

AMENDED IN SENATE AUGUST 24, 2012

AMENDED IN SENATE JULY 2, 2012

AMENDED IN SENATE JUNE 12, 2012

AMENDED IN ASSEMBLY MAY 3, 2012

AMENDED IN ASSEMBLY APRIL 10, 2012

AMENDED IN ASSEMBLY MARCH 5, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1811

Introduced by Assembly Member Bonilla

February 21, 2012

An act to amend, *repeal*, and *add* Section 47660 of the Education Code, relating to charter schools.

LEGISLATIVE COUNSEL'S DIGEST

AB 1811, as amended, Bonilla. Charter schools: funding.

Existing law states the intent of the Legislature that each charter school be provided with operational funding that is equal to the total funding that would be available to a similar school district serving a similar pupil population, and requires the Superintendent of Public Instruction to annually compute a general-purpose entitlement, funded from a combination of state aid and local funds for each charter school. Existing law requires revenue limit funding that is computed in the general-purpose entitlement to be based on the statewide average revenue limit funding per unit of average daily attendance received by elementary, unified, and high school districts, as specified. Existing law requires that the general-purpose entitlement for certain conversion

charter schools to be determined, instead, based on the amount of the actual unrestricted revenues expended per unit of average daily attendance for that school in the year before its conversion to, and operation as, a charter school, adjusted as specified, and for subsequent fiscal years, based on the prior year allocation, adjusted as specified, including for any state general-purpose increases.

This bill, commencing with the 2013–14 fiscal year, would require the general-purpose entitlement of a charter high school that is established on or after January 1, 2013, through the conversion of an existing public high school within a unified school district to be calculated ~~based on the amount of the actual unrestricted revenues expended per unit of average daily attendance for that school in the year before its conversion to, and operation as, a charter school, adjusted as specified, and each subsequent fiscal year, based on the prior fiscal year allocation, adjusted as specified, including for any state general-purpose increases or decreases equal, for the first 3 years of operation, to the current year base revenue limit per unit of average daily attendance of the sponsoring unified school district, adjusted as specified. Commencing with the 4th year of operation, the bill would require the charter school to generate general-purpose funding based on the statewide average revenue limit funding per unit of average daily attendance received by high school districts. These provisions would become inoperative either on July 1, 2018, and repealed on January 1, 2019, or on the effective date of a measure enacting comprehensive school finance reform, whichever occurs first.~~

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. Section 47660 of the Education Code is amended
- 2 to read:
- 3 47660. (a) For purposes of computing eligibility for, and
- 4 entitlements to, general-purpose funding and operational funding
- 5 for categorical programs, the enrollment and average daily
- 6 attendance of a sponsoring local educational agency shall exclude
- 7 the enrollment and attendance of pupils in its charter schools
- 8 funded pursuant to this chapter.
- 9 (b) (1) Notwithstanding subdivision (a), and commencing with
- 10 the 2005–06 fiscal year, for purposes of computing eligibility for,

1 and entitlements to, revenue limit funding, the average daily
2 attendance of a unified school district, other than a unified school
3 district that has converted all of its schools to charter status
4 pursuant to Section 47606, shall include all attendance of pupils
5 who reside in the unified school district and who would otherwise
6 have been eligible to attend a noncharter school of the unified
7 school district, if the unified school district was a basic aid school
8 district in the prior fiscal year, or if the pupils reside in the unified
9 school district and attended a charter school of that school district
10 that converted to charter status on or after July 1, 2005. Only the
11 attendance of the pupils described by this paragraph shall be
12 included in the calculation made pursuant to paragraph (7) of
13 subdivision (h) of Section 42238.

