

AMENDED IN SENATE MAY 30, 2012

AMENDED IN ASSEMBLY APRIL 7, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 478

Introduced by Assembly Member ~~Roger Hernández Hill~~
(Principal coauthor: Senator Leno)

February 15, 2011

An act to amend ~~Section 84750.5 of the Education Code, relating to community colleges~~ *Sections 2104 and 2104.5 of the Public Utilities Code, relating to gas corporations, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 478, as amended, ~~Roger Hernández Hill. Community colleges: funding. Gas Corporations: fines and penalties.~~

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, as defined. The Public Utilities Act requires the commission to investigate the cause of all accidents occurring upon the property of any public utility or directly or indirectly arising from or connected with its maintenance or operation, resulting in loss of life or injury to person or property and requiring, in the judgment of the commission, investigation by it, and authorizes the commission to make any order or recommendation with respect to the investigation that it determines to be just and reasonable. The act provides that any public utility that violates any provision of the California Constitution or the act, or that fails or neglects to comply with any order, decision, decree, rule, direction, demand, or requirement of the commission, where a penalty has not otherwise been provided,

is subject to a penalty of not less than \$500 and not more than \$50,000 for each offense. Existing law requires that any fine or penalty imposed by the commission and collected from a public utility be paid to the State Treasury to the credit of the General Fund. The act includes provisions that are specific to gas corporations that involve safety standards for pipeline facilities or the transportation of gas in the state.

This bill would revise the provisions that are specific to gas corporations that involve safety standards for pipeline facilities or the transportation of gas in the state, to authorize the commission to order that all or a portion of a fine or penalty levied against a gas corporation in three specified proceedings be held in a separate account by the gas corporation to offset investments for pipeline replacement to be undertaken within the service territory of the corporation that would otherwise be recovered from the corporation's ratepayers. The bill would require that moneys ordered by the commission to be held in a separate account be used only for the purpose of offsetting investments by the gas corporation for pipeline safety replacement to be undertaken within the service territory of the corporation, and only if the expenses would otherwise be recovered in rates from the utility's ratepayers. The bill would require that any moneys not used for these purposes be paid to the General Fund 5 years after the date of their deposit into the trust account.

This bill would declare that it is to take effect immediately as an urgency statute.

~~Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges. Existing law authorizes the establishment of community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state.~~

~~Existing law requires the board of governors to develop criteria and standards, in accordance with specified statewide minimum requirements, for the purposes of making the annual budget request for the California Community Colleges to the Governor and the Legislature and allocating state general apportionment revenues. Those statewide minimum requirements include, among other things, a requirement that the calculations of each community college district's revenue level for each fiscal year be based on specified criteria, with revenue adjustments being made for increases or decreases in full-time equivalent students (FTES) for specified purposes. These requirements also include a~~

requirement that the statewide requested increase in budgeted workload FTES be based on the sum of specified computations, computed on the basis of fiscal years, including the positive difference between the California unemployment rate and a rate of 5%. For purposes of this computation, existing law prohibits that positive difference from exceeding 2%.

This bill would change the basis of the computation to calendar years, and delete that prohibition.

Vote: majority ²/₃. 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) On September 9, 2010, a natural gas transmission pipeline
4 owned and operated by Pacific Gas and Electric Company
5 exploded under the intersection of Earl Avenue and Glenview
6 Drive in the Crestmoor neighborhood of San Bruno, killing eight
7 people, injuring more than 50, and destroying 38 homes.

8 (b) The explosion was in a section of pipeline thought by Pacific
9 Gas and Electric Company to be seamless. Inspection by the
10 National Transportation Safety Board (NTSB) determined that the
11 pipe in fact had a double-submerged arc weld.

12 (c) The revelation that the utility did not know such basic and
13 vital information as seam type for this pipeline led the NTSB to
14 issue an urgent recommendation that Pacific Gas and Electric
15 Company find traceable, verifiable, and complete records for all
16 pipe in class 3 and 4 locations, and in class 1 and 2 high
17 consequence areas, that had not had their maximum allowable
18 operating pressures established through prior hydrostatic testing.
19 The NTSB recommended that, should the utility not be able to
20 comply with this recommendation, it establish a maximum
21 allowable operating pressure through hydrostatic pressure testing.

