

AMENDED IN SENATE JUNE 12, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1464

Introduced by Committee on Budget (Skinner (Chair), Bloom, Campos, Chesbro, Dababneh, Daly, Dickinson, Gordon, Jones-Sawyer, Mullin, Muratsuchi, Nazarian, Rodriguez, Stone, Ting, and Weber)

January 9, 2014

~~An act relating to the Budget Act of 2014.~~ *An act to amend Sections 2005, 2574, 2575, 2576, 2578, 37700, 37710.3, 37710.5, 37712, 41544, 42238.01, 42238.02, 42238.025, 42238.03, 42238.05, 42238.18, 42238.20, 42284, 42285, 46380, 46610, 47605.1, 47613, 47613.1, 47631, 47632, 47635, 47663, 48310, 48359.5, 52064, and 52070 of, to amend the heading of Chapter 7 (commencing with Section 2000) of Part 2 of Division 1 of Title 1 of, to add Sections 41376.1 and 42238.055 to, to repeal Sections 2002, 2003, 2004, 2009, 2554, 42238.53, 46611, and 47634.3 of, to repeal the heading of Article 1 (commencing with Section 2000) of Chapter 7 of Part 2 of Division 1 of Title 1 of, and to repeal and add Sections 46200.5 and 46201.5 of, the Education Code, relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1464, as amended, Committee on Budget. ~~Budget Act of 2014.~~
Education finance: local control funding formula.

(1) Existing law authorizes the county superintendent of any county contiguous to an adjoining state to grant permission to pupils residing in the county to attend elementary school or high school in a school district of the adjoining state and to provide for the transportation of

the pupils to the school. Existing law requires the county superintendent of schools to pay for the tuition and transportation of these pupils from the county school tuition fund and requires the Superintendent of Public Instruction to apportion an amount to each county superintendent of schools sufficient to pay for these expenditures.

This bill would repeal the provisions requiring the county superintendent of schools to pay for the tuition and transportation of pupils attending school in a school district of an adjoining state from the county school tuition fund and would require the Superintendent to apportion an amount to each county superintendent of schools sufficient to pay for the tuition and transportation of those pupils for the 2014–15 fiscal year only. The bill would require the attendance generated by a pupil who was granted permission by a county superintendent of schools to attend school in an adjoining state to be credited to the pupil’s school district of residence.

(2) Existing law establishes a public school system that requires state funding for county superintendents of schools, school districts, and charter schools to be calculated pursuant to a local control funding formula, as specified. Existing law requires the local control funding formula, in part, to be based upon the percentage of unduplicated pupils enrolled in the school district or charter school and defines unduplicated pupils to include, among other pupils, pupils eligible for free or reduced-price meals, as defined. Existing law requires the annual reporting of the enrollment of unduplicated pupils, including pupils eligible for free and reduced-price meals.

This bill would authorize a school to establish a base year free and reduced-price meal eligibility process, pursuant to which the eligibility is determined for all enrolled pupils at least once every 4 years if the school participates in a specified federal alternative that provides free meals to all enrolled pupils at a school. The bill would require a school using this alternative to maintain information on each student’s income eligibility status and to annually submit pupil data records showing each pupil’s eligibility for free or reduced-price meals. This bill would revise the definition of foster youth, as specified.

Existing law requires the Superintendent of Public Instruction to calculate, for each county superintendent of schools, school district, and charter school, a base entitlement for the transition to the local control funding formula that includes, among other things, the sum of the amounts of funding received from appropriations contained in certain budget items of the Budget Act of 2012.

The bill, commencing with the 2014–15 fiscal year, would require a certain portion of the base entitlement for school districts and charter schools to be adjusted to reflect the exclusion of one-time redevelopment agency liquid asset recovery revenue. The bill would require certain figures and calculations used in the local control funding formula to be considered final, as of specified times, for purposes of certain certifications made by the Superintendent. The bill would, for the 2013–14 and 2014–15 fiscal years only, and for purposes of assuring the continuity of essential induction and training services for beginning teachers, require the Alameda County Superintendent of Schools to withhold \$581,540 from the local control funding formula apportionments of the Newark Unified School District, and to instead allocate those funds to the Alameda, Berkeley, San Leandro, and San Lorenzo Unified School Districts, as specified. The bill would state the findings and declarations of the Legislature as to the necessity of a special law with respect to these school districts. The bill would also make numerous changes to conform existing provisions to the requirements of the local control funding formula. This bill would require the Superintendent to compute a reduction to a school district's local control funding formula if the Superintendent makes specified determinations relating to class size.

As part of the local control funding formula, existing law provides a school district or charter school state-aid funding of no less than the sum of certain amounts received in the 2012–13 fiscal year, including, among other amounts, the 2012–13 fiscal year funding allowance provided for qualifying necessary small elementary schools and necessary small high schools. Existing law defines a necessary small high school as either (1) a high school with an average daily attendance of less than 287 pupils that meets specified conditions, or (2) a high school maintained by a school district for the exclusive purpose of educating juvenile hall pupils or pupils with exceptional needs.

This bill would expand the definition of a necessary small high school to include a high school maintained by a school district for the exclusive purpose of educating juvenile hall pupils or pupils with exceptional needs and, until July 1, 2017, a high school maintained by a county office of education for the exclusive purpose of educating foster youth if certain requirements are satisfied, and a high school maintained by a unified school district as the only comprehensive high school if the high school has an average daily attendance of less than 286 pupils and the school district has 50 or fewer pupils per square mile of school

district territory, as measured by the number of pupils residing in the district.

(3) Existing law provides to a basic aid school district that was entitled to a specified reimbursement because a court order directs pupils to transfer to that school district as part of the court-ordered voluntary pupil transfer program, for those transferred pupils, either 70% of the school district local control funding formula base grant, or 70% of certain entitlements, that would have been apportioned to the school district from which the pupils were transferred. Existing law provides to a basic aid school district that is sponsoring a charter school for a pupil of the charter school who resides in, and is otherwise eligible to attend, a school district other than a basic aid school district, either 70% of the school district local control funding formula base grant, or 70% of certain entitlements, that would have been apportioned to the school district that the pupil resides in and would otherwise have been eligible to attend, as specified. Existing law authorizes the governing board of any school district to accept interdistrict transfers and provides to a school district of choice, as defined, that is a basic aid school district for those pupils admitted by the school district of choice either 70% of the school district local control funding formula base grant, or 70% of certain entitlements, that would have been apportioned to the school district of residence, as specified. Existing law, the Open Enrollment Act, authorizes the parent of a pupil enrolled in a low-achieving school, as defined, to submit an application for the pupil to attend a school in a school district of enrollment, as specified, and requires a school district of enrollment that is a basic aid school district, to receive for those pupils enrolled in the basic aid school district pursuant to the Open Enrollment Act either 70% of the school district local control funding formula base grant, or 70% of certain entitlements, that would have been apportioned to the school district of residence, as specified.

This bill would, in all of the instances described above, provide to the basic aid school district only 70% of the school district local control funding formula base grant that would have been apportioned to, (A) for a court-ordered voluntary pupil transfer program, the school district from which the pupils transferred, (B) for a charter school sponsored by a basic aid school district, the school district that the pupil resides in and would otherwise have been eligible to attend, and (C) for a school district of choice or the Open Enrollment Act, the school district of

residence, if the entitlements for that school district include funding for necessary small schools, as specified.

(4) Existing law requires the Fallbrook Union High School District to enter into an interdistrict attendance agreement with the Capistrano Unified School District to allow up to 150 pupils, at the request of each pupil's parent or guardian, to attend schools of the Capistrano Unified School District when the pupils reside in the San Onofre housing area of the Marine Corps Base, Camp Joseph H. Pendleton, and requires the Fallbrook Union High School District to pay tuition to the Capistrano Unified School District for the attendance of these pupils only in the amount of the state apportionments paid to the Fallbrook Union High School District for the attendance of these pupils plus a specified amount. Existing law requires the Superintendent of Public Instruction to apportion to the Capistrano Unified School District a certain allowance for educating secondary pupils attending the Capistrano Unified School District pursuant to the interdistrict attendance agreement.

This bill would repeal the requirement for the Superintendent to apportion that allowance for educating secondary pupils attending the Capistrano Unified School District pursuant to the interdistrict attendance agreement and would require the amount of state apportionments provided to the Fallbrook Union High School District and the Capistrano Unified School District for the 2012–13 fiscal year pursuant to these provisions to be included in certain computations made for purposes of the local control funding formula.

(5) Existing law requires a sponsoring local educational agency to annually transfer to each of its charter schools funding in lieu of property taxes, as specified, and provides that these requirements do not apply for pupils who reside in, and are otherwise eligible to attend a school in, a basic aid school district, but who attend a charter school in a nonbasic aid school district. In regard to these pupils, existing law requires the sponsoring basic aid school district to transfer to the charter school a certain amount of funds, as specified.

This bill would authorize a county charter program school to seek in lieu property tax reimbursement from a pupil's school district of residence in certain instances, as specified.

(6) Existing law, on or before July 1, 2014, requires the governing board of each school district and each county board of education to adopt a local control and accountability plan and requires the governing board of each school district and each county board of education to

update its local control and accountability plan before July 1 of each year. Existing law requires the charter of a charter school to include a reasonably comprehensive description of certain annual goals and the specific annual actions to achieve those goals and requires the charter school to annually update those goals and specific annual actions. Existing law requires the State Board of Education to adopt templates for use by a local educational agency in developing its local control accountability plan and by a charter school in developing its annual goals and specific annual actions to achieve those goals. Existing law requires the state board to adopt the templates in accordance with the provisions of the Administrative Procedure Act, and authorizes the board to adopt emergency regulations for purposes of implementing those provisions.

This bill would authorize an alternative procedure for the adoption of the templates if certain requirements are met and would deem the adoption of regulations for adopting the templates an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare.

(7) Existing law requires the county superintendent of schools to approve a local control and accountability plan or annual update to a local control and accountability plan for each school district within the county, as specified. Existing law, if a county superintendent of schools has jurisdiction over a single school district, requires the Superintendent to designate a county superintendent of schools of an adjoining county to perform these duties.

The bill would, if a county superintendent of schools has jurisdiction over a single school district, require the Superintendent to perform the duties of the county superintendent of schools related to approval of a local control and accountability plan or annual update to a local control and accountability plan.

(8) This bill would require the State Board of Education, working in collaboration with the State Department of Education, to report to the Legislature no later than February 1, 2015, regarding the status of implementation of the local control funding formula.

(9) This bill would appropriate \$4,747,914,000 from the General Fund for the transition to the local control funding formula calculation for the funding of elementary and secondary education.

(10) Funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community

college districts imposed by Section 8 of Article XVI of the California Constitution.

(11) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2014.

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

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

1 SECTION 1. The heading of Chapter 7 (commencing with
2 Section 2000) of Part 2 of Division 1 of Title 1 of the Education
3 Code is amended to read:

4
5 CHAPTER 7. ~~COUNTY SCHOOL TUITION FUND~~ ATTENDANCE IN
6 ADJOINING STATES
7

8 SEC. 2. The heading of Article 1 (commencing with Section
9 2000) of Chapter 7 of Part 2 of Division 1 of Title 1 of the
10 Education Code is repealed.

11
12 Article 1. ~~Aid for Attendance in Adjoining States~~
13

14 SEC. 3. Section 2002 of the Education Code is repealed.

15 2002. ~~The county superintendent of schools shall pay for the~~
16 ~~tuition of pupils residing in his county and attending school in an~~
17 ~~adjoining state from the county school tuition fund of his county~~
18 ~~pursuant to this article.~~

19 SEC. 4. Section 2003 of the Education Code is repealed.

20 2003. ~~The county superintendent of schools may provide for~~
21 ~~the transportation of such pupils to and from their homes and the~~
22 ~~school in an adjoining state attended by them. For this purpose the~~
23 ~~county superintendent of schools is authorized to purchase,~~
24 ~~maintain, and operate one or more schoolbuses and to contract~~
25 ~~with a responsible party or parties for the providing of such~~
26 ~~transportation by such party or parties.~~

27 ~~In lieu of providing such transportation for any such pupil, the~~
28 ~~county superintendent of schools may pay the parent or guardian~~
29 ~~of each such pupil five cents (\$0.05) per mile for each mile~~

1 necessarily traveled by such pupil in going to and from his home
2 and school except that if there is more than one such pupil in the
3 household of the parent or guardian the county superintendent of
4 schools may pay two and one-half cents (\$0.025) for each such
5 mile for each additional pupil in the household. The total amount
6 paid to any parent or guardian hereunder shall not in any month
7 exceed the sum of fifty dollars (\$50) for the one pupil in the
8 household of such parent or guardian and twenty-five dollars (\$25)
9 for each additional pupil in the same household.

10 *SEC. 5. Section 2004 of the Education Code is repealed.*

11 2004. ~~Any costs incurred by the county superintendent of~~
12 ~~schools for the transportation of pupils to a school in an adjoining~~
13 ~~state shall be paid by him by requisition drawn against the county~~
14 ~~school tuition fund.~~

15 *SEC. 6. Section 2005 of the Education Code is amended to*
16 *read:*

17 2005. The superintendent of schools of ~~any a~~ school district,
18 or the principal of ~~any a~~ school, in an adjoining state attended by
19 pupils residing in an adjoining county in this state shall certify to
20 the county superintendent of schools of the county not later than
21 July 2nd of each year the average daily attendance of pupils from
22 the county attending the school and the current expenditure,
23 including transportation, incurred for the education of the pupils.
24 school.

25 *SEC. 7. Section 2009 of the Education Code is repealed.*

26 2009. ~~The county superintendent of schools shall pay all costs~~
27 ~~of transportation and all verified claims for tuition of pupils~~
28 ~~attending school in adjoining states allowed under this article, by~~
29 ~~requisition drawn against the county school tuition fund.~~

30 *SEC. 8. Section 2554 of the Education Code is repealed.*

31 2554. ~~In each fiscal year, beginning with fiscal year 1979-80,~~
32 ~~for tuition for students attending schools in adjoining states, the~~
33 ~~Superintendent of Public Instruction shall apportion an amount to~~
34 ~~each county superintendent sufficient to pay the amounts required~~
35 ~~or allowed to be paid pursuant to Sections 2002 to 2006, inclusive.~~

36 *SEC. 9. Section 2574 of the Education Code is amended to*
37 *read:*

38 2574. For the 2013-14 fiscal year and for each fiscal year
39 thereafter, the Superintendent annually shall calculate a county

1 local control funding formula for each county superintendent of
2 schools as follows:

3 (a) Compute a county office of education operations grant equal
4 to the sum of each of the following amounts:

5 (1) Six hundred fifty-five thousand nine hundred twenty dollars
6 (\$655,920).

7 (2) One hundred nine thousand three hundred twenty dollars
8 (\$109,320) multiplied by the number of school districts for which
9 the county superintendent of schools has jurisdiction pursuant to
10 Section 1253.

11 (3) (A) Seventy dollars (\$70) multiplied by the number of units
12 of countywide average daily attendance, up to a maximum of
13 30,000 units.

14 (B) Sixty dollars (\$60) multiplied by the number of units of
15 countywide average daily attendance for the portion of countywide
16 average daily attendance, if any, above 30,000 units, up to a
17 maximum of 60,000 units.

18 (C) Fifty dollars (\$50) multiplied by the number of units of
19 countywide average daily attendance for the portion of countywide
20 average daily attendance, if any, above 60,000, up to a maximum
21 of 140,000 units.

22 (D) Forty dollars (\$40) multiplied by the number of units of
23 countywide average daily attendance for the portion of countywide
24 average daily attendance, if any, above 140,000 units.

25 (E) For purposes of this section, countywide average daily
26 attendance means the aggregate number of annual units of average
27 daily attendance within the county attributable to all school districts
28 for which the county superintendent of schools has jurisdiction
29 pursuant to Section 1253, charter schools authorized by school
30 districts for which the county superintendent of schools has
31 jurisdiction, and charter schools authorized by the county
32 superintendent of schools.

33 (4) For the 2014–15 fiscal year and each fiscal year thereafter,
34 adjust each of the rates provided in the prior year pursuant to
35 paragraphs (1), (2), and (3) by the percentage change in the annual
36 average value of the Implicit Price Deflator for State and Local
37 Government Purchases of Goods and Services for the United States,
38 as published by the United States Department of Commerce for
39 the 12-month period ending in the third quarter of the prior fiscal
40 year. This percentage change shall be determined using the latest

1 data available as of May 10 of the preceding fiscal year compared
2 with the annual average value of the same deflator for the 12-month
3 period ending in the third quarter of the second preceding fiscal
4 year, using the latest data available as of May 10 of the preceding
5 fiscal year, as reported by the Department of Finance.

6 (b) Determine the enrollment percentage of unduplicated pupils
7 pursuant to the following:

8 (1) (A) For the 2013–14 fiscal year, divide the enrollment of
9 unduplicated pupils in all schools operated by a county
10 superintendent of schools in the 2013–14 fiscal year by the total
11 enrollment in those schools in the 2013–14 fiscal year.

12 (B) For the 2014–15 fiscal year, divide the sum of the enrollment
13 of unduplicated pupils in all schools operated by a county
14 superintendent of schools in the 2013–14 and 2014–15 fiscal years
15 by the sum of the total enrollment in those schools in the 2013–14
16 and 2014–15 fiscal years.

17 (C) For the 2015–16 fiscal year and each fiscal year thereafter,
18 divide the sum of the enrollment of unduplicated pupils in all
19 schools operated by a county superintendent of schools in the
20 current fiscal year and the two prior fiscal years by the sum of the
21 total enrollment in those schools in the current fiscal year and the
22 two prior fiscal years.

23 (D) (i) *For purposes of the quotients determined pursuant to*
24 *subparagraphs (B) and (C), the Superintendent shall use a county*
25 *superintendent of schools' enrollment of unduplicated pupils and*
26 *total pupil enrollment in the 2014–15 fiscal year instead of the*
27 *enrollment of unduplicated pupils and total pupil enrollment in*
28 *the 2013–14 fiscal year if doing so would yield an overall greater*
29 *percentage of unduplicated pupils.*

30 (ii) *It is the intent of the Legislature to review each county office*
31 *of education's enrollment of unduplicated pupils for the 2013–14*
32 *and 2014–15 fiscal years and provide one-time funding, if*
33 *necessary, for a county office of education with higher enrollment*
34 *of unduplicated pupils in the 2014–15 fiscal year as compared to*
35 *the 2013–14 fiscal year.*

36 ~~(D)~~

37 (E) For purposes of determining the enrollment percentage of
38 unduplicated pupils pursuant to this subdivision, enrollment in
39 schools or classes established pursuant to Article 2.5 (commencing
40 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title

2 and the enrollment of pupils other than the pupils identified in clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4) of subdivision (c), shall be excluded from the calculation of the enrollment percentage of unduplicated pupils.

(F) The data used to determine the percentage of unduplicated pupils shall be final once that data is no longer used in the current fiscal year calculation of the percentage of unduplicated pupils. This subparagraph does not apply to a change that is the result of an audit that has been appealed pursuant to Section 41344.

(2) For purposes of this section, an “unduplicated pupil” is a pupil who is classified as an English learner, eligible for a free or reduced-price meal, or a foster youth. For purposes of this section, the definitions in Section 42238.01 of an English learner, a pupil eligible for a free or reduced-price meal, and foster youth shall apply. A pupil shall be counted only once for purposes of this section if any of the following apply:

(A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.

(B) The pupil is classified as an English learner and is a foster youth.

(C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.

(D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.

(3) (A) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a county superintendent of schools annually shall report the enrollment of unduplicated pupils, pupils classified as English learners, pupils eligible for free and reduced-price meals, and foster youth in schools operated by the county superintendent of schools to the Superintendent using the California Longitudinal Pupil Achievement Data System.

(B) The Superintendent shall make the calculations pursuant to this section using the data submitted through the California Longitudinal Pupil Achievement Data System.

(C) The Controller shall include instructions, as appropriate, in the audit guide required by subdivision (a) of Section 14502.1, for determining if the data reported by a county superintendent of schools using the California Longitudinal Pupil Achievement Data

1 System is consistent with pupil data records maintained by the
2 county office of education.

3 (c) Compute an alternative education grant equal to the sum of
4 the following:

5 (1) (A) For the 2013–14 fiscal year, a base grant equal to the
6 2012–13 per pupil undeficitated statewide average juvenile court
7 school base revenue limit calculated pursuant to Article 3
8 (commencing with Section 2550) of Chapter 12, as that article
9 read on January 1, 2013. *For purposes of this subparagraph, the*
10 *2012–13 statewide average juvenile court school base revenue*
11 *limit shall be considered final as of the annual apportionment for*
12 *the 2012–13 fiscal year, as calculated for purposes of the*
13 *certification required on or before February 20, 2014, pursuant*
14 *to Sections 41332 and 41339.*

15 (B) Commencing with the 2013–14 fiscal year, the per pupil
16 base grant shall be adjusted by the percentage change in the annual
17 average value of the Implicit Price Deflator for State and Local
18 Government Purchases of Goods and Services for the United States,
19 as published by the United States Department of Commerce for
20 the 12-month period ending in the third quarter of the prior fiscal
21 year. This percentage change shall be determined using the latest
22 data available as of May 10 of the preceding fiscal year compared
23 with the annual average value of the same deflator for the 12-month
24 period ending in the third quarter of the second preceding fiscal
25 year, using the latest data available as of May 10 of the preceding
26 fiscal year, as reported by the Department of Finance.

27 (2) A supplemental grant equal to 35 percent of the base grant
28 described in paragraph (1) multiplied by the enrollment percentage
29 calculated in subdivision (b). The supplemental grant shall be
30 expended in accordance with the regulations adopted pursuant to
31 Section 42238.07.

32 (3) (A) A concentration grant equal to 35 percent of the base
33 grant described in paragraph (1) multiplied by the greater of either
34 of the following:

35 (i) The enrollment percentage calculated in subdivision (b) less
36 50 percent.

37 (ii) Zero.

38 (B) The concentration grant shall be expended in accordance
39 with the regulations adopted pursuant to Section 42238.07.

(4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the total number of units of average daily attendance for pupils attending schools operated by a county office of education, excluding units of average daily attendance for pupils attending schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2, who are enrolled pursuant to any of the following:

(i) Probation-referred pursuant to Sections 300, 601, 602, and 654 of the Welfare and Institutions Code.

(ii) On probation or parole and not in attendance in a school.

(iii) Expelled for any of the reasons specified in subdivision (a) or (c) of Section 48915.

(B) Multiply the number of units of average daily attendance for pupils attending schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 by the sum of the base grant calculated pursuant to paragraph (1), a supplemental grant equal to 35 percent of the base grant calculated pursuant to paragraph (1), and a concentration grant equal to 17.5 percent of the base grant calculated pursuant to paragraph (1). Funds provided for the supplemental and concentration grants pursuant to this calculation shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

(C) Add the amounts calculated in subparagraphs (A) and (B).

