

AMENDED IN SENATE AUGUST 18, 2000  
AMENDED IN SENATE JULY 5, 2000  
AMENDED IN SENATE JULY 12, 1999  
AMENDED IN ASSEMBLY MAY 28, 1999  
AMENDED IN ASSEMBLY APRIL 27, 1999  
AMENDED IN ASSEMBLY APRIL 12, 1999  
AMENDED IN ASSEMBLY APRIL 8, 1999  
AMENDED IN ASSEMBLY FEBRUARY 18, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 148**

---

---

**Introduced by Assembly Members Thomson, Brewer, and  
Corbett**

**(Coauthors: Assembly Members Cardoza, Honda, Jackson,  
Knox, Longville, Machado, Strom-Martin, and Washington)**  
(Coauthors: Senators Chesbro, Leslie, Rainey, and Solis)

January 15, 1999

---

---

An act to amend Sections 17070.75, 17080, 17224, 17462, 17463, 17582, 17583, 17584, 17585, 17587, 17588, 17591, 17592, 17620, 42238, and 42262 of, to add Section 17070.77 to, the Education Code, to amend Sections 23010.4 and 37116 of the Government Code, relating to school facilities, and making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

AB 148, as amended, Thomson. School facilities.

(1) Existing law, the Leroy F. Greene School Facilities Act of 1998 (Greene Act), provides funding to school districts to finance the construction and modernization of school facilities. The Greene Act requires applicants to make all necessary repairs, renewals, and replacements to ensure that a project is at all times kept in good repair. Existing law requires an applicant to establish a restricted account within the school district's general fund for the exclusive purpose of providing moneys for ongoing and major maintenance, and to agree to deposit prescribed amounts into the account for this purpose. Existing law requires the applicant school district to certify that it has publicly approved an ongoing and major maintenance plan.

This bill would define major maintenance for this purpose, would require, commencing January 1, 2000, any school district applying for funding pursuant to the Greene Act to annually review the plan, update it as needed, and certify that it is in compliance with the plan. The bill would require applicants to certify that the plan includes prescribed criteria, including, but not limited to, identification of the major maintenance needs of the project, and specification of a schedule for completion of the major maintenance.

(2) Existing law establishes the State School Deferred Maintenance Fund which is continuously appropriated for the purposes for which it is established.

This bill would change the name of the State School Deferred Maintenance Fund to the School Major Maintenance Match Fund, would make conforming changes relating to school district maintenance funds.

Existing law appropriates from the General Fund for the purposes of the Leroy F. Greene State School Building Lease-Purchase Law of 1976 and for the purposes of deferred maintenance funding.

This bill would appropriate these amounts also for the purposes of the Leroy F. Greene School Facilities Act of 1998.

(3) *This bill would incorporate additional changes in Section 42238 of the Education Code, proposed by AB 2907, to be operative only if AB 2907 and this bill are both chaptered*



and become effective January 1, 2001 and this bill is chaptered last.

(4) To the extent that General Fund revenues appropriated by this bill are allocated to a school district or a community college district, those funds would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

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

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

1 SECTION 1. Section 17070.75 of the Education Code  
2 is amended to read:

3 17070.75. (a) The board shall require the school  
4 district to make all necessary repairs, renewals, and  
5 replacements to ensure that a project is at all times kept  
6 in good repair, working order, and condition. All costs  
7 incurred for this purpose shall be borne by the school  
8 district.

9 (b) In order to ensure compliance with subdivision (a)  
10 and to encourage school districts to maintain all buildings  
11 under their control, the board shall require an applicant  
12 school district to do all of the following prior to the  
13 approval of a project:

14 (1) Establish a restricted account within the school  
15 district's general fund for the exclusive purpose of  
16 providing moneys for ongoing and major maintenance of  
17 school buildings, according the highest priority to  
18 funding for the purposes set forth in subdivision (a).

19 (2) Agree to deposit into the account established  
20 pursuant to paragraph (1), in each fiscal year for 20 years  
21 after receipt of funds under this chapter, a minimum  
22 amount equal to or greater than 3 percent of the  
23 applicant school district's general fund budget for that  
24 fiscal year. For the 1998–99 fiscal year and the 1999–2000  
25 fiscal year, a school district may phase in this requirement  
26 by agreeing to certify the deposit of no less than 2 percent  
27 for the 1998–99 fiscal year and no less than 2<sup>1</sup>/<sub>2</sub> percent



1 for the 1999–2000 fiscal year. Annual deposits to the fund  
2 established pursuant to paragraph (1) in excess of 2<sup>1</sup>/<sub>2</sub>  
3 percent of the district general fund budget may count  
4 toward the district’s matching funds requirement  
5 necessary to receive apportionments from the School  
6 Major Maintenance Match Fund pursuant to Section  
7 17584 to the extent that funds are used for purposes that  
8 qualify for funding under that section. In addition, any  
9 district contribution to this fund may be provided in lieu  
10 of meeting the ongoing maintenance requirements  
11 pursuant to Section 17014 to the extent the funds are used  
12 for purposes established in that section. This paragraph is  
13 applicable only to the following school districts:

14 (A) High school districts with an average daily  
15 attendance greater than 300 pupils.

16 (B) Elementary school districts with an average daily  
17 attendance greater than 900 pupils.

18 (C) Unified school districts with an average daily  
19 attendance greater than 1,200 pupils.

20 (3) Certify that it has publicly approved an ongoing  
21 and major maintenance plan that outlines the use of the  
22 funds deposited, or to be deposited, pursuant to  
23 paragraph (2). The plan may provide that the district  
24 need not expend all of its annual allocation for ongoing  
25 and major maintenance in the year in which it is  
26 deposited if the cost of major maintenance requires that  
27 the allocation be carried over into another fiscal year.  
28 However, any state funds carried over into a subsequent  
29 year shall not be counted toward the annual minimum  
30 contribution by the district. A plan developed in  
31 compliance with this section shall be deemed to meet the  
32 requirements of Section 17585.

33 (c) A district to which paragraph (2) of subdivision  
34 (b) does not apply shall certify to the board that it can  
35 reasonably maintain its facilities with a lesser level of  
36 maintenance.

