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CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 756

Introduced by Assembly Member Goldberg
(Coauthor: Assembly Member Richman)
(Coauthor: Senator Alquist)

February 18, 2005

An act to add and repeal Article 4.5 (commencing with Section 52062) of Chapter 6.1 of Part 28 of the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 756, as amended, Goldberg. School finance: the Flexible Funding for Pupil Achievement Program.

Existing law, the Public Schools Accountability Act of 1999, establishes (1) the Public Schools Performance Accountability Program, consisting of programs for schools based on their performance on statewide accountability tests and measures of that achievement; (2) procedures for local educational agency intervention that are to be taken regarding local educational agencies that are not meeting the pupil achievement requirements of the federal No Child Left Behind Act of 2001; (3) the state No Child Left Behind Liaison

Team to advise the Superintendent of Public Instruction and the State Board of Education on appropriate matters related to implementation of the federal No Child Left Behind Act; and (4) a Statewide System of School Support to provide support and technical assistance to school districts, county offices of education, and schools in need of improvement, as specified. Existing law requires a county superintendent of schools to calculate a revenue limit for each school district in the county. Existing law establishes categorical funding programs for which school districts may be eligible.

This bill would establish the Flexible Funding for Pupil Achievement Program and would require the Superintendent of Public Instruction to administer it. The bill would permit up to 5% of schools in the state *from no more than 25 school districts, as specified*, to participate in the program at any one time and would require the Superintendent to strive to ensure a balance of elementary, middle, and high schools among participating schools, as specified, and that urban, suburban, and rural schools are represented among participating schools.

The bill would require the governing board of a school district, after confirming with the Superintendent that there is room in the program for the school to participate, to adopt, in consultation with the district superintendent and with the concurrence of the principal of the applicable school, a participation agreement containing specified provisions with each school that elects to participate. The bill would require the governing board of a school district to annually ensure that its participating schools have a participation agreement in place, as specified. The bill would require that each participation agreement have a term of 5 years, except that each year, the governing board of a school district would be required to review and revise the per-pupil funding of the school, as specified. The bill would require the principal and certificated staff of a participating school to adopt annually an achievement plan for the school that addresses the organization of the school, staffing, curriculum, and classroom schedules, as specified.

The bill would require the district superintendent to notify the principal of a participating school if that school fails to comply with its participation agreement and would require the principal, once notified, to submit a plan to remedy the lack of compliance. The bill would permit the governing board of a school district to revoke the participation agreement of a school if that school fails to meet the

goals established in its annual achievement plan for 3 consecutive years and would require the governing board to notify the Superintendent of any termination of the participation of a school that occurs.

The bill would require ~~the Superintendent, no later than March 30, 2007, a school district~~ to adopt a distribution formula that would include specified elements ~~for use by school districts with schools participating in the program~~ to determine the allocation of school district revenue limit funding for the use of individual participating schools. The bill would permit a school district, at the request of the principal of a participating school, to expend the funds allocated to the account or accounts of that participating school for any purpose that is consistent with and furthers the goals of the achievement plan and the participation agreement of the school. The bill would permit a school district to retain up to 10% of the funds received by the district from state and local sources that are distributed to the accounts of participating schools of the district according to the distribution formula ~~established by the Superintendent~~, as specified, for administrative and support services costs incurred by the district on behalf of its participating schools. *The bill would require the Superintendent to promulgate regulations, as he or she deems necessary, to implement specified provisions.*

The bill would require the principal of each participating school to annually create, based on collaboration with certificated staff and consultation with the schoolsite council and parent council, if either or both are constituted at the school, and submit to the district superintendent a budget for the school. The bill would require the school district administration, at the request of the school principal, to provide, using funds retained by the school district as specified, technical assistance and consultation for the principal and others involved in the development of a schoolsite budget. ~~The bill would require that any moneys remaining in the accounts of a school at the end of a fiscal year remain in the accounts of that school for use in the budget of the following fiscal year and not revert to the school district. The bill would require any deficit remaining in the budget of a school at the end of a fiscal year remain the responsibility of the school for the following fiscal year.~~ The bill would require the principal of a participating school to submit to the district superintendent a copy of the proposed school budget in accordance with the timeframes specified in the participation agreement of the school. The bill would

require each school district to maintain the financial records for each school participating in the program as part of the centralized services provided to each school, including, but not limited to, issuing checks based on vouchers received from the principal of the school. The bill would require a school district pay the costs of maintaining those financial records from the 10% of moneys reserved to the school district for administrative and support services for participating schools, as specified.

