

AMENDED IN ASSEMBLY JUNE 18, 2013

AMENDED IN ASSEMBLY JUNE 12, 2013

SENATE BILL

No. 91

Introduced by Committee on Budget and Fiscal Review

January 10, 2013

An act to amend Sections 1622, 14002, 14501, 17582, 33127, 35035, 35735.1, 37700, 37710.3, 37710.5, 41020, 41303, 41544, 42127, 42238.15, 42280, 42281, 42282, 42283, 42284, 42285, 42285.5, 42286, 42287, 42289, 42289.1, 42289.2, 42289.3, 42289.4, 42289.5, 42800, 46200, 46201, 46201.2, 46202, 47604.32, 47604.33, 47604.5, 47605, 47605.6, 47613, 47631, 47632, 47635, 47636, 47660, 47663, 48310, 48359.5, 49085, 49536, 52052, 52052.1, 52052.5, 52055.750, 56365, 56366.1, 56836.21, and 56836.24 of, to amend and repeal Sections 42238, 42238.1, 42238.2, and 42238.5 of, to add Sections 35736.5, 42238.01, 2575, 42238.02, 42238.025, 42238.03, 42238.04, 42238.05, 42238.051, 42238.052, 42238.053, 42238.06, 42238.07, 46207, 46208, 47606.5, and 47607.3 to, to add Article 4.5 (commencing with Section 52060) to Chapter 6.1 of Part 28 of Division 4 of Title 2 of, to add Chapter 12.5 (commencing with Section 2574) to Part 2 of Division 1 of Title 1 of, to repeal Sections 14002.3, 17583, 17584, 17584.1, 17584.2, 17585, 17587, 35735.2, 42282.1, 42283.1, 42283.2, 42285.1, 42285.4, 42605, 42606, 46201.3, 46204, 47612.7, 47632.5, 47664, 52051, and 52052.2 of, and to repeal Article 3 (commencing with Section 52053), Article 3.5 (commencing with Section 52055.600), and Article 4 (commencing with Section 52056) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of, and 42238.03 of the Education Code, to amend Sections 7906 and 50286 of the Government Code, to amend Sections 33492.78, 33607.5, and 33684 of the Health and Safety Code, and to amend Sections 95 and 196.4 of the Revenue and Taxation Code, and to amend Item 6110-106-0001 of Section 2.00 of the Budget Act

of 2013, relating to school finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

SB 91, as amended, Committee on Budget and Fiscal Review. School finance.

~~(1) Existing law establishes the public school system in this state, and, among other things, provides for the establishment of county superintendents of schools, school districts, and charter schools throughout the state. Existing law provides for the provision of instruction at the public elementary and secondary schools maintained by these local educational agencies. Existing law establishes a public school financing system that requires funding for county superintendents of schools and school districts to be calculated pursuant to a revenue limit, as specified, and requires funding for charter schools to be calculated pursuant to a general-purpose entitlement, except as provided, and requires the revenue limit and general-purpose entitlement to be composed of, among other things, state aid and certain local revenues. Existing law also establishes various categorical education programs under which funding is provided for specific educational purposes, including, among many other programs, programs for home-to-school transportation, adult education, teacher training, and class size reduction.~~

~~This bill would revise and recast the provisions related to the public financing system by requiring state funding for county superintendents of schools and school districts, and charter schools that previously received a general-purpose entitlement, to be calculated pursuant to a local control funding formula, as specified. The bill would authorize local educational agencies to expend, for any local educational purpose, the funds previously required to be spent for specified categorical education programs, including, among others, programs for teacher training and class size reduction.~~

~~This bill would also change the funding calculations for necessary small schools and make other changes related to shifting financial responsibilities and school accountability, and would make other changes to the law relating to elementary and secondary education.~~

~~(2) Existing law requires a county board of education, a governing board of a school district, and a governing body of a charter school, to annually adopt a budget, as specified.~~

~~This bill would require a county board of education and a governing board of a school district to annually adopt or revise a local control and accountability plan that aligns with the annual budget and contains certain elements and that, among other things, was developed in consultation with teachers, principals, administrators, other school personnel, parents, and pupils. The bill would require a charter for a charter school to include many of the local control and accountability plan elements and would require the charter school to annually update its plan related to those elements. By requiring county boards of education and school districts to annually adopt or revise a local control and accountability plan and provide additional services, the bill would impose a state-mandated local program.~~

~~(3) This bill would appropriate \$2,099,161,000 with \$2,000,000 being apportioned to the Governor's Office of Planning and Research for purposes of developing regulations, templates, and evaluation rubrics, as specified, and the remaining funds being apportioned to the Superintendent of Public Instruction for purposes of allocating those funds to county superintendents of schools, school districts, and charter schools pursuant to the local control funding formula.~~

~~(4) This bill would make conforming changes, correct cross-references, and make other nonsubstantive changes.~~

~~(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions:~~

~~(1) *Assembly Bill 97 of the 2013–14 Regular Session, if enacted, would require state funding for county superintendents of schools and school districts, and charter schools that previously received a general-purpose entitlement, to be calculated pursuant to a local control funding formula, as specified. Assembly Bill 97 of the 2013–14 Regular Session (A) would require the state funding apportioned to school districts and charter schools to be based on a base grant, as specified, (B) would require, among other things, the base grant for grades 9 to 12, inclusive, to be adjusted by an additional 2.6%, as adjusted for inflation, and (C) would require the 2.6% base grant adjustment to be used on pupils enrolled in grades 9 to 12, inclusive, for any purposes*~~

or programs that support a school district or charter school in achieving its goals for college and career readiness, as specified.

This bill would, contingent on the enactment of Assembly Bill 97 of the 2013–14 Regular Session, delete the requirement that the 2.6% base grant adjustment be used on pupils enrolled in grades 9 to 12, inclusive, for any purposes or programs that support a school district or charter school in achieving its goals for college and career readiness. The bill would also make nonsubstantive changes to provisions related to the local control funding formula.

(2) Assembly Bill 110 of the 2013–14 Regular Session, also known as the Budget Act of 2013, would, if enacted, appropriate \$10,000,000 to Section A of the State School Fund for the support of the California Local Control Accountability Support Network.

This bill would instead, contingent on the enactment of Assembly Bill 97 of the 2013–14 Regular Session, discussed above, appropriate the \$10,000,000 for support of the California Collaborative for Educational Excellence. By authorizing funds appropriated to a continuously appropriated fund to be used for a different purpose, the bill would make an appropriation.

~~(6)~~

(3) 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.

~~(7)~~

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

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

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

1 **SECTION 1.** *Section 2575 of the Education Code, as added by*
2 *Assembly Bill 97 of the 2013–14 Regular Session, is amended to*
3 *read:*

4 2575. (a) Commencing with the 2013–14 budget year and for
5 each fiscal year thereafter, the Superintendent shall calculate a
6 base entitlement for the transition to the county local control
7 funding formula for each county office of education based on the

1 sum of the amounts computed pursuant to paragraphs (1) to (3),
2 inclusive:

3 (1) Revenue limits in the 2012–13 fiscal year pursuant to Article
4 3 (commencing with Section 2550) of Chapter 12, as that article
5 read on January 1, 2013, adjusted only for changes in average daily
6 attendance claimed by the county superintendent of schools for
7 pupils identified in clauses (i), (ii), and (iii) of subparagraph (A)
8 of paragraph (4) of subdivision (c) of Section 2574 and for pupils
9 attending juvenile court schools. All other average daily attendance
10 claimed by the county superintendent of schools and any other
11 average daily attendance used for purposes of calculating revenue
12 limits pursuant to Article 3 (commencing with Section 2550) of
13 Chapter 12, as that article read on January 1, 2013, shall be
14 considered final for purposes of this section as of the annual
15 apportionment for the 2012–13 fiscal year, as calculated for
16 purposes of the certification required on or before February 20,
17 2014, pursuant to Section 41332.

18 (2) The sum of both of the following:

19 (A) The amount of funding received from appropriations
20 contained in Section 2.00 of the Budget Act of 2012, as adjusted
21 by Section 12.42, in the following items: 6110-104-0001,
22 6110-105-0001, 6110-107-0001, 6110-108-0001, 6110-111-0001,
23 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001,
24 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001,
25 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001,
26 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001,
27 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001,
28 6110-234-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,
29 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,
30 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001,
31 6110-267-0001, 6110-268-0001, and 6360-101-0001, 2012–13
32 fiscal year funding for the Class Size Reduction Program pursuant
33 to Chapter 6.10 (commencing with Section 52120) of Part 28 of
34 Division 4 of Title 2, as it read on January 1, 2013, and 2012–13
35 fiscal year funding for pupils enrolled in community day schools
36 who are mandatorily expelled pursuant to subdivision (c) of Section
37 48915.

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

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

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

7 (1) Subtract the amount computed pursuant to subdivision (a)
8 from the amount computed pursuant to subdivision (e) of Section
9 2574. A difference of less than zero shall be deemed to be zero.

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

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

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

21 (1) Local property tax revenues received pursuant to Section
22 2573 in the then current fiscal year.

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

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

32 (4) The amount, if any, received pursuant to Sections 34177,
33 34179.5, 34179.6, and 34188 of the Health and Safety Code.

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

37 (d) The Superintendent shall subtract from the amount computed
38 pursuant to subdivision (e) of Section 2574 the sum of the amounts
39 computed pursuant to paragraphs (1) to (5), inclusive, of
40 subdivision (c).

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

14 (f) (1) The Superintendent shall apportion, from an
15 appropriation specifically made for this purpose, the amount
16 computed pursuant to subdivision (b), or, if the amount computed
17 pursuant to subdivision (c) is negative, the sum of the amounts
18 computed pursuant to subdivisions (b) and (c) if the sum is greater
19 than zero.

20 (2) The Superintendent shall apportion any portion of the
21 appropriation made for purposes of paragraph (1) that is not
22 apportioned pursuant to paragraph (1) pursuant to the following
23 calculation:

24 (A) Add the amount calculated pursuant to subdivision (b) to
25 the amount computed pursuant to subdivision (a) for a county
26 superintendent of schools.

27 (B) Subtract the amount computed pursuant to subparagraph
28 (A) from the amount computed pursuant to subdivision (e) of
29 Section 2574 for the county superintendent of schools.

30 (C) Divide the difference for the county superintendent of
31 schools computed pursuant to subparagraph (B) by the sum of the
32 differences for all county superintendents of schools computed
33 pursuant to subparagraph (B).

34 (D) Multiply the proportion computed pursuant to subparagraph
35 (B) by the unapportioned balance in the appropriation.

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

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

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

9 (g) (1) For a county superintendent of schools for whom, in the
10 2013–14 fiscal year, the amount computed pursuant to subdivision
11 (c) is less than the amount computed pursuant to subdivision (d),
12 in the first fiscal year following the fiscal year in which the sum
13 of the apportionments pursuant to subdivisions (e) and (f) is equal
14 to the amount calculated pursuant to subdivision (d) of this section,
15 the Superintendent shall apportion to the county superintendent
16 of schools the amount computed in subdivision (d) in that fiscal
17 year and each fiscal year thereafter instead of the amounts
18 computed pursuant to subdivisions (e) and (f).

19 (2) For a county superintendent of schools for whom, in the
20 2013–14 fiscal year, the amount computed pursuant to subdivision
21 (c) is greater than the amount computed pursuant to subdivision
22 (d), in the first fiscal year in which the amount computed pursuant
23 to subdivision (c) would be less than the amount computed pursuant
24 to subdivision (d), the Superintendent shall apportion to the county
25 superintendent of schools the amount computed in subdivision (d)
26 in that fiscal year and each fiscal year thereafter instead of the
27 amounts computed pursuant to subdivisions (e) and (f).

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

37 (4) Commencing with the first fiscal year after the
38 apportionments in paragraph (3) are made, the adjustments in
39 paragraph (4) of subdivision (a) of Section 2574 and subparagraph
40 (B) of paragraph (1) of subdivision (c) of Section 2574 shall be

1 made only if an appropriation for those purposes is included in the
2 annual Budget Act.

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

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

17 (i) For the 2013–14 and 2014–15 fiscal years only, a county
18 superintendent of schools who, in the 2012–13 fiscal year, from
19 any of the funding sources identified in paragraph (1) or (2) of
20 subdivision (a), received funds on behalf of, or provided funds to,
21 a regional occupational center or program joint powers agency
22 established in accordance with Article 1 (commencing with Section
23 6500) of Chapter 5 of Division 7 of Title 1 of the Government
24 Code for purposes of providing instruction to pupils enrolled in
25 grades 9 to 12, inclusive, shall not redirect that funding for another
26 purpose unless otherwise authorized in law or pursuant to an
27 agreement between the regional occupational center or program
28 joint powers agency and the contracting county superintendent of
29 schools.

30 (j) For the 2013–14 and 2014–15 fiscal years only, a county
31 superintendent of schools who, in the 2012–13 fiscal year, from
32 any of the funding sources identified in paragraph (1) or (2) of
33 subdivision (a), received funds on behalf of, or provided funds to,
34 a home-to-school transportation joint powers agency established
35 in accordance with Article 1 (commencing with Section 6500) of
36 Chapter 5 of Division 7 of Title 1 of the Government Code for
37 purposes of providing pupil transportation shall not redirect that
38 funding for another purpose unless otherwise authorized in law or
39 pursuant to an agreement between the home-to-school

1 transportation joint powers agency and the contracting county
2 superintendent of schools.

3 (k) (1) In addition to subdivision (j), of the funds a county
4 superintendent of schools receives for home-to-school
5 transportation programs *the county superintendent of schools shall*
6 *expend*, pursuant to Article 2 (commencing with Section 39820)
7 of Chapter 1 of Part 23.5 of Division 3 of Title 2, and Article 10
8 (commencing with Section 41850) of Chapter 5 of Part 24 of
9 Division 3 of Title 2, ~~the county superintendent of schools shall~~
10 ~~expend~~ no less for those ~~program~~ *programs* than the amount of
11 funds the county superintendent of schools expended for
12 home-to-school transportation in the 2012–13 fiscal year.

13 (2) For the 2013–14 and 2014–15 fiscal years only, of the funds
14 a county superintendent of schools receives for purposes of regional
15 occupational centers or programs, or adult education, the county
16 superintendent of schools shall expend no less for each of those
17 programs than the amount of funds the county superintendent of
18 schools expended for purposes of regional occupational centers
19 or programs, or adult education, respectively, in the 2012–13 fiscal
20 year.

21 *SEC. 2. Section 42238.02 of the Education Code, as added by*
22 *Assembly Bill 97 of the 2013–14 Regular Session, is amended to*
23 *read:*

24 42238.02. (a) The amount computed pursuant to this section
25 shall be known as the school district and charter school local
26 control funding formula.

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

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

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

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

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

1 (2) Commencing with the 2013–14 fiscal year, a school district
2 or charter school shall annually report its enrolled free and
3 reduced-price meal eligibility, foster youth, and English learner
4 pupil-level records to the Superintendent using the California
5 Longitudinal Pupil Achievement Data System.

6 (3) (A) Commencing with the 2013–14 fiscal year, a county
7 office of education shall review and validate reported English
8 learner, foster youth, and free or reduced-price meal eligible pupil
9 data for school districts and charter schools under its jurisdiction
10 to ensure the data is reported accurately. The Superintendent shall
11 provide each county office of education with appropriate access
12 to school district and charter school data reports in the California
13 Longitudinal Pupil Achievement Data System for purposes of
14 ensuring data reporting accuracy.

15 (B) The Controller shall include the instructions necessary to
16 enforce paragraph (2) in the audit guide required by Section
17 14502.1. The instructions shall include, but are not necessarily
18 limited to, procedures for determining if the English learner, foster
19 youth, and free or reduced-price meal eligible pupil counts are
20 consistent with the school district’s or charter school’s English
21 learner, foster youth, and free or reduced-price meal eligible pupil
22 records.

23 (4) The Superintendent shall make the calculations pursuant to
24 this section using the data submitted by local educational agencies,
25 including charter schools, through the California Longitudinal
26 Pupil Achievement Data System. The Superintendent shall
27 authorize school districts and charter schools to review and revise,
28 as necessary, their submitted data on English learner, foster youth,
29 and free or reduced-price meal eligible pupil counts to ensure the
30 accuracy of data reflected in the California Longitudinal Pupil
31 Achievement Data System.

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

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

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

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

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

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

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

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

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

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

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

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

36 (3) (A) The Superintendent shall compute an additional
37 adjustment to the kindergarten and grades 1 to 3, inclusive, base
38 grant as adjusted for inflation pursuant to paragraph (2) equal to
39 10.4 percent. The additional grant shall be calculated by

1 multiplying the kindergarten and grades 1 to 3, inclusive, base
2 grant as adjusted by paragraph (2) by 10.4 percent.

3 (B) Until paragraph (4) of subdivision (b) of Section 42238.03
4 is effective, as a condition of the receipt of funds in this paragraph,
5 a school district shall make progress toward maintaining an average
6 class enrollment of not more than 24 pupils for each schoolsite in
7 kindergarten and grades 1 to 3, inclusive, unless a collectively
8 bargained alternative annual average class enrollment for each
9 schoolsite in those grades is agreed to by the school district,
10 pursuant to the following calculation:

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

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

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

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

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

28 (C) School districts that have an average class enrollment for
29 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
30 24 pupils or less for each schoolsite in the 2012–13 fiscal year,
31 shall be exempt from the requirements of subparagraph (B) so long
32 as the school district continues to maintain an average class
33 enrollment for each schoolsite for kindergarten and grades 1 to 3,
34 inclusive, of not more than 24 pupils, unless a collectively
35 bargained alternative ratio is agreed to by the school district.

36 (D) Upon full implementation of the local control funding
37 formula, as a condition of the receipt of funds in this paragraph,
38 all school districts shall maintain an average class enrollment for
39 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
40 not more than 24 pupils for each schoolsite in kindergarten and

1 grades 1 to 3, inclusive, unless a collectively bargained alternative
2 ratio is agreed to by the school district.

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

7 (F) The Controller shall include the instructions necessary to
8 enforce this paragraph in the audit guide required by Section
9 14502.1. The instructions shall include, but are not necessarily
10 limited to, procedures for determining if the average class
11 enrollment for each schoolsite for kindergarten and grades 1 to 3,
12 inclusive, exceeds 24, or an alternative average class enrollment
13 for each schoolsite pursuant to a collectively bargained alternative
14 ratio. The procedures for determining average class enrollment for
15 each schoolsite shall include criteria for employing sampling.

16 (4) ~~(A)~~—The Superintendent shall compute an additional
17 adjustment to the base grant for grades 9 to 12, inclusive, as
18 adjusted for inflation pursuant to paragraph (2), equal to 2.6
19 percent. The additional grant shall be calculated by multiplying
20 the base grant for grades 9 to 12, inclusive, as adjusted by
21 paragraph (2), by 2.6 percent.

22 ~~(B)~~ A school district or charter school shall expend funds
23 appropriated pursuant to this paragraph on pupils enrolled in grades
24 9 to 12, inclusive, for any purposes or programs that support a
25 school district or charter school in achieving its goals for college
26 and career readiness as described in a school district's local control
27 and accountability plan pursuant to subparagraph (C) of paragraph
28 (4) of subdivision (d) of Section 52060, or a charter school's plan
29 pursuant to Section 47605, 47605.6, or 47606.5, as applicable.

30 ~~(C)~~ As a condition of the receipt of funds pursuant to this
31 paragraph, a school district or charter school shall report such
32 pupil-level college and career readiness information as may be
33 approved by the state board to implement subparagraph (ii) of
34 subparagraph (F) of paragraph (4) of subdivision (a) of Section
35 52052.

36 ~~(D)~~ Funds apportioned pursuant to this paragraph are specifically
37 intended to fund, and shall be first used to offset, the costs of any
38 new programs or higher levels of service required by this
39 paragraph.

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

15 (f) The Superintendent shall compute a concentration grant
16 add-on equal to 50 percent of the base grants as specified in
17 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
18 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision
19 (d), for each school district's or charter school's percentage of
20 unduplicated pupils calculated pursuant to paragraph (5) of
21 subdivision (b) in excess of 55 percent of the school district's or
22 charter school's total enrollment. The concentration grant shall be
23 calculated by multiplying the base grant as specified in
24 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
25 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision
26 (d), by 50 percent and by the percentage of unduplicated pupils
27 calculated pursuant to paragraph (5) of subdivision (b) in excess
28 of 55 percent of the total enrollment in that school district or charter
29 school. For a charter school physically located in only one school
30 district, the percentage of unduplicated pupils calculated pursuant
31 to paragraph (5) of subdivision (b) in excess of 55 percent used to
32 calculate concentration grants shall not exceed the percentage of
33 unduplicated pupils calculated pursuant to paragraph (5) of
34 subdivision (b) in excess of 55 percent of the school district in
35 which the charter school is physically located. For a charter school
36 physically located in more than one school district, the charter
37 school's percentage of unduplicated pupils calculated pursuant to
38 paragraph (5) of subdivision (b) in excess of 55 percent used to
39 calculate concentration grants shall not exceed that of the school
40 district with the highest percentage of unduplicated pupils

1 calculated pursuant to paragraph (5) of subdivision (b) in excess
2 of 55 percent of the school districts in which the charter school
3 has a school facility. The concentration grant shall be expended
4 in accordance with the regulations adopted pursuant to Section
5 42238.07.

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

19 (h) The Superintendent shall compute an add-on to the total
20 sum of a school district's or charter school's base, supplemental,
21 and concentration grants equal to the amount of funding a school
22 district or charter school received from funds allocated pursuant
23 to the Home-to-School Transportation program, as set forth in
24 former Article 2 (commencing with Section 39820) of Chapter 1
25 of Part 23.5, former Article 10 (commencing with Section 41850)
26 of Chapter 5, and the Small School District Transportation
27 program, as set forth in former Article 4.5 (commencing with
28 Section 42290), for the 2012–13 fiscal year. A school district or
29 charter school shall not receive a total funding amount from this
30 add-on greater than the total amount received by the school district
31 or charter school for that program in the 2012–13 fiscal year. The
32 amount computed pursuant to this subdivision shall reflect the
33 reduction specified in paragraph (2) of subdivision (a) of Section
34 42238.03.

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

38 (A) For school districts, the average daily attendance of the
39 school district in the corresponding grade level ranges computed
40 pursuant to Section 42238.05.

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

3 (2) (A) The amount computed pursuant to Article 4
4 (commencing with Section 42280) shall be added to the amount
5 computed pursuant to paragraphs (1) to (4), inclusive, of
6 subdivision (d), as multiplied by subparagraph (A) or (B) of
7 paragraph (1), as appropriate.

8 (B) The amount added pursuant to this paragraph shall not
9 change the calculation of a school district's or charter school's
10 supplemental grant or concentration grant.

11 (j) The Superintendent shall adjust the sum of each school
12 district's or charter school's amount determined in subdivisions
13 (g) to (i), inclusive, pursuant to the calculation specified in Section
14 42238.03, less the sum of the following:

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

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

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

24 (3) The amount, if any, received pursuant to Chapter 3
25 (commencing with Section 16140) of Part 1 of Division 4 of Title
26 2 of the Government Code.

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

28 (5) Fifty percent of the amount received pursuant to Section
29 41603.

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

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

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

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

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

14 (2) A school district that receives funding on behalf of a locally
15 funded charter school pursuant to paragraph (2) of subdivision (b)
16 of Section 42605, Section 42606, and subdivision (b) of Section
17 47634 in the 2012–13 fiscal year may annually redirect for another
18 purpose a percentage of the amount of the funding received on
19 behalf of that charter school. The percentage of funding that may
20 be redirected shall be determined pursuant to the following
21 computation:

22 (A) (i) Determine the sum of the need fulfilled for that charter
23 school pursuant to paragraph (3) of subdivision (b) of Section
24 42238.03 in the then current fiscal year for the charter school.

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

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

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

38 (B) Multiply the percentage computed pursuant to subparagraph
39 (A) by the amount of funding the school district received on behalf
40 of the charter school pursuant to paragraph (2) of subdivision (b)

1 of Section 42605, Section 42606, and subdivision (b) of Section
2 47634 for the 2012–13 fiscal year.

3 (C) The maximum amount that may be redirected shall be the
4 lesser of the amount of funding the school district received on
5 behalf of the charter school pursuant to paragraph (2) of subdivision
6 (b) of Section 42605, Section 42606, and subdivision (b) of Section
7 47634 for the 2012–13 fiscal year or the amount computed pursuant
8 to subparagraph (B).

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

14 (m) Any calculations in law that are used for purposes of
15 determining if a local educational agency is an excess tax school
16 entity or basic aid school district, including, but not limited to, this
17 section and Sections 42238.03, 41544, 47660, 47632, 47663,
18 48310, and 48359.5, and Section 95 of the Revenue and Taxation
19 Code, shall be made exclusive of the revenue received pursuant
20 to subparagraph (B) of paragraph (3) of subdivision (e) of Section
21 36 of Article XIII of the California Constitution.

22 (n) A school district that does not receive an apportionment of
23 state funds pursuant to this section as implemented pursuant to
24 Section 42238.03, excluding funds apportioned pursuant to the
25 requirements of subdivision (d) of Section 42238.03 shall be
26 considered a “basic aid school district” or an “excess tax entity.”

27 (o) The funds apportioned pursuant to this section and Section
28 42238.03 shall be available to implement the activities required
29 pursuant to Article 4.5 (commencing with Section 52060) of
30 Chapter 6.1 of Part 28 of Division 4 of Title 2.

31 *SEC. 3. Section 42238.03 of the Education Code, as added by*
32 *Assembly Bill 97 of the 2013–14 Regular Session, is amended to*
33 *read:*

34 42238.03. (a) Commencing with the 2013–14 fiscal year and
35 each fiscal year thereafter, the Superintendent shall calculate a
36 base entitlement for the transition to the local control funding
37 formula for each school district and charter school equal to the
38 sum of the amounts computed pursuant to paragraphs (1) to (4),
39 inclusive. The amounts computed pursuant to paragraphs (1) to

1 (6), inclusive, shall be continuously appropriated pursuant to
2 Section 14002.

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

5 (A) For school districts, revenue limits in the 2012–13 fiscal
6 year as computed pursuant to Article 2 (commencing with Section
7 42238), as that article read on January 1, 2013, divided by the
8 2012–13 average daily attendance of the school district computed
9 pursuant to Section 42238.05. That quotient shall be multiplied
10 by the current fiscal year average daily attendance of the school
11 district computed pursuant Section 42238.05.

12 (B) (i) For charter schools, general purpose funding as
13 computed pursuant to Article 2 (commencing with Section 47633)
14 of Chapter 6, as that article read on January 1, 2013, and the
15 amount of in-lieu property tax provided to the charter school
16 pursuant to Section 47635, as that section read on June 30, 2013,
17 divided by the 2012–13 average daily attendance of the charter
18 school computed pursuant to Section 42238.05. That quotient shall
19 be multiplied by the current fiscal year average daily attendance
20 of the charter school computed pursuant to Section 42238.05.

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

24 (C) The amount computed pursuant to subparagraphs (A) and
25 (B) shall exclude funds received pursuant to Section 47633, as that
26 section read on January 1, 2013.

27 (D) The amount computed pursuant to subparagraph (A) shall
28 exclude amounts computed pursuant to Article 4 (commencing
29 with Section 42280). Funding for qualifying necessary small high
30 school and necessary small elementary schools shall be adjusted
31 pursuant Article 4 (commencing with Section 42280) and Section
32 42238.146, as those provisions read on January 1, 2013.

33 (2) Entitlements from items contained in Section 2.00, as
34 adjusted pursuant to Section 12.42, of the Budget Act of 2012 for
35 Items 6110-104-0001, 6110-105-0001, 6110-108-0001,
36 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001,
37 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001,
38 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001,
39 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001,
40 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001,

1 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,
2 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,
3 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001,
4 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for
5 the Class Size Reduction Program pursuant to Chapter 6.10
6 (commencing with Section 52120) of Part 28 of Division 4, as it
7 read on January 1, 2013, and 2012–13 fiscal year funding for pupils
8 enrolled in community day schools who are mandatorily expelled
9 pursuant to subdivision (c) of Section 48915. The entitlement for
10 basic aid school districts shall include the reduction of 8.92 percent
11 as applied pursuant to subparagraph (A) of paragraph (1) of
12 subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

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

19 (4) The amount allocated to a school district or charter school
20 pursuant to paragraph (3) of subdivision (b) for the fiscal years
21 before the current fiscal year divided by the average daily
22 attendance of the school district or charter school for the fiscal
23 years before the current fiscal year computed pursuant to Section
24 42238.05. That quotient shall be multiplied by the current fiscal
25 year average daily attendance of the school district or charter school
26 computed pursuant to Section 42238.05.

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

38 (6) (A) For the 2013–14 and 2014–15 fiscal years only, a school
39 district that, in the 2012–13 fiscal year, from any of the funding
40 sources identified in paragraph (1) or (2), received funds on behalf

1 of, or provided funds to, a home-to-school transportation joint
2 powers agency established in accordance with Article 1
3 (commencing with Section 6500) of Chapter 5 of Division 7 of
4 Title 1 of the Government Code for purposes of providing pupil
5 transportation shall not redirect that funding for another purpose
6 unless otherwise authorized in law or pursuant to an agreement
7 between the home-to-school transportation joint powers agency
8 and the contracting school district.

9 (B) In addition to subparagraph (A), of the funds a school district
10 receives for home-to-school transportation programs *the school*
11 *district shall expend*, pursuant to Article 2 (commencing with
12 Section 39820) of Chapter 1 of Part 23.5, and Article 10
13 (commencing with Section 41850) of Chapter 5, ~~the school district~~
14 ~~shall expend~~ no less *for those programs* than the amount of funds
15 the school district expended for home-to-school transportation in
16 the 2012–13 fiscal year.

17 (7) For the 2013–14 and 2014–15 fiscal years only, of the funds
18 a school district receives for purposes of regional occupational
19 centers or programs, or adult education, the school district shall
20 expend no less than the amount of funds the school district
21 expended for purposes of regional occupational centers or
22 programs, or adult education, respectively, in the 2012–13 fiscal
23 year.

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

26 (1) Subtract the amount computed pursuant to paragraphs (1)
27 to (4), inclusive, of subdivision (a) from the amount computed for
28 each school district or charter school under the local control
29 funding formula entitlements computed pursuant to subdivision
30 (i) of Section 42238.02. School districts and charter schools with
31 a negative difference shall be deemed to have a zero difference.

32 (2) Each school district's and charter school's total need as
33 calculated pursuant to paragraph (1) shall be divided by the sum
34 of all school districts' and charter schools' total need to determine
35 the school district's or charter school's respective proportions of
36 total need.

37 (3) Each school district's and charter school's proportion of
38 total need shall be multiplied by any available appropriations
39 specifically made for purposes of this subdivision, and added to

1 the school district's or charter school's funding amounts as
2 calculated pursuant to subdivision (a).

3 (4) If the total amount of funds appropriated for purposes of
4 paragraph (3) pursuant to this subdivision are sufficient to fully
5 fund any positive amounts computed pursuant to paragraph (1),
6 the local control funding formula grant computed pursuant to
7 subdivision (c) of Section 42238.02 shall be adjusted to ensure
8 that any available appropriation authority is expended for purposes
9 of the local control funding formula.

10 (5) Commencing with the first fiscal year after either paragraph
11 (4) or paragraph (2) of subdivision (h) applies, the adjustments in
12 paragraph (2) of subdivision (d) of Section 42238.02 shall be made
13 only if an appropriation for those adjustments is included in the
14 annual Budget Act.

15 (c) The Superintendent shall subtract from the amounts
16 computed pursuant to subdivisions (a) and (b) the sum of the
17 following:

18 (1) (A) For school districts, the property tax revenue received
19 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter
20 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
21 Revenue and Taxation Code.

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

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

27 (3) The amount, if any, received pursuant to Chapter 3
28 (commencing with Section 16140) of Part 1 of Division 4 of Title
29 2 of the Government Code.

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

31 (5) Fifty percent of the amount received pursuant to Section
32 41603.

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

1 33607.7 of the Health and Safety Code that is allocated exclusively
2 for educational facilities.

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

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

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

13 (e) Notwithstanding the computations pursuant to subdivisions
14 (b) to (d), inclusive, and Section 42238.02, commencing with the
15 2013–14 fiscal year, a school district or charter school shall receive
16 state-aid funding of no less than the sum of the amounts computed
17 pursuant to paragraphs (1) to (3), inclusive.

18 (1) (A) For school districts, revenue limits in the 2012–13 fiscal
19 year as computed pursuant to Article 2 (commencing with Section
20 42238), as that article read on January 1, 2013, divided by the
21 2012–13 average daily attendance of the school district computed
22 pursuant to Section 42238.05. That quotient shall be multiplied
23 by the current fiscal year average daily attendance of the school
24 district computed pursuant Section 42238.05 and then offset for
25 local revenues pursuant to subdivision (c) for the current fiscal
26 year.

27 (B) (i) For charter schools, general purpose funding in the
28 2012–13 fiscal year as computed pursuant to Article 2
29 (commencing with Section 47633) of Chapter 6, as that article
30 read on January 1, 2013, and the amount of in-lieu property tax
31 provided to the charter school in the 2012–13 fiscal year pursuant
32 to Section 47635, as that section read on January 1, 2013, divided
33 by the 2012–13 average daily attendance of the charter school
34 computed pursuant to Section 42238.05. That quotient shall be
35 multiplied by the current fiscal year average daily attendance of
36 the charter school computed pursuant to Section 42238.05 and
37 then offset for local revenues pursuant to subdivision (c) for the
38 current fiscal year.

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

4 (C) The amount computed pursuant to subparagraphs (A) and
5 (B) shall exclude funds received pursuant to Section 47633, as that
6 section read on January 1, 2013.

7 (D) The amount computed pursuant to subparagraph (A) shall
8 exclude amounts computed pursuant to Article 4 (commencing
9 with Section 42280). Funding for qualifying necessary small high
10 school and necessary small elementary schools shall be adjusted
11 pursuant Article 4 (commencing with Section 42280) and Section
12 42238.146, as those provisions read on January 1, 2013.

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

16 (2) (A) Entitlements from items contained in Section 2.00, as
17 adjusted pursuant to Section 12.42, of the Budget Act of 2012 for
18 Items 6110-104-0001, 6110-105-0001, 6110-108-0001,
19 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001,
20 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001,
21 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001,
22 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001,
23 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001,
24 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,
25 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,
26 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001,
27 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for
28 the Class Size Reduction Program pursuant to Chapter 6.10
29 (commencing with Section 52120) of Part 28 of Division 4, as it
30 read on January 1, 2013, and 2012–13 fiscal year funding for pupils
31 enrolled in community day schools who are mandatorily expelled
32 pursuant to subdivision (c) of Section 48915. Notwithstanding
33 Section 39 of Chapter 38 of the Statutes of 2012, the entitlement
34 for basic aid school districts shall include the reduction of 8.92
35 percent as applied pursuant to subparagraph (A) of paragraph (1)
36 of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

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

1 be multiplied by the current fiscal year average daily attendance
2 of the charter school.

3 (f) (1) For purposes of this section, commencing with the
4 2013–14 fiscal year and until all school districts and charter schools
5 equal or exceed their local control funding formula target computed
6 pursuant to Section 42238.02 as determined by the calculation of
7 a zero difference pursuant to paragraph (1) of subdivision (b), a
8 newly operational charter school shall be determined to have a
9 prior year per average daily attendance funding amount equal to
10 the lesser of:

11 (A) The prior year funding amount per unit of average daily
12 attendance for the school district in which the charter school is
13 physically located. The Superintendent shall calculate the funding
14 amount per unit of average daily attendance for this purpose by
15 dividing the total local control funding formula entitlement received
16 by that school district in the prior year by prior year average daily
17 attendance of that school district. For purposes of this paragraph,
18 a charter school that is physically located in more than one school
19 district shall use the calculated local control funding entitlement
20 per unit of average daily attendance of the school district with the
21 highest prior year funding amount per unit of average daily
22 attendance.

23 (B) The charter school’s local control funding formula rate
24 computed pursuant to subdivisions (c) to (i), inclusive, of Section
25 42238.02.

26 (2) For charter schools funded pursuant to paragraph (1), the
27 charter school shall be eligible to receive growth funding pursuant
28 to subdivision (b) toward meeting the newly operational charter
29 school’s local control funding formula target.

