall
24 determine an amount for each special district that
25 represents the current amount of its allocation
26 determined pursuant to Section 96 or 96.1, and Section
27 96.5 or their predecessor sections for the 1993–94 fiscal
28 year that is attributed to the property tax shift from
29 schools required by Chapter 282 of the Statutes of 1979.
30 In that county subject to Section 100.4, the county auditor
31 shall determine an amount for each special district that
32 represents the current amount of its allocations
33 determined pursuant to Section 96, 96.1, 96.5, or 100.4 or
34 their predecessor sections for the 1993–94 fiscal year that
35 is attributable to the property tax shift from schools
36 required by Chapter 282 of the Statutes of 1979. In
37 determining these amounts, the county auditor shall
38 adjust for the influence of increased assessed valuation
39 within each district, including the effect of jurisdictional
40 changes, and the reductions in property tax allocations



1 required in the 1992–93 fiscal year by Chapters 699 and
2 1369 of the Statutes of 1992. In the case of a special district
3 that has been consolidated or reorganized, the auditor
4 shall determine the amount of its current property tax
5 allocation that is attributable to the prior district’s or
6 districts’ receipt of state assistance payments pursuant to
7 Chapter 282 of the Statutes of 1979. Notwithstanding any
8 other provision of this paragraph, for a special district that
9 is governed by a city council or whose governing board
10 has the same membership as a city council and that is a
11 subsidiary district as defined in subdivision (e) of Section
12 16271 of the Government Code, the county auditor shall
13 multiply the amount that otherwise would be calculated
14 pursuant to this paragraph by 0.38 and the result shall be
15 used in the calculations required by paragraph (5). In no
16 event shall the amount determined by this paragraph be
17 less than zero.

18 (B) Notwithstanding subparagraph (A), commencing
19 with the 1994–95 fiscal year, in the County of Sacramento,
20 the auditor shall determine the amount for each special
21 district that represents the current amount of its
22 allocations determined pursuant to Section 96, 96.1, 96.5,
23 or 100.6 for the 1994–95 fiscal year that is attributed to the
24 property tax shift from schools required by Chapter 282
25 of the Statutes of 1979.

26 (4) (A) (i) On or before September 15, 1993, the
27 county auditor shall determine an amount for each
28 special district that is engaged in fire protection activities,
29 as reported to the Controller for inclusion in the 1989–90
30 Edition of the Financial Transactions Report Concerning
31 Special Districts under the heading of “Fire Protection,”
32 that is equal to the amount of revenue allocated to that
33 special district from the Special District Augmentation
34 Fund for fire protection activities in the 1992–93 fiscal
35 year. For purposes of the preceding sentence for counties
36 of the second class, the phrase “amount of revenue
37 allocated to that special district” means an amount of
38 revenue that was identified for transfer to that special
39 district, rather than the amount of revenue that was



1 actually received by that special district pursuant to that
2 transfer.

3 (ii) In the case of a special district, other than a special
4 district governed by the county board of supervisors or
5 whose governing body is the same as the county board of
6 supervisors, that is engaged in fire protection activities as
7 reported to the Controller, the county auditor shall also
8 determine the amount by which the district's amount
9 determined pursuant to paragraph (3) exceeds the
10 amount by which its allocation was reduced by operation
11 of former Section 98.6 in the 1992-93 fiscal year. This
12 amount shall be added to the amount otherwise
13 determined for the district under this paragraph. In any
14 county subject to former Section 98.65, 98.66, 98.67, or
15 98.68 in that same fiscal year, the county auditor shall
16 determine for each special district that is engaged in fire
17 protection activities an amount that is equal to the
18 amount determined for that district pursuant to
19 paragraph (3).

20 (B) For purposes of this paragraph, a special district
21 includes any special district that is allocated property tax
22 revenue pursuant to this chapter and does not appear in
23 the State Controller's Report on Financial Transactions
24 Concerning Special Districts, but is engaged in fire
25 protection activities and appears in the State Controller's
26 Report on Financial Transactions Concerning Counties.

27 (5) The total amount of property taxes allocated to
28 special districts by the county auditor as a result of
29 paragraph (4) shall be subtracted from the amount of
30 property tax revenues not allocated to special districts by
31 the county auditor as a result of paragraph (3) to
32 determine the amount to be deposited in the Education
33 Revenue Augmentation Fund as specified in subdivision
34 (d).