(d) Add the amount calculated in subdivision (a) to the amount calculated in subparagraph (C) of paragraph (4) of subdivision (c).

(e) Add all of the following to the amount calculated in subdivision (d):

(1) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant to the Targeted Instructional Improvement Block Grant program, as set forth in Article 6 (commencing with Section 41540) of Chapter 3.2 of Part 24 of Division 3 of Title 2, as that article read on January 1, 2013.

(2) (A) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant to the Home-to-School Transportation program, as set forth in Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5 of Division 3 of Title 2, Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2,

1 and the Small School District Transportation program, as set forth
2 in Article 4.5 (commencing with Section 42290) of Chapter 7 of
3 Part 24 of Division 3 of Title 2, as those articles read on January
4 1, 2013.

5 (B) On or before March 1, 2014, the Legislative Analyst's Office
6 shall submit recommendations to the fiscal committees of both
7 houses of the Legislature regarding revisions to the methods of
8 funding pupil transportation that address historical funding
9 inequities across county offices of education and school districts
10 and improve incentives for local educational agencies to provide
11 efficient and effective pupil transportation services.

12 (3) *The difference determined by subtracting the amount*
13 *calculated pursuant to paragraph (1) of subdivision (c) for pupils*
14 *attending a school that is eligible for funding pursuant to*
15 *paragraph (2) of subdivision (b) of Section 42285 from the amount*
16 *of funding that is provided to eligible schools pursuant to Section*
17 *42284, if the difference is positive.*

18 SEC. 10. Section 2575 of the Education Code is amended to
19 read:

20 2575. (a) Commencing with the 2013–14 fiscal year and for
21 each fiscal year thereafter, the Superintendent shall calculate a
22 base entitlement for the transition to the county local control
23 funding formula for each county ~~office of education~~ *superintendent*
24 *of schools* based on the sum of the amounts computed pursuant to
25 paragraphs (1) to (3), inclusive, *as adjusted pursuant to paragraph*
26 *(4):*

27 (1) Revenue limits in the 2012–13 fiscal year pursuant to Article
28 3 (commencing with Section 2550) of Chapter 12, as that article
29 read on January 1, 2013, adjusted only for changes in average daily
30 attendance claimed by the county superintendent of schools for
31 pupils identified in clauses (i), (ii), and (iii) of subparagraph (A)
32 of paragraph (4) of subdivision (c) of Section 2574 and for pupils
33 attending juvenile court schools. *For purposes of this paragraph,*
34 *the calculation of an amount per unit of average daily attendance*
35 *for pupils attending juvenile court schools shall be considered*
36 *final for purposes of this section as of the annual apportionment*
37 *for the 2012–13 fiscal year, as calculated for purposes of the*
38 *certification required on or before February 20, 2014, pursuant*
39 *to Sections 41332 and 41339. All other average daily attendance*
40 *claimed by the county superintendent of schools and any other*

average daily attendance used for purposes of calculating revenue limits pursuant to Article 3 (commencing with Section 2550) of Chapter 12, as that article read on January 1, 2013, shall be considered final for purposes of this section as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to ~~Section~~ Sections 41332 and 41339.

(2) The sum of ~~both~~ all of the following:

(A) The amount of funding received from appropriations contained in Section 2.00 of the Budget Act of 2012, as adjusted by Section 12.42, in the following items: 6110-104-0001, 6110-105-0001, 6110-107-0001, 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, ~~6110-234-0001~~, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001, 6110-267-0001, 6110-268-0001, and 6360-101-0001, 2012–13 fiscal year funding for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2, as that chapter read on January 1, 2013, and 2012–13 fiscal year funding for pupils enrolled in community day schools who are mandatorily expelled pursuant to subdivision (d) of Section 48915. *For purposes of this subparagraph, the 2012–13 fiscal year appropriations described in this subparagraph shall be considered final as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.*

(B) The amount of local revenues used to support a regional occupational center or program established and maintained by a county superintendent of schools pursuant to Section 52301.

(3) For the 2014–15 fiscal year and for each fiscal year thereafter, the sum of the amounts apportioned to the county ~~office of education~~ *superintendent of schools* pursuant to subdivision (f) in all prior years.

(4) *The revenue limit amount determined pursuant to paragraph (1) shall be increased by the difference determined by subtracting the amount provided per unit of average daily attendance in paragraph (1) for pupils attending a school that is eligible for funding pursuant to paragraph (2) of subdivision (b) of Section 42285 from the amount of funding that was provided to eligible schools in the 2012–13 fiscal year pursuant to Sections 42284 and 42238.146, as those sections read on January 1, 2013.*

(b) The Superintendent shall annually compute a county local control funding formula transition adjustment for each county superintendent of schools as follows:

(1) Subtract the amount computed pursuant to subdivision (a) from the amount computed pursuant to subdivision (e) of Section 2574. A difference of less than zero shall be deemed to be zero.

(2) Divide the difference for each county superintendent of schools calculated pursuant to paragraph (1) by the total sum of the differences for all county superintendents of schools calculated pursuant to paragraph (1).

(3) Multiply the proportion calculated for each county ~~office of education~~ *superintendent of schools* pursuant to paragraph (2) by the amount of funding specifically appropriated for purposes of subdivision (f). The amount calculated shall not exceed the difference for the county superintendent of schools calculated pursuant to paragraph (1).

(c) The Superintendent shall subtract from the amount calculated pursuant to subdivision (a) the sum of each of the following:

(1) Local property tax revenues received pursuant to Section 2573 in the then current fiscal year.

(2) Any amounts that the county superintendent of schools was required to maintain as restricted and not available for expenditure in the 1978–79 fiscal year as specified in the second paragraph of subdivision (c) of Section 6 of Chapter 292 of the Statutes of 1978, as amended by Chapter 51 of the Statutes of 1979.

(3) The amount received pursuant to subparagraph (C) of paragraph (3) of subdivision (a) of Section 33607.5 of the Health and Safety Code that is considered property taxes pursuant to that section.

(4) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.

1 (5) The amount, if any, received pursuant to subparagraph (B)
2 of paragraph (3) of subdivision (e) of Section 36 of Article XIII
3 of the California Constitution.

4 (d) The Superintendent shall subtract from the amount computed
5 pursuant to subdivision (e) of Section 2574 the sum of the amounts
6 computed pursuant to paragraphs (1) to (5), inclusive, of
7 subdivision (c).

8 (e) The Superintendent shall annually apportion to each county
9 superintendent of schools the amount calculated pursuant to
10 subdivision (c) unless the amount computed pursuant to subdivision
11 (c) is negative. If the amount computed is negative, except as
12 provided in subdivision (f), an amount of property tax of the county
13 superintendent of schools equal to the negative amount shall be
14 deemed restricted and not available for expenditure during the
15 fiscal year. In the following fiscal year, that amount, excluding
16 any amount of funds used for purposes of subdivision (f), shall be
17 considered restricted local property tax revenue for purposes of
18 subdivision (a) of Section 2578. State aid shall not be apportioned
19 to the county superintendent of schools pursuant to this subdivision
20 if the amount computed pursuant to subdivision (c) is negative.

21 (f) (1) The Superintendent shall apportion, from an
22 appropriation specifically made for this purpose, the amount
23 computed pursuant to subdivision (b), or, if the amount computed
24 pursuant to subdivision (c) is negative, the sum of the amounts
25 computed pursuant to subdivisions (b) and (c) if the sum is greater
26 than zero.

27 (2) The Superintendent shall apportion any portion of the
28 appropriation made for purposes of paragraph (1) that is not
29 apportioned pursuant to paragraph (1) pursuant to the following
30 calculation:

31 (A) Add the amount calculated pursuant to subdivision (b) to
32 the amount computed pursuant to subdivision (a) for a county
33 superintendent of schools.

34 (B) Subtract the amount computed pursuant to subparagraph
35 (A) from the amount computed pursuant to subdivision (e) of
36 Section 2574 for the county superintendent of schools.

37 (C) Divide the difference for the county superintendent of
38 schools computed pursuant to subparagraph (B) by the sum of the
39 differences for all county superintendents of schools computed
40 pursuant to subparagraph (B).

(D) Multiply the proportion computed pursuant to subparagraph (C) by the unapportioned balance in the appropriation. *That product shall be the county superintendent of schools' proportion of total need.*

(E) Apportion to each county superintendent of schools the amount calculated pursuant to subparagraph (D), or if subdivision (c) is negative, apportion the sums of subdivisions (b) and (c) and subparagraph (D) of this subdivision if the sum is greater than zero.

(F) The Superintendent shall repeat the computation made pursuant to this paragraph, accounting for any additional amounts apportioned after each computation, until the appropriation made for purposes of paragraph (1) is fully apportioned.

(G) The total amount apportioned pursuant to this subdivision to a county superintendent of schools shall not exceed the difference for the county superintendent of schools calculated pursuant to paragraph (1) of subdivision (b).

(H) *For purposes of this paragraph, the proportion of need that is funded from any appropriation made specifically for purposes of this subdivision in the then current fiscal year shall be considered fixed as of the second principal apportionment for that fiscal year. Adjustments to a county superintendent of schools' total need computed pursuant to subparagraph (D) after the second principal apportionment for the then current fiscal year shall be funded based on the fixed proportion of need that is funded for that fiscal year pursuant to this subdivision, and shall be continuously appropriated pursuant to Section 14002.*

(g) (1) For a county superintendent of schools for whom, in the 2013–14 fiscal year, the amount computed pursuant to subdivision (c) is less than the amount computed pursuant to subdivision (d), in the first fiscal year following the fiscal year in which the sum of the apportionments computed pursuant to subdivisions (e) and (f) is equal to, or greater than, the amount computed pursuant to subdivision (d) of this section, the Superintendent shall apportion to the county superintendent of schools the amount computed in subdivision (d) in that fiscal year and each fiscal year thereafter instead of the amounts computed pursuant to subdivisions (e) and (f).

(2) For a county superintendent of schools for whom, in the 2013–14 fiscal year, the amount computed pursuant to subdivision

(c) is greater than the amount computed pursuant to subdivision (d), in the first fiscal year in which the amount computed pursuant to subdivision (c) would be less than the amount computed pursuant to subdivision (d), the Superintendent shall apportion to the county superintendent of schools the amount computed in subdivision (d) in that fiscal year and each fiscal year thereafter instead of the amounts computed pursuant to subdivisions (e) and (f).

(3) In each fiscal year, the Superintendent shall determine the percentage of county superintendents of schools that are apportioned funding that is less than the amount computed pursuant to subdivision (d), as of the second principal apportionment of the fiscal year. If the percentage is less than 10 percent, the Superintendent shall apportion to those county superintendents of schools funding equal to the amount computed in subdivision (d) in that fiscal year and for each fiscal year thereafter instead of the amounts calculated pursuant to subdivisions (e) and (f).

(4) Commencing with the first fiscal year after the apportionments in paragraph (3) are made, the adjustments in paragraph (4) of subdivision (a) of Section 2574 and subparagraph (B) of paragraph (1) of subdivision (c) of Section 2574 shall be made only if an appropriation for those purposes is included in the annual Budget Act.

(5) If the calculation pursuant to subdivision (d) is negative and the Superintendent apportions to a county superintendent of schools the amount computed pursuant to subdivision (d) pursuant to paragraph (1), (2), or (3) of this subdivision, an amount of property tax of the county superintendent of schools equal to the negative amount shall be deemed restricted and not available for expenditure during that fiscal year. In the following fiscal year the restricted amount shall be considered restricted local property tax revenue for purposes of subdivision (a) of Section 2578.

(h) Commencing with the 2013–14 fiscal year, the Superintendent shall apportion to a county superintendent of schools an amount of state aid, including any amount apportioned pursuant to subdivisions (f) and (g), that is no less than the amount calculated in subparagraph (A) of paragraph (2) of subdivision (a).

(i) (1) For the 2013–14 and 2014–15 fiscal years only, a county superintendent of schools who, in the 2012–13 fiscal year, from any of the funding sources identified in paragraph (1) or (2) of subdivision (a), received funds on behalf of, or provided funds to,

1 a regional occupational center or program joint powers agency
2 established in accordance with Article 1 (commencing with Section
3 6500) of Chapter 5 of Division 7 of Title 1 of the Government
4 Code for purposes of providing instruction to pupils enrolled in
5 grades 9 to 12, inclusive, shall not redirect that funding for another
6 purpose unless otherwise authorized ~~in~~ by law or pursuant to an
7 agreement between the regional occupational center or program
8 joint powers agency and the contracting county superintendent of
9 schools.

10 (2) For the 2013–14 and 2014–15 fiscal years only, if a regional
11 occupational center or program joint powers agency established
12 in accordance with Article 1 (commencing with Section 6500) of
13 Chapter 5 of Division 7 of Title 1 of the Government Code for
14 purposes of providing instruction to pupils enrolled in grades 9 to
15 12, inclusive, received, in the 2012–13 fiscal year, an
16 apportionment of funds directly from any of the funding sources
17 identified in subparagraph (A) of paragraph (2) of subdivision (a),
18 the Superintendent shall apportion that same amount to the regional
19 occupational center or program joint powers agency.

20 (j) For the 2013–14 and 2014–15 fiscal years only, a county
21 superintendent of schools who, in the 2012–13 fiscal year, from
22 any of the funding sources identified in paragraph (1) or (2) of
23 subdivision (a), received funds on behalf of, or provided funds to,
24 a home-to-school transportation joint powers agency established
25 in accordance with Article 1 (commencing with Section 6500) of
26 Chapter 5 of Division 7 of Title 1 of the Government Code for
27 purposes of providing pupil transportation shall not redirect that
28 funding for another purpose unless otherwise authorized ~~in~~ by law
29 or pursuant to an agreement between the home-to-school
30 transportation joint powers agency and the contracting county
31 superintendent of schools.

32 (k) (1) In addition to subdivision (j), of the funds a county
33 superintendent of schools receives for home-to-school
34 transportation programs, the county superintendent of schools shall
35 expend, pursuant to Article 2 (commencing with Section 39820)
36 of Chapter 1 of Part 23.5 of Division 3 of Title 2, Article 10
37 (commencing with Section 41850) of Chapter 5 of Part 24 of
38 Division 3 of Title 2, and the Small School District Transportation
39 program, as set forth in Article 4.5 (commencing with Section
40 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, no less for

those programs than the amount of funds the county superintendent of schools expended for home-to-school transportation in the 2012–13 fiscal year.

(2) For the 2013–14 and 2014–15 fiscal years only, if a home-to-school transportation joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation received, in the 2012–13 fiscal year, an apportionment of funds directly from the Superintendent from any of the funding sources identified in subparagraph (A) of paragraph (2) of subdivision (a), the Superintendent shall apportion that same amount to the home-to-school transportation joint powers agency.

(3) For the 2013–14 and 2014–15 fiscal years only, of the funds a county superintendent of schools receives for purposes of regional occupational centers or programs, or adult education, the county superintendent of schools shall expend no less for each of those programs than the amount of funds the county superintendent of schools expended for purposes of regional occupational centers or programs, or adult education, respectively, in the 2012–13 fiscal year. For purposes of this paragraph, a county ~~office of education~~ *superintendent of schools* may include expenditures made by a school district within the county for purposes of regional occupational centers or programs so long as the total amount of expenditures made by the school districts and the county ~~office of education equal or exceed~~ *superintendent of schools equals or exceeds* the total amount required to be expended for purposes of regional occupational centers or programs pursuant to this paragraph and paragraph (7) of subdivision (a) of Section 42238.03.

(l) The funds apportioned pursuant to this section and Section 2574 shall be available to implement the activities required pursuant to Article 4.5 (commencing with Section 52060) of Chapter 6.1 of Part 28 of Division 4 of Title 2.

SEC. 11. Section 2576 of the Education Code is amended to read:

2576. (a) If a county superintendent of schools enrolls in a school operated by the county superintendent of schools a pupil not funded pursuant to clause (i), (ii), or (iii) of subparagraph (A) of paragraph (4) of subdivision (c) of Section 2574, or Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of

1 Division 4 of Title 2, any attendance generated by that pupil shall
2 be credited to the school district of residence. Enrollment of these
3 pupils shall be transferred to the school district of residence for
4 purposes of calculating the percentage of unduplicated pupils
5 pursuant to Section 42238.02.

6 (b) For purposes of this section, the school district of residence
7 for a homeless child, as defined in Section 1981.2, enrolled in a
8 school operated by a county superintendent of schools shall be
9 deemed to be the school district that last provided educational
10 services to ~~that the homeless child~~ or, if it is not possible to
11 determine that school district, ~~the largest school district in the~~
12 ~~county.~~ *nonbasic aid school district with the largest average daily*
13 *attendance in the county that serves the grade level in which the*
14 *homeless child would be enrolled.*

15 (c) *If a county superintendent of schools grants permission to*
16 *a pupil to attend school in an adjoining state pursuant to Section*
17 *2000, attendance generated by that pupil shall be credited to the*
18 *school district of residence.*

19 SEC. 12. Section 2578 of the Education Code is amended to
20 read:

21 2578. (a) Every fiscal year the Superintendent shall determine
22 the amount of funds that will be restricted for each county
23 superintendent of schools pursuant to subdivisions (e) and (g) of
24 Section 2575, as of June 30 of the prior fiscal year.

25 (b) The auditor-controller of each county shall distribute the
26 amounts determined in subdivision (a) to the Supplemental
27 Revenue Augmentation Fund created within the county pursuant
28 to Section 100.06 of the Revenue and Taxation Code. The amount
29 of funds required to be transferred by this subdivision shall be
30 transferred annually in two equal shares with the first share
31 transferred on or before January 15 of each year and the second
32 share transferred after January 15 and on or before May 1 of each
33 year.

34 (c) The funds transferred to the Supplemental Revenue
35 Augmentation Fund ~~for purposes of~~ *pursuant to* this section shall
36 be transferred by the county office of education to the
37 ~~auditor-controller of the county~~ *Controller in amounts determined*
38 *by the Director of Finance*, and shall be exclusively used to offset
39 state costs of providing trial court services and costs, until the
40 funds are exhausted.

SEC. 13. Section 37700 of the Education Code is amended to read:

37700. (a) Notwithstanding any other law, the Pacific Unified School District, the Leggett Valley Unified School District, and the Reeds Creek Elementary School District may operate one or more schools in their respective *school* districts on a four-day school week, if the *school* district complies with the instructional time requirements specified in Section 37701 and the other requirements of this chapter.

(b) If a school district operates one or more schools on a four-day week pursuant to this section and the program for the school year provides less than the 180 days of instruction required under Section 46200, as it read on January 1, 2013, the Superintendent shall reduce the local control funding formula ~~allocation grant apportionment~~ pursuant to Section 42238.02, as implemented pursuant to Section 42238.03, ~~per unit of average daily attendance for that fiscal year by the amount the school district would have received for the increase received pursuant to subdivision (a) of Section 46200, as it read on January 1, 2013, as adjusted in fiscal years subsequent to the 1984–85 fiscal year. for the average daily attendance of each affected grade level, by 0.0056 multiplied by that apportionment for each day less than what was required by subdivision (a) of this section, as this section read on January 1, 2013, up to a maximum of five days.~~ If a school district operates one or more schools on a four-day school week pursuant to this section and the program provides less than the minimum instructional minutes required under Section 46201, as it read on January 1, 2013, the Superintendent shall reduce the local control funding formula ~~allocation~~ pursuant to Section 42238.02, as implemented pursuant to Section 42238.03, ~~per unit of average daily attendance for that fiscal year in which the reduction occurs by the amount the school district would have received for the increase in the 1987–88 fiscal year base revenue limit per unit of average daily attendance pursuant to paragraph (6) of subdivision (b) of Section 42238, as it read on January 1, 2013, as adjusted from the 1987–88 fiscal year to the 2012–13 fiscal year, inclusive, and, commencing with the 2013–14 fiscal year, pursuant to the local control funding formula allocation pursuant to Section 42238.02, as implemented pursuant to Section 42238.03, per unit of average daily attendance: grant~~

1 *apportionment pursuant to Section 42238.02, as implemented*
2 *pursuant to Section 42238.03, for the average daily attendance of*
3 *each affected grade level, by the amount of that apportionment*
4 *multiplied by the percentage of the minimum required minutes at*
5 *that grade level that the school district failed to offer.*

6 (c) A school district with an exclusive bargaining representative
7 may operate a school on a four-day school week pursuant to this
8 section only if the school district and the representative of each
9 bargaining unit of school district employees mutually agree to that
10 operation in a memorandum of understanding.

11 (d) Notwithstanding ~~this section~~, subdivisions (a), (b), and (c),
12 upon a determination that a school district identified in subdivision
13 (a) equals or exceeds its local control funding formula target
14 computed pursuant to Section 42238.02 as determined by the
15 calculation of a zero difference pursuant to paragraph (1) of
16 subdivision (b) of Section 42238.03, the school district, as a
17 condition of apportionment pursuant to Section 42238.02, as
18 implemented pursuant to Section 42238.03, shall offer 180 days
19 or more of instruction per school year, and meet the minimum
20 minute requirements pursuant to paragraph (1) of subdivision (a)
21 of Section 46207.

22 *SEC. 14. Section 37710.3 of the Education Code is amended*
23 *to read:*

24 37710.3. (a) Beginning in the 2010–11 fiscal year, the Alpaugh
25 Unified School District may operate one or more schools in the
26 school district on a four-day school week if the *school* district
27 complies with the instructional time requirements in Section 37701
28 and the other requirements of this chapter. The state board may
29 waive five-consecutive-day operating requirements for any of the
30 following programs that operate on a four-day school week
31 pursuant to this section, provided that the *school* district meets the
32 minimum time requirement for each program:

- 33 (1) Preschools.
- 34 (2) Before and after school programs.
- 35 (3) Independent study programs.
- 36 (4) Child nutrition and food service programs.
- 37 (5) Community day schools.
- 38 (6) Regional occupational centers or programs.
- 39 (7) Continuation high schools.