14 (2) Notwithstanding subdivision (a), for the 2005–06 fiscal year
15 only, for purposes of computing eligibility for, and entitlements
16 to, revenue limit funding, the average daily attendance of a unified
17 school district, other than a unified school district that has
18 converted all of its schools to charter status pursuant to Section
19 47606 and is operating them as charter schools, shall include all
20 attendance of pupils who reside in the unified school district and
21 who would otherwise have been eligible to attend a noncharter
22 school of the unified school district if the pupils attended a charter
23 school operating in the unified school district before July 1, 2005.
24 Only the attendance of pupils described by this paragraph shall be
25 included in the calculation made pursuant to Section 42241.3. The
26 attendance of the pupils described by this paragraph shall be
27 included in the calculation made pursuant to paragraph (7) of
28 subdivision (h) of Section 42238.

29 (c) (1) For the attendance of pupils specified in subdivision (b),
30 the general-purpose entitlement for a charter school that is
31 established through the conversion of an existing public school
32 within a unified school district on or after July 1, 2005, but before
33 January 1, 2010, shall be determined using the following amount
34 of general-purpose funding per unit of average daily attendance,
35 in lieu of the amount calculated pursuant to subdivision (a) of
36 Section 47633:

37 (A) The amount of the actual unrestricted revenues expended
38 per unit of average daily attendance for that school in the year
39 before its conversion to, and operation as, a charter school, adjusted
40 for the base revenue limit per pupil inflation increase adjustment

1 set forth in Section 42238.1, if this adjustment is provided, and
2 also adjusted for equalization, deficit reduction, and other state
3 general-purpose increases, if any, provided for the unified school
4 district in the year of conversion to, and operation as, a charter
5 school.

6 (B) For a subsequent fiscal year, the general-purpose entitlement
7 shall be determined based on the amount per unit of average daily
8 attendance allocated in the prior fiscal year adjusted for the base
9 revenue limit per pupil inflation increase adjustment set forth in
10 Section 42238.1, if this adjustment is provided, and also adjusted
11 for equalization, deficit reduction, and other state general-purpose
12 increases, if any, provided for the unified school district in that
13 fiscal year.

14 (2) This subdivision shall not apply to a charter school that is
15 established through the conversion of an existing public high school
16 within a unified school district on or after January 1, 2010, ~~but on~~
17 ~~or before December 31, 2012,~~ which instead shall receive
18 general-purpose funding pursuant to Section 47633. This paragraph
19 does not preclude a charter school or unified school district from
20 agreeing to an alternative funding formula, including the formula
21 specified in Section 47633.

22 (d) Commencing with the 2013–14 fiscal year, for the attendance
23 of pupils specified in subdivision (b), the general-purpose
24 entitlement of a charter high school that is established on or after
25 January 1, 2013, through the conversion of an existing public high
26 school within a unified school district shall be ~~determined using~~
27 ~~the following amount of general-purpose funding per unit of~~
28 ~~average daily attendance, in lieu of the amount calculated pursuant~~
29 ~~to subdivision (a) of Section 47633: equal, for the first three years~~
30 ~~of operation, to the current year base revenue limit per unit of~~
31 ~~average daily attendance of the sponsoring unified school district,~~
32 ~~calculated pursuant to subdivisions (b) and (c) of Section 42238,~~
33 ~~and adjusted by the current year deficit factor and other funding~~
34 ~~adjustments, if any. Commencing with the fourth year of operation,~~
35 ~~the charter school shall generate the general-purpose funding per~~
36 ~~unit of average daily attendance as specified in Section 47633.~~

37 ~~(1) The amount of the actual unrestricted revenues expended~~
38 ~~per unit of average daily attendance for that school in the year~~
39 ~~before its conversion to, and operation as, a charter school, adjusted~~
40 ~~for the base revenue limit per pupil inflation increase adjustment~~

1 ~~set forth in Section 42238.1, if this adjustment is provided, and~~
2 ~~also adjusted for equalization, deficit reduction, and other state~~
3 ~~general-purpose increases, if any, provided for the unified school~~
4 ~~district in the year of conversion to, and operation as, a charter~~
5 ~~school.~~