35 (6) On or before September 30, 1993, the county
36 auditor shall notify the Director of Finance of the net
37 amount determined for special districts pursuant to
38 paragraph (5).

39 (d) (1) The amount of property tax revenues not
40 allocated to the county, city and county, cities within the



1 county, and special districts as a result of the reductions
2 required by subdivisions (a), (b), and (c) shall instead be
3 deposited in the Educational Revenue Augmentation
4 Fund established in each county or city and county
5 pursuant to Section 97.2. The amount of revenue in the
6 Educational Revenue Augmentation Fund, derived from
7 whatever source, shall be allocated pursuant to
8 paragraphs (2) and (3) to school districts and county
9 offices of education, in total, and to community college
10 districts, in total, in the same proportion that property tax
11 revenues were distributed to school districts and county
12 offices of education, in total, and community college
13 districts, in total, during the 1992–93 fiscal year.

14 (2) The county auditor shall, based on information
15 provided by the county superintendent of schools
16 pursuant to this paragraph, allocate that proportion of the
17 revenue in the Educational Revenue Augmentation
18 Fund to be allocated to school districts and county offices
19 of education only to those school districts and county
20 offices of education within the county that are not excess
21 tax school entities, as defined in subdivision (n) of Section
22 95. The county superintendent of schools shall determine
23 the amount to be allocated to each school district in
24 inverse proportion to the amounts of property tax
25 revenue per average daily attendance in each school
26 district. For each county office of education, the
27 allocation shall be made based on the historical split of
28 base property tax revenue between the county office of
29 education and school districts within the county. In no
30 event shall any additional money be allocated from the
31 Educational Revenue Augmentation Fund to a school
32 district or county office of education upon that district or
33 county office of education becoming an excess tax school
34 entity. If, after determining the amount to be allocated to
35 each school district and county office of education, the
36 county superintendent of schools determines there are
37 still additional funds to be allocated, the county
38 superintendent of schools shall determine the remainder
39 to be allocated in inverse proportion to the amounts of
40 property tax revenue, excluding Educational Revenue



1 Augmentation Fund moneys, per average daily
2 attendance in each remaining school district, and on the
3 basis of the historical split described above for each
4 county office of education, that is not an excess tax school
5 entity until all funds that would not result in a school
6 district or county office of education becoming an excess
7 tax school entity are allocated. The county
8 superintendent of schools may determine the amounts to
9 be allocated between each school district and county
10 office of education to ensure that all funds that would not
11 result in a school district or county office of education
12 becoming an excess tax school entity are allocated.

13 (3) The county auditor shall, based on information
14 provided by the Chancellor of the California Community
15 Colleges pursuant to this paragraph, allocate that
16 proportion of the revenue in the Educational Revenue
17 Augmentation Fund to be allocated to community
18 college districts only to those community college districts
19 within the county that are not excess tax school entities,
20 as defined in subdivision (n) of Section 95. The chancellor
21 shall determine the amount to be allocated to each
22 community college district in inverse proportion to the
23 amounts of property tax revenue per funded full-time
24 equivalent student in each community college district. In
25 no event shall any additional money be allocated from the
26 Educational Revenue Augmentation Fund to a
27 community college district upon that district becoming
28 an excess tax school entity.

29 (4) (A) If, after making the allocation required
30 pursuant to paragraph (2), the auditor determines that
31 there are still additional funds to be allocated, the auditor
32 shall allocate those excess funds pursuant to paragraph
33 (3). If, after making the allocation pursuant to paragraph
34 (3), the auditor determines that there are still additional
35 funds to be allocated, the auditor shall allocate those
36 excess funds pursuant to paragraph (2). If, after
37 determining the amount to be allocated to each
38 community college district, the Chancellor of the
39 California Community Colleges determines that there
40 are still additional funds to be allocated, the Chancellor



1 of the California Community Colleges shall determine
2 the remainder to be allocated to each community college
3 district in inverse proportion to the amounts of property
4 tax revenue, excluding Educational Revenue
5 Augmentation Fund moneys, per funded full-time
6 equivalent student in each remaining community college
7 district that is not an excess tax school entity until all funds
8 that would not result in a community college district
9 becoming an excess tax school entity are allocated.