37 (d) For the purposes of calculating a county office of  
38 education requirement pursuant to this section, the 3  
39 percent maintenance requirement shall be calculated



1 based upon the county office of education general fund  
2 less any restricted accounts.

3 SEC. 2. Section 17070.77 is added to the Education  
4 Code, immediately following Section 17070.5, to read:

5 17070.77. (a) For each project funded after January  
6 1, 2000, the board shall require the applicant school  
7 district governing board to certify, as part of the school  
8 district's annual budget process and beginning in the  
9 fiscal year in which the project is funded by the state, that  
10 it is in compliance with the plan adopted pursuant to  
11 paragraph (3) of subdivision (b) of Section 17070.75 for  
12 completing major maintenance requirements for the  
13 project.

14 (b) For purposes of this chapter, the term "major  
15 maintenance" means all actions necessary to keep  
16 roofing, siding, painting, floor and window coverings,  
17 fixtures, cabinets, heating and cooling systems,  
18 landscaping, fences, and other items designated by the  
19 governing board of the school district in good repair. For  
20 the purposes of this chapter, "deferred maintenance"  
21 means major maintenance. Any reference to the "State  
22 School Deferred Maintenance Fund" shall be deemed to  
23 be a reference to the School Major Maintenance Match  
24 Fund.

25 (c) The board shall require the school district's  
26 governing board to certify that the plan includes and is  
27 being implemented with all of the following components:

28 (1) Identification of the major maintenance needs for  
29 the project.

30 (2) Specification of a schedule for completing the  
31 major maintenance.

32 (3) Specification of a current cost estimate for the  
33 scheduled major maintenance needs.

34 (4) Specification of the school district's schedule for  
35 funding a reserve to pay for the scheduled major  
36 maintenance needs.

37 (5) Review of the plan annually, as a part of the school  
38 district's annual budget process, and update, as needed,  
39 the major maintenance needs, the estimates of expected  
40 costs, and any adjustments in funding the reserve.



1 (6) Availability for public inspection of the original  
2 plan, and all updated versions of the plan, at the office of  
3 the superintendent of the school district during the  
4 working hours of the school district.

5 (7) Provision in the school district’s annual budget for  
6 the reserve that contains the total funding available for  
7 scheduled major maintenance needs as specified in the  
8 updated plan, and an explanation if this amount of the  
9 reserve is less than that specified in the updated plan.

10 SEC. 3. Section 17080 of the Education Code is  
11 amended to read:

12 17080. (a) Notwithstanding any other provision of  
13 law, whenever moneys transferred to the General Fund  
14 each year from (1) moneys deposited in the Public School  
15 Building Loan Fund pursuant to Section 15735, and (2)  
16 moneys deposited in the State School Building Aid Fund  
17 pursuant to Section 16080, are in excess of the amounts  
18 required to reimburse the General Fund on account of  
19 principal and interest due and payable for that fiscal year  
20 on all school building aid bonds outstanding against the  
21 state, an amount equal to the excess is appropriated from  
22 the General Fund for purposes of the Leroy F. Greene  
23 State School Building Lease-Purchase Law of 1976  
24 (Chapter 12 (commencing with Section 17000)), the  
25 Leroy F. Greene School Facilities Act of 1998 (Chapter  
26 12.5 (commencing with Section 17070.10)), and Section  
27 17584. The Controller shall transfer, as directed by the  
28 State Allocation Board, the appropriated amount to the  
29 State School Building Lease-Purchase Fund and to the  
30 School Major Maintenance Match Fund, which is hereby  
31 established.

32 (b) In addition to the amount transferred pursuant to  
33 subdivision (a), the Controller shall transfer annually  
34 from the General Fund to the School Major Maintenance  
35 Match Fund an amount equal to any amount transferred  
36 to or deposited in the General Fund as a result of  
37 repayment of any loan made by the board pursuant to  
38 Section 17005.5.

39 (c) Notwithstanding Section 13340 of the Government  
40 Code, the School Major Maintenance Match Fund is



1 continuously appropriated for the purposes for which it  
2 is established.

3 SEC. 4. Section 17224 of the Education Code is  
4 amended to read:

5 17224. Any funds in the State School Site Utilization  
6 Fund, including interest, that are not subject to return to  
7 a school district pursuant to Section 17223 shall revert to  
8 the School Major Maintenance Match Fund.

9 SEC. 5. Section 17462 of the Education Code is  
10 amended to read:

11 17462. The funds derived from the sale of surplus  
12 property shall be used for capital outlay or for costs of  
13 maintenance of school district property that the  
14 governing board of the school district determines will not  
15 recur within a five-year period. Proceeds from a lease of  
16 school district property with an option to purchase may  
17 be deposited into a restricted fund for the routine repair  
18 of district facilities, as defined by the State Allocation  
19 Board, for up to a five-year period. In addition, the  
20 proceeds may be deposited in the general fund of the  
21 district for any general fund purpose if the school district  
22 governing board and the State Allocation Board have  
23 determined that the district has no anticipated need for  
24 additional sites or building construction for the five-year  
25 period following the sale or lease, and the district has no  
26 major maintenance requirements. A school district that  
27 sold or leased real property pursuant to Section 17455 and  
28 that deposited the interest earned on those proceeds in  
29 the general fund of the school district in the 1986–87 or the  
30 1987–88 fiscal years, may continue to deposit the interest  
31 into the general fund for operating expenses through  
32 June 30, 1991. In the 1991–92 fiscal year, and each fiscal  
33 year thereafter for five fiscal years, the school district shall  
34 reduce the deposit of interest by 20 percent and shall use  
35 the reduction in interest for capital outlay or for costs of  
36 major maintenance of school district property. The State  
37 Allocation Board may grant a school district permission to  
38 change the five-year and 20 percent requirement to 10  
39 years and 10 percent, if the State Allocation Board



1 determines that the individual circumstances of the  
2 district warrants the change.