(b) If the school district operates one or more schools on a four-day school week pursuant to this section, and the program for the school year provides fewer than the 180 days of instruction required under Section 46200, as it read on January 1, 2013, the Superintendent shall reduce the local control funding formula ~~allocation~~ *grant apportionment* pursuant to Section 42238.02, as implemented pursuant to Section 42238.03, ~~per unit of average daily attendance for that fiscal year by the amount the school district would have received for the increase received pursuant to subdivision (a) of Section 46200, as it read on January 1, 2013, as adjusted in fiscal years subsequent to the 1984–85 fiscal year. for the average daily attendance of each affected grade level, by 0.0056 multiplied by that apportionment for each day less than what was required in subdivision (a) of this section, as this section read on January 1, 2013, up to a maximum of five days.~~ If the school district operates one or more schools on a four-day school week pursuant to this section, and the program provides fewer than the minimum instructional minutes required under Section 46201, as it read on January 1, 2013, the Superintendent shall reduce the local control funding formula ~~allocation pursuant to Section 42238.02, as implemented pursuant to Section 42238.03, per unit of average daily attendance for that fiscal year in which the reduction occurs by the amount the school district would have received for the increase in the base revenue limit per unit of average daily attendance pursuant to subdivision (a) of Section 46201, as it read on January 1, 2013, as adjusted from the 1987–88 fiscal year to the 2012–13 fiscal year, inclusive, and, commencing with the 2013–14 fiscal year, pursuant to the local control funding formula allocation pursuant to Section 42238.02, as implemented pursuant to Section 42238.03, per unit of average daily attendance.~~ *grant apportionment pursuant to Section 42238.02, as implemented by Section 42238.03, for the average daily attendance of each affected grade level, by the amount of that apportionment multiplied by the percentage of the minimum required minutes at that grade level that the school district failed to offer.*

(c) Notwithstanding Section 37710, if a small school having between 11 and 99 valid ~~Standardized Testing and Reporting Program~~ *California Assessment of Student Performance and Progress* test scores operating on a four-day school week fails to achieve its Academic Performance Index growth target pursuant

1 to Section 52052 for two consecutive years, the authority of that
2 school to operate on a four-day school week shall be permanently
3 revoked commencing with the school year following the second
4 consecutive year the school failed to achieve its Academic
5 Performance Index growth rate.

6 (d) If the school district operates one or more schools on a
7 four-day school week pursuant to this section, the school district
8 shall submit a report to the department, the Senate Committee on
9 Education, and the Assembly Committee on Education on or before
10 January 15, 2015. The report shall include, but not necessarily be
11 limited to, information on all of the following:

12 (1) Programs the *school* district offered on the fifth schoolday
13 and their participation rates.

14 (2) Whether the four-day school week schedule resulted in any
15 fiscal savings.

16 (3) Impact on overall attendance of the schools operating a
17 four-day school week.

18 (4) Programs for which the state board waived minimum time
19 and five-consecutive-day requirements and the operational and
20 educational effects of the programs if they operated at less time
21 than required.

22 (5) The impact of the four-day school week on crime statistics,
23 especially on the day on which school would otherwise be in
24 session.

25 (6) Information on the Academic Performance Index, pursuant
26 to Section 52052, for every year a school in the *school* district
27 operated on a four-day school week. The information shall include,
28 but not necessarily be limited to, the base and growth Academic
29 Performance Index of each school that operated on a four-day
30 school week and whether that school met the Academic
31 Performance growth targets.

32 (e) Notwithstanding ~~this section~~, *subdivisions (a) to (d),*
33 *inclusive*, upon a determination that the school district identified
34 in subdivision (a) equals or exceeds its local control funding
35 formula target computed pursuant to Section 42238.02 as
36 determined by the calculation of a zero difference pursuant to
37 paragraph (1) of subdivision (b) of Section 42238.03, the school
38 district, as a condition of apportionment pursuant to Section
39 42238.02, as implemented pursuant to Section 42238.03, shall
40 offer 180 days or more of instruction per school year, and meet

the minimum minute requirements pursuant to paragraph (1) of subdivision (a) of Section 46207.

(f) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 15. Section 37710.5 of the Education Code is amended to read:

37710.5. (a) Beginning in the 2009–10 fiscal year, the Potter Valley Community Unified School District may operate one or more schools in the school district on a four-day school week if the school district complies with the instructional time requirements specified in Section 37701 and the other requirements of this chapter. The state board may waive five-consecutive-day operating requirements for any of the following programs that operate on a four-day week pursuant to this section, provided that the school district meets the minimum time requirement for each program:

- (1) Preschools.
- (2) Before and after school programs.
- (3) Independent study programs.
- (4) Child nutrition and food service programs.
- (5) Community day schools.
- (6) Regional occupational centers or programs.
- (7) Continuation high schools.

(b) If the school district operates one or more schools on a four-day week pursuant to this section, and the program for the school year provides fewer than the 180 days of instruction required under Section 46200, as it read on January 1, 2013, the Superintendent shall reduce the local control funding formula ~~allocation grant apportionment~~ pursuant to Section 42238.02, as implemented pursuant to Section 42238.03, ~~per unit of average daily attendance for that fiscal year by the amount the school district would have received for the increase received pursuant to subdivision (a) of Section 46200, as it read on January 1, 2013, as adjusted in fiscal years subsequent to the 1984–85 fiscal year. for the average daily attendance of each affected grade level, by 0.0056 multiplied by that apportionment for each day less than what was required in subdivision (a) of this section, as this section read on January 1, 2013, up to a maximum of five days.~~ If the school district operates one or more schools on a four-day school week pursuant to this section, and the program provides fewer than

1 the minimum instructional minutes required under Section 46201,
2 as it read on January 1, 2013, the Superintendent shall reduce the
3 local control funding formula—allocation pursuant to Section
4 42238.02, as implemented pursuant to Section 42238.03, per unit
5 of average daily attendance for that fiscal year in which the
6 reduction occurs by the amount the school district would have
7 received for the increase in the base revenue limit per unit of
8 average daily attendance pursuant to subdivision (a) of Section
9 46201, as it read on January 1, 2013, as adjusted from the 1987–88
10 fiscal year to the 2012–13 fiscal year, inclusive, and, commencing
11 with the 2013–14 fiscal year, pursuant to Section 42238.02, as
12 implemented pursuant to Section 42238.03, per unit of average
13 daily attendance: *grant apportionment pursuant to Section*
14 *42238.02, as implemented by Section 42238.03, for the average*
15 *daily attendance of each affected grade level, by the amount of*
16 *that apportionment multiplied by the percentage of the minimum*
17 *required minutes at that grade level that the school district failed*
18 *to offer.*

19 (c) If the school district operates one or more schools on a
20 four-day school week pursuant to this section, the school district
21 shall submit a report to the department, the Senate Committee on
22 Education and the Assembly Committee on Education on January
23 15, 2014. The report shall include, but not necessarily be limited
24 to, information on the following:

25 (1) Programs the *school* district offered on the fifth day and
26 their participation rates.

27 (2) Whether the four-day school week schedule resulted in any
28 fiscal savings.

29 (3) Impact on overall attendance of the schools operating a
30 four-day school week.

31 (4) Programs for which the Superintendent waived minimum
32 time and five-consecutive-day requirements and the operational
33 and educational effect of the programs if they operated at less time
34 than required.

35 (d) Notwithstanding this section, *subdivisions (a), (b), and (c),*
36 upon a determination that the school district identified in
37 subdivision (a) equals or exceeds its local control funding formula
38 target computed pursuant to Section 42238.02 as determined by
39 the calculation of a zero difference pursuant to paragraph (1) of
40 subdivision (b) of Section 42238.03, the school district, as a

condition of apportionment pursuant to Section 42238.02, as implemented pursuant to Section 42238.03, shall offer 180 days or more of instruction per school year, and meet the minimum minute requirements pursuant to paragraph (1) of subdivision (a) of Section 46207.

(e) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 16. Section 37712 of the Education Code is amended to read:

37712. (a) Beginning in the 2013–14 fiscal year, the Moorpark Unified School District may operate one or more high schools offering a middle college program in the school district on a four-day school week, if the school district complies with the instructional time requirements specified in Section 37701 and the other requirements of this chapter. The state board may waive the five-consecutive-day operating requirements for a middle college program that operates on a four-day school week pursuant to this section, provided that the school district meets the minimum time requirement for the middle college program.

(b) If the school district operates one or more schools on a four-day school week pursuant to this section, and the program for the school year provides fewer than the 180 days of instruction required under Section 46200, as it read on January 1, 2013, the Superintendent shall reduce the local control funding formula ~~allocation grant apportionment~~ pursuant to Section 42238.02, as implemented pursuant to Section 42238.03, ~~per unit of average daily attendance for that fiscal year by the amount the school district would have received for the increase received pursuant to subdivision (a) of Section 46200, as it read on January 1, 2013, as adjusted in fiscal years subsequent to the 1984–85 fiscal year. for the average daily attendance of each affected grade level, by 0.0056 multiplied by that apportionment for each day less than what was required in subdivision (a) of this section, as this section read on January 1, 2013, up to a maximum of five days.~~ If the school district operates one or more schools on a four-day school week pursuant to this section, and the program provides fewer than the minimum instructional minutes required under Section 46201, as it read on January 1, 2013, the Superintendent shall reduce the local control funding ~~formula allocation~~ pursuant to Section

1 42238.02, as implemented pursuant to Section 42238.03, per unit
2 of average daily attendance for that fiscal year in which the
3 reduction occurs by the amount the school district would have
4 received for the increase in the base revenue limit per unit of
5 average daily attendance pursuant to subdivision (a) of Section
6 46201, as it read on January 1, 2013, as adjusted from the 1987–88
7 fiscal year to the 2012–13 fiscal year, inclusive, and, commencing
8 with the 2013–14 fiscal year, pursuant to the local control funding
9 formula allocation pursuant to Section 42238.02, as implemented
10 pursuant to Section 42238.03, per unit of average daily attendance.
11 *grant apportionment pursuant to Section 42238.02, as implemented*
12 *by Section 42238.03, for the average daily attendance of each*
13 *affected grade level, by the amount of that apportionment*
14 *multiplied by the percentage of the minimum required minutes at*
15 *that grade level that the school district failed to offer.*

16 (c) Notwithstanding Section 37710, if a small school having
17 between 11 and 99 valid ~~Standardized Testing and Reporting~~
18 ~~Program~~ *California Assessment of Student Performance and*
19 *Progress* test scores operating on a four-day school week fails to
20 achieve its Academic Performance Index growth target pursuant
21 to Section 52052 for two consecutive years, the authority of that
22 school to operate on a four-day school week shall be permanently
23 revoked commencing with the school year following the second
24 consecutive year the school failed to achieve its Academic
25 Performance Index growth rate.

26 (d) If the school district operates one or more schools on a
27 four-day school week pursuant to this section, the school district
28 shall submit a report to the department, the Senate Committee on
29 Education, and the Assembly Committee on Education on or before
30 January 15, 2018. The report shall include, but not necessarily be
31 limited to, information on all of the following:

32 (1) Programs the school district offered on the fifth schoolday
33 and their participation rates.

34 (2) If the four-day school week schedule resulted in fiscal
35 savings.

36 (3) Impact on overall attendance of the schools operating a
37 four-day school week.

38 (4) Programs for which the state board waived minimum time
39 and five-consecutive-day requirements and the operational and

1 educational effects of the programs if they operated at less time
2 than required.

3 (5) The impact of the four-day school week on crime statistics,
4 especially on the day on which school would otherwise be in
5 session.

6 (6) Information on the Academic Performance Index, pursuant
7 to Section 52052, for every year a school in the school district
8 operated on a four-day school week. The information shall include,
9 but not necessarily be limited to, the base and growth Academic
10 Performance Index of each school that operated on a four-day
11 school week and whether that school met the Academic
12 Performance Index growth targets.

13 (7) Specific outcomes for pupils attending a school operating
14 on a four-day school week including, but not limited to, attendance
15 rates, graduation rates, college entrance and attendance rates, and
16 employment rates of pupils who do not attend college.

17 (e) The Moorpark Unified School District operating one or more
18 schools on a four-day school week pursuant to this section may
19 claim a day of attendance for the pupils enrolled in a school
20 operating on a four-day school week pursuant to Sections 11300,
21 11301, and 46146.5.

22 (f) ~~Notwithstanding this section, subdivisions (a) to (e),~~
23 *inclusive*, upon a determination that the school district identified
24 in subdivision (a) equals or exceeds its local control funding
25 formula target computed pursuant to Section 42238.02, as
26 determined by the calculation of a zero difference pursuant to
27 paragraph (1) of subdivision (b) of Section 42238.03, the school
28 district, as a condition of apportionment pursuant to Section
29 42238.02, as implemented pursuant to Section 42238.03, shall
30 offer 180 days or more of instruction per year, and shall meet the
31 minimum minute requirements pursuant to paragraph (4) of
32 subdivision (a) of Section 46207.

33 (g) This section shall become inoperative on June 30, 2018,
34 and, as of January 1, 2019, is repealed, unless a later enacted
35 statute, that becomes operative on or before January 1, 2019,
36 deletes or extends the dates on which it becomes inoperative and
37 is repealed.

38 *SEC. 17. Section 41376.1 is added to the Education Code, to*
39 *read:*

1 41376.1. (a) Commencing with the 2013–14 fiscal year, until
2 the Superintendent determines that a school district is funded
3 pursuant to Section 42238.02 in the prior fiscal year, and
4 notwithstanding the requirement to decrease average daily
5 attendance pursuant to subdivisions (d), (e), and (f) of Section
6 41376 and subdivision (e) of Section 41378, the Superintendent
7 shall compute a reduction to the school district local control
8 funding formula entitlement pursuant to Section 42238.02, as
9 implemented by Section 42238.03, for the specified school year
10 by the sum of the following:

11 (1) (A) Multiply the sum of the products obtained in subdivision
12 (e) of Section 41378 and subdivision (d) of Section 41376 by the
13 grade span adjusted base grant specified in subparagraph (A) of
14 paragraph (1) of subdivision (d) of Section 42238.02, as annually
15 adjusted for cost of living pursuant to paragraph (2) of subdivision
16 (d) of Section 42238.02.

17 (B) Multiply the product obtained in subparagraph (A) by the
18 sum of the entitlements computed pursuant to paragraphs (1) to
19 (4), inclusive, of subdivision (a) of Section 42238.03 and paragraph
20 (3) of subdivision (b) of Section 42238.03 for all school districts,
21 divided by the sum of the local control funding formula entitlements
22 computed pursuant to Section 42238.02 for all school districts.

23 (2) (A) Multiply the product obtained pursuant to subdivision
24 (e) of Section 41376 by the funded average daily attendance for
25 grades 4 to 6, inclusive, reported by the school district pursuant
26 to Section 42238.05 for the specified school year divided by the
27 funded average daily attendance for grades 4 to 8, inclusive,
28 reported by the school district pursuant to Section 42238.05 for
29 the specified school year.

30 (B) Multiply the product obtained in subparagraph (A) by the
31 grade span adjusted base grant specified in subparagraph (B) of
32 paragraph (1) of subdivision (d) of Section 42238.02, as annually
33 adjusted for cost of living pursuant to paragraph (2) of subdivision
34 (d) of Section 42238.02.

35 (C) Multiply the product obtained in subparagraph (B) by the
36 sum of the entitlements computed pursuant to paragraphs (1) to
37 (4), inclusive, of subdivision (a) of Section 42238.03 and paragraph
38 (3) of subdivision (b) of Section 42238.03 for all school districts,
39 divided by the sum of the local control funding formula entitlements
40 computed pursuant to Section 42238.02 for all school districts.

1 (3) (A) Multiply the product obtained pursuant to subdivision
2 (e) of Section 41376 by the funded average daily attendance for
3 grades 7 and 8 reported by the school district pursuant to Section
4 42238.05 for the specified school year divided by the funded
5 average daily attendance for grades 4 to 8, inclusive, reported by
6 the school district pursuant to Section 42238.05 for the specified
7 school year.

8 (B) Multiply the product obtained in subparagraph (A) by the
9 grade span adjusted base grant specified in subparagraph (C) of
10 paragraph (1) of subdivision (d) of Section 42238.02, as annually
11 adjusted for cost of living pursuant to paragraph (2) of subdivision
12 (d) of Section 42238.02.

13 (C) Multiply the product obtained in subparagraph (B) by the
14 sum of the entitlements computed pursuant to paragraphs (1) to
15 (4), inclusive, of subdivision (a) of Section 42238.03 and paragraph
16 (3) of subdivision (b) of Section 42238.03 for all school districts,
17 divided by the sum of the local control funding formula entitlements
18 computed pursuant to Section 42238.02 for all school districts.

19 (b) Commencing with the 2013–14 fiscal year, if the
20 Superintendent determines that a school district is funded pursuant
21 to Section 42238.02 in the prior fiscal year, and notwithstanding
22 the requirement to decrease average daily attendance pursuant to
23 subdivisions (d), (e), and (f) of Section 41376 and subdivision (e)
24 of Section 41378, the Superintendent shall compute a reduction
25 to the school district local control funding formula entitlement
26 pursuant to Section 42238.02 for the specified school year by the
27 sum of the following:

28 (1) Multiply the sum of the products obtained in subdivision (e)
29 of Section 41378 and subdivision (d) of Section 41376 by the grade
30 span adjusted base grant specified in subparagraph (A) of
31 paragraph (1) of subdivision (d) of Section 42238.02, as annually
32 adjusted for cost of living pursuant to paragraph (2) of subdivision
33 (d) of Section 42238.02.

34 (2) (A) Multiply the product obtained pursuant to subdivision
35 (e) of Section 41376 by the funded average daily attendance for
36 grades 4 to 6, inclusive, reported by the school district pursuant
37 to Section 42238.05 for the specified school year divided by the
38 funded average daily attendance for grades 4 to 8, inclusive,
39 reported by the school district pursuant to Section 42238.05 for
40 the specified school year.

1 (B) Multiply the product obtained in subparagraph (A) by the
2 grade span adjusted base grant specified in subparagraph (B) of
3 paragraph (1) of subdivision (d) of Section 42238.02, as annually
4 adjusted for cost of living pursuant to paragraph (2) of subdivision
5 (d) of Section 42238.02.

6 (3) (A) Multiply the product obtained pursuant to subdivision
7 (e) of Section 41376 by the funded average daily attendance for
8 grades 7 and 8 reported by the school district pursuant to Section
9 42238.05 for the specified school year divided by the funded
10 average daily attendance for grades 4 to 8, inclusive, reported by
11 the school district pursuant to Section 42238.05 for the specified
12 school year.

13 (B) Multiply the product obtained in subparagraph (A) by the
14 grade span adjusted base grant specified in subparagraph (C) of
15 paragraph (1) of subdivision (d) of Section 42238.02, as annually
16 adjusted for cost of living pursuant to paragraph (2) of subdivision
17 (d) of Section 42238.02.

18 SEC. 18. Section 41544 of the Education Code is amended to
19 read:

20 41544. (a) For a basic aid school district that was entitled to
21 reimbursement pursuant to Section 42247.4, as that section read
22 on January 1, 2001, and that received an apportionment pursuant
23 to subdivision (h) of Section 42247.4, as that section read on
24 January 1, 2001, because a court order directs pupils to transfer to
25 that school district as part of the court-ordered voluntary pupil
26 transfer program, the Superintendent, from the 2001–02 fiscal year
27 to the 2012–13 fiscal year, inclusive, shall calculate an
28 apportionment of state funds for that basic aid school district that
29 provides 70 percent of the school district revenue limit calculated
30 pursuant to Section 42238, as that section read on January 1, 2013,
31 that would have been apportioned to the school district from which
32 the pupils were transferred for the average daily attendance of any
33 pupils credited under that court order who did not attend the basic
34 aid school district before the 1995–96 fiscal year.

35 (b) (1) For a basic aid school district that was entitled to
36 reimbursement pursuant to Section 42247.4, as that section read
37 on January 1, 2001, and that received an apportionment pursuant
38 to subdivision (h) of Section 42247.4, as that section read on
39 January 1, 2001, because a court order directs pupils to transfer to
40 that school district as part of the court-ordered voluntary pupil

1 transfer program, the Superintendent, commencing with the
2 2013–14 fiscal year, shall calculate an apportionment of state funds
3 for that basic aid school district that provides 70 percent of the
4 school district local control funding formula base grant calculated
5 pursuant to subdivision (d) of Section 42238.02, as implemented
6 by Section 42238.03, that would have been apportioned to the
7 school district from which the pupils were transferred for the
8 average daily attendance of any pupils credited under that court
9 order who did not attend the basic aid school district before the
10 1995–96 fiscal year.

11 (2) Notwithstanding paragraph (1), until the Superintendent
12 determines that the school district from which the pupil or pupils
13 were transferred is funded pursuant to Section 42238.02 in the
14 prior fiscal year, the Superintendent shall apportion, for average
15 daily attendance credited pursuant to paragraph (1), 70 percent of
16 the sum of the entitlements for the school district from which the
17 pupil or pupils were transferred for the specified fiscal year as
18 computed pursuant to paragraphs (1) to (4), inclusive, of
19 subdivision (a), and paragraph (3) of subdivision (b), of Section
20 42238.03, divided by the average daily attendance of that school
21 district for that fiscal year and then multiplied by the ratio of local
22 control formula base grant funding computed pursuant to
23 subdivision (d) of Section 42238.02 to the local control funding
24 formula amount for that fiscal year computed pursuant to Section
25 42238.02.

26 (3) *If the entitlements for the school district from which the*
27 *pupil or pupils were transferred computed pursuant to paragraphs*
28 *(1) to (4), inclusive, of subdivision (a), and paragraph (3) of*
29 *subdivision (b), of Section 42238.03, include funding calculated*
30 *pursuant to Article 4 (commencing with Section 42280) of Chapter*
31 *7 for a fiscal year, paragraph (2) shall not apply and the*
32 *apportionment of state funds for the average daily attendance*
33 *credited pursuant to this section for that fiscal year shall be*
34 *calculated pursuant to paragraph (1).*

35 (c) For purposes of subdivision (b) of this section, “basic aid
36 school district” means a school district that does not receive from
37 the state, for any fiscal year in which this section is applied, an
38 apportionment of state funds pursuant to subdivision (o) of Section
39 42238.02.