22 (d) The Public Utilities Commission (PUC), in Decision
23 11-06-017, ordered all California gas corporations to develop a
24 plan to implement these NTSB recommendations for all
25 transmission pipelines. Pacific Gas and Electric Company's plan
26 for Phase I, which addressed pipelines in high-consequence areas,
27 proposed to incur expenses of seven hundred fifty million five

1 hundred thousand dollars (\$750,500,000) and to make capital
2 expenditures of one million four hundred thirty-three thousand
3 dollars (\$1,433,000) between 2011 and 2013. Pacific Gas and
4 Electric Company officials have stated that Phase 2 could cost
5 between six billion eight hundred million dollars (\$6,800,000,000)
6 and nine billion dollars (\$9,000,000,000).

7 (e) This investment will greatly exceed the total net investment
8 that Pacific Gas and Electric Company has placed in its pipeline
9 system over the past several decades. The vast majority of this cost
10 is proposed to be borne by the utility's ratepayers.

11 (f) Given Pacific Gas and Electric Company's current 11.35
12 percent authorized return on equity, each dollar of capital
13 investment in pipeline replacement will cost ratepayers more than
14 three dollars and fifty cents (\$3.50) in repayment of principal, debt
15 service, return on shareholder equity, and taxes on the return on
16 shareholder equity over the 45-year amortization of the investment.

17 (g) Pacific Gas and Electric Company is currently under
18 investigation in three PUC penalty proceedings related to the
19 pipeline accident: Investigation 11-02-016, Investigation
20 11-11-009, and Investigation 12-01-007. The utility projects that
21 fines in these penalty proceedings will likely exceed two hundred
22 million dollars (\$200,000,000).

23 (h) Currently, all fines in PUC penalty proceedings are required
24 by statute to be deposited into the state's General Fund.

25 (i) Prior to the current investigations involving the San Bruno
26 pipeline explosion, the largest safety-related fine the PUC had
27 levied was a thirty-eight-million-dollar (\$38,000,000) fine for a
28 fatal natural gas distribution pipeline explosion on Christmas Eve
29 of 2008 in Rancho Cordova.

30 (j) Given the unprecedented amount of pipeline investment that
31 Pacific Gas and Electric Company is proposing to make in the
32 aftermath of the San Bruno explosion and the unprecedented size
33 of the likely fine that the utility faces as a result of the explosion,
34 any fines assessed to the utility as a result of the explosion should
35 go toward offsetting the costs that the utility's ratepayers would
36 otherwise bear for safety upgrades to the utility's pipeline system.

37 SEC. 2. Section 2104 of the Public Utilities Code, as amended
38 by Section 7 of Chapter 552 of the Statutes of 2008, is amended
39 to read:

1 2104. (a) Except as provided by Sections 2100 and 2107.5,
2 and in addition to the remedies provided in Sections 688.020 and
3 688.030 of the Code of Civil Procedure, actions to recover penalties
4 under this part may be brought in the name of the people of the
5 State of California, in the superior court in and for the county, or
6 city and county, in which the cause or some part thereof arose, or
7 in which the corporation complained of has its principal place of
8 business, or in which the person complained of resides. The action,
9 if brought pursuant to this section, shall be commenced and
10 prosecuted to final judgment by the attorney or agent of the
11 commission. All fines and penalties may be sued for and recovered.
12 The commission may enjoin the sale of a public utility's or
13 common carrier's assets to satisfy unpaid fines and penalties. The
14 commission may use any of the remedies afforded to a creditor
15 under the Uniform Fraudulent Transfer Act (Chapter 1
16 (commencing with Section 3439) of Title 2 of Part 2 of Division
17 4 of the Civil Code). Respondents who fraudulently transfer assets
18 to avoid paying commission-imposed fines or penalties are subject
19 to prosecution under Sections 154, 531, and 531a of the Penal
20 Code. In all of these actions, the procedure and rules of evidence
21 shall be the same as in ordinary civil actions, except for
22 prosecutions under the Penal Code or as otherwise herein provided.
23 ~~All~~ Except as provided in Section 2104.5, all fines and penalties
24 recovered by the state in any action, together with the costs thereof,
25 shall be paid into the State Treasury to the credit of the General
26 Fund. Any action may be compromised or discontinued on
27 application of the commission upon the terms the court approves
28 and orders.

29 (b) This section shall remain in effect only until January 1, 2014,
30 and as of that date is repealed, unless a later enacted statute, that
31 is enacted before January 1, 2014, deletes or extends that date.