3 The proceeds may also be deposited into a special  
4 reserve fund for capital outlay, for costs of maintenance  
5 of school district property that the governing board  
6 determines will not recur within a five-year period, or for  
7 the future maintenance and renovation of schoolsites if  
8 the district governing board and the State Allocation  
9 Board have determined that the district has no  
10 anticipated need for schoolsites or building construction  
11 or substantial major maintenance projects for a five-year  
12 period following the sale or lease. Proceeds deposited in  
13 the special reserve fund shall not be available for general  
14 operating expenses as provided in Section 42842.

15 SEC. 6. Section 17463 of the Education Code is  
16 amended to read:

17 17463. Notwithstanding Section 17462, a school  
18 district having an average daily attendance of less than  
19 10,001 in any fiscal year may deposit any and all interest  
20 earned on the funds derived from the sale in that fiscal  
21 year of surplus property into the general fund of the  
22 district for any general fund purpose, subject to the  
23 following conditions:

24 (a) Prior to that deposit, the district shall submit to the  
25 State Allocation Board a capital outlay plan for the district  
26 for a period of five years following that sale, together with  
27 a declaration of the finding by the governing board of the  
28 school district that the school facilities needs of the district  
29 can be met over that five-year period without funding or  
30 other assistance from any state school facilities funding  
31 program. No later than the date upon which that initial  
32 five-year period concludes, the district shall submit to the  
33 State Allocation Board a capital outlay plan for the district  
34 for the subsequent five-year period.

35 (b) Prior to the decision to place that interest money  
36 into the district's general fund, the governing board of the  
37 school district shall consider the extent to which it is  
38 necessary or appropriate to expend that money to meet  
39 the district's needs relative to capital outlay, facilities,  
40 modernization, and major maintenance. In addition, as to



1 any interest money deposited into the district’s general  
2 fund pursuant to this section, the governing board shall  
3 consider the extent to which it is necessary or appropriate  
4 to expend the money to meet the district’s needs relative  
5 to ongoing maintenance prior to expending that money  
6 for any other purpose.

7 (c) A school district that deposits interest into its  
8 general fund pursuant to the authority set forth in this  
9 section shall not be eligible during the 10-year period  
10 described in subdivision (a) for funding or other  
11 assistance under Chapter 12 (commencing with Section  
12 17000) or Chapter 14 (commencing with Section 17085)  
13 of Part 10, Sections 17582 to 17592, inclusive, or any other  
14 state school facilities funding program.

15 (d) If a school district seeks state funding pursuant to  
16 Chapter 22 (commencing with Section 17000), Chapter  
17 14 (commencing with Section 17085) of Part 10, Sections  
18 17582 to 17592, inclusive, or any other state school  
19 facilities funding program, on or after the expiration of  
20 the 10-year period specified in subdivision (c), any state  
21 funding received by the district from the program shall  
22 be reduced by any remaining funds derived from the sale  
23 of that surplus property by the district and any  
24 unencumbered interest earned on those funds.

25 SEC. 7. Section 17582 of the Education Code is  
26 amended to read:

27 17582. (a) The governing board of each school  
28 district may establish a restricted fund to be known as the  
29 “district major maintenance fund” for the purpose of  
30 major repair or replacement of plumbing, heating,  
31 air-conditioning, electrical, roofing, and floor systems, the  
32 exterior and interior painting of school buildings, the  
33 inspection, sampling, and analysis of building materials to  
34 determine the presence of asbestos-containing materials,  
35 the encapsulation or removal of asbestos-containing  
36 materials, and any other items of maintenance approved  
37 by the State Allocation Board. Funds deposited in the  
38 district major maintenance fund may be received from  
39 any source whatsoever, and shall be accounted for  
40 separately from all other funds and accounts and retained



1 in the district major maintenance fund for purposes of  
2 this section.

3 (b) Funds deposited in the district major maintenance  
4 fund shall only be expended for maintenance purposes as  
5 provided pursuant to subdivision (a).

6 (c) The governing board of each school district shall  
7 have complete control over the funds and earnings of  
8 funds once deposited in the district major maintenance  
9 fund, provided that no funds deposited in the district  
10 major maintenance fund pursuant to subdivision (a) or  
11 (b) of Section 17584 may be expended by the governing  
12 board for any purpose except those specified in  
13 subdivision (a) of this section.

14 SEC. 8. Section 17583 of the Education Code is  
15 amended to read:

16 17583. Notwithstanding Section 17582, whenever the  
17 state funds provided pursuant to Sections 17584 and 17585  
18 are insufficient to fully match the local funds deposited in  
19 the district major maintenance fund, the governing  
20 board of each school district may transfer the excess local  
21 funds deposited in that fund to any other expenditure  
22 classifications in other funds of the district. A resolution  
23 providing for the transfer shall be approved by a  
24 two-thirds vote of the governing board members and  
25 filed with the county superintendent of schools and the  
26 county auditor.

27 SEC. 9. Section 17584 of the Education Code is  
28 amended to read:

29 17584. (a) Whenever, in any given fiscal year, a  
30 school district has budgeted, exclusive of state matching  
31 funds and district funds previously matched pursuant to  
32 subdivision (b), in its major maintenance fund  
33 established pursuant to Section 17582 an amount equal to,  
34 or greater than, that amount the district expended from  
35 its general fund for major maintenance, repair, or  
36 modernization of existing school buildings, as specified in  
37 Section 17582, exclusive of categorical aid funds and any  
38 proceeds from the sale of district property which were  
39 expended for the purpose of the district major  
40 maintenance account, in either the 1978–79 or 1979–80



1 fiscal year, adjusted annually to the current fiscal year in  
2 conformance with the percentage change in the district  
3 revenue limit computed pursuant to Section 42237 or  
4 42238, the Superintendent of Public Instruction shall so  
5 certify to the State Allocation Board.

6 (b) The State Allocation Board shall apportion, from  
7 the School Major Maintenance Match Fund, to school  
8 districts an amount equal to one dollar (\$1) for each one  
9 dollar (\$1) of local funds up to a maximum of  $\frac{1}{2}$  percent  
10 of the district's current-year revenue limit average daily  
11 attendance multiplied by the average, per unit of average  
12 daily attendance, of the total expenditures and ending  
13 fund balances of the total general funds and adult  
14 education funds for districts of similar size and type, as  
15 defined in subdivision (b) of Section 42238.4, for the  
16 second prior fiscal year, exclusive of any amounts  
17 expended for capital outlay or debt service, to the extent  
18 of funds available.

