

AMENDED IN SENATE AUGUST 7, 2000
AMENDED IN SENATE SEPTEMBER 3, 1999
AMENDED IN SENATE MAY 26, 1999
AMENDED IN ASSEMBLY MARCH 8, 1999
AMENDED IN ASSEMBLY FEBRUARY 25, 1999
AMENDED IN ASSEMBLY FEBRUARY 11, 1999
AMENDED IN ASSEMBLY JANUARY 21, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 36

Introduced by Assembly Member Shelley
(Coauthors: Senators Burton, Johnston, and Perata)
(Coauthors: Assembly Members Cunneen, Honda, and Machado)

December 7, 1998

~~An act relating to school district desegregation, and making an appropriation therefor, to take effect immediately as an appropriation for the usual current expenses of the state. An act relating to the San Francisco Unified School District, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 36, as amended, Shelley. ~~School desegregation costs San Francisco Unified School District: fiscal management: fiscal expert.~~

(1) Under existing law, if at any time during the fiscal year, the Superintendent of Public Instruction determines that the county office of education may be unable to meet its financial obligations for the current or 2 subsequent fiscal years or if the county office has met certain other requirements, he or she is required to notify the county board of education and the county superintendent in writing of that determination and the basis for the determination. Existing law requires the Superintendent of Public Instruction to take certain actions, including assigning a fiscal expert, paid for by the Superintendent of Public Instruction, to advise the county office on its financial problems and conducting a study of the financial and budgetary conditions of the county office, to ensure that the county office meets its financial obligations.

This bill would, immediately upon the effective date of this bill, require the Superintendent of Public Instruction to assign a fiscal expert, for a 2-year period, to advise the San Francisco Unified School District, in accordance with those provisions, to ensure that any fiscal management problems identified in the study conducted pursuant to those provisions are addressed and corrected. The bill would also require the district to conduct an internal review of fiscal management operation, thereby imposing a state-mandated local program. The bill would require the fiscal expert to report to the Governor and the Legislature every 6 months, commencing on July 1, 2001, on the progress achieved by the school district in correcting identified fiscal management problems and would prescribe other, related matters.

(2) 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.



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

~~Existing law requires, and provides a mechanism for, reimbursement of certain school district costs associated with compliance with desegregation plans or orders.~~

~~This bill would appropriate \$66,594,150 from the General Fund to the State Department of Education in augmentation of the Budget Act of 1999, for allocation to school districts for costs associated with school desegregation pursuant to a prescribed schedule for the 1994-95 and the 1995-96 fiscal years.~~

~~This bill would require the above-described funds appropriated by its provisions to be counted towards the state's minimum funding obligation pursuant to Section 8 of Article XVI of the California Constitution for years prior to the 1999-2000 fiscal year to the extent that obligations remain.~~

~~This bill would appropriate \$3,000,000 from the General Fund to the State Department of Education in augmentation of the Budget Act of 1999 for allocation to the Stockton Unified School District as reimbursement for court-ordered desegregation costs for the 1999-2000 fiscal year in that school district.~~

~~This bill would declare that it is to take effect immediately as a statute making an appropriation for the usual current expenses of the state.~~

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

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

1 ~~SECTION 1.—In augmentation of the Budget Act of~~
2 ~~SECTION 1. (a) Immediately upon the effective~~
3 ~~date of this section, the Superintendent of Public~~
4 ~~Instruction shall assign a fiscal expert, for a two-year~~
5 ~~period, in accordance with subdivision (a) of Section 1630~~
6 ~~of the Education Code, to provide fiscal advice to the San~~
7 ~~Francisco Unified School District, to ensure that any fiscal~~
8 ~~management problems identified in the study conducted~~
9 ~~pursuant to paragraph (2) of subdivision (a) of Section~~
10 ~~1630 of the Education Code are addressed and corrected.~~