30 (3) Upon a determination that all school districts and charter
31 schools equal or exceed the local control funding formula target
32 computed pursuant to Section 42238.02 as determined by the
33 calculation of a zero difference pursuant to paragraph (1) of
34 subdivision (b) for all school districts and charter schools, this
35 subdivision shall not apply and the charter school shall receive an
36 allocation equal to the amount calculated under Section 42238.02
37 in that fiscal year and future fiscal years.

38 (g) (1) In each fiscal year the Superintendent shall determine
39 the percentage of school districts that are apportioned funding
40 pursuant to this section that is less than the amount computed

1 pursuant to Section 42238.02 as of the second principal
2 apportionments of the fiscal year. If the percentage is less than 10
3 percent, the Superintendent shall apportion funding to the school
4 districts and charter schools equal to the amount computed pursuant
5 to Section 42238.02 in that fiscal year.

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

9 *SEC. 4. Item 6110-106-0001 of Section 2.00 of Assembly Bill*
10 *110 of 2013–14 Regular Session is amended to read:*

11
12 6110-106-0001—For local assistance, Department of Education
13 (Proposition 98), for transfer to Section A of the State
14 School Fund, for support of the California ~~Local Control~~
15 ~~Accountability Support Network Collaborative for Educa-~~
16 ~~tional Excellence~~..... 10,000,000

17 Provisions:

- 18 1. Funds appropriated in this item shall be used to support
19 the California ~~Local Control Accountability Support~~
20 ~~Network~~, composed of regional ~~Mentor Teams Collaborative for Educational Excellence~~ to assist in the
21 improvement of Local Control and Accountability
22 Plans (LCAP) established in Article ~~3.8~~ 4.5 (commenc-
23 ing with Section 52060) of Chapter 6.1 of Part 28 of
24 Division 4 of Title 2 of the Education Code. Up to
25 \$300,000 of this amount may be used to support a
26 statewide evaluation to measure the effectiveness of
27 the ~~support network~~ *California Collaborative for Ed-*
28 *ucational Excellence* in responding to the needs of
29 local ~~education~~ educational agencies.
30

31
32 *SEC. 5. Sections 1 to 4, inclusive, of this bill shall only become*
33 *operative if Assembly Bill 97 of the 2013–14 Regular Session is*
34 *enacted.*

35 *SEC. 6. This act is a bill providing for appropriations related*
36 *to the Budget Bill within the meaning of subdivision (e) of Section*
37 *12 of Article IV of the California Constitution, has been identified*
38 *as related to the budget in the Budget Bill, and shall take effect*
39 *immediately.*

1 SECTION 1. Section 1622 of the Education Code is amended to
2 read:

3 1622. (a) On or before July 1 of each fiscal year, the county
4 board of education shall adopt an annual budget for the budget
5 year and shall file the budget with the Superintendent, the county
6 board of supervisors, and the county auditor. The budget, and
7 supporting data, shall be maintained and made available for public
8 review. The budget shall indicate the date, time, and location at
9 which the county board of education held the public hearing
10 required under Section 1620. For the 2014–15 fiscal year and each
11 fiscal year thereafter, the county board of education shall not adopt
12 a budget before the county board of education adopts a local control
13 and accountability plan or approves an update to an existing local
14 control and accountability plan if an existing local control and
15 accountability plan or update to a local control and accountability
16 plan is not effective during the budget year. The county board of
17 education shall not adopt a budget that does not include the
18 expenditures identified in the local control and accountability plan
19 and any annual update to the local control and accountability plan
20 that will be effective in the subsequent fiscal year.

21 (b) (1) The Superintendent shall examine the budget to
22 determine if it (A) complies with the standards and criteria adopted
23 by the state board pursuant to Section 33127 for application to
24 final local educational agency budgets, (B) allows the county office
25 of education to meet its financial obligations during the fiscal year,
26 and (C) is consistent with a financial plan that will enable the
27 county office of education to satisfy its multiyear financial
28 commitments. In addition, the Superintendent shall identify any
29 technical corrections to the budget that must be made. On or before
30 August 15, the Superintendent shall approve or disapprove the
31 budget and, in the event of a disapproval, transmit to the county
32 office of education in writing his or her recommendations regarding
33 revision of the budget and the reasons for those recommendations.

34 (2) For the 2011–12 fiscal year, notwithstanding any of the
35 standards and criteria adopted by the state board pursuant to Section
36 33127, the Superintendent, as a condition on approval of a county
37 office of education budget, shall not require a county office of
38 education to project a lower level of revenue per unit of average
39 daily attendance than it received in the 2010–11 fiscal year nor
40 require the county superintendent to certify in writing whether or

1 not the county office of education is able to meet its financial
2 obligations for the two subsequent fiscal years.

3 (3) For the 2014-15 fiscal year and each fiscal year thereafter,
4 the Superintendent shall disapprove a budget if any of the following
5 occur:

6 (A) The Superintendent has not approved a local control and
7 accountability plan or an annual update to the local control and
8 accountability plan filed by a county superintendent of schools
9 pursuant to Section 52067.

10 (B) The Superintendent determines that the budget does not
11 include the expenditures necessary to implement the local control
12 and accountability plan or an annual update to the local control
13 and accountability plan that is effective for that budget year.

14 (c) On or before September 8, the county board of education
15 shall revise the county office of education budget to reflect changes
16 in projected income or expenditures subsequent to July 1, and to
17 include any response to the recommendations of the
18 Superintendent, shall adopt the revised budget, and shall file the
19 revised budget with the Superintendent, the county board of
20 supervisors, and the county auditor. Before revising the budget,
21 the county board of education shall hold a public hearing regarding
22 the proposed revisions, which shall be made available for public
23 inspection not less than three working days before the hearing.
24 The agenda for that hearing shall be posted at least 72 hours before
25 the public hearing and shall include the location where the budget
26 will be available for public inspection. The revised budget, and
27 supporting data, shall be maintained and made available for public
28 review.

29 (d) The Superintendent shall examine the revised budget to
30 determine if it complies with the standards and criteria adopted by
31 the state board pursuant to Section 33127 for application to final
32 local educational agency budgets and, no later than October 8,
33 shall approve or disapprove the revised budget. For the 2014-15
34 fiscal year and each fiscal year thereafter, the Superintendent shall
35 disapprove a revised budget if the Superintendent determines that
36 the revised budget does not include the expenditures necessary to
37 implement the local control and accountability or an annual update
38 to the local control and accountability plan approved by the
39 Superintendent pursuant to Section 52067. If the Superintendent
40 disapproves the budget, he or she shall call for the formation of a

1 budget review committee pursuant to Section 1623. For the
2 2011–12 fiscal year, notwithstanding any of the standards and
3 criteria adopted by the state board pursuant to Section 33127, the
4 Superintendent, as a condition on approval of a county office of
5 education budget, shall not require a county office of education to
6 project a lower level of revenue per unit of average daily attendance
7 than it received in the 2010–11 fiscal year nor require the county
8 superintendent to certify in writing whether or not the county office
9 of education is able to meet its financial obligations for the two
10 subsequent fiscal years.

11 (e) Notwithstanding any other provision of this section, the
12 budget review for a county office of education shall be governed
13 by paragraphs (1), (2), and (3) of this subdivision, rather than by
14 subdivisions (c) and (d), if the county board of education so elects,
15 and notifies the Superintendent in writing of that decision, no later
16 than October 31 of the immediately preceding calendar year.

17 (1) In the event of the disapproval of the budget of a county
18 office of education pursuant to subdivision (b), on or before
19 September 8, the county superintendent of schools and the county
20 board of education shall review the recommendations of the
21 Superintendent at a regularly scheduled meeting of the county
22 board of education and respond to those recommendations. That
23 response shall include the proposed actions to be taken, if any, as
24 a result of those recommendations.

25 (2) No later than October 8, after receiving the response required
26 under paragraph (1), the Superintendent shall review that response
27 and either approve or disapprove the budget of the county office
28 of education. For the 2014–15 fiscal year and each fiscal year
29 thereafter, the Superintendent shall disapprove a budget if the
30 Superintendent determines that the budget adopted by the county
31 board of education does not include the expenditures necessary to
32 implement the local control and accountability plan or an annual
33 update to the local control and accountability plan approved by
34 the Superintendent pursuant to Section 52067. If the Superintendent
35 disapproves the budget, he or she shall call for the formation of a
36 budget review committee pursuant to Section 1623.

37 (3) Not later than 45 days after the Governor signs the annual
38 Budget Act, the county office of education shall make available
39 for public review any revisions in revenues and expenditures that

1 it has made to its budget to reflect the funding made available by
2 that Budget Act.

3 ~~SEC. 2. Chapter 12.5 (commencing with Section 2574) is added~~
4 ~~to Part 2 of Division 1 of Title 1 of the Education Code, to read:~~

5
6 ~~CHAPTER 12.5. COUNTY LOCAL CONTROL FUNDING FORMULA~~

7
8 ~~2574. For the 2013–14 fiscal year and for each fiscal year~~
9 ~~thereafter, the Superintendent annually shall calculate a county~~
10 ~~local control funding formula for each county superintendent of~~
11 ~~schools as follows:~~

12 ~~(a) Compute a county office of education operations grant equal~~
13 ~~to the sum of each of the following amounts:~~

14 ~~(1) Six hundred fifty-five thousand nine hundred twenty dollars~~
15 ~~(\$655,920).~~

16 ~~(2) One hundred nine thousand three hundred twenty dollars~~
17 ~~(\$109,320) multiplied by the number of school districts for which~~
18 ~~the county superintendent of schools has jurisdiction pursuant to~~
19 ~~Section 1253.~~

20 ~~(3) (A) Seventy dollars (\$70) multiplied by the number of units~~
21 ~~of countywide average daily attendance, up to a maximum of~~
22 ~~30,000 units. For purposes of this section, countywide average~~
23 ~~daily attendance means the aggregate number of annual units of~~
24 ~~average daily attendance within the county attributable to all school~~
25 ~~districts for which the county superintendent of schools has~~
26 ~~jurisdiction pursuant to Section 1253, charter schools physically~~
27 ~~located within the county, and the schools operated by the county~~
28 ~~superintendent of schools.~~

29 ~~(B) Sixty dollars (\$60) multiplied by the number of units of~~
30 ~~countywide average daily attendance for the portion of countywide~~
31 ~~average daily attendance, if any, above 30,000 units, up to a~~
32 ~~maximum of 60,000 units.~~

33 ~~(C) Fifty dollars (\$50) multiplied by the number of units of~~
34 ~~countywide average daily attendance for the portion of countywide~~
35 ~~average daily attendance, if any, above 60,000, up to a maximum~~
36 ~~of 140,000 units.~~

37 ~~(D) Forty dollars (\$40) multiplied by the number of units of~~
38 ~~countywide average daily attendance for the portion of countywide~~
39 ~~average daily attendance, if any, above 140,000 units.~~

1 ~~(4) For the 2014–15 fiscal year and each fiscal year thereafter,~~
2 ~~adjust each of the amounts provided in the prior year pursuant to~~
3 ~~paragraphs (1), (2), and (3) by the percentage change in the annual~~
4 ~~average value of the Implicit Price Deflator for State and Local~~
5 ~~Government Purchases of Goods and Services for the United States,~~
6 ~~as published by the United States Department of Commerce for~~
7 ~~the 12-month period ending in the third quarter of the prior fiscal~~
8 ~~year. This percentage change shall be determined using the latest~~
9 ~~data available as of May 10 of the preceding fiscal year compared~~
10 ~~with the annual average value of the same deflator for the 12-month~~
11 ~~period ending in the third quarter of the second preceding fiscal~~
12 ~~year, using the latest data available as of May 10 of the preceding~~
13 ~~fiscal year, as reported by the Department of Finance.~~

14 ~~(b) Determine the enrollment percentage of unduplicated pupils~~
15 ~~pursuant to the following:~~

16 ~~(1) (A) For the 2013–14 fiscal year, divide the enrollment of~~
17 ~~unduplicated pupils in all schools operated by a county~~
18 ~~superintendent of schools in the 2013–14 fiscal year by the total~~
19 ~~enrollment in those schools in the 2013–14 fiscal year.~~

20 ~~(B) For the 2014–15 fiscal year, divide the sum of the enrollment~~
21 ~~of unduplicated pupils in all schools operated by a county~~
22 ~~superintendent of schools in the 2013–14 and 2014–15 fiscal years~~
23 ~~by the sum of the total enrollment in those schools in the 2013–14~~
24 ~~and 2014–15 fiscal years.~~

25 ~~(C) For the 2015–16 fiscal year and each fiscal year thereafter,~~
26 ~~divide the sum of the enrollment of unduplicated pupils in all~~
27 ~~schools operated by a county superintendent of schools in the~~
28 ~~current fiscal year and the two prior fiscal years by the sum of the~~
29 ~~total enrollment in those schools in the current fiscal year and the~~
30 ~~two prior fiscal years.~~

31 ~~(D) For purposes of determining the enrollment percentage of~~
32 ~~unduplicated pupils pursuant to this subdivision, enrollment in~~
33 ~~schools or classes established pursuant to Article 2.5 (commencing~~
34 ~~with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title~~
35 ~~2 and the enrollment of pupils other than the pupils identified in~~
36 ~~clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4)~~
37 ~~of subdivision (e), shall be excluded from the calculation of the~~
38 ~~enrollment percentage of unduplicated pupils.~~

39 ~~(2) For purposes of this section, an “unduplicated pupil” is a~~
40 ~~pupil who is classified as an English learner, eligible to receive a~~

1 free or reduced-price meal, or a foster youth. For purposes of this
2 section, the definitions in Section 42238.01 of an English learner,
3 a pupil eligible to receive a free or reduced-price meal, and foster
4 youth shall apply. A pupil shall be counted only once for purposes
5 of this section if any of the following apply:

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

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

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

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

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

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

24 (C) The Controller shall include instructions, as appropriate, in
25 the audit guide required by subdivision (a) of Section 14502.1 for
26 determining if the data reported by a county superintendent of
27 schools using the California Longitudinal Pupil Achievement Data
28 System is consistent with pupil data records maintained by the
29 county office of education.

30 (e) Compute an alternative education grant equal to the sum of
31 the following:

32 (1) (A) For the 2013–14 fiscal year, a base grant equal to the
33 2012–13 per pupil undeficitated statewide average juvenile court
34 school base revenue limit calculated pursuant to Article 3
35 (commencing with Section 2550), as that article read on January
36 1, 2013.

37 (B) Commencing with the 2013–14 fiscal year, the per pupil
38 base grant shall be adjusted by the percentage change in the annual
39 average value of the Implicit Price Deflator for State and Local
40 Government Purchases of Goods and Services for the United States,

1 as published by the United States Department of Commerce for
2 the 12-month period ending in the third quarter of the prior fiscal
3 year. This percentage change shall be determined using the latest
4 data available as of May 10 of the preceding fiscal year compared
5 with the annual average value of the same deflator for the 12-month
6 period ending in the third quarter of the second preceding fiscal
7 year, using the latest data available as of May 10 of the preceding
8 fiscal year, as reported by the Department of Finance.

9 (2) A supplemental grant equal to 35 percent of the base grant
10 described in paragraph (1) multiplied by the enrollment percentage
11 calculated in subdivision (b). The supplemental grant shall be
12 expended in accordance with the regulations adopted pursuant to
13 Section 42238.07.

14 (3) (A) A concentration grant equal to 35 percent of the base
15 grant described in paragraph (1) multiplied by the greater of either
16 of the following:

17 (i) The enrollment percentage calculated in subdivision (b) less
18 50 percent.

19 (ii) Zero.

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

22 (4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the
23 total number of units of average daily attendance for pupils
24 attending schools operated by a county office of education,
25 excluding units of average daily attendance for pupils attending
26 schools or classes established pursuant to Article 2.5 (commencing
27 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title
28 2, who are any of the following:

29 (i) Probation-referred pursuant to Sections 300, 601, 602, and
30 654 of the Welfare and Institutions Code.

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

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

34 (B) Multiply the number of units of average daily attendance
35 for pupils attending schools or classes established pursuant to
36 Article 2.5 (commencing with Section 48645) of Chapter 4 of Part
37 27 of Division 4 of Title 2 by the sum of the base grant calculated
38 in paragraph (1), a supplemental grant equal to 35 percent of the
39 base grant pursuant to paragraph (1), and a concentration grant
40 equal to 17.5 percent of the base grant pursuant to paragraph (1).

1 Funds provided for the supplemental and concentration grants
2 pursuant to this calculation shall be expended in accordance with
3 the regulations adopted pursuant to Section 42238.07.

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

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

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

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

15 (2) (A) The amount of funding a county superintendent of
16 schools received for the 2012–13 fiscal year from funds allocated
17 pursuant to the Home to School Transportation program, as set
18 forth in Article 2 (commencing with Section 39820) of Chapter 1
19 of Part 23.5 of Division 3 of Title 2, and Article 10 (commencing
20 with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title
21 2, as those articles read on January 1, 2013.

22 (B) On or before March 1, 2014, the Legislative Analyst’s Office
23 shall submit recommendations to the fiscal committees of both
24 houses of the Legislature regarding revisions to the methods of
25 funding pupil transportation that address historical funding
26 inequities across county offices of education and school districts
27 and improve incentives for local educational agencies to provide
28 efficient and effective pupil transportation services.

29 (f) The funds apportioned pursuant to this section and Section
30 2575 shall be available to implement the activities required
31 pursuant to Article 4.5 (commencing with Section 52060) of
32 Chapter 6.1 of Part 28 of Division 4 of Title 2.

33 2575. (a) Commencing with the 2013–14 budget year and for
34 each fiscal year thereafter, the Superintendent shall calculate a
35 base entitlement for the transition to the county local control
36 funding formula for each county office of education based on the
37 sum of the amounts computed pursuant to paragraphs (1) to (3),
38 inclusive:

39 (1) Revenue limits in the 2012–13 fiscal year pursuant to Article
40 3 (commencing with Section 2550) of Chapter 12, as that article

1 read on January 1, 2013, adjusted only for changes in average daily
 2 attendance claimed by the county superintendent of schools for
 3 pupils identified in clauses (i), (ii), and (iii) of subparagraph (A)
 4 of paragraph (4) of subdivision (c) of Section 2574 and for pupils
 5 attending juvenile court schools. All other average daily attendance
 6 claimed by the county superintendent of schools and any other
 7 average daily attendance used for purposes of calculating revenue
 8 limits pursuant to Article 3 (commencing with Section 2550) of
 9 Chapter 12, as that article read on January 1, 2013, shall be
 10 considered final for purposes of this section as of the annual
 11 apportionment for the 2012–13 fiscal year, as calculated for
 12 purposes of the certification required on or before February 20,
 13 2014, pursuant to Section 41332.

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

15 (A) ~~The amount of funding received from appropriations~~
 16 ~~contained in Section 2.00 of the Budget Act of 2012, as adjusted~~
 17 ~~by Section 12.42, in the following items: 6110-104-0001,~~
 18 ~~6110-105-0001, 6110-107-0001, 6110-108-0001, 6110-111-0001,~~
 19 ~~6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001,~~
 20 ~~6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001,~~
 21 ~~6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001,~~
 22 ~~6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001,~~
 23 ~~6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001,~~
 24 ~~6110-234-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,~~
 25 ~~6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,~~
 26 ~~6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001,~~
 27 ~~6110-267-0001, 6110-268-0001, and 6360-101-0001, 2012–13~~
 28 ~~fiscal year funding for the Class Size Reduction Program pursuant~~
 29 ~~to Chapter 6.10 (commencing with Section 52120) of Part 28 of~~
 30 ~~Division 4 of Title 2, as it read on January 1, 2013, and 2012–13~~
 31 ~~fiscal year funding for pupils enrolled in community day schools~~
 32 ~~who are mandatorily expelled pursuant to subdivision (c) of Section~~
 33 ~~48915.~~

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

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

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

4 ~~(1) Subtract the amount computed pursuant to subdivision (a)~~
5 ~~from the amount computed pursuant to subdivision (e) of Section~~
6 ~~2574. A difference of less than zero shall be deemed to be zero.~~

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

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

16 ~~(e) The Superintendent shall subtract from the amount calculated~~
17 ~~pursuant to subdivision (a) the sum of each of the following:~~

18 ~~(1) Local property tax revenues received pursuant to Section~~
19 ~~2573 in the then current fiscal year.~~

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

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

29 ~~(4) The amount, if any, received pursuant to Sections 34177,~~
30 ~~34179.5, 34179.6, and 34188 of the Health and Safety Code.~~

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

34 ~~(d) The Superintendent shall subtract from the amount computed~~
35 ~~pursuant to subdivision (e) of Section 2574 the sum of the amounts~~
36 ~~computed pursuant to paragraphs (1) to (5), inclusive, of~~
37 ~~subdivision (e).~~

38 ~~(e) The Superintendent shall annually apportion to each county~~
39 ~~superintendent of schools the amount calculated pursuant to~~
40 ~~subdivision (e) unless the amount computed pursuant to subdivision~~

1 ~~(e) is negative. If the amount computed is negative, except as~~
2 ~~provided in subdivision (f), an amount of property tax of the county~~
3 ~~superintendent of schools equal to the negative amount shall be~~
4 ~~deemed restricted and not available for expenditure during the~~
5 ~~fiscal year. In the following fiscal year, that amount, excluding~~
6 ~~any amount of funds used for purposes of subdivision (f), shall be~~
7 ~~considered restricted local property tax revenue for purposes of~~
8 ~~subdivision (a) of Section 2578. State aid shall not be apportioned~~
9 ~~to the county superintendent of schools pursuant to this subdivision~~
10 ~~if the amount computed pursuant to subdivision (e) is negative.~~

11 ~~(f) (1) The Superintendent shall apportion, from an~~
12 ~~appropriation specifically made for this purpose, the amount~~
13 ~~computed pursuant to subdivision (b), or, if the amount computed~~
14 ~~pursuant to subdivision (e) is negative, the sum of the amounts~~
15 ~~computed pursuant to subdivisions (b) and (e) if the sum is greater~~
16 ~~than zero.~~

17 ~~(2) The Superintendent shall apportion any portion of the~~
18 ~~appropriation made for purposes of paragraph (1) that is not~~
19 ~~apportioned pursuant to paragraph (1) pursuant to the following~~
20 ~~calculation:~~

21 ~~(A) Add the amount calculated pursuant to subdivision (b) to~~
22 ~~the amount computed pursuant to subdivision (a) for a county~~
23 ~~superintendent of schools.~~

24 ~~(B) Subtract the amount computed pursuant to subparagraph~~
25 ~~(A) from the amount computed pursuant to subdivision (e) of~~
26 ~~Section 2574 for the county superintendent of schools.~~

27 ~~(C) Divide the difference for the county superintendent of~~
28 ~~schools computed pursuant to subparagraph (B) by the sum of the~~
29 ~~differences for all county superintendents of schools computed~~
30 ~~pursuant to subparagraph (B).~~

31 ~~(D) Multiply the proportion computed pursuant to subparagraph~~
32 ~~(B) by the unapportioned balance in the appropriation.~~

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

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

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

5 ~~(g) (1) For a county superintendent of schools for whom, in the~~
6 ~~2013–14 fiscal year, the amount computed pursuant to subdivision~~
7 ~~(e) is less than the amount computed pursuant to subdivision (d),~~
8 ~~in the first fiscal year following the fiscal year in which the sum~~
9 ~~of the apportionments pursuant to subdivisions (e) and (f) is equal~~
10 ~~to the amount calculated pursuant to subdivision (d) of this section,~~
11 ~~the Superintendent shall apportion to the county superintendent~~
12 ~~of schools the amount computed in subdivision (d) in that fiscal~~
13 ~~year and each fiscal year thereafter instead of the amounts~~
14 ~~computed pursuant to subdivisions (e) and (f).~~

15 ~~(2) For a county superintendent of schools for whom, in the~~
16 ~~2013–14 fiscal year, the amount computed pursuant to subdivision~~
17 ~~(e) is greater than the amount computed pursuant to subdivision~~
18 ~~(d), in the first fiscal year in which the amount computed pursuant~~
19 ~~to subdivision (e) would be less than the amount computed pursuant~~
20 ~~to subdivision (d), the Superintendent shall apportion to the county~~
21 ~~superintendent of schools the amount computed in subdivision (d)~~
22 ~~in that fiscal year and each fiscal year thereafter instead of the~~
23 ~~amounts computed pursuant to subdivisions (e) and (f).~~

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

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

39 ~~(5) If the calculation pursuant to subdivision (d) is negative and~~
40 ~~the Superintendent apportions to a county superintendent of schools~~

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

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

13 (i) For the 2013-14 and 2014-15 fiscal years only, a county
14 superintendent of schools who, in the 2012-13 fiscal year, from
15 any of the funding sources identified in paragraph (1) or (2) of
16 subdivision (a), received funds on behalf of, or provided funds to,
17 a regional occupational center or program joint powers agency
18 established in accordance with Article 1 (commencing with Section
19 6500) of Chapter 5 of Division 7 of Title 1 of the Government
20 Code for purposes of providing instruction to pupils enrolled in
21 grades 9 to 12, inclusive, shall not redirect that funding for another
22 purpose unless otherwise authorized in law or pursuant to an
23 agreement between the regional occupational center or program
24 joint powers agency and the contracting county superintendent of
25 schools.

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

38 (k) (1) In addition to subdivision (j), of the funds a county
39 superintendent of schools receives for home-to-school
40 transportation programs pursuant to Article 2 (commencing with

1 Section 39820) of Chapter 1 of Part 23.5 of Division 3 of Title 2
2 and Article 10 (commencing with Section 41850) of Chapter 5 of
3 Part 24 of Division 3 of Title 2, the county superintendent of
4 schools shall expend no less for those program than the amount
5 of funds the county superintendent of schools expended for
6 home-to-school transportation in the 2012-13 fiscal year.

7 (2) For the 2013-14 and 2014-15 fiscal years only, of the funds
8 a county superintendent of schools receives for purposes of regional
9 occupational centers or programs, or adult education, the county
10 superintendent of schools shall expend no less for each of those
11 programs than the amount of funds the county superintendent of
12 schools expended for purposes of regional occupational centers
13 or programs, or adult education, respectively, in the 2012-13 fiscal
14 year.

15 2576. (a) If a county superintendent of schools enrolls in a
16 school operated by the county superintendent of schools a pupil
17 not funded pursuant to clause (i), (ii), or (iii) of subparagraph (A)
18 of paragraph (4) of subdivision (c) of Section 2574, any attendance
19 generated by that pupil shall be credited to the school district of
20 residence. Enrollment of these pupils shall be transferred to the
21 school district of residence for purposes of calculating the
22 percentage of unduplicated pupils pursuant to Section 42238.02.

23 (b) For purposes of this section, the school district of residence
24 for a homeless child, as defined in Section 1981.2, enrolled in a
25 school operated by a county superintendent of schools shall be
26 deemed to be the school district that last provided educational
27 services to that child or, if it is not possible to determine that school
28 district, the largest school district in the county.

29 2577. Notwithstanding any other law, revenue limit funding
30 for county superintendents of schools for the 2012-13 fiscal year
31 and prior fiscal years shall continue to be adjusted pursuant to
32 Article 3 (commencing with Section 2550) of Chapter 12, as that
33 section read on January 1, 2013.

34 2578. (a) Every fiscal year the Superintendent shall determine
35 the amount of funds that will be restricted for each county
36 superintendent of schools pursuant to subdivisions (e) and (g) of
37 Section 2575, as of June 30 of the prior fiscal year.

38 (b) The auditor-controller of each county shall distribute the
39 amounts determined in subdivision (a) to the Supplemental
40 Revenue Augmentation Fund created within the county pursuant

1 to Section 100.06 of the Revenue and Taxation Code. The amount
2 of funds required to be transferred by this subdivision shall be
3 transferred annually in two equal shares with the first share
4 transferred on or before January 15 of each year and the second
5 share transferred after January 15 and on or before May 1 of each
6 year.

7 (e) The funds transferred to the Supplemental Revenue
8 Augmentation Fund for purposes of this section shall be transferred
9 by the county office of education to the auditor-controller of the
10 county and shall be exclusively used to offset state costs of
11 providing trial court services and costs, until the funds are
12 exhausted.

13 2579. Commencing on July 1, 2013, all of the following shall
14 apply:

15 (a) All references to Section 2558 shall instead refer to Section
16 2575.

17 (b) Unless the context otherwise requires, all references to the
18 revenue limit of a county office of education or county
19 superintendent of schools shall instead refer to the county local
20 control funding formula.

21 SEC. 3. Section 14002 of the Education Code is amended to
22 read:

23 14002. Notwithstanding any other law, upon certification of
24 the Superintendent, the Controller shall transfer from the General
25 Fund to Section A of the State School Fund during each fiscal year
26 the amount of moneys required to meet the amounts apportioned
27 pursuant to subdivisions (e) and (g) of Section 2575, and Sections
28 2577, 42238.02, as implemented by Section 42238.03, and
29 42238.04 for each fiscal year. If all school districts and charter
30 schools are funded pursuant to the provisions of Section 42238.02
31 and all county superintendents of schools are funded at or above
32 the calculation made pursuant to subdivision (d) of Section 2575,
33 appropriations for local control funding formula cost-of-living
34 adjustments pursuant to Section 2574 and paragraph (2) of
35 subdivision (d) of Section 42238.02 shall be subject to an
36 appropriation in the annual Budget Act.

37 SEC. 4. Section 14002.3 of the Education Code is repealed.

38 SEC. 5. Section 14501 of the Education Code is amended to
39 read:

1 14501. (a) As used in this chapter, “financial and compliance
2 audit” shall be consistent with the definition provided in the
3 “Standards for Audits of Governmental Organizations, Programs,
4 Activities, and Functions” promulgated by the Comptroller General
5 of the United States. Financial and compliance audits conducted
6 under this chapter shall fulfill federal single audit requirements.

7 (b) As used in this chapter, “compliance audit” means an audit
8 that ascertains and verifies whether or not funds provided through
9 apportionment, contract, or grant, either federal or state, have been
10 properly disbursed and expended as required by law or regulation
11 or both and includes the verification of each of the following:

12 (1) Expenditure of funds in accordance with the local control
13 and accountability plan adopted pursuant to Article 4.5
14 (commencing with Section 52060) of Chapter 6.1 of Part 28 of
15 Division 4 of Title 2.

16 (2) The reporting requirements for the sufficiency of textbooks
17 or instructional materials, or both, as defined in Section 60119.

18 (3) Teacher misassignments pursuant to Section 44258.9.

19 (4) The accuracy of information reported on the School
20 Accountability Report Card required by Section 33126. The
21 requirements set forth in paragraphs (2) and (3) and this paragraph
22 shall be added to the audit guide requirements pursuant to
23 subdivision (b) of Section 14502.1.

24 SEC. 6. Section 17582 of the Education Code is amended to
25 read:

26 17582. (a) The governing board of a school district may
27 establish a restricted fund to be known as the “district deferred
28 maintenance fund” for the purposes of major repair or replacement
29 of plumbing, heating, air conditioning, electrical, roofing, and floor
30 systems, the exterior and interior painting of school buildings, the
31 inspection, sampling, and analysis of building materials to
32 determine the presence of asbestos-containing materials, the
33 encapsulation or removal of asbestos-containing materials, the
34 inspection, identification, sampling, and analysis of building
35 materials to determine the presence of lead-containing materials,
36 the control, management, and removal of lead-containing materials,
37 and any other items of maintenance approved by the State
38 Allocation Board. Funds deposited in the district deferred
39 maintenance fund may be received from any source and shall be
40 accounted for separately from all other funds and accounts and

1 retained in the district deferred maintenance fund for purposes of
 2 this section. The term “school building” as used in this article
 3 includes a facility that a county office of education is authorized
 4 to use pursuant to Article 3 (commencing with Section 17280) of
 5 Chapter 3.

6 ~~(b) Funds deposited in the district deferred maintenance fund~~
 7 ~~shall only be expended for maintenance purposes as provided~~
 8 ~~pursuant to subdivision (a).~~

9 ~~(c) The governing board of each school district shall have~~
 10 ~~complete control over the funds and earnings of funds once~~
 11 ~~deposited in the district deferred maintenance fund.~~

12 ~~SEC. 7. Section 17583 of the Education Code is repealed.~~

13 ~~SEC. 8. Section 17584 of the Education Code is repealed.~~

14 ~~SEC. 9. Section 17584.1 of the Education Code, as amended~~
 15 ~~by Section 18 of Chapter 7 of the Statutes of 2011, is repealed.~~

16 ~~SEC. 10. Section 17584.1 of the Education Code, as amended~~
 17 ~~by Section 19 of Chapter 7 of the Statutes of 2011, is repealed.~~

18 ~~SEC. 11. Section 17584.2 of the Education Code is repealed.~~

19 ~~SEC. 12. Section 17585 of the Education Code is repealed.~~

20 ~~SEC. 13. Section 17587 of the Education Code is repealed.~~

21 ~~SEC. 14. Section 33127 of the Education Code is amended to~~
 22 ~~read:~~

23 ~~33127. (a) The Superintendent, the Controller, and the Director~~
 24 ~~of Finance shall develop, on or before March 1, 1989, standards~~
 25 ~~and criteria to be reviewed and adopted by the state board, and to~~
 26 ~~be used by local educational agencies in the development of annual~~
 27 ~~budgets and the management of subsequent expenditures from that~~
 28 ~~budget. During the development of the standards and criteria, the~~
 29 ~~Superintendent shall convene a committee composed of~~
 30 ~~representatives from school districts, county offices of education,~~
 31 ~~state agencies, the Legislature, and appropriate labor and~~
 32 ~~professional organizations. The committee may review and~~
 33 ~~comment on the proposal standards and criteria before their~~
 34 ~~adoption. In addition, the standards and criteria shall be used to~~
 35 ~~monitor the fiscal stability of local educational agencies as provided~~
 36 ~~for in Sections 1240.1, 1240.2, 1621, 1623, 33131, 42127, and~~
 37 ~~42127.1.~~

38 ~~(b) The Superintendent, the Controller, and the Director of~~
 39 ~~Finance shall update the standards and criteria developed pursuant~~
 40 ~~to subdivision (a) on or before September 1, 2005. The updated~~

1 standards and criteria shall be reviewed and adopted pursuant to
2 the procedure established by subdivision (a) and are applicable to
3 local educational agency budgets commencing with the 2006-07
4 fiscal year and each fiscal year thereafter.

5 (e) The Superintendent, the Controller, and the Director of
6 Finance shall update the standards and criteria developed pursuant
7 to subdivision (a) on or before January 1, 2014, to address the
8 requirements of Article 4.5 (commencing with Section 52060) of
9 Chapter 6.1 of Part 28. The updated standards and criteria shall be
10 reviewed and adopted pursuant to the procedure established by
11 subdivision (a) and are applicable to local educational agency
12 budgets commencing with the 2014-15 fiscal year and each fiscal
13 year thereafter.

14 (d) After January 1, 2014, to the extent necessary, any revisions
15 or updates to the standards and criteria shall be developed by the
16 Superintendent, the Controller, and the Director of Finance
17 pursuant the procedure established by subdivision (a). The revisions
18 or updates shall specify the fiscal year in which the revisions or
19 updates are applicable.

20 SEC. 15.— Section 35035 of the Education Code is amended to
21 read:

22 35035.— The superintendent of each school district shall, in
23 addition to other powers and duties granted to or imposed upon
24 him or her:

25 (a) Be the chief executive officer of the governing board of the
26 school district.

27 (b) Except in a school district where the governing board has
28 appointed or designated an employee other than the superintendent,
29 or a deputy, or assistant superintendent, to prepare and submit a
30 budget, prepare and submit to the governing board of the school
31 district, at the time it may direct, the budget of the school district
32 for the next ensuing school year, and revise and take other action
33 in connection with the budget as the governing board of the school
34 district may desire.

35 (c) Be responsible for the preparation and submission to the
36 governing board of the school district, at the time the governing
37 board may direct, the local control and accountability plan of the
38 school district for the subsequent school year, and revise and take
39 other action in connection with the local control and accountability
40 plan as the governing board of the school district may desire.