19 (c) Notwithstanding subdivision (a), in order to be  
20 eligible to receive state aid pursuant to subdivision (b),  
21 no district shall be required to budget from local district  
22 funds an amount greater than  $\frac{1}{2}$  percent of the district's  
23 current-year revenue limit average daily attendance,  
24 multiplied by the average, per unit of average daily  
25 attendance, of the total expenditures and ending fund  
26 balances of the total general funds and adult education  
27 funds for districts of similar size and type, as defined in  
28 subdivision (b) of Section 42238.4 for the second prior  
29 fiscal year, exclusive of any amounts expended for capital  
30 outlay or debt service.

31 SEC. 10. Section 17585 of the Education Code is  
32 amended to read:

33 17585. (a) School districts may submit applications to  
34 the State Allocation Board for major maintenance match  
35 funding in addition to the amounts specified in Section  
36 17584. In order to be eligible for an additional  
37 apportionment, a school district shall do all of the  
38 following:

39 (1) Certify that if an additional apportionment is  
40 provided, the district will have matched the additional



1 apportionment amount with an equal amount of district  
2 funds that have not been previously used as a match for  
3 state aid.

4 (2) Certify an additional claim of not greater than  
5 one-half of 1 percent of the district's current-year  
6 revenue limit average daily attendance, multiplied by the  
7 average, per unit of average daily attendance, of the total  
8 general funds and adult education funds budgeted by  
9 districts of similar size and type, as defined in Section  
10 42238.4 for the prior fiscal year, excluding any amounts  
11 budgeted for capital outlay or debt service, but including  
12 adult education funds.

13 (3) Certify that any additional funds will be used to  
14 meet major maintenance identified in the district's  
15 five-year major maintenance plan.

16 (b) The State Allocation Board shall establish rules and  
17 regulations regarding the formulas used to apportion  
18 additional funds pursuant to this section.

19 (c) It is the intent of the Legislature that state funds for  
20 major maintenance be drawn first from excess bond  
21 repayments by school districts, revenues pursuant to  
22 subdivision (f) of Section 6217 of the Public Resources  
23 Code, and proceeds from existing general obligation  
24 bonds.

25 SEC. 11. Section 17587 of the Education Code is  
26 amended to read:

27 17587. (a) Notwithstanding the limitations of Section  
28 17584, the State Allocation Board may, upon  
29 appropriation by the Legislature, each year reserve an  
30 amount not to exceed 10 percent of the funds transferred  
31 from any source to the School Major Maintenance Match  
32 Fund for apportionments to school districts, in instances  
33 of extreme hardship. The apportionment shall be in  
34 addition to the apportionments made pursuant to Section  
35 17584. Not less than one-half of all funds made available  
36 by this section shall be apportioned to school districts that  
37 had an average daily attendance, excluding summer  
38 session attendance, of less than 2,501 during the prior  
39 fiscal year.



1 An extreme hardship shall exist in a school district when  
2 the State Allocation Board determines the existence of all  
3 of the following:

4 (1) That the district has deposited in its major  
5 maintenance fund an amount equal to at least 0.5 percent  
6 of the total general funds and adult education funds  
7 budgeted by the district for the fiscal year, exclusive of  
8 any amounts budgeted for capital outlay or debt service.

9 (2) That the district has a critical project on its  
10 five-year plan which if not completed in one year could  
11 result in serious damage to the remainder of the facility  
12 or would result in a serious hazard to the health and safety  
13 of the pupils attending the facility.

14 (3) That the total funds deposited by the district and  
15 the state pursuant to Section 17584 are insufficient to  
16 complete the project.

17 (b) As a result of the determination made in  
18 subdivision (a), the State Allocation Board may increase  
19 the apportionment to a school district by the amount it  
20 determines necessary to complete the critical project.

21 (c) Notwithstanding subdivision (a), in any fiscal year  
22 in which the State Allocation Board has apportioned all  
23 appropriated funds in the School Major Maintenance  
24 Match Fund for which school districts have qualified  
25 under Section 17584, the board may apportion any  
26 amount of appropriated funds remaining in that fund for  
27 the purposes of this section.

28 SEC. 12. Section 17588 of the Education Code is  
29 amended to read:

30 17588. As a result of the determination made in  
31 Section 17587, the State Allocation Board may do any of  
32 the following:

33 (a) Increase the apportionment to an eligible school  
34 district by the amount it determines necessary to  
35 complete the critical project, and require a contribution  
36 by the district.

37 (b) Waive repayment by the district, in whole or in  
38 part.



1 (c) Reduce state apportionments pursuant to Section  
2 17584 in future years to offset the increased  
3 apportionment.

4 The State Allocation Board shall develop and adopt  
5 regulations for the application of subdivisions (a), (b),  
6 and (c). The regulations may give consideration to a  
7 school district's financial resources, ongoing major  
8 maintenance needs, and the nature of the project for  
9 which the hardship apportionment is requested.

10 The waiver authorized in subdivision (b) may be  
11 applied by the board to any repayment otherwise  
12 required by law, regardless of apportionment date.

13 SEC. 13. Section 17591 of the Education Code is  
14 amended to read:

15 17591. Each district desiring an apportionment  
16 pursuant to Section 17584 shall file with the State  
17 Allocation Board and receive approval of a five-year plan  
18 of the maintenance needs of the district over that  
19 five-year period. This plan may be amended from time to  
20 time. Any expenditure of funds from the district major  
21 maintenance fund shall conform to the plan approved by  
22 the State Allocation Board.

23 SEC. 14. Section 17592 of the Education Code is  
24 amended to read:

25 17592. From any moneys appropriated for this  
26 purpose in the School Major Maintenance Match Fund,  
27 the State Allocation Board shall make available to the  
28 Director of General Services amounts as it determines  
29 necessary to provide the assistance, pursuant to this  
30 chapter, required by Section 15504 of the Government  
31 Code.

