

Assembly Bill No. 756

Passed the Assembly August 31, 2006

Chief Clerk of the Assembly

Passed the Senate August 30, 2006

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2006, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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, 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 a school district to adopt a distribution formula that would include specified elements 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, 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 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 to 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 to fund and conduct independent evaluations of the planning, implementation, operation, and effectiveness of this program. The bill would require, at a minimum, that 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 will 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, and would repeal the program on January 1, 2018.

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

SECTION 1. Article 4.5 (commencing with Section 52062) is added to Chapter 6.1 of Part 28 of the Education Code, to read:

Article 4.5. Flexible Funding for Pupil Achievement Program

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

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

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

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

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

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

(b) Prior to the governing board of a school district adopting the agreement of a school to participate in the program pursuant to subdivision (a) of Section 52062.2, the governing board shall notify the Superintendent of the interest of the school participating in the program. If the maximum number of schools pursuant to subdivision (a) has not been reached, the Superintendent shall notify the governing board that the school may participate in the program and shall add the school to the list of participating schools. If the maximum number of schools

pursuant to subdivision (a) has been reached, the Superintendent shall notify the governing board that the school shall not participate in the program for the school year for which authorization was requested by the governing board.

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

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

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

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

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

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

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

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

(d) Each participation agreement shall have a term of five years, except that the governing board of the school district

annually shall review and revise the per-pupil funding of the school according to paragraph (2) of subdivision (a).

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

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

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

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

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

(b) A school district shall adopt a distribution formula to determine the allocation of school district funds to an account or accounts for the exclusive use of the participating school. The distribution formula shall include the following elements:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) The amount per enrolled pupil in the instructional materials fund of the school district multiplied by the number of pupils enrolled at the participating school. After the first allocation of funds to a participating school pursuant to this paragraph, allocations in subsequent years shall be based only on

new funds received by the school district into its instructional materials fund.

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

(d) Notwithstanding any other provision of law related to the expenditure of funds specified in this article, a school district, at the request of the principal of a participating school, may 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.

(e) The funds allocated to participating schools on behalf of the programs specified in subdivision (b) shall supplement, and not supplant, funding received by the school district for programs, other than the programs specified in subdivision (b), that were used to support the school prior to its participation in the program.

(f) A school district may retain up to 10 percent 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 pursuant to this section for administrative and support services costs incurred by the district on behalf of its participating schools.

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

52062.5. (a) The principal of each participating school shall annually create and submit to the district superintendent a budget for the school. In developing the annual budget, the principal shall collaborate with the certificated staff of the school and shall consult with the schoolsite council and parent council, if either or both are constituted at the school, in the development of the budget. The principal shall comply with the budgeting and accounting practices of the school district. At the request of the school principal, the school district administration shall provide, using funds retained by the school district as authorized by subdivision (f) of Section 52062.4, technical assistance and

consultation for the principal and others involved in the development of a schoolsite budget.

(b) The principal of a participating school shall 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.

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

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

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

(b) The principal of each participating school shall ensure that the school operates in an environment that empowers parents and legal guardians to be involved in the education of their children. At a minimum, the principal shall 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.

(c) (1) 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, by unanimous consent, may 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. If the parties to the agreement modify the contract to permit the requested limited waiver, then the certificated staff and principal of the participating school by unanimous consent, may waive the applicable provisions of the agreement.

(2) The certificated staff of a participating school and principal, 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, by a majority vote, may request that the governing board of the school district waive policies adopted by the governing board as they relate to that school. If the governing board agrees in writing, then those policies shall be deemed waived.

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

52062.9. The provisions of the program created by this article, other than Section 52062.8, 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 program evaluations required pursuant to Section 52062.8.

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

Approved _____, 2006

Governor