32 *SEC. 3. Section 2104 of the Public Utilities Code, as added by*
33 *Section 8 of Chapter 552 of the Statutes of 2008, is amended to*
34 *read:*

35 2104. (a) Except as provided by Sections 2100 and 2107.5,
36 actions to recover penalties under this part shall be brought in the
37 name of the people of the State of California, in the superior court
38 in and for the county, or city and county, in which the cause or
39 some part thereof arose, or in which the corporation complained
40 of has its principal place of business, or in which the person

1 complained of resides. The action shall be commenced and
2 prosecuted to final judgment by the attorney or agent of the
3 commission. All fines and penalties may be sued for and recovered.
4 The commission may enjoin the sale of a public utility's or
5 common carrier's assets to satisfy unpaid fines and penalties. The
6 commission may use any of the remedies afforded to a creditor
7 under the Uniform Fraudulent Transfer Act (Chapter 1
8 (commencing with Section 3439) of Title 2 of Part 2 of Division
9 4 of the Civil Code). Respondents who fraudulently transfer assets
10 to avoid paying commission-imposed fines or penalties are subject
11 to prosecution under Sections 154, 531, and 531a of the Penal
12 Code. In all of these actions, the procedure and rules of evidence
13 shall be the same as in ordinary civil actions, except for
14 prosecutions under the Penal Code or as otherwise herein provided.
15 ~~All~~ Except as provided in Section 2104.5, all fines and penalties
16 recovered by the state in any action, together with the costs thereof,
17 shall be paid into the State Treasury to the credit of the General
18 Fund. Any action may be compromised or discontinued on
19 application of the commission upon the terms the court approves
20 and orders.

21 (b) This section shall become operative on January 1, 2014.

22 *SEC. 4. Section 2104.5 of the Public Utilities Code is amended*
23 *to read:*

24 2104.5. (a) Any penalty for violation of any provision of this
25 act, or of any rule, regulation, general order, or order of the
26 commission, involving safety standards for pipeline facilities or
27 the transportation of gas in the State of California may be
28 compromised by the commission. In determining the amount of
29 ~~such~~ the penalty, or the amount agreed upon in compromise, the
30 appropriateness of ~~such~~ the penalty to the size of the business of
31 the person charged, the gravity of the violation, and the good faith
32 of the person charged in attempting to achieve compliance, after
33 notification of a violation, shall be considered. The amount of any
34 ~~such~~ penalty, when finally determined, or the amount agreed upon
35 in compromise, may be recovered in a civil action in the name of
36 ~~the People~~ *people* of the State of California in the superior court
37 in and for the county, or city and county in which the cause or
38 some part thereof arose, or in which the corporation complained
39 of has its principal place of business or the person complained of
40 resides. In any such action, all penalties incurred, or amounts

1 agreed upon in compromise for violations committed up to the
2 time of commencing the action may be sued for and recovered. In
3 all ~~such~~ *those* actions, the procedure and rules of evidence shall
4 be the same as in ordinary civil actions, except as otherwise herein
5 provided. All fines and penalties recovered by the state in any ~~such~~
6 action, together with the costs thereof, shall be paid into the State
7 Treasury to the credit of the General Fund, *except upon order of*
8 *the commission pursuant to subdivision (b).*

9 *(b) The commission shall order that any fine or penalty levied*
10 *against a gas corporation in Investigation 11-02-016, Investigation*
11 *11-11-009, or Investigation 12-01-007, be held in a separate*
12 *account by the gas corporation to offset investments for pipeline*
13 *replacement to be undertaken within the service territory of the*
14 *corporation and that would otherwise be recovered from the*
15 *corporation's ratepayers.*

16 *(c) The commission shall set a rate of interest for an account*
17 *established pursuant to subdivision (b).*

18 *(d) (1) Any moneys ordered by the commission to be held in a*
19 *separate account pursuant to subdivision (b) shall be used,*
20 *consistent with the intent of the Legislature as stated in paragraph*
21 *(2), only for the purpose of offsetting investments by the gas*
22 *corporation for pipeline replacement to be undertaken within the*
23 *service territory of the corporation, and only if the investments*
24 *would otherwise be recovered in rates from the utility's ratepayers.*
25 *Any moneys not used for these purposes shall, five years after the*
26 *date of their deposit into the trust account, be paid to the General*
27 *Fund.*