The bill would require the principal of a participating school to annually submit to the district superintendent and the governing board of the school district a report specifying, at a minimum, the staffing plan for the school, the academic schedule for the school, and a description of the educational program of the school. The bill would require the principal of a participating school to collaborate with the district superintendent and the certificated staff of the school to implement the provisions of the program.

The bill would require each teacher at a participating school, in consultation with the parents or legal guardians of a pupil and the pupil, where age appropriate, to establish academic growth goals for the pupil at the beginning of each school year and to measure the progress of the pupil in achieving those goals throughout the year. The bill would require the principal of each participating school to ensure that the school operates in an environment that empowers parents and legal guardians to be involved in the education of their children and, at a minimum, to ensure that the procedures at the school require a teacher to communicate in person with the parents or legal guardians of a pupil if that pupil is not meeting his or her academic achievement goals.

The bill would authorize the certificated staff and principal of a participating school, if they deem it necessary to achieve the goals of the achievement plan of the school and provisions of the participation agreement of the school, to (1) by unanimous consent, request that the parties to the bargaining unit agreement for the certificated staff of the school modify the agreement to permit the certificated staff to waive specified portions of the agreement as it relates to that school, as specified; and (2) by a majority vote, request that the governing board of the school district waive policies adopted by the governing board as they relate to that school, as specified.

The bill would require the Superintendent to request private foundations fund and conduct independent evaluations of the

planning, implementation, operation, and effectiveness of this program. The bill would require, at a minimum, an initial report of best practices identified among participating schools be completed within the first 3 years of the operation of the program, and full evaluations be completed at intervals of 5 years.

The bill would provide that the provisions of the program shall be implemented only if the Superintendent certifies that he or she has obtained a commitment from private foundations or other private or public funding sources to provide sufficient funding for the required program evaluations, as specified.

The bill would make the program operative only until July 1, 2017.

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. Article 4.5 (commencing with Section 52062) is
2 added to Chapter 6.1 of Part 28 of the Education Code, to read:

3
4 Article 4.5. Flexible Funding for Pupil Achievement Program
5

6 52062. (a) The Flexible Funding for Pupil Achievement
7 Program is hereby established and shall be administered by the
8 Superintendent.

9 (b) The Legislature finds and declares both of the following:

10 (1) The academic achievement of pupils in the public schools
11 is best supported when the personnel at each individual school
12 have control over the education that the pupils of the school
13 receive.

14 (2) Schools participating in the pilot program established by
15 this article, by having the flexibility to focus on the pupils
16 enrolled in the schools and the individual needs of those pupils,
17 can develop an educational program designed particularly for the
18 pupils in the individual schools that will best promote academic
19 achievement and support pupil growth.

20 (c) It is the intent of the Legislature in enacting this article to
21 provide participating schools with the freedom to organize the
22 most appropriate educational delivery structures to meet the
23 goals of the individual schools.

1 52062.1. (a) Up to 5 percent of the public schools in the state
2 *from no more than 25 school districts, including those school*
3 *districts participating in the program established by Chapter 10*
4 *(commencing with Section 58950) of Part 31 that also have*
5 *schools participating in the program established by this article,*
6 may participate in the program at any one time. The
7 Superintendent shall strive to ensure an appropriate balance of
8 participating elementary, middle, and high schools relative to the
9 number of those types of schools in the state as a whole, and that
10 urban, suburban, and rural schools are represented among the
11 participating schools.

12 (b) Prior to the governing board of a school district adopting
13 the agreement of a school to participate in the program pursuant
14 to subdivision (a) of Section 52062.2, the governing board shall
15 notify the Superintendent of the interest of the school
16 participating in the program. If the maximum number of schools
17 pursuant to subdivision (a) has not been reached, the
18 Superintendent shall notify the governing board that the school
19 may participate in the program and shall add the school to the list
20 of participating schools. If the maximum number of schools
21 pursuant to subdivision (a) has been reached, the Superintendent
22 shall notify the governing board that the school shall not
23 participate in the program for the school year for which
24 authorization was requested by the governing board.