1 (b) *The San Francisco Unified School District shall*
2 *conduct and complete an internal review of fiscal*
3 *management operations, within three months of the date*
4 *the fiscal expert is appointed pursuant to subdivision (a),*
5 *and shall conduct and complete a second internal review*
6 *of those operations, within six months of the date the fiscal*
7 *expert is appointed. The district shall report the results of*
8 *these internal reviews to the fiscal expert immediately,*
9 *and the fiscal expert shall have access to all district*
10 *financial records and related matters.*

11 (c) *The San Francisco Unified School District shall*
12 *provide adequate office space for the fiscal expert*
13 *appointed pursuant to subdivision (a) to complete his or*
14 *her duties.*

15 (d) *The rate of compensation for the fiscal expert shall*
16 *be the same as the rate of compensation provided to the*
17 *Superintendent of Schools for the San Francisco Unified*
18 *School District, and shall be paid by the Superintendent*
19 *of Public Instruction.*

20 (e) *The fiscal expert assigned pursuant to subdivision*
21 *(a) shall report to the Governor and the Legislature*
22 *every six months, commencing on July 1, 2001, on the*
23 *progress achieved by the San Francisco Unified School*
24 *District in correcting the fiscal management problems*
25 *identified in the study conducted pursuant to paragraph*
26 *(2) of subdivision (a) of Section 1630 of the Education*
27 *Code.*

28 *SEC. 2. The Legislature finds and declares that due to*
29 *the special circumstances surrounding the San Francisco*
30 *Unified School District that a general statute cannot be*
31 *made applicable within the meaning of Section 16 of*
32 *Article IV of the California Constitution, and the*
33 *enactment of a special statute is therefore necessary.*

34 *SEC. 3. Notwithstanding Section 17610 of the*
35 *Government Code, if the Commission on State Mandates*
36 *determines that this act contains costs mandated by the*
37 *state, reimbursement to local agencies and school*
38 *districts for those costs shall be made pursuant to Part 7*
39 *(commencing with Section 17500) of Division 4 of Title*
40 *2 of the Government Code. If the statewide cost of the*



1 claim for reimbursement does not exceed one million
2 dollars (\$1,000,000), reimbursement shall be made from
3 the State Mandates Claims Fund.

4 SEC. 4. This act is an urgency statute necessary for
5 the immediate preservation of the public peace, health,
6 or safety within the meaning of Article IV of the
7 Constitution and shall go into immediate effect. The facts
8 constituting the necessity are:

9 To immediately address the fiscal crisis in the San
10 Francisco Unified School District it is necessary that this
11 act take effect immediately as an urgency statute.

12 ~~1999 (Chapter 50 of the Statutes of 1999), the sum of~~
13 ~~sixty six million five hundred ninety four thousand one~~
14 ~~hundred fifty dollars (\$66,594,150) is hereby~~
15 ~~appropriated from the General Fund to the State~~
16 ~~Department of Education to supplement funding during~~
17 ~~the 1999-2000 fiscal year for the ongoing activities of the~~
18 ~~public schools. The allocations made pursuant to this~~
19 ~~section for desegregation shall be accounted in~~
20 ~~satisfaction of the state's obligation under Section 8 of~~
21 ~~Article XVI of the California Constitution for years prior~~
22 ~~to the 1999-2000 fiscal year, to the extent that obligations~~
23 ~~remain at the time the act adding this section becomes~~
24 ~~effective. These funds shall be allocated as follows:~~

25 (a) ~~Eleven million two hundred eighteen thousand~~
26 ~~five hundred forty six dollars (\$11,218,546) for amounts~~
27 ~~due pursuant to the final audit for the 1994-95 fiscal year~~
28 ~~in accordance with the following schedule:~~

29		
30		Reimbursement
31		Claims
32	Court-ordered Desegregation	for the 1994-95
33	School Districts	fiscal year
34	_____	
35	Bakersfield City School District	\$ 410,451
36	Los Angeles Unified School District	4,981,060
37	Menlo Park City School District	11,532
38	Palo Alto Unified School District	194,863
39	Ravenswood City School District	8,273
40	Redwood City School District	11,950