32 SEC. 15. Section 17620 of the Education Code is  
33 amended to read:

34 17620. (a) (1) The governing board of any school  
35 district is authorized to levy a fee, charge, dedication, or  
36 other requirement against any construction within the  
37 boundaries of the district, for the purpose of funding the  
38 construction or reconstruction of school facilities, subject  
39 to any limitations set forth in Chapter 4.9 (commencing  
40 with Section 65995) of Division 1 of Title 7 of the



1 Government Code. This fee, charge, dedication, or other  
2 requirement may be applied to construction only as  
3 follows:

4 (A) To new commercial and industrial construction.  
5 The chargeable covered and enclosed space of  
6 commercial or industrial construction shall not be  
7 deemed to include the square footage of any structure  
8 existing on the site of that construction as of the date the  
9 first building permit is issued for any portion of that  
10 construction.

11 (B) To new residential construction.

12 (C) (i) Except at otherwise provided in clause (ii), to  
13 other residential construction, only if the resulting  
14 increase in assessable space exceeds 500 square feet. The  
15 calculation of the “resulting increase in assessable space”  
16 for this purpose shall reflect any decrease in assessable  
17 space in the same residential structure that also results  
18 from that construction. Where authorized under this  
19 paragraph, the fee, charge, dedication, or other  
20 requirement is applicable to the total resulting increase  
21 in assessable space.

22 (ii) This subparagraph does not authorize the  
23 imposition of a levy, charge, dedication, or other  
24 requirement against residential construction, regardless  
25 of the resulting increase in assessable space, if that  
26 construction qualifies for the exclusion set forth in  
27 subdivision (a) of Section 74.3 of the Revenue and  
28 Taxation Code.

29 (D) To location, installation, or occupancy of  
30 manufactured homes and mobilehomes, as defined in  
31 Section 17625.

32 (2) For purposes of this section, “construction” and  
33 “assessable space” have the same meaning as defined in  
34 Section 65995 of the Government Code.

35 (3) For purposes of this section and Section 65995,  
36 “construction or reconstruction of school facilities” does  
37 not include any item of expenditure for any of the  
38 following:

39 (A) The regular maintenance or routine repair of  
40 school buildings and facilities.



1 (B) The inspection, sampling, analysis, encapsulation,  
2 or removal of asbestos-containing materials, except  
3 where incidental to school facilities construction or  
4 reconstruction for which the expenditure of fees or other  
5 consideration collected pursuant to this section is not  
6 prohibited.

7 (C) The purposes of major maintenance described in  
8 Section 17582.

9 (4) The appropriate city or county may be authorized,  
10 pursuant to contractual agreement with the governing  
11 board, to collect and otherwise administer, on behalf of  
12 the school district, any fee, charge, dedication, or other  
13 requirement levied under this subdivision. In the event  
14 of any agreement authorizing a city or county to collect  
15 that fee, charge, dedication, or other requirement in any  
16 area within the school district, the certification  
17 requirement set forth in subdivision (b) or (c), as  
18 appropriate, is deemed to be complied with as to any  
19 residential construction within that area upon receipt by  
20 that city or county of payment of the fee, charge,  
21 dedication, or other requirement imposed on that  
22 residential construction.

23 (5) Fees or other consideration collected pursuant to  
24 this section may be expended by a school district for the  
25 costs of performing any study or otherwise making the  
26 findings and determinations required under subdivisions  
27 (a), (b), and (d) of Section 66001 of the Government  
28 Code, or in preparing the school facilities needs analysis  
29 described in Section 65995.6 of the Government Code. In  
30 addition, an amount not to exceed, in any fiscal year, 3  
31 percent of the fees collected in that fiscal year pursuant  
32 to this section may be retained by the school district, city,  
33 or county, as appropriate, for reimbursement of the  
34 administrative costs incurred by that entity in collecting  
35 the fees. When any city or county is entitled, under an  
36 agreement as described in paragraph (4), to  
37 compensation in excess of that amount, the payment of  
38 that excess compensation shall be made from other  
39 revenue sources available to the school district. For  
40 purposes of this paragraph, “fees collected in that fiscal



1 year pursuant to this section” does not include any amount in addition to the amounts specified in paragraphs (1) and (2) of subdivision (b) of Section 65995 of the Government Code.

5 (b) A city or county, whether general law or chartered, may not issue a building permit for any construction absent certification by the appropriate school district that any fee, charge, dedication, or other requirement levied by the governing board of that school district has been complied with, or of the district’s determination that the fee, charge, dedication, or other requirement does not apply to the construction. The school district shall issue the certification immediately upon compliance with the fee, charge, dedication, or other requirement.

16 (c) If, pursuant to subdivision (c) of Section 17621, the governing board specifies that the fee, charge, dedication, or other requirement levied under subdivision (a) is subject to the restriction set forth in subdivision (a) of Section 66007 of the Government Code, the restriction set forth in subdivision (b) of this section does not apply. In that event, however, a city or county, whether general law or chartered, may not conduct a final inspection or issue a certificate of occupancy, whichever is later, for any residential construction absent certification by the appropriate school district of compliance by that residential construction with any fee, charge, dedication, or other requirement levied by the governing board of that school district pursuant to subdivision (a).

31 (d) Neither subdivision (b) nor (c) shall apply to a city or county as to any fee, charge, dedication, or other requirement as described in subdivision (a), or as to any increase in that fee, charge, dedication, or other requirement, except upon the receipt by that city or county of notification of the adoption of, or increase in, the fee or other requirement in accordance with subdivision (c) of Section 17621.

39 SEC. 16. Section 42238 of the Education Code is amended to read:



1 42238. (a) For the 1984–85 fiscal year and each fiscal  
2 year thereafter, the county superintendent of schools  
3 shall determine a revenue limit for each school district in  
4 the county pursuant to this section.

5 (b) The base revenue limit for the current fiscal year  
6 shall be determined by adding to the base revenue limit  
7 for the prior fiscal year the following amounts:

8 (1) The inflation adjustment specified in Section  
9 42238.1.

10 (2) For the 1995–96 fiscal year, the equalization  
11 adjustment specified in Section 42238.4.

12 (3) For the 1996–97 fiscal year, the equalization  
13 adjustments specified in Sections 42238.41, 42238.42, and  
14 42238.43.

