

ASSEMBLY BILL

No. 980

Introduced by Assembly Member Swanson

February 27, 2009

An act to add Section 41320.4 to the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 980, as introduced, Swanson. Emergency apportionments: repayment: charter schools.

Existing law authorizes the governing board of an insolvent school district to request an emergency apportionment through the Superintendent of Public Instruction subject to specified requirements and repayment provisions, including a requirement that the district repay the loan amount with interest. Existing law requires the Superintendent to assume all of the legal rights, duties, and powers of the governing board of a qualifying school district, as defined, that receives an emergency apportionment. Existing law requires the Superintendent, in consultation with the county superintendent of schools, to appoint an administrator to act on behalf of the Superintendent in exercising the authority assumed from the school district.

This bill would require a charter school located within the geographic boundaries of a school district that is repaying an emergency apportionment and for which an administrator appointed by the Superintendent is exercising the authority of the governing board, to pay a prorated amount of the annual payment made by the district on the apportionment. The bill would require the Superintendent to deduct the prorated amount, to be calculated based upon the ratio of pupil enrollment, as prescribed, from the general purpose entitlement funding

calculated for the charter school and apply the amount deducted to the outstanding balance of the applicable emergency apportionment.

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. The Legislature finds and declares all of the
2 following:

3 (a) As a direct result of declining enrollment, school districts
4 that receive emergency apportionments and for which
5 administrators are appointed to exercise the authority of their
6 governing boards face increasing difficulty in repaying their
7 emergency loans and returning to financial stability.

8 (b) Although charter schools receive public funding and are
9 responsible for the education of pupils who reside in school districts
10 that receive emergency apportionments, they do not contribute to
11 the repayment of those loans.

12 (c) The situations described in subdivisions (a) and (b)
13 inadvertently exacerbate declining enrollment, worsen the fiscal
14 issues faced by affected school districts, and create inequality in
15 the distribution of public resources between school districts and
16 charter schools.

17 SEC. 2. Section 41320.4 is added to the Education Code, to
18 read:

19 41320.4. (a) A charter school located within the geographic
20 boundaries of a school district that is repaying an emergency
21 apportionment pursuant to this article and for which an
22 administrator appointed by the Superintendent is exercising the
23 authority of the governing board, shall pay a prorated amount of
24 the annual payment made by the district on the apportionment.

25 (b) The prorated amount for each charter school for purposes
26 of this section shall be determined by dividing the annual payment
27 made by the school district on the apportionment by the total
28 number of pupils enrolled in the school district, plus all of the
29 pupils who reside within the jurisdiction of the school district and
30 who are enrolled in charter schools that are located within the
31 geographic boundaries of the school district, and multiplying that
32 quotient by the number of pupils who reside within the jurisdiction
33 of the school district and who are enrolled in the charter school.

1 (c) The Superintendent shall deduct the prorated amount
2 determined for each charter school pursuant to this section from
3 the amount of general purpose entitlement funding calculated for
4 the charter school pursuant to Section 47633 and apply the amount
5 deducted to the outstanding balance of the applicable emergency
6 apportionment.

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