25 52062.2. (a) The governing board of a school district, after
26 obtaining authorization for the school electing to participate in
27 the program to be included in the program pursuant to
28 subdivision (b) of Section 52062.1, shall adopt a participation
29 agreement with that school electing to participate in the program.
30 At a minimum, the agreement with each school shall include all
31 of the following:

32 (1) The goals and objectives of the school, as specified in the
33 achievement plan of the school. The governing board shall
34 ensure that the goals of the plan include targets for improvement
35 that will lead the school to achieve the overall academic goals set
36 by federal, state, and local statutes and policies.

37 (2) The minimum amount of per-pupil funding the school shall
38 be annually allocated based on the funding formula specified in
39 Section 52062.4.

1 (3) The timeframes in which the school shall file its annual
2 budget with the school district.

3 (4) The community involvement goals for the school to ensure
4 that the school maintains an atmosphere in which parents and
5 legal guardians are empowered to be involved with the education
6 of their children.

7 (5) The details regarding any provisions of relevant bargaining
8 unit agreements or policies adopted by the governing board of
9 the school district of which the principal and certificated staff of
10 the school intend to pursue a waiver pursuant to Section 52062.7.

11 (b) The governing board of the school district shall adopt each
12 participation agreement in consultation with the district
13 superintendent and with the concurrence of the principal of the
14 participating school.

15 (c) The governing board of a school district annually shall
16 ensure that each school participating in the program has a
17 participation agreement in place as of May 1 of the year
18 preceding the school year in which the agreement is in effect.

19 (d) Each participation agreement shall have a term of five
20 years, except that the governing board of the school district
21 annually shall review and revise the per-pupil funding of the
22 school according to paragraph (2) of subdivision (a).

23 (e) Each participation agreement shall include annual
24 benchmarks to be used to analyze the progress of the school
25 toward achieving the goals specified in the agreement.

26 (f) The principal and certificated staff of the school, pursuant
27 to Section 52062.6, annually shall adopt an achievement plan for
28 the school to ensure that the school meets the goals and
29 objectives specified in its participation agreement.

30 52062.3. (a) If a school fails to comply with any of the
31 provisions of its participation agreement, the district
32 superintendent shall notify the principal of the school of the
33 nature of the lack of compliance. After receipt of the notice, the
34 principal shall submit to the district superintendent a plan to
35 remedy the lack of compliance.

36 (b) If a school fails to meet the goals established in its annual
37 achievement plan for three consecutive years, the governing
38 board of the school district may revoke the participation
39 agreement of that school. The governing board shall notify the

1 Superintendent of any termination of the participation of a school
2 in the program.

3 52062.4. (a) It is the intent of the Legislature that the
4 program promote the equitable distribution of educational
5 resources, strengthen the scope of decisionmaking, increase
6 flexibility in resource allocation at the school level, and provide
7 a systematic method of conforming resource allocation to the
8 unique needs and priorities of individual schools.

9 (b) ~~No later than March 30, 2007, the Superintendent~~ *A school*
10 *district* shall adopt a distribution formula ~~for use by school~~
11 ~~districts with schools participating in this program~~ to determine
12 the allocation of school district funds to an account or accounts
13 for the exclusive use of the participating school. The distribution
14 formula ~~developed by the Superintendent~~ shall include ~~all of~~ the
15 following elements:

16 (1) A calculation of the share of total revenue limit funding for
17 a participating school, based on the grade levels served at that
18 school, so that each participating school is allocated to its
19 account or accounts an amount equal to the following
20 calculations:

21 (A) The weighted total revenue limit per pupil enrolled that is
22 equal to the total revenue limit of the school district pursuant to
23 Section 42238 divided by the following sum:

24 (i) The number of pupils enrolled in kindergarten and grades 1
25 to 5, inclusive.

26 (ii) The number of pupils enrolled in grades 6 to 8, inclusive,
27 multiplied by a pupil weighting factor of 1.04.

28 (iii) The number of pupils enrolled in grades 9 to 12, inclusive,
29 multiplied by a pupil weighting factor of 1.20.

30 (B) The amount per pupil enrolled determined pursuant to
31 subparagraph (A) multiplied by the weighted number of pupils
32 enrolled in each corresponding grade span of the school as
33 specified in clauses (i) to (iii), inclusive, of subparagraph (A).