28 *(2) It is the intent of the Legislature that moneys ordered by the*
29 *commission to be held in a separate account pursuant to*
30 *subdivision (b) be used to offset investments that are to be made*
31 *by a gas corporation during the first phase of the utility's*
32 *implementation plan filed in response to Decision 11-06-017,*
33 *Decision Determining Maximum Allowable Operating Pressure*
34 *Methodology and Requiring Filing of Natural Gas Transmission*
35 *Pipeline Replacement or Testing Implementation Plans (filed June*
36 *9, 2011), if the commission determines that the investments would*
37 *otherwise be recovered in rates from the utility's ratepayers.*

38 *SEC. 5. This act is an urgency statute necessary for the*
39 *immediate preservation of the public peace, health, or safety within*

1 *the meaning of Article IV of the Constitution and shall go into*
 2 *immediate effect. The facts constituting the necessity are:*

3 *In order to address and resolve significant financial issues*
 4 *presented by ongoing proceedings before the Public Utilities*
 5 *Commission, it is necessary for this act to take effect immediately.*

6 ~~SECTION 1. Section 84750.5 of the Education Code is~~
 7 ~~amended to read:~~

8 ~~84750.5. (a) The board of governors, in accordance with the~~
 9 ~~statewide requirements contained in paragraphs (1) to (11),~~
 10 ~~inclusive, of subdivision (d), and in consultation with institutional~~
 11 ~~representatives of the California Community Colleges and~~
 12 ~~statewide faculty and staff organizations, so as to ensure their~~
 13 ~~participation in the development and review of policy proposals,~~
 14 ~~shall develop criteria and standards for the purposes of making the~~
 15 ~~annual budget request for the California Community Colleges to~~
 16 ~~the Governor and the Legislature, and for the purpose of allocating~~
 17 ~~the state general apportionment revenues.~~

18 ~~(b) In developing the criteria and standards, the board of~~
 19 ~~governors shall utilize and strongly consider the recommendations~~
 20 ~~and work product of the “System Office Recommendations Based~~
 21 ~~on the Report of the Work Group on Community College Finance”~~
 22 ~~that was adopted by the board at its meeting of March 7, 2005.~~
 23 ~~The board shall complete the development of these criteria and~~
 24 ~~standards, accompanied by the necessary procedures, processes,~~
 25 ~~and formulas for utilizing its criteria and standards, by March 1,~~
 26 ~~2007, and shall submit on or before that date a report on these~~
 27 ~~items to the Legislature and the Governor.~~

28 ~~(c) (1) It is the intent of the Legislature in enacting this section~~
 29 ~~to improve the equity and predictability of general apportionment~~
 30 ~~and growth funding for community college districts in order that~~
 31 ~~the districts may more readily plan and implement instruction and~~
 32 ~~related programs, more readily serve students according to the~~
 33 ~~policies of the state’s master plan for higher education, and enhance~~
 34 ~~the quality of instruction and related services for students.~~

35 ~~(2) It is the intent of the Legislature to determine the amounts~~
 36 ~~to be appropriated for the purposes of this section through the~~
 37 ~~annual Budget Act. Nothing in this section shall be construed as~~
 38 ~~limiting the authority either of the Governor to propose, or the~~
 39 ~~Legislature to approve, appropriations for California Community~~
 40 ~~Colleges programs or purposes.~~

1 ~~(d) The board of governors shall develop the criteria and~~
2 ~~standards within the following statewide minimum requirements:~~

3 ~~(1) The calculations of each community college district's~~
4 ~~revenue level for each fiscal year shall be based on the level of~~
5 ~~general apportionment revenues (state and local) the district~~
6 ~~received for the prior year plus any amount attributed to a deficit~~
7 ~~from the adopted standards to be developed pursuant to this section,~~
8 ~~with revenue adjustments being made for increases or decreases~~
9 ~~in full-time equivalent students (FTES), for equalization of funding~~
10 ~~per credit FTES, for necessary alignment of funding per FTES~~
11 ~~between credit and noncredit programs, for inflation, and for other~~
12 ~~purposes authorized by law.~~

13 ~~(2) The funding mechanism developed pursuant to this section~~
14 ~~shall recognize the need for community college districts to receive~~
15 ~~an annual allocation based on the number of colleges and~~
16 ~~comprehensive centers in the district. In addition to this basic~~
17 ~~allocation, the marginal amount of credit revenue allocated per~~
18 ~~FTES shall be funded at a rate not less than four thousand three~~
19 ~~hundred sixty-seven dollars (\$4,367), as adjusted for the change~~
20 ~~in the cost-of-living in subsequent annual budget acts.~~

