

**ASSEMBLY BILL**

**No. 1539**

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**Introduced by Assembly Member Vincent**

February 26, 1999

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An act to add Article 5 (commencing with Section 42310) to Chapter 7 of Part 24 of the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1539, as introduced, Vincent. School finance: federal impact aid.

Existing law establishes the public school system of the state. Numerous provisions of law provide for state financial support of the public school system. Existing federal law, known as the Impact Aid Program, provides funding to compensate school systems for the costs of teaching the children of active duty military members.

This bill would express legislative intent that school districts that have lost federal impact aid since 1996 be provided reasonable compensation for that loss by the state.

Under existing law, a school district is entitled to adjust its average daily attendance (ADA) in the event of a decline in enrollment in the school district in excess of 8% of its total ADA resulting from the closure of a facility operated by the United States Armed Forces. A school district that experiences a decline in the number of units of ADA that is less than 8% but at least 5% of its total ADA resulting from closure of such a facility is entitled to an adjustment to its units of ADA upon a finding by both the Superintendent of Public

Instruction and the Director of Finance that specified conditions exist. The amount of money represented by these adjustments is considered a loan.

This bill would make a school district that received less federal impact aid for the 1998 federal fiscal year than it received for the 1996 federal fiscal year as a result of the closure of a facility operated by a branch of the United States Armed Forces in that school district's boundaries eligible to apply to the State Department of Education for a grant in an amount equal to the amount of the decrease in federal impact aid received, with the amount of the grant decreasing by 25% in each of the following 3 fiscal years.

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

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

1 SECTION 1. (a) The Legislature finds and declares  
2 all of the following:

3 (1) The loss of federal impact aid moneys has proved  
4 to be financially difficult for school districts throughout  
5 the state in recent years.

6 (2) In many cases, federal impact aid was provided in  
7 lieu of property tax. However, federal lands, such as  
8 military bases, could not be converted quickly enough to  
9 allow for new property tax revenue to be generated.

10 (3) While the federal government is ultimately  
11 responsible for the decrease in funding for federally  
12 connected students, the state should assume a role in  
13 bridging the gap between current levels of federal  
14 impact aid and previous levels.

15 (b) It is, therefore, the intent of the Legislature that  
16 school districts which have lost federal impact aid since  
17 1996 be provided reasonable compensation for that loss  
18 by the state.

19 SEC. 2. Article 5 (commencing with Section 42310) is  
20 added to Chapter 7 of Part 24 of the Education Code, to  
21 read:

22



1 Article 5. Grants for School Districts Affected by  
2 Military Base Closures  
3

4 42310. A school district that received less federal  
5 impact aid pursuant to Subchapter VIII (commencing  
6 with Section 7701) of Chapter 70 of Title 20 of the United  
7 States Code for the 1998 federal fiscal year than it  
8 received for the 1996 federal fiscal year as a result of the  
9 closure of a facility operated by a branch of the United  
10 States Armed Forces in that school district's boundaries  
11 is eligible to apply to the State Department of Education  
12 for a grant under this article.

13 42311. (a) The State Department of Education shall  
14 allocate grants to eligible school districts as follows:

15 (1) For the 1999–2000 fiscal year, the amount of a grant  
16 shall be an amount equal to the difference between the  
17 amount of federal impact aid a school district received for  
18 the 1998 federal fiscal year and the 1996 federal fiscal year.

19 (2) For the 2000–01 fiscal year, the amount of a grant  
20 shall be an amount equal to 75 percent of the amount  
21 received pursuant to paragraph (1).

22 (3) For the 2001–02 fiscal year, the amount of a grant  
23 shall be an amount equal to 50 percent of the amount  
24 received pursuant to paragraph (1).

25 (4) For the 2002–03 fiscal year, the amount of a grant  
26 shall be an amount equal to 25 percent of the amount  
27 received pursuant to paragraph (1).

28 (b) A school district that did not apply for and receive  
29 a grant for the 1999–2000 fiscal year, but that is eligible to  
30 apply for a grant pursuant to Section 42310, may apply for  
31 and receive a grant in any fiscal year between the 2000–01  
32 fiscal year and 2003–04 fiscal year, inclusive. The amount  
33 of the grant shall be calculated as if the school district had  
34 received a grant for the 1999–2000 fiscal year.

35 (c) The amount of a grant received pursuant to  
36 subdivision (a) or (b) shall not exceed an amount equal  
37 to two hundred dollars (\$200) per unit of the recipient  
38 school district's total average daily attendance for the  
39 fiscal year prior to the fiscal year in which the grant is  
40 awarded.

- 1 (d) The allocation of grants as set forth in subdivisions
- 2 (a) and (b) are subject to an appropriation being made
- 3 in the annual Budget Act for the appropriate fiscal year.