1 ~~(d) Except in a school district where the governing board has~~
2 ~~appointed or designated an employee other than the superintendent,~~
3 ~~or a deputy, or assistant superintendent, ensure that the local control~~
4 ~~and accountability plan is implemented.~~

5 ~~(e) Subject to the approval of the governing board of the school~~
6 ~~district, assign all employees of school the district employed in~~
7 ~~positions requiring certification qualifications, to the positions in~~
8 ~~which they are to serve. This power to assign includes the power~~
9 ~~to transfer a teacher from one school to another school at which~~
10 ~~the teacher is certificated to serve within the school district when~~
11 ~~the superintendent concludes that the transfer is in the best interest~~
12 ~~of the school district.~~

13 ~~(f) Upon adoption, by the school district board, of a school~~
14 ~~district policy concerning transfers of teachers from one school to~~
15 ~~another school within the school district, have authority to transfer~~
16 ~~teachers consistent with that policy.~~

17 ~~(g) Determine that each employee of the school district in a~~
18 ~~position requiring certification qualifications has a valid certificated~~
19 ~~document registered as required by law authorizing him or her to~~
20 ~~serve in the position to which he or she is assigned.~~

21 ~~(h) Enter into contracts for and on behalf of the school district~~
22 ~~pursuant to Section 17604.~~

23 ~~(i) Submit financial and budgetary reports to the governing~~
24 ~~board of the school district as required by Section 42130.~~

25 ~~SEC. 16. Section 35735.1 of the Education Code is amended~~
26 ~~to read:~~

27 ~~35735.1. (a) The local control funding formula allocation per~~
28 ~~unit of average daily attendance for newly organized school~~
29 ~~districts shall be equal to the total of the amount of the local control~~
30 ~~funding formula allocation pursuant to Section 42238.02, as~~
31 ~~implemented by Section 42238.03, per unit of average daily~~
32 ~~attendance of the affected school districts computed pursuant to~~
33 ~~the computations set forth below. The following computations~~
34 ~~shall be made to determine the local control funding formula~~
35 ~~allocation pursuant to Section 42238.02, as implemented by Section~~
36 ~~42238.03, per unit of average daily attendance for the newly~~
37 ~~organized school districts:~~

38 ~~(1) Based on the current information available for each affected~~
39 ~~school district for the second principal apportionment period for~~
40 ~~the fiscal year before the fiscal year in which the reorganization~~

1 is to become effective, multiply the local control funding formula
2 allocation pursuant to Section 42238.02, as implemented by Section
3 42238.03, per unit of average daily attendance for that school
4 district by the number of units of average daily attendance for that
5 school district that the county superintendent of schools determines
6 will be included in the proposed school district.

7 (2) ~~Add the amounts calculated pursuant to paragraph (1) and~~
8 ~~divide that sum by the number of units of average daily attendance~~
9 ~~in the newly organized school districts.~~

10 (b) ~~The amount determined pursuant to subdivision (a) shall be~~
11 ~~the local control funding formula allocation pursuant to Section~~
12 ~~42238.02, as implemented by Section 42238.03, per unit of average~~
13 ~~daily attendance for the newly organized school districts.~~

14 (c) ~~The average daily attendance of a newly organized school~~
15 ~~district, for purposes of Sections 42238.02 and 42238.03, shall be~~
16 ~~the average daily attendance that is attributable to the area~~
17 ~~reorganized for the fiscal year before the fiscal year in which the~~
18 ~~new school district becomes effective for all purposes.~~

19 (d) ~~Notwithstanding this section, commencing with the 2013-14~~
20 ~~fiscal year, a newly reorganized school district shall receive~~
21 ~~state-aid funding pursuant to paragraph (3) of subdivision (b) of~~
22 ~~Section 42238.03 or the total combined per pupil funding amount~~
23 ~~received by each school district pursuant to paragraphs (1) and (2)~~
24 ~~of subdivision (a) of Section 42238.03 for the fiscal year before~~
25 ~~the fiscal year in which the new school district becomes effective~~
26 ~~for all purposes, whichever is greater.~~

27 (e) ~~Notwithstanding any other law, this section shall not be~~
28 ~~subject to waiver by the state board pursuant to Section 33050 or~~
29 ~~by the Superintendent.~~

30 (f) ~~Upon a determination that all school districts or charter~~
31 ~~schools equal or exceed the local control funding formula target~~
32 ~~computed pursuant to Section 42238.02 as determined by the~~
33 ~~calculation of a zero difference pursuant to paragraph (1) of~~
34 ~~subdivision (b) of Section 42238.03, for all school districts and~~
35 ~~charter schools, this section shall not apply and the newly~~
36 ~~reorganized school district shall receive an allocation equal to the~~
37 ~~amount calculated under Section 42238.02 in that fiscal year and~~
38 ~~future fiscal years.~~

39 SEC. 17. ~~Section 35735.2 of the Education Code is repealed.~~

1 ~~SEC. 18. Section 35736.5 is added to the Education Code, to~~
2 ~~read:~~

3 ~~35736.5. Sections 35735 to 35736, inclusive, shall only apply~~
4 ~~to actions to reorganize school districts initiated on or after July~~
5 ~~1, 2013, for which the order to reorganize, pursuant to Section~~
6 ~~35765, is appropriately filed after December 1, 2013, pursuant to~~
7 ~~Section 54902 of the Government Code. Actions to reorganize~~
8 ~~school districts initiated before July 1, 2013, for which the order~~
9 ~~to reorganize is appropriately filed on or before December 1, 2013,~~
10 ~~shall be implemented pursuant to Sections 35735 to 35736,~~
11 ~~inclusive, as those sections read on January 1, 2013.~~

12 ~~SEC. 19. Section 37700 of the Education Code is amended to~~
13 ~~read:~~

14 ~~37700. (a) Notwithstanding any other law, the Pacific Unified~~
15 ~~School District, the Leggett Valley Unified School District, and~~
16 ~~the Reeds Creek Elementary School District may operate one or~~
17 ~~more schools in their respective districts on a four-day school~~
18 ~~week, if the district complies with the instructional time~~
19 ~~requirements specified in Section 37701 and the other requirements~~
20 ~~of this chapter.~~

21 ~~(b) If a school district operates one or more schools on a~~
22 ~~four-day week pursuant to this section and the program for the~~
23 ~~school year provides less than the 180 days of instruction required~~
24 ~~under Section 46200, as it read on January 1, 2013, the~~
25 ~~Superintendent shall reduce the local control funding formula~~
26 ~~allocation pursuant to Section 42238.02, as implemented pursuant~~
27 ~~to Section 42238.03, per unit of average daily attendance for that~~
28 ~~fiscal year by the amount the school district would have received~~
29 ~~for the increase received pursuant to subdivision (a) of Section~~
30 ~~46200, as it read on January 1, 2013, as adjusted in fiscal years~~
31 ~~subsequent to the 1984-85 fiscal year. If a school district operates~~
32 ~~one or more schools on a four-day school week pursuant to this~~
33 ~~section and the program provides less than the minimum~~
34 ~~instructional minutes required under Section 46201, as it read on~~
35 ~~January 1, 2013, the Superintendent shall reduce the local control~~
36 ~~funding formula allocation pursuant to Section 42238.02, as~~
37 ~~implemented pursuant to Section 42238.03, per unit of average~~
38 ~~daily attendance for that fiscal year in which the reduction occurs~~
39 ~~by the amount the school district would have received for the~~
40 ~~increase in the 1987-88 fiscal year base revenue limit per unit of~~

1 average daily attendance pursuant to paragraph (6) of subdivision
2 (b) of Section 42238, as it read on January 1, 2013, as adjusted
3 from the 1987–88 fiscal year to the 2012–13 fiscal year, inclusive,
4 and, commencing with the 2013–14 fiscal year, pursuant to the
5 local control funding formula allocation pursuant to Section
6 42238.02, as implemented pursuant to Section 42238.03, per unit
7 of average daily attendance.

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

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

23 SEC. 20. Section 37710.3 of the Education Code is amended
24 to read:

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

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

1 ~~(b) If the school district operates one or more schools on a~~
2 ~~four-day school week pursuant to this section, and the program~~
3 ~~for the school year provides fewer than the 180 days of instruction~~
4 ~~required under Section 46200, as it read on January 1, 2013, the~~
5 ~~Superintendent shall reduce the local control funding formula~~
6 ~~allocation pursuant to Section 42238.02, as implemented pursuant~~
7 ~~to Section 42238.03, per unit of average daily attendance for that~~
8 ~~fiscal year by the amount the school district would have received~~
9 ~~for the increase received pursuant to subdivision (a) of Section~~
10 ~~46200, as it read on January 1, 2013, as adjusted in fiscal years~~
11 ~~subsequent to the 1984–85 fiscal year. If the school district operates~~
12 ~~one or more schools on a four-day school week pursuant to this~~
13 ~~section, and the program provides fewer than the minimum~~
14 ~~instructional minutes required under Section 46201, as it read on~~
15 ~~January 1, 2013, the Superintendent shall reduce the local control~~
16 ~~funding formula allocation pursuant to Section 42238.02, as~~
17 ~~implemented pursuant to Section 42238.03, per unit of average~~
18 ~~daily attendance for that fiscal year in which the reduction occurs~~
19 ~~by the amount the school district would have received for the~~
20 ~~increase in the base revenue limit per unit of average daily~~
21 ~~attendance pursuant to subdivision (a) of Section 46201, as it read~~
22 ~~on January 1, 2013, as adjusted from the 1987–88 fiscal year to~~
23 ~~the 2012–13 fiscal year, inclusive, and, commencing with the~~
24 ~~2013–14 fiscal year, pursuant to the local control funding formula~~
25 ~~allocation pursuant to Section 42238.02, as implemented pursuant~~
26 ~~to Section 42238.03, per unit of average daily attendance.~~

27 ~~(c) Notwithstanding Section 37710, if a small school having~~
28 ~~between 11 and 99 valid Standardized Testing and Reporting~~
29 ~~Program test scores operating on a four-day school week fails to~~
30 ~~achieve its Academic Performance Index growth target pursuant~~
31 ~~to Section 52052 for two consecutive years, the authority of that~~
32 ~~school to operate on a four-day school week shall be permanently~~
33 ~~revoked commencing with the school year following the second~~
34 ~~consecutive year the school failed to achieve its Academic~~
35 ~~Performance Index growth rate.~~

36 ~~(d) If the school district operates one or more schools on a~~
37 ~~four-day school week pursuant to this section, the school district~~
38 ~~shall submit a report to the department, the Senate Committee on~~
39 ~~Education, and the Assembly Committee on Education on or before~~

1 ~~January 15, 2015. The report shall include, but not necessarily be~~
2 ~~limited to, information on all of the following:~~

3 ~~(1) Programs the district offered on the fifth schoolday and their~~
4 ~~participation rates.~~

5 ~~(2) Whether the four-day school week schedule resulted in any~~
6 ~~fiscal savings.~~

7 ~~(3) Impact on overall attendance of the schools operating a~~
8 ~~four-day school week.~~

9 ~~(4) Programs for which the state board waived minimum time~~
10 ~~and five consecutive day requirements and the operational and~~
11 ~~educational effects of the programs if they operated at less time~~
12 ~~than required.~~

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

16 ~~(6) Information on the Academic Performance Index, pursuant~~
17 ~~to Section 52052, for every year a school in the district operated~~
18 ~~on a four-day school week. The information shall include, but not~~
19 ~~necessarily be limited to, the base and growth Academic~~
20 ~~Performance Index of each school that operated on a four-day~~
21 ~~school week and whether that school met the Academic~~
22 ~~Performance growth targets.~~

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

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

36 ~~SEC. 21. Section 37710.5 of the Education Code is amended~~
37 ~~to read:~~

38 ~~37710.5.—(a) Beginning in the 2009–10 fiscal year, the Potter~~
39 ~~Valley Community Unified School District may operate one or~~
40 ~~more schools in the school district on a four-day school week if~~

1 the school district complies with the instructional time requirements
2 specified in Section 37701 and the other requirements of this
3 chapter. The state board may waive five consecutive-day operating
4 requirements for any of the following programs that operate on a
5 four-day week pursuant to this section, provided that the school
6 district meets the minimum time requirement for each program:

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

14 (b) If the school district operates one or more schools on a
15 four-day week pursuant to this section, and the program for the
16 school year provides fewer than the 180 days of instruction required
17 under Section 46200, as it read on January 1, 2013, the
18 Superintendent shall reduce the local control funding formula
19 allocation pursuant to Section 42238.02, as implemented pursuant
20 to Section 42238.03, per unit of average daily attendance for that
21 fiscal year by the amount the school district would have received
22 for the increase received pursuant to subdivision (a) of Section
23 46200, as it read on January 1, 2013, as adjusted in fiscal years
24 subsequent to the 1984–85 fiscal year. If the school district operates
25 one or more schools on a four-day school week pursuant to this
26 section, and the program provides fewer than the minimum
27 instructional minutes required under Section 46201, as it read on
28 January 1, 2013, the Superintendent shall reduce the local control
29 funding formula allocation pursuant to Section 42238.02, as
30 implemented pursuant to Section 42238.03, per unit of average
31 daily attendance for that fiscal year in which the reduction occurs
32 by the amount the school district would have received for the
33 increase in the base revenue limit per unit of average daily
34 attendance pursuant to subdivision (a) of Section 46201, as it read
35 on January 1, 2013, as adjusted from the 1987–88 fiscal year to
36 the 2012–13 fiscal year, inclusive, and, commencing with the
37 2013–14 fiscal year, pursuant to Section 42238.02, as implemented
38 pursuant to Section 42238.03, per unit of average daily attendance.

39 (c) If the school district operates one or more schools on a
40 four-day school week pursuant to this section, the school district

1 shall submit a report to the department, the Senate Committee on
2 Education and the Assembly Committee on Education on January
3 15, 2014. The report shall include, but not necessarily be limited
4 to, information on the following:

5 (1) Programs the district offered on the fifth day and their
6 participation rates.

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

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

11 (4) Programs for which the Superintendent waived minimum
12 time and five consecutive day requirements and the operational
13 and educational effect of the programs if they operated at less time
14 than required.

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

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

28 SEC. 22. Section 41020 of the Education Code is amended to
29 read:

30 41020. (a) It is the intent of the Legislature to encourage sound
31 fiscal management practices among local educational agencies for
32 the most efficient and effective use of public funds for the
33 education of children in California by strengthening fiscal
34 accountability at the school district, county, and state levels.

35 (b) (1) Not later than the first day of May of each fiscal year,
36 each county superintendent of schools shall provide for an audit
37 of all funds under his or her jurisdiction and control and the
38 governing board of each local educational agency shall either
39 provide for an audit of the books and accounts of the local
40 educational agency, including an audit of income and expenditures

1 by source of funds, or make arrangements with the county
2 superintendent of schools having jurisdiction over the local
3 educational agency to provide for that auditing.

4 (2) A contract to perform the audit of a local educational agency
5 that has a disapproved budget or has received a negative
6 certification on any budget or interim financial report during the
7 current fiscal year or either of the two preceding fiscal years, or
8 for which the county superintendent of schools has otherwise
9 determined that a lack of going concern exists, is not valid unless
10 approved by the responsible county superintendent of schools and
11 the governing board.

12 (3) If the governing board of a local educational agency has not
13 provided for an audit of the books and accounts of the local
14 educational agency by April 1, the county superintendent of schools
15 having jurisdiction over the local educational agency shall provide
16 for the audit of each local educational agency.

17 (4) An audit conducted pursuant to this section shall comply
18 fully with the Government Auditing Standards issued by the
19 Comptroller General of the United States.

20 (5) For purposes of this section, “local educational agency” does
21 not include community colleges.

22 (e) Each audit conducted in accordance with this section shall
23 include all funds of the local educational agency, including the
24 student body and cafeteria funds and accounts and any other funds
25 under the control or jurisdiction of the local educational agency.
26 Each audit shall also include an audit of pupil attendance
27 procedures. Each audit shall include a determination of whether
28 funds were expended pursuant to a local control and accountability
29 plan or an approved annual update to a local control and
30 accountability plan pursuant to Article 4.5 (commencing with
31 Section 52060) of Chapter 6.1 of Part 28 of Division 4.

32 (d) All audit reports for each fiscal year shall be developed and
33 reported using a format established by the Controller after
34 consultation with the Superintendent and the Director of Finance.

35 (e) (1) The cost of the audits provided for by the county
36 superintendent of schools shall be paid from the county school
37 service fund and the county superintendent of schools shall transfer
38 the pro rata share of the cost chargeable to each school district
39 from school district funds.

1 ~~(2) The cost of the audit provided for by a governing board of~~
2 ~~a local educational agency shall be paid from local educational~~
3 ~~agency funds. The audit of the funds under the jurisdiction and~~
4 ~~control of the county superintendent of schools shall be paid from~~
5 ~~the county school service fund.~~

6 ~~(f) (1) The audits shall be made by a certified public accountant~~
7 ~~or a public accountant, licensed by the California Board of~~
8 ~~Accountancy, and selected by the local educational agency, as~~
9 ~~applicable, from a directory of certified public accountants and~~
10 ~~public accountants deemed by the Controller as qualified to conduct~~
11 ~~audits of local educational agencies, which shall be published by~~
12 ~~the Controller not later than December 31 of each year.~~

13 ~~(2) Commencing with the 2003-04 fiscal year and except as~~
14 ~~provided in subdivision (d) of Section 41320.1, it is unlawful for~~
15 ~~a public accounting firm to provide audit services to a local~~
16 ~~educational agency if the lead audit partner, or coordinating audit~~
17 ~~partner, having primary responsibility for the audit, or the audit~~
18 ~~partner responsible for reviewing the audit, has performed audit~~
19 ~~services for that local educational agency in each of the six previous~~
20 ~~fiscal years. The Education Audits Appeal Panel may waive this~~
21 ~~requirement if the panel finds that no otherwise eligible auditor is~~
22 ~~available to perform the audit.~~

23 ~~(3) It is the intent of the Legislature that, notwithstanding~~
24 ~~paragraph (2), the rotation within public accounting firms conform~~
25 ~~to provisions of the federal Sarbanes-Oxley Act of 2002 (Public~~
26 ~~Law 107-204; 15 U.S.C. Sec. 7201 et seq.), and upon release of~~
27 ~~the report required by the act of the Comptroller General of the~~
28 ~~United States addressing the mandatory rotation of registered~~
29 ~~public accounting firms, the Legislature intends to reconsider the~~
30 ~~provisions of paragraph (2). In determining which certified public~~
31 ~~accountants and public accountants shall be included in the~~
32 ~~directory, the Controller shall use the following criteria:~~

33 ~~(A) The certified public accountants or public accountants shall~~
34 ~~be in good standing as certified by the Board of Accountancy.~~

35 ~~(B) The certified public accountants or public accountants, as~~
36 ~~a result of a quality control review conducted by the Controller~~
37 ~~pursuant to Section 14504.2, shall not have been found to have~~
38 ~~conducted an audit in a manner constituting noncompliance with~~
39 ~~subdivision (a) of Section 14503.~~

40 ~~(g) (1) The auditor's report shall include each of the following:~~

1 ~~(A) A statement that the audit was conducted pursuant to~~
2 ~~standards and procedures developed in accordance with Chapter~~
3 ~~3 (commencing with Section 14500) of Part 9 of Division 1 of~~
4 ~~Title 1.~~

5 ~~(B) A summary of audit exceptions and management~~
6 ~~improvement recommendations.~~

7 ~~(C) Each audit of a local educational agency shall include an~~
8 ~~evaluation by the auditor on whether there is substantial doubt~~
9 ~~about the ability of the local educational agency to continue as a~~
10 ~~going concern for a reasonable period of time. This evaluation~~
11 ~~shall be based on the Statement on Auditing Standards (SAS) No.~~
12 ~~59, as issued by the AICPA regarding disclosure requirements~~
13 ~~relating to the ability of the entity to continue as a going concern.~~

14 ~~(2) To the extent possible, a description of correction or plan~~
15 ~~of correction shall be incorporated in the audit report, describing~~
16 ~~the specific actions that are planned to be taken, or that have been~~
17 ~~taken, to correct the problem identified by the auditor. The~~
18 ~~descriptions of specific actions to be taken or that have been taken~~
19 ~~shall not solely consist of general comments such as “will~~
20 ~~implement,” “accepted the recommendation,” or “will discuss at~~
21 ~~a later date.”~~

22 ~~(h) Not later than December 15, a report of each local~~
23 ~~educational agency audit for the preceding fiscal year shall be filed~~
24 ~~with the county superintendent of schools of the county in which~~
25 ~~the local educational agency is located, the department, and the~~
26 ~~Controller. The Superintendent shall make any adjustments~~
27 ~~necessary in future apportionments of all state funds, to correct~~
28 ~~any audit exceptions revealed by those audit reports.~~

29 ~~(i) (1) Commencing with the 2002–03 audit of local educational~~
30 ~~agencies pursuant to this section and subdivision (d) of Section~~
31 ~~41320.1, each county superintendent of schools shall be responsible~~
32 ~~for reviewing the audit exceptions contained in an audit of a local~~
33 ~~educational agency under his or her jurisdiction related to~~
34 ~~attendance, inventory of equipment, internal control, and any~~
35 ~~miscellaneous items, and determining whether the exceptions have~~
36 ~~been either corrected or an acceptable plan of correction has been~~
37 ~~developed.~~

38 ~~(2) Commencing with the 2004–05 audit of local educational~~
39 ~~agencies pursuant to this section and subdivision (d) of Section~~
40 ~~41320.1, each county superintendent of schools shall include in~~

1 the review of audit exceptions performed pursuant to this
2 subdivision those audit exceptions related to use of instructional
3 materials program funds, teacher misassignments pursuant to
4 Section 44258.9, information reported on the school accountability
5 report card required pursuant to Section 33126 and shall determine
6 whether the exceptions are either corrected or an acceptable plan
7 of correction has been developed.

8 (j) Upon submission of the final audit report to the governing
9 board of each local educational agency and subsequent receipt of
10 the audit by the county superintendent of schools having
11 jurisdiction over the local educational agency, the county office
12 of education shall do all of the following:

13 (1) Review audit exceptions related to attendance, inventory of
14 equipment, internal control, and other miscellaneous exceptions.
15 Attendance exceptions or issues shall include, but not be limited
16 to, those related to local control funding formula allocations
17 pursuant to Section 42238.02, as implemented by Section 42238.03,
18 and independent study.

19 (2) If a description of the correction or plan of correction has
20 not been provided as Part. of the audit required by this section,
21 then the county superintendent of schools shall notify the local
22 educational agency and request the governing board of the local
23 educational agency to provide to the county superintendent of
24 schools a description of the corrections or plan of correction by
25 March 15.

26 (3) Review the description of correction or plan of correction
27 and determine its adequacy. If the description of the correction or
28 plan of correction is not adequate, the county superintendent of
29 schools shall require the local educational agency to resubmit that
30 portion of its response that is inadequate.

31 (k) Each county superintendent of schools shall certify to the
32 Superintendent and the Controller, not later than May 15, that his
33 or her staff has reviewed all audits of local educational agencies
34 under his or her jurisdiction for the prior fiscal year, that all
35 exceptions that the county superintendent was required to review
36 were reviewed, and that all of those exceptions, except as otherwise
37 noted in the certification, have been corrected by the local
38 educational agency or that an acceptable plan of correction has
39 been submitted to the county superintendent of schools. In addition,
40 the county superintendent shall identify, by local educational

1 agency, any attendance-related audit exception or exceptions
2 involving state funds, and require the local educational agency to
3 which the audit exceptions were directed to submit appropriate
4 reporting forms for processing by the Superintendent.

5 (l) In the audit of a local educational agency for a subsequent
6 year, the auditor shall review the correction or plan or plans of
7 correction submitted by the local educational agency to determine
8 if the exceptions have been resolved. If not, the auditor shall
9 immediately notify the appropriate county office of education and
10 the department and restate the exception in the audit report. After
11 receiving that notification, the department shall either consult with
12 the local educational agency to resolve the exception or require
13 the county superintendent of schools to follow up with the local
14 educational agency.

15 (m) (1) The Superintendent shall be responsible for ensuring
16 that local educational agencies have either corrected or developed
17 plans of correction for any one or more of the following:

18 (A) All federal and state compliance audit exceptions identified
19 in the audit.

20 (B) Any exceptions that the county superintendent certifies as
21 of May 15 have not been corrected.

22 (C) Any repeat audit exceptions that are not assigned to a county
23 superintendent to correct.

24 (2) In addition, the Superintendent shall be responsible for
25 ensuring that county superintendents of schools and each county
26 board of education that serves as the governing board of a local
27 educational agency either correct all audit exceptions identified in
28 the audits of county superintendents of schools and of the local
29 educational agencies for which the county boards of education
30 serve as the governing boards or develop acceptable plans of
31 correction for those exceptions.

32 (3) The Superintendent shall report annually to the Controller
33 on his or her actions to ensure that school districts, county
34 superintendents of schools, and each county board of education
35 that serves as the governing board of a school district have either
36 corrected or developed plans of correction for any of the exceptions
37 noted pursuant to paragraph (1).

38 (n) To facilitate correction of the exceptions identified by the
39 audits issued pursuant to this section, commencing with 2002-03
40 audits pursuant to this section, the Controller shall require auditors

1 to categorize audit exceptions in each audit report in a manner that
2 will make it clear to both the county superintendent of schools and
3 the Superintendent which exceptions they are responsible for
4 ensuring the correction of by a local educational agency. In
5 addition, the Controller annually shall select a sampling of county
6 superintendents of schools and perform a followup of the audit
7 resolution process of those county superintendents of schools and
8 report the results of that followup to the Superintendent and the
9 county superintendents of schools that were reviewed.

10 (o) ~~County superintendents of schools shall adjust subsequent~~
11 ~~local property tax requirements to correct audit exceptions relating~~
12 ~~to local educational agency tax rates and tax revenues.~~

13 (p) ~~If a governing board or county superintendent of schools~~
14 ~~fails or is unable to make satisfactory arrangements for the audit~~
15 ~~pursuant to this section, the Controller shall make arrangements~~
16 ~~for the audit and the cost of the audit shall be paid from local~~
17 ~~educational agency funds or the county school service fund, as the~~
18 ~~case may be.~~

19 (q) ~~Audits of regional occupational centers and programs are~~
20 ~~subject to the provisions of this section.~~

21 (r) ~~This section does not authorize examination of, or reports~~
22 ~~on, the curriculum used or provided for in any local educational~~
23 ~~agency.~~

24 (s) ~~Notwithstanding any other provision of law, a nonauditing,~~
25 ~~management, or other consulting service to be provided to a local~~
26 ~~educational agency by a certified public accounting firm while the~~
27 ~~certified public accounting firm is performing an audit of the~~
28 ~~agency pursuant to this section must be in accord with Government~~
29 ~~Accounting Standards, Amendment No. 3, as published by the~~
30 ~~United States General Accounting Office.~~

31 SEC. 23. ~~Section 41303 of the Education Code is amended to~~
32 ~~read:~~

33 41303. ~~The Superintendent shall report to the Controller, on~~
34 ~~or before the 20th day of October of each year, the total average~~
35 ~~daily attendance during the preceding fiscal year credited to all~~
36 ~~kindergarten, including average daily attendance for transitional~~
37 ~~kindergarten, elementary, high school, and adult schools in the~~
38 ~~state and to county school tuition funds.~~

39 SEC. 24. ~~Section 41544 of the Education Code is amended to~~
40 ~~read:~~

1 41544. ~~(a) For a basic aid school district that was entitled to~~
2 ~~reimbursement pursuant to Section 42247.4, as that section read~~
3 ~~on January 1, 2001, and that received an apportionment pursuant~~
4 ~~to subdivision (h) of Section 42247.4, as that section read on~~
5 ~~January 1, 2001, because a court order directs pupils to transfer to~~
6 ~~that school district as Part. of the court-ordered voluntary pupil~~
7 ~~transfer program, the Superintendent, from the 2001–02 fiscal year~~
8 ~~to the 2012–13 fiscal year, inclusive, shall calculate an~~
9 ~~apportionment of state funds for that basic aid school district that~~
10 ~~provides 70 percent of the school district revenue limit calculated~~
11 ~~pursuant to Section 42238, as that section read on January 1, 2013,~~
12 ~~that would have been apportioned to the school district from which~~
13 ~~the pupils were transferred for the average daily attendance of any~~
14 ~~pupils credited under that court order who did not attend the basic~~
15 ~~aid school district before the 1995–96 fiscal year.~~

16 ~~(b) (1) For a basic aid school district that was entitled to~~
17 ~~reimbursement pursuant to Section 42247.4, as that section read~~
18 ~~on January 1, 2001, and that received an apportionment pursuant~~
19 ~~to subdivision (h) of Section 42247.4, as that section read on~~
20 ~~January 1, 2001, because a court order directs pupils to transfer to~~
21 ~~that school district as Part. of the court-ordered voluntary pupil~~
22 ~~transfer program, the Superintendent, commencing with the~~
23 ~~2013–14 fiscal year, shall calculate an apportionment of state funds~~
24 ~~for that basic aid school district that provides 70 percent of the~~
25 ~~school district local control funding formula base grant calculated~~
26 ~~pursuant to subdivision (d) of Section 42238.02, as implemented~~
27 ~~by Section 42238.03, that would have been apportioned to the~~
28 ~~school district from which the pupils were transferred for the~~
29 ~~average daily attendance of any pupils credited under that court~~
30 ~~order who did not attend the basic aid school district before the~~
31 ~~1995–96 fiscal year.~~

32 ~~(2) Notwithstanding paragraph (1), until the Superintendent~~
33 ~~determines that the school district from which the pupil or pupils~~
34 ~~were transferred is funded pursuant to Section 42238.02 in the~~
35 ~~prior fiscal year, the Superintendent shall apportion, for average~~
36 ~~daily attendance credited pursuant to paragraph (1), 70 percent of~~
37 ~~the sum of the entitlements for the school district from which the~~
38 ~~pupil or pupils were transferred for the specified fiscal year as~~
39 ~~computed pursuant to paragraphs (1) to (4), inclusive, of~~
40 ~~subdivision (a), and paragraph (3) of subdivision (b), of Section~~

1 ~~42238.03, divided by the average daily attendance of that school~~
2 ~~district for that fiscal year and then multiplied by the ratio of local~~
3 ~~control formula base grant funding computed pursuant to~~
4 ~~subdivision (d) of Section 42238.02 to the local control funding~~
5 ~~formula amount for that fiscal year computed pursuant to Section~~
6 ~~42238.02.~~

7 ~~(e) For purposes of subdivision (b) of this section, “basic aid~~
8 ~~school district” means a school district that does not receive from~~
9 ~~the state, for any fiscal year in which this section is applied, an~~
10 ~~apportionment of state funds pursuant to subdivision (o) of Section~~
11 ~~42238.02.~~

12 ~~SEC. 25. Section 42127 of the Education Code is amended to~~
13 ~~read:~~

14 ~~42127. (a) On or before July 1 of each year, the governing~~
15 ~~board of each school district shall accomplish the following:~~

16 ~~(1) Hold a public hearing on the budget to be adopted for the~~
17 ~~subsequent fiscal year. The budget to be adopted shall be prepared~~
18 ~~in accordance with Section 42126. The agenda for that hearing~~
19 ~~shall be posted at least 72 hours before the public hearing and shall~~
20 ~~include the location where the budget will be available for public~~
21 ~~inspection.~~

22 ~~(A) For the 2011–12 fiscal year, notwithstanding any of the~~
23 ~~standards and criteria adopted by the state board pursuant to Section~~
24 ~~33127, each school district budget shall project the same level of~~
25 ~~revenue per unit of average daily attendance as it received in the~~
26 ~~2010–11 fiscal year and shall maintain staffing and program levels~~
27 ~~commensurate with that level.~~

28 ~~(B) For the 2011–12 fiscal year, the school district shall not be~~
29 ~~required to demonstrate that it is able to meet its financial~~
30 ~~obligations for the two subsequent fiscal years.~~

31 ~~(2) Adopt a budget. Not later than five days after that adoption~~
32 ~~or by July 1, whichever occurs first, the governing board of the~~
33 ~~school district shall file that budget with the county superintendent~~
34 ~~of schools. The budget and supporting data shall be maintained~~
35 ~~and made available for public review. If the governing board of~~
36 ~~the school district does not want all or a portion of the property~~
37 ~~tax requirement levied for the purpose of making payments for the~~
38 ~~interest and redemption charges on indebtedness as described in~~
39 ~~paragraph (1) or (2) of subdivision (b) of Section 1 of Article~~
40 ~~XIII A of the California Constitution, the budget shall include a~~

1 statement of the amount or portion for which a levy shall not be
2 made. For the 2014–15 fiscal year and each fiscal year thereafter,
3 the governing board of the school district shall not adopt a budget
4 before the governing board of the school district adopts a local
5 control and accountability plan, if an existing local control and
6 accountability plan or annual update to a local control and
7 accountability plan is not effective for the budget year. The
8 governing board of a school district shall not adopt a budget that
9 does not include the expenditures necessary to implement the local
10 control and accountability plan or the annual update to a local
11 control and accountability plan that is effective during the
12 subsequent fiscal year.

13 (b) ~~The county superintendent of schools may accept changes~~
14 ~~in any statement included in the budget, pursuant to subdivision~~
15 ~~(a), of the amount or portion for which a property tax levy shall~~
16 ~~not be made. The county superintendent of schools or the county~~
17 ~~auditor shall compute the actual amounts to be levied on the~~
18 ~~property tax rolls of the school district for purposes that exceed~~
19 ~~apportionments to the school district pursuant to Chapter 6~~
20 ~~(commencing with Section 95) of Part 0.5 of Division 1 of the~~
21 ~~Revenue and Taxation Code. Each school district shall provide all~~
22 ~~data needed by the county superintendent of schools or the county~~
23 ~~auditor to compute the amounts. On or before August 15, the~~
24 ~~county superintendent of schools shall transmit the amounts~~
25 ~~computed to the county auditor who shall compute the tax rates~~
26 ~~necessary to produce the amounts. On or before September 1, the~~
27 ~~county auditor shall submit the rate computed to the board of~~
28 ~~supervisors for adoption.~~

29 (c) ~~The county superintendent of schools shall do all of the~~
30 ~~following:~~

31 (1) ~~Examine the adopted budget to determine whether it~~
32 ~~complies with the standards and criteria adopted by the state board~~
33 ~~pursuant to Section 33127 for application to final local educational~~
34 ~~agency budgets. The county superintendent of schools shall~~
35 ~~identify, if necessary, technical corrections that are required to be~~
36 ~~made to bring the budget into compliance with those standards~~
37 ~~and criteria.~~

38 (2) ~~Determine whether the adopted budget will allow the school~~
39 ~~district to meet its financial obligations during the fiscal year and~~
40 ~~is consistent with a financial plan that will enable the school district~~

1 to satisfy its multiyear financial commitments. In addition to his
2 or her own analysis of the budget of each school district, the county
3 superintendent of schools shall review and consider studies, reports,
4 evaluations, or audits of the school district that were commissioned
5 by the school district, the county superintendent of schools, the
6 Superintendent, and state control agencies and that contain
7 evidence that the school district is showing fiscal distress under
8 the standards and criteria adopted in Section 33127 or that contain
9 a finding by an external reviewer that more than three of the 15
10 most common predictors of a school district needing intervention,
11 as determined by the County Office Fiscal Crisis and Management
12 Assistance Team, are present. The county superintendent of schools
13 shall either conditionally approve or disapprove a budget that does
14 not provide adequate assurance that the school district will meet
15 its current and future obligations and resolve any problems
16 identified in studies, reports, evaluations, or audits described in
17 this paragraph.