6 (2) ~~For a subsequent fiscal year, the general-purpose entitlement~~
7 ~~shall be determined based on the amount per unit of average daily~~
8 ~~attendance allocated in the prior fiscal year adjusted for the base~~
9 ~~revenue limit per pupil inflation increase adjustment set forth in~~
10 ~~Section 42238.1, if this adjustment is provided, and also adjusted~~
11 ~~for equalization, deficit reduction, and other state general-purpose~~
12 ~~increases or decreases, if any, provided for the unified school~~
13 ~~district in that fiscal year.~~

14 (e) Commencing with the 2005–06 fiscal year, the
15 general-purpose funding per unit of average daily attendance
16 specified for a unified school district for purposes of paragraph
17 (7) of subdivision (h) of Section 42238 for a school within the
18 unified school district that converted to charter status on or after
19 July 1, 2005, shall be deemed to be the amount computed pursuant
20 to subdivision (c).

21 (f) A unified school district that is the sponsoring local
22 educational agency as defined in subdivision (j) of Section 47632
23 of a charter school that is subject to paragraphs (1) and (2) of
24 subdivision (c) shall certify to the Superintendent the amount
25 specified in paragraph (1) of subdivision (c) before the approval
26 of the charter petition by the governing board of the school district.
27 This amount may be based on estimates of the unrestricted revenues
28 expended in the fiscal year before the school’s conversion to charter
29 status and the school’s operation as a charter school, provided that
30 the amount is recertified when the actual data becomes available.

31 (g) For purposes of this section, “basic aid school district” means
32 a school district that does not receive from the state an
33 apportionment of state funds pursuant to subdivision (h) of Section
34 42238.

35 (h) A school district may use the existing Standardized Account
36 Code Structure and cost allocation methods, if appropriate, for an
37 accounting of the actual unrestricted revenues expended in support
38 of a school pursuant to subdivision (c).

1 (i) For purposes of this section and Section 42241.3, “operating”
2 means that pupils are attending and receiving instruction at the
3 charter school.

4 (j) *This section shall become inoperative on either of the*
5 *following, whichever occurs first:*

6 (1) *July 1, 2018, and, as of January 1, 2019, this section is*
7 *repealed, unless a later enacted statute, that becomes operative*
8 *on or before January 1, 2019, deletes or extends the dates on which*
9 *it becomes inoperative and is repealed.*

10 (2) *The effective date of a measure enacting comprehensive*
11 *school finance reform, and as of that date this section is repealed.*

12 SEC. 2. Section 47660 is added to the Education Code, to read:

13 47660. (a) *For purposes of computing eligibility for, and*
14 *entitlements to, general-purpose funding and operational funding*
15 *for categorical programs, the enrollment and average daily*
16 *attendance of a sponsoring local educational agency shall exclude*
17 *the enrollment and attendance of pupils in its charter schools*
18 *funded pursuant to this chapter.*

19 (b) (1) *Notwithstanding subdivision (a), and commencing with*
20 *the 2005–06 fiscal year, for purposes of computing eligibility for,*
21 *and entitlements to, revenue limit funding, the average daily*
22 *attendance of a unified school district, other than a unified school*
23 *district that has converted all of its schools to charter status*
24 *pursuant to Section 47606, shall include all attendance of pupils*
25 *who reside in the unified school district and who would otherwise*
26 *have been eligible to attend a noncharter school of the unified*
27 *school district, if the unified school district was a basic aid school*
28 *district in the prior fiscal year, or if the pupils reside in the unified*
29 *school district and attended a charter school of that school district*
30 *that converted to charter status on or after July 1, 2005. Only the*
31 *attendance of the pupils described by this paragraph shall be*
32 *included in the calculation made pursuant to paragraph (7) of*
33 *subdivision (h) of Section 42238.*

34 (2) *Notwithstanding subdivision (a), for the 2005–06 fiscal year*
35 *only, for purposes of computing eligibility for, and entitlements*
36 *to, revenue limit funding, the average daily attendance of a unified*
37 *school district, other than a unified school district that has*
38 *converted all of its schools to charter status pursuant to Section*
39 *47606 and is operating them as charter schools, shall include all*
40 *attendance of pupils who reside in the unified school district and*