10 (B) (i) For the 1995–96 fiscal year and each fiscal year
11 thereafter, if, after making the allocations pursuant to
12 paragraphs (2) and (3) and subparagraph (A), the
13 auditor determines that there are still additional funds to
14 be allocated, the auditor shall, subject to clauses (ii) and
15 (iii), allocate those excess funds to the county
16 superintendent of schools. Funds allocated pursuant to
17 this subparagraph shall be counted as property tax
18 revenues for special education programs in
19 augmentation of the amount calculated pursuant to
20 Section 2572 of the Education Code, to the extent that
21 those property tax revenues offset state aid for county
22 offices of education and school districts within the county
23 pursuant to subdivision (c) of Section 56836.08 of the
24 Education Code.

25 (ii) For the 1995–96 fiscal year only, this subparagraph
26 shall have no application to the County of Mono and the
27 amount allocated pursuant to this subparagraph in the
28 County of Marin shall not exceed five million dollars
29 (\$5,000,000).

30 (iii) For the 1996–97 fiscal year only, the total amount
31 of funds allocated by the auditor pursuant to this
32 subparagraph and subparagraph (B) of paragraph (4) of
33 subdivision (d) of Section 97.2 shall not exceed that
34 portion of two million five hundred thousand dollars
35 (\$2,500,000) that corresponds to the county's
36 proportionate share of all moneys allocated pursuant to
37 this subparagraph and subparagraph (B) of paragraph
38 (4) of subdivision (d) of Section 97.2 for the 1995–96 fiscal
39 year. Upon the request of the auditor, the Department of
40 Finance shall provide to the auditor all information in the



1 department's possession that is necessary for the auditor
2 to comply with this clause.

3 (C) For purposes of allocating the Educational
4 Revenue Augmentation Fund for the 1996–97 fiscal year,
5 the auditor shall, after making the allocations for special
6 education programs, if any, required by subparagraph
7 (B), allocate all remaining funds among the county,
8 cities, and special districts in proportion to the amounts
9 of ad valorem property tax revenue otherwise required
10 to be shifted from those local agencies to the county's
11 Educational Revenue Augmentation Fund for the
12 relevant fiscal year. For purposes of ad valorem property
13 tax revenue allocations for the 1997–98 fiscal year and
14 each fiscal year thereafter, no amount of ad valorem
15 property tax revenue allocated to the county, a city, or a
16 special district pursuant to this subparagraph shall be
17 deemed to be an amount of ad valorem property tax
18 revenue allocated to that local agency in the prior fiscal
19 year.

20 (5) For purposes of allocations made pursuant to
21 Section 96.1 for the 1994–95 fiscal year, the amounts
22 allocated from the Educational Revenue Augmentation
23 Fund pursuant to this subdivision, other than those
24 amounts deposited in the Educational Revenue
25 Augmentation Fund pursuant to any provision of the
26 Health and Safety Code, shall be deemed property tax
27 revenue allocated to the Educational Revenue
28 Augmentation Fund in the prior fiscal year.

29 ~~SEC. 48.~~

30 *SEC. 63.* This act shall become operative July 1, 1998.

31 ~~SEC. 49.—~~

32 *SEC. 64. Notwithstanding Section 17610 of the*
33 *Government Code, if the Commission on State Mandates*
34 *determines that this act contains costs mandated by the*
35 *state, reimbursement to local agencies and school*
36 *districts for those costs shall be made pursuant to Part 7*
37 *(commencing with Section 17500) of Division 4 of Title*
38 *2 of the Government Code. If the statewide cost of the*
39 *claim for reimbursement does not exceed one million*



1 dollars (\$1,000,000), reimbursement shall be made from
2 the State Mandates Claims Fund.

3 Notwithstanding Section 17580 of the Government
4 Code, unless otherwise specified, the provisions of this act
5 shall become operative on the same date that the act
6 takes effect pursuant to the California Constitution.

7 SEC. 65. This act is an urgency statute necessary for
8 the immediate preservation of the public peace, health,
9 or safety within the meaning of Article IV of the
10 Constitution and shall go into immediate effect. The facts
11 constituting the necessity are:

12 In order to ensure that special education funding
13 reform is implemented appropriately pursuant to
14 Chapter 854 of the Statutes of 1997, it is necessary that this
15 act take effect immediately.