18 (3) ~~Determine whether the adopted budget includes the~~
19 ~~expenditures necessary to implement the local control and~~
20 ~~accountability plan or annual update to the local control and~~
21 ~~accountability plan approved by the county superintendent of~~
22 ~~schools.~~

23 (d) ~~On or before August 15, the county superintendent of schools~~
24 ~~shall approve, conditionally approve, or disapprove the adopted~~
25 ~~budget for each school district. For the 2014-15 fiscal year and~~
26 ~~each fiscal year thereafter, the county superintendent of schools~~
27 ~~shall disapprove a budget if the county superintendent of schools~~
28 ~~determines that the budget does not include the expenditures~~
29 ~~necessary to implement a local control and accountability plan or~~
30 ~~an annual update to the local control and accountability plan~~
31 ~~approved by the county superintendent of schools. If a school~~
32 ~~district does not submit a budget to the county superintendent of~~
33 ~~schools, the county superintendent of schools shall develop, at~~
34 ~~school district expense, a budget for that school district by~~
35 ~~September 15 and transmit that budget to the governing board of~~
36 ~~the school district. The budget prepared by the county~~
37 ~~superintendent of schools shall be deemed adopted, unless the~~
38 ~~county superintendent of schools approves any modifications made~~
39 ~~by the governing board of the school district. The approved budget~~
40 ~~shall be used as a guide for the school district's priorities. The~~

1 Superintendent shall review and certify the budget approved by
2 the county. If, pursuant to the review conducted pursuant to
3 subdivision (c), the county superintendent of schools determines
4 that the adopted budget for a school district does not satisfy
5 paragraph (1) or (2) of that subdivision, he or she shall
6 conditionally approve or disapprove the budget and, not later than
7 August 15, transmit to the governing board of the school district,
8 in writing, his or her recommendations regarding revision of the
9 budget and the reasons for those recommendations, including, but
10 not limited to, the amounts of any budget adjustments needed
11 before he or she can approve that budget. The county
12 superintendent of schools may assign a fiscal adviser to assist the
13 school district to develop a budget in compliance with those
14 revisions. In addition, the county superintendent of schools may
15 appoint a committee to examine and comment on the
16 superintendent's review and recommendations, subject to the
17 requirement that the committee report its findings to the county
18 superintendent of schools no later than August 20. For the 2011-12
19 fiscal year, notwithstanding any of the standards and criteria
20 adopted by the state board pursuant to Section 33127, the county
21 superintendent of schools, as a condition on approval of a school
22 district budget, shall not require a school district to project a lower
23 level of revenue per unit of average daily attendance than it
24 received in the 2010-11 fiscal year nor require the school district
25 to demonstrate that it is able to meet its financial obligations for
26 the two subsequent fiscal years.

27 (e) On or before September 8, the governing board of the school
28 district shall revise the adopted budget to reflect changes in
29 projected income or expenditures subsequent to July 1, and to
30 include any response to the recommendations of the county
31 superintendent of schools, shall adopt the revised budget, and shall
32 file the revised budget with the county superintendent of schools.
33 Before revising the budget, the governing board of the school
34 district shall hold a public hearing regarding the proposed revisions,
35 to be conducted in accordance with Section 42103. In addition, if
36 the adopted budget is disapproved pursuant to subdivision (d), the
37 governing board of the school district and the county
38 superintendent of schools shall review the disapproval and the
39 recommendations of the county superintendent of schools regarding
40 revision of the budget at the public hearing. The revised budget

1 and supporting data shall be maintained and made available for
2 public review.

3 (1) For the 2011–12 fiscal year, notwithstanding any of the
4 standards and criteria adopted by the state board pursuant to Section
5 33127, each school district budget shall project the same level of
6 revenue per unit of average daily attendance as it received in the
7 2010–11 fiscal year and shall maintain staffing and program levels
8 commensurate with that level.

9 (2) For the 2011–12 fiscal year, the school district shall not be
10 required to demonstrate that it is able to meet its financial
11 obligations for the two subsequent fiscal years.

12 (f) On or before September 22, the county superintendent of
13 schools shall provide a list to the Superintendent identifying all
14 school districts for which budgets may be disapproved.

15 (g) The county superintendent of schools shall examine the
16 revised budget to determine whether it (1) complies with the
17 standards and criteria adopted by the state board pursuant to Section
18 33127 for application to final local educational agency budgets,
19 (2) allows the school district to meet its financial obligations during
20 the fiscal year, (3) satisfies all conditions established by the county
21 superintendent of schools in the case of a conditionally approved
22 budget, and (4) is consistent with a financial plan that will enable
23 the school district to satisfy its multiyear financial commitments,
24 and, not later than October 8, shall approve or disapprove the
25 revised budget. If the county superintendent of schools disapproves
26 the budget, he or she shall call for the formation of a budget review
27 committee pursuant to Section 42127.1, unless the governing board
28 of the school district and the county superintendent of schools
29 agree to waive the requirement that a budget review committee be
30 formed and the department approves the waiver after determining
31 that a budget review committee is not necessary. Upon the grant
32 of a waiver, the county superintendent of schools immediately has
33 the authority and responsibility provided in Section 42127.3. Upon
34 approving a waiver of the budget review committee, the department
35 shall ensure that a balanced budget is adopted for the school district
36 by November 30. If no budget is adopted by November 30, the
37 Superintendent may adopt a budget for the school district. The
38 Superintendent shall report to the Legislature and the Director of
39 Finance by December 10 if any school district, including a school
40 district that has received a waiver of the budget review committee

1 process, does not have an adopted budget by November 30. This
2 report shall include the reasons why a budget has not been adopted
3 by the deadline, the steps being taken to finalize budget adoption,
4 the date the adopted budget is anticipated, and whether the
5 Superintendent has or will exercise his or her authority to adopt a
6 budget for the school district. For the 2011–12 fiscal year,
7 notwithstanding any of the standards and criteria adopted by the
8 state board pursuant to Section 33127, the county superintendent
9 of schools, as a condition on approval of a school district budget,
10 shall not require a school district to project a lower level of revenue
11 per unit of average daily attendance than it received in the 2010–11
12 fiscal year nor require the school district to demonstrate that it is
13 able to meet its financial obligations for the two subsequent fiscal
14 years.

15 (h) Not later than October 8, the county superintendent of
16 schools shall submit a report to the Superintendent identifying all
17 school districts for which budgets have been disapproved or budget
18 review committees waived. The report shall include a copy of the
19 written response transmitted to each of those school districts
20 pursuant to subdivision (d):

21 (i) Notwithstanding any other provision of this section, the
22 budget review for a school district shall be governed by paragraphs
23 (1), (2), and (3), rather than by subdivisions (e) and (g), if the
24 governing board of the school district so elects and notifies the
25 county superintendent of schools in writing of that decision, not
26 later than October 31 of the immediately preceding calendar year.
27 On or before July 1, the governing board of a school district for
28 which the budget review is governed by this subdivision, rather
29 than by subdivisions (e) and (g), shall conduct a public hearing
30 regarding its proposed budget in accordance with Section 42103.

31 (1) If the adopted budget of a school district is disapproved
32 pursuant to subdivision (d), on or before September 8, the
33 governing board of the school district, in conjunction with the
34 county superintendent of schools, shall review the superintendent's
35 recommendations at a regular meeting of the governing board of
36 the school district and respond to those recommendations. The
37 response shall include any revisions to the adopted budget and
38 other proposed actions to be taken, if any, as a result of those
39 recommendations.

1 ~~(2) On or before September 22, the county superintendent of~~
2 ~~schools shall provide a list to the Superintendent identifying all~~
3 ~~school districts for which a budget may be tentatively disapproved.~~

4 ~~(3) Not later than October 8, after receiving the response~~
5 ~~required under paragraph (1), the county superintendent of schools~~
6 ~~shall review that response and either approve or disapprove the~~
7 ~~budget. If the county superintendent of schools disapproves the~~
8 ~~budget, he or she shall call for the formation of a budget review~~
9 ~~committee pursuant to Section 42127.1, unless the governing board~~
10 ~~of the school district and the county superintendent of schools~~
11 ~~agree to waive the requirement that a budget review committee be~~
12 ~~formed and the department approves the waiver after determining~~
13 ~~that a budget review committee is not necessary. Upon the grant~~
14 ~~of a waiver, the county superintendent has the authority and~~
15 ~~responsibility provided to a budget review committee in Section~~
16 ~~42127.3. Upon approving a waiver of the budget review committee,~~
17 ~~the department shall ensure that a balanced budget is adopted for~~
18 ~~the school district by November 30. The Superintendent shall~~
19 ~~report to the Legislature and the Director of Finance by December~~
20 ~~10 if any school district, including a school district that has received~~
21 ~~a waiver of the budget review committee process, does not have~~
22 ~~an adopted budget by November 30. This report shall include the~~
23 ~~reasons why a budget has not been adopted by the deadline, the~~
24 ~~steps being taken to finalize budget adoption, and the date the~~
25 ~~adopted budget is anticipated. For the 2011–12 fiscal year,~~
26 ~~notwithstanding any of the standards and criteria adopted by the~~
27 ~~state board pursuant to Section 33127, the county superintendent~~
28 ~~of schools, as a condition on approval of a school district budget,~~
29 ~~shall not require a school district to project a lower level of revenue~~
30 ~~per unit of average daily attendance than it received in the 2010–11~~
31 ~~fiscal year nor require the school district to demonstrate that it is~~
32 ~~able to meet its financial obligations for the two subsequent fiscal~~
33 ~~years.~~

34 ~~(4) Not later than 45 days after the Governor signs the annual~~
35 ~~Budget Act, the school district shall make available for public~~
36 ~~review any revisions in revenues and expenditures that it has made~~
37 ~~to its budget to reflect the funding made available by that Budget~~
38 ~~Act.~~

39 ~~(j) Any school district for which the county board of education~~
40 ~~serves as the governing board of the school district is not subject~~

1 to subdivisions (e) to (h), inclusive, but is governed instead by the
2 budget procedures set forth in Section 1622.

3 ~~SEC. 26. Section 42238 of the Education Code is amended to~~
4 ~~read:~~

5 ~~42238. (a) For the 1984–85 fiscal year and each fiscal year~~
6 ~~thereafter, the county superintendent of schools shall determine a~~
7 ~~revenue limit for each school district in the county pursuant to this~~
8 ~~section.~~

9 ~~(b) The base revenue limit for a fiscal year shall be determined~~
10 ~~by adding to the base revenue limit for the prior fiscal year the~~
11 ~~following amounts:~~

12 ~~(1) The inflation adjustment specified in Section 42238.1.~~

13 ~~(2) For the 1995–96 fiscal year, the equalization adjustment~~
14 ~~specified in Section 42238.4.~~

15 ~~(3) For the 1996–97 fiscal year, the equalization adjustments~~
16 ~~specified in Sections 42238.41, 42238.42, and 42238.43.~~

17 ~~(4) For the 1985–86 fiscal year, the amount per unit of average~~
18 ~~daily attendance received in the 1984–85 fiscal year pursuant to~~
19 ~~Section 42238.7.~~

20 ~~(5) For the 1985–86, 1986–87, and 1987–88 fiscal years, the~~
21 ~~amount per unit of average daily attendance received in the prior~~
22 ~~fiscal year pursuant to Section 42238.8.~~

23 ~~(6) For the 2004–05 fiscal year, the equalization adjustment~~
24 ~~specified in Section 42238.44.~~

25 ~~(7) For the 2006–07 fiscal year, the equalization adjustment~~
26 ~~specified in Section 42238.48.~~

27 ~~(8) For the 2011–12 fiscal year, the equalization adjustment~~
28 ~~specified in Section 42238.49.~~

29 ~~(e) (1) (A) For the 2010–11 fiscal year, the Superintendent~~
30 ~~shall compute an add-on for each school district by adding the~~
31 ~~inflation adjustment specified in Section 42238.1 to the adjustment~~
32 ~~specified in Section 42238.485.~~

33 ~~(B) For the 2011–12 fiscal year and each fiscal year thereafter,~~
34 ~~the Superintendent shall compute an add-on for each school district~~
35 ~~by adding the inflation adjustment specified in Section 42238.1 to~~
36 ~~the amount computed pursuant to this paragraph for the prior fiscal~~
37 ~~year.~~

38 ~~(2) Commencing with the 2010–11 fiscal year, the~~
39 ~~Superintendent shall compute an add-on for each school district~~
40 ~~by dividing each school district's fiscal year average daily~~

1 attendance computed pursuant to Section 42238.5 by the total
2 adjustments in funding for each district made for the 2007-08
3 fiscal year pursuant to Section 42238.22 as it read on January 1,
4 2009.

5 (d) The sum of the base revenue limit computed pursuant to
6 subdivision (b) and the add-on computed pursuant to subdivision
7 (c) shall be multiplied by the district average daily attendance
8 computed pursuant to Section 42238.5.

9 (e) For districts electing to compute units of average daily
10 attendance pursuant to paragraph (2) of subdivision (a) of Section
11 42238.5, the amount computed pursuant to Article 4 (commencing
12 with Section 42280) shall be added to the amount computed in
13 subdivision (e) or (d), as appropriate.

14 (f) For the 1984-85 fiscal year only, the county superintendent
15 shall reduce the total revenue limit computed in this section by the
16 amount of the decreased employer contributions to the Public
17 Employees' Retirement System resulting from enactment of
18 Chapter 330 of the Statutes of 1982, offset by any increase in those
19 contributions, as of the 1983-84 fiscal year, resulting from
20 subsequent changes in employer contribution rates.

21 (g) The reduction required by subdivision (f) shall be calculated
22 as follows:

23 (1) Determine the amount of employer contributions that would
24 have been made in the 1983-84 fiscal year if the applicable Public
25 Employees' Retirement System employer contribution rate in effect
26 immediately before the enactment of Chapter 330 of the Statutes
27 of 1982 was in effect during the 1983-84 fiscal year.

28 (2) Subtract from the amount determined in paragraph (1) the
29 greater of subparagraph (A) or (B):

30 (A) The amount of employer contributions that would have been
31 made in the 1983-84 fiscal year if the applicable Public
32 Employees' Retirement System employer contribution rate in effect
33 immediately after the enactment of Chapter 330 of the Statutes of
34 1982 was in effect during the 1983-84 fiscal year.

35 (B) The actual amount of employer contributions made to the
36 Public Employees' Retirement System in the 1983-84 fiscal year.

37 (3) For purposes of this subdivision, employer contributions to
38 the Public Employees' Retirement System for either of the
39 following shall be excluded from the calculation specified above:

- 1 (A) Positions supported totally by federal funds that were subject
2 to supplanting restrictions.
- 3 (B) Positions supported, to the extent of employer contributions
4 not exceeding twenty-five thousand dollars (\$25,000) by a single
5 educational agency, from a revenue source determined on the basis
6 of equity to be properly excludable from the provisions of this
7 subdivision by the Superintendent with the approval of the Director
8 of Finance.
- 9 (4) For accounting purposes, the reduction made by this
10 subdivision may be reflected as an expenditure from appropriate
11 sources of revenue as directed by the Superintendent.
- 12 (h) The Superintendent shall apportion to each school district
13 the amount determined in this section less the sum of:
- 14 (1) The district's property tax revenue received pursuant to
15 Chapter 3.5 (commencing with Section 75) and Chapter 6
16 (commencing with Section 95) of Part 0.5 of Division 1 of the
17 Revenue and Taxation Code.
- 18 (2) The amount, if any, received pursuant to Part 18.5
19 (commencing with Section 38101) of Division 2 of the Revenue
20 and Taxation Code.
- 21 (3) The amount, if any, received pursuant to Chapter 3
22 (commencing with Section 16140) of Part 1 of Division 4 of Title
23 2 of the Government Code.
- 24 (4) Prior years' taxes and taxes on the unsecured roll.
- 25 (5) Fifty percent of the amount received pursuant to Section
26 41603.
- 27 (6) (A) The amount, if any, received pursuant to the Community
28 Redevelopment Law (Part 1 (commencing with Section 33000)
29 of Division 24 of the Health and Safety Code), except for any
30 amount received pursuant to Section 33401 or 33676 of the Health
31 and Safety Code that is used for land acquisition, facility
32 construction, reconstruction, or remodeling, or deferred
33 maintenance, except for any amount received pursuant to Section
34 33492.15 of, paragraph (4) of subdivision (a) of Section 33607.5
35 of, or Section 33607.7 of, the Health and Safety Code that is
36 allocated exclusively for educational facilities.
- 37 (B) The amount, if any, received pursuant to Sections 34177,
38 34179.5, 34179.6, and 34188 of the Health and Safety Code.

1 ~~(C) 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 ~~(7) For a unified school district, other than a unified school~~
5 ~~district that has converted all of its schools to charter status~~
6 ~~pursuant to Section 47606, the amount of statewide average~~
7 ~~general-purpose funding per unit of average daily attendance~~
8 ~~received by school districts for each of four grade level ranges, as~~
9 ~~computed by the department pursuant to Section 47633, multiplied~~
10 ~~by the average daily attendance, in corresponding grade level~~
11 ~~ranges, of any pupils who attend charter schools funded pursuant~~
12 ~~to Chapter 6 (commencing with Section 47630) of Part 26.8 of~~
13 ~~Division 4 for which the school district is the sponsoring local~~
14 ~~educational agency, as defined in Section 47632, and who reside~~
15 ~~in and would otherwise have been eligible to attend a noncharter~~
16 ~~school of the school district.~~

17 ~~(i) A transfer of pupils of grades 7 and 8 between an elementary~~
18 ~~school district and a high school district shall not result in the~~
19 ~~receiving school district receiving a revenue limit apportionment~~
20 ~~for those pupils that exceeds 105 percent of the statewide average~~
21 ~~revenue limit for the type and size of the receiving school district.~~

22 ~~(j) Commencing with the 2013–14 fiscal year, this section shall~~
23 ~~be used only for purposes of allocating revenues received pursuant~~
24 ~~to subparagraph (B) of paragraph (3) of subdivision (e) of Section~~
25 ~~36 of Article XIII of the California Constitution.~~

26 ~~(k) This section shall become inoperative on July 1, 2021, and,~~
27 ~~as of January 1, 2022, is repealed, unless a later enacted statute,~~
28 ~~that becomes operative on or before January 1, 2022, deletes or~~
29 ~~extends the dates on which it becomes inoperative and is repealed.~~

30 ~~SEC. 27. Section 42238.01 is added to the Education Code, to~~
31 ~~read:~~

32 ~~42238.01. For purposes of Section 42238.02, the following~~
33 ~~definitions shall apply:~~

34 ~~(a) “Eligible for free or reduced-price meal” means determined~~
35 ~~to meet federal eligibility criteria for free or reduced-price meals~~
36 ~~as specified in Section 49531, as that section read on January 1,~~
37 ~~2013, except in regard to meals in family day care homes.~~

38 ~~(b) “Foster youth” means a foster child, as described in~~
39 ~~subdivision (a) of Section 48853.5, or a nonminor under the~~
40 ~~transition jurisdiction of the juvenile court, as described in Section~~

1 450 of the Welfare and Institutions Code, who satisfies all of the
2 following criteria:

3 (1) He or she has attained 18 years of age while under an order
4 of foster care placement by the juvenile court, and is not more than
5 19 years of age on or after January 1, 2012, not more than 20 years
6 of age on or after January 1, 2013, and not more than 21 years of
7 age, on or after January 1, 2014, and as described in Section
8 10103.5 of the Welfare and Institutions Code.

9 (2) He or she is in foster care under the placement and care
10 responsibility of the county welfare department, county probation
11 department, Indian tribe, consortium of tribes, or tribal organization
12 that entered into an agreement pursuant to Section 10553.1 of the
13 Welfare and Institutions Code.

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

20 (e) “Pupils of limited English proficiency” means pupils who
21 do not have the clearly developed English language skills of
22 comprehension, speaking, reading, and writing necessary to receive
23 instruction only in English at a level substantially equivalent to
24 pupils of the same age or grade whose primary language is English.
25 “English learner” shall have the same meaning as is provided for
26 in subdivision (a) of Section 306 and as “pupils of limited English
27 proficiency.”

28 SEC. 28. Section 42238.02 is added to the Education Code, to
29 read:

30 42238.02. (a) The amount computed pursuant to this section
31 shall be known as the school district and charter school local
32 control funding formula.

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

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

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

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

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

7 ~~(2) Commencing with the 2013–14 fiscal year, a school district~~
8 ~~or charter school shall annually report its enrolled free and~~
9 ~~reduced-price meal eligibility, foster youth, and English learner~~
10 ~~pupil-level records to the Superintendent using the California~~
11 ~~Longitudinal Pupil Achievement Data System.~~

12 ~~(3) (A) Commencing with the 2013–14 fiscal year, a county~~
13 ~~office of education shall review and validate reported English~~
14 ~~learner, foster youth, and free or reduced-price meal eligible pupil~~
15 ~~data for school districts and charter schools under its jurisdiction~~
16 ~~to ensure the data is reported accurately. The Superintendent shall~~
17 ~~provide each county office of education with appropriate access~~
18 ~~to school district and charter school data reports in the California~~
19 ~~Longitudinal Pupil Achievement Data System for purposes of~~
20 ~~ensuring data reporting accuracy.~~

21 ~~(B) The Controller shall include the instructions necessary to~~
22 ~~enforce paragraph (2) in the audit guide required by Section~~
23 ~~14502.1. The instructions shall include, but are not necessarily~~
24 ~~limited to, procedures for determining if the English learner, foster~~
25 ~~youth, and free or reduced-price meal eligible pupil counts are~~
26 ~~consistent with the school district's or charter school's English~~
27 ~~learner, foster youth, and free or reduced-price meal eligible pupil~~
28 ~~records.~~

29 ~~(4) The Superintendent shall make the calculations pursuant to~~
30 ~~this section using the data submitted by local educational agencies,~~
31 ~~including charter schools, through the California Longitudinal~~
32 ~~Pupil Achievement Data System. The Superintendent shall~~
33 ~~authorize school districts and charter schools to review and revise,~~
34 ~~as necessary, their submitted data on English learner, foster youth,~~
35 ~~and free or reduced-price meal eligible pupil counts to ensure the~~
36 ~~accuracy of data reflected in the California Longitudinal Pupil~~
37 ~~Achievement Data System.~~

38 ~~(5) The Superintendent shall annually compute the percentage~~
39 ~~of unduplicated pupils for each school district and charter school~~
40 ~~by dividing the enrollment of unduplicated pupils in a school~~

1 district or charter school by the total enrollment in that school
2 district or charter school pursuant to all of the following:

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

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

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

13 (e) Commencing with the 2013–14 fiscal year and each fiscal
14 year thereafter, the Superintendent shall annually calculate a local
15 control funding formula grant for each school district and charter
16 school in the state pursuant to this section.

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

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

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

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

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

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

29 (2) In each year the grade span adjusted base grants in paragraph
30 (1) shall be adjusted by the percentage change in the annual average
31 value of the Implicit Price Deflator for State and Local Government
32 Purchases of Goods and Services for the United States, as published
33 by the United States Department of Commerce for the 12-month
34 period ending in the third quarter of the prior fiscal year. This
35 percentage change shall be determined using the latest data
36 available as of May 10 of the preceding fiscal year compared with
37 the annual average value of the same deflator for the 12-month
38 period ending in the third quarter of the second preceding fiscal
39 year, using the latest data available as of May 10 of the preceding
40 fiscal year, as reported by the Department of Finance.

1 ~~(3) (A) The Superintendent shall compute an additional~~
2 ~~adjustment to the kindergarten and grades 1 to 3, inclusive, base~~
3 ~~grant as adjusted for inflation pursuant to paragraph (2) equal to~~
4 ~~10.4 percent. The additional grant shall be calculated by~~
5 ~~multiplying the kindergarten and grades 1 to 3, inclusive, base~~
6 ~~grant as adjusted by paragraph (2) by 10.4 percent.~~

7 ~~(B) Until paragraph (4) of subdivision (b) of Section 42238.03~~
8 ~~is effective, as a condition of the receipt of funds in this paragraph,~~
9 ~~a school district shall make progress toward maintaining an average~~
10 ~~class enrollment of not more than 24 pupils for each schoolsite in~~
11 ~~kindergarten and grades 1 to 3, inclusive, unless a collectively~~
12 ~~bargained alternative annual average class enrollment for each~~
13 ~~schoolsite in those grades is agreed to by the school district,~~
14 ~~pursuant to the following calculation:~~

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

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

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

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

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

32 ~~(C) School districts that have an average class enrollment for~~
33 ~~each schoolsite for kindergarten and grades 1 to 3, inclusive, of~~
34 ~~24 pupils or less for each schoolsite in the 2012-13 fiscal year,~~
35 ~~shall be exempt from the requirements of subparagraph (B) so long~~
36 ~~as the school district continues to maintain an average class~~
37 ~~enrollment for each schoolsite for kindergarten and grades 1 to 3,~~
38 ~~inclusive, of not more than 24 pupils, unless a collectively~~
39 ~~bargained alternative ratio is agreed to by the school district.~~

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

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

12 ~~(F) The Controller shall include the instructions necessary to~~
13 ~~enforce this paragraph in the audit guide required by Section~~
14 ~~14502.1. The instructions shall include, but are not necessarily~~
15 ~~limited to, procedures for determining if the average class~~
16 ~~enrollment for each schoolsite for kindergarten and grades 1 to 3,~~
17 ~~inclusive, exceeds 24, or an alternative average class enrollment~~
18 ~~for each schoolsite pursuant to a collectively bargained alternative~~
19 ~~ratio. The procedures for determining average class enrollment for~~
20 ~~each schoolsite shall include criteria for employing sampling.~~

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

27 ~~(B) A school district or charter school shall expend funds~~
28 ~~appropriated pursuant to this paragraph on pupils enrolled in grades~~
29 ~~9 to 12, inclusive, for any purposes or programs that support a~~
30 ~~school district or charter school in achieving its goals for college~~
31 ~~and career readiness as described in a school district's local control~~
32 ~~and accountability plan pursuant to subparagraph (C) of paragraph~~
33 ~~(4) of subdivision (d) of Section 52060, or a charter school's plan~~
34 ~~pursuant to Section 47605, 47605.6, or 47606.5, as applicable.~~

35 ~~(C) As a condition of the receipt of funds pursuant to this~~
36 ~~paragraph, a school district or charter school shall report such~~
37 ~~pupil-level college and career readiness information as may be~~
38 ~~approved by the state board to implement subparagraph (ii) of~~
39 ~~subparagraph (F) of paragraph (4) of subdivision (a) of Section~~
40 ~~52052.~~

1 (D) Funds apportioned pursuant to this paragraph are specifically
2 intended to fund, and shall be first used to offset, the costs of any
3 new programs or higher levels of service required by this
4 paragraph.

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

19 (f) The Superintendent shall compute a concentration grant
20 add-on equal to 50 percent of the base grants as specified in
21 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
22 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision
23 (d), for each school district's or charter school's percentage of
24 unduplicated pupils calculated pursuant to paragraph (5) of
25 subdivision (b) in excess of 55 percent of the school district's or
26 charter school's total enrollment. The concentration grant shall be
27 calculated by multiplying the base grant as specified in
28 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
29 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision
30 (d), by 50 percent and by the percentage of unduplicated pupils
31 calculated pursuant to paragraph (5) of subdivision (b) in excess
32 of 55 percent of the total enrollment in that school district or charter
33 school. For a charter school physically located in only one school
34 district, the percentage of unduplicated pupils calculated pursuant
35 to paragraph (5) of subdivision (b) in excess of 55 percent used to
36 calculate concentration grants shall not exceed the percentage of
37 unduplicated pupils calculated pursuant to paragraph (5) of
38 subdivision (b) in excess of 55 percent of the school district in
39 which the charter school is physically located. For a charter school
40 physically located in more than one school district, the charter

1 school's percentage of unduplicated pupils calculated pursuant to
2 paragraph (5) of subdivision (b) in excess of 55 percent used to
3 calculate concentration grants shall not exceed that of the school
4 district with the highest percentage of unduplicated pupils
5 calculated pursuant to paragraph (5) of subdivision (b) in excess
6 of 55 percent of the school districts in which the charter school
7 has a school facility. The concentration grant shall be expended
8 in accordance with the regulations adopted pursuant to Section
9 42238.07.

10 (g) The Superintendent shall compute an add-on to the total
11 sum of a school district's or charter school's base, supplemental,
12 and concentration grants equal to the amount of funding a school
13 district or charter school received from funds allocated pursuant
14 to the Targeted Instructional Improvement Block Grant program,
15 as set forth in Article 6 (commencing with Section 41540) of
16 Chapter 3.2, for the 2012-13 fiscal year, as that article read on
17 January 1, 2013. A school district or charter school shall not receive
18 a total funding amount from this add-on greater than the total
19 amount of funding received by the school district or charter school
20 from that program in the 2012-13 fiscal year. The amount
21 computed pursuant to this subdivision shall reflect the reduction
22 specified in paragraph (2) of subdivision (a) of Section 42238.03.

23 (h) The Superintendent shall compute an add-on to the total
24 sum of a school district's or charter school's base, supplemental,
25 and concentration grants equal to the amount of funding a school
26 district or charter school received from funds allocated pursuant
27 to the Home-to-School Transportation program, as set forth in
28 former Article 2 (commencing with Section 39820) of Chapter 1
29 of Part 23.5, former Article 10 (commencing with Section 41850)
30 of Chapter 5, and the Small School District Transportation
31 program, as set forth in former Article 4.5 (commencing with
32 Section 42290), for the 2012-13 fiscal year. A school district or
33 charter school shall not receive a total funding amount from this
34 add-on greater than the total amount received by the school district
35 or charter school for that program in the 2012-13 fiscal year. The
36 amount computed pursuant to this subdivision shall reflect the
37 reduction specified in paragraph (2) of subdivision (a) of Section
38 42238.03.

1 ~~(i) (1) The sum of the local control funding formula rates~~
2 ~~computed pursuant to subdivisions (e) to (f), inclusive, shall be~~
3 ~~multiplied by:~~

4 ~~(A) For school districts, the average daily attendance of the~~
5 ~~school district in the corresponding grade level ranges computed~~
6 ~~pursuant to Section 42238.05.~~

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

9 ~~(2) (A) The amount computed pursuant to Article 4~~
10 ~~(commencing with Section 42280) shall be added to the amount~~
11 ~~computed pursuant to paragraphs (1) to (4), inclusive, of~~
12 ~~subdivision (d), as multiplied by subparagraph (A) or (B) of~~
13 ~~paragraph (1), as appropriate.~~

14 ~~(B) The amount added pursuant to this paragraph shall not~~
15 ~~change the calculation of a school district's or charter school's~~
16 ~~supplemental grant or concentration grant.~~

17 ~~(j) The Superintendent shall adjust the sum of each school~~
18 ~~district's or charter school's amount determined in subdivisions~~
19 ~~(g) to (i), inclusive, pursuant to the calculation specified in Section~~
20 ~~42238.03, less the sum of the following:~~

21 ~~(1) (A) For school districts, the property tax revenue received~~
22 ~~pursuant to Chapter 3.5 (commencing with Section 75) and Chapter~~
23 ~~6 (commencing with Section 95) of Part 0.5 of Division 1 of the~~
24 ~~Revenue and Taxation Code.~~

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

27 ~~(2) The amount, if any, received pursuant to Part 18.5~~
28 ~~(commencing with Section 38101) of Division 2 of the Revenue~~
29 ~~and Taxation Code.~~

30 ~~(3) The amount, if any, received pursuant to Chapter 3~~
31 ~~(commencing with Section 16140) of Part 1 of Division 4 of Title~~
32 ~~2 of the Government Code.~~

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

34 ~~(5) Fifty percent of the amount received pursuant to Section~~
35 ~~41603.~~

36 ~~(6) The amount, if any, received pursuant to the Community~~
37 ~~Redevelopment Law (Part 1 (commencing with Section 33000)~~
38 ~~of Division 24 of the Health and Safety Code), less any amount~~
39 ~~received pursuant to Section 33401 or 33676 of the Health and~~
40 ~~Safety Code that is used for land acquisition, facility construction,~~

1 reconstruction, or remodeling, or deferred maintenance and that
2 is not an amount received pursuant to Section 33492.15, or
3 paragraph (4) of subdivision (a) of Section 33607.5, or Section
4 33607.7 of the Health and Safety Code that is allocated exclusively
5 for educational facilities:

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

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

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

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

19 ~~(2) A school district that receives funding on behalf of a locally
20 funded charter school pursuant to paragraph (2) of subdivision (b)
21 of Section 42605, Section 42606, and subdivision (b) of Section
22 47634 in the 2012–13 fiscal year may annually redirect for another
23 purpose a percentage of the amount of the funding received on
24 behalf of that charter school. The percentage of funding that may
25 be redirected shall be determined pursuant to the following
26 computation:~~

27 ~~(A) (i) Determine the sum of the need fulfilled for that charter
28 school pursuant to paragraph (3) of subdivision (b) of Section
29 42238.03 in the then current fiscal year for the charter school.~~

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

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

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

4 (B) Multiply the percentage computed pursuant to subparagraph
5 (A) by the amount of funding the school district received on behalf
6 of the charter school pursuant to paragraph (2) of subdivision (b)
7 of Section 42605, Section 42606, and subdivision (b) of Section
8 47634 for the 2012–13 fiscal year.

9 (C) The maximum amount that may be redirected shall be the
10 lesser of the amount of funding the school district received on
11 behalf of the charter school pursuant to paragraph (2) of subdivision
12 (b) of Section 42605, Section 42606, and subdivision (b) of Section
13 47634 for the 2012–13 fiscal year or the amount computed pursuant
14 to subparagraph (B).

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

20 (n) Any calculations in law that are used for purposes of
21 determining if a local educational agency is an excess tax school
22 entity or basic aid school district, including, but not limited to, this
23 section and Sections 42238.03, 41544, 47660, 47632, 47663,
24 48310, and 48359.5, and Section 95 of the Revenue and Taxation
25 Code, shall be made exclusive of the revenue received pursuant
26 to subparagraph (B) of paragraph (3) of subdivision (c) of Section
27 36 of Article XIII of the California Constitution.

28 (o) A school district that does not receive an apportionment of
29 state funds pursuant to this section as implemented pursuant to
30 Section 42238.03, excluding funds apportioned pursuant to the
31 requirements of subdivision (d) of Section 42238.03 shall be
32 considered a “basic aid school district” or an “excess tax entity.”

33 (p) The funds apportioned pursuant to this section and Section
34 42238.03 shall be available to implement the activities required
35 pursuant to Article 4.5 (commencing with Section 52060) of
36 Chapter 6.1 of Part 28 of Division 4 of Title 2.

37 SEC. 29. Section 42238.025 is added to the Education Code,
38 to read:

1 42238.025.—(a) In the 2013–14 fiscal year, the Superintendent
2 shall compute an economic recovery target rate for each school
3 district and charter school equal to the sum of the following:

4 (1) (A) For each school district, the school district’s revenue
5 limit in the 2012–13 fiscal year as computed pursuant to this article,
6 as this article read on January 1, 2013, divided by the 2012–13
7 fiscal year average daily attendance of the school district computed
8 pursuant to Section 42238.05.

9 (B) For each charter school, the charter school’s general purpose
10 funding as computed pursuant to Article 2 (commencing with
11 Section 47633) of Chapter 6 of Part 26.8 of Division 4, as that
12 article read on January 1, 2013, and the in-lieu property tax amount
13 provided to the charter school pursuant to Section 47635, as that
14 section read on January 1, 2013, divided by the 2012–13 fiscal
15 year average daily attendance of the school district computed
16 pursuant to Section 42238.05.

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

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

26 (2) (A) For each school district and charter school the sum of
27 the entitlements from items contained in Section 2.00 of the Budget
28 Act of 2012 for Items 6110-104-0001, 6110-105-0001,
29 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001,
30 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001,
31 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001,
32 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001,
33 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001,
34 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001,
35 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001,
36 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001,
37 6110-267-0001, 6110-268-0001, 6360-101-0001, 2012–13 fiscal
38 year funding for the Class Size Reduction Program pursuant to
39 Chapter 6.10 (commencing with Section 52120) of Part 28 of
40 Division 4, as it read on January 1, 2013, and 2012–13 fiscal year

1 funding for the community day school mandatorily expelled pupils
2 program pursuant to subdivision (c) of Section 48915, divided by
3 the 2012–13 fiscal year average daily attendance of the school
4 district computed pursuant to Section 42238.05.

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

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

12 (c) The Superintendent shall compute a 2020–21 fiscal year
13 local control funding formula rate for each school district and
14 charter school equal to the amount computed pursuant to section
15 42238.02 for the 2013–14 fiscal year, adjusted for an annual
16 average cost-of-living adjustment of 1.94 percent for the 2014–15
17 fiscal year to the 2020–21 fiscal year, inclusive, divided by the
18 2012–13 fiscal year average daily attendance of the school district
19 or charter school computed pursuant to Section 42238.05.