1 *SEC. 19. Section 42238.01 of the Education Code is amended*
2 *to read:*

3 42238.01. For purposes of Section 42238.02, the following
4 definitions shall apply:

5 (a) “Eligible for free or reduced-price meals” means determined
6 to meet federal income eligibility criteria or deemed to be
7 categorically eligible for free or reduced-price meals under the
8 National School Lunch Program, as described in Part 245 of Title
9 7 of the Code of Federal Regulations. *A school participating in a*
10 *special assistance alternative authorized by Section 11(a)(1) of*
11 *the Richard B. Russell National School Lunch Act (Public Law*
12 *113-79), including Provision 2, Provision 3, or the Community*
13 *Eligibility Option, may establish a base year for purposes of the*
14 *local control funding formula by collecting household income data*
15 *to determine whether a student meets free and reduced-price meal*
16 *income eligibility criteria at least once every four years, if the*
17 *school determines free and reduced-price meal eligibility for each*
18 *new enrolled or disenrolled pupil between base year eligibility*
19 *determination collections. A school that uses the special assistance*
20 *alternative shall maintain information on each student’s income*
21 *eligibility status and annually submit information on that status*
22 *in the California Longitudinal Pupil Achievement Data System*
23 *pursuant to paragraph (2) of subdivision (b) of Section 42238.02*
24 *or subparagraph (A) of paragraph (3) of subdivision (b) of Section*
25 *2574, as applicable. To the extent permitted by federal law, a*
26 *school may choose to establish a new base year for purposes of*
27 *the National School Lunch Program at the same time the school*
28 *establishes a new base year for purposes of the local control*
29 *funding formula. A school may use National School Lunch Program*
30 *application forms to collect household income data as permitted*
31 *under the National School Lunch Program. If the use of National*
32 *School Lunch Program application forms is not permitted, a school*
33 *shall use alternative income data collection forms.*

34 (b) “Foster youth” means ~~a foster child, as described in~~
35 ~~subdivision (a) of Section 48853.5, or a~~ any of the following:

36 (1) *A child who is the subject of a petition filed pursuant to*
37 *Section 300 of the Welfare and Institutions Code, whether or not*
38 *the child has been removed from his or her home by the juvenile*
39 *court pursuant to Section 319 or 361 of the Welfare and Institutions*
40 *Code.*

1 (2) A child who is the subject of a petition filed pursuant to
2 Section 602 of the Welfare and Institutions Code, has been removed
3 from his or her home by the juvenile court pursuant to Section 727
4 of the Welfare and Institutions Code, and is in foster care as
5 defined by subdivision (d) of Section 727.4 of the Welfare and
6 Institutions Code.

7 (3) A nonminor under the transition jurisdiction of the juvenile
8 court, as described in Section 450 of the Welfare and Institutions
9 Code, who satisfies all of the following criteria:

10 ~~(1)~~

11 (A) He or she has attained 18 years of age while under an order
12 of foster care placement by the juvenile court, and is not more than
13 19 years of age on or after January 1, 2012, not more than 20 years
14 of age on or after January 1, 2013, and not more than 21 years of
15 age, on or after January 1, 2014, and as described in Section
16 10103.5 of the Welfare and Institutions Code.

17 ~~(2)~~

18 (B) He or she is in foster care under the placement and care
19 responsibility of the county welfare department, county probation
20 department, Indian tribe, consortium of tribes, or tribal organization
21 that entered into an agreement pursuant to Section 10553.1 of the
22 Welfare and Institutions Code.

23 ~~(3)~~

24 (C) He or she is participating in a transitional independent living
25 case plan pursuant to Section 475(8) of the federal Social Security
26 Act (42 U.S.C. Sec. 675(8)), as contained in the federal Fostering
27 Connections to Success and Increasing Adoptions Act of 2008
28 (Public Law 110-351), as described in Section 11403 of the
29 Welfare and Institutions Code.

30 (c) “Pupils of limited English proficiency” means pupils who
31 do not have the clearly developed English language skills of
32 comprehension, speaking, reading, and writing necessary to receive
33 instruction only in English at a level substantially equivalent to
34 pupils of the same age or grade whose primary language is English.
35 “English learner” shall have the same meaning as is provided for
36 in subdivision (a) of Section 306 and as “pupils of limited English
37 proficiency.”

38 SEC. 20. Section 42238.02 of the Education Code is amended
39 to read:

1 42238.02. (a) The amount computed pursuant to this section
2 shall be known as the school district and charter school local
3 control funding formula.

4 (b) (1) For purposes of this section “unduplicated pupil” means
5 a pupil enrolled in a school district or a charter school who is either
6 classified as an English learner, eligible for a free or reduced-price
7 meal, or is a foster youth. A pupil shall be counted only once for
8 purposes of this section if any of the following apply:

9 (A) The pupil is classified as an English learner and is eligible
10 for a free or reduced-price meal.

11 (B) The pupil is classified as an English learner and is a foster
12 youth.

13 (C) The pupil is eligible for a free or reduced-price meal and is
14 classified as a foster youth.

15 (D) The pupil is classified as an English learner, is eligible for
16 a free or reduced-price meal, and is a foster youth.

17 (2) Under procedures and timeframes established by the
18 Superintendent, commencing with the 2013–14 fiscal year, a school
19 district or charter school shall annually submit its enrolled free
20 and reduced-price meal eligibility, foster youth, and English learner
21 pupil-level records for enrolled pupils to the Superintendent using
22 the California Longitudinal Pupil Achievement Data System.

23 (3) (A) Commencing with the 2013–14 fiscal year, a county
24 office of education shall review and validate certified aggregate
25 English learner, foster youth, and free or reduced-price meal
26 eligible pupil data for school districts and charter schools under
27 its jurisdiction to ensure the data is reported accurately. The
28 Superintendent shall provide each county office of education with
29 appropriate access to school district and charter school data reports
30 in the California Longitudinal Pupil Achievement Data System
31 for purposes of ensuring data reporting accuracy.

32 (B) The Controller shall include the instructions necessary to
33 enforce paragraph (2) in the audit guide required by Section
34 14502.1. The instructions shall include, but are not necessarily
35 limited to, procedures for determining if the English learner, foster
36 youth, and free or reduced-price meal eligible pupil counts are
37 consistent with the school district’s or charter school’s English
38 learner, foster youth, and free or reduced-price meal eligible pupil
39 records.

(4) The Superintendent shall make the calculations pursuant to this section using the data submitted by local educational agencies, including charter schools, through the California Longitudinal Pupil Achievement Data System. Under timeframes and procedures established by the Superintendent, school districts and charter schools may review and revise their submitted data on English learner, foster youth, and free or reduced-price meal eligible pupil counts to ensure the accuracy of data reflected in the California Longitudinal Pupil Achievement Data System.

(5) The Superintendent shall annually compute the percentage of unduplicated pupils for each school district and charter school by dividing the enrollment of unduplicated pupils in a school district or charter school by the total enrollment in that school district or charter school pursuant to all of the following:

(A) For the 2013–14 fiscal year, divide the sum of unduplicated pupils for the 2013–14 fiscal year by the sum of the total pupil enrollment for the 2013–14 fiscal year.

(B) For the 2014–15 fiscal year, divide the sum of unduplicated pupils for the 2013–14 and 2014–15 fiscal years by the sum of the total pupil enrollment for the 2013–14 and 2014–15 fiscal years.

(C) For the 2015–16 fiscal year and each fiscal year thereafter, divide the sum of unduplicated pupils for the current fiscal year and the two prior fiscal years by the sum of the total pupil enrollment for the current fiscal year and the two prior fiscal years.

(D) (i) *For purposes of the quotients determined pursuant to subparagraphs (B) and (C), the Superintendent shall use a school district's or charter school's enrollment of unduplicated pupils and total pupil enrollment in the 2014–15 fiscal year instead of the enrollment of unduplicated pupils and total pupil enrollment in the 2013–14 fiscal year if doing so would yield an overall greater percentage of unduplicated pupils.*

(ii) *It is the intent of the Legislature to review each school district and charter school's enrollment of unduplicated pupils for the 2013–14 and 2014–15 fiscal years and provide one-time funding, if necessary, for a school district or charter school with higher enrollment of unduplicated pupils in the 2014–15 fiscal year as compared to the 2013–14 fiscal year.*

(6) *The data used to determine the percentage of unduplicated pupils shall be final once that data is no longer used in the current fiscal year calculation of the percentage of unduplicated pupils.*

1 *This paragraph does not apply to a change that is the result of an*
2 *audit that has been appealed pursuant to Section 41344.*

3 (c) Commencing with the 2013–14 fiscal year and each fiscal
4 year thereafter, the Superintendent shall annually calculate a local
5 control funding formula grant for each school district and charter
6 school in the state pursuant to this section.

7 (d) The Superintendent shall compute a grade span adjusted
8 base grant equal to the total of the following amounts:

9 (1) For the 2013–14 fiscal year, a base grant of:

10 (A) Six thousand eight hundred forty-five dollars (\$6,845) for
11 average daily attendance in kindergarten and grades 1 to 3,
12 inclusive.

13 (B) Six thousand nine hundred forty-seven dollars (\$6,947) for
14 average daily attendance in grades 4 to 6, inclusive.

15 (C) Seven thousand one hundred fifty-four dollars (\$7,154) for
16 average daily attendance in grades 7 and 8.

17 (D) Eight thousand two hundred eighty-nine dollars (\$8,289)
18 for average daily attendance in grades 9 to 12, inclusive.

19 (2) In each year the grade span adjusted base grants in paragraph
20 (1) shall be adjusted by the percentage change in the annual average
21 value of the Implicit Price Deflator for State and Local Government
22 Purchases of Goods and Services for the United States, as published
23 by the United States Department of Commerce for the 12-month
24 period ending in the third quarter of the prior fiscal year. This
25 percentage change shall be determined using the latest data
26 available as of May 10 of the preceding fiscal year compared with
27 the annual average value of the same deflator for the 12-month
28 period ending in the third quarter of the second preceding fiscal
29 year, using the latest data available as of May 10 of the preceding
30 fiscal year, as reported by the Department of Finance.

31 (3) (A) The Superintendent shall compute an additional
32 adjustment to the kindergarten and grades 1 to 3, inclusive, base
33 grant as adjusted for inflation pursuant to paragraph (2) equal to
34 10.4 percent. The additional grant shall be calculated by
35 multiplying the kindergarten and grades 1 to 3, inclusive, base
36 grant, as adjusted by paragraph (2), by 10.4 percent.

37 (B) Until paragraph (4) of subdivision (b) of Section 42238.03
38 is effective, as a condition of the receipt of funds in this paragraph,
39 a school district shall make progress toward maintaining an average
40 class enrollment of not more than 24 pupils for each schoolsite in

kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative annual average class enrollment for each schoolsite in those grades is agreed to by the school district, pursuant to the following calculation:

(i) Determine a school district's average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the prior year. For the 2013–14 fiscal year, this amount shall be the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the 2012–13 fiscal year.

(ii) Determine a school district's proportion of total need pursuant to paragraph (2) of subdivision (b) of Section 42238.03.

(iii) Determine the percentage of the need calculated in clause (ii) that is met by funding provided to the school district pursuant to paragraph (3) of subdivision (b) of Section 42238.03.

(iv) Determine the difference between the amount computed pursuant to clause (i) and an average class enrollment of not more than 24 pupils.

(v) Calculate a current year average class enrollment adjustment for each schoolsite for kindergarten and grades 1 to 3, inclusive, equal to the adjustment calculated in clause (iv) multiplied by the percentage determined pursuant to clause (iii).

(C) School districts that have an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of 24 pupils or less for each schoolsite in the 2012–13 fiscal year, shall be exempt from the requirements of subparagraph (B) so long as the school district continues to maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils, unless a collectively bargained alternative ratio is agreed to by the school district.

(D) Upon full implementation of the local control funding formula, as a condition of the receipt of funds in this paragraph, all school districts shall maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative ratio is agreed to by the school district.

(E) The average class enrollment requirement for each schoolsite for kindergarten and grades 1 to 3, inclusive, established pursuant to this paragraph shall not be subject to waiver by the state board pursuant to Section 33050 or by the Superintendent.

(F) The Controller shall include the instructions necessary to enforce this paragraph in the audit guide required by Section 14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, exceeds 24 pupils, or an alternative average class enrollment for each schoolsite pursuant to a collectively bargained alternative ratio. The procedures for determining average class enrollment for each schoolsite shall include criteria for employing sampling.

(4) The Superintendent shall compute an additional adjustment to the base grant for grades 9 to 12, inclusive, as adjusted for inflation pursuant to paragraph (2), equal to 2.6 percent. The additional grant shall be calculated by multiplying the base grant for grades 9 to 12, inclusive, as adjusted by paragraph (2), by 2.6 percent.

(e) The Superintendent shall compute a supplemental grant add-on equal to 20 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b). The supplemental grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 20 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in that school district or charter school. The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

(f) (1) The Superintendent shall compute a concentration grant add-on equal to 50 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district's or charter school's total enrollment. The concentration grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision

(d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 50 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the total enrollment in that school district or charter school.

(2) (A) For a charter school physically located in only one school district, the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district in which the charter school is physically located. For a charter school physically located in more than one school district, the charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed that of the school district with the highest percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school districts in which the charter school has a school facility. The concentration grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

(B) *For purposes of this paragraph and subparagraph (A) of paragraph (1) of subdivision (f) of Section 42238.03, a charter school shall report its physical location to the department under timeframes established by the department. For a charter school authorized by a school district, the department shall include the authorizing school district in the department's determination of physical location. For a charter school authorized on appeal pursuant to subdivision (j) of Section 47605, the department shall include the sponsoring school district in the department's determination of physical location. The reported physical location of the charter school shall be considered final as of the second principal apportionment for that fiscal year. For purposes of this paragraph, the percentage of unduplicated pupils of the school district associated with the charter school pursuant to subparagraph (A) shall be considered final as of the second principal apportionment for that fiscal year.*

(g) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental,

1 and concentration grants equal to the amount of funding a school
2 district or charter school received from funds allocated pursuant
3 to the Targeted Instructional Improvement Block Grant program,
4 as set forth in Article 6 (commencing with Section 41540) of
5 Chapter 3.2, for the 2012–13 fiscal year, as that article read on
6 January 1, 2013. A school district or charter school shall not receive
7 a total funding amount from this add-on greater than the total
8 amount of funding received by the school district or charter school
9 from that program in the 2012–13 fiscal year. The amount
10 computed pursuant to this subdivision shall reflect the reduction
11 specified in paragraph (2) of subdivision (a) of Section 42238.03.

12 (h) The Superintendent shall compute an add-on to the total
13 sum of a school district's or charter school's base, supplemental,
14 and concentration grants equal to the amount of funding a school
15 district or charter school received from funds allocated pursuant
16 to the Home-to-School Transportation program, as set forth in
17 former Article 2 (commencing with Section 39820) of Chapter 1
18 of Part 23.5, former Article 10 (commencing with Section 41850)
19 of Chapter 5, and the Small School District Transportation
20 program, as set forth in former Article 4.5 (commencing with
21 Section 42290), for the 2012–13 fiscal year. A school district or
22 charter school shall not receive a total funding amount from this
23 add-on greater than the total amount received by the school district
24 or charter school for those programs in the 2012–13 fiscal year.
25 The amount computed pursuant to this subdivision shall reflect
26 the reduction specified in paragraph (2) of subdivision (a) of
27 Section 42238.03.

28 (i) (1) The sum of the local control funding formula rates
29 computed pursuant to subdivisions (c) to (f), inclusive, shall be
30 multiplied by:

31 (A) For school districts, the average daily attendance of the
32 school district in the corresponding grade level ranges computed
33 pursuant to Section 42238.05, excluding the average daily
34 attendance computed pursuant to paragraph (2) of subdivision (a)
35 of Section 42238.05 for purposes of the computation specified in
36 subdivision (d).

37 (B) For charter schools, the total current year average daily
38 attendance in the corresponding grade level ranges.

39 (2) The amount computed pursuant to Article 4 (commencing
40 with Section 42280) shall be added to the amount computed

1 pursuant to paragraphs (1) to (4), inclusive, of subdivision (d), as
2 multiplied by subparagraph (A) or (B) of paragraph (1), as
3 appropriate.

4 (j) The Superintendent shall adjust the sum of each school
5 district's or charter school's amount determined in subdivisions
6 (g) to (i), inclusive, pursuant to the calculation specified in Section
7 42238.03, less the sum of the following:

8 (1) (A) For school districts, the property tax revenue received
9 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter
10 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
11 Revenue and Taxation Code.

12 (B) For charter schools, the in-lieu property tax amount provided
13 to a charter school pursuant to Section 47635.

14 (2) The amount, if any, received pursuant to Part 18.5
15 (commencing with Section 38101) of Division 2 of the Revenue
16 and Taxation Code.

17 (3) The amount, if any, received pursuant to Chapter 3
18 (commencing with Section 16140) of Part 1 of Division 4 of Title
19 2 of the Government Code.

20 (4) Prior years' taxes and taxes on the unsecured roll.

21 (5) Fifty percent of the amount received pursuant to Section
22 41603.

23 (6) The amount, if any, received pursuant to the Community
24 Redevelopment Law (Part 1 (commencing with Section 33000)
25 of Division 24 of the Health and Safety Code), less any amount
26 received pursuant to Section 33401 or 33676 of the Health and
27 Safety Code that is used for land acquisition, facility construction,
28 reconstruction, or remodeling, or deferred maintenance and that
29 is not an amount received pursuant to Section 33492.15, or
30 paragraph (4) of subdivision (a) of Section 33607.5, or Section
31 33607.7 of the Health and Safety Code that is allocated exclusively
32 for educational facilities.

33 (7) The amount, if any, received pursuant to Sections 34177,
34 34179.5, 34179.6, 34183, and 34188 of the Health and Safety
35 Code.

36 (8) Revenue received pursuant to subparagraph (B) of paragraph
37 (3) of subdivision (e) of Section 36 of Article XIII of the California
38 Constitution.

39 (k) A school district shall annually transfer to each of its charter
40 schools funding in lieu of property taxes pursuant to Section 47635.

(l) (1) Nothing in this section shall be interpreted to authorize a school district that receives funding on behalf of a charter school pursuant to Section 47651 to redirect this funding for another purpose unless otherwise authorized in law pursuant to paragraph (2) or pursuant to an agreement between the charter school and its chartering authority.

(2) A school district that received funding on behalf of a locally funded charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013, or a school district that was required to pass through funding to a conversion charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42606, as that section read on January 1, 2013, may annually redirect for another purpose a percentage of the amount of the funding received on behalf of that charter school. The percentage of funding that may be redirected shall be determined pursuant to the following computation:

(A) (i) Determine the sum of the need fulfilled for that charter school pursuant to paragraph (3) of subdivision (b) of Section 42238.03 in the then current fiscal year for the charter school.

(ii) Determine the sum of the need fulfilled in every fiscal year before the then current fiscal year pursuant to paragraph (3) of subdivision (b) of Section 42238.03 adjusted for changes in average daily attendance pursuant to paragraph (3) of subdivision (a) of Section 42238.03 for the charter school.

(iii) Subtract the amount computed pursuant to paragraphs (1) to (3), inclusive, of subdivision (a) of Section 42238.03 from the amount computed for that charter school under the local control funding formula entitlement computed pursuant to subdivision (i) of Section 42238.02.

(iv) Compute a percentage by dividing the sum of the amounts computed to clauses (i) and (ii) by the amount computed pursuant to clause (iii).

(B) Multiply the percentage computed pursuant to subparagraph (A) by the amount of funding the school district received on behalf of the charter school in the 2012–13 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42605, Section 42606, and subdivision (b) of Section 47634.1, as those sections read on January 1, 2013.

1 (C) The maximum amount that may be redirected shall be the
2 lesser of the amount of funding the school district received on
3 behalf of the charter school in the 2012–13 fiscal year pursuant to
4 paragraph (2) of subdivision (b) of Section 42605, Section 42606,
5 and subdivision (b) of Section 47634.1, as those sections read on
6 January 1, 2013, or the amount computed pursuant to subparagraph
7 (B).

8 (3) Commencing with the 2013–14 fiscal year, a school district
9 operating one or more affiliated charter schools shall provide each
10 affiliated charter school schoolsite with no less than the amount
11 of funding the schoolsite received pursuant to the charter school
12 block grant in the 2012–13 fiscal year.

13 (m) Any calculations in law that are used for purposes of
14 determining if a local educational agency is an excess tax school
15 entity or basic aid school district, including, but not limited to, this
16 section and Sections 42238.03, 41544, 47632, 47660, 47663,
17 48310, and 48359.5, and Section 95 of the Revenue and Taxation
18 Code, shall be made exclusive of the revenue received pursuant
19 to subparagraph (B) of paragraph (3) of subdivision (e) of Section
20 36 of Article XIII of the California Constitution.

21 (n) The funds apportioned pursuant to this section and Section
22 42238.03 shall be available to implement the activities required
23 pursuant to Article 4.5 (commencing with Section 52060) of
24 Chapter 6.1 of Part 28 of Division 4 of Title 2.

25 (o) A school district that does not receive an apportionment of
26 state funds pursuant to this section, as implemented pursuant to
27 Section 42238.03, excluding funds apportioned pursuant to the
28 requirements of *subparagraph (A) of paragraph (2) of subdivision*
29 *(e) of Section-42238.03 42238.03*, shall be considered a “basic aid
30 school district” or an “excess tax entity.”

31 *SEC. 21. Section 42238.025 of the Education Code is amended*
32 *to read:*

33 42238.025. (a) In the 2013–14 fiscal year, the Superintendent
34 shall compute an economic recovery target rate for each school
35 district and charter school equal to the sum of the following:

36 (1) (A) For each school district, the school district’s revenue
37 limit in the 2012–13 fiscal year as computed pursuant to this article,
38 as this article read on January 1, 2013, divided by the 2012–13
39 fiscal year average daily attendance of the school district computed
40 pursuant to Section 42238.05. For purposes of this section, average

1 daily attendance shall include any applicable revenue limit average
2 daily attendance and shall be considered final for purposes of this
3 section as of the annual apportionment for the 2012–13 fiscal year,
4 as calculated for purposes of the certification required on or before
5 February 20, 2014, pursuant to Sections 41332 and 41339.

6 (B) For each charter school, the charter school’s general purpose
7 funding as computed pursuant to Article 2 (commencing with
8 Section 47633) of Chapter 6 of Part 26.8 of Division 4, as that
9 article read on January 1, 2013, and the in-lieu property tax amount
10 provided to the charter school pursuant to Section 47635, as that
11 section read on January 1, 2013, divided by the 2012–13 fiscal
12 year average daily attendance of the charter school computed
13 pursuant to Section 42238.05. For purposes of this section, average
14 daily attendance shall include any applicable charter school general
15 purpose funding average daily attendance and shall be considered
16 final for purposes of this section as of the annual apportionment
17 for the 2012–13 fiscal year, as calculated for purposes of the
18 certification required on or before February 20, 2014, pursuant to
19 Sections 41332 and 41339.

20 (C) The amounts determined pursuant to subparagraphs (A) and
21 (B) shall not reflect the deficit factor adjustments set forth in
22 Section 42238.146 as that section read on January 1, 2013.

23 (D) The amounts determined pursuant to subparagraphs (A)
24 and (B) shall be adjusted for the cost-of-living adjustment for the
25 2013–14 fiscal year pursuant to paragraph (2) of subdivision (d)
26 of Section 42238.02 and an annual average cost-of-living
27 adjustment of 1.94 percent for the 2014–15 fiscal year to the
28 2020–21 fiscal year, inclusive.