21 ~~(A) To the extent that the Budget Act of 2006 contains an~~
22 ~~appropriation of one hundred fifty-nine million four hundred~~
23 ~~thirty-eight thousand dollars (\$159,438,000) for community college~~
24 ~~equalization, the Legislature finds and declares that community~~
25 ~~college equalization for credit FTES has been effectively~~
26 ~~accomplished as of March 31, 2007.~~

27 ~~(B) The chancellor shall develop criteria for the allocation of~~
28 ~~one-time grants for those districts that would have qualified for~~
29 ~~more equalization under prior law than pursuant to this section~~
30 ~~and the Budget Act of 2006, and for those districts that would have~~
31 ~~qualified for more funding under a proposed rural college access~~
32 ~~grant than pursuant to this section and the Budget Act of 2006, as~~
33 ~~determined by the chancellor. Appropriations for the one-time~~
34 ~~grants shall be provided pursuant to paragraph (24) of subdivision~~
35 ~~(a) of Section 43 of Chapter 79 of the Statutes of 2006.~~

36 ~~(3) Noncredit instruction shall be funded at a uniform rate of~~
37 ~~two thousand six hundred twenty-six dollars (\$2,626) per FTES,~~
38 ~~as adjusted for the change in the cost-of-living provided in~~
39 ~~subsequent annual budget acts.~~

1 ~~(4) Funding for instruction in career development and college~~
2 ~~preparation, as authorized pursuant to Section 84760.5, shall be~~
3 ~~provided as follows:~~

4 ~~(A) Career development and college preparation FTES may be~~
5 ~~funded at a rate of three thousand ninety-two dollars (\$3,092) per~~
6 ~~FTES for courses in programs that conform to the requirements~~
7 ~~of Section 84760.5. This rate shall be adjusted for the change in~~
8 ~~the cost-of-living or as otherwise provided in subsequent annual~~
9 ~~budget acts:~~

10 ~~(B) Changes in career development and college preparation~~
11 ~~FTES shall result in adjustments to revenues as follows:~~

12 ~~(i) Increases in career development and college preparation~~
13 ~~FTES shall result in an increase in revenues in the year of the~~
14 ~~increase and at the average rate per career development and college~~
15 ~~preparation FTES, including any cost-of-living adjustment~~
16 ~~authorized by statute or by the annual Budget Act.~~

17 ~~(ii) Decreases in career development and college preparation~~
18 ~~FTES shall result in a revenue reduction in the year following the~~
19 ~~decrease and at the average rate per career development and college~~
20 ~~preparation FTES:~~

21 ~~(5) Except as otherwise provided by statute, current categorical~~
22 ~~programs providing direct services to students, including extended~~
23 ~~opportunity programs and services, and disabled students programs~~
24 ~~and services, shall continue to be funded separately through the~~
25 ~~annual Budget Act, and shall not be assumed under the budget~~
26 ~~formula otherwise specified by this section:~~

27 ~~(6) For credit and noncredit instruction, changes in FTES shall~~
28 ~~result in adjustments in district revenues as follows:~~

29 ~~(A) Increases in FTES shall result in an increase in revenues in~~
30 ~~the year of the increase and at the amount per FTES provided for~~
31 ~~in paragraph (2) or (3), as appropriate, including any cost-of-living~~
32 ~~adjustment authorized by statute or by the annual Budget Act.~~

33 ~~(B) Decreases in FTES shall result in revenue reductions~~
34 ~~beginning in the year following the initial year of decrease in FTES,~~
35 ~~and at the district's marginal funding per FTES:~~

36 ~~(C) Districts shall be entitled to the restoration of any reductions~~
37 ~~in apportionment revenue due to decreases in FTES during the~~
38 ~~three years following the initial year of decrease in FTES if there~~
39 ~~is a subsequent increase in FTES:~~

1 ~~(7) Revenue adjustments shall be made to reflect cost changes,~~
2 ~~using the same inflation adjustment as required for school districts~~
3 ~~pursuant to subdivision (b) of Section 42238.1. These revenue~~
4 ~~adjustments shall be made to the college and center basic~~
5 ~~allocations, credit and noncredit FTES funding rates, and career~~
6 ~~development and college preparation FTES funding rates.~~

7 ~~(8) The statewide requested increase in budgeted workload~~
8 ~~FTES shall be based, at a minimum, on the sum of the following~~
9 ~~computations:~~