20 (d) (1) For each school district and charter school that has a
21 funding rate per unit of average daily attendance computed pursuant
22 to subdivision (a) that is equal to, or below, the funding rate per
23 unit of average daily attendance determined pursuant to subdivision
24 (b), the Superintendent shall subtract the amount computed
25 pursuant to subdivision (c) from the amount computed pursuant
26 to subdivision (a). Each school district or charter school for which
27 this calculation yields an amount greater than zero shall be eligible
28 for an economic recovery target payment equal to the amount of
29 the difference. A school district or charter school that has a funding
30 rate per unit of average daily attendance calculated pursuant to
31 subdivision (a) that exceeds the rate calculated pursuant to
32 subdivision (b) shall not be eligible for an economic recovery
33 target payment.

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

37 (A) For the 2013–14 fiscal year, one-eighth of the amount
38 calculated pursuant to paragraph (1) multiplied by the 2012–13
39 fiscal year average daily attendance computed pursuant to Section
40 42238.05.

1 ~~(B) For the 2014–15 fiscal year, two-eighths of the amount~~
2 ~~calculated pursuant to paragraph (1) multiplied by the 2012–13~~
3 ~~fiscal year average daily attendance computed pursuant to Section~~
4 ~~42238.05.~~

5 ~~(C) For the 2015–16 fiscal year, three-eighths of the amount~~
6 ~~calculated pursuant to paragraph (1) multiplied by the 2012–13~~
7 ~~fiscal year average daily attendance computed pursuant to Section~~
8 ~~42238.05.~~

9 ~~(D) For the 2016–17 fiscal year, four-eighths of the amount~~
10 ~~calculated pursuant to paragraph (1) multiplied by the 2012–13~~
11 ~~fiscal year average daily attendance computed pursuant to Section~~
12 ~~42238.05.~~

13 ~~(E) For the 2017–18 fiscal year, five-eighths of the amount~~
14 ~~calculated pursuant to paragraph (1) multiplied by the 2012–13~~
15 ~~fiscal year average daily attendance computed pursuant to Section~~
16 ~~42238.05.~~

17 ~~(F) For the 2018–19 fiscal year, six-eighths of the amount~~
18 ~~calculated pursuant to paragraph (1) multiplied by the 2012–13~~
19 ~~fiscal year average daily attendance computed pursuant to Section~~
20 ~~42238.05.~~

21 ~~(G) For the 2019–20 fiscal year, seven-eighths of the amount~~
22 ~~calculated pursuant to paragraph (1) multiplied by the 2012–13~~
23 ~~fiscal year average daily attendance computed pursuant to Section~~
24 ~~42238.05.~~

25 ~~(H) For the 2020–21 fiscal year and each fiscal year thereafter,~~
26 ~~the amount calculated pursuant to paragraph (1) multiplied by the~~
27 ~~2012–13 fiscal year average daily attendance computed pursuant~~
28 ~~to Section 42238.05.~~

29 ~~(3) In each fiscal year until a determination has been made that~~
30 ~~all school districts and charter schools equal or exceed the local~~
31 ~~control funding formula target computed pursuant to Section~~
32 ~~42238.02, as determined by the calculation of a zero difference~~
33 ~~pursuant to paragraph (1) of subdivision (b) of Section 42238.03,~~
34 ~~the economic recovery target payment apportioned to each eligible~~
35 ~~school district or charter school pursuant to paragraph (2) shall be~~
36 ~~added to the school district's or charter school's funding amounts~~
37 ~~that are continuously appropriated pursuant to subdivision (a) of~~
38 ~~Section 42238.03 and included in the amount of funding that may~~
39 ~~be offset pursuant to subdivision (c) of Section 42238.03. The~~

1 amount apportioned pursuant to paragraph (2) shall not receive a
2 cost-of-living adjustment.

3 ~~(4) Commencing with the first fiscal year in which all school~~
4 ~~districts and charter schools are apportioned funding pursuant to~~
5 ~~Section 42238.02, the economic recovery target payment amount~~
6 ~~calculated pursuant to paragraph (2) for the applicable fiscal year~~
7 ~~shall be included as an add-on to the amounts computed pursuant~~
8 ~~to subdivisions (c) to (i), inclusive, of Section 42238.02 and~~
9 ~~included in the amount of funding that may be offset pursuant to~~
10 ~~subdivision (j) of Section 42238.02. The amount included as an~~
11 ~~add-on pursuant to this paragraph shall not receive a cost-of-living~~
12 ~~adjustment.~~

13 ~~SEC. 30. Section 42238.03 is added to the Education Code, to~~
14 ~~read:~~

15 ~~42238.03. (a) Commencing with the 2013–14 fiscal year and~~
16 ~~each fiscal year thereafter, the Superintendent shall calculate a~~
17 ~~base entitlement for the transition to the local control funding~~
18 ~~formula for each school district and charter school equal to the~~
19 ~~sum of the amounts computed pursuant to paragraphs (1) to (4),~~
20 ~~inclusive. The amounts computed pursuant to paragraphs (1) to~~
21 ~~(6), inclusive, shall be continuously appropriated pursuant to~~
22 ~~Section 14002.~~

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

25 ~~(A) For school districts, revenue limits in the 2012–13 fiscal~~
26 ~~year as computed pursuant to Article 2 (commencing with Section~~
27 ~~42238), as that article read on January 1, 2013, divided by the~~
28 ~~2012–13 average daily attendance of the school district computed~~
29 ~~pursuant to Section 42238.05. That quotient shall be multiplied~~
30 ~~by the current fiscal year average daily attendance of the school~~
31 ~~district computed pursuant Section 42238.05.~~

32 ~~(B) (i) For charter schools, general purpose funding as~~
33 ~~computed pursuant to Article 2 (commencing with Section 47633)~~
34 ~~of Chapter 6, as that article read on January 1, 2013, and the~~
35 ~~amount of in-lieu property tax provided to the charter school~~
36 ~~pursuant to Section 47635, as that section read on June 30, 2013,~~
37 ~~divided by the 2012–13 average daily attendance of the charter~~
38 ~~school computed pursuant to Section 42238.05. That quotient shall~~
39 ~~be multiplied by the current fiscal year average daily attendance~~
40 ~~of the charter school computed pursuant to Section 42238.05.~~

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

4 ~~(C) The amount computed pursuant to subparagraphs (A) and~~
 5 ~~(B) shall exclude funds received pursuant to Section 47633, as that~~
 6 ~~section read on January 1, 2013.~~

7 ~~(D) The amount computed pursuant to subparagraph (A) shall~~
 8 ~~exclude amounts computed pursuant to Article 4 (commencing~~
 9 ~~with Section 42280). Funding for qualifying necessary small high~~
 10 ~~school and necessary small elementary schools shall be adjusted~~
 11 ~~pursuant Article 4 (commencing with Section 42280) and Section~~
 12 ~~42238.146, as those provisions read on January 1, 2013.~~

13 ~~(2) Entitlements from items contained in Section 2.00, as~~
 14 ~~adjusted pursuant to Section 12.42, of the Budget Act of 2012 for~~
 15 ~~Items — 6110-104-0001, — 6110-105-0001, — 6110-108-0001,~~
 16 ~~6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001,~~
 17 ~~6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001,~~
 18 ~~6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001,~~
 19 ~~6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001,~~
 20 ~~6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001,~~
 21 ~~6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,~~
 22 ~~6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,~~
 23 ~~6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001,~~
 24 ~~6110-268-0001, 6360-101-0001, 2012-13 fiscal year funding for~~
 25 ~~the Class Size Reduction Program pursuant to Chapter 6.10~~
 26 ~~(commencing with Section 52120) of Part 28 of Division 4, as it~~
 27 ~~read on January 1, 2013, and 2012-13 fiscal year funding for pupils~~
 28 ~~enrolled in community day schools who are mandatorily expelled~~
 29 ~~pursuant to subdivision (c) of Section 48915. The entitlement for~~
 30 ~~basic aid school districts shall include the reduction of 8.92 percent~~
 31 ~~as applied pursuant to subparagraph (A) of paragraph (1) of~~
 32 ~~subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.~~

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

39 ~~(4) The amount allocated to a school district or charter school~~
 40 ~~pursuant to paragraph (3) of subdivision (b) for the fiscal years~~

1 before the current fiscal year divided by the average daily
2 attendance of the school district or charter school for the fiscal
3 years before the current fiscal year computed pursuant to Section
4 42238.05. That quotient shall be multiplied by the current fiscal
5 year average daily attendance of the school district or charter school
6 computed pursuant to Section 42238.05.

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

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

29 (B) In addition to subparagraph (A), of the funds a school district
30 receives for home-to-school transportation programs pursuant to
31 Article 2 (commencing with Section 39820) of Chapter 1 of Part
32 23.5 and Article 10 (commencing with Section 41850) of Chapter
33 5, the school district shall expend no less than the amount of funds
34 the school district expended for home-to-school transportation in
35 the 2012–13 fiscal year.

36 (7) For the 2013–14 and 2014–15 fiscal years only, of the funds
37 a school district receives for purposes of regional occupational
38 centers or programs, or adult education, the school district shall
39 expend no less than the amount of funds the school district
40 expended for purposes of regional occupational centers or

1 programs, or adult education, respectively, in the 2012–13 fiscal
2 year.

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

5 (1) ~~Subtract the amount computed pursuant to paragraphs (1)
6 to (4), inclusive, of subdivision (a) from the amount computed for
7 each school district or charter school under the local control
8 funding formula entitlements computed pursuant to subdivision
9 (i) of Section 42238.02. School districts and charter schools with
10 a negative difference shall be deemed to have a zero difference.~~

11 (2) ~~Each school district's and charter school's total need as
12 calculated pursuant to paragraph (1) shall be divided by the sum
13 of all school districts' and charter schools' total need to determine
14 the school district's or charter school's respective proportions of
15 total need.~~

16 (3) ~~Each school district's and charter school's proportion of
17 total need shall be multiplied by any available appropriations
18 specifically made for purposes of this subdivision, and added to
19 the school district's or charter school's funding amounts as
20 calculated pursuant to subdivision (a).~~

21 (4) ~~If the total amount of funds appropriated for purposes of
22 paragraph (3) pursuant to this subdivision are sufficient to fully
23 fund any positive amounts computed pursuant to paragraph (1),
24 the local control funding formula grant computed pursuant to
25 subdivision (c) of Section 42238.02 shall be adjusted to ensure
26 that any available appropriation authority is expended for purposes
27 of the local control funding formula.~~

28 (5) ~~Commencing with the first fiscal year after either paragraph
29 (4) or paragraph (2) of subdivision (h) applies, the adjustments in
30 paragraph (2) of subdivision (d) of Section 42238.02 shall be made
31 only if an appropriation for those adjustments is included in the
32 annual Budget Act.~~

33 (e) ~~The Superintendent shall subtract from the amounts
34 computed pursuant to subdivisions (a) and (b) the sum of the
35 following:~~

36 (1) (A) ~~For school districts, the property tax revenue received
37 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter
38 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
39 Revenue and Taxation Code.~~

- 1 ~~(B) For charter schools, the in-lieu property tax amount provided~~
2 ~~to a charter school pursuant to Section 47635.~~
- 3 ~~(2) The amount, if any, received pursuant to Part 18.5~~
4 ~~(commencing with Section 38101) of Division 2 of the Revenue~~
5 ~~and Taxation Code.~~
- 6 ~~(3) The amount, if any, received pursuant to Chapter 3~~
7 ~~(commencing with Section 16140) of Part 1 of Division 4 of Title~~
8 ~~2 of the Government Code.~~
- 9 ~~(4) Prior years' taxes and taxes on the unsecured roll.~~
- 10 ~~(5) Fifty percent of the amount received pursuant to Section~~
11 ~~41603.~~
- 12 ~~(6) The amount, if any, received pursuant to the Community~~
13 ~~Redevelopment Law (Part 1 (commencing with Section 33000)~~
14 ~~of Division 24 of the Health and Safety Code), less any amount~~
15 ~~received pursuant to Section 33401 or 33676 of the Health and~~
16 ~~Safety Code that is used for land acquisition, facility construction,~~
17 ~~reconstruction, or remodeling, or deferred maintenance and that~~
18 ~~is not an amount received pursuant to Section 33492.15, or~~
19 ~~paragraph (4) of subdivision (a) of Section 33607.5, or Section~~
20 ~~33607.7 of the Health and Safety Code that is allocated exclusively~~
21 ~~for educational facilities.~~
- 22 ~~(7) The amount, if any, received pursuant to Sections 34183~~
23 ~~and 34188 of the Health and Safety Code.~~
- 24 ~~(8) Revenue received pursuant to subparagraph (B) of paragraph~~
25 ~~(3) of subdivision (e) of Section 36 of Article XIII of the California~~
26 ~~Constitution.~~
- 27 ~~(d) A school district or charter school that has a zero difference~~
28 ~~pursuant to paragraph (1) of subdivision (b) in the prior fiscal year~~
29 ~~shall receive an entitlement equal to the amount calculated pursuant~~
30 ~~to Section 42238.02 in the current fiscal year and future fiscal~~
31 ~~years.~~
- 32 ~~(e) Notwithstanding the computations pursuant to subdivisions~~
33 ~~(b) to (d), inclusive, and Section 42238.02, commencing with the~~
34 ~~2013–14 fiscal year, a school district or charter school shall receive~~
35 ~~state-aid funding of no less than the sum of the amounts computed~~
36 ~~pursuant to paragraphs (1) to (3), inclusive.~~
- 37 ~~(1) (A) For school districts, revenue limits in the 2012–13 fiscal~~
38 ~~year as computed pursuant to Article 2 (commencing with Section~~
39 ~~42238), as that article read on January 1, 2013, divided by the~~
40 ~~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 and then offset for
 4 local revenues pursuant to subdivision (c) for the current fiscal
 5 year.

6 ~~(B) (i) For charter schools, general purpose funding in the~~
 7 ~~2012-13 fiscal year as computed pursuant to Article 2~~
 8 ~~(commencing with Section 47633) of Chapter 6, as that article~~
 9 ~~read on January 1, 2013, and the amount of in-lieu property tax~~
 10 ~~provided to the charter school in the 2012-13 fiscal year pursuant~~
 11 ~~to Section 47635, as that section read on January 1, 2013, divided~~
 12 ~~by the 2012-13 average daily attendance of the charter school~~
 13 ~~computed pursuant to Section 42238.05. That quotient shall be~~
 14 ~~multiplied by the current fiscal year average daily attendance of~~
 15 ~~the charter school computed pursuant to Section 42238.05 and~~
 16 ~~then offset for local revenues pursuant to subdivision (c) for the~~
 17 ~~current fiscal year.~~

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

21 ~~(C) The amount computed pursuant to subparagraphs (A) and~~
 22 ~~(B) shall exclude funds received pursuant to Section 47633, as that~~
 23 ~~section read on January 1, 2013.~~

24 ~~(D) The amount computed pursuant to subparagraph (A) shall~~
 25 ~~exclude amounts computed pursuant to Article 4 (commencing~~
 26 ~~with Section 42280). Funding for qualifying necessary small high~~
 27 ~~school and necessary small elementary schools shall be adjusted~~
 28 ~~pursuant Article 4 (commencing with Section 42280) and Section~~
 29 ~~42238.146, as those provisions read on January 1, 2013.~~

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

33 ~~(2) (A) Entitlements from items contained in Section 2.00, as~~
 34 ~~adjusted pursuant to Section 12.42, of the Budget Act of 2012 for~~
 35 ~~Items — 6110-104-0001, — 6110-105-0001, — 6110-108-0001,~~
 36 ~~6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001,~~
 37 ~~6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001,~~
 38 ~~6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001,~~
 39 ~~6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001,~~
 40 ~~6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001,~~

1 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,
2 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,
3 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001,
4 6110-268-0001, 6360-101-0001, 2012-13 fiscal year funding for
5 the Class Size Reduction Program pursuant to Chapter 6.10
6 (commencing with Section 52120) of Part 28 of Division 4, as it
7 read on January 1, 2013, and 2012-13 fiscal year funding for pupils
8 enrolled in community day schools who are mandatorily expelled
9 pursuant to subdivision (c) of Section 48915. Notwithstanding
10 Section 39 of Chapter 38 of the Statutes of 2012, the entitlement
11 for basic aid school districts shall include the reduction of 8.92
12 percent as applied pursuant to subparagraph (A) of paragraph (1)
13 of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

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

19 (f) (1) For purposes of this section, commencing with the
20 2013-14 fiscal year and until all school districts and charter schools
21 equal or exceed their local control funding formula target computed
22 pursuant to Section 42238.02 as determined by the calculation of
23 a zero difference pursuant to paragraph (1) of subdivision (b), a
24 newly operational charter school shall be determined to have a
25 prior year per average daily attendance funding amount equal to
26 the lesser of:

27 (A) The prior year funding amount per unit of average daily
28 attendance for the school district in which the charter school is
29 physically located. The Superintendent shall calculate the funding
30 amount per unit of average daily attendance for this purpose by
31 dividing the total local control funding formula entitlement received
32 by that school district in the prior year by prior year average daily
33 attendance of that school district. For purposes of this paragraph,
34 a charter school that is physically located in more than one school
35 district shall use the calculated local control funding entitlement
36 per unit of average daily attendance of the school district with the
37 highest prior year funding amount per unit of average daily
38 attendance.

1 ~~(B) The charter school's local control funding formula rate~~
2 ~~computed pursuant to subdivisions (c) to (i), inclusive, of Section~~
3 ~~42238.02.~~

4 ~~(2) For charter schools funded pursuant to paragraph (1), the~~
5 ~~charter school shall be eligible to receive growth funding pursuant~~
6 ~~to subdivision (b) toward meeting the newly operational charter~~
7 ~~school's local control funding formula target.~~

8 ~~(3) Upon a determination that all school districts and charter~~
9 ~~schools equal or exceed the local control funding formula target~~
10 ~~computed pursuant to Section 42238.02 as determined by the~~
11 ~~calculation of a zero difference pursuant to paragraph (1) of~~
12 ~~subdivision (b) for all school districts and charter schools, this~~
13 ~~subdivision shall not apply and the charter school shall receive an~~
14 ~~allocation equal to the amount calculated under Section 42238.02~~
15 ~~in that fiscal year and future fiscal years.~~

16 ~~(g) (1) In each fiscal year the Superintendent shall determine~~
17 ~~the percentage of school districts that are apportioned funding~~
18 ~~pursuant to this section that is less than the amount computed~~
19 ~~pursuant to Section 42238.02 as of the second principal~~
20 ~~apportionments of the fiscal year. If the percentage is less than 10~~
21 ~~percent, the Superintendent shall apportion funding to the school~~
22 ~~districts and charter schools equal to the amount computed pursuant~~
23 ~~to Section 42238.02 in that fiscal year.~~

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

27 ~~SEC. 31. Section 42238.04 is added to the Education Code, to~~
28 ~~read:~~

29 ~~42238.04. Notwithstanding any other law, revenue limit funding~~
30 ~~for school districts and charter school block grant funding for~~
31 ~~charter schools for the 2012-13 fiscal year and prior fiscal years~~
32 ~~shall continue to be adjusted pursuant to Article 2 (commencing~~
33 ~~with Section 42238), and Article 2 (commencing with Section~~
34 ~~47633) of Chapter 6 of Part 26.8 of Division 4, as those articles~~
35 ~~read on January 1, 2013.~~

36 ~~SEC. 32. Section 42238.05 is added to the Education Code, to~~
37 ~~read:~~

38 ~~42238.05. (a) For purposes of Sections 42238.02 and 42238.03,~~
39 ~~the fiscal year average daily attendance shall be computed pursuant~~
40 ~~to paragraph (1) or (2).~~

1 ~~(1) The second principal apportionment regular average daily~~
2 ~~attendance for either the current or prior fiscal year, whichever is~~
3 ~~greater. However, prior fiscal year average daily attendance shall~~
4 ~~be adjusted for any loss or gain of average daily attendance due~~
5 ~~to a reorganization or transfer of territory.~~
6 ~~(2) A school district that elects to receive funding pursuant to~~
7 ~~Article 4 (commencing with Section 42280) shall compute its units~~
8 ~~of average daily attendance for purposes of paragraphs (1), (3),~~
9 ~~and (4), of subdivision (d) of Section 42238.02 by subtracting the~~
10 ~~amount determined in subparagraph (B) from the amount~~
11 ~~determined in subparagraph (A).~~
12 ~~(A) The units of average daily attendance computed pursuant~~
13 ~~to paragraph (1).~~
14 ~~(B) The units of average daily attendance resulting from pupils~~
15 ~~attending schools funded pursuant to Article 4 (commencing with~~
16 ~~Section 42280).~~
17 ~~(b) For purposes of this article, regular average daily attendance~~
18 ~~shall be the base grant average daily attendance.~~
19 ~~(c) For purposes of this section, the Superintendent shall~~
20 ~~distribute total ungraded enrollment and average daily attendance~~
21 ~~among kindergarten and each of grades 1 to 12, inclusive, in~~
22 ~~proportion to the amounts of graded enrollment and average daily~~
23 ~~attendance, respectively, in each of these grades.~~
24 ~~(d) For purposes of this section, the Superintendent shall~~
25 ~~distribute average daily attendance generated by the difference~~
26 ~~between prior year average daily attendance and current year~~
27 ~~average daily attendance, if positive, among kindergarten and each~~
28 ~~of grades 1 to 12, inclusive, in proportion to the amounts of graded~~
29 ~~average daily attendance, respectively, in each of these grades.~~
30 ~~(e) This section shall only apply to average daily attendance~~
31 ~~generated by school districts and shall not apply to average daily~~
32 ~~attendance generated by charter schools.~~
33 ~~(f) A pupil shall not be counted more than once for purposes of~~
34 ~~calculating average daily attendance pursuant to this section.~~
35 SEC. 33. Section 42238.051 is added to the Education Code,
36 to read:
37 42238.051. (a) For purposes of paragraph (1) of subdivision
38 (a) of Section 42238.05, a sponsoring school district's average
39 daily attendance shall be computed as follows:

1 ~~(1) Compute the sponsoring school district's regular average~~
2 ~~daily attendance in the current year, excluding the attendance of~~
3 ~~pupils in charter schools.~~

4 ~~(2) (A) Compute the regular average daily attendance used to~~
5 ~~calculate the second principal apportionment of the school district~~
6 ~~for the prior year, excluding the attendance of pupils in charter~~
7 ~~schools.~~

8 ~~(B) Compute the attendance of pupils who attended one or more~~
9 ~~noncharter schools of the school district between July 1, and the~~
10 ~~last day of the second period, inclusive, in the prior year, and who~~
11 ~~attended a charter school sponsored by the school district between~~
12 ~~July 1, and the last day of the second period, inclusive, in the~~
13 ~~current year. For purposes of this subparagraph, a pupil enrolled~~
14 ~~in a grade at a charter school sponsored by the school district shall~~
15 ~~not be counted if the school district does not offer classes for pupils~~
16 ~~enrolled in that grade. The amount of the attendance counted for~~
17 ~~any pupil for the purpose of this subparagraph may not be greater~~
18 ~~than the attendance claimed for that pupil by the charter school in~~
19 ~~the current year.~~

20 ~~(C) Compute the attendance of pupils who attended a charter~~
21 ~~school sponsored by the school district in the prior year and who~~
22 ~~attended one or more noncharter schools of the school district in~~
23 ~~the current year. The amount of the attendance counted for any~~
24 ~~pupil for the purpose of this subparagraph may not be greater than~~
25 ~~the attendance claimed for that pupil by the school district in the~~
26 ~~current year.~~

27 ~~(D) From the amount determined pursuant to subparagraph (B),~~
28 ~~subtract the amount determined pursuant to subparagraph (C). If~~
29 ~~the result is less than zero, the amount shall be deemed to be zero.~~

30 ~~(E) The prior year average daily attendance determined pursuant~~
31 ~~to subparagraph (A) shall be reduced by the amount determined~~
32 ~~pursuant to subparagraph (D).~~

33 ~~(3) To the greater of the amounts computed pursuant to~~
34 ~~paragraphs (1) and (2), add the regular average daily attendance~~
35 ~~in the current year of all pupils attending charter schools sponsored~~
36 ~~by the school district that are not funded through the charter schools~~
37 ~~local control funding formula allocation pursuant to Section~~
38 ~~42238.02, as implemented by Section 42238.03.~~

1 ~~(b) For purposes of this section, a “sponsoring school district”~~
2 ~~shall mean a “sponsoring local educational agency,” as defined in~~
3 ~~Section 47632, as that section read on January 1, 2013.~~

4 ~~SEC. 34. Section 42238.052 is added to the Education Code,~~
5 ~~to read:~~

6 ~~42238.052.—(a) Notwithstanding any other law, the prior year~~
7 ~~average daily attendance for a school district determined pursuant~~
8 ~~to subdivision (a) of Section 42238.051 shall be increased by the~~
9 ~~prior year second principal apportionment average daily attendance~~
10 ~~of a school district only for a school that meets the following~~
11 ~~description:~~

12 ~~(1) The school was a district noncharter school in any year~~
13 ~~before the prior year.~~

14 ~~(2) The school was operated as a district-approved charter school~~
15 ~~in the prior year.~~

16 ~~(3) The school is again operated as a district noncharter school~~
17 ~~in the current year.~~

18 ~~(b) An adjustment to prior year average daily attendance~~
19 ~~pursuant to this section may not be made for the attendance of~~
20 ~~pupils who were not residents of the school district in the prior~~
21 ~~year.~~

22 ~~SEC. 35. Section 42238.053 is added to the Education Code,~~
23 ~~to read:~~

24 ~~42238.053.—(a) The fiscal year average daily attendance~~
25 ~~computed under Section 42238.05 shall be increased, for each~~
26 ~~school district that operates a school that meets the eligibility~~
27 ~~requirements set forth in subdivision (b), by the number of days~~
28 ~~of attendance of pupils enrolled in eligible schools in the school~~
29 ~~district who are currently migratory children, as defined by Section~~
30 ~~54441, and who are residing in state-operated migrant housing~~
31 ~~projects between the second principal apportionment and the end~~
32 ~~of the regular school year, divided by the number of days school~~
33 ~~was actually taught in the regular day schools of the district,~~
34 ~~excluding Saturdays and Sundays.~~

35 ~~(b) For a school district to be eligible for purposes of this~~
36 ~~section, the following conditions shall apply:~~

37 ~~(1) One or more state-operated migrant housing projects are~~
38 ~~located within the attendance area of the school.~~

39 ~~(2) The maximum number of pupils enrolled in the school in~~
40 ~~the relevant fiscal year who are currently migratory children, as~~

1 calculated under subdivision (a), constitutes not less than one-third
2 of the total pupil enrollment of the school.

3 (e) The Superintendent shall establish rules and regulations for
4 the implementation of this section.

5 SEC. 36. Section 42238.06 is added to the Education Code, to
6 read:

7 42238.06. Commencing on July 1, 2013, except for Sections
8 42238, 42238.1, 42238.2, and 42238.5, or where the context
9 requires otherwise, all of the following shall apply:

10 (a) References to “revenue limit” shall instead refer to the “local
11 control funding formula.”

12 (b) References to “the revenue limit calculated pursuant to
13 Section 42238” shall instead refer to “the local control funding
14 formula calculated pursuant to Section 42238.02, as implemented
15 by Section 42238.03.”

16 (c) References to “Section 42238” shall instead refer to “Section
17 42238.02, as implemented pursuant to Section 42238.03.”

18 (d) References to “Section 42238.1” shall instead refer to
19 “Section 42238.02.”

20 (e) References to “Section 42238.5” shall instead refer to
21 “Section 42238.05.”

22 (f) References to “general-purpose entitlement” shall instead
23 refer to “local control funding formula grant funding pursuant to
24 Section 42238.02, as implemented by Section 42238.03.”

25 SEC. 37. Section 42238.07 is added to the Education Code, to
26 read:

27 42238.07. (a) On or before January 31, 2014, the state board
28 shall adopt regulations that govern the expenditure of funds
29 apportioned on the basis of the number and concentration of
30 unduplicated pupils pursuant to Sections 2574, 2575, 42238.02,
31 and 42238.03. The regulations shall include, but are not limited
32 to, provisions that do all of the following:

33 (1) Require a school district, county office of education, or
34 charter school to increase or improve services for unduplicated
35 pupils in proportion to the increase in funds apportioned on the
36 basis of the number and concentration of unduplicated pupils in
37 the school district, county office of education, or charter school.

38 (2) Authorize a school district, county office of education, or
39 charter school to use funds apportioned on the basis of the number
40 of unduplicated pupils for schoolwide purposes, or, for school

1 districts, districtwide purposes, for county offices of education,
2 countywide purposes, or for charter schools, charterwide purposes,
3 in a manner that is no more restrictive than the restrictions provided
4 for in Title I of the federal No Child Left Behind Act of 2001 (20
5 U.S.C. Sec. 6301, et seq.).

6 ~~(b) The state board may adopt emergency regulations for~~
7 ~~purposes of this section.~~

8 SEC. 38.— Section 42238.1 of the Education Code is amended
9 to read:

10 42238.1. (a) For the 1986–87 fiscal year and each fiscal year
11 up to and including the 1998–99 fiscal year, the Superintendent
12 of Public Instruction shall compute an inflation adjustment equal
13 to the product of paragraphs (1) and (2):

14 (1) Compute the sum of the following:

15 (A) The statewide average base revenue limit per unit of average
16 daily attendance for the prior fiscal year for districts of similar
17 type.

18 (B) The amount, if any, per unit of average daily attendance
19 received by the district pursuant to Article 8 (commencing with
20 Section 46200) of Chapter 2 of Part 26 for the prior fiscal year.

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

32 (b) For the 1999–2000 fiscal year and each fiscal year thereafter,
33 the Superintendent of Public Instruction shall compute an inflation
34 adjustment equal to the product of paragraphs (1) and (2):

35 (1) Compute the sum of the following:

36 (A) The statewide average base revenue limit per unit of average
37 daily attendance for the prior fiscal year for districts of similar
38 type.

1 ~~(B) The amount, if any, per unit of average daily attendance~~
2 ~~received by the district pursuant to Article 8 (commencing with~~
3 ~~Section 46200) of Chapter 2 of Part 26 for the prior fiscal year.~~

4 ~~(2) The percentage change in the annual average value of the~~
5 ~~Implicit Price Deflator for State and Local Government Purchases~~
6 ~~of Goods and Services for the United States, as published by the~~
7 ~~United States Department of Commerce for the 12-month period~~
8 ~~ending in the third quarter of the prior fiscal year. This percentage~~
9 ~~change shall be determined using the latest data available as of~~
10 ~~May 10 of the preceding fiscal year compared with the annual~~
11 ~~average value of the same deflator for the 12-month period ending~~
12 ~~in the third quarter of the second preceding fiscal year, using the~~
13 ~~latest data available as of May 10 of the preceding fiscal year, as~~
14 ~~report by the Department of Finance.~~

15 ~~(e) This section shall become operative July 1, 1986.~~

16 ~~(d) Commencing with the 2013–14 fiscal year, this section shall~~
17 ~~be used only for purposes of allocating revenues received pursuant~~
18 ~~to subparagraph (B) of paragraph (3) of subdivision (e) of Section~~
19 ~~36 of Article XIII of the California Constitution.~~

20 ~~(e) This section shall become inoperative on July 1, 2021, and,~~
21 ~~as of January 1, 2022, is repealed, unless a later enacted statute,~~
22 ~~that becomes operative on or before January 1, 2022, deletes or~~
23 ~~extends the dates on which it becomes inoperative and is repealed.~~

24 ~~SEC. 39. Section 42238.2 of the Education Code is amended~~
25 ~~to read:~~

26 ~~42238.2. (a) (1) Notwithstanding Section 42238.5 or any other~~
27 ~~provision of law, a school district that meets any of the following~~
28 ~~conditions shall be entitled to an adjustment to its units of average~~
29 ~~daily attendance pursuant to this section:~~

30 ~~(A) The school district experiences a decline in the number of~~
31 ~~units of average daily attendance in excess of 8 percent of its total~~
32 ~~average daily attendance as a result of the closure of a facility~~
33 ~~operated by a branch of the United States Armed Forces in the~~
34 ~~school district's boundaries.~~

35 ~~(B) The school district experiences a decline in the number of~~
36 ~~units of average daily attendance that is less than 8 percent but at~~
37 ~~least 5 percent of its total average daily attendance as a result of~~
38 ~~the closure of a facility operated by a branch of the United States~~
39 ~~Armed Forces in that school district's boundaries, upon a finding~~

1 by both the Superintendent of Public Instruction and the Director
2 of Finance that both of the following conditions exist:

3 (i) The school district demonstrates that at the end of a three-year
4 period the school district will experience a 10-percent reduction
5 in the amount of funding that the school district would otherwise
6 have received from state apportionments, funding received pursuant
7 to the California State Lottery Act of 1984 (Chapter 12.5
8 (commencing with Section 8880) of Division 1 of Title 2 of the
9 Government Code), and funding received pursuant to Title VIII
10 of Public Law 103-382, as a result of the loss of pupils related to
11 the closure of a facility operated by a branch of the United States
12 Armed Forces.

13 (ii) The fiscal crisis and management assistance team established
14 pursuant to Section 42127.8 has reviewed the school district's
15 finances and has found that the school district has taken significant
16 steps to reduce expenditure.

17 (C) The school district experiences a decline in the number of
18 units of average daily attendance in excess of 5 percent of its total
19 average daily attendance and the Director of Finance determines
20 that the school district is likely, within eight years of that decline,
21 to maintain a number of units of average daily attendance that is
22 equivalent to the number of units of average daily attendance
23 maintained by the school district prior to the decline.
24 Notwithstanding subdivision (b), loan repayments shall commence
25 no later than the fourth year after the base year or at a later time,
26 as determined by the Director of Finance.

27 (2) For purposes of this section, the year preceding a decline
28 shall be the base year.

29 (b) In the second year after the base year, the district average
30 daily attendance pursuant to Section 42238.5 may, if the district
31 chooses, be increased by 75 percent of the difference between the
32 base year units of average daily attendance and the units of average
33 daily attendance in the first year of decline. In the third year after
34 the base year, the district average daily attendance pursuant to
35 Section 42238.5 may, if the district chooses, be increased by 50
36 percent of the difference between the base year units of average
37 daily attendance and the units of average daily attendance in the
38 first year of decline. The amount of money represented by these
39 increases shall be considered a loan to the school district. Loan

1 repayments shall commence no later than the fourth year after the
2 base year.