34 (2) The amount per eligible pupil received by the school
35 district for each of the following categorical programs *in the*
36 *current fiscal year* multiplied by the number of eligible pupils in
37 the school:

38 (A) Pupil Retention Block Grant, as set forth in Article 2
39 (commencing with Section 41505) of Chapter 3.2 of Part 24.

1 (B) Targeted Instructional Improvement Block Grant, as set
2 forth in Article 6 (commencing with Section 41540) of Chapter
3 3.2 of Part 24.

4 (C) School and Library Improvement Block Grant, as set forth
5 in Article 7 (commencing with Section 41570) of Chapter 3.2 of
6 Part 24.

7 (D) Program to Reduce Class Size in Two Courses in Grade 9,
8 as set forth in Chapter 6.8 (commencing with Section 52080).

9 (E) Class Size Reduction Program for kindergarten and grades
10 1 to 3, inclusive, as set forth in Chapter 6.10 (commencing with
11 Section 52120).

12 (F) Economic Impact Aid, as set ~~for~~ forth in Article 2
13 (commencing with Section 54020) of Chapter 1 of Part 29.

14 (3) The amount per certificated teacher received by the school
15 district for the Professional Development Block Grant, Article 5
16 (commencing with Section 41530) of Chapter 3.2 of Part 24,
17 multiplied by the number of certificated teachers at the
18 participating school.

19 (4) The amount per enrolled pupil in the instructional
20 materials fund of the school district multiplied by the number of
21 pupils enrolled at the participating school. After the first
22 allocation of funds to a participating school pursuant to this
23 paragraph, allocations in subsequent years shall be based only on
24 new funds received by the school district into its instructional
25 materials fund.

26 (c) Each fiscal year, the school district shall allocate to an
27 account or accounts established specifically for this purpose by
28 each participating school in the district the amount of funds
29 calculated according to the distribution formula ~~established by~~
30 ~~the Superintendent~~ pursuant to this section for the respective
31 participating schools in the district.

32 (d) Notwithstanding any other provision of law *related to the*
33 *expenditure of funds specified in this article*, a school district, at
34 the request of the principal of a participating school, may expend
35 the funds allocated to the account or accounts of that
36 participating school for any purpose that is consistent with and
37 furthers the goals of the achievement plan and the participation
38 agreement of the school.

39 (e) The funds allocated to participating schools on behalf of
40 the programs specified in subdivision (b) shall supplement, and

1 not supplant, funding received by the school district for
2 programs, other than the programs specified in subdivision (b),
3 that were used to support the school prior to its participation in
4 the program.

5 (f) A school district may retain up to 10 percent of the funds
6 received by the district from state and local sources that are
7 distributed to the accounts of participating schools of the district
8 according to the distribution formula ~~established by the~~
9 ~~Superintendent~~ pursuant to this section for administrative and
10 support services costs incurred by the district on behalf of its
11 participating schools.

12 (g) *The Superintendent shall promulgate regulations, as he or*
13 *she deems necessary, to implement this section.*

14 52062.5. (a) The principal of each participating school shall
15 annually create and submit to the district superintendent a budget
16 for the school. In developing the annual budget, the principal
17 shall collaborate with the certificated staff of the school and shall
18 consult with the schoolsite council and parent council, if either or
19 both are constituted at the school, in the development of the
20 budget. The principal shall comply with the budgeting and
21 accounting practices of the school district. At the request of the
22 school principal, the school district administration shall provide,
23 using funds retained by the school district as authorized by
24 subdivision (f) of Section 52062.4, technical assistance and
25 consultation for the principal and others involved in the
26 development of a schoolsite budget.

27 ~~(b) Any moneys remaining in the accounts of a participating~~
28 ~~school at the end of a fiscal year shall remain in the accounts of~~
29 ~~that school for use in the budget of the following fiscal year and~~
30 ~~shall not revert to the school district. Any deficit remaining in the~~
31 ~~budget of a participating school at the end of a fiscal year shall~~
32 ~~remain the responsibility of the school for the following fiscal~~
33 ~~year.~~

34 (c)

35 (b) The principal of a participating school shall submit to the
36 district superintendent a copy of the proposed school budget in
37 accordance with the timeframes specified in the participation
38 agreement of the school.

39 (d)

(c) Each school district shall maintain the financial records for each school participating in the program as part of the centralized services provided to each school, including, but not limited to, issuing checks based on vouchers received from the principal of the school. The school district shall pay the costs of maintaining the financial records from the 10 percent of moneys reserved to the school district for administrative and support services for participating schools pursuant to subdivision (f) of Section 52062.4.

