

Senate Bill No. 2132

CHAPTER 905

An act to amend Section 35735.2 of, and to add Section 35735.4 to, the Education Code, relating to school finance.

[Approved by Governor September 27, 1998. Filed
with Secretary of State September 28, 1998.]

LEGISLATIVE COUNSEL'S DIGEST

SB 2132, Monteith. School finance: newly organized school districts: base revenue limits per unit of average daily attendance.

Existing law provides for the calculation of the base revenue limit for newly organized school districts in accordance with a prescribed procedure. Under this procedure, the base revenue limit per unit of average daily attendance of an affected school district is equal to the total of the amount of blended revenue limit per unit of average daily attendance of the affected school districts, an amount based on salaries and benefits of classified employees of school districts for which the employment of 25% or more of those employees is attributable to average daily attendance that will be included in the newly organized school districts, an amount based on salaries and benefits of certificated employees of school districts for which the employment of 25% or more of those employees is attributable to average daily attendance that will be included in the newly organized school districts, and the amount of the inflation adjustment calculated in accordance with a prescribed formula. Existing law provides that if a newly organized school district is unable to provide the school facilities necessary to provide instructional services by employees of the district to all of its pupils who are residents of the district during the fiscal year in which the reorganization becomes effective, an adjustment shall be made to the base revenue limit per unit of average daily attendance of the district each fiscal year subsequent to the fiscal year in which the reorganization becomes effective until the fiscal year in which the district provides the facilities necessary to provide those services to all of its pupils.

This bill would provide that a school district that was reorganized in the 1998-99 fiscal year, had an enrollment of fewer than 2,000 pupils in the 2nd fiscal year prior to the fiscal year of reorganization, was wholly located within a county of the 20th class, as defined, and for which the criteria relating to employment of 25% or more of the classified full-time equivalent employees and the certificated full-time equivalent employees would have been met had pupils on interdistrict transfers in the 2nd year prior to the fiscal year of reorganization attended their district of residence, may include the

calculations based on the salaries and benefits of its classified and certificated employees in the calculation of its base revenue limit per unit of average daily attendance.

The bill would provide that the adjustment related to inadequate school facilities shall apply to a school district that meets these requirements to the extent that a district does not have adequate school facilities necessary to provide instructional services by employees of the district to all of its pupils.

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

SECTION 1. Section 35735.2 of the Education Code is amended to read:

35735.2. (a) If a newly organized school district is unable to provide the school facilities necessary to provide instructional services by employees of the district to all of the pupils who are residents of that district during the fiscal year in which the reorganization becomes effective for all purposes, the base revenue limit per unit of average daily attendance of the newly organized district shall be the blended revenue limit arrived at pursuant to paragraph (1) of subdivision (a) of Section 35735.1 as adjusted by the calculations made pursuant to subparagraphs (B), (C), and (D) of paragraph (4) of subdivision (a) of Section 35735.1 and subdivision (b) of Section 35735.1. As the newly organized school district obtains the school facilities necessary to provide instructional services by employees of the district to all or a portion of those pupils, the following adjustment shall be made to the base revenue limit per unit of average daily attendance of the district each fiscal year subsequent to the fiscal year in which the reorganization becomes effective until the fiscal year in which the district provides the facilities necessary to provide those services for all of those pupils:

(1) Determine the total number of pupils who are residents of the district to whom the district was unable to provide school facilities necessary to provide that instruction during the fiscal year in which the reorganization becomes effective for all purposes.

(2) Determine the total number of pupils identified in paragraph (1) that will attend school in school facilities located in, and receive instructional services provided by employees of, that district in the current fiscal year.

(3) Divide the number determined pursuant to paragraph (2) by the number determined pursuant to paragraph (1) to determine the percentage of pupils identified in paragraph (1) who will attend school in school facilities located in, and receive instructional services provided by employees of, that district in the current fiscal year.

(4) Multiply the numbers determined pursuant to paragraphs (2) and (3) of subdivision (a) of Section 35735.1 by the percentage determined pursuant to paragraph (3) for that fiscal year, and total



the amounts. Divide that sum by the number of units of average daily attendance residing in the proposed district in the current fiscal year.

(5) Increase the base revenue limit calculated pursuant to subdivision (a) of this section for the school district by the amount arrived at pursuant to paragraph (4) as adjusted by the calculations pursuant to subparagraphs (B), (C), and (D) of paragraph (4) of subdivision (a) of Section 35735.1. In no event shall the amount determined pursuant to this paragraph exceed that amount that would otherwise be calculated pursuant to subdivision (a) of Section 35735.1.

(b) For the purposes of making the adjustments described in subdivision (a), the annual audit of the school district required pursuant to Section 41020 shall include an audit of the average daily attendance of pupils by grade level and the numbers of certificated and classified employees on which the adjustments to the base revenue limit of the district were made pursuant to paragraphs (1), (2), and (3) of subdivision (a) of Section 35735.1. Until the newly organized school district provides the school facilities necessary to provide instructional services by employees of the district to pupils who are residents of the district in the manner and in the timeframes set forth in the proposal to reorganize that was approved by the State Board of Education, the county superintendent of schools shall, for each fiscal year, inform the Superintendent of Public Instruction of the extent to which the district is providing those facilities to those pupils. The county superintendent of schools may charge the school district for the cost of preparation of the report. Based on that information, the superintendent shall make base revenue limit apportionments to the school district in a manner consistent with subdivision (a).

(c) If the newly organized school district is unable to provide the school facilities necessary to provide instructional services by employees of the district to all of the pupils who are residents of the district five years from the date on which the reorganization becomes effective for all purposes, the State Department of Education shall recommend to the State Board of Education whether or not the district should be lapsed pursuant to Article 5 (commencing with Section 35780). The State Department of Education shall make that recommendation for each fiscal year until either the school district provides the school facilities necessary to provide instructional services by employees of the district to all of the pupils who are residents of the district or the district is lapsed. Upon recommendation by the State Department of Education, the State Board of Education may direct the county committee on school district organization to lapse the school district according to the procedures set forth in Article 5 (commencing with Section 35780).

(d) This section shall not apply to any reorganization proposal approved by the State Board of Education prior to January 1, 1995.



(e) This section shall apply to school districts that meet the requirements of Section 35735.4 to the extent that a district does not have adequate school facilities necessary to provide instructional services by employees of the district to all of its pupils.

SEC. 2. Section 35735.4 is added to the Education Code, to read:

35735.4. Notwithstanding paragraphs (2) and (3) of subdivision (a) of Section 35735.1, as it read on June 30, 1998, a school district that was reorganized in the 1998–99 fiscal year, had an enrollment of fewer than 2,000 pupils in the second fiscal year prior to the fiscal year of reorganization, was wholly located within a county of the 20th class, as defined pursuant to Section 28041 of the Government Code, and for which the criteria specified in paragraph (2) or (3), or both, of subdivision (a) of Section 35735.1, as it read on June 30, 1998, would have been met had pupils on interdistrict transfers in the second fiscal year prior to the fiscal year of reorganization attended their district of residence, may include the calculations set forth in paragraphs (2) and (3) of subdivision (a) of Section 35735.1, as it read on June 30, 1998, in the calculation of its base revenue limit per unit of average daily attendance.