3 ~~(e) (1) The Superintendent of Public Instruction, in consultation~~
4 ~~with a school district subject to this section, shall determine a~~
5 ~~schedule for repayment of the total amount loaned pursuant to this~~
6 ~~section which may not exceed 10 years. Payments shall include~~
7 ~~interest charged at a rate based on the most current investment rate~~
8 ~~of the Pooled Money Investment Account in the General Fund as~~
9 ~~of the date of the disbursement of funds to the school district.~~

10 ~~(2) Upon written notification by the Superintendent of Public~~
11 ~~Instruction that the school district has not made one or more of the~~
12 ~~payments required by the schedule established pursuant to~~
13 ~~paragraph (1), the Controller shall withhold from Section A of the~~
14 ~~State School Fund the defaulted payment which shall not exceed~~
15 ~~the amount of any apportionment entitlement of the district to~~
16 ~~moneys in Section A of the State School Fund. In that regard, the~~
17 ~~Controller shall withhold the amount of any payment made under~~
18 ~~this subdivision, including reimbursement of the Controller's~~
19 ~~administrative costs as determined under a schedule approved by~~
20 ~~the California Debt Advisory Commission, from subsequent~~
21 ~~apportionments to the school district from Section A of the State~~
22 ~~School Fund.~~

23 ~~(3) Any apportionments made by the Controller pursuant to~~
24 ~~paragraph (2) shall be deemed to be an allocation to the school~~
25 ~~district for purposes of subdivision (b) of Section 8 of Article XVI~~
26 ~~of the California Constitution, and for purposes of Chapter 2~~
27 ~~(commencing with Section 41200) of Part 24.~~

28 ~~(d) In no event shall the adjustment provided by this section~~
29 ~~cause the apportionment to a school district to exceed the amount~~
30 ~~that would otherwise be calculated for apportionment to the district~~
31 ~~pursuant to Sections 42238 and 42238.1.~~

32 ~~(e) This section does not apply to a school district that~~
33 ~~experiences a decline in enrollment as a result of a school district~~
34 ~~reorganization pursuant to Chapter 3 (commencing with Section~~
35 ~~35500) of Part 21 or any other law.~~

36 ~~(f) Commencing with the 2013-14 fiscal year, this section shall~~
37 ~~be used only for purposes of allocating revenues received pursuant~~
38 ~~to subparagraph (B) of paragraph (3) of subdivision (e) of Section~~
39 ~~36 of Article XIII of the California Constitution.~~

1 ~~(g) This section shall become inoperative on July 1, 2021, and,~~
2 ~~as of January 1, 2022, is repealed, unless a later enacted statute,~~
3 ~~that becomes operative on or before January 1, 2022, deletes or~~
4 ~~extends the dates on which it becomes inoperative and is repealed.~~

5 SEC. 40. ~~Section 42238.5 of the Education Code is amended~~
6 ~~to read:~~

7 ~~42238.5.—(a) For purposes of Section 42238, the fiscal year~~
8 ~~average daily attendance shall be computed pursuant to paragraph~~
9 ~~(1) or (2):~~

10 ~~(1) The second principal apportionment regular average daily~~
11 ~~attendance for either the current or prior fiscal year, whichever is~~
12 ~~greater. However, prior fiscal year average daily attendance shall~~
13 ~~be adjusted for any loss or gain of average daily attendance due~~
14 ~~to a reorganization or transfer of territory, or, commencing in the~~
15 ~~1993–94 fiscal year, and each fiscal year thereafter, for any change~~
16 ~~in average daily attendance for pupils who are concurrently enrolled~~
17 ~~in adult programs and classes pursuant to Section 52616.17.~~

18 ~~(2) Any school district that elects to receive funding pursuant~~
19 ~~to Article 4 (commencing with Section 42280) shall compute its~~
20 ~~units of average daily attendance for purposes of Section 42238~~
21 ~~by subtracting the amount determined in subparagraph (B) from~~
22 ~~the amount determined in subparagraph (A):~~

23 ~~(A) The units of average daily attendance computed pursuant~~
24 ~~to paragraph (1):~~

25 ~~(B) The units of average daily attendance resulting from pupils~~
26 ~~attending schools funded pursuant to Article 4 (commencing with~~
27 ~~Section 42280):~~

28 ~~(b) For purposes of this article, regular average daily attendance~~
29 ~~shall be the base revenue limit average daily attendance, excluding~~
30 ~~summer school average daily attendance.~~

31 ~~(c) For purposes of this section, for the 1998–99 fiscal year~~
32 ~~only, the prior year average daily attendance shall be the 1997–98~~
33 ~~regular average daily attendance, excluding absences excused~~
34 ~~pursuant to subdivision (b) of Section 46010, as that subdivision~~
35 ~~read on July 1, 1996.~~

36 ~~(d) Commencing with the 2013–14 fiscal year, this section shall~~
37 ~~be used only for purposes of allocating revenues received pursuant~~
38 ~~to subparagraph (B) of paragraph (3) of subdivision (c) of Section~~
39 ~~36 of Article XIII of the California Constitution.~~

1 ~~(e) This section shall become inoperative on July 1, 2021, and,~~
2 ~~as of January 1, 2022, is repealed, unless a later enacted statute,~~
3 ~~that becomes operative on or before January 1, 2022, deletes or~~
4 ~~extends the dates on which it becomes inoperative and is repealed.~~

5 SEC. 41. Section 42238.15 of the Education Code is amended
6 to read:

7 42238.15. ~~(a) Notwithstanding any other law, and in lieu of~~
8 ~~any inflation or cost-of-living adjustment otherwise authorized for~~
9 ~~any of the programs enumerated in subdivision (b), state funding~~
10 ~~for the programs enumerated in subdivision (b) shall be increased~~
11 ~~annually by the product of the following:~~

12 ~~(1) The sum of 1.0 plus the percentage change determined under~~
13 ~~paragraph (2) of subdivision (d) of Section 42238.02.~~

14 ~~(2) The sum of 1.0 plus the percentage of increase, from the~~
15 ~~prior fiscal year to the current fiscal year, in each of the workload~~
16 ~~factors described in subdivision (b).~~

17 ~~(b) The programs for which annual state funding increases are~~
18 ~~determined under this section, and the factors used to measure~~
19 ~~workload for each of those programs, are as follows:~~

20 ~~(1) Special education programs and services, as measured by~~
21 ~~the regular second principal apportionment average daily~~
22 ~~attendance for kindergarten and grades 1 to 12, inclusive.~~

23 ~~(2) Child care and development programs, and preschool~~
24 ~~programs, as measured by the state population of children up to~~
25 ~~and including four years of age.~~

26 ~~(c) Notwithstanding any other law, child care and development~~
27 ~~programs shall not receive a cost-of-living adjustment in the~~
28 ~~2012–13, 2013–14, and 2014–15 fiscal years.~~

29 SEC. 42. Section 42280 of the Education Code is amended to
30 read:

31 42280. ~~(a) For each school district that meets, in the current~~
32 ~~or prior fiscal year, the conditions specified in Section 42281,~~
33 ~~42282, or 42284 the Superintendent shall compute, for each~~
34 ~~qualifying school in the school district, an amount pursuant to this~~
35 ~~article.~~

36 ~~(b) For each school district that is a countywide unified school~~
37 ~~district that had fewer than 2,501 units of average daily attendance~~
38 ~~in the 1990–91 fiscal year, the Superintendent shall compute an~~
39 ~~amount pursuant to this article for those schools that meet the~~
40 ~~conditions specified in Sections 42283 and 42285 in the current~~

1 or prior fiscal year. This subdivision is only applicable to those
2 schools funded pursuant to this article in the 1990-91 fiscal year
3 and, in subsequent years, if the school district has no more than
4 3,000 units of average daily attendance.

5 SEC. 43. Section 42281 of the Education Code is amended to
6 read:

7 42281. Except as specified in paragraph (4), for each
8 elementary school district that maintains only one school with a
9 second principal apportionment average daily attendance of less
10 than 97, the Superintendent shall make one of the following
11 computations, whichever provides the lesser amount:

12 (a) For each small school that has an average daily attendance
13 during the fiscal year of less than 25, exclusive of pupils attending
14 the 7th and 8th grades of a junior high school, and for which school
15 at least one teacher was hired full time, the Superintendent shall
16 compute for the school district fifty-two thousand nine hundred
17 twenty-five dollars (\$52,925).

18 (b) For each small school that has an average daily attendance
19 during the fiscal year of 25 or more and less than 49, exclusive of
20 pupils attending the 7th and 8th grades of a junior high school,
21 and for which school at least two teachers were hired full time for
22 more than one-half of the days schools were maintained, the
23 Superintendent shall compute for the school district one hundred
24 five thousand eight hundred fifty dollars (\$105,850).

25 (c) For each small school that has an average daily attendance
26 during the fiscal year of 49 or more but less than 73, exclusive of
27 pupils attending the 7th and 8th grades of a junior high school,
28 and for which school three teachers were hired full time for more
29 than one-half of the days schools were maintained, the
30 Superintendent shall compute for the school district one hundred
31 fifty-eight thousand seven hundred seventy-five dollars (\$158,775).

32 (d) For each small school that has an average daily attendance
33 during the fiscal year of 73 or more and less than 97, exclusive of
34 pupils attending the 7th and 8th grades of a junior high school,
35 and for which school four teachers were hired full time for more
36 than one-half of the days schools were maintained, the
37 Superintendent shall compute for the school district two hundred
38 eleven thousand seven hundred dollars (\$211,700). A school district
39 that qualifies under this subdivision may use this funding
40 calculation until the local control funding formula allocation

1 pursuant to Section 42238.02, as implemented by Section 42238.03,
2 per unit of average daily attendance multiplied by the average daily
3 attendance produces state aid equal to the small school funding
4 formula.

5 SEC. 44. Section 42282 of the Education Code is amended to
6 read:

7 42282. For each district with fewer than 2,501 units of second
8 principal apportionment average daily attendance, on account of
9 each necessary small school, the Superintendent shall make the
10 following computations:

11 (a) For each necessary small school which has an average daily
12 attendance during the fiscal year of less than 25, exclusive of pupils
13 attending the 7th and 8th grades of a junior high school, and for
14 which school at least one teacher was hired full time, the
15 Superintendent shall compute for the school district fifty-two
16 thousand nine hundred twenty-five dollars (\$52,925).

17 (b) For each necessary small school which has an average daily
18 attendance during the fiscal year of 25 or more and less than 49,
19 exclusive of pupils attending the 7th and 8th grades of a junior
20 high school, and for which school at least two teachers were hired
21 full time for more than one-half of the days schools were
22 maintained, the Superintendent shall compute for the school district
23 one hundred five thousand eight hundred fifty dollars (\$105,850).

24 (c) For each necessary small school which has an average daily
25 attendance during the fiscal year of 49 or more, but less than 73,
26 exclusive of pupils attending the 7th and 8th grades of a junior
27 high school, and for which school three teachers were hired full
28 time for more than one-half of the days schools were maintained,
29 the Superintendent shall compute for the school district one
30 hundred fifty-eight thousand seven hundred seventy-five dollars
31 (\$158,775).

32 (d) For each necessary small school which has an average daily
33 attendance during the fiscal year of 73 or more and less than 97,
34 exclusive of pupils attending the 7th and 8th grades of a junior
35 high school, and for which school four teachers were hired full
36 time for more than one-half of the days schools were maintained,
37 the Superintendent shall compute for the school district two
38 hundred eleven thousand seven hundred dollars (\$211,700).

39 (e) A school district that qualifies under this section may use
40 this funding calculation until the local control funding formula

1 allocation pursuant to Section 42238.02, as implemented by Section
2 42238.03, per unit of average daily attendance multiplied by the
3 average daily attendance produces state aid equal to the small
4 school funding formula.

5 SEC. 45. Section 42282.1 of the Education Code is repealed.

6 SEC. 46. Section 42283 of the Education Code is amended to
7 read:

8 42283. (a) For purposes of Sections 42281 and 42282, a
9 “necessary small school” is an elementary school with an average
10 daily attendance of less than 97, exclusive of pupils attending the
11 seventh and eighth grades of a junior high school, maintained by
12 a school district to which school any of the following conditions
13 apply:

14 (1) If as many as five pupils residing in the school district and
15 attending kindergarten and grades 1 to 8, inclusive, exclusive of
16 pupils attending the seventh and eighth grades of a junior high
17 school in the elementary school with an average daily attendance
18 of less than 97 would be required to travel more than 10 miles one
19 way from a point on a well-traveled road nearest their home to the
20 nearest other public elementary school.

21 (2) If as many as 15 pupils residing in the school district and
22 attending kindergarten and grades 1 to 8, inclusive, exclusive of
23 pupils attending the seventh and eighth grades of a junior high
24 school in the elementary school with an average daily attendance
25 of less than 97 would be required to travel more than five miles
26 one way from a point on a well-traveled road nearest their home
27 to the nearest other public elementary school.

28 (3) If topographical or other conditions exist in a school district
29 which would impose unusual hardships if the number of miles
30 specified in paragraph (1) or (2) were required to be traveled, or
31 if during the fiscal year the roads which would be traveled have
32 been impassable for more than an average of two weeks per year
33 for the preceding five years, the governing board of the school
34 district may, on or before April 1, request the Superintendent, in
35 writing, for an exemption from these requirements or for a
36 reduction in the miles required. The request shall be accompanied
37 by a statement of the conditions upon which the request is based,
38 giving the information in a form required by the Superintendent.
39 The Superintendent shall cause an investigation to be made, and

1 shall either grant the request to the extent he or she deems
2 necessary, or deny the request.

3 (b) For purposes of this section, “other public elementary
4 school” is a public school, including a charter school, that serves
5 kindergarten or any of grades 1 to 8, inclusive, exclusive of grades
6 7 and 8 of a junior high school.

7 SEC. 47. Section 42283.1 of the Education Code is repealed.

8 SEC. 48. Section 42283.2 of the Education Code is repealed.

9 SEC. 49. Section 42284 of the Education Code is amended to
10 read:

11 42284. (a) For each district with fewer than 2,501 units of
12 average daily attendance, on account of each necessary small high
13 school, the county superintendent of schools shall make one of the
14 following computations selected with regard only to the number
15 of certificated employees employed or average daily attendance,
16 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
01-114	9	449,220
115-129	10	492,200
130-143	11	535,180
44-171	12	578,160
172-210	13	621,140
211-248	14	664,120
249-286	15	707,100

37
38 (b) For purposes of this section, a “certificated employee” means
39 an equivalent full-time position of an individual holding a
40 credential authorizing service and providing service in grades 9

1 to 12, inclusive, in any secondary school. Any fraction of an
2 equivalent full-time position remaining after all equivalent full-time
3 positions for certificated employees within the district have been
4 calculated shall be deemed to be a full-time position.

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

11 SEC. 50. Section 42285 of the Education Code is amended to
12 read:

13 42285. (a) For the purposes of Section 42284, a necessary
14 small high school is a high school with an average daily attendance
15 of less than 287 that comes within any of the following conditions:

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

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

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

30 (B) The high school had an average daily attendance of 96 or
31 more and less than 144 in grades 9 to 12, inclusive, during the
32 preceding fiscal year and is more than 10 miles by well-traveled
33 road from the nearest other public high school and either 90 percent
34 of the pupils would be required to travel 18 miles or 25 percent of
35 the pupils would be required to travel 25 miles one way from a
36 point on a well-traveled road nearest their homes to the nearest
37 other public high school.

38 (C) The high school had an average daily attendance of 144 or
39 more and less than 192 in grades 9 to 12, inclusive, during the
40 preceding fiscal year and is more than 7½ miles by well-traveled

1 road from the nearest other public high school and either 90 percent
2 of the pupils would be required to travel 15 miles or 25 percent of
3 the pupils would be required to travel 20 miles one way from a
4 point on a well-traveled road nearest their homes to the nearest
5 other public high school.

6 ~~(D) The high school had an average daily attendance of 192 or~~
7 ~~more and less than 287 in grades 9 to 12, inclusive, during the~~
8 ~~preceding fiscal year and is more than five miles by well-traveled~~
9 ~~road from the nearest other public high school and either 90 percent~~
10 ~~of the pupils would be required to travel 10 miles or 25 percent of~~
11 ~~the pupils would be required to travel 15 miles to the nearest other~~
12 ~~public high school.~~

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

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

24 ~~(b) For purposes of Section 42284, a necessary small high school~~
25 ~~also includes a high school maintained by a school district for the~~
26 ~~exclusive purpose of educating juvenile hall pupils or pupils with~~
27 ~~exceptional needs.~~

28 ~~(e) For purposes of Section 42284, a necessary small high school~~
29 ~~does not include a continuation school.~~

30 ~~(d) For purposes of this section, “other public high school” is~~
31 ~~a public school, including a charter school, that serves any of~~
32 ~~grades 9 to 12, inclusive, or grades 7 and 8 in a junior high school.~~

33 ~~SEC. 51. Section 42285.1 of the Education Code is repealed.~~

34 ~~SEC. 52. Section 42285.4 of the Education Code is repealed.~~

35 ~~SEC. 53. Section 42285.5 of the Education Code is amended~~
36 ~~to read:~~

37 ~~42285.5. (a) For purposes of subdivision (a) of Section 42284~~
38 ~~and Section 42285, a school district may include average daily~~
39 ~~attendance in grades 7 and 8 and the instructors of grade 7 and 8~~

1 pupils in the calculation of average daily attendance and number
2 of certificated employees employed.

3 (b) ~~Notwithstanding Sections 42284 and 42285, for purposes~~
4 ~~of this section, with respect to a school district eligible to utilize~~
5 ~~subdivision (a), any references to grades 9 to 12, inclusive, in~~
6 ~~Sections 42284 and 42285 shall be deemed instead to be references~~
7 ~~to grades 7 to 12, inclusive.~~

8 SEC. 54.— Section 42286 of the Education Code is amended to
9 read:

10 42286. (a) ~~Except as required under subdivision (b), if a high~~
11 ~~school is determined to be a necessary small high school under~~
12 ~~Section 42285, that status shall not be changed except as a review~~
13 ~~of the determinative factors made every two years following the~~
14 ~~date of the determination indicates that the determination should~~
15 ~~be changed.~~

16 (b) ~~If a high school is determined to be a necessary small high~~
17 ~~school under paragraph (3) of subdivision (b) of Section 42285,~~
18 ~~that status shall not be changed except as a review of the~~
19 ~~determinative factors made every two years following the date of~~
20 ~~the determination indicates that the determination should be~~
21 ~~changed.~~

22 (c) ~~A high school that has not been determined to be a necessary~~
23 ~~small high school under Section 42285, may be determined to be~~
24 ~~a necessary small high school at the beginning of a fiscal year if~~
25 ~~it meets the criteria specified in Section 42285.~~

26 SEC. 55.— Section 42287 of the Education Code is amended to
27 read:

28 42287. (a) ~~For the 1984–85 fiscal year to the 2012–13 fiscal~~
29 ~~year, inclusive, the Superintendent of Public Instruction shall~~
30 ~~increase the funding amounts specified in Sections 42281, 42282,~~
31 ~~and 42284 by an amount proportionate to the increase applied to~~
32 ~~the statewide average revenue limit for unified school districts for~~
33 ~~the then current fiscal year.~~

34 (b) ~~Commencing with the 2013–14 fiscal year, the~~
35 ~~Superintendent shall increase the funding amounts specified in~~
36 ~~Sections 42281, 42282, and 42284, as previously increased~~
37 ~~pursuant to subdivision (a) and Sections 42289 to 42289.5,~~
38 ~~inclusive, by an amount proportionate to the increase in the~~
39 ~~statewide average local control funding formula allocations~~

1 pursuant to Section 42238.02, as implemented by Section 42238.03,
2 for the then current fiscal year.

3 SEC. 56. Section 42289 of the Education Code is amended to
4 read:

5 42289. Notwithstanding any other law, for each fiscal year
6 through the 2012–13 fiscal year, before calculating the increase
7 in funding amount specified in Section 42287, the Superintendent
8 shall increase the funding amounts specified in Sections 42281,
9 42282, and 42284, by the product of subdivisions (a) and (b):

10 (a) The amount per unit of average daily attendance received
11 by the school district pursuant to Section 46201 in the prior fiscal
12 year.

13 (b) The average daily attendance for each necessary small school
14 and necessary small high school for which the school district
15 received funding in the prior fiscal year pursuant to Section 42281,
16 42282, or 42284, as appropriate.

17 SEC. 57. Section 42289.1 of the Education Code is amended
18 to read:

19 42289.1. (a) Notwithstanding any other law, for the 1988–89
20 fiscal year to the 2012–13 fiscal year, inclusive, after calculating
21 the increase in funding amounts specified in Section 42287, the
22 Superintendent shall increase the funding amounts specified in
23 Sections 42281, 42282, and 42284, by the sum of paragraphs (1)
24 and (2):

25 (1) Compute the product of subparagraphs (A) and (B):

26 (A) The amount per unit of average daily attendance computed
27 pursuant to subdivision (g) of Section 42240.

28 (B) The average daily attendance for each necessary small
29 school and necessary small high school for which the district
30 receives funding in the current fiscal year pursuant to Section
31 42281, 42282, or 42284, as appropriate.

32 (2) From the 1990–91 fiscal year to the 2012–13 fiscal year,
33 inclusive, the amount computed pursuant to paragraph (1) shall
34 be increased by the percentage cost-of-living increase given to
35 school district revenue limits for the then current fiscal year.

36 SEC. 58. Section 42289.2 of the Education Code is amended
37 to read:

38 42289.2. (a) Notwithstanding any other law, for the 1989–90
39 fiscal year to the 2012–13 fiscal year, inclusive, after calculating
40 the increase in funding amounts specified in Section 42287, the

1 Superintendent shall increase the funding amounts specified in
2 Sections 42281, 42282, and 42284, by the sum of paragraphs (1)
3 and (2):

4 (1) Compute the product of subparagraphs (A) and (B):

5 (A) The amount per unit of average daily attendance computed
6 pursuant to subdivision (e) of Section 54060.5.

7 (B) The average daily attendance for each necessary small
8 school and necessary small high school for which the school district
9 receives funding in the current fiscal year pursuant to Section
10 42281, 42282, or 42284, as appropriate.

11 (2) From the 1990–91 fiscal year to the 2012–13 fiscal year,
12 inclusive, the amount computed pursuant to paragraph (1) shall
13 be increased by the percentage cost-of-living increase given to
14 school district revenue limits for the then current fiscal year.

15 SEC. 59. Section 42289.3 of the Education Code is amended
16 to read:

17 42289.3. (a) Notwithstanding any other law, for the 1989–90
18 fiscal year to the 2012–13 fiscal year, inclusive, after calculating
19 the increase in funding amounts specified in Section 42287, the
20 Superintendent shall increase the funding amounts specified in
21 Sections 42281, 42282, and 42284, by the sum of paragraphs (1)
22 and (2):

23 (1) Compute the product of subparagraphs (A) and (B):

24 (A) The amount per unit of average daily attendance computed
25 pursuant to subdivision (e) of Section 54060.6.

26 (B) The average daily attendance for each necessary small
27 school and necessary small high school for which the school district
28 receives funding in the current fiscal year pursuant to Section
29 42281, 42282, or 42284, as appropriate.

30 (2) From the 1990–91 fiscal year to the 2012–13 fiscal year,
31 inclusive, the amount computed pursuant to paragraph (1) shall
32 be increased by the percentage cost-of-living increase given to
33 school district revenue limits for the then current fiscal year.

34 SEC. 60. Section 42289.4 of the Education Code is amended
35 to read:

36 42289.4. (a) Notwithstanding any other law, for the 1989–90
37 fiscal year to the 2012–13 fiscal year, inclusive, after calculating
38 the increase in funding amounts specified in Section 42287, the
39 Superintendent of Public Instruction shall increase the funding

1 amounts specified in Sections ~~42281, 42282, and 42284~~, by the
2 sum of paragraphs (1) and (2):

3 (1) ~~Compute the product of subparagraphs (A) and (B):~~

4 (A) ~~The amount per unit of average daily attendance computed~~
5 ~~pursuant to subdivision (b) of Section 54060.7.~~

6 (B) ~~The average daily attendance for each necessary small~~
7 ~~school and necessary small high school for which the school district~~
8 ~~receives funding in the current fiscal year pursuant to Section~~
9 ~~42281, 42282, or 42284, as appropriate.~~

10 (2) ~~From the 1990–91 fiscal year to the 2012–13 fiscal year,~~
11 ~~inclusive, the amount computed pursuant to paragraph (1) shall~~
12 ~~be increased by the percentage cost-of-living increase given to~~
13 ~~school district revenue limits for the then current fiscal year.~~

14 SEC. 61. ~~Section 42289.5 of the Education Code is amended~~
15 ~~to read:~~

16 ~~42289.5. Notwithstanding any other law, the increases~~
17 ~~determined pursuant to Sections 42289, 42289.1, 42289.3, and~~
18 ~~42289.4 shall be permanently increased for the 1998–99 fiscal~~
19 ~~year by the quotient, for each school district eligible for an increase,~~
20 ~~of the amount determined pursuant to subparagraph (B) of~~
21 ~~paragraph (3) of subdivision (a) of Section 42238.8, as that section~~
22 ~~read on January 1, 2013, divided by the amount determined~~
23 ~~pursuant to subparagraph (C) of paragraph (3) of subdivision (a)~~
24 ~~of Section 42238.8, as that section read on January 1, 2013.~~

25 SEC. 62. ~~Section 42605 of the Education Code is repealed.~~

26 SEC. 63. ~~Section 42606 of the Education Code is repealed.~~

27 SEC. 64. ~~Section 42800 of the Education Code is amended to~~
28 ~~read:~~

29 ~~42800. (a) The governing board of a school district may, with~~
30 ~~the consent of the county superintendent of schools, establish a~~
31 ~~revolving cash fund for the use of the chief accounting officer of~~
32 ~~the school district, by adopting a resolution setting forth the~~
33 ~~necessity for the revolving cash fund, the officer for whom and~~
34 ~~the purposes for which the revolving cash fund shall be available,~~
35 ~~and the amount of the fund. The purposes for which the revolving~~
36 ~~cash fund shall be available shall include the purposes specified~~
37 ~~in Section 45167. Three certified copies of the resolution shall be~~
38 ~~transmitted to the county superintendent of schools. If he approves~~
39 ~~the establishment of the fund, the county superintendent shall~~
40 ~~endorse his consent on the resolution and return one copy to the~~

1 governing body of the school district, and transmit one copy to the
2 county auditor.

3 ~~(b) The maximum amount allowed for revolving cash funds~~
4 ~~established pursuant to subdivision (a) shall be the lesser of:~~

5 ~~(1) Two percent of the district's estimated expenditures for the~~
6 ~~current fiscal year, or~~

7 ~~(2) A dollar amount limit of seventy-five thousand dollars~~
8 ~~(\$75,000) for any elementary school or high school district and~~
9 ~~one hundred fifty thousand dollars (\$150,000) for any unified~~
10 ~~school district for fiscal year 1990-91. The dollar amount limit~~
11 ~~for each school district shall, through the 2012-13 fiscal year, be~~
12 ~~increased annually by the percentage increase in the district's~~
13 ~~revenue limit established by Section 42238, as that section read~~
14 ~~on January 1, 2013. The dollar amount limit for each school district~~
15 ~~shall thereafter be increased annually by the percentage increase~~
16 ~~in the school district's local control funding formula allocation~~
17 ~~established pursuant to Section 42238.02, as implemented pursuant~~
18 ~~to Section 42238.03.~~

19 ~~SEC. 65.— Section 46200 of the Education Code is amended to~~
20 ~~read:~~

21 ~~46200. For a school district that received an apportionment~~
22 ~~pursuant to subdivision (a) of this section, as it read on January 1,~~
23 ~~2013, and that offers less than 180 days of instruction or, in~~
24 ~~multitrack year-round schools, fewer than the number of days~~
25 ~~required in subdivision (a) of this section, as it read on January 1,~~
26 ~~2013, for multitrack year-round schools, in the 2013-14 fiscal~~
27 ~~year, or any fiscal year thereafter, the Superintendent shall withhold~~
28 ~~from the school district's local control funding formula grant~~
29 ~~apportionment pursuant to Section 42238.02, as implemented by~~
30 ~~Section 42238.03, for the average daily attendance of each affected~~
31 ~~grade level the sum of 0.0056 multiplied by the apportionment~~
32 ~~received pursuant to subdivision (a) of this section, as it read on~~
33 ~~January 1, 2013, for each day less than 180, or, in multitrack~~
34 ~~year-round schools, for each day less than the number of days~~
35 ~~required in subdivision (a) for year-round schools that the school~~
36 ~~district offered.~~

37 ~~SEC. 66.— Section 46201 of the Education Code is amended to~~
38 ~~read:~~

39 ~~46201. (a) For each school district that received an~~
40 ~~apportionment pursuant to subdivision (a) of this section, as it read~~

1 on January 1, 2013, and that reduces the amount of instructional
2 time offered below the minimum amounts specified in subdivision
3 (b), the Superintendent shall withhold from the school district's
4 local control funding formula grant apportionment pursuant to
5 Section 42238.02, as implemented by Section 42238.03, for the
6 average daily attendance of each affected grade level, the sum of
7 the apportionment received pursuant to subdivision (a) of this
8 section, as it read on January 1, 2013, multiplied by the percentage
9 of the minimum offered minutes at that grade level that the school
10 district failed to offer.

11 (b) Commencing with the 2013–14 fiscal year:

12 (1) Thirty-six thousand minutes in kindergarten.

13 (2) Fifty thousand four hundred minutes in grades 1 to 3,
14 inclusive.

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

16 (4) Sixty-four thousand eight hundred minutes in grades 9 to
17 12, inclusive.

18 SEC. 67. Section 46201.2 of the Education Code is amended
19 to read:

20 46201.2. (a) Commencing with the 2009–10 school year and
21 continuing through the 2012–13 school year, a school district,
22 county office of education, or charter school may reduce the
23 equivalent of up to five days of instruction or the equivalent
24 number of instructional minutes without incurring the penalties
25 set forth in Sections 41420, 46200, 46200.5, 46201, 46201.5,
26 46202, and 47612.5, as those sections read on January 1, 2013. A
27 school district, county office of education, or charter school shall
28 receive revenue limit funding based on the adjustments prescribed
29 pursuant to Section 42238.146, as it read on January 1, 2013,
30 whether or not it reduces the number of schooldays or instructional
31 minutes.

32 (b) For the 2013–14 and 2014–15 school years, a school district,
33 county office of education, or charter school may reduce the
34 equivalent of up to five days of instruction or the equivalent
35 number of instructional minutes without incurring the penalties
36 set forth in Sections 41420, 46200, 46200.5, 46201, 46201.5,
37 46202, and 47612.5.

38 (c) This section shall become inoperative on July 1, 2015, and,
39 as of January 1, 2016, is repealed, unless a later enacted statute,

1 that becomes operative on or before January 1, 2016, deletes or
2 extends the dates on which it becomes inoperative and is repealed.

3 ~~SEC. 68.~~ Section 46201.3 of the Education Code is repealed.

4 ~~SEC. 69.~~ Section 46202 of the Education Code is amended to
5 read:

6 ~~46202.~~ If a school district that does not participate in the
7 program set forth in Sections 46200 to 46206, inclusive, as those
8 sections read on January 1, 2013, offers less instructional time in
9 a fiscal year than the amount of instructional time fixed for the
10 1982–83 fiscal year, the Superintendent shall withhold for that
11 fiscal year, from the school district’s local control funding formula
12 grant apportionment pursuant to Section 42238.03, as implemented
13 by Section 42238.03, for the average daily attendance of each
14 affected grade level, the amount of that apportionment multiplied
15 by the percentage of instructional minutes fixed in the 1982–83
16 school year, at that grade level, that the school district failed to
17 offer.

18 ~~SEC. 70.~~ Section 46204 of the Education Code is repealed.

19 ~~SEC. 71.~~ Section 46207 is added to the Education Code, to
20 read:

21 ~~46207.~~ (a) Notwithstanding Sections 46200 to 46205,
22 inclusive, upon a determination that a school district equals or
23 exceeds its local control funding formula target computed pursuant
24 to Section 42238.02 as determined by the calculation of a zero
25 difference pursuant to paragraph (1) of subdivision (b) of Section
26 42238.03, each school district, as a condition of apportionment
27 pursuant to Section 42238.02, as implemented pursuant to Section
28 42238.03, shall, for each fiscal year, offer, at a minimum, the
29 following number of minutes of instruction:

30 (1) ~~To pupils in kindergarten, 36,000 minutes.~~

31 (2) ~~To pupils in grades 1 to 3, inclusive, 50,400 minutes.~~

32 (3) ~~To pupils in grades 4 to 8, inclusive, 54,000 minutes.~~

33 (4) ~~To pupils in grades 9 to 12, inclusive, 64,800 minutes.~~

34 (b) ~~For a school district that has met its local control funding~~
35 ~~formula target that reduces the amount of instructional time offered~~
36 ~~below the minimum amounts specified in subdivision (a), the~~
37 ~~Superintendent shall withhold from the school district’s local~~
38 ~~control funding formula apportionment for the average daily~~
39 ~~attendance of each affected grade level, the product of that~~
40 ~~apportionment multiplied by the percentage of the minimum~~

1 offered minutes at that grade level that the school district failed to
2 offer.

3 ~~(e) Notwithstanding subdivision (a), for the 2013-14 and~~
4 ~~2014-15 school years, a school district that equals or exceeds its~~
5 ~~computed local control funding formula target may reduce the~~
6 ~~equivalent of up to five days of instruction or the equivalent~~
7 ~~number of instructional minutes without incurring the penalties~~
8 ~~set forth in this section.~~

9 SEC. 72. Section 46208 is added to the Education Code, to
10 read:

11 46208. (a) ~~Notwithstanding Sections 46200 to 46205,~~
12 ~~inclusive, upon a determination that a school district equals or~~
13 ~~exceeds its local control funding formula target computed pursuant~~
14 ~~to Section 42238.02 as determined by the calculation of a zero~~
15 ~~difference pursuant to paragraph (1) of subdivision (b) of Section~~
16 ~~42238.03, each school district, as a condition of apportionment~~
17 ~~pursuant to Section 42238.02, as implemented pursuant to Section~~
18 ~~42238.03, shall offer 180 days or more of instruction per school~~
19 ~~year. A school operating a multitrack year-round school shall be~~
20 ~~deemed to be in compliance with the 180-day requirement if it~~
21 ~~certifies to the Superintendent that it is a multitrack year-round~~
22 ~~school and maintains its school for a minimum of 163 schooldays.~~

23 ~~(b) Notwithstanding subdivision (a), for the 2013-14 and~~
24 ~~2014-15 school years, a school district that equals or exceeds its~~
25 ~~computed local control funding formula target may reduce the~~
26 ~~equivalent of up to five days of instruction or the equivalent~~
27 ~~number of instructional minutes without incurring the penalties~~
28 ~~set forth in this section.~~

29 SEC. 73. Section 47604.32 of the Education Code is amended
30 to read:

31 47604.32. ~~Each chartering authority, in addition to any other~~
32 ~~duties imposed by this part, shall do all of the following with~~
33 ~~respect to each charter school under its authority:~~

34 ~~(a) Identify at least one staff member as a contact person for~~
35 ~~the charter school.~~

36 ~~(b) Visit each charter school at least annually.~~

37 ~~(c) Ensure that each charter school under its authority complies~~
38 ~~with all reports required of charter schools by law, including the~~
39 ~~annual update required pursuant to Section 47606.5.~~

1 ~~(d) Monitor the fiscal condition of each charter school under its~~
2 ~~authority.~~

3 ~~(e) Provide timely notification to the department if any of the~~
4 ~~following circumstances occur or will occur with regard to a charter~~
5 ~~school for which it is the chartering authority:~~

6 ~~(1) A renewal of the charter is granted or denied.~~

7 ~~(2) The charter is revoked.~~

8 ~~(3) The charter school will cease operation for any reason.~~

9 ~~(f) The cost of performing the duties required by this section~~
10 ~~shall be funded with supervisory oversight fees collected pursuant~~
11 ~~to Section 47613.~~

12 ~~SEC. 74. Section 47604.33 of the Education Code is amended~~
13 ~~to read:~~

14 ~~47604.33. (a) Each charter school shall annually prepare and~~
15 ~~submit the following reports to its chartering authority and the~~
16 ~~county superintendent of schools, or only to the county~~
17 ~~superintendent of schools if the county board of education is the~~
18 ~~chartering authority:~~

19 ~~(1) On or before July 1, a preliminary budget. For a charter~~
20 ~~school in its first year of operation, the information submitted~~
21 ~~pursuant to subdivision (g) of Section 47605 satisfies this~~
22 ~~requirement.~~

23 ~~(2) On or before July 1, an annual update required pursuant to~~
24 ~~Section 47606.5.~~

25 ~~(3) On or before December 15, an interim financial report. This~~
26 ~~report shall reflect changes through October 31.~~

27 ~~(4) On or before March 15, a second interim financial report.~~
28 ~~This report shall reflect changes through January 31.~~

29 ~~(5) On or before September 15, a final unaudited report for the~~
30 ~~full prior year.~~

31 ~~(b) The chartering authority shall use any financial information~~
32 ~~it obtains from the charter school, including, but not limited to,~~
33 ~~the reports required by this section, to assess the fiscal condition~~
34 ~~of the charter school pursuant to subdivision (d) of Section~~
35 ~~47604.32.~~

36 ~~(e) The cost of performing the duties required by this section~~
37 ~~shall be funded with supervisory oversight fees collected pursuant~~
38 ~~to Section 47613.~~

39 ~~SEC. 75. Section 47604.5 of the Education Code is amended~~
40 ~~to read:~~

1 47604.5.—The state board, whether or not it is the authority that
2 granted the charter, may, based upon the recommendation of the
3 Superintendent, take appropriate action, including, but not limited
4 to, revocation of the school’s charter, when the state board finds
5 any of the following:

6 (a) ~~Gross financial mismanagement that jeopardizes the financial
7 stability of the charter school.~~

8 (b) ~~Illegal or substantially improper use of charter school funds
9 for the personal benefit of any officer, director, or fiduciary of the
10 charter school.~~

11 (c) ~~Substantial and sustained departure from measurably
12 successful practices such that continued departure would jeopardize
13 the educational development of the school’s pupils.~~

14 (d) ~~Failure to improve pupil outcomes across multiple state and
15 school priorities identified in the charter pursuant to subparagraph
16 (A) of paragraph (5) of subdivision (b) of Section 47605 or
17 subparagraph (A) of paragraph (5) of subdivision (d) of Section
18 47605.6.~~

19 SEC. 76.—Section 47605 of the Education Code is amended to
20 read:

21 47605. (a) (1) ~~Except as set forth in paragraph (2), a petition
22 for the establishment of a charter school within a school district
23 may be circulated by one or more persons seeking to establish the
24 charter school. A petition for the establishment of a charter school
25 shall identify a single charter school that will operate within the
26 geographic boundaries of that school district. A charter school
27 may propose to operate at multiple sites within the school district,
28 as long as each location is identified in the charter school petition.
29 The petition may be submitted to the governing board of the school
30 district for review after either of the following conditions is met:~~

31 (A) ~~The petition is signed by a number of parents or legal
32 guardians of pupils that is equivalent to at least one-half of the
33 number of pupils that the charter school estimates will enroll in
34 the school for its first year of operation.~~

35 (B) ~~The petition is signed by a number of teachers that is
36 equivalent to at least one-half of the number of teachers that the
37 charter school estimates will be employed at the school during its
38 first year of operation.~~

39 (2) ~~A petition that proposes to convert an existing public school
40 to a charter school that would not be eligible for a loan pursuant~~

1 to subdivision (b) of Section 41365 may be circulated by one or
2 more persons seeking to establish the charter school. The petition
3 may be submitted to the governing board of the school district for
4 review after the petition is signed by not less than 50 percent of
5 the permanent status teachers currently employed at the public
6 school to be converted.

