AMENDED IN ASSEMBLY APRIL 29, 2009

AMENDED IN ASSEMBLY APRIL 20, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL No. 972

Introduced by Assembly Member Audra Strickland

February 26, 2009

An act to add Section 42135 to the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 972, as amended, Audra Strickland. School district administrative costs.

Existing law prescribes the procedure for a school district to adopt a budget for the expenditures of the district during each fiscal year and for the county superintendent of schools to review and approve the adopted budget.

This bill, commencing with the 2010–11 fiscal year, would require a school district with an annual enrollment greater than 300,000 pupils to limit its expenditures for administrative costs, as defined, to no more than ~~10%~~ *5%* of its total budget during each fiscal year, including moneys received from all state, federal, and local sources during the fiscal year.

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

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

SECTION 1. Section 42135 is added to the Education Code, to read:

42135. (a) Commencing with the 2010–11 fiscal year, a school district with an annual enrollment greater than 300,000 pupils shall limit its expenditures for administrative costs to no more than ~~10~~ *5* percent of its total budget for each fiscal year, including moneys received from all state, federal, and local sources during the fiscal year.

(b) For purposes of this section, "administrative costs" means the sum of expenditures for each of the following categories:

(1) General administration. For purposes of this subdivision, "general administration" means those activities involving the governing board of a school district, activities relating to the executive responsibility of the school district, activities associated with central data processing, central support, activities associated with fiscal services, and other general administrative services. For purposes of this paragraph, the following terms have the following meanings:

(A) "Board" means the activities of the elected body that has been created under the applicable provisions of law and that has responsibility for the educational activities over which the elected body has jurisdiction. These activities may include, but are not limited to, supervision over services of the board, services related to the election of members of the board, services related to property tax assessment and collection, and services related to employee relations and negotiations.

(B) "Central data processing" includes, but is not limited to, in-house services provided from a mainframe computer or minicomputer as well as the costs of centralized services provided by another agency. Central data processing does not include smaller specialized units such as microcomputers or personal computers.

(C) "Central support" means activities relating to paying, transporting, exchanging, and maintaining goods and services for the school district. These activities include, but are not limited to, planning, research development and evaluation services; the provision of public information; purchasing; warehousing and distribution; and printing, publishing, and duplicating. For purposes of this subparagraph, the following terms have the following meanings:

(i) “Development services” include, but are not limited to, activities relating to the deliberate evolving process of improving educational programs, such as activities using the products of research.

(ii) “Evaluation services” include, but are not limited to, activities relating to ascertaining or judging the value or amount of an action or an outcome through the careful appraisal of previously specified data in light of the particular situation and the goals previously established.

(iii) “Planning services” include, but are not limited to, activities relating to the selection or identification of the overall, long-range goals and priorities of the school district and the formulation of various courses of action needed to achieve those goals through the identification of needs and relative costs and benefits of each course of action.

(iv) “Printing, publishing, and duplicating” means activities relating to the printing and publishing of administrative publications, including annual reports, school directories, and manuals. These activities also include centralized services for duplicating school materials and instruments, including school bulletins, newsletters, and notices.

(v) “Public information” means activities relating to the writing, editing, and other preparation necessary to disseminate educational and administrative information to the public through various news media or through personal contact.

(vi) “Purchasing” means activities relating to the purchasing of supplies, furniture, equipment, and materials used in schools or a school district.

(vii) “Research services” include, but are not limited to, activities relating to the systematic study and investigation of the various aspects of education undertaken to establish facts and principles.

(viii) “Warehousing and distribution” means the receipt, storage, and distribution of supplies, furniture, equipment, materials, and mail.

(D) “Executive” means the activities relating to the executive responsibility of a school district, including, but not limited to, services pertaining to the office of the county superintendent of schools, to community relations, and to state and federal relations.

(E) “Fiscal services” means activities relating to the fiscal operations of a school district. Fiscal operations include, but are not limited to, budgeting, receiving and disbursing funds, financial and property accounting, payroll, inventory control, internal auditing, and managing funds. For purposes of this subparagraph, the following terms have the following meaning:

(i) “Budgeting” means activities relating to the supervision of budget planning, formulating, control, and analysis.

(ii) “Financial accounting” means activities relating to the maintenance of records of the financial operations and transactions of the school district, including, but not limited to, accounting and interpreting financial transactions and account records.

(iii) “Internal auditing” means activities relating to the verification of account records, including the evaluation of the adequacy of the internal control system, including verification and safeguarding.

(iv) “Payroll” means activities relating to the periodic payment of individuals entitled to remuneration for services rendered to a school district.

(v) “Property accounting” means activities relating to the preparation and maintenance of current inventory records of land, buildings, and equipment owned or leased by a school district as used for equipment control and facilities planning.

(vi) “Receiving and disbursing funds” means activities relating to taking in and paying out money, including, but not limited to, the current audit of receipts, the preaudit of requisitions or purchase orders to determine whether the amounts are within the budgetary allowance and to determine that the disbursements are lawful expenditures of a school or a school district, and the management of school funds.

(F) “Personnel” means activities relating to the maintenance of an efficient staff for schools under the jurisdiction of a school district.

(G) “Other general administrative services” means other general administrative services of a school district not defined in this section.

(2) Instructional resources supervision. For purposes of this subdivision, “instructional resources supervision” means overall

management and maintenance of the resources to instruct pupils and activities and materials used by pupils to enhance learning.

(3) Supervision of instruction. For purposes of this subdivision, "supervision of instruction" means activities undertaken primarily to assist instructional staff in planning, developing, and evaluating the process of providing learning experience for pupils. These activities include curriculum development, instructional research, instructional staff development, instructional supervision, and the organizing and coordinating of staff training in techniques for instruction, child development, and understanding. For purposes of this paragraph, the following terms have the following meanings:

(A) "Curriculum development" means activities that aid teachers in developing the curriculum, preparing and utilizing special curriculum materials, and understanding and appreciating the various techniques that stimulate and motivate pupils.

(B) "Instructional research" means activities associated with assessing programs and instruction based on research.

(C) "Instructional staff development" means activities that contribute to the professional or occupational growth and competence of members of the instructional staff during the time of their service to a school or school district. These activities include the coordination of services which guide teachers in the use of instructional materials, administering sabbaticals, and providing the environment for in-service training.

(D) "Instructional supervision" means activities associated with directing, managing, and supervising instruction services.

(c) For purposes of this section, administrative costs do not include services performed by classified employees.

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