1 who would otherwise have been eligible to attend a noncharter
2 school of the unified school district if the pupils attended a charter
3 school operating in the unified school district before July 1, 2005.
4 Only the attendance of pupils described by this paragraph shall
5 be included in the calculation made pursuant to Section 42241.3.
6 The attendance of the pupils described by this paragraph shall be
7 included in the calculation made pursuant to paragraph (7) of
8 subdivision (h) of Section 42238.

9 (c) (1) For the attendance of pupils specified in subdivision
10 (b), the general-purpose entitlement for a charter school that is
11 established through the conversion of an existing public school
12 within a unified school district on or after July 1, 2005, but before
13 January 1, 2010, shall be determined using the following amount
14 of general-purpose funding per unit of average daily attendance,
15 in lieu of the amount calculated pursuant to subdivision (a) of
16 Section 47633:

17 (A) The amount of the actual unrestricted revenues expended
18 per unit of average daily attendance for that school in the year
19 before its conversion to, and operation as, a charter school,
20 adjusted for the base revenue limit per pupil inflation increase
21 adjustment set forth in Section 42238.1, if this adjustment is
22 provided, and also adjusted for equalization, deficit reduction,
23 and other state general-purpose increases, if any, provided for the
24 unified school district in the year of conversion to, and operation
25 as, a charter school.

26 (B) For a subsequent fiscal year, the general-purpose
27 entitlement shall be determined based on the amount per unit of
28 average daily attendance allocated in the prior fiscal year adjusted
29 for the base revenue limit per pupil inflation increase adjustment
30 set forth in Section 42238.1, if this adjustment is provided, and
31 also adjusted for equalization, deficit reduction, and other state
32 general-purpose increases, if any, provided for the unified school
33 district in that fiscal year.

34 (2) This subdivision shall not apply to a charter school that is
35 established through the conversion of an existing public school
36 within a unified school district on or after January 1, 2010, which
37 instead shall receive general-purpose funding pursuant to Section
38 47633. This paragraph does not preclude a charter school or
39 unified school district from agreeing to an alternative funding
40 formula.

1 (d) Commencing with the 2005–06 fiscal year, the
2 general-purpose funding per unit of average daily attendance
3 specified for a unified school district for purposes of paragraph
4 (7) of subdivision (h) of Section 42238 for a school within the
5 unified school district that converted to charter status on or after
6 July 1, 2005, shall be deemed to be the amount computed pursuant
7 to subdivision (c).

8 (e) A unified school district that is the sponsoring local
9 educational agency as defined in subdivision (j) of Section 47632
10 of a charter school that is subject to paragraphs (1) and (2) of
11 subdivision (c) shall certify to the Superintendent the amount
12 specified in paragraph (1) of subdivision (c) before the approval
13 of the charter petition by the governing board of the school district.
14 This amount may be based on estimates of the unrestricted revenues
15 expended in the fiscal year before the school’s conversion to
16 charter status and the school’s operation as a charter school,
17 provided that the amount is recertified when the actual data
18 becomes available.

19 (f) For purposes of this section, “basic aid school district”
20 means a school district that does not receive from the state an
21 apportionment of state funds pursuant to subdivision (h) of Section
22 42238.

23 (g) A school district may use the existing Standardized Account
24 Code Structure and cost allocation methods, if appropriate, for
25 an accounting of the actual unrestricted revenues expended in
26 support of a school pursuant to subdivision (c).

27 (h) For purposes of this section and Section 42241.3,
28 “operating” means that pupils are attending and receiving
29 instruction at the charter school.

30 (i) This section shall become operative on either of the following,
31 whichever occurs first:

32 (1) July 1, 2018.

33 (2) The effective date of a measure enacting comprehensive
34 school finance reform.