7 (3) A petition shall include a prominent statement that a
8 signature on the petition means that the parent or legal guardian
9 is meaningfully interested in having his or her child or ward attend
10 the charter school, or in the case of a teacher's signature, means
11 that the teacher is meaningfully interested in teaching at the charter
12 school. The proposed charter shall be attached to the petition.

13 (4) After receiving approval of its petition, a charter school that
14 proposes to establish operations at one or more additional sites
15 shall request a material revision to its charter and shall notify the
16 authority that granted its charter of those additional locations. The
17 authority that granted its charter shall consider whether to approve
18 those additional locations at an open, public meeting. If the
19 additional locations are approved, they shall be a material revision
20 to the charter school's charter.

21 (5) A charter school that is unable to locate within the
22 jurisdiction of the chartering school district may establish one site
23 outside the boundaries of the school district, but within the county
24 in which that school district is located, if the school district within
25 the jurisdiction of which the charter school proposes to operate is
26 notified in advance of the charter petition approval, the county
27 superintendent of schools and the Superintendent are notified of
28 the location of the charter school before it commences operations,
29 and either of the following circumstances exists:

30 (A) The school has attempted to locate a single site or facility
31 to house the entire program, but a site or facility is unavailable in
32 the area in which the school chooses to locate.

33 (B) The site is needed for temporary use during a construction
34 or expansion project.

35 (6) Commencing January 1, 2003, a petition to establish a charter
36 school may not be approved to serve pupils in a grade level that
37 is not served by the school district of the governing board
38 considering the petition, unless the petition proposes to serve pupils
39 in all of the grade levels served by that school district.

1 (b) ~~No later than 30 days after receiving a petition, in accordance~~
2 ~~with subdivision (a), the governing board of the school district~~
3 ~~shall hold a public hearing on the provisions of the charter, at~~
4 ~~which time the governing board of the school district shall consider~~
5 ~~the level of support for the petition by teachers employed by the~~
6 ~~district, other employees of the district, and parents. Following~~
7 ~~review of the petition and the public hearing, the governing board~~
8 ~~of the school district shall either grant or deny the charter within~~
9 ~~60 days of receipt of the petition, provided, however, that the date~~
10 ~~may be extended by an additional 30 days if both parties agree to~~
11 ~~the extension. In reviewing petitions for the establishment of~~
12 ~~charter schools pursuant to this section, the chartering authority~~
13 ~~shall be guided by the intent of the Legislature that charter schools~~
14 ~~are and should become an integral part of the California educational~~
15 ~~system and that establishment of charter schools should be~~
16 ~~encouraged. The governing board of the school district shall grant~~
17 ~~a charter for the operation of a school under this part if it is satisfied~~
18 ~~that granting the charter is consistent with sound educational~~
19 ~~practice. The governing board of the school district shall not deny~~
20 ~~a petition for the establishment of a charter school unless it makes~~
21 ~~written factual findings, specific to the particular petition, setting~~
22 ~~forth specific facts to support one or more of the following~~
23 ~~findings:~~

24 (1) ~~The charter school presents an unsound educational program~~
25 ~~for the pupils to be enrolled in the charter school.~~

26 (2) ~~The petitioners are demonstrably unlikely to successfully~~
27 ~~implement the program set forth in the petition.~~

28 (3) ~~The petition does not contain the number of signatures~~
29 ~~required by subdivision (a).~~

30 (4) ~~The petition does not contain an affirmation of each of the~~
31 ~~conditions described in subdivision (d).~~

32 (5) ~~The petition does not contain reasonably comprehensive~~
33 ~~descriptions of all of the following:~~

34 (A) (i) ~~A description of the educational program of the school,~~
35 ~~designed, among other things, to identify those whom the school~~
36 ~~is attempting to educate, what it means to be an “educated person”~~
37 ~~in the 21st century, and how learning best occurs. The goals~~
38 ~~identified in that program shall include the objective of enabling~~
39 ~~pupils to become self-motivated, competent, and lifelong learners.~~

1 (ii) ~~A description, for the charter school, of annual goals, for~~
2 ~~all pupils and for each subgroup of pupils identified pursuant to~~
3 ~~Section 52052, to be achieved in the state priorities, as described~~
4 ~~in subdivision (d) of Section 52060, that apply for the grade levels~~
5 ~~served, or the nature of the program operated, by the charter school,~~
6 ~~and specific annual actions to achieve those goals. A charter~~
7 ~~petition may identify additional school priorities, the goals for the~~
8 ~~school priorities, and the specific annual actions to achieve those~~
9 ~~goals.~~

10 (iii) ~~If the proposed school will serve high school pupils, a~~
11 ~~description of the manner in which the charter school will inform~~
12 ~~parents about the transferability of courses to other public high~~
13 ~~schools and the eligibility of courses to meet college entrance~~
14 ~~requirements. Courses offered by the charter school that are~~
15 ~~accredited by the Western Association of Schools and Colleges~~
16 ~~may be considered transferable and courses approved by the~~
17 ~~University of California or the California State University as~~
18 ~~creditable under the “A” to “G” admissions criteria may be~~
19 ~~considered to meet college entrance requirements.~~

20 (B) ~~The measurable pupil outcomes identified for use by the~~
21 ~~charter school. “Pupil outcomes,” for purposes of this part, means~~
22 ~~the extent to which all pupils of the school demonstrate that they~~
23 ~~have attained the skills, knowledge, and attitudes specified as goals~~
24 ~~in the school’s educational program. Pupil outcomes shall include~~
25 ~~outcomes that address increases in pupil academic achievement~~
26 ~~both schoolwide and for all groups of pupils served by the charter~~
27 ~~school, as that term is defined in subparagraph (B) of paragraph~~
28 ~~(3) of subdivision (a) of Section 47607. The pupil outcomes shall~~
29 ~~align with the state priorities, as described in subdivision (d) of~~
30 ~~Section 52060, that apply for the grade levels served, or the nature~~
31 ~~of the program operated, by the charter school.~~

32 (C) ~~The method by which pupil progress in meeting those pupil~~
33 ~~outcomes is to be measured. To the extent practicable, the method~~
34 ~~for measuring pupil outcomes for state priorities shall be consistent~~
35 ~~with the way information is reported on a school accountability~~
36 ~~report card.~~

37 (D) ~~The governance structure of the school, including, but not~~
38 ~~limited to, the process to be followed by the school to ensure~~
39 ~~parental involvement.~~

- 1 ~~(E) The qualifications to be met by individuals to be employed~~
2 ~~by the school.~~
- 3 ~~(F) The procedures that the school will follow to ensure the~~
4 ~~health and safety of pupils and staff. These procedures shall include~~
5 ~~the requirement that each employee of the school furnish the school~~
6 ~~with a criminal record summary as described in Section 44237.~~
- 7 ~~(G) The means by which the school will achieve a racial and~~
8 ~~ethnic balance among its pupils that is reflective of the general~~
9 ~~population residing within the territorial jurisdiction of the school~~
10 ~~district to which the charter petition is submitted.~~
- 11 ~~(H) Admission requirements, if applicable.~~
- 12 ~~(I) The manner in which annual, independent financial audits~~
13 ~~shall be conducted, which shall employ generally accepted~~
14 ~~accounting principles, and the manner in which audit exceptions~~
15 ~~and deficiencies shall be resolved to the satisfaction of the~~
16 ~~chartering authority.~~
- 17 ~~(J) The procedures by which pupils can be suspended or~~
18 ~~expelled.~~
- 19 ~~(K) The manner by which staff members of the charter schools~~
20 ~~will be covered by the State Teachers' Retirement System, the~~
21 ~~Public Employees' Retirement System, or federal social security.~~
- 22 ~~(L) The public school attendance alternatives for pupils residing~~
23 ~~within the school district who choose not to attend charter schools.~~
- 24 ~~(M) A description of the rights of any employee of the school~~
25 ~~district upon leaving the employment of the school district to work~~
26 ~~in a charter school, and of any rights of return to the school district~~
27 ~~after employment at a charter school.~~
- 28 ~~(N) The procedures to be followed by the charter school and~~
29 ~~the entity granting the charter to resolve disputes relating to~~
30 ~~provisions of the charter.~~
- 31 ~~(O) A declaration whether or not the charter school shall be~~
32 ~~deemed the exclusive public school employer of the employees of~~
33 ~~the charter school for purposes of Chapter 10.7 (commencing with~~
34 ~~Section 3540) of Division 4 of Title 1 of the Government Code.~~
- 35 ~~(P) A description of the procedures to be used if the charter~~
36 ~~school closes. The procedures shall ensure a final audit of the~~
37 ~~school to determine the disposition of all assets and liabilities of~~
38 ~~the charter school, including plans for disposing of any net assets~~
39 ~~and for the maintenance and transfer of pupil records.~~

1 ~~(e) (1) Charter schools shall meet all statewide standards and~~
2 ~~conduct the pupil assessments required pursuant to Sections 60605~~
3 ~~and 60851 and any other statewide standards authorized in statute~~
4 ~~or pupil assessments applicable to pupils in noncharter public~~
5 ~~schools.~~

6 ~~(2) Charter schools shall, on a regular basis, consult with their~~
7 ~~parents, legal guardians, and teachers regarding the school's~~
8 ~~educational programs.~~

9 ~~(d) (1) In addition to any other requirement imposed under this~~
10 ~~part, a charter school shall be nonsectarian in its programs,~~
11 ~~admission policies, employment practices, and all other operations,~~
12 ~~shall not charge tuition, and shall not discriminate against any~~
13 ~~pupil on the basis of the characteristics listed in Section 220. Except~~
14 ~~as provided in paragraph (2), admission to a charter school shall~~
15 ~~not be determined according to the place of residence of the pupil,~~
16 ~~or of his or her parent or legal guardian, within this state, except~~
17 ~~that an existing public school converting partially or entirely to a~~
18 ~~charter school under this part shall adopt and maintain a policy~~
19 ~~giving admission preference to pupils who reside within the former~~
20 ~~attendance area of that public school.~~

21 ~~(2) (A) A charter school shall admit all pupils who wish to~~
22 ~~attend the school.~~

23 ~~(B) If the number of pupils who wish to attend the charter school~~
24 ~~exceeds the school's capacity, attendance, except for existing pupils~~
25 ~~of the charter school, shall be determined by a public random~~
26 ~~drawing. Preference shall be extended to pupils currently attending~~
27 ~~the charter school and pupils who reside in the district except as~~
28 ~~provided for in Section 47614.5. Other preferences may be~~
29 ~~permitted by the chartering authority on an individual school basis~~
30 ~~and only if consistent with the law.~~

31 ~~(C) In the event of a drawing, the chartering authority shall~~
32 ~~make reasonable efforts to accommodate the growth of the charter~~
33 ~~school and in no event shall take any action to impede the charter~~
34 ~~school from expanding enrollment to meet pupil demand.~~

35 ~~(3) If a pupil is expelled or leaves the charter school without~~
36 ~~graduating or completing the school year for any reason, the charter~~
37 ~~school shall notify the superintendent of the school district of the~~
38 ~~pupil's last known address within 30 days, and shall, upon request,~~
39 ~~provide that school district with a copy of the cumulative record~~
40 ~~of the pupil, including a transcript of grades or report card, and~~

1 health information. This paragraph applies only to pupils subject
2 to compulsory full-time education pursuant to Section 48200.

3 (e) ~~The governing board of a school district shall not require~~
4 ~~any employee of the school district to be employed in a charter~~
5 ~~school.~~

6 (f) ~~The governing board of a school district shall not require~~
7 ~~any pupil enrolled in the school district to attend a charter school.~~

8 (g) ~~The governing board of a school district shall require that~~
9 ~~the petitioner or petitioners provide information regarding the~~
10 ~~proposed operation and potential effects of the school, including,~~
11 ~~but not limited to, the facilities to be used by the school, the manner~~
12 ~~in which administrative services of the school are to be provided,~~
13 ~~and potential civil liability effects, if any, upon the school and~~
14 ~~upon the school district. The description of the facilities to be used~~
15 ~~by the charter school shall specify where the school intends to~~
16 ~~locate. The petitioner or petitioners shall also be required to provide~~
17 ~~financial statements that include a proposed first-year operational~~
18 ~~budget, including startup costs, and cashflow and financial~~
19 ~~projections for the first three years of operation.~~

20 (h) ~~In reviewing petitions for the establishment of charter~~
21 ~~schools within the school district, the governing board of the school~~
22 ~~district shall give preference to petitions that demonstrate the~~
23 ~~capability to provide comprehensive learning experiences to pupils~~
24 ~~identified by the petitioner or petitioners as academically low~~
25 ~~achieving pursuant to the standards established by the department~~
26 ~~under Section 54032, as it read before July 19, 2006.~~

27 (i) ~~Upon the approval of the petition by the governing board of~~
28 ~~the school district, the petitioner or petitioners shall provide written~~
29 ~~notice of that approval, including a copy of the petition, to the~~
30 ~~applicable county superintendent of schools, the department, and~~
31 ~~the state board.~~

32 (j) (1) ~~If the governing board of a school district denies a~~
33 ~~petition, the petitioner may elect to submit the petition for the~~
34 ~~establishment of a charter school to the county board of education.~~
35 ~~The county board of education shall review the petition pursuant~~
36 ~~to subdivision (b). If the petitioner elects to submit a petition for~~
37 ~~establishment of a charter school to the county board of education~~
38 ~~and the county board of education denies the petition, the petitioner~~
39 ~~may file a petition for establishment of a charter school with the~~
40 ~~state board, and the state board may approve the petition, in~~

1 ~~accordance with subdivision (b). A charter school that receives~~
2 ~~approval of its petition from a county board of education or from~~
3 ~~the state board on appeal shall be subject to the same requirements~~
4 ~~concerning geographic location to which it would otherwise be~~
5 ~~subject if it received approval from the entity to which it originally~~
6 ~~submitted its petition. A charter petition that is submitted to either~~
7 ~~a county board of education or to the state board shall meet all~~
8 ~~otherwise applicable petition requirements, including the~~
9 ~~identification of the proposed site or sites where the charter school~~
10 ~~will operate.~~

11 ~~(2) In assuming its role as a chartering agency, the state board~~
12 ~~shall develop criteria to be used for the review and approval of~~
13 ~~charter school petitions presented to the state board. The criteria~~
14 ~~shall address all elements required for charter approval, as~~
15 ~~identified in subdivision (b) and shall define “reasonably~~
16 ~~comprehensive” as used in paragraph (5) of subdivision (b) in a~~
17 ~~way that is consistent with the intent of this part. Upon satisfactory~~
18 ~~completion of the criteria, the state board shall adopt the criteria~~
19 ~~on or before June 30, 2001.~~

20 ~~(3) A charter school for which a charter is granted by either the~~
21 ~~county board of education or the state board based on an appeal~~
22 ~~pursuant to this subdivision shall qualify fully as a charter school~~
23 ~~for all funding and other purposes of this part.~~

24 ~~(4) If either the county board of education or the state board~~
25 ~~fails to act on a petition within 120 days of receipt, the decision~~
26 ~~of the governing board of the school district to deny a petition~~
27 ~~shall, thereafter, be subject to judicial review.~~

28 ~~(5) The state board shall adopt regulations implementing this~~
29 ~~subdivision.~~

30 ~~(6) Upon the approval of the petition by the county board of~~
31 ~~education, the petitioner or petitioners shall provide written notice~~
32 ~~of that approval, including a copy of the petition to the department~~
33 ~~and the state board.~~

34 ~~(k) (1) The state board may, by mutual agreement, designate~~
35 ~~its supervisory and oversight responsibilities for a charter school~~
36 ~~approved by the state board to any local educational agency in the~~
37 ~~county in which the charter school is located or to the governing~~
38 ~~board of the school district that first denied the petition.~~

39 ~~(2) The designated local educational agency shall have all~~
40 ~~monitoring and supervising authority of a chartering agency,~~

1 including, but not limited to, powers and duties set forth in Section
2 47607, except the power of revocation, which shall remain with
3 the state board.

4 (3) A charter school that is granted its charter through an appeal
5 to the state board and elects to seek renewal of its charter shall,
6 before expiration of the charter, submit its petition for renewal to
7 the governing board of the school district that initially denied the
8 charter. If the governing board of the school district denies the
9 school's petition for renewal, the school may petition the state
10 board for renewal of its charter.

11 (l) Teachers in charter schools shall hold a Commission on
12 Teacher Credentialing certificate, permit, or other document
13 equivalent to that which a teacher in other public schools would
14 be required to hold. These documents shall be maintained on file
15 at the charter school and are subject to periodic inspection by the
16 chartering authority. It is the intent of the Legislature that charter
17 schools be given flexibility with regard to noncore, noncollege
18 preparatory courses.

19 (m) A charter school shall transmit a copy of its annual,
20 independent financial audit report for the preceding fiscal year, as
21 described in subparagraph (I) of paragraph (5) of subdivision (b),
22 to its chartering entity, the Controller, the county superintendent
23 of schools of the county in which the charter school is sited, unless
24 the county board of education of the county in which the charter
25 school is sited is the chartering entity, and the department by
26 December 15 of each year. This subdivision does not apply if the
27 audit of the charter school is encompassed in the audit of the
28 chartering entity pursuant to Section 41020.

29 SEC. 77. Section 47605.6 of the Education Code is amended
30 to read:

31 47605.6. (a) (1) In addition to the authority provided by
32 Section 47605.5, a county board of education may also approve a
33 petition for the operation of a charter school that operates at one
34 or more sites within the geographic boundaries of the county and
35 that provides instructional services that are not generally provided
36 by a county office of education. A county board of education may
37 approve a countywide charter only if it finds, in addition to the
38 other requirements of this section, that the educational services to
39 be provided by the charter school will offer services to a pupil
40 population that will benefit from those services and that cannot be

1 served as well by a charter school that operates in only one school
2 district in the county. A petition for the establishment of a
3 countywide charter school pursuant to this subdivision may be
4 circulated throughout the county by any one or more persons
5 seeking to establish the charter school. The petition may be
6 submitted to the county board of education for review after either
7 of the following conditions is met:

8 (A) The petition is signed by a number of parents or guardians
9 of pupils residing within the county that is equivalent to at least
10 one-half of the number of pupils that the charter school estimates
11 will enroll in the school for its first year of operation and each of
12 the school districts where the charter school petitioner proposes
13 to operate a facility has received at least 30 days' notice of the
14 petitioner's intent to operate a school pursuant to this section.

15 (B) The petition is signed by a number of teachers that is
16 equivalent to at least one-half of the number of teachers that the
17 charter school estimates will be employed at the school during its
18 first year of operation and each of the school districts where the
19 charter school petitioner proposes to operate a facility has received
20 at least 30 days' notice of the petitioner's intent to operate a school
21 pursuant to this section.

22 (2) An existing public school may not be converted to a charter
23 school in accordance with this section.

24 (3) After receiving approval of its petition, a charter school that
25 proposes to establish operations at additional sites within the
26 geographic boundaries of the county board of education shall notify
27 the school districts where those sites will be located. The charter
28 school shall also request a material revision of its charter by the
29 county board of education that approved its charter and the county
30 board of education shall consider whether to approve those
31 additional locations at an open, public meeting, held no sooner
32 than 30 days following notification of the school districts where
33 the sites will be located. If approved, the location of the approved
34 sites shall be a material revision of the school's approved charter.

35 (4) A petition shall include a prominent statement indicating
36 that a signature on the petition means that the parent or guardian
37 is meaningfully interested in having his or her child or ward attend
38 the charter school, or in the case of a teacher's signature, means
39 that the teacher is meaningfully interested in teaching at the charter
40 school. The proposed charter shall be attached to the petition.

1 (b) ~~No later than 60 days after receiving a petition, in accordance~~
2 ~~with subdivision (a), the county board of education shall hold a~~
3 ~~public hearing on the provisions of the charter, at which time the~~
4 ~~county board of education shall consider the level of support for~~
5 ~~the petition by teachers, parents or guardians, and the school~~
6 ~~districts where the charter school petitioner proposes to place~~
7 ~~school facilities. Following review of the petition and the public~~
8 ~~hearing, the county board of education shall either grant or deny~~
9 ~~the charter within 90 days of receipt of the petition. However, this~~
10 ~~date may be extended by an additional 30 days if both parties agree~~
11 ~~to the extension. A county board of education may impose any~~
12 ~~additional requirements beyond those required by this section that~~
13 ~~it considers necessary for the sound operation of a countywide~~
14 ~~charter school. A county board of education may grant a charter~~
15 ~~for the operation of a school under this part only if the board is~~
16 ~~satisfied that granting the charter is consistent with sound~~
17 ~~educational practice and that the charter school has reasonable~~
18 ~~justification for why it could not be established by petition to a~~
19 ~~school district pursuant to Section 47605. The county board of~~
20 ~~education shall deny a petition for the establishment of a charter~~
21 ~~school if the board finds one or more of the following:~~

22 (1) ~~The charter school presents an unsound educational program~~
23 ~~for the pupils to be enrolled in the charter school.~~

24 (2) ~~The petitioners are demonstrably unlikely to successfully~~
25 ~~implement the program set forth in the petition.~~

26 (3) ~~The petition does not contain the number of signatures~~
27 ~~required by subdivision (a).~~

28 (4) ~~The petition does not contain an affirmation of each of the~~
29 ~~conditions described in subdivision (d).~~

30 (5) ~~The petition does not contain reasonably comprehensive~~
31 ~~descriptions of all of the following:~~

32 (A) (i) ~~A description of the educational program of the school,~~
33 ~~designed, among other things, to identify those pupils whom the~~
34 ~~school is attempting to educate, what it means to be an “educated~~
35 ~~person” in the 21st century, and how learning best occurs. The~~
36 ~~goals identified in that program shall include the objective of~~
37 ~~enabling pupils to become self-motivated, competent, and lifelong~~
38 ~~learners.~~

39 (ii) ~~A description, for the charter school, of annual goals, for~~
40 ~~all pupils and for each subgroup of pupils identified pursuant to~~

1 Section 52052, to be achieved in the state priorities, as described
2 in subdivision (d) of Section 52060, that apply for the grade levels
3 served, or the nature of the program operated, by the charter school,
4 and specific annual actions to achieve those goals. A charter
5 petition may identify additional school priorities, the goals for the
6 school priorities, and the specific annual actions to achieve those
7 goals.

8 (iii) If the proposed charter school will enroll high school pupils,
9 a description of the manner in which the charter school will inform
10 parents regarding the transferability of courses to other public high
11 schools. Courses offered by the charter school that are accredited
12 by the Western Association of Schools and Colleges may be
13 considered to be transferable to other public high schools.

14 (iv) If the proposed charter school will enroll high school pupils,
15 information as to the manner in which the charter school will
16 inform parents as to whether each individual course offered by the
17 charter school meets college entrance requirements. Courses
18 approved by the University of California or the California State
19 University as satisfying their prerequisites for admission may be
20 considered as meeting college entrance requirements for purposes
21 of this clause.

22 (B) The measurable pupil outcomes identified for use by the
23 charter school. "Pupil outcomes," for purposes of this part, means
24 the extent to which all pupils of the school demonstrate that they
25 have attained the skills, knowledge, and aptitudes specified as
26 goals in the school's educational program. Pupil outcomes shall
27 include outcomes that address increases in pupil academic
28 achievement both schoolwide and for all groups of pupils served
29 by the charter school, as that term is defined in subparagraph (B)
30 of paragraph (3) of subdivision (a) of Section 47607. The pupil
31 outcomes shall align with the state priorities, as described in
32 subdivision (d) of Section 52060, that apply for the grade levels
33 served, or the nature of the program operated, by the charter school.

34 (C) The method by which pupil progress in meeting those pupil
35 outcomes is to be measured. To the extent practicable, the method
36 for measuring pupil outcomes for state priorities shall be consistent
37 with the way information is reported on a school accountability
38 report card.

39 (D) The location of each charter school facility that the petitioner
40 proposes to operate.

- 1 ~~(E) The governance structure of the school, including, but not~~
2 ~~limited to, the process to be followed by the school to ensure~~
3 ~~parental involvement.~~
- 4 ~~(F) The qualifications to be met by individuals to be employed~~
5 ~~by the school.~~
- 6 ~~(G) The procedures that the school will follow to ensure the~~
7 ~~health and safety of pupils and staff. These procedures shall include~~
8 ~~the requirement that each employee of the school furnish the school~~
9 ~~with a criminal record summary as described in Section 44237.~~
- 10 ~~(H) The means by which the school will achieve a racial and~~
11 ~~ethnic balance among its pupils that is reflective of the general~~
12 ~~population residing within the territorial jurisdiction of the school~~
13 ~~district to which the charter petition is submitted.~~
- 14 ~~(I) The manner in which annual, independent, financial audits~~
15 ~~shall be conducted, in accordance with regulations established by~~
16 ~~the state board, and the manner in which audit exceptions and~~
17 ~~deficiencies shall be resolved.~~
- 18 ~~(J) The procedures by which pupils can be suspended or~~
19 ~~expelled.~~
- 20 ~~(K) The manner by which staff members of the charter schools~~
21 ~~will be covered by the State Teachers' Retirement System, the~~
22 ~~Public Employees' Retirement System, or federal social security.~~
- 23 ~~(L) The procedures to be followed by the charter school and the~~
24 ~~county board of education to resolve disputes relating to provisions~~
25 ~~of the charter.~~
- 26 ~~(M) A declaration whether or not the charter school shall be~~
27 ~~deemed the exclusive public school employer of the employees of~~
28 ~~the charter school for purposes of the Educational Employment~~
29 ~~Relations Act (Chapter 10.7 (commencing with Section 3540) of~~
30 ~~Division 4 of Title 1 of the Government Code).~~
- 31 ~~(N) Admission requirements of the charter school, if applicable.~~
- 32 ~~(O) The public school attendance alternatives for pupils residing~~
33 ~~within the county who choose not to attend the charter school.~~
- 34 ~~(P) A description of the rights of an employee of the county~~
35 ~~office of education, upon leaving the employment of the county~~
36 ~~office of education, to be employed by the charter school, and a~~
37 ~~description of any rights of return to the county office of education~~
38 ~~that an employee may have upon leaving the employ of the charter~~
39 ~~school.~~

1 ~~(Q) A description of the procedures to be used if the charter~~
2 ~~school closes. The procedures shall ensure a final audit of the~~
3 ~~school to determine the disposition of all assets and liabilities of~~
4 ~~the charter school, including plans for disposing of any net assets~~
5 ~~and for the maintenance and transfer of public records.~~

6 ~~(6) Any other basis that the county board of education finds~~
7 ~~justifies the denial of the petition.~~

8 ~~(e) A county board of education that approves a petition for the~~
9 ~~operation of a countywide charter may, as a condition of charter~~
10 ~~approval, enter into an agreement with a third party, at the expense~~
11 ~~of the charter school, to oversee, monitor, and report to the county~~
12 ~~board of education on the operations of the charter school. The~~
13 ~~county board of education may prescribe the aspects of the charter~~
14 ~~school's operations to be monitored by the third party and may~~
15 ~~prescribe appropriate requirements regarding the reporting of~~
16 ~~information concerning the operations of the charter school to the~~
17 ~~county board of education.~~

18 ~~(d) (1) Charter schools shall meet all statewide standards and~~
19 ~~conduct the pupil assessments required pursuant to Section 60605~~
20 ~~and any other statewide standards authorized in statute or pupil~~
21 ~~assessments applicable to pupils in noncharter public schools.~~

22 ~~(2) Charter schools shall on a regular basis consult with their~~
23 ~~parents and teachers regarding the school's educational programs.~~

24 ~~(e) (1) In addition to any other requirement imposed under this~~
25 ~~part, a charter school shall be nonsectarian in its programs,~~
26 ~~admission policies, employment practices, and all other operations,~~
27 ~~shall not charge tuition, and shall not discriminate against any~~
28 ~~pupil on the basis of ethnicity, national origin, gender, gender~~
29 ~~identity, gender expression, or disability. Except as provided in~~
30 ~~paragraph (2), admission to a charter school shall not be determined~~
31 ~~according to the place of residence of the pupil, or of his or her~~
32 ~~parent or guardian, within this state.~~

33 ~~(2) (A) A charter school shall admit all pupils who wish to~~
34 ~~attend the school.~~

35 ~~(B) If the number of pupils who wish to attend the charter school~~
36 ~~exceeds the school's capacity, attendance, except for existing pupils~~
37 ~~of the charter school, shall be determined by a public random~~
38 ~~drawing. Preference shall be extended to pupils currently attending~~
39 ~~the charter school and pupils who reside in the county except as~~
40 ~~provided for in Section 47614.5. Other preferences may be~~

1 permitted by the chartering authority on an individual school basis
2 and only if consistent with the law.

3 ~~(C) In the event of a drawing, the county board of education~~
4 ~~shall make reasonable efforts to accommodate the growth of the~~
5 ~~charter school and in no event shall take any action to impede the~~
6 ~~charter school from expanding enrollment to meet pupil demand.~~

7 ~~(f) The county board of education shall not require any employee~~
8 ~~of the county or a school district to be employed in a charter school.~~

9 ~~(g) The county board of education shall not require any pupil~~
10 ~~enrolled in a county program to attend a charter school.~~

11 ~~(h) The county board of education shall require that the~~
12 ~~petitioner or petitioners provide information regarding the proposed~~
13 ~~operation and potential effects of the school, including, but not~~
14 ~~limited to, the facilities to be used by the school, the manner in~~
15 ~~which administrative services of the school are to be provided,~~
16 ~~and potential civil liability effects, if any, upon the school, any~~
17 ~~school district where the charter school may operate, and upon the~~
18 ~~county board of education. The petitioner or petitioners shall also~~
19 ~~be required to provide financial statements that include a proposed~~
20 ~~first-year operational budget, including startup costs, and cashflow~~
21 ~~and financial projections for the first three years of operation.~~

22 ~~(i) In reviewing petitions for the establishment of charter schools~~
23 ~~within the county, the county board of education shall give~~
24 ~~preference to petitions that demonstrate the capability to provide~~
25 ~~comprehensive learning experiences to pupils identified by the~~
26 ~~petitioner or petitioners as academically low achieving pursuant~~
27 ~~to the standards established by the department under Section 54032,~~
28 ~~as it read before July 19, 2006.~~

29 ~~(j) Upon the approval of the petition by the county board of~~
30 ~~education, the petitioner or petitioners shall provide written notice~~
31 ~~of that approval, including a copy of the petition, to the school~~
32 ~~districts within the county, the Superintendent, and to the state~~
33 ~~board.~~

34 ~~(k) If a county board of education denies a petition, the petitioner~~
35 ~~may not elect to submit the petition for the establishment of the~~
36 ~~charter school to the state board.~~

37 ~~(l) Teachers in charter schools shall be required to hold a~~
38 ~~Commission on Teacher Credentialing certificate, permit, or other~~
39 ~~document equivalent to that which a teacher in other public schools~~
40 ~~would be required to hold. These documents shall be maintained~~

1 on file at the charter school and shall be subject to periodic
2 inspection by the chartering authority.

3 (m) A charter school shall transmit a copy of its annual,
4 independent, financial audit report for the preceding fiscal year,
5 as described in subparagraph (I) of paragraph (5) of subdivision
6 (b), to the county office of education, the Controller, and the
7 department by December 15 of each year. This subdivision shall
8 not apply if the audit of the charter school is encompassed in the
9 audit of the chartering entity pursuant to Section 41020.

10 SEC. 78. Section 47606.5 is added to the Education Code, to
11 read:

12 47606.5. (a) On or before July 1, 2015, and each year
13 thereafter, a charter school shall update the goals and annual actions
14 to achieve those goals identified in the charter pursuant to
15 subparagraph (A) of paragraph (5) of subdivision (b) of Section
16 47605 or subparagraph (A) of paragraph (5) of subdivision (b) of
17 Section 47605.6. The annual update shall be developed using the
18 template adopted pursuant to Section 52064 and shall include all
19 of the following:

20 (1) A review of the progress toward the goals included in the
21 charter, an assessment of the effectiveness of the specific actions
22 described in the charter toward achieving the goals, and a
23 description of changes to the specific actions the charter school
24 will make as a result of the review and assessment.

25 (2) A listing and description of the expenditures for the fiscal
26 year implementing the specific actions included in the charter as
27 a result of the reviews and assessment required by paragraph (1).

28 (b) The expenditures identified in subdivision (a) shall be
29 classified using the California School Accounting Manual pursuant
30 to Section 41010.

31 (c) For purposes of the review required by subdivision (a), a
32 governing body of a charter school may consider qualitative
33 information, including, but not limited to, findings that result from
34 school quality reviews conducted pursuant to subparagraph (J) or
35 paragraph (4) of subdivision (a) of Section 52052 or any other
36 reviews.

37 (d) To the extent practicable, data reported pursuant to this
38 section shall be reported in a manner consistent with how
39 information is reported on a school accountability report card.