15 (4) For the 1985–86 fiscal year, the amount received  
16 per unit of average daily attendance in the 1984–85 fiscal  
17 year pursuant to Section 42238.7.

18 (5) For the 1985–86, 1986–87, and 1987–88 fiscal years,  
19 the amount per unit of average daily attendance received  
20 in the prior fiscal year pursuant to Section 42238.8.

21 (c) Except for districts subject to subdivision (d), the  
22 base revenue limit computed pursuant to subdivision (b)  
23 shall be multiplied by the district average daily  
24 attendance computed pursuant to Section 42238.5.

25 (d) (1) For districts for which the number of units of  
26 average daily attendance determined pursuant to Section  
27 42238.5 is greater for the current fiscal year than for the  
28 1982–83 fiscal year, compute the following amount, in lieu  
29 of the amount computed pursuant to subdivision (c):

30 (A) Multiply the base revenue limit computed  
31 pursuant to subdivision (c) by the average daily  
32 attendance computed pursuant to Section 42238.5 for the  
33 1982–83 fiscal year.

34 (B) Multiply the lesser of the amount in subdivision  
35 (c) or 1.05 times the statewide average base revenue limit  
36 per unit of average daily attendance for districts of similar  
37 type for the current fiscal year by the difference between  
38 the average daily attendance computed pursuant to  
39 Section 42238.5 for the current and 1982–83 fiscal years.

40 (C) Add the amounts in subparagraphs (A) and (B).



1 (2) This subdivision shall become inoperative on July  
2 1, 1998.

3 (e) For districts electing to compute units of average  
4 daily attendance pursuant to paragraph (3) of subdivision  
5 (a) of Section 42238.5, the amount computed pursuant to  
6 Article 4 (commencing with Section 42280) shall be  
7 added to the amount computed in subdivision (c) or (d),  
8 as appropriate.

9 (f) For the 1984–85 fiscal year only, the county  
10 superintendent shall reduce the total revenue limit  
11 computed in this section by the amount of the decreased  
12 employer contributions to the Public Employees’  
13 Retirement System resulting from enactment of Chapter  
14 330 of the Statutes of 1982, offset by any increase in those  
15 contributions, as of the 1983–84 fiscal year, resulting from  
16 subsequent changes in employer contribution rates.

17 (g) The reduction required by subdivision (f) shall be  
18 calculated as follows:

19 (1) Determine the amount of employer contributions  
20 that would have been made in the 1983–84 fiscal year if  
21 the applicable Public Employees’ Retirement System  
22 employer contribution rate in effect immediately prior to  
23 the enactment of Chapter 330 of the Statutes of 1982 were  
24 in effect during the 1983–84 fiscal year.

25 (2) Subtract from the amount determined in  
26 paragraph (1) the greater of subparagraph (A) or (B):

27 (A) The amount of employer contributions that would  
28 have been made in the 1983–84 fiscal year if the applicable  
29 Public Employees’ Retirement System employer  
30 contribution rate in effect immediately after the  
31 enactment of Chapter 330 of the Statutes of 1982 were in  
32 effect during the 1983–84 fiscal year.

33 (B) The actual amount of employer contributions  
34 made to the Public Employees’ Retirement System in the  
35 1983–84 fiscal year.

36 (3) For purposes of this subdivision, employer  
37 contributions to the Public Employees’ Retirement  
38 System for any of the following shall be excluded from the  
39 calculation specified above:



1 (A) Positions supported totally by federal funds that  
2 were subject to supplanting restrictions.

3 (B) Positions supported by funds received pursuant to  
4 Section 42243.6.

5 (C) Positions supported, to the extent of employer  
6 contributions not exceeding twenty-five thousand dollars  
7 (\$25,000) by any single educational agency, from a  
8 revenue source determined on the basis of equity to be  
9 properly excludable from the provisions of this  
10 subdivision by the Superintendent of Public Instruction  
11 with the approval of the Director of Finance.

12 (4) For accounting purposes, the reduction made by  
13 this subdivision may be reflected as an expenditure from  
14 appropriate sources of revenue as directed by the  
15 Superintendent of Public Instruction.

16 (h) The Superintendent of Public Instruction shall  
17 apportion to each school district the amount determined  
18 in this section less the sum of:

19 (1) The district's property tax revenue received  
20 pursuant to Chapter 3 (commencing with Section 75) and  
21 Chapter 6 (commencing with Section 95) of Part 0.5 of  
22 the Revenue and Taxation Code.

23 (2) The amount, if any, received pursuant to Part 18.5  
24 (commencing with Section 38101) of the Revenue and  
25 Taxation Code.

26 (3) The amount, if any, received pursuant to Chapter  
27 3 (commencing with Section 16140) of the Government  
28 Code.

29 (4) Prior years' taxes and taxes on the unsecured roll.

30 (5) Fifty percent of the amount received pursuant to  
31 Section 41603.

32 (6) The amount of motor vehicle license fees  
33 distributed pursuant to Section 11003.4 of the Revenue  
34 and Taxation Code.

35 (7) The amount, if any, received pursuant to any  
36 provision of the Community Redevelopment Law (Part  
37 1 (commencing with Section 33000) of Division 24 of the  
38 Health and Safety Code), except for any amount received  
39 pursuant to Section 33401 or 33676 of the Health and  
40 Safety Code that is used for land acquisition, facility



1 construction, reconstruction, or remodeling, or major  
2 maintenance, except for any amount received pursuant  
3 to Section 33492.15, paragraph (4) of subdivision (a) of  
4 Section 33607.5, or Section 33607.7 of the Health and  
5 Safety Code that is allocated exclusively for educational  
6 facilities.

7 (8) For a unified school district, other than a unified  
8 school district that has converted all of its schools to  
9 charter status pursuant to Section 47606, the amount of  
10 statewide average general-purpose funding per unit of  
11 average daily attendance received by school districts for  
12 each of four grade level ranges, as computed by the State  
13 Department of Education pursuant to Section 47633,  
14 multiplied by the average daily attendance, in  
15 corresponding grade level ranges, of any pupils who  
16 attend charter schools funded pursuant to Chapter 6  
17 (commencing with Section 47630) of Part 26.8 for which  
18 the district is the sponsoring local educational agency, as  
19 defined in Section 47632, and who reside in and would  
20 otherwise have been eligible to attend a noncharter  
21 school of the district.