10 ~~(A) Determination of an equally weighted average of the rate~~
11 ~~of change in the California population of persons between the ages~~
12 ~~of 19 and 24 and the rate of change in the California population~~
13 ~~of persons between the ages of 25 and 65, both as determined by~~
14 ~~the Department of Finance's Demographic Research Unit as~~
15 ~~determined for the preceding fiscal year.~~

16 ~~(B) To the extent the California unemployment rate exceeds 5~~
17 ~~percent for the most recently completed calendar year, that positive~~
18 ~~difference shall be added in an amount determined by the~~
19 ~~Chancellor of the California Community Colleges to the~~
20 ~~Department of Finance, to the rate computed in subparagraph (A).~~
21 ~~The amount determined by the Chancellor shall be accompanied~~
22 ~~by a rationale for that determination and be submitted to the~~
23 ~~Department of Finance.~~

24 ~~(C) The chancellor may also add to the amounts calculated~~
25 ~~pursuant to subparagraphs (A) and (B) the number of FTES in the~~
26 ~~areas of transfer, vocational education, and basic skills that were~~
27 ~~unfunded in the current fiscal year. For this purpose, the following~~
28 ~~computation shall be determined for each district, and a statewide~~
29 ~~total shall be calculated:~~

30 ~~(i) Establish the base level of FTES earned in the prior fiscal~~
31 ~~year for transfer courses consisting of courses meeting the~~
32 ~~California State University breadth or Intersegmental General~~
33 ~~Education Transfer Curriculum requirements or major course~~
34 ~~prerequisites accepted by the University of California or the~~
35 ~~California State University.~~

36 ~~(ii) Establish the base level of FTES earned in the prior fiscal~~
37 ~~year for vocational education courses consisting of courses defined~~
38 ~~by the chancellor's office Student Accountability Model codes A~~
39 ~~and B that are consistent with the courses used for measuring~~

1 ~~success in this program area under the accountability system~~
2 ~~established pursuant to Section 84754.5.~~

3 ~~(iii) Establish the base level of FTES in the prior fiscal year for~~
4 ~~basic skills courses, both credit and noncredit.~~

5 ~~(iv) Add the sum of FTES for clauses (i) to (iii), inclusive.~~

6 ~~(v) Multiply the result of the calculation made under clause (iv)~~
7 ~~by one plus the district's funded growth rate in the current fiscal~~
8 ~~year. This figure shall represent the maintenance of effort level~~
9 ~~for the budget year.~~

10 ~~(vi) FTES in transfer, vocational education, and basic skills that~~
11 ~~are in excess of the total calculated pursuant to clause (v), shall be~~
12 ~~considered in excess of the maintenance of effort level, and shall~~
13 ~~be eligible for overcap growth funding if the district exceeds its~~
14 ~~overall funded FTES.~~

15 ~~(vii) In no event shall the amount calculated pursuant to clause~~
16 ~~(vi) exceed the total unfunded FTES for that fiscal year. To the~~
17 ~~extent the computation specified in subdivision (c) requires the~~
18 ~~reporting of additional data by community college districts, that~~
19 ~~reporting shall be a condition of the receipt of apportionment for~~
20 ~~growth pursuant to this section and those funds shall be available~~
21 ~~to offset any and all costs of providing the data.~~

22 ~~(9) Except as provided in subparagraph (B) of paragraph (6),~~
23 ~~for the 2006-07 fiscal year or for the first fiscal year for which~~
24 ~~this section is implemented by the board of governors, whichever~~
25 ~~is later, all districts shall receive at least the amount of revenue~~
26 ~~received for the prior fiscal year, adjusted for the cost-of-living~~
27 ~~adjustment specified in subdivision (b) of Section 42238.1 and~~
28 ~~adjusted for the actual increase in FTES not to exceed the district's~~
29 ~~funded growth cap. Thereafter, allocations shall be made pursuant~~
30 ~~to this section, as implemented by the board of governors pursuant~~
31 ~~to the annual Budget Act.~~

32 ~~(10) Except as specifically provided in statute, regulations of~~
33 ~~the board of governors for determining and allocating the state~~
34 ~~general apportionment to the community college districts shall not~~
35 ~~require district governing boards to expend the allocated revenues~~
36 ~~in specified categories of operation or according to the workload~~
37 ~~measures developed by the board of governors.~~

O