1 ~~(e) The charter school shall consult with teachers, principals,~~
2 ~~administrators, other school personnel, parents, and pupils in~~
3 ~~developing the annual update.~~

4 SEC. 79. Section 47607.3 is added to the Education Code, to
5 read:

6 ~~47607.3.—(a) If a charter school fails to improve outcomes for~~
7 ~~three or more pupil subgroups identified pursuant to Section 52052,~~
8 ~~or, if the charter school has less than three pupil subgroups, all of~~
9 ~~the charter school's pupil subgroups, in regard to one or more state~~
10 ~~or school priority identified in the charter pursuant to subparagraph~~
11 ~~(A) of paragraph (5) of subdivision (b) of Section 47605 or~~
12 ~~subparagraph (A) of paragraph (5) of subdivision (b) of Section~~
13 ~~47605.6, in three out of four consecutive school years, all of the~~
14 ~~following shall apply:~~

15 ~~(1) Using an evaluation rubric adopted by the state board~~
16 ~~pursuant to Section 52064.5, the chartering authority shall provide~~
17 ~~technical assistance to the charter school.~~

18 ~~(2) The Superintendent may assign, at the request of the~~
19 ~~chartering authority and with the approval of the state board, the~~
20 ~~California Collaborative for Educational Excellence to provide~~
21 ~~advice and assistance to the charter school pursuant to Section~~
22 ~~52074.~~

23 ~~(b) A chartering authority shall consider for revocation any~~
24 ~~charter school to which the California Collaborative for Educational~~
25 ~~Excellence has provided advice and assistance pursuant to~~
26 ~~subdivision (a) and about which it has made either of the following~~
27 ~~findings, which shall be submitted to the chartering authority:~~

28 ~~(1) That the charter school has failed, or is unable, to implement~~
29 ~~the recommendations of the California Collaborative for~~
30 ~~Educational Excellence.~~

31 ~~(2) That the inadequate performance of the charter school, based~~
32 ~~upon an evaluation rubric adopted pursuant to Section 52064.5, is~~
33 ~~either so persistent or so acute as to require revocation of the~~
34 ~~charter.~~

35 ~~(c) The chartering authority shall consider increases in pupil~~
36 ~~academic achievement for all pupil subgroups served by the charter~~
37 ~~school as the most important factor in determining whether to~~
38 ~~revoke the charter.~~

39 ~~(d) A chartering authority shall comply with the hearing process~~
40 ~~described in subdivision (e) of Section 47607 in revoking a charter.~~

1 ~~A charter school may not appeal a revocation of a charter made~~
2 ~~pursuant to this section.~~

3 ~~SEC. 80. Section 47612.7 of the Education Code is repealed.~~

4 ~~SEC. 81. Section 47613 of the Education Code is amended to~~
5 ~~read:~~

6 ~~47613. (a) Except as set forth in subdivision (b), a chartering~~
7 ~~authority may charge for the actual costs of supervisory oversight~~
8 ~~of a charter school not to exceed 1 percent of the revenue of the~~
9 ~~charter school.~~

10 ~~(b) A chartering authority may charge for the actual costs of~~
11 ~~supervisory oversight of a charter school not to exceed 3 percent~~
12 ~~of the revenue of the charter school if the charter school is able to~~
13 ~~obtain substantially rent free facilities from the chartering authority.~~

14 ~~(c) A local agency that is given the responsibility for~~
15 ~~supervisory oversight of a charter school, pursuant to paragraph~~
16 ~~(1) of subdivision (k) of Section 47605, may charge for the actual~~
17 ~~costs of supervisory oversight, and administrative costs necessary~~
18 ~~to secure charter school funding. A charter school that is charged~~
19 ~~for costs under this subdivision may not be charged pursuant to~~
20 ~~subdivision (a) or (b).~~

21 ~~(d) This section does not prevent the charter school from~~
22 ~~separately purchasing administrative or other services from the~~
23 ~~chartering authority or any other source.~~

24 ~~(e) For purposes of this section, a chartering authority means a~~
25 ~~school district, county board of education, or the state board, that~~
26 ~~granted the charter to the charter school.~~

27 ~~(f) For purposes of this section, “revenue of the charter school”~~
28 ~~means the general purpose entitlement and categorical block grant,~~
29 ~~as defined in subdivisions (a) and (b) of Section 47632.~~

30 ~~(g) For purposes of this section, “costs of supervisory~~
31 ~~oversight” includes, but is not limited to, costs incurred pursuant~~
32 ~~to Section 47607.3.~~

33 ~~SEC. 82. Section 47631 of the Education Code is amended to~~
34 ~~read:~~

35 ~~47631. (a) Article 3 (commencing with Section 47636) shall~~
36 ~~not apply to a charter granted pursuant to Section 47605.5.~~

37 ~~(b) A county-sponsored charter school shall receive the average~~
38 ~~daily attendance rate calculated pursuant to paragraph (1) of~~
39 ~~subdivision (c) of Section 2574 for enrolled pupils who are~~
40 ~~identified as any of the following:~~

- 1 ~~(1) Probation-referred pursuant to Section 300, 601, 602, or 654~~
 2 ~~of the Welfare and Institutions Code.~~
 3 ~~(2) On probation or parole and not attending a school.~~
 4 ~~(3) Expelled for any of the reasons specified in subdivision (a)~~
 5 ~~or (c) of Section 48915.~~
 6 ~~(e) A county-sponsored charter school shall be funded pursuant~~
 7 ~~to the local control funding formula pursuant to Section 42238.02,~~
 8 ~~as implemented by Section 42238.03, for all pupils except for~~
 9 ~~pupils funded pursuant to subdivision (b).~~
 10 ~~SEC. 83. Section 47632 of the Education Code is amended to~~
 11 ~~read:~~
 12 ~~47632. For purposes of this chapter, the following terms shall~~
 13 ~~be defined as follows:~~
 14 ~~(a) “General-purpose entitlement” means an amount computed~~
 15 ~~by the local control funding formula pursuant to Section 42238.02,~~
 16 ~~as implemented by Section 42238.03.~~
 17 ~~(b) “Economic impact aid-eligible pupils” means those pupils~~
 18 ~~that are included in the economic impact aid-eligible pupil count~~
 19 ~~pursuant to Section 54023. For purposes of applying Section 54023~~
 20 ~~to charter schools, “economically disadvantaged pupils” means~~
 21 ~~the pupils described in paragraph (2) of subdivision (a) of Section~~
 22 ~~54026.~~
 23 ~~(c) “General-purpose funding” means those funds that consist~~
 24 ~~of state aid, local property taxes, and other revenues applied toward~~
 25 ~~a school district’s local control funding formula, pursuant to~~
 26 ~~Section 42238.02, as implemented by Section 42238.03.~~
 27 ~~(d) “Categorical aid” means aid that consists of state or federally~~
 28 ~~funded programs, or both, which are apportioned for specific~~
 29 ~~purposes set forth in statute or regulation.~~
 30 ~~(e) “Educationally disadvantaged pupils” means those pupils~~
 31 ~~who meet federal eligibility criteria for free and reduced-price~~
 32 ~~meals as specified in Section 49531, as that section read on January~~
 33 ~~1, 2013, except in regard to meals in family day care homes.~~
 34 ~~(f) “Operational funding” means all funding except funding for~~
 35 ~~capital outlay.~~
 36 ~~(g) “School district of a similar type” means a school district~~
 37 ~~that is serving similar grade levels.~~
 38 ~~(h) “Similar pupil population” means similar numbers of pupils~~
 39 ~~by grade level, with a similar proportion of educationally~~
 40 ~~disadvantaged pupils.~~

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

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

4 (2) If a charter is granted by a county office of education after
5 having been previously denied by a school district, the sponsoring
6 local educational agency means the school district that initially
7 denied the charter petition.

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

15 (4) For pupils attending county-sponsored charter schools who
16 are eligible to attend those schools solely as a result of parental
17 request pursuant to subdivision (b) of Section 1981, the sponsoring
18 local educational agency means the pupils’ school district of
19 residence.

20 (5) For pupils attending countywide charter schools pursuant
21 to Section 47605.6 who reside in a basic aid school district, the
22 sponsoring local educational agency means the school district of
23 residence of the pupil. For purposes of this paragraph, “basic aid
24 school district” means a school district that does not receive an
25 apportionment of state funds as described in subdivision (o) of
26 Section 42238.02.

27 SEC. 84. Section 47632.5 of the Education Code is repealed.

28 SEC. 85. Section 47635 of the Education Code is amended to
29 read:

30 47635. — (a) A sponsoring local educational agency shall
31 annually transfer to each of its charter schools funding in lieu of
32 property taxes equal to the lesser of the following two amounts:

33 (1) The average amount of property taxes per unit of average
34 daily attendance, including average daily attendance attributable
35 to charter schools, received by the local educational agency,
36 multiplied by the charter school’s average daily attendance.

37 (2) The statewide average local control funding formula grant
38 funding computed pursuant to subdivision (d) of Section 42238.02,
39 per unit of average daily attendance received by school districts,
40 as determined by the department, multiplied by the charter school’s

1 average daily attendance in each of the four corresponding grade
2 level ranges: kindergarten and grades 1, 2, and 3; grades 4, 5, and
3 6; grades 7 and 8; and grades 9 to 12, inclusive.

4 (3) Notwithstanding paragraph (2), until the Superintendent
5 determines that a charter school is funded pursuant to Section
6 42238.02 in the prior fiscal year, the Superintendent shall apportion
7 funding per unit of average daily attendance pursuant to this article.
8 The base grant for purposes of paragraph (2) shall be the sum of
9 the entitlements for the charter school in the specified fiscal year
10 as computed pursuant to paragraphs (1) to (4), inclusive, of
11 subdivision (a) of Section 42238.03 and paragraph (3) of
12 subdivision (b) of Section 42238.03, multiplied by the ratio of
13 local control funding formula base grant funding computed
14 pursuant to subdivision (d) of Section 42238.02 to the local control
15 funding formula amount for the fiscal year computed pursuant to
16 Section 42238.02.

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

20 (1) For the months of August to February, inclusive, a charter
21 school's funding in lieu of property taxes shall be computed based
22 on the amount of property taxes received by the sponsoring local
23 educational agency during the preceding fiscal year, as reported
24 to the Superintendent for purposes of the second principal
25 apportionment. A sponsoring local educational agency shall transfer
26 to the charter school the charter school's estimated annual
27 entitlement to funding in lieu of property taxes as follows:

28 (A) Six percent in August.

29 (B) Twelve percent in September.

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

32 (2) For the months of March to June, inclusive, a charter
33 school's funding in lieu of property taxes shall be computed based
34 on the amount of property taxes estimated to be received by the
35 sponsoring local educational agency during the fiscal year, as
36 reported to the Superintendent for purposes of the first principal
37 apportionment. A sponsoring local educational agency shall transfer
38 to each of its charter schools an amount equal to one-sixth of the
39 difference between the school's estimated annual entitlement to
40 funding in lieu of property taxes and the amounts provided pursuant

1 to paragraph (1). An additional one-sixth of this difference shall
2 be included in the amount transferred in the month of March.

3 (3) For the month of July, a charter school's funding in lieu of
4 property taxes shall be computed based on the amount of property
5 taxes estimated to be received by the sponsoring local educational
6 agency during the prior fiscal year, as reported to the
7 Superintendent for purposes of the second principal apportionment.
8 A sponsoring local educational agency shall transfer to each of its
9 charter schools an amount equal to the remaining difference
10 between the school's estimated annual entitlement to funding in
11 lieu of property taxes and the amounts provided pursuant to
12 paragraphs (1) and (2).

13 (4) Final adjustments to the amount of funding in lieu of
14 property taxes allocated to a charter school shall be made in
15 February, in conjunction with the final reconciliation of annual
16 apportionments to schools.

17 (5) Subdivision (a) and paragraphs (1) to (4), inclusive, do not
18 apply for pupils who reside in, and are otherwise eligible to attend
19 a school in, a basic aid school district, but who attend a charter
20 school in a nonbasic aid school district. With regard to these pupils,
21 the sponsoring basic aid school district shall transfer to the charter
22 school an amount of funds equivalent to the local control funding
23 formula grant pursuant to Section 42238.02, as implemented by
24 Section 42238.03, earned through average daily attendance by the
25 charter school for each pupil's attendance, not to exceed the
26 average property tax share per unit of average daily attendance for
27 pupils residing and attending in the basic aid school district. The
28 transfer of funds shall be made in not fewer than two installments
29 at the request of the charter school, the first occurring not later
30 than February 1 and the second not later than June 1 of each school
31 year. Payments shall reflect the average daily attendance certified
32 for the time periods of the first and second principal
33 apportionments, respectively. The Superintendent may not
34 apportion any funds for the attendance of pupils described in this
35 subdivision unless the amount transferred by the basic aid district
36 is less than the local control funding formula grant pursuant to
37 Section 42238.02, as implemented by Section 42238.03, earned
38 by the charter school, in which event the Superintendent shall
39 apportion the difference to the charter school from state funds.

1 ~~SEC. 86. Section 47636 of the Education Code is amended to~~
2 ~~read:~~

3 ~~47636. (a) This chapter shall not prevent a charter school from~~
4 ~~negotiating with a local educational agency for a share of~~
5 ~~operational funding from sources not otherwise set forth in this~~
6 ~~chapter including, but not limited to, all of the following:~~

7 ~~(1) Forest reserve revenues and other operational revenues~~
8 ~~received due to harvesting or extraction of minerals or other natural~~
9 ~~resources.~~

10 ~~(2) Sales and use taxes, to the extent that the associated revenues~~
11 ~~are available for noncapital expenses of public schools.~~

12 ~~(3) Parcel taxes, to the extent that the associated revenues are~~
13 ~~available for noncapital expenses of public schools.~~

14 ~~(4) Ad valorem property taxes received by a school district~~
15 ~~which exceed its local control funding formula entitlement pursuant~~
16 ~~to Section 42238.02, as implemented by Section 42238.03.~~

17 ~~(5) "Basic aid" received by a school district pursuant to Section~~
18 ~~6 of Article IX of the California Constitution.~~

19 ~~(b) This section shall become operative July 1, 2006.~~

20 ~~SEC. 87. Section 47660 of the Education Code is amended to~~
21 ~~read:~~

22 ~~47660. For purposes of computing eligibility for, and~~
23 ~~entitlements to, general purpose funding and operational funding~~
24 ~~for categorical programs, the enrollment and average daily~~
25 ~~attendance of a sponsoring local educational agency shall exclude~~
26 ~~the enrollment and attendance of pupils in its charter schools~~
27 ~~funded pursuant to this chapter.~~

28 ~~SEC. 88. Section 47663 of the Education Code is amended to~~
29 ~~read:~~

30 ~~47663. (a) (1) For a pupil of a charter school sponsored by a~~
31 ~~basic aid school district who resides in, and is otherwise eligible~~
32 ~~to attend, a school district other than a basic aid school district,~~
33 ~~the Superintendent shall apportion to the sponsoring school district~~
34 ~~an amount equal to 70 percent of the local control funding formula~~
35 ~~base grant computed pursuant to subdivision (d) of Section~~
36 ~~42238.02, per unit of average daily attendance that would have~~
37 ~~been apportioned to the school district that the pupil resides in and~~
38 ~~would otherwise have been eligible to attend.~~

39 ~~(2) Notwithstanding paragraph (1), until the Superintendent~~
40 ~~determines that the school district the pupil resides in, and would~~

1 otherwise have been eligible to attend, is funded pursuant to
2 Section 42238.02 in the prior fiscal year, the Superintendent shall
3 apportion, for average daily attendance pursuant to this article, 70
4 percent of the sum of the entitlements for the school district that
5 the pupil resides in, and would otherwise have been eligible to
6 attend, for the specified fiscal year as computed pursuant to
7 paragraphs (1) to (4), inclusive, of subdivision (a) of Section
8 42238.03 and paragraph (3) of subdivision (b) of Section 42238.03,
9 divided by the average daily attendance for that fiscal year and
10 then multiplied by the ratio of local control funding formula base
11 grant funding computed pursuant to subdivision (d) of Section
12 42238.02 to the local control funding formula amount for the fiscal
13 year computed pursuant to Section 42238.02.

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

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

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

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

1 ~~(d) The Superintendent shall not apportion funds for the~~
2 ~~attendance of a pupil in a charter school of a nonbasic aid school~~
3 ~~district who resides in, and is otherwise eligible to attend school~~
4 ~~in, a basic aid school district unless the pupil is subject to the~~
5 ~~exception set forth in paragraph (5) of subdivision (b) of Section~~
6 ~~47635.~~

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

11 ~~SEC. 89. Section 47664 of the Education Code is repealed.~~

12 ~~SEC. 90. Section 48310 of the Education Code is amended to~~
13 ~~read:~~

14 ~~48310. (a) The average daily attendance for pupils admitted~~
15 ~~by a school district of choice pursuant to this article shall be~~
16 ~~credited to that school district pursuant to Section 46607. The~~
17 ~~attendance report for the school district of choice may include an~~
18 ~~identification of the school district of residence.~~

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

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

29 ~~(2) Notwithstanding paragraph (1), until the Superintendent~~
30 ~~determines that the school district of residence is funded pursuant~~
31 ~~to Section 42238.02 in the prior fiscal year, the Superintendent~~
32 ~~shall apportion, for average daily attendance pursuant to this article,~~
33 ~~70 percent of the sum of the entitlements for the school district of~~
34 ~~residence for the specified fiscal year as computed pursuant to~~
35 ~~paragraphs (1) to (4), inclusive, of subdivision (a) of Section~~
36 ~~42238.03 and paragraph (3) of subdivision (b) of Section 42238.03,~~
37 ~~divided by the average daily attendance pursuant to this article for~~
38 ~~that fiscal year and then multiplied by the ratio of local control~~
39 ~~funding formula base grant funding computed pursuant to~~
40 ~~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) For purposes of this subdivision, the term “basic aid school
4 district” means a school district that does not receive from the
5 state, for a fiscal year in which this subdivision is applied, an
6 apportionment of state funds as described in subdivision (o) of
7 Section 42238.02.

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

14 SEC. 91. Section 48359.5 of the Education Code is amended
15 to read:

16 48359.5. (a) For a school district of enrollment that is a basic
17 aid school district, the apportionment of state funds for average
18 daily attendance credited pursuant to this article shall be 70 percent
19 of the school district local control funding formula base grant that
20 would have been apportioned to the school district of residence
21 pursuant to subdivision (d) of Section 42238.02. Apportionment
22 of these funds shall begin in the second consecutive year of
23 enrollment, and continue annually until the pupil graduates from,
24 or is no longer enrolled in, the school district of enrollment.

25 (b) Notwithstanding subdivision (a), until the Superintendent
26 determines that the school district of enrollment is funded pursuant
27 to Section 42238.02 in the prior fiscal year, the Superintendent
28 shall apportion, for average daily attendance pursuant to this article,
29 70 percent of the sum of the entitlements for the school district of
30 enrollment for the specified fiscal year as computed pursuant to
31 paragraphs (1) to (4), inclusive, of subdivision (a) of Section
32 42238.03 and paragraph (3) of subdivision (b) of Section 42238.03,
33 divided by the average daily attendance pursuant to this article for
34 that fiscal year and then multiplied by the ratio of local control
35 funding formula base grant funding computed pursuant to
36 subdivision (d) of Section 42238.02 to the local control funding
37 formula amount for the fiscal year computed pursuant to Section
38 42238.02.

39 (e) For purposes of this section, “basic aid school district” means
40 a school district that does not receive an apportionment of state

1 funds as described in subdivision (c) of Section 42238.02 for a
2 fiscal year in which this section may apply.

3 ~~SEC. 92.~~ Section 49085 of the Education Code is amended to
4 read:

5 49085. (a) ~~The department and the State Department of Social~~
6 ~~Services shall develop and enter into a memorandum of~~
7 ~~understanding that shall, at a minimum, require the State~~
8 ~~Department of Social Services, at least once per week, to share~~
9 ~~with the department both of the following:~~

10 (1) ~~Disaggregated information on children and youth in foster~~
11 ~~care sufficient for the department to identify pupils in foster care.~~

12 (2) ~~Disaggregated data on children and youth in foster care that~~
13 ~~is helpful to county offices of education and other local educational~~
14 ~~agencies responsible for ensuring that pupils in foster care received~~
15 ~~appropriate educational supports and services.~~

16 (b) ~~To the extent allowable under federal law, the department~~
17 ~~shall regularly identify pupils in foster care and designate those~~
18 ~~pupils in the California Longitudinal Pupil Achievement Data~~
19 ~~System or any future data system used by the department to collect~~
20 ~~disaggregated pupil outcome data.~~

21 (c) ~~To the extent allowable under federal law, the~~
22 ~~Superintendent, on or before February 15 of each even-numbered~~
23 ~~year, shall report to the Legislature and the Governor on the~~
24 ~~educational outcomes for pupils in foster care at both the individual~~
25 ~~schoolsite level and school district level. The report shall include,~~
26 ~~but is not limited to, all of the following:~~

27 (1) ~~Individual schoolsite level and school district level~~
28 ~~educational outcome data for each local educational agency that~~
29 ~~enrolls at least 15 pupils in foster care, each county in which at~~
30 ~~least 15 pupils in foster care attend school, and for the entire state.~~

31 (2) ~~The number of pupils in foster care statewide and by each~~
32 ~~local educational agency.~~

33 (3) ~~The academic achievement of pupils in foster care.~~

34 (4) ~~The incidence of suspension and expulsion for pupils in~~
35 ~~foster care.~~

36 (5) ~~Truancy rates, attendance rates, and dropout rates for pupils~~
37 ~~in foster care.~~

38 (d) ~~To the extent allowable under federal law, the department,~~
39 ~~at least once per week, shall do all of the following:~~

1 ~~(1) Inform school districts and charter schools of any pupils~~
2 ~~enrolled in those school districts or charter schools who are in~~
3 ~~foster care.~~

4 ~~(2) Inform county offices of education of any pupils enrolled~~
5 ~~in schools in the county who are in foster care.~~

6 ~~(3) Provide schools districts, county office of education, and~~
7 ~~charter schools disaggregated data helpful to ensuring pupils in~~
8 ~~foster care receive appropriate educational supports and services.~~

9 ~~(e) For purposes of this section “pupil in foster care” means a~~
10 ~~pupil who is under the jurisdiction of the juvenile court pursuant~~
11 ~~to Section 300, 601, or 602 of the Welfare and Institutions Code.~~

12 ~~SEC. 93. Section 49536 of the Education Code is amended to~~
13 ~~read:~~

14 ~~49536. (a) The department shall, before July 1 of each year,~~
15 ~~prescribe an adjustment in the state meal contribution rates~~
16 ~~established pursuant to this section for the forthcoming fiscal year.~~
17 ~~The adjustments shall reflect the changes in the cost of operating~~
18 ~~a school breakfast and lunch program and shall be made~~
19 ~~commencing on July 1 of each year. The adjustment shall be the~~
20 ~~average of the separate indices of the “Food Away From Home~~
21 ~~Index” for Los Angeles and San Francisco as prepared by the~~
22 ~~United States Bureau of Labor Statistics.~~

23 ~~(b) In giving effect to the cost-of-living provisions of this~~
24 ~~section, the department shall use the same month for computation~~
25 ~~of the percentage change in the cost of living after July 1, 1975.~~
26 ~~The same month shall be used annually thereafter. The product of~~
27 ~~a percentage increase or decrease in the average index and the per~~
28 ~~meal reimbursement disbursement rate shall be adjusted by the~~
29 ~~amount of a cost-of-living change currently in effect pursuant to~~
30 ~~the provisions of this section.~~

31 ~~(c) For the 1990–91 fiscal year to the 2012–13 fiscal year,~~
32 ~~inclusive, the cost-of-living adjustment shall be equal to the~~
33 ~~percentage change determined pursuant to subdivision (b) of~~
34 ~~Section 42238.1, as that section read on January 1, 2013.~~
35 ~~Commencing with the 2013–14 fiscal year, the cost-of-living~~
36 ~~adjustment shall be equal to the percentage determined pursuant~~
37 ~~to paragraph (2) of subdivision (d) of Section 42238.02.~~

38 ~~SEC. 94. Section 52051 of the Education Code is repealed.~~

39 ~~SEC. 95. Section 52052 of the Education Code is amended to~~
40 ~~read:~~

- 1 52052. ~~(a) (1) The Superintendent, with approval of the state~~
2 ~~board, shall develop an Academic Performance Index (API), to~~
3 ~~measure the performance of schools and school districts, especially~~
4 ~~the academic performance of pupils.~~
5 ~~(2) A school or school district shall demonstrate comparable~~
6 ~~improvement in academic achievement as measured by the API~~
7 ~~by all numerically significant pupil subgroups at the school or~~
8 ~~school district, including:~~
9 ~~(A) Ethnic subgroups.~~
10 ~~(B) Socioeconomically disadvantaged pupils.~~
11 ~~(C) English learners.~~
12 ~~(D) Pupils with disabilities.~~
13 ~~(E) Foster youth.~~
14 ~~(3) (A) For purposes of this section, a numerically significant~~
15 ~~pupil subgroup is one that consists of at least 30 pupils, each of~~
16 ~~whom has a valid test score.~~
17 ~~(B) Notwithstanding subparagraph (A), for a subgroup of pupils~~
18 ~~who are foster youth, a numerically significant pupil subgroup is~~
19 ~~one that consists of at least 15 pupils.~~
20 ~~(C) For a school or school district with an API score that is~~
21 ~~based on no fewer than 11 and no more than 99 pupils with valid~~
22 ~~test scores, numerically significant pupil subgroups shall be defined~~
23 ~~by the Superintendent, with approval by the state board.~~
24 ~~(4) (A) The API shall consist of a variety of indicators currently~~
25 ~~reported to the department, including, but not limited to, the results~~
26 ~~of the achievement test administered pursuant to Section 60640,~~
27 ~~attendance rates for pupils in elementary schools, middle schools,~~
28 ~~and secondary schools, and the graduation rates for pupils in~~
29 ~~secondary schools.~~
30 ~~(B) The Superintendent, with the approval of the state board,~~
31 ~~may also incorporate into the API the rates at which pupils~~
32 ~~successfully promote from one grade to the next in middle school~~
33 ~~and high school, and successfully matriculate from middle school~~
34 ~~to high school.~~
35 ~~(C) Graduation rates for pupils in secondary schools shall be~~
36 ~~calculated for the API as follows:~~
37 ~~(i) Four-year graduation rates shall be calculated by taking the~~
38 ~~number of pupils who graduated on time for the current school~~
39 ~~year, which is considered to be three school years after the pupils~~

1 entered grade 9 for the first time, and dividing that number by the
2 total calculated in clause (ii).

3 (ii) The number of pupils entering grade 9 for the first time in
4 the school year three school years before the current school year,
5 plus the number of pupils who transferred into the class graduating
6 at the end of the current school year between the school year that
7 was three school years before the current school year and the date
8 of graduation, less the number of pupils who transferred out of the
9 school between the school year that was three school years before
10 the current school year and the date of graduation who were
11 members of the class that is graduating at the end of the current
12 school year.

13 (iii) Five-year graduation rates shall be calculated by taking the
14 number of pupils who graduated on time for the current school
15 year, which is considered to be four school years after the pupils
16 entered grade 9 for the first time, and dividing that number by the
17 total calculated in clause (iv).

18 (iv) The number of pupils entering grade 9 for the first time in
19 the school year four years before the current school year, plus the
20 number of pupils who transferred into the class graduating at the
21 end of the current school year between the school year that was
22 four school years before the current school year and the date of
23 graduation, less the number of pupils who transferred out of the
24 school between the school year that was four years before the
25 current school year and the date of graduation who were members
26 of the class that is graduating at the end of the current school year.

27 (v) Six-year graduation rates shall be calculated by taking the
28 number of pupils who graduated on time for the current school
29 year, which is considered to be five school years after the pupils
30 entered grade 9 for the first time, and dividing that number by the
31 total calculated in clause (vi).

32 (vi) The number of pupils entering grade 9 for the first time in
33 the school year five years before the current school year, plus the
34 number of pupils who transferred into the class graduating at the
35 end of the current school year between the school year that was
36 five school years before the current school year and the date of
37 graduation, less the number of pupils who transferred out of the
38 school between the school year that was five years before the
39 current school year and the date of graduation who were members
40 of the class that is graduating at the end of the current school year.

1 ~~(D) The inclusion of five- and six-year graduation rates for~~
2 ~~pupils in secondary schools shall meet the following requirements:~~

3 ~~(i) Schools shall be granted one-half the credit in their API~~
4 ~~scores for graduating pupils in five years that they are granted for~~
5 ~~graduating pupils in four years.~~

6 ~~(ii) Schools and school districts shall be granted one-quarter the~~
7 ~~credit in their API scores for graduating pupils in six years that~~
8 ~~they are granted for graduating pupils in four years.~~

9 ~~(iii) Notwithstanding clauses (i) and (ii), schools and school~~
10 ~~districts shall be granted full credit in their API scores for~~
11 ~~graduating in five or six years a pupil with disabilities who~~
12 ~~graduates in accordance with his or her individualized education~~
13 ~~program.~~

14 ~~(E) The pupil data collected for the API that comes from the~~
15 ~~achievement test administered pursuant to Section 60640 and the~~
16 ~~high school exit examination administered pursuant to Section~~
17 ~~60851, when fully implemented, shall be disaggregated by special~~
18 ~~education status, English learners, socioeconomic status, gender,~~
19 ~~and ethnic group. Only the test scores of pupils who were counted~~
20 ~~as part of the enrollment in the annual data collection of the~~
21 ~~California Basic Educational Data System for the current fiscal~~
22 ~~year and who were continuously enrolled during that year may be~~
23 ~~included in the test result reports in the API score of the school.~~

24 ~~(F) (i) Commencing with the baseline API calculation in 2016,~~
25 ~~and for each year thereafter, results of the achievement test and~~
26 ~~other tests specified in subdivision (b) shall constitute no more~~
27 ~~than 60 percent of the value of the index for secondary schools.~~

28 ~~(ii) In addition to the elements required by this paragraph, the~~
29 ~~Superintendent, with approval of the state board, may incorporate~~
30 ~~into the index for secondary schools valid, reliable, and stable~~
31 ~~measures of pupil preparedness for postsecondary education and~~
32 ~~career.~~

33 ~~(G) Results of the achievement test and other tests specified in~~
34 ~~subdivision (b) shall constitute at least 60 percent of the value of~~
35 ~~the index for primary schools and middle schools.~~

36 ~~(H) It is the intent of the Legislature that the state's system of~~
37 ~~public school accountability be more closely aligned with both the~~
38 ~~public's expectations for public education and the workforce needs~~
39 ~~of the state's economy. It is therefore necessary that the~~
40 ~~accountability system evolve beyond its narrow focus on pupil test~~

1 scores to encompass other valuable information about school
2 performance, including, but not limited to, pupil preparedness for
3 college and career, as well as the high school graduation rates
4 already required by law.

5 (I) ~~The Superintendent shall annually determine the accuracy~~
6 ~~of the graduation rate data. Notwithstanding any other law,~~
7 ~~graduation rates for pupils in dropout recovery high schools shall~~
8 ~~not be included in the API. For purposes of this subparagraph,~~
9 ~~“dropout recovery high school” means a high school in which 50~~
10 ~~percent or more of its pupils have been designated as dropouts~~
11 ~~pursuant to the exit/withdrawal codes developed by the department~~
12 ~~or left a school and were not otherwise enrolled in a school for a~~
13 ~~period of at least 180 days.~~

14 (J) ~~To complement the API, the Superintendent, with the~~
15 ~~approval of the state board, may develop and implement a program~~
16 ~~of school quality review that features locally convened panels to~~
17 ~~visit schools, observe teachers, interview pupils, and examine pupil~~
18 ~~work, if an appropriation for this purpose is made in the annual~~
19 ~~Budget Act.~~

20 (K) ~~The Superintendent shall annually provide to local~~
21 ~~educational agencies and the public a transparent and~~
22 ~~understandable explanation of the individual components of the~~
23 ~~API and their relative values within the API.~~

24 (L) ~~An additional element chosen by the Superintendent and~~
25 ~~the state board for inclusion in the API pursuant to this paragraph~~
26 ~~shall not be incorporated into the API until at least one full school~~
27 ~~year after the state board’s decision to include the element into the~~
28 ~~API.~~

29 (b) ~~Pupil scores from the following tests, when available and~~
30 ~~when found to be valid and reliable for this purpose, shall be~~
31 ~~incorporated into the API:~~

32 (1) ~~The standards-based achievement tests provided for in~~
33 ~~Section 60642.5.~~

34 (2) ~~The high school exit examination.~~

35 (e) ~~Based on the API, the Superintendent shall develop, and the~~
36 ~~state board shall adopt, expected annual percentage growth targets~~
37 ~~for all schools based on their API baseline score from the previous~~
38 ~~year. Schools are expected to meet these growth targets through~~
39 ~~effective allocation of available resources. For schools below the~~
40 ~~statewide API performance target adopted by the state board~~

1 pursuant to subdivision (d), the minimum annual percentage growth
2 target shall be 5 percent of the difference between the actual API
3 score of a school and the statewide API performance target, or one
4 API point, whichever is greater. Schools at or above the statewide
5 API performance target shall have, as their growth target,
6 maintenance of their API score above the statewide API
7 performance target. However, the state board may set differential
8 growth targets based on grade level of instruction and may set
9 higher growth targets for the lowest performing schools because
10 they have the greatest room for improvement. To meet its growth
11 target, a school shall demonstrate that the annual growth in its API
12 is equal to or more than its schoolwide annual percentage growth
13 target and that all numerically significant pupil subgroups, as
14 defined in subdivision (a), are making comparable improvement.

15 (d) Upon adoption of state performance standards by the state
16 board, the Superintendent shall recommend, and the state board
17 shall adopt, a statewide API performance target that includes
18 consideration of performance standards and represents the
19 proficiency level required to meet the state performance target.

20 (e) (1) A school or school district with 11 to 99 pupils with
21 valid test scores shall receive an API score with an asterisk that
22 indicates less statistical certainty than API scores based on 100 or
23 more test scores.

24 (2) A school or school district annually shall receive an API
25 score, unless the Superintendent determines that an API score
26 would be an invalid measure of the performance of the school or
27 school district for one or more of the following reasons:

28 (A) Irregularities in testing procedures occurred.

29 (B) The data used to calculate the API score of the school or
30 school district are not representative of the pupil population at the
31 school or school district.

32 (C) Significant demographic changes in the pupil population
33 render year-to-year comparisons of pupil performance invalid.

34 (D) The department discovers or receives information indicating
35 that the integrity of the API score has been compromised.

36 (E) Insufficient pupil participation in the assessments included
37 in the API.

38 (3) If a school or school district has fewer than 100 pupils with
39 valid test scores, the calculation of the API or adequate yearly
40 progress pursuant to the federal No Child Left Behind Act of 2001

1 ~~(20 U.S.C. Sec. 6301 et seq.) and federal regulations may be~~
2 ~~calculated over more than one annual administration of the tests~~
3 ~~administered pursuant to Section 60640 and the high school exit~~
4 ~~examination administered pursuant to Section 60851, consistent~~
5 ~~with regulations adopted by the state board.~~

6 ~~(f) Only schools with 100 or more test scores contributing to~~
7 ~~the API may be included in the API rankings.~~

8 ~~(g) The Superintendent, with the approval of the state board,~~
9 ~~shall develop an alternative accountability system for schools under~~
10 ~~the jurisdiction of a county board of education or a county~~
11 ~~superintendent of schools, community day schools, nonpublic,~~
12 ~~nonsectarian schools pursuant to Section 56366, and alternative~~
13 ~~schools serving high-risk pupils, including continuation high~~
14 ~~schools and opportunity schools. Schools in the alternative~~
15 ~~accountability system may receive an API score, but shall not be~~
16 ~~included in the API rankings.~~

17 ~~(h) For purposes of this section, county offices of education~~
18 ~~shall be considered school districts.~~

19 ~~SEC. 96. Section 52052.1 of the Education Code is amended~~
20 ~~to read:~~

21 ~~52052.1. (a) Beginning July 1, 2011, in addition to the test~~
22 ~~scores specified in subparagraph (B) of paragraph (4) of subdivision~~
23 ~~(a) of Section 52052, the Academic Performance Index (API) for~~
24 ~~a school or school district shall do all of the following:~~

25 ~~(1) Include the test scores and other accountability data of~~
26 ~~enrolled pupils who were referred by the school or school district~~
27 ~~of residence to an alternative education program, including~~
28 ~~community, community day, and continuation high schools and~~
29 ~~independent study, and be calculated by assigning all accountability~~
30 ~~data on pupils in alternative education programs, including~~
31 ~~community, community day, and continuation high schools and~~
32 ~~independent study, to the school and school district of residence~~
33 ~~to ensure that placement decisions are in the best interests of~~
34 ~~affected pupils. If a pupil is referred to an alternative education~~
35 ~~program by a juvenile court judge or other correctional or judicial~~
36 ~~official, or if the pupil is expelled pursuant to subdivision (a) or~~
37 ~~(c) of Section 48915, the test scores of that pupil shall remain with~~
38 ~~the alternative education program and with the school district or~~
39 ~~county office of education serving that pupil. This section does~~
40 ~~not prohibit the alternative education program from counting the~~

1 test scores of those pupils served in their alternative education
2 program. It is the intent of the Legislature that these alternative
3 education programs remain accountable to the pupils they serve.

4 (2) Exclude the test scores or other data of those pupils exempt
5 pursuant to federal statute or federal regulation.

6 (3) Include school and school district dropout rates for pupils
7 who drop out of school while enrolled in grade 8 or 9. If reliable
8 data is not available by July 1, 2011, the Superintendent, on or
9 before that date, shall report to the Legislature the reasons for the
10 delay and date he or she anticipates the specified dropout rates
11 will be included in the API.

12 (b) The advisory committee established pursuant to Section
13 52052.5 shall recommend to the Superintendent and the state board
14 all of the following:

15 (1) The length of time for which the