22 *SEC. 16.5. Section 42238 of the Education Code is*  
23 *amended to read:*

24 42238. (a) For the 1984–85 fiscal year and each fiscal  
25 year thereafter, the county superintendent of schools  
26 shall determine a revenue limit for each school district in  
27 the county pursuant to this section.

28 (b) The base revenue limit for the current fiscal year  
29 shall be determined by adding to the base revenue limit  
30 for the prior fiscal year the following amounts:

31 (1) The inflation adjustment specified in Section  
32 42238.1.

33 (2) For the 1995–96 fiscal year, the equalization  
34 adjustment specified in Section 42238.4.

35 (3) For the 1996–97 fiscal year, the equalization  
36 adjustments specified in Sections 42238.41, 42238.42, and  
37 42238.43.

38 (4) For the 1985–86 fiscal year, the amount received  
39 per unit of average daily attendance in the 1984–85 fiscal  
40 year pursuant to Section 42238.7.



1 (5) For the 1985–86, 1986–87, and 1987–88 fiscal years,  
2 the amount per unit of average daily attendance received  
3 in the prior fiscal year pursuant to Section 42238.8.

4 (c) Except for districts subject to subdivision (d), the  
5 base revenue limit computed pursuant to subdivision (b)  
6 shall be multiplied by the district average daily  
7 attendance computed pursuant to Section 42238.5.

8 (d) (1) For districts for which the number of units of  
9 average daily attendance determined pursuant to Section  
10 42238.5 is greater for the current fiscal year than for the  
11 1982–83 fiscal year, compute the following amount, in lieu  
12 of the amount computed pursuant to subdivision (c):

13 (A) Multiply the base revenue limit computed  
14 pursuant to subdivision (c) by the average daily  
15 attendance computed pursuant to Section 42238.5 for the  
16 1982–83 fiscal year.

17 (B) Multiply the lesser of the amount in subdivision  
18 (c) or 1.05 times the statewide average base revenue limit  
19 per unit of average daily attendance for districts of similar  
20 type for the current fiscal year by the difference between  
21 the average daily attendance computed pursuant to  
22 Section 42238.5 for the current and 1982–83 fiscal years.

23 (C) Add the amounts in subparagraphs (A) and (B).

24 (2) This subdivision shall become inoperative on July  
25 1, 1998.

26 (e) For districts electing to compute units of average  
27 daily attendance pursuant to paragraph (3) of subdivision  
28 (a) of Section 42238.5, the amount computed pursuant to  
29 Article 4 (commencing with Section 42280) shall be  
30 added to the amount computed in subdivision (c) or (d),  
31 as appropriate.

32 (f) For the 1984–85 fiscal year only, the county  
33 superintendent shall reduce the total revenue limit  
34 computed in this section by the amount of the decreased  
35 employer contributions to the Public Employees'  
36 Retirement System resulting from enactment of Chapter  
37 330 of the Statutes of 1982, offset by any increase in those  
38 contributions, as of the 1983–84 fiscal year, resulting from  
39 subsequent changes in employer contribution rates.



1 (g) The reduction required by subdivision (f) shall be  
2 calculated as follows:

3 (1) Determine the amount of employer contributions  
4 that would have been made in the 1983–84 fiscal year if  
5 the applicable Public Employees’ Retirement System  
6 employer contribution rate in effect immediately prior to  
7 the enactment of Chapter 330 of the Statutes of 1982 were  
8 in effect during the 1983–84 fiscal year.

9 (2) Subtract from the amount determined in  
10 paragraph (1) the greater of subparagraph (A) or (B):

11 (A) The amount of employer contributions that would  
12 have been made in the 1983–84 fiscal year if the applicable  
13 Public Employees’ Retirement System employer  
14 contribution rate in effect immediately after the  
15 enactment of Chapter 330 of the Statutes of 1982 were in  
16 effect during the 1983–84 fiscal year.

17 (B) The actual amount of employer contributions  
18 made to the Public Employees’ Retirement System in the  
19 1983–84 fiscal year.

20 (3) For purposes of this subdivision, employer  
21 contributions to the Public Employees’ Retirement  
22 System for any of the following shall be excluded from the  
23 calculation specified above:

24 (A) Positions supported totally by federal funds that  
25 were subject to supplanting restrictions.

26 (B) Positions supported by funds received pursuant to  
27 Section 42243.6.

28 (C) Positions supported, to the extent of employer  
29 contributions not exceeding twenty-five thousand dollars  
30 (\$25,000) by any single educational agency, from a  
31 revenue source determined on the basis of equity to be  
32 properly excludable from the provisions of this  
33 subdivision by the Superintendent of Public Instruction  
34 with the approval of the Director of Finance.

35 (4) For accounting purposes, the reduction made by  
36 this subdivision may be reflected as an expenditure from  
37 appropriate sources of revenue as directed by the  
38 Superintendent of Public Instruction.



1 (h) The Superintendent of Public Instruction shall  
2 apportion to each school district the amount determined  
3 in this section less the sum of:

4 (1) The district's property tax revenue received  
5 pursuant to Chapter 3 (commencing with Section 75) and  
6 Chapter 6 (commencing with Section 95) of Part 0.5 of  
7 the Revenue and Taxation Code.

8 (2) The amount, if any, received pursuant to Part 18.5  
9 (commencing with Section 38101) of the Revenue and  
10 Taxation Code.

11 (3) The amount, if any, received pursuant to Chapter  
12 3 (commencing with Section 16140) of the Government  
13 Code.

14 (4) Prior years' taxes and taxes on the unsecured roll.

15 (5) Fifty percent of the amount received pursuant to  
16 Section 41603.

17 (6) The amount of motor vehicle license fees  
18 distributed pursuant to Section 11003.4 of the Revenue  
19 and Taxation Code.