29 (2) (A) For each school district and charter school, the sum of
30 the entitlements from items contained in Section 2.00 of the Budget
31 Act of 2012 for Items 6110-104-0001, 6110-105-0001,
32 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001,
33 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001,
34 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001,
35 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001,
36 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001,
37 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001,
38 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001,
39 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001,
40 6110-267-0001, 6110-268-0001, 6360-101-0001, 2012–13 fiscal

1 year funding for the Class Size Reduction Program pursuant to
 2 Chapter 6.10 (commencing with Section 52120) of Part 28 of
 3 Division 4, as it read on January 1, 2013, and 2012–13 fiscal year
 4 funding for pupils enrolled in community day schools who are
 5 mandatorily expelled pursuant to subdivision (d) of Section 48915,
 6 divided by the 2012–13 fiscal year average daily attendance of the
 7 school district computed pursuant to Section 42238.05. *For*
 8 *purposes of this subparagraph, 2012–13 fiscal year entitlements*
 9 *shall be considered final as of the annual apportionment for the*
 10 *2012–13 fiscal year, as calculated for purposes of the certification*
 11 *required on or before February 20, 2014, pursuant to Sections*
 12 *41332 and 41339.*

13 (B) The amounts determined pursuant to this subdivision shall
 14 not be adjusted for the reduction set forth in Section 12.42 of the
 15 Budget Act of 2012.

16 (b) Of the amounts computed for school districts pursuant to
 17 subdivision (a), the Superintendent shall determine the funding
 18 rate per unit of average daily attendance above which fall not more
 19 than 10 percent of the total number of school districts statewide.

20 (c) The Superintendent shall compute a 2020–21 fiscal year
 21 local control funding formula rate for each school district and
 22 charter school equal to the amount computed pursuant to Section
 23 42238.02 for the 2013–14 fiscal year, adjusted for an annual
 24 average cost-of-living adjustment of 1.94 percent for the 2014–15
 25 fiscal year to the 2020–21 fiscal year, inclusive, divided by the
 26 ~~2012–13~~ 2013–14 fiscal year average daily attendance of the school
 27 district or charter school computed pursuant to Section 42238.05.
 28 *For purposes of this subdivision, the amount computed pursuant*
 29 *to Section 42238.02 for the 2013–14 fiscal year shall be considered*
 30 *final as of the second principal apportionment for the 2013–14*
 31 *fiscal year, as calculated for purposes of the certification required*
 32 *on or before July 2, 2014, pursuant to Sections 41335 and 41339.*

33 (d) (1) For each school district and charter school that has a
 34 funding rate per unit of average daily attendance computed pursuant
 35 to subdivision (a) that is equal to, or below, the funding rate per
 36 unit of average daily attendance determined pursuant to subdivision
 37 (b), the Superintendent shall subtract the amount computed
 38 pursuant to subdivision (c) from the amount computed pursuant
 39 to subdivision (a). Each school district or charter school for which
 40 this calculation yields an amount greater than zero shall be eligible

1 for an economic recovery target payment equal to the amount of
2 the difference. A school district or charter school that has a funding
3 rate per unit of average daily attendance calculated pursuant to
4 subdivision (a) that exceeds the rate calculated pursuant to
5 subdivision (b) shall not be eligible for an economic recovery
6 target payment.

7 (2) Each school district or charter school eligible for an
8 economic recovery target payment pursuant to paragraph (1) shall
9 receive the following apportionments:

10 (A) For the 2013–14 fiscal year, one-eighth of the amount
11 calculated pursuant to paragraph (1) multiplied by the 2012–13
12 fiscal year average daily attendance computed pursuant to Section
13 42238.05.

14 (B) For the 2014–15 fiscal year, ~~two-eighths~~ *one-quarter* of the
15 amount calculated pursuant to paragraph (1) multiplied by the
16 2012–13 fiscal year average daily attendance computed pursuant
17 to Section 42238.05.

18 (C) For the 2015–16 fiscal year, three-eighths of the amount
19 calculated pursuant to paragraph (1) multiplied by the 2012–13
20 fiscal year average daily attendance computed pursuant to Section
21 42238.05.

22 (D) For the 2016–17 fiscal year, ~~four-eighths~~ *one-half* of the
23 amount calculated pursuant to paragraph (1) multiplied by the
24 2012–13 fiscal year average daily attendance computed pursuant
25 to Section 42238.05.

26 (E) For the 2017–18 fiscal year, five-eighths of the amount
27 calculated pursuant to paragraph (1) multiplied by the 2012–13
28 fiscal year average daily attendance computed pursuant to Section
29 42238.05.

30 (F) For the 2018–19 fiscal year, ~~six-eighths~~ *three-quarters* of
31 the amount calculated pursuant to paragraph (1) multiplied by the
32 2012–13 fiscal year average daily attendance computed pursuant
33 to Section 42238.05.

34 (G) For the 2019–20 fiscal year, seven-eighths of the amount
35 calculated pursuant to paragraph (1) multiplied by the 2012–13
36 fiscal year average daily attendance computed pursuant to Section
37 42238.05.

38 (H) For the 2020–21 fiscal year and each fiscal year thereafter,
39 the amount calculated pursuant to paragraph (1) multiplied by the

2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(3) In each fiscal year until a determination has been made that all school districts and charter schools equal or exceed the local control funding formula target computed pursuant to Section 42238.02, as determined by the calculation of a zero difference pursuant to paragraph (1) of subdivision (b) of Section 42238.03, the economic recovery target payment apportioned to each eligible school district or charter school pursuant to paragraph (2) shall be added to the school district’s or charter school’s funding amounts that are continuously appropriated pursuant to subdivision (a) of Section 42238.03 and included in the amount of funding that ~~may be~~ *is subject to* offset pursuant to subdivision (c) of Section 42238.03. The amount apportioned pursuant to paragraph (2) shall not receive a cost-of-living adjustment.

(4) Commencing with the first fiscal year in which all school districts and charter schools are apportioned funding pursuant to Section 42238.02, the economic recovery target calculated pursuant to *subparagraph (H) of* paragraph (2) shall be included as an add-on to the amounts computed pursuant to subdivisions (c) to (i), inclusive, of Section 42238.02 and included in the amount of funding that ~~may be~~ *is subject to* offset pursuant to subdivision (j) of Section 42238.02. The amount included as an add-on pursuant to this paragraph shall not receive a cost-of-living adjustment.

SEC. 22. Section 42238.03 of the Education Code is amended to read:

42238.03. (a) Commencing with the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall calculate a base entitlement for the transition to the local control funding formula for each school district and charter school equal to the sum of the amounts computed pursuant to paragraphs (1) to (4), inclusive. The amounts computed pursuant to paragraphs (1) to (4), inclusive, shall be continuously appropriated pursuant to Section 14002.

(1) The current fiscal year base entitlement funding level shall be the sum of all of the following:

(A) For school districts, revenue limits in the 2012–13 fiscal year as computed pursuant to Article 2 (commencing with Section 42238), as that article read on January 1, 2013, divided by the 2012–13 average daily attendance of the school district computed

1 pursuant to Section 42238.05. That quotient shall be multiplied
2 by the current fiscal year average daily attendance of the school
3 district computed pursuant Section 42238.05. A school district's
4 2012–13 fiscal year revenue limit funding shall exclude amounts
5 computed pursuant to Article 4 (commencing with Section 42280).
6 *For purposes of this subparagraph, 2012–13 fiscal year average*
7 *daily attendance and 2012–13 fiscal year revenue limits shall be*
8 *considered final as of the annual apportionment for the 2012–13*
9 *fiscal year, as calculated for purposes of the certification required*
10 *on or before February 20, 2014, pursuant to Sections 41332 and*
11 *41339.*

12 (B) (i) For charter schools, general purpose funding in the
13 2012–13 fiscal year as computed pursuant to Article 2
14 (commencing with Section 47633) of Chapter 6 of Part 26.8 of
15 Division 4, as that article read on January 1, 2013, and the amount
16 of in-lieu property tax provided to the charter school pursuant to
17 Section 47635, as that section read on June 30, 2013, divided by
18 the 2012–13 average daily attendance of the charter school
19 computed pursuant to Section 42238.05. That quotient shall be
20 multiplied by the current fiscal year average daily attendance of
21 the charter school computed pursuant to Section 42238.05. *For*
22 *purposes of this subparagraph, 2012–13 fiscal year average daily*
23 *attendance and 2012–13 fiscal year general purpose funding, as*
24 *computed pursuant to Article 2 (commencing with Section 47633)*
25 *of Chapter 6 of Part 26.8 of Division 4, as that article read on*
26 *January 1, 2013, shall be considered final as of the annual*
27 *apportionment for the 2012–13 fiscal year, as calculated for*
28 *purposes of the certification required on or before February 20,*
29 *2014, pursuant to Sections 41332 and 41339.*

30 (ii) The amount computed pursuant to clause (i) shall exclude
31 funds received by a charter school pursuant to Section 47634.1,
32 as that section read on January 1, 2013.

33 (C) The amount computed pursuant to subparagraph (A) shall
34 exclude funds received pursuant to Section 47633, as that section
35 read on January 1, 2013.

36 (D) For school districts, funding for qualifying necessary small
37 high school and necessary small elementary schools shall be
38 adjusted to reflect the funding levels that correspond to the 2012–13
39 necessary small high school and necessary small elementary school
40 allowances pursuant Article 4 (commencing with Section 42280)

1 and Section 42238.146, as those provisions read on January 1,
2 2013.

3 (2) (A) Entitlements from items contained in Section 2.00, as
4 adjusted pursuant to Section 12.42, of the Budget Act of 2012 for
5 Items 6110-104-0001, 6110-105-0001, 6110-108-0001,
6 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001,
7 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001,
8 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001,
9 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001,
10 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001,
11 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,
12 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,
13 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001,
14 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for
15 the Class Size Reduction Program pursuant to Chapter 6.10
16 (commencing with Section 52120) of Part 28 of Division 4, as it
17 read on January 1, 2013, and 2012–13 fiscal year funding for pupils
18 enrolled in community day schools who are mandatorily expelled
19 pursuant to subdivision (d) of Section 48915. The entitlement for
20 basic aid school districts shall include the reduction of 8.92 percent
21 as applied pursuant to subparagraph (A) of paragraph (1) of
22 subdivision (a) of ~~Section 3 of Chapter 2~~ *Section 89 of Chapter*
23 *38 of the Statutes of 2012. For purposes of this subparagraph,*
24 *2012–13 fiscal year entitlements shall be considered final as of*
25 *the annual apportionment for the 2012–13 fiscal year, as calculated*
26 *for purposes of the certification required on or before February*
27 *20, 2014, pursuant to Sections 41332 and 41339.*

28 (B) *Commencing with the 2014–15 fiscal year, the entitlements*
29 *identified in subparagraph (A) shall be adjusted to reflect the*
30 *exclusion of one-time redevelopment agency liquid asset recovery*
31 *revenue, pursuant to Section 34179.5 and following, of the Health*
32 *and Safety Code, before the application of the 8.92-percent*
33 *reduction applied pursuant to subparagraph (A) of paragraph (1)*
34 *of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.*

35 (3) The allocations pursuant to Sections 42606 and 47634.1, as
36 those sections read on January 1, 2013, divided by the 2012–13
37 average daily attendance of the charter school computed pursuant
38 to Section 42238.05. That quotient shall be multiplied by the
39 current fiscal year average daily attendance of the charter school
40 computed pursuant to Section 42238.05.

(4) The amount allocated to a school district or charter school pursuant to paragraph (3) of subdivision (b) for the fiscal years before the current fiscal year divided by the average daily attendance of the school district or charter school for the fiscal years before the current fiscal year computed pursuant to Section 42238.05. That quotient shall be multiplied by the current fiscal year average daily attendance of the school district or charter school computed pursuant to Section 42238.05.

(5) (A) For the 2013–14 and 2014–15 fiscal years only, a school district that, in the 2012–13 fiscal year, from any of the funding sources identified in paragraph (1) or (2), received funds on behalf of, or provided funds to, a regional occupational center or program joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing instruction to secondary pupils shall not redirect that funding for another purpose unless otherwise authorized in law or pursuant to an agreement between the regional occupational center or program joint powers agency and the contracting school district.

(B) For the 2013–14 and 2014–15 fiscal years only, if a regional occupational center or program joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing instruction to pupils enrolled in grades 9 to 12, inclusive, received, in the 2012–13 fiscal year, an apportionment of funds directly from any of the funding sources identified in subparagraph (A) of paragraph (2) of subdivision (a), the Superintendent shall apportion that same amount to the regional occupational center or program joint powers agency.

(6) (A) (i) For the 2013–14 and 2014–15 fiscal years only, a school district that, in the 2012–13 fiscal year, from any of the funding sources identified in paragraph (1) or (2), received funds on behalf of, or provided funds to, a home-to-school transportation joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation shall not redirect that funding for another purpose unless otherwise authorized in law or pursuant to an agreement between the home-to-school transportation joint powers agency and the contracting school district.

(ii) For the 2013–14 and 2014–15 fiscal years only, if a home-to-school transportation joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation received, in the 2012–13 fiscal year, an apportionment of funds directly from the Superintendent from any of the funding sources identified in subparagraph (A) of paragraph (2) of subdivision (a), the Superintendent shall apportion that same amount to the home-to-school transportation joint powers agency.

(B) In addition to subparagraph (A), of the funds a school district receives for home-to-school transportation programs the school district shall expend, pursuant to Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5, Article 10 (commencing with Section 41850) of Chapter 5, and the Small School District Transportation program, as set forth in Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, no less for those programs than the amount of funds the school district expended for home-to-school transportation in the 2012–13 fiscal year.

(7) For the 2013–14 and 2014–15 fiscal years only, of the funds a school district receives for purposes of regional occupational centers or programs, or adult education, the school district shall expend no less than the amount of funds the school district expended for purposes of regional occupational centers or programs, or adult education, respectively, in the 2012–13 fiscal year. For purposes of this paragraph, a school district may include expenditures made by its county office of education within the school district for purposes of regional occupational centers or programs so long as the total amount of expenditures by the school district and the county office of education equal or exceed the total amount required to be expended for purposes of regional occupational centers or programs pursuant to this paragraph and paragraph (3) of subdivision (k) of Section 2575.

(8) For the 2013–14 and 2014–15 fiscal years only, and for purposes of ensuring the continuity of essential induction and training services for beginning teachers, the Alameda County Superintendent of Schools shall withhold five hundred eighty-one thousand five hundred forty dollars (\$581,540) from the local control funding formula apportionments of the Newark Unified

1 School District, and from those withheld funds shall allocate the
2 following amounts to the following entities:

3 (A) One hundred forty-seven thousand nine hundred dollars
4 (\$147,920) to the Alameda Unified School District.

5 (B) One hundred four thousand dollars (\$104,000) to the San
6 Leandro Unified School District.

7 (C) One hundred sixty-four thousand six hundred twenty dollars
8 (\$164,620) to the Berkeley Unified School District.

9 (D) One hundred sixty-five thousand dollars (\$165,000) to the
10 San Lorenzo Unified School District.

11 (b) Compute an annual local control funding formula transition
12 adjustment for each school district and charter school as follows:

13 (1) Subtract the amount computed pursuant to paragraphs (1)
14 to (4), inclusive, of subdivision (a) from the amount computed for
15 each school district or charter school under the local control
16 funding formula entitlements computed pursuant to Section
17 42238.02. School districts and charter schools with a negative
18 difference shall be deemed to have a zero difference.

19 (2) Each school district's and charter school's total need, as
20 calculated pursuant to paragraph (1), shall be divided by the sum
21 of all school districts' and charter schools' total need to determine
22 the school district's or charter school's respective proportions of
23 total need.

24 (3) (A) Each school district's and charter school's proportion
25 of total need shall be multiplied by any available appropriations
26 specifically made for purposes of this subdivision, and added to
27 the school district's or charter school's funding amounts as
28 calculated pursuant to subdivision (a).

29 (B) For purposes of subparagraph (A), the proportion of total
30 need that is funded from any available appropriations specifically
31 made for purposes of this subdivision for a fiscal year shall be
32 considered fixed as of the second principal apportionment for that
33 fiscal year. Adjustments to a school district's or charter school's
34 total need, as computed pursuant to paragraph (1), subsequent to
35 the second principal apportionment for a fiscal year, shall be
36 funded based on the fixed proportion of total need that is funded
37 for that fiscal year pursuant to this subdivision and shall be
38 continuously appropriated pursuant to Section 14002.

39 (4) If the total amount of funds appropriated for purposes of
40 paragraph (3) pursuant to this subdivision are sufficient to fully

1 fund any positive amounts computed pursuant to paragraph (1),
2 the local control funding formula grant computed pursuant to
3 subdivision (c) of Section 42238.02 shall be adjusted to ensure
4 that any available appropriation authority is expended for purposes
5 of the local control funding formula.

6 (5) Commencing with the first fiscal year after either paragraph
7 (4) of this subdivision or paragraph (2) of subdivision (g) applies,
8 the adjustments in paragraph (2) of subdivision (d) of Section
9 42238.02 shall be made only if an appropriation for those
10 adjustments is included in the annual Budget Act.

11 (c) The Superintendent shall subtract from the amounts
12 computed pursuant to subdivisions (a) and (b) the sum of the
13 following:

14 (1) (A) For school districts, the property tax revenue received
15 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter
16 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
17 Revenue and Taxation Code.

18 (B) For charter schools, the in-lieu property tax amount provided
19 to a charter school pursuant to Section 47635.

20 (2) The amount, if any, received pursuant to Part 18.5
21 (commencing with Section 38101) of Division 2 of the Revenue
22 and Taxation Code.

23 (3) The amount, if any, received pursuant to Chapter 3
24 (commencing with Section 16140) of Part 1 of Division 4 of Title
25 2 of the Government Code.

26 (4) Prior years' taxes and taxes on the unsecured roll.

27 (5) Fifty percent of the amount received pursuant to Section
28 41603.

29 (6) The amount, if any, received pursuant to the Community
30 Redevelopment Law (Part 1 (commencing with Section 33000)
31 of Division 24 of the Health and Safety Code), less any amount
32 received pursuant to Section 33401 or 33676 of the Health and
33 Safety Code that is used for land acquisition, facility construction,
34 reconstruction, or remodeling, or deferred maintenance and that
35 is not an amount received pursuant to Section 33492.15, or
36 paragraph (4) of subdivision (a) of Section 33607.5, or Section
37 33607.7 of the Health and Safety Code that is allocated exclusively
38 for educational facilities.

(7) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.

(8) Revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(d) A school district or charter school that has a zero difference pursuant to paragraph (1) of subdivision (b) in the prior fiscal year shall receive an entitlement equal to the amount calculated pursuant to Section 42238.02 in the current fiscal year and future fiscal years.

(e) Notwithstanding the computations pursuant to subdivisions (b) to (d), inclusive, and Section 42238.02, commencing with the 2013–14 fiscal year, a school district or charter school shall receive state-aid funding of no less than the sum of the amounts computed pursuant to paragraphs (1) to (3), inclusive.

(1) (A) For school districts, revenue limits in the 2012–13 fiscal year as computed pursuant to Article 2 (commencing with Section 42238), as that article read on January 1, 2013, divided by the 2012–13 average daily attendance of the school district computed pursuant to Section 42238.05. That quotient shall be multiplied by the current fiscal year average daily attendance of the school district computed pursuant Section 42238.05. A school district's 2012–13 revenue limit funding shall exclude amounts computed pursuant to Article 4 (commencing with Section 42280). *For purposes of this subparagraph, 2012–13 fiscal year average daily attendance and 2012–13 fiscal year revenue limits shall be considered final as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.*

(B) (i) For charter schools, general purpose funding in the 2012–13 fiscal year as computed pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4, as that article read on January 1, 2013, and the amount of in-lieu property tax provided to the charter school in the 2012–13 fiscal year pursuant to Section 47635, as that section read on January 1, 2013, divided by the 2012–13 average daily attendance of the charter school computed pursuant to Section 42238.05. That quotient shall be multiplied by the current fiscal year average daily

attendance of the charter school computed pursuant to Section 42238.05. *For purposes of this subparagraph, 2012–13 fiscal year average daily attendance and 2012–13 fiscal year general purpose funding, as computed pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4, as that article read on January 1, 2013, shall be considered final as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.*

(ii) The amount computed pursuant to clause (i) shall exclude funds received by a charter school pursuant to Section 47634.1, as that section read on January 1, 2013.

(C) The amount computed pursuant to subparagraph (A) shall exclude funds received pursuant to Section 47633, as that section read on January 1, 2013.

(D) For school districts, the 2012–13 funding allowance provided for qualifying necessary small high schools and necessary small elementary schools pursuant to Article 4 (commencing with Section 42280) and Section 42238.146, as those provisions read on January 1, 2013.

(E) The amount computed pursuant to subparagraphs (A) to (D), inclusive, shall be reduced by the sum of the amount computed pursuant to paragraphs (1) to (8), inclusive, of subdivision (c).

(2) (A) Entitlements from items contained in Section 2.00, as adjusted pursuant to Section 12.42, of the Budget Act of 2012 for Items 6110-104-0001, 6110-105-0001, 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001, 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4, as it read on January 1, 2013, and 2012–13 fiscal year funding for pupils enrolled in community day schools who are mandatorily expelled pursuant to subdivision (d) of Section 48915. ~~Notwithstanding~~

~~Section 39 of Chapter 38 of the Statutes of 2012, the~~ The entitlement for basic aid school districts shall include the reduction of 8.92 percent as applied pursuant to subparagraph (A) of paragraph (1) of subdivision (a) of ~~Section 3 of Chapter 2~~ *Section 89 of Chapter 38 of the Statutes of 2012. For purposes of this subparagraph, 2012–13 fiscal year entitlements shall be considered final as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.*

(B) Commencing with the 2014–15 fiscal year, the entitlements identified in subparagraph (A) shall be adjusted to reflect the exclusion of one-time redevelopment agency liquid asset recovery revenue, pursuant to Section 34179.5 and following, of the Health and Safety Code, before the application of the 8.92-percent reduction applied pursuant to subparagraph (A) of paragraph (1) of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

~~(B)~~

(C) The Superintendent shall annually apportion any entitlement provided to the state special schools from the items specified in subparagraph (A) to the state special schools in the same amount as the state special schools received from those items in the 2012–13 fiscal year.

(3) The allocations pursuant to Sections 42606 and 47634.1, as those sections read on January 1, 2013, divided by the 2012–13 average daily attendance of the charter school. That quotient shall be multiplied by the current fiscal year average daily attendance of the charter school.

(f) (1) For purposes of this section, commencing with the 2013–14 fiscal year and until all school districts and charter schools equal or exceed their local control funding formula target computed pursuant to Section 42238.02, as determined by the calculation of a zero difference pursuant to paragraph (1) of subdivision (b), a newly operational charter school shall be determined to have a prior year per average daily attendance funding amount equal to the lesser of:

(A) The prior year funding amount per unit of average daily attendance for the school district in which the charter school is physically located. The Superintendent shall calculate the funding amount per unit of average daily attendance for this purpose by dividing the total local control funding formula entitlement,

1 calculated pursuant to subdivisions (a) and (b), received by that
2 school district in the prior year by prior year funded average daily
3 attendance of that school district. For purposes of this
4 subparagraph, a charter school that is physically located in more
5 than one school district shall use the calculated local control
6 funding entitlement per unit of average daily attendance of the
7 school district with the highest prior year funding amount per unit
8 of average daily attendance. *For purposes of this subparagraph,*
9 *the prior year funding amount per unit of average daily attendance*
10 *for the school district in which the charter school is physically*
11 *located shall be considered final as of the second principal*
12 *apportionment of the prior fiscal year.*

13 (B) The charter school's local control funding formula rate
14 computed pursuant to subdivisions (c) to (i), inclusive, of Section
15 42238.02.