52062.6. (a) The principal and certificated staff of a participating school annually shall adopt an achievement plan that is designed to ensure that the school achieves the goals and objectives specified in the participation agreement of the school. The plan, at a minimum, shall address the organization of the school, staffing, curriculum, and classroom schedules to be used at the school, and shall do all of the following:

(1) Ensure that teachers at the school, at least annually, analyze the academic performance of the pupils in the school to assess the progress of pupils toward meeting academic goals.

(2) Specify the appropriate staffing plan for the school to enable pupils to meet the academic performance goals of the pupils and the school. The principal or designated instructional team of the school shall be responsible for hiring certificated staff for the school and determining which certificated staff positions are necessary and most appropriate for the school. The principal shall involve members of the certificated staff of the school in developing the school staffing plan. The plan shall include provisions for the professional development of teachers and administrators of the school.

(3) Schedule the schoolday using periods or time blocks that will work most effectively in achieving the academic performance goals of the school. In addition, the principal shall ensure that the instructional hours included in the academic year and in the school day satisfy the requirements of law.

(4) Specify an educational program for the school that is most likely to enable the pupils enrolled in the school to achieve the academic performance goals of the pupils and the school.

(b) The principal of a participating school shall annually submit to the district superintendent and the governing board of the school district a report specifying, at a minimum, the staffing

1 plan for the school, the academic schedule for the school, and a
2 description of the educational program of the school.

3 (c) The principal of a participating school shall collaborate
4 with the district superintendent and the certificated staff of the
5 school to implement the provisions of this article.

6 52062.7. (a) Each teacher at a participating school, in
7 consultation with the parents or legal guardians of a pupil and the
8 pupil, where age appropriate, shall establish academic growth
9 goals for the pupil at the beginning of each school year and shall
10 measure the progress of the pupil in achieving those goals
11 throughout the year. In measuring the academic growth of each
12 pupil throughout the school year, the teacher shall use a variety
13 of assessment tools selected by the principal and certificated staff
14 of the school.

15 (b) The principal of each participating school shall ensure that
16 the school operates in an environment that empowers parents and
17 legal guardians to be involved in the education of their children.
18 At a minimum, the principal shall ensure that the procedures at
19 the school require a teacher to communicate in person with the
20 parents or legal guardians of a pupil if that pupil is not meeting
21 his or her academic achievement goals.

22 (c) (1) The certificated staff and principal of a participating
23 school, if they deem it necessary to achieve the goals of the
24 achievement plan of the school and provisions of the
25 participation agreement of the school, by unanimous consent,
26 may request that the parties to the bargaining unit agreement for
27 the certificated staff of the school modify the agreement to
28 permit the certificated staff to waive specified portions of the
29 agreement as it relates to that school. If the parties to the
30 agreement modify the contract to permit the requested limited
31 waiver, then the certificated staff and principal of the
32 participating school by unanimous consent, may waive the
33 applicable provisions of the agreement.

34 (2) The certificated staff of a participating school and
35 principal, if they deem it necessary to achieve the goals of the
36 achievement plan of the school and provisions of the
37 participation agreement of the school, by a majority vote, may
38 request that the governing board of the school district waive
39 policies adopted by the governing board as they relate to that

1 school. If the governing board agrees in writing, then those
2 policies shall be deemed waived.

3 52062.8. The Superintendent shall request private
4 foundations fund and conduct independent evaluations of the
5 planning, implementation, operation, and effectiveness of this
6 program. At a minimum, an initial report of best practices
7 identified among participating schools shall be completed within
8 the first three years of the operation of the program, and full
9 evaluations shall be completed at intervals of five years.

10 52062.9. The provisions of the program created by this
11 article, other than Section 52062.8, shall be implemented only if
12 the Superintendent certifies that he or she has obtained a
13 commitment from private foundations or other private or public
14 funding sources to provide sufficient funding for the program
15 evaluations required pursuant to Section 52062.8.

16 52062.10. This article shall become inoperative on July 1,
17 2017, and, as of January 1, 2018, is repealed, unless a later
18 enacted statute, that becomes operative on or before January 1,
19 2018, deletes or extends the dates on which it becomes
20 inoperative and is repealed.