20 (7) The amount, if any, received pursuant to any  
21 provision of the Community Redevelopment Law (Part  
22 1 (commencing with Section 33000) of Division 24 of the  
23 Health and Safety Code), except for any amount received  
24 pursuant to Section 33401 or 33676 of the Health and  
25 Safety Code that is used for land acquisition, facility  
26 construction, reconstruction, or remodeling, or ~~deferred~~  
27 *major* maintenance, except for any amount received  
28 pursuant to Section 33492.15, paragraph (4) of subdivision  
29 (a) of Section 33607.5, or Section 33607.7 of the Health  
30 and Safety Code that is allocated exclusively for  
31 educational facilities.

32 (8) For a unified school district, other than a unified  
33 school district that has converted all of its schools to  
34 charter status pursuant to Section 47606, the amount of  
35 statewide average general-purpose funding per unit of  
36 average daily attendance received by school districts for  
37 each of four grade level ranges, as computed by the State  
38 Department of Education pursuant to Section 47633,  
39 multiplied by the average daily attendance, in  
40 corresponding grade level ranges, of any pupils who



1 attend charter schools funded pursuant to Chapter 6  
2 (commencing with Section 47630) of Part 26.8 for which  
3 the district is the sponsoring local educational agency, as  
4 defined in Section 47632, and who reside in and would  
5 otherwise have been eligible to attend a noncharter  
6 school of the district.

7 *(i) No transfer of seventh and eighth grade pupils*  
8 *between an elementary school district and a high school*  
9 *district shall result in the receiving district receiving a*  
10 *revenue limit apportionment for those pupils that*  
11 *exceeds 105 percent of the statewide average revenue*  
12 *limit for the type and size of the receiving school district.*

13 SEC. 17. Section 42262 of the Education Code is  
14 amended to read:

15 42262. (a) Year-round school grants awarded under  
16 this article for purposes of the implementation of  
17 multitrack year-round school programs shall be  
18 expended for the following purposes:

19 (1) Planning, including community activities,  
20 necessary for that implementation.

21 (2) One-time minor capital outlay and equipment  
22 associated with converting school facilities to multitrack  
23 year-round operation.

24 (3) Major maintenance on facilities proposed for  
25 multitrack year-round operation.

26 (4) Other necessary activities associated with  
27 conversion to multitrack year-round operations,  
28 including, but not limited to, curriculum revision and  
29 scheduling changes and staff development.

30 (b) These implementation grants are available on a  
31 one-time basis for each new multitrack year-round  
32 schoolsite, subject to application approval, in an amount  
33 up to twenty-five dollars (\$25) per pupil currently  
34 enrolled in the site planned for year-round operation, as  
35 that pupil enrollment is identified in the CBEDS report  
36 transmitted to the State Department of Education by the  
37 school district.

38 For purposes of this subdivision, "CBEDS report"  
39 means the report transmitted by school districts to the  
40 State Department of Education for purposes of the



1 California Basic Education Data System that exists within  
2 the department and is based upon a single annual  
3 collection of data about school staff and pupil enrollment  
4 conducted by the department for reporting, program  
5 management, and planning purposes.

6 The superintendent may approve all or any portion of  
7 an application for an implementation grant, as described  
8 in subdivision (a) of this section, up to a maximum of one  
9 hundred thousand dollars (\$100,000) per schoolsite. If the  
10 applications submitted exceed the appropriations  
11 available for this purpose, the amount per pupil shall be  
12 prorated by an equal amount.

13 (c) If a schoolsite does not operate on a multitrack  
14 year-round basis in the second subsequent fiscal year  
15 following receipt of a year-round implementation grant  
16 pursuant to this section, the school district shall repay the  
17 implementation grant received for that schoolsite, plus  
18 interest that the repayment amount would have earned  
19 in the Pooled Money Investment Fund, within one year  
20 following the date on which the schoolsite was to begin to  
21 operate on a multitrack year-round basis. If the grant,  
22 plus interest, is not repaid within the one-year period, the  
23 Superintendent of Public Instruction shall withhold the  
24 total amount owed pursuant to this subdivision from the  
25 apportionment to be made to that district calculated  
26 pursuant to Section 42238.

27 SEC. 18. Section 23010.4 of the Government Code is  
28 amended to read:

29 23010.4. Upon receipt of an application from the  
30 governing body of any school district maintaining a school  
31 within a county, requesting to borrow funds from the  
32 county for the purpose of removing or replacing  
33 asbestos-derived materials used in constructing,  
34 insulating, or furnishing one or more of those schools, and  
35 declaring the existence of such asbestos-derived material  
36 to be potentially detrimental to the health of pupils,  
37 teachers, and others using the school, the county board of  
38 supervisors may loan, and the school district may borrow,  
39 the requested county funds upon such terms and  
40 conditions as are mutually agreed upon by the respective



1 governing bodies, provided that the loan shall be repaid  
2 only from the school district's major maintenance fund  
3 established pursuant to Section 17582 of the Education  
4 Code.

5 SEC. 19. Section 37116 of the Government Code is  
6 amended to read:

7 37116. Upon receipt of an application from the  
8 governing body of any school district maintaining a school  
9 within a city, requesting to borrow funds from the city for  
10 the purpose of removing or replacing asbestos-derived  
11 materials used in constructing, insulating, or furnishing  
12 one or more of those schools, and declaring the existence  
13 of such asbestos-derived material to be potentially  
14 detrimental to the health of pupils, teachers, and others  
15 using the school, the legislative body of the city may loan,  
16 and the school district may borrow, the requested city  
17 funds upon such terms and conditions as are mutually  
18 agreed upon by the respective governing bodies,  
19 provided that the loan shall be repaid only from the  
20 school district's major maintenance fund established  
21 pursuant to Section 17582 of the Education Code.

22 *SEC. 20. Section 16.5 of this bill incorporates*  
23 *amendments to Section 42238 of the Education Code*  
24 *proposed by both this bill and AB 2907. It shall only*  
25 *become operative if (1) both bills are enacted and*  
26 *become effective on January 1, 2001, (2) each bill amends*  
27 *Section 42238 of the Education Code, and (3) this bill is*  
28 *enacted after AB 2907, in which case Section 16 of this bill*  
29 *shall not become operative.*

O