16 (2) For charter schools funded pursuant to paragraph (1), the
17 charter school shall be eligible to receive growth funding pursuant
18 to subdivision (b) toward meeting the newly operational charter
19 school's local control funding formula target.

20 (3) Upon a determination that all school districts and charter
21 schools equal or exceed the local control funding formula target
22 computed pursuant to Section 42238.02, as determined by the
23 calculation of a zero difference pursuant to paragraph (1) of
24 subdivision (b) for all school districts and charter schools, this
25 subdivision shall not apply and the charter school shall receive an
26 allocation equal to the amount calculated under Section 42238.02
27 in that fiscal year and future fiscal years.

28 (4) *For purposes of this subdivision, the determination of a*
29 *charter school's physical location shall be considered final as of*
30 *the second principal apportionment for the applicable fiscal year.*

31 (g) (1) In each fiscal year the Superintendent shall determine
32 the percentage of school districts that are apportioned funding
33 pursuant to this section that is less than the amount computed
34 pursuant to Section 42238.02 as of the second principal
35 apportionments of the fiscal year. If the percentage is less than 10
36 percent, the Superintendent shall apportion funding to school
37 districts and charter schools equal to the amount computed pursuant
38 to Section 42238.02 in that fiscal year.

(2) For each fiscal year thereafter, the Superintendent shall apportion funding to a school district and charter school equal to the amount computed pursuant to Section 42238.02.

SEC. 23. Section 42238.05 of the Education Code is amended to read:

42238.05. (a) For purposes of Sections 42238.02, 42238.025, and 42238.03, the fiscal year average daily attendance for a school district shall be computed pursuant to paragraphs (1) to (3), inclusive, as applicable.

(1) The second principal apportionment regular average daily attendance for either the current or prior fiscal year, whichever is greater, excluding units of average daily attendance resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280).

(2) The units of average daily attendance resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280).

(3) Prior fiscal year average daily attendance shall be adjusted for any loss or gain of average daily attendance due to a reorganization or transfer of territory.

(b) For purposes of this article, regular average daily attendance shall be the base grant average daily attendance.

(c) For purposes of this section, the Superintendent shall distribute total ungraded enrollment and average daily attendance among kindergarten and each of grades 1 to 12, inclusive, in proportion to the amounts of graded enrollment and average daily attendance, respectively, in each of these grades.

(d) Subdivisions (a) to (c), inclusive, shall only apply to average daily attendance generated by school districts and shall not apply to average daily attendance generated by charter schools.

(e) A pupil shall not be counted more than once for purposes of calculating average daily attendance pursuant to this section.

(f) For purposes of Sections 42238.02, 42238.025, and 42238.03, average daily attendance for a charter school shall be the total current year average daily attendance in the corresponding grade level ranges for the charter school as computed pursuant to Section 47634.3, school.

SEC. 24. Section 42238.055 is added to the Education Code, to read:

1 42238.055. (a) Sections 42238.051 and 42238.052 do not
2 apply to resident pupils in charter schools operating under the
3 districtwide charter of a school district that has converted all of
4 its schools to charter status pursuant to Section 47606.

5 (b) For purposes of this section, “resident pupils” means pupils
6 who reside in, and are otherwise eligible to attend, a school in the
7 specified school district.

8 SEC. 25. Section 42238.18 of the Education Code is amended
9 to read:

10 42238.18. (a) Notwithstanding any other ~~provision of law,~~
11 only those pupils enrolled in county office of education programs
12 while detained in a juvenile hall, juvenile home, day center,
13 juvenile ranch, juvenile camp, or regional youth educational facility
14 established pursuant to Article 23 (commencing with Section 850),
15 Article 24 (commencing with Section 880), and Article 24.5
16 (commencing with Section 894) of Chapter 2 of Part 1 of Division
17 2 of the Welfare and Institutions Code shall be counted as juvenile
18 court school pupils. For purposes of apportionments, those pupils
19 in a group home housing 25 or more children placed pursuant to
20 Sections 362, 727, and 730 of the Welfare and Institutions Code
21 or in any group home housing 25 or more children and operating
22 one or more additional sites under a central administration for
23 children placed pursuant to Section 362, 727, or 730 of the Welfare
24 and Institutions Code shall be reported as county group home and
25 institutions pupils to the Superintendent and shall be counted as
26 juvenile court school pupils for purposes of apportionments.

27 ~~(b) Notwithstanding any other provision of law, any county~~
28 ~~superintendent of schools operating juvenile court schools, county~~
29 ~~group home and institutions schools, or community schools, or~~
30 ~~any combination of these schools shall maintain an account in their~~
31 ~~general fund to be known as the juvenile court and community~~
32 ~~school account, and shall deposit all funds derived from the~~
33 ~~operation of juvenile court, county group home and institutions~~
34 ~~schools, and community schools into that account. Expenditures~~
35 ~~from the juvenile court and community school account shall be~~
36 ~~limited to the following:~~

37 ~~(1) Those expenditures defined as direct costs of instructional~~
38 ~~programs by the California State School Accounting Manual,~~
39 ~~except that facility costs, including the costs of renting, leasing,~~
40 ~~purchasing, remodeling, constructing, or improving buildings and~~

1 the costs of purchasing or improving land, shall be allowed as an
2 instructional cost in the juvenile court and community school fund.
3 ~~Deferred maintenance contributions made pursuant to Section~~
4 ~~17584 may also be allowed as an instructional cost of juvenile~~
5 ~~court and county community school programs, provided the~~
6 ~~contribution does not exceed the program's proportionate share~~
7 ~~of total county school service fund expenditures as defined in~~
8 ~~Section 17584, and provided the funds are used for deferred~~
9 ~~maintenance of juvenile court and county community school~~
10 ~~facilities.~~

11 (2) ~~Expenditures that are defined as documented direct support~~
12 ~~costs by the California State School Accounting Manual.~~

13 (3) ~~Expenditures that are defined as allocated direct support~~
14 ~~costs by the California State School Accounting Manual.~~

15 (4) ~~Other expenditures for support and indirect charges.~~
16 ~~However, these charges may not exceed 10 percent of the sum of~~
17 ~~the expenditures in paragraphs (1), (2), and (3):~~

18 ~~Expenditures that represent contract payments to other agencies~~
19 ~~for the operation of juvenile court and community school programs~~
20 ~~shall be included in the juvenile court and community school~~
21 ~~account and the contract costs distributed to the cost categories~~
22 ~~defined in paragraphs (1), (2), (3), and (4). At the end of any given~~
23 ~~school year the net ending balance in the juvenile court and~~
24 ~~community school account may be distributed to a reserved account~~
25 ~~for economic contingencies or to a reserved account for capital~~
26 ~~outlay, provided that the combined total transferred does not exceed~~
27 ~~15 percent of the current year's authorized expenditures as specified~~
28 ~~above and also provided that funds placed in the reserved accounts~~
29 ~~shall only be expended for juvenile court, county group home and~~
30 ~~institutions, or community school programs. The net ending~~
31 ~~balance, except for those funds placed in a capital outlay fund,~~
32 ~~shall not exceed the greater of 15 percent of the previous year's~~
33 ~~expenditures or twenty-five thousand dollars (\$25,000). A county~~
34 ~~may accumulate over a period of two or more given school years~~
35 ~~a net ending balance in the capital outlay reserved account of more~~
36 ~~than 15 percent of the current fiscal year's expenditures under~~
37 ~~provisions of a resolution of the governing board. Funds in the~~
38 ~~capital outlay reserve are to be used for capital outlay only. The~~
39 ~~Superintendent shall require an annual certification by county~~
40 ~~superintendents of schools beginning in the 1989-90 fiscal year~~

1 that juvenile court, county group home and institutions, and
2 community school funds have been expended as provided in this
3 section and shall withhold from the subsequent year's
4 apportionment an amount equal to any excess ending balance or
5 excess transfers, as provided in this subdivision, in the juvenile
6 court and community school account.

7 (e)

8 (b) Notwithstanding any other provision of law, pupils who are
9 referred by the county probation department under Section 601 or
10 654 of the Welfare and Institutions Code, shall be enrolled and
11 eligible for apportionments in county community schools only
12 after an individualized review and certification of the
13 appropriateness of enrollment in the county group home and
14 institution's school or county community school. The
15 individualized review shall include representatives of the court,
16 the county department office of education, the county probation
17 department, and either the school district of residence or, in cases
18 in which the pupil resides in a group home or institution, the school
19 district in which the group home or institution is located, and, in
20 each case, the school district representative shall agree to the
21 appropriateness of the proposed placement and pupils so placed
22 shall have a probation officer assigned to their case.

23 (d)

24 (c) Regardless of the operative date of the amendments to this
25 section made during the 1997 portion of the 1997-98 Regular
26 Session, this section, as so amended, shall be implemented as
27 though it had been operative on July 1, 1996. For the purpose of
28 implementing this section for the entire 1996-97 fiscal year, the
29 Superintendent and other public officers shall take all necessary
30 steps to effect the required adjustments and shall have authority
31 to adjust allowance computations, apportionments, and
32 disbursements ordered from Section A of the State School Fund
33 and other public funds.

34 (d) Notwithstanding any other law, on or after July 1, 2013, a
35 county office of education may expend funds previously deposited
36 in the capital outlay reserve established pursuant to former
37 paragraph (4) of subdivision (b) of this section, as this section
38 read on June 30, 2013, for any of the purposes specified in the
39 local control and accountability plan adopted pursuant to Section
40 52066.

1 *SEC. 26. Section 42238.20 of the Education Code is amended*
2 *to read:*

3 42238.20. (a) Notwithstanding any other law, commencing in
4 with the 2008–09 fiscal year, the minimum schoolday for a pupil
5 concurrently enrolled in regular secondary school classes and
6 classes operating pursuant to a joint powers agreement that became
7 effective before January 1, 2008, is 180 minutes. These regular
8 secondary school classes constitute regular school classes for the
9 purposes of Section 46010.3.

10 (b) For a pupil described in subdivision (a), the average daily
11 attendance shall be included as school district average daily
12 attendance computed pursuant to Section ~~42238.5~~. 42238.05.

13 (c) For purposes of computing attendance pursuant to Section
14 46300 or any other law, immediate supervision and control of
15 pupils while attending classes pursuant to a joint powers agreement
16 described in subdivision (a) is deemed satisfied regardless of the
17 school district employing the certificated employee providing the
18 supervision and control, provided the school district is a party to
19 the joint powers agreement.

20 (d) This section shall become inoperative on July 1, 2017, and,
21 as of January 1, 2018, is repealed, unless a later enacted statute,
22 that becomes operative on or before January 1, 2018, deletes or
23 extends the dates on which it becomes inoperative and is repealed.

24 *SEC. 27. Section 42238.53 of the Education Code is repealed.*

25 ~~42238.53. (a) Sections 42238.51 and 42238.52 do not apply~~
26 ~~to resident pupils in charter schools operating under the districtwide~~
27 ~~charter of a district that has converted all of its schools to charter~~
28 ~~status pursuant to Section 47606 and has elected not to be funded~~
29 ~~pursuant to Article 2 (commencing with Section 47633) of Chapter~~
30 ~~6 of Part 26.~~

31 ~~(b) For the purposes of this section, “resident pupils” means~~
32 ~~pupils who reside in, and are otherwise eligible to attend, a school~~
33 ~~in the specified district.~~

34 *SEC. 28. Section 42284 of the Education Code is amended to*
35 *read:*

36 42284. (a) For each school district with fewer than 2,501 units
37 of average daily attendance, on account of each necessary small
38 high school, the ~~county superintendent of schools~~ Superintendent
39 shall make one of the following computations selected with regard

only to the number of certificated employees employed or average daily attendance, whichever provides the lesser amount:

Average daily attendance	Minimum number of certificated employees	Amount to be computed
1– 19	less than 3	\$42,980 per teacher
1– 19	3	191,340
20– 38	4	234,320
39– 57	5	277,300
58– 71	6	320,280
72– 86	7	363,260
87– 100	8	406,240
101–114	9	449,220
115–129	10	492,200
130–143	11	535,180
144–171	12	578,160
172–210	13	621,140
211–248	14	664,120
249–286	15	707,100

(b) For purposes of this section, a “certificated employee” means an equivalent full-time position of an individual holding a credential authorizing service and providing service in grades 9 to 12, inclusive, in any secondary school. Any fraction of an equivalent full-time position remaining after all equivalent full-time positions for certificated employees within the school district have been calculated shall be deemed to be a full-time position.

(c) A school district that qualifies under this section may use the funding calculation as provided in this section until the local control funding formula allocation pursuant to Section 42238.02, as implemented by Section 42238.03, per unit of average daily attendance multiplied by the average daily attendance produces state aid equal to the funding provided under this section.

SEC. 29. Section 42285 of the Education Code is amended to read:

42285. (a) For purposes of Section 42284, a necessary small high school is a high school with an average daily attendance of

1 less than 287 *pupils* that comes within any of the following
2 conditions:

3 (1) The projection of its future enrollment on the basis of the
4 enrollment of the elementary schools in the school district shows
5 that within eight years the enrollment in high school in grades 9
6 to 12, inclusive, will exceed 286 pupils.

7 (2) Any one of the following combinations of distance and units
8 of average daily attendance applies:

9 (A) The high school had an average daily attendance of less
10 than 96 *pupils* in grades 9 to 12, inclusive, during the preceding
11 fiscal year and is more than 15 miles by well-traveled road from
12 the nearest other public high school and either 90 percent of the
13 pupils would be required to travel 20 miles or 25 percent of the
14 pupils would be required to travel 30 miles one way from a point
15 on a well-traveled road nearest their homes to the nearest other
16 public high school.

17 (B) The high school had an average daily attendance of 96 *pupils*
18 or more and less than 144 *pupils* in grades 9 to 12, inclusive, during
19 the preceding fiscal year and is more than 10 miles by well-traveled
20 road from the nearest other public high school and either 90 percent
21 of the pupils would be required to travel 18 miles or 25 percent of
22 the pupils would be required to travel 25 miles one way from a
23 point on a well-traveled road nearest their homes to the nearest
24 other public high school.

25 (C) The high school had an average daily attendance of 144
26 *pupils* or more and less than 192 *pupils* in grades 9 to 12, inclusive,
27 during the preceding fiscal year and is more than 7½ miles by
28 well-traveled road from the nearest other public high school and
29 either 90 percent of the pupils would be required to travel 15 miles
30 or 25 percent of the pupils would be required to travel 20 miles
31 one way from a point on a well-traveled road nearest their homes
32 to the nearest other public high school.

33 (D) The high school had an average daily attendance of 192
34 *pupils* or more and less than 287 *pupils* in grades 9 to 12, inclusive,
35 during the preceding fiscal year and is more than 5 miles by
36 well-traveled road from the nearest other public high school and
37 either 90 percent of the pupils would be required to travel 10 miles
38 or 25 percent of the pupils would be required to travel 15 miles to
39 the nearest other public high school.

1 (3) Topographical or other conditions exist in the school district
2 which would impose unusual hardships on the pupils if the number
3 of miles specified ~~above in paragraph (2)~~ were required to be
4 traveled. In these cases, the Superintendent may, when requested,
5 and after investigation, grant exceptions from the distance
6 requirements.

7 (4) The Superintendent has approved the recommendation of a
8 county committee on school district organization designating one
9 of two or more schools as necessary isolated schools in a situation
10 where the schools are operated by two or more school districts and
11 the average daily attendance of each of the schools is less than 287
12 pupils in grades 9 to 12, inclusive.

13 (b) For purposes of Section 42284, a necessary small high school
14 also includes ~~a high school maintained by a school district for the~~
15 ~~exclusive purpose of educating juvenile hall pupils or pupils with~~
16 ~~exceptional needs; any of the following:~~

17 (1) *A high school maintained by a school district for the*
18 *exclusive purpose of educating juvenile hall pupils or pupils with*
19 *exceptional needs.*

20 (2) *A high school maintained by a county office of education*
21 *for the exclusive purpose of educating foster youth if the high*
22 *school provided instruction in the 2012–13 fiscal year and the*
23 *high school is the only one maintained by the county office of*
24 *education that exclusively educates foster youth. Notwithstanding*
25 *Section 42286, this paragraph shall become inoperative on July*
26 *1, 2017.*

27 (3) *A high school maintained by a unified school district as the*
28 *only comprehensive high school if the high school has an average*
29 *daily attendance of less than 286 pupils and the school district*
30 *has 50 or fewer pupils per square mile of school district territory,*
31 *as measured by the number of pupils residing in the school district.*
32 *Notwithstanding Section 42286, this paragraph shall become*
33 *inoperative on July 1, 2017.*

34 (c) For purposes of Section 42284, a necessary small high school
35 does not include a continuation school.

36 (d) For purposes of this section, “other public high school” is
37 a public school, including a charter school, that serves any of
38 grades 9 to 12, inclusive.

39 SEC. 30. Section 46200.5 of the Education Code is repealed.

1 ~~46200.5. (a) In the 1985–86 fiscal year, for each county office~~
2 ~~of education that certifies to the Superintendent of Public~~
3 ~~Instruction that it offers 180 days or more of instruction per school~~
4 ~~year of special day classes pursuant to Section 56364.2, the~~
5 ~~Superintendent of Public Instruction shall determine an amount~~
6 ~~equal to seventy dollars (\$70) per unit of current year second~~
7 ~~principal apportionment average daily attendance for special day~~
8 ~~classes. This computation shall be included in computations made~~
9 ~~by the superintendent pursuant to Chapter 7.2 (commencing with~~
10 ~~Section 56836) of Part 30.~~

11 ~~(b) For any county office of education that received an~~
12 ~~apportionment pursuant to subdivision (a) and that offered less~~
13 ~~than 180 days of instruction in the 1986–87 fiscal year, to the~~
14 ~~2000–01 fiscal year, inclusive, and that does not provide the~~
15 ~~minimum number of instructional minutes specified in subdivision~~
16 ~~(a) of Section 46201 for that fiscal year, the Superintendent of~~
17 ~~Public Instruction shall reduce the special education apportionment~~
18 ~~per unit of average daily attendance for that fiscal year by an~~
19 ~~amount attributable to the increase received pursuant to subdivision~~
20 ~~(a), as adjusted in fiscal years subsequent to the 1985–86 fiscal~~
21 ~~year.~~

22 ~~(c) For any county office of education that receives an~~
23 ~~apportionment pursuant to subdivision (a) and that offers less than~~
24 ~~180 days of instruction or in multitrack year-round schools a~~
25 ~~minimum of 163 days, in the 2001–02 fiscal year, or any fiscal~~
26 ~~year thereafter, the Superintendent of Public Instruction shall~~
27 ~~withhold from the county office of education’s revenue limit~~
28 ~~apportionment for the average daily attendance of each affected~~
29 ~~grade level the sum of 0.0056 multiplied by that apportionment,~~
30 ~~for each day less than 180 or, in multitrack year-round schools,~~
31 ~~for each day less than 163, that the county office of education~~
32 ~~offered.~~

33 ~~(d) For any county office of education that received an~~
34 ~~apportionment pursuant to subdivision (a) and that offered less~~
35 ~~than 180 days of instruction as required in subdivision (a) in the~~
36 ~~1986–87 fiscal year, to either the end of the final year of the teacher~~
37 ~~bargaining unit contract in force in that county office on January~~
38 ~~1, 2002, inclusive, or, if no teacher bargaining unit contract was~~
39 ~~in force in that county office on January 1, 2002, to the end of the~~
40 ~~2001–02 fiscal year, inclusive, and that provided the minimum~~

~~number of instructional minutes in subdivision (a) of Section 46201.5 during all of the period applicable to the county office pursuant to this subdivision, subdivision (c) does not apply until the first fiscal year following the end of the applicable period of years.~~

SEC. 31. Section 46200.5 is added to the Education Code, to read:

46200.5. For a county office of education that received an apportionment pursuant to former subdivision (c) of this section, as it read on January 1, 2013, and that offers fewer than 180 days of instruction, or, in multitrack year-round schools, fewer than the 163 days of instruction, as required in former subdivision (c) of this section, as it read on January 1, 2013, in the 2013–14 fiscal year or any fiscal year thereafter, the Superintendent shall withhold from the county superintendent of schools' local control funding formula alternative education grant computed pursuant to Section 2574, as apportioned pursuant to Section 2575, for the average daily attendance of each affected grade level, the product of 0.0056 multiplied by that apportionment for each day less than what was required to avoid a reduction pursuant to this section, as it read on January 1, 2013, up to a maximum of five days.

SEC. 32. Section 46201.5 of the Education Code is repealed.

~~46201.5. (a) In each of the 1985–86 and 1986–87 fiscal years, for each county office of education that certifies to the Superintendent of Public Instruction that, for special day classes pursuant to Section 56364.2, it offers at least the amount of instructional time specified in this subdivision, the Superintendent of Public Instruction shall determine an amount equal to eighty dollars (\$80) in the 1985–86 fiscal year and forty dollars (\$40) in the 1986–87 fiscal year per unit of current year second principal apportionment average daily attendance for special day classes in kindergarten and grades 1 to 8, inclusive, and one hundred sixty dollars (\$160) in the 1985–86 fiscal year and eighty dollars (\$80) in the 1986–87 fiscal year per unit of current year second principal apportionment average daily attendance for special day classes in grades 9 to 12, inclusive.~~

~~This computation shall be included in computations made by the superintendent pursuant to Article 2 (commencing with Section 56836.06) of Chapter 7.2 of Part 30.~~

~~(1) In the 1985–86 fiscal year:~~

- 1 (A) 34,500 minutes in kindergarten.
- 2 (B) 47,016 minutes in grades 1 to 3, inclusive.
- 3 (C) 50,000 minutes in grades 4 to 8, inclusive.
- 4 (D) 57,200 minutes in grades 9 to 12, inclusive.

5 (2) In the 1986–87 fiscal year:

- 6 (A) 36,000 minutes in kindergarten.
- 7 (B) 50,400 minutes in grades 1 to 3, inclusive.
- 8 (C) 54,000 minutes in grades 4 to 8, inclusive.
- 9 (D) 64,800 minutes in grades 9 to 12, inclusive.