1	San Bernardino Unified School District	686,143
2	San Diego Unified School District	0
3	San Francisco Unified School District	2,142,741
4	San Jose Unified School District	1,290,475
5	San Mateo County Office of Education	3,240
6	Santa Clara County Superintendent of Schools	4,100
7	Sequoia Union High School District	97,845
8	Stockton Unified School District	1,375,873
9		<hr/>
10	GRAND TOTAL	\$11,218,546

11
 12 (b) ~~Thirty-seven million ninety-six thousand four~~
 13 ~~hundred twenty-eight dollars (\$37,096,428) for amounts~~
 14 ~~due pursuant to the final audit for the 1995-96 fiscal year~~
 15 ~~in accordance with the following schedule:~~

16		Reimbursement
17		Claims
18		for the 1995-96
19	Court-ordered Desegregation	fiscal year
20	School Districts	
21	<hr/>	
22	Bakersfield City School District	\$ 410,250
23	Los Angeles Unified School District	21,203,695
24	Menlo Park City School District	10,835
25	Palo Alto Unified School District	209,339
26	Ravenswood City School District	10,119
27	Redwood City School District	13,016
28	San Bernardino Unified School District	996,884
29	San Diego Unified School District	1,861,190
30	San Francisco Unified School District	10,572,743
31	San Jose Unified School District	63,418
32	San Mateo County Office of Education	12,167
33	Santa Clara County Superintendent of Schools	3,953
34	Sequoia Union High School District	124,725
35	Stockton Unified School District	1,604,094
36		<hr/>
37	GRAND TOTAL	\$37,096,428

38
 39 (c) ~~Five million seven hundred sixty-four thousand~~
 40 ~~fifty dollars (\$5,764,050) for amounts due pursuant to the~~



1 ~~final audit for the 1994-95 fiscal year in accordance with~~
2 ~~the following schedule:~~

	Reimbursement
	Claims
Voluntary Desegregation	for the 1994-95
School Districts	fiscal year
—	—
9 ABC Unified School District	\$ 27,858
10 Bakersfield City School District	110,047
11 Banning Unified School District	3,701
12 Berkeley Unified School District	0
13 Brawley Elementary School District	11,876
14 Chula Vista Elementary School District	18,030
15 Claremont Unified School District	18,178
16 Eastside Union High School District	13,025
17 El Centro Elementary School District	50,636
18 Fresno Unified School District	931,627
19 Fullerton Elementary School District	10,972
20 Gilroy Unified School District	114,281
21 Hanford School District	2,786
22 Long Beach Unified School District	0
23 Los Angeles Unified School District	2,713,333
24 Merced City School District	16,560
25 Monrovia Unified School District	6,574
26 Monterey Peninsula Unified School District	22,309
27 Mountain View-Los Altos Union School District	205
28 North Monterey County Unified School District	0
29 Oakland Unified School District	53,235
30 Oxnard Elementary School District	79,242
31 Pasadena Unified School District	29,335
32 Redwood City Elementary School District	30,132
33 Riverside Unified School District	51,217
34 Sacramento City Unified School District	9,469
35 San Bernardino City Unified School District	342,878
36 San Diego City Unified School District	418,635
37 San Jose Unified School District	202,067
38 San Mateo-Foster City School District	44,281
39 San Mateo Union High School District	10,460



1	Santa Barbara Elementary School District	3,560
2	Santa Monica-Malibu School District	72,388
3	Santa Paula Elementary School District	23,223
4	Sequoia Union High School District	15,747
5	Solana Beach Elementary School District	6,766
6	Sunnyvale Elementary School District	6,531
7	Sweetwater Union High School District	51,630
8	Ventura Unified School District	0
9	Vista Unified School District	241,256
10	<hr/>	
11	GRAND TOTAL	\$5,764,050

