

ASSEMBLY BILL

No. 1996

Introduced by Assembly Member Campbell

February 18, 2000

An act to add Section 33129.5 to the Education Code, relating to school finance, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1996, as introduced, Campbell. School finance: district budget reserve.

Existing law requires the State Board of Education to adopt standards and criteria to be used by local educational agencies in the development of annual budgets and the management of budget expenditures. Existing related regulations require available reserves to be not less than a certain percentage of school district budgets and require county offices of education to conduct a 1st tier review for every school district's budget.

This bill would permit a school district or county office of education to utilize a portion of the state-funded amount provided for any program included in the categorical program mega-item in the annual Budget Act to meet the standards and criteria adopted pursuant to existing law regarding available reserves and fund balances. This bill would permit expenditure of funds appropriated for the specific purposes of a categorical program to be expended for other purposes, thereby making an appropriation.

The funds appropriated by this bill 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 33129.5 is added to the
2 Education Code, to read:

3 33129.5. (a) A school district or county office of
4 education may utilize a portion of the state-funded
5 amount provided for any program included in Item
6 6110-230-0001 of Section 2.00 of the annual Budget Act, or
7 any successor item that is the categorical program
8 mega-item in the annual Budget Act, to meet the
9 standards and criteria adopted pursuant to subdivision
10 (a) of Section 33128 regarding available reserves and
11 fund balances.

12 (b) The percentage of state funding for any
13 categorical program that may be placed in a budget
14 reserve shall not exceed the percent specified in the
15 adopted standards and criteria as the percentage of funds
16 expended, transferred, or used that shall be allocated to
17 a budget reserve by that school district or county office
18 of education.

19 (c) Notwithstanding any other provision of law, funds
20 allocated to a budget reserve from any categorical
21 program shall be accounted for as funds received and
22 spent in accordance with requirements of that
23 categorical program. Categorical program funds placed
24 in a budget reserve shall not be accounted for as a
25 reduction of or improper use of categorical program
26 money.

27 (d) Notwithstanding any other provision of law, funds
28 allocated to a budget reserve from any categorical
29 program may be expended for any purpose for which
30 budget reserves may be spent. Funds from any
31 categorical program placed in a budget reserve and spent
32 for a purpose other than for the categorical program shall
33 be accounted for as funds received and spent in



1 accordance with the requirements of that categorical
2 program.

O