10 ~~(b) Each county office of education that receives an~~
11 ~~apportionment pursuant to subdivision (a) in a fiscal year shall, in~~
12 ~~the subsequent fiscal year, add the amount received per pupil to~~
13 ~~the county office's base special education apportionment.~~

14 ~~(c) For each county office of education that receives an~~
15 ~~apportionment pursuant to subdivision (a) in the 1985–86 fiscal~~
16 ~~year, and that reduces the amount of instructional time offered~~
17 ~~below the minimum amounts specified in paragraph (1) of~~
18 ~~subdivision (a) in the 1986–87 fiscal year, or any fiscal year~~
19 ~~thereafter, up to and including the 2000–01 fiscal year, the~~
20 ~~Superintendent of Public Instruction shall reduce the special~~
21 ~~education apportionment for the fiscal year in which the reduction~~
22 ~~occurs by an amount attributable to the increase in the 1986–87~~
23 ~~fiscal year special education apportionment pursuant to subdivision~~
24 ~~(b), as adjusted in the 1986–87 fiscal year and fiscal years~~
25 ~~thereafter.~~

26 ~~(d) For each county office of education that receives an~~
27 ~~apportionment pursuant to subdivision (a) in the 1986–87 fiscal~~
28 ~~year and that reduces the amount of instructional time offered~~
29 ~~below the minimum amounts specified in paragraph (2) of~~
30 ~~subdivision (a) in the 1987–88 fiscal year, or any fiscal year~~
31 ~~thereafter, up to and including the 2000–01 fiscal year, the~~
32 ~~superintendent shall reduce the special education apportionment~~
33 ~~for the fiscal year in which the reduction occurs by an amount~~
34 ~~attributable to the increase in the 1987–88 fiscal year special~~
35 ~~education apportionment pursuant to subdivision (b), as adjusted~~
36 ~~in the 1987–88 fiscal year and fiscal years thereafter.~~

37 ~~(e) For each county office of education that receives an~~
38 ~~apportionment pursuant to subdivision (a) in the 1986–87 fiscal~~
39 ~~year and that reduces the amount of instructional time offered~~
40 ~~below the minimum amounts specified in paragraph (2) of~~

1 ~~subdivision (a) in the 2001-02 fiscal year, or any fiscal year~~
2 ~~thereafter, the Superintendent of Public Instruction shall withhold~~
3 ~~from the special education apportionment for the average daily~~
4 ~~attendance of each affected grade level, the sum of that~~
5 ~~apportionment multiplied by the percentage of the minimum~~
6 ~~offered minutes at that grade level that the county office of~~
7 ~~education failed to offer.~~

8 *SEC. 33. Section 46201.5 is added to the Education Code, to*
9 *read:*

10 *46201.5. (a) For a county office of education that received an*
11 *apportionment pursuant to former subdivision (a) of this section,*
12 *as it read on January 1, 2013, and that reduces the amount of*
13 *instructional time offered below the minimum amounts specified*
14 *in subdivision (b), the Superintendent shall withhold from the*
15 *county superintendent of schools' county local control funding*
16 *formula grant apportionment computed pursuant to Section 2574,*
17 *as apportioned pursuant to Section 2575, for the average daily*
18 *attendance of each affected grade level, the product of that*
19 *apportionment multiplied by the percentage of the minimum*
20 *required minutes at that grade level that the county office of*
21 *education failed to offer.*

22 *(b) Commencing with the 2013-14 fiscal year, a county office*
23 *of education shall, at a minimum, offer the following amount of*
24 *instructional time:*

25 *(1) Thirty-six thousand minutes in kindergarten.*

26 *(2) Fifty thousand four hundred minutes in grades 1 to 3,*
27 *inclusive.*

28 *(3) Fifty-four thousand minutes in grades 4 to 8, inclusive.*

29 *(4) Sixty-four thousand eight hundred minutes in grades 9 to*
30 *12, inclusive.*

31 *SEC. 34. Section 46380 of the Education Code is amended to*
32 *read:*

33 *46380. The average daily attendance for the fiscal year of pupils*
34 *residing in any a county of this state and attending a school in an*
35 *adjoining state under Article 1 (commencing with Section 2000)*
36 *of Chapter 7 of Part 2 of Division 1 of Title 1 shall be computed*
37 *by dividing the total number of days of attendance of the pupils*
38 *in the school by the number of days the school was maintained*
39 *during that fiscal year, but by not less than 175, and the average*

1 daily attendance so computed shall be credited to the county school
2 tuition fund. 175.

3 SEC. 35. Section 46610 of the Education Code is amended to
4 read:

5 46610. (a) (1) Notwithstanding any other provision of law,
6 the Fallbrook Union High School District shall enter into an
7 interdistrict attendance agreement with the Capistrano Unified
8 School District to allow any pupil, at the request of his or her parent
9 or guardian, to attend schools of the Capistrano Unified School
10 District when the pupil resides in the San Onofre housing area of
11 the Marine Corps Base, Camp Joseph H. Pendleton. No more than
12 150 pupils from the Fallbrook Union High School District may
13 attend school in the Capistrano Unified School District pursuant
14 to this interdistrict attendance agreement.

15 ~~The~~

16 (2) ~~The~~ Fallbrook Union High School District shall be credited
17 with the average daily attendance of these pupils ~~solely for the~~
18 ~~purpose of determining state apportionments and revenue limits~~
19 ~~and for the purpose~~ purposes of receiving federal grants pursuant
20 to Public Law 81-874.

21 ~~The~~

22 (b) ~~The~~ Fallbrook Union High School District shall pay tuition
23 to the Capistrano Unified School District for the attendance of
24 these pupils only in the amount of the state apportionments paid
25 to the Fallbrook Union High School District for the attendance of
26 these pupils, plus an amount computed pursuant to paragraphs
27 (1) and (2), as follows:

28 (a)

29 (1) Divide the amount of funds paid pursuant to Section 3 of
30 Public Law 81-874 (20 U.S.C. 238) to the Fallbrook Union High
31 School District in the current fiscal year by the average daily
32 attendance of the school district in the current fiscal year.

33 (b)

34 (2) Multiply the amount in subdivision (a) by the average daily
35 attendance, for the year of attendance for secondary school pupils
36 attending the schools of the Capistrano Unified School District
37 pursuant to Section 46610.

38 (c) ~~Notwithstanding any other law, the amount provided to the~~
39 ~~Fallbrook Union High School District and the Capistrano Unified~~
40 ~~School District for the 2012–13 fiscal year pursuant to this section~~

1 and Section 46111, as these sections read on June 1, 2013, shall
 2 be included in the computations made pursuant to paragraph (2)
 3 of subdivision (a) of Section 42238.025, paragraph (2) of
 4 subdivision (a) of Section 42238.03, and paragraph (2) of
 5 subdivision (e) of Section 42238.03. For purposes of calculating
 6 funding pursuant to subdivisions (a) and (e) of Section 42238.03,
 7 the school district of residence shall be credited with the 2012–13
 8 fiscal year revenue limit funding received for the pupils reported
 9 pursuant to this section after accounting for the amount of tuition
 10 paid to the school district of attendance. For purposes of
 11 calculating funding pursuant to subdivisions (a) and (e) of Section
 12 42238.03, the school district of attendance shall be credited with
 13 the average daily attendance of the pupils reported pursuant to
 14 this section in the 2012–13 fiscal year, and the tuition received by
 15 the school district of residence pursuant to this section and Section
 16 46611, as these sections read on March 1, 2014.

17 SEC. 36. Section 46611 of the Education Code is repealed.

18 ~~46611. (a) When an interdistrict attendance agreement is~~
 19 ~~entered into pursuant to Section 46610, the Superintendent of~~
 20 ~~Public Instruction shall apportion from Section A of the State~~
 21 ~~School Fund to the Capistrano Unified School District the~~
 22 ~~allowance computed in subdivision (b) for educating secondary~~
 23 ~~school pupils attending pursuant to the agreement during the year~~
 24 ~~the pupils are in attendance in that district reduced by the amounts~~
 25 ~~payable to Capistrano Unified School District by the Fallbrook~~
 26 ~~Union High School District pursuant to Section 46610.~~

27 ~~(b) The Superintendent of Public Instruction shall compute an~~
 28 ~~allowance for educating secondary school pupils, as follows:~~

29 ~~(1) Compute, for the year of attendance, the statewide average~~
 30 ~~revenue limit per unit of average daily attendance for high school~~
 31 ~~districts with more than 300 units of average daily attendance.~~

32 ~~(2) From the amount in paragraph (1), subtract one hundred~~
 33 ~~dollars (\$100).~~

34 ~~(3) Multiply the amount in paragraph (2) by the average daily~~
 35 ~~attendance, for the year of attendance, for secondary school pupils~~
 36 ~~attending the schools of the Capistrano Unified School District~~
 37 ~~pursuant to Section 46610.~~

38 SEC. 37. Section 47605.1 of the Education Code is amended
 39 to read:

1 47605.1. (a) (1) Notwithstanding any other ~~provision of law~~,
2 a charter school that is granted a charter from the governing board
3 of a school district or county office of education after July 1, 2002,
4 and commences providing educational services to pupils on or
5 after July 1, 2002, shall locate in accordance with the geographic
6 and site limitations of this part.

7 (2) Notwithstanding any other ~~provision of law~~, a charter school
8 that is granted a charter by the ~~State Board of Education~~ *state*
9 *board* after July 1, 2002, and commences providing educational
10 services to pupils on or after July 1, 2002, based on the denial of
11 a petition by the governing board of a school district or county
12 board of education, as described in paragraphs (1) and (2) of
13 subdivision (j) of Section 47605, may locate only within the
14 geographic boundaries of the chartering entity that initially denied
15 the petition for the charter.

16 (3) A charter school that receives approval of its charter from
17 a governing board of a school district, a county office of education,
18 or the ~~State Board of Education~~ *prior to state board before* July 1,
19 2002, but does not commence operations until after January 1,
20 2003, shall be subject to the geographic limitations of the part, in
21 accordance with subdivision (e).

22 (b) Nothing in this section is intended to affect the admission
23 requirements contained in subdivision (d) of Section 47605.

24 (c) Notwithstanding any other ~~provision, law~~, a charter school
25 may establish a resource center, meeting space, or other satellite
26 facility located in a county adjacent to that in which the charter
27 school is authorized if the following conditions are met:

28 (1) The facility is used exclusively for the educational support
29 of pupils who are enrolled in nonclassroom-based independent
30 study of the charter school.

31 (2) The charter school provides its primary educational services
32 in, and a majority of the pupils it serves are residents of, the county
33 in which the school is authorized.

34 (d) Notwithstanding subdivision (a) or subdivision (a) of Section
35 47605, a charter school that is unable to locate within the
36 geographic boundaries of the chartering school district may
37 establish one site outside the boundaries of the school district, but
38 within the county within which that school district is located, if
39 the school district where the charter school proposes to operate is
40 notified in advance of the charter petition approval, the county

1 superintendent of schools is notified of the location of the charter
2 school before it commences operations, and either of the following
3 circumstances exist:

4 (1) The school has attempted to locate a single site or facility
5 to house the entire program but such a facility or site is unavailable
6 in the area in which the school chooses to locate.

7 (2) The site is needed for temporary use during a construction
8 or expansion project.

9 (e) (1) For a charter school that was granted approval of its
10 charter ~~prior to~~ *before* July 1, 2002, and provided educational
11 services to pupils before July 1, 2002, this section shall only apply
12 to any new educational services or schoolsites established or
13 acquired by the charter school on or after July 1, 2002.

14 (2) For a charter school that was granted approval of its charter
15 ~~prior to~~ *before* July 1, 2002, but did not provide educational
16 services to pupils before July 1, 2002, this section shall only apply
17 upon the expiration of a charter that is in existence on January 1,
18 2003.

19 (3) Notwithstanding other implementation timelines in this
20 section, by June 30, 2005, or upon the expiration of a charter that
21 is in existence on January 1, 2003, whichever is later, all charter
22 schools shall be required to comply with this section for schoolsites
23 at which education services are provided to pupils ~~prior to~~ *before*
24 or after July 1, 2002, regardless of whether the charter school
25 initially received approval of its charter school petition ~~prior to~~
26 *before* July 1, 2002. To achieve compliance with this section, a
27 charter school shall be required to receive approval of a charter
28 petition in accordance with this section and Section 47605.

29 (4) Nothing in this section is intended to affect the authority of
30 a governmental entity to revoke a charter that is granted on or
31 before the effective date of this section.

32 (f) A charter school that submits its petition directly to a county
33 board of education, as authorized by Sections 47605.5 or 47605.6,
34 may establish charter school operations only within the
35 geographical boundaries of the county in which that county board
36 of education has jurisdiction.

37 (g) Notwithstanding any other ~~provision of~~ law, the jurisdictional
38 limitations set forth in this section do not apply to a charter school
39 that provides instruction exclusively in partnership with any of the
40 following:

1 (1) The federal Workforce Investment Act of 1998 (29 U.S.C.
2 Sec. 2801 et seq.).

3 (2) Federally affiliated Youth Build programs.

4 (3) Federal job corps training or instruction provided pursuant
5 to a memorandum of understanding with the federal provider.

6 (4) The California Conservation Corps or local conservation
7 corps certified by the California Conservation Corps pursuant to
8 Sections 14507.5 or 14406 of the Public Resources Code.

9 (5) Instruction provided to juvenile court school pupils pursuant
10 to subdivision ~~(e)~~ (b) of Section 42238.18 or pursuant to Section
11 1981 for individuals who are placed in a residential facility.

12 *SEC. 38. Section 47613 of the Education Code is amended to*
13 *read:*

14 47613. (a) Except as set forth in subdivision (b), a chartering
15 authority may charge for the actual costs of supervisory oversight
16 of a charter school not to exceed 1 percent of the revenue of the
17 charter school.

18 (b) A chartering authority may charge for the actual costs of
19 supervisory oversight of a charter school not to exceed 3 percent
20 of the revenue of the charter school if the charter school is able to
21 obtain substantially rent free facilities from the chartering authority.

22 (c) A local *educational* agency that is given the responsibility
23 for supervisory oversight of a charter school, pursuant to
24 paragraph (1) of subdivision (k) of Section 47605, may charge for
25 the actual costs of supervisory oversight, and administrative costs
26 necessary to secure charter school funding. A charter school that
27 is charged for costs under this subdivision may not be charged
28 pursuant to subdivision (a) or (b).

29 (d) This section does not prevent the charter school from
30 separately purchasing administrative or other services from the
31 chartering authority or any other source.

32 (e) For purposes of this section, ~~a chartering authority~~
33 “*chartering authority*” means a school district, county board of
34 education, or the state board, that granted the charter to the charter
35 school.

36 (f) For purposes of this section, “revenue of the charter school”
37 means the ~~general purpose entitlement and categorical block grant,~~
38 ~~as defined in subdivisions (a) and (b) of Section 47632; amount~~
39 *received in the current fiscal year from the local control funding*

1 *formula calculated pursuant to Section 42238.02, as implemented*
2 *by Section 42238.03.*

3 (g) For purposes of this section, “costs of supervisorial
4 oversight” ~~includes~~, *include*, but ~~is~~ *are* not limited to, costs incurred
5 pursuant to Section 47607.3.

6 *SEC. 39. Section 47613.1 of the Education Code is amended*
7 *to read:*

8 ~~47613.1. (a) The Superintendent of Public Instruction shall~~
9 ~~make all of the following apportionments on behalf of a charter~~
10 ~~school in a school district in which all schools have been converted~~
11 ~~to charter schools pursuant to Section 47606, and that elects not~~
12 ~~to be funded pursuant to the block grant funding model set forth~~
13 ~~in Section 47633 in each fiscal year that the charter school so~~
14 ~~elects: 47606:~~

15 ~~(a)~~

16 (1) From funds appropriated to Section A of the State School
17 Fund for apportionment for that fiscal year pursuant to Article 2
18 (commencing with Section 42238) of Chapter 7 of Part 24, 24 of
19 Division 3, an amount for each unit of current fiscal year regular
20 average daily attendance in the charter school ~~that is equal to the~~
21 ~~current fiscal year base revenue limit for the school district to~~
22 ~~which the charter petition was submitted: multiplied by the funding~~
23 ~~rates calculated pursuant to Section 42238.02, as implemented by~~
24 ~~Section 42238.03, except that average daily attendance generated~~
25 ~~by pupils who are residents of the school district may be funded~~
26 ~~pursuant to paragraph (1) of subdivision (a) of Section 42238.05.~~

27 ~~(b)~~

28 (2) For each pupil enrolled in the charter school who is entitled
29 to special education services, the state and federal funds for special
30 education services for that pupil that would have been apportioned
31 for that pupil to the school district to which the charter petition
32 was submitted.

33 ~~(c)~~

34 (3) Funds for the programs described in *former* clause (i) of
35 subparagraph (B) of paragraph (1) of subdivision (a) of Section
36 54761, *as that section read on June 30, 2005*, and Sections 63000
37 and 64000, to the extent that any pupil enrolled in the charter
38 school is eligible to participate.

39 (b) *Transfers of funding in lieu of property taxes pursuant to*
40 *Section 47635 shall not apply to a school district in which all*

1 schools have been converted to charter schools pursuant to Section
2 47606.

3 (c) For each pupil residing in the school district and receiving
4 instruction provided by the county office of education, a school
5 district in which all schools have been converted to charter schools
6 shall, for purposes of Section 2576, be treated as a school district
7 in which all schools have not been converted to charter schools.

8 (d) The provisions of subparagraph (A) of paragraph (2) of
9 subdivision (f) of Section 42238.02 that cap the percentage of
10 unduplicated pupils used for calculating the concentration grant
11 add-on to the percentage of unduplicated pupils of the school
12 district in which the charter school is physically located shall not
13 apply to a school district described in this section.

14 (e) Consistent with Section 47630, necessary small school
15 funding shall not be provided to a school district described in this
16 section.

17 SEC. 40. Section 47631 of the Education Code is amended to
18 read:

19 47631. (a) Article 3 (commencing with Section 47636) shall
20 not apply to a charter granted pursuant to Section 47605.5.

21 (b) A charter school authorized pursuant to Section 47605.5
22 shall receive the average daily attendance rate calculated pursuant
23 to paragraph (1) of subdivision (c) of Section 2574 for enrolled
24 pupils who are identified as any of the following:

25 (1) Probation-referred pursuant to Section 300, 601, 602, or 654
26 of the Welfare and Institutions Code.

27 (2) On probation or parole and not attending a school.

28 (3) Expelled for any of the reasons specified in subdivision (a)
29 or (c) of Section 48915.

30 (4) Attending schools or classes established pursuant to Article
31 2.5 (commencing with Section 48645) of Chapter 4 of Part 27.

32 (c) A charter school authorized pursuant to Section 47605.5
33 shall be funded pursuant to the local control funding formula
34 pursuant to Section 42238.02, as implemented by Section 42238.03,
35 for all pupils except for pupils funded pursuant to subdivision (b).

36 (d) A charter school authorized pursuant to Section 47605.5
37 shall be funded pursuant to the local control funding formula
38 pursuant to Section 2575 for pupils receiving the average daily
39 attendance rate computed pursuant to paragraph (1) of subdivision

1 (c) of Section 2574 and identified in paragraphs (1) to (4),
2 inclusive, of subdivision (b).

3 SEC. 41. Section 47632 of the Education Code is amended to
4 read:

5 47632. For purposes of this chapter, the following terms shall
6 be defined as follows:

7 (a) “General-purpose entitlement” means an amount computed
8 by the local control funding formula pursuant to Section 42238.02,
9 as implemented by Section 42238.03.

10 (b) “Economic impact aid-eligible pupils” means those pupils
11 that are included in the economic impact aid-eligible pupil count
12 pursuant to Section 54023. For purposes of applying Section 54023
13 to charter schools, “economically disadvantaged pupils” means
14 the pupils described in paragraph (2) of subdivision (a) of Section
15 54026.

16 (c) “General-purpose funding” means those funds that consist
17 of state aid, local property taxes, and other revenues applied toward
18 a school district’s local control funding formula, pursuant to
19 Section 42238.02, as implemented by Section 42238.03.

20 (d) “Categorical aid” means aid that consists of state or federally
21 funded programs, or both, ~~which~~ *that* are apportioned for specific
22 purposes set forth in statute or regulation.

23 (e) “Educationally disadvantaged pupils” means those pupils
24 who meet federal eligibility criteria for free and reduced-price
25 meals as specified in Section 49531, as that section read on January
26 1, 2013, except in regard to meals in family day care homes.

27 (f) “Operational funding” means all funding except funding for
28 capital outlay.

29 (g) “School district of a similar type” means a school district
30 that is serving similar grade levels.

31 (h) “Similar pupil population” means similar numbers of pupils
32 by grade level, with a similar proportion of educationally
33 disadvantaged pupils.

34 (i) “Sponsoring local educational agency” means the following:

35 (1) If a charter school is granted by a school district, the
36 sponsoring local educational agency is the school district.

37 (2) If a charter is granted by a county office of education after
38 having been previously denied by a school district, the sponsoring
39 local educational agency means the school district that initially
40 denied the charter petition.

(3) If a charter is granted by the state board after having been previously denied by a local educational agency, the sponsoring local educational agency means the local educational agency designated by the state board pursuant to paragraph (1) of subdivision (k) of Section 47605 or if a local educational agency is not designated, the local educational agency that initially denied the charter petition.

(4) For pupils attending county-sponsored charter schools ~~who are eligible to attend those schools solely as a result of parental request pursuant to subdivision (b) of Section 1981, pursuant to Section 47605.5 who do not meet the criteria identified in subdivision (b) of Section 47631,~~ the sponsoring local educational agency means the pupils' school district of residence.

(5) For pupils attending countywide charter schools pursuant to Section 47605.6 who reside in a basic aid school district, the sponsoring local educational agency means the *pupils'* school district of ~~residence of the pupil; residence.~~ For purposes of this paragraph, "basic aid school district" means a school district that ~~does~~ *did* not receive an apportionment of state funds as described in subdivision (o) of Section 42238.02 *in the prior fiscal year.*

SEC. 42. Section 47634.3 of the Education Code is repealed.

~~47634.3. For purposes of Section 47633, the Superintendent shall compute average daily attendance in each of grades 1 through 12, respectively, as follows:~~

~~(a) Distribute statewide total ungraded enrollment and average daily attendance among kindergarten and each of grades 1 through 12, inclusive, in proportion to the amounts of graded enrollment and average daily attendance, respectively, in each of these grades.~~

~~(b) Multiply enrollment in each of grades 1 through 12, respectively, by the ratio of average daily attendance to enrollment in the applicable grade range: 1 through 3, inclusive, 4 through 6, inclusive; 7 and 8; and 9 through 12, inclusive.~~

SEC. 43. Section 47635 of the Education Code is amended to read:

47635. (a) A sponsoring local educational agency shall annually transfer to each of its charter schools funding in lieu of property taxes equal to the lesser of the following two amounts:

(1) The average amount of property taxes per unit of average daily attendance, including average daily attendance attributable

1 to charter schools, received by the local educational agency,
2 multiplied by the charter school's average daily attendance.