12
 13 ~~(d) Twelve million five hundred fifteen thousand one~~
 14 ~~hundred twenty-six dollars (\$12,515,126) for amounts due~~
 15 ~~pursuant to the final audit for the 1995-96 fiscal year in~~
 16 ~~accordance with the following schedule:~~

17		Reimbursement
18		Claims
19		for the 1995-96
20	Voluntary Desegregation	fiscal year
21	School Districts	
22	—	—
23	ABC Unified School District	\$ 29,603
24	Bakersfield City School District	143,258
25	Banning Unified School District	4,294
26	Berkeley Unified School District	265,008
27	Brawley Elementary School District	7,136
28	Chula Vista Elementary School District	0
29	Claremont Unified School District	31,505
30	Eastside Union High School District	0
31	El Centro Elementary School District	23,208
32	Fresno Unified School District	926,980
33	Fullerton Elementary School District	16,489
34	Gilroy Unified School District	172,618
35	Hanford School District	3,297
36	Long Beach Unified School District	2,094,695
37	Los Angeles Unified School District	5,544,945
38	Merced City School District	21,792
39	Monrovia Unified School District	23,539
40	Monterey Peninsula Unified School District	19,415



1	Mountain View-Los Altos Union School District	151
2	North Monterey County Unified School District	43,110
3	Oakland Unified School District	406,839
4	Oxnard Elementary School District	94,920
5	Pasadena Unified School District	123,623
6	Redwood City Elementary School District	230,568
7	Riverside Unified School District	73,422
8	Sacramento City Unified School District	16,186
9	San Bernardino City Unified School District	508,668
10	San Diego City Unified School District	813,794
11	San Jose Unified School District	267,242
12	San Mateo-Foster City School District	60,157
13	San Mateo Union High School District	14,920
14	Santa Barbara Elementary School District	289
15	Santa Monica-Malibu School District	101,285
16	Santa Paula Elementary School District	73,550
17	Sequoia Union High School District	18,394
18	Solana Beach Elementary School District	0
19	Sunnyvale Elementary School District	9,225
20	Sweetwater Union High School District	51,630
21	Ventura Unified School District	2,059
22	Vista Unified School District	328,942
23		
24	————— GRAND TOTAL	\$12,515,126
25		

26 ~~SEC. 2. In augmentation of the Budget Act of 1999,~~
27 ~~the sum of three million dollars (\$3,000,000) is hereby~~
28 ~~appropriated from the General Fund to the State~~
29 ~~Department of Education for allocation to the Stockton~~
30 ~~Unified School District as reimbursement for~~
31 ~~court-ordered desegregation costs for the 1999-2000 fiscal~~
32 ~~year in that school district.~~

33 ~~SEC. 3. (a) It is the intent of the Legislature to enact~~
34 ~~legislation that would require the County Office Fiscal~~
35 ~~Crisis and Management Assistance Team to review the~~
36 ~~budget of the San Francisco Unified School District to~~
37 ~~determine whether the budget will allow that school~~
38 ~~district to meet its financial obligations during the~~
39 ~~1999-2000 fiscal year while operating under a financial~~



1 ~~plan that will enable the school district to satisfy its~~
2 ~~multiyear financial commitments.~~

3 ~~(b) It is further the intent of the Legislature to enact~~
4 ~~legislation to provide that funding from revenues~~
5 ~~reserved by the County Office Fiscal Crisis and~~
6 ~~Management Assistance Team pursuant to subdivision~~
7 ~~(c) of Section 42127.8 of the Education Code would be~~
8 ~~used to conduct the budget review described in~~
9 ~~subdivision (a).~~

10 ~~SEC. 4. This act makes an appropriation for the usual~~
11 ~~current expenses of the state within the meaning of~~
12 ~~Article IV of the Constitution and shall go into immediate~~
13 ~~effect.~~