3 (2) ~~The statewide average local control funding formula grant~~
4 ~~funding computed pursuant to subdivision (d) of Section 42238.02,~~
5 ~~per unit of average daily attendance received by school districts,~~
6 ~~as determined by the department, attendance,~~ multiplied by the
7 charter school's average daily attendance in each of the four
8 corresponding grade level ranges: kindergarten and grades 1, 2,
9 and 3; grades 4, 5, and 6; grades 7 and 8; and grades 9 to 12,
10 inclusive.

11 (3) Notwithstanding paragraph (2), until the Superintendent
12 determines that a charter school is funded pursuant to Section
13 42238.02 in the prior fiscal year, the Superintendent shall apportion
14 funding per unit of average daily attendance pursuant to this article.
15 The base grant for purposes of paragraph (2) shall be the sum of
16 the entitlements for the charter school in the specified fiscal year
17 as computed pursuant to paragraphs (1) to (4), inclusive, of
18 subdivision (a) of Section 42238.03 and paragraph (3) of
19 subdivision (b) of Section 42238.03, multiplied by the ratio of
20 local control funding formula base grant funding computed
21 pursuant to subdivision (d) of Section 42238.02 to the local control
22 funding formula amount for the fiscal year computed pursuant to
23 Section 42238.02.

24 (4) *If the sum of the funding transferred pursuant to this*
25 *subdivision and the funding calculated pursuant to subdivision (e)*
26 *of Section 42238.03 exceeds the sum of the amounts calculated*
27 *pursuant to subdivisions (a) and (b) of Section 42238.03, the excess*
28 *funding shall be used to offset funding calculated pursuant to*
29 *subdivision (e) of Section 42238.03.*

30 (b) The sponsoring local educational agency shall transfer
31 funding in lieu of property taxes to the charter school in monthly
32 installments, by no later than the 15th of each month.

33 (1) For the months of August to February, inclusive, a charter
34 school's funding in lieu of property taxes shall be computed based
35 on the amount of property taxes received by the sponsoring local
36 educational agency during the preceding fiscal year, as reported
37 to the Superintendent for purposes of the second principal
38 apportionment. A sponsoring local educational agency shall transfer
39 to the charter school the charter school's estimated annual
40 entitlement to funding in lieu of property taxes as follows:

1 (A) Six percent in August.

2 (B) Twelve percent in September.

3 (C) Eight percent each month in October, November, December,
4 January, and February.

5 (2) For the months of March to June, inclusive, a charter
6 school's funding in lieu of property taxes shall be computed based
7 on the amount of property taxes estimated to be received by the
8 sponsoring local educational agency during the fiscal year, as
9 reported to the Superintendent for purposes of the first principal
10 apportionment. A sponsoring local educational agency shall transfer
11 to each of its charter schools an amount equal to one-sixth of the
12 difference between the school's estimated annual entitlement to
13 funding in lieu of property taxes and the amounts provided pursuant
14 to paragraph (1). An additional one-sixth of this difference shall
15 be included in the amount transferred in the month of March.

16 (3) For the month of July, a charter school's funding in lieu of
17 property taxes shall be computed based on the amount of property
18 taxes estimated to be received by the sponsoring local educational
19 agency during the prior fiscal year, as reported to the
20 Superintendent for purposes of the second principal apportionment.
21 A sponsoring local educational agency shall transfer to each of its
22 charter schools an amount equal to the remaining difference
23 between the school's estimated annual entitlement to funding in
24 lieu of property taxes and the amounts provided pursuant to
25 paragraphs (1) and (2).

26 (4) Final adjustments to the amount of funding in lieu of
27 property taxes allocated to a charter school shall be made in
28 February, in conjunction with the final reconciliation of annual
29 apportionments to schools.

30 (5) Subdivision (a) and paragraphs (1) to (4), inclusive, do not
31 apply for pupils who reside in, and are otherwise eligible to attend
32 a school in, a basic aid school district, but who attend a charter
33 school in a nonbasic aid school district. With regard to these pupils,
34 the sponsoring basic aid school district shall transfer to the charter
35 school an amount of funds equivalent to the local control funding
36 formula grant pursuant to Section 42238.02, as implemented by
37 Section 42238.03, earned through average daily attendance by the
38 charter school for each pupil's attendance, not to exceed the
39 average property tax share per unit of average daily attendance for
40 pupils residing and attending in the basic aid school district. The

transfer of funds shall be made in not fewer than two installments at the request of the charter school, the first occurring not later than February 1 and the second not later than June 1 of each school year. Payments shall reflect the average daily attendance certified for the time periods of the first and second principal apportionments, respectively. The Superintendent may not apportion any funds for the attendance of pupils described in this subdivision unless the amount transferred by the basic aid district is less than the local control funding formula grant pursuant to Section 42238.02, as implemented by Section 42238.03, earned by the charter school, in which event the Superintendent shall apportion the difference to the charter school from state funds.

(c) Notwithstanding subdivisions (a) and (b), for a pupil attending a county charter program school authorized pursuant to Section 47605.6 for whom the county office of education is not educationally responsible, the county charter program school may seek in-lieu property tax reimbursement from the pupil's school district of residence in an amount agreed upon by the county charter program school and the school district of residence.

SEC. 44. Section 47663 of the Education Code is amended to read:

47663. (a) (1) For a pupil of a charter school sponsored by a basic aid school district who resides in, and is otherwise eligible to attend, a school district other than a basic aid school district, the Superintendent shall apportion to the sponsoring school district an amount equal to 70 percent of the local control funding formula base grant computed pursuant to subdivision (d) of Section 42238.02, per unit of average daily attendance that would have been apportioned to the school district that the pupil resides in, and would otherwise have been eligible to attend.

(2) Notwithstanding paragraph (1), until the Superintendent determines that the school district the pupil resides in, and would otherwise have been eligible to attend, is funded pursuant to Section 42238.02 in the prior fiscal year, the Superintendent shall apportion, for average daily attendance pursuant to this article, 70 percent of the sum of the entitlements for the school district that the pupil resides in, and would otherwise have been eligible to attend, for the specified fiscal year as computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a) of Section 42238.03 and paragraph (3) of subdivision (b) of Section 42238.03,

1 divided by the average daily attendance for that fiscal year and
2 then multiplied by the ratio of local control funding formula base
3 grant funding computed pursuant to subdivision (d) of Section
4 42238.02 to the local control funding formula amount for the fiscal
5 year computed pursuant to Section 42238.02.

6 *(3) If the entitlements for the school district the pupil resides*
7 *in, and would otherwise have been eligible to attend, as computed*
8 *pursuant to paragraphs (1) to (4), inclusive, of subdivision (a),*
9 *and paragraph (3) of subdivision (b), of Section 42238.03, include*
10 *funding calculated pursuant to Article 4 (commencing with Section*
11 *42280) of Chapter 7 of Part 24 of Division 3 for a fiscal year,*
12 *paragraph (2) shall not apply and the apportionment of state funds*
13 *for the average daily attendance credited pursuant to this section*
14 *for that fiscal year shall be calculated pursuant to paragraph (1).*

15 (b) A school district that loses basic aid status as a result of
16 transferring property taxes to a charter school or schools pursuant
17 to Section 47635 for pupils who reside in, and are otherwise
18 eligible to attend, a school district other than the school district
19 that sponsors the charter school, shall be eligible to receive a pro
20 rata share of funding provided by subdivision (a), with the proration
21 factor calculated as the ratio of the following:

22 (1) The amount of property taxes that the school district receives
23 in excess of its total base grant per unit of average daily attendance
24 calculated pursuant to Section 42238.02, as implemented by
25 Section 42238.03, before any transfers made pursuant to Section
26 47635, except for transfers ~~of~~ in lieu of property taxes made for
27 pupils who reside in, and would otherwise be eligible to attend, a
28 school of the school district.

29 (2) The total amount ~~of~~ in lieu of property taxes transferred
30 pursuant to Section 47635 to the charter school or schools that it
31 sponsors, except for transfers ~~of~~ in lieu of property taxes made for
32 pupils who reside in, and would otherwise be eligible to attend, a
33 school of the school district.

34 (c) In no event shall the amount provided pursuant to this section
35 exceed the amount ~~of~~ in lieu of property taxes transferred on behalf
36 of charter school pupils who do not reside in the school district,
37 less the proportionate amount of base grant state aid provided
38 pursuant to Section 42238.02, as implemented by Section 42238.03,
39 that is attributable to the charter school pupils who do not reside
40 in the school district.

(d) The Superintendent shall not apportion funds for the attendance of a pupil in a charter school of a nonbasic aid school district who resides in, and is otherwise eligible to attend school in, a basic aid school district unless the pupil is subject to the ~~exception~~ *exceptions* set forth in paragraph (5) of subdivision (b), *and subdivision (c)*, of Section 47635.

(e) For purposes of this section, “basic aid school district” means a school district that does not receive from the state, for any fiscal year in which the subdivision is applied, an apportionment of state funds as described in subdivision (o) of Section 42238.02.

SEC. 45. Section 48310 of the Education Code is amended to read:

48310. (a) The average daily attendance for pupils admitted by a school district of choice pursuant to this article shall be credited to that school district pursuant to Section 46607. The attendance report for the school district of choice may include an identification of the school district of residence.

(b) Notwithstanding ~~any other provisions of law~~, state aid for categorical education programs for pupils admitted under this article shall be apportioned to the school district of choice.

(c) (1) For a school district of choice that is a basic aid school district, the apportionment of state funds for average daily attendance credited pursuant to this section shall be 70 percent of the *school* district local control funding formula base grant computed pursuant to subdivision (d) of Section 42238.02, as implemented by Section 42238.03, that would have been apportioned to the school district of residence.

(2) Notwithstanding paragraph (1), until the Superintendent determines that the school district of residence is funded pursuant to Section 42238.02 in the prior fiscal year, the Superintendent shall apportion, for average daily attendance pursuant to this article, 70 percent of the sum of the entitlements for the school district of residence for the specified fiscal year as computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a) of Section 42238.03 and paragraph (3) of subdivision (b) of Section 42238.03, divided by the average daily attendance pursuant to this article for that fiscal year and then multiplied by the ratio of local control funding formula base grant funding computed pursuant to subdivision (d) of Section 42238.02 to the local control funding

1 formula amount for the fiscal year computed pursuant to Section
2 42238.02.

3 *(3) If the entitlements for the school district of residence*
4 *computed pursuant to paragraphs (1) to (4), inclusive, of*
5 *subdivision (a), and paragraph (3) of subdivision (b), of Section*
6 *42238.03, include funding calculated pursuant to Article 4*
7 *(commencing with Section 42280) of Chapter 7 of Part 24 of*
8 *Division 3 for a fiscal year, paragraph (2) shall not apply and the*
9 *apportionment of state funds for the average daily attendance*
10 *credited pursuant to this section for that fiscal year shall be*
11 *calculated pursuant to paragraph (1).*

12 ~~(3)~~

13 (4) For purposes of this subdivision, the term “basic aid school
14 district” means a school district that does not receive from the
15 state, for a fiscal year in which this subdivision is applied, an
16 apportionment of state funds as described in subdivision (o) of
17 Section 42238.02.

18 (d) The average daily attendance of pupils admitted by a school
19 district of choice pursuant to this article shall be credited to that
20 school district for purposes of any determination under Article 2
21 (commencing with Section 17010) of Chapter 12 of Part 10 of
22 Division 1 of Title 1 that uses an average daily attendance
23 calculation.

24 *SEC. 46. Section 48359.5 of the Education Code is amended*
25 *to read:*

26 48359.5. (a) For a school district of enrollment that is a basic
27 aid school district, the apportionment of state funds for average
28 daily attendance credited pursuant to this article shall be 70 percent
29 of the school district local control funding formula base grant that
30 would have been apportioned to the school district of residence
31 pursuant to subdivision (d) of Section 42238.02. Apportionment
32 of these funds shall begin in the second consecutive year of
33 enrollment, and continue annually until the pupil graduates from,
34 or is no longer enrolled in, the school district of enrollment.

35 (b) Notwithstanding subdivision (a), until the Superintendent
36 determines that the school district of ~~enrollment~~ residence is funded
37 pursuant to Section 42238.02 in the prior fiscal year, the
38 Superintendent shall apportion, for average daily attendance
39 pursuant to this article, 70 percent of the sum of the entitlements
40 for the school district of ~~enrollment~~ residence for the specified

1 fiscal year as computed pursuant to paragraphs (1) to (4), inclusive,
2 of subdivision (a) of Section 42238.03 and paragraph (3) of
3 subdivision (b) of Section 42238.03, divided by the average daily
4 attendance pursuant to this article for that fiscal year and then
5 multiplied by the ratio of local control funding formula base grant
6 funding computed pursuant to subdivision (d) of Section 42238.02
7 to the local control funding formula amount for the fiscal year
8 computed pursuant to Section 42238.02.

9 *(c) If the entitlements for the school district of residence*
10 *computed pursuant to paragraphs (1) to (4), inclusive, of*
11 *subdivision (a), and paragraph (3) of subdivision (b), of Section*
12 *42238.03, include funding calculated pursuant to Article 4*
13 *(commencing with Section 42280) of Chapter 7 of Part 24 of*
14 *Division 3 for a fiscal year, subdivision (b) shall not apply and*
15 *the apportionment of state funds for the average daily attendance*
16 *credited pursuant to this section for that fiscal year shall be*
17 *calculated pursuant to subdivision (a).*

18 *(e)*

19 *(d) For purposes of this section, “basic aid school district” means*
20 *a school district that does not receive an apportionment of state*
21 *funds as described in subdivision (o) of Section 42238.02 for a*
22 *fiscal year in which this section may apply.*

23 *SEC. 47. Section 52064 of the Education Code is amended to*
24 *read:*

25 52064. (a) On or before March 31, 2014, the state board shall
26 adopt templates for the following purposes:

27 (1) For use by school districts to meet the requirements of
28 Sections 52060 to 52063, inclusive.

29 (2) For use by county superintendents of schools to meet the
30 requirements of Sections 52066 to 52069, inclusive.

31 (3) For use by charter schools to meet the requirements of
32 Section 47606.5.

33 (b) The templates developed by the state board shall allow a
34 school district, county superintendent of schools, or charter school
35 to complete a single local control and accountability plan to meet
36 the requirements of this article and the requirements of the federal
37 No Child Left Behind Act of 2001 related to local educational
38 agency plans pursuant to Section 1112 of Subpart 1 of Part A of
39 Title I of Public Law 107-110. The state board shall also take steps
40 to minimize duplication of effort at the local level to the greatest

1 extent possible. The template shall include guidance for school
2 districts, county superintendents of schools, and charter schools
3 to report both of the following:

4 (1) A listing and description of expenditures for the 2014–15
5 fiscal year, and each fiscal year thereafter, implementing the
6 specific actions included in the local control and accountability
7 plan.

8 (2) A listing and description of expenditures for the 2014–15
9 fiscal year, and each fiscal year thereafter, that will serve the pupils
10 to whom one or more of the definitions in Section 42238.01 apply
11 and pupils redesignated as fluent English proficient.

12 (c) If possible, the templates identified in paragraph (2) of
13 subdivision (a) for use by county superintendents of schools shall
14 allow a county superintendent of schools to develop a single local
15 control and accountability plan that would also satisfy the
16 requirements of Section 48926.

17 (d) The state board shall adopt the template pursuant to the
18 requirements of the Administrative Procedure Act (Chapter 3.5
19 (commencing with Section 11340) of Part 1 of Division 3 of Title
20 2 of the Government Code). The state board may adopt emergency
21 regulations for purposes of implementing this section. *The adoption*
22 *of emergency regulations shall be deemed an emergency and*
23 *necessary for the immediate preservation of the public peace,*
24 *health, safety, or general welfare.*

25 (e) *Notwithstanding subdivision (d), the state board may adopt*
26 *the template in accordance with the requirements of the*
27 *Bagley-Keene Open Meeting Act (Article 9 (commencing with*
28 *Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of*
29 *the Government Code). When adopting the template pursuant to*
30 *the requirements of the Bagley-Keene Open Meeting Act, the state*
31 *board shall present the template at a regular meeting and may*
32 *only take action to adopt the template at a subsequent regular*
33 *meeting. This subdivision shall become inoperative on January*
34 *31, 2018.*

35 (e)

36 (f) Revisions to a template or evaluation rubric shall be approved
37 by the state board by January 31 before the fiscal year during which
38 the template or evaluation rubric is to be used by a school district,
39 county superintendent of schools, or charter school.

40 (f)

(g) The adoption of a template or evaluation rubric by the state board shall not create a requirement for a governing board of a school district, a county board of education, or a governing body of a charter school to submit a local control and accountability plan to the state board, unless otherwise required by federal law. The Superintendent shall not require a local control and accountability plan to be submitted by a governing board of a school district or the governing body of a charter school to the state board. The state board may adopt a template or evaluation rubric that would authorize a school district or a charter school to submit to the state board only the sections of the local control and accountability plan required by federal law.

SEC. 48. Section 52070 of the Education Code is amended to read:

52070. (a) Not later than five days after adoption of a local control and accountability plan or annual update to a local control and accountability plan, the governing board of a school district shall file the local control and accountability plan or annual update to the local control and accountability plan with the county superintendent of schools.

(b) On or before August 15 of each year, the county superintendent of schools may seek clarification, in writing, from the governing board of a school district about the contents of the local control and accountability plan or annual update to the local control and accountability plan. Within 15 days the governing board of a school district shall respond, in writing, to requests for clarification.

(c) Within 15 days of receiving the response from the governing board of the school district, the county superintendent of schools may submit recommendations, in writing, for amendments to the local control and accountability plan or annual update to the local control and accountability plan. The governing board of a school district shall consider the recommendations submitted by the county superintendent of schools in a public meeting within 15 days of receiving the recommendations.

(d) The county superintendent of schools shall approve a local control and accountability plan or annual update to a local control and accountability plan on or before October 8, if he or she determines all of the following:

1 (1) The local control and accountability plan or annual update
2 to the local control and accountability plan adheres to the template
3 adopted by the state board pursuant to Section 52064.

4 (2) The budget for the applicable fiscal year adopted by the
5 governing board of the school district includes expenditures
6 sufficient to implement the specific actions and strategies included
7 in the local control and accountability plan adopted by the
8 governing board of the school district, based on the projections of
9 the costs included in the plan.

10 (3) The local control and accountability plan or annual update
11 to the local control and accountability plan adheres to the
12 expenditure requirements adopted pursuant to Section 42238.07
13 for funds apportioned on the basis of the number and concentration
14 of unduplicated pupils pursuant to Sections 42238.02 and 42238.03.

15 (e) If a county superintendent of schools has jurisdiction over
16 a single school district, the Superintendent shall ~~designate a county~~
17 ~~superintendent of schools of an adjoining county~~ to perform the
18 duties specified in this section.

19 *SEC. 49. For the 2014–15 fiscal year only, for tuition for pupils*
20 *attending schools in adjoining states, the Superintendent of Public*
21 *Instruction shall apportion to each applicable county*
22 *superintendent of schools an amount sufficient to pay the amounts*
23 *previously required or allowed to be paid for the 2013–14 fiscal*
24 *year, pursuant to Sections 2002 to 2006, inclusive, of the Education*
25 *Code, as those sections read on June 1, 2013.*

26 *SEC. 50. (a) The State Board of Education, working in*
27 *collaboration with the State Department of Education, shall report*
28 *to the Legislature no later than February 1, 2015, regarding the*
29 *status of implementation of the local control funding formula. At*
30 *a minimum, the report shall include all of the following:*

31 *(1) A description of the implementation roles and responsibilities*
32 *of the State Department of Education, the State Board of Education,*
33 *the California Collaborative for Educational Excellence, the Fiscal*
34 *Crisis Management and Assistance Team, and county offices of*
35 *education for local control funding formula oversight and technical*
36 *assistance to local educational agencies.*

37 *(2) A description of implementation challenges to date and*
38 *efforts made by state and local entities to address those challenges.*

1 (3) *Observations of the State Department of Education and the*
2 *State Board of Education about the first year that local educational*
3 *agencies completed their local control and accountability plans.*

4 (4) *The State Board of Education’s long-term vision for local*
5 *control funding formula support and guidance to the field and*
6 *which agency or agencies would provide that support and*
7 *guidance.*

8 (b) *A report to be submitted pursuant to subdivision (a) shall*
9 *be submitted in compliance with Section 9795 of the Government*
10 *Code.*

11 SEC. 51. (a) *The sum of four billion seven hundred forty-seven*
12 *million nine hundred fourteen thousand dollars (\$4,747,914,000)*
13 *is hereby appropriated from the General Fund for the purposes*
14 *of this act as follows:*

15 (1) *Four billion seven hundred twenty-one million nine hundred*
16 *seventy thousand dollars (\$4,721,970,000) is appropriated to the*
17 *Superintendent of Public Instruction and shall be allocated*
18 *pursuant to the calculation in subdivision (b) of Section 42238.03*
19 *of the Education Code.*

20 (2) *Twenty-five million nine hundred forty-four thousand dollars*
21 *(\$25,944,000) is appropriated to the Superintendent of Public*
22 *Instruction and shall be allocated pursuant to the calculation in*
23 *subdivision (f) of Section 2575 of the Education Code.*

24 (b) *For purposes of making the computations required by*
25 *Section 8 of Article XVI of the California Constitution, the*
26 *appropriation made by subdivision (a) shall be deemed to be*
27 *“General Fund revenues appropriated for school districts,” as*
28 *defined in subdivision (c) of Section 41202 of the Education Code,*
29 *for the 2014–15 fiscal year, and included within the “total*
30 *allocations to school districts and community college districts*
31 *from General Fund proceeds of taxes appropriated pursuant to*
32 *Article XIII B,” as defined in subdivision (e) of Section 41202 of*
33 *the Education Code, for the 2014–15 fiscal year.*

34 SEC. 52. *In regard to Section 22 of this act, the Legislature*
35 *finds and declares that a special law is necessary and that a*
36 *general law cannot be made applicable within the meaning of*
37 *Section 16 of Article IV of the California Constitution because of*
38 *the unique fiscal challenges for purposes of teacher induction and*
39 *training for beginning teachers facing Alameda, Berkeley, San*
40 *Leandro, and San Lorenzo Unified School Districts.*

1 *SEC. 53. This act is a bill providing for appropriations related*
2 *to the Budget Bill within the meaning of subdivision (e) of Section*
3 *12 of Article IV of the California Constitution, has been identified*
4 *as related to the budget in the Budget Bill, and shall take effect*
5 *immediately.*

6 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
7 ~~changes relating to the Budget Act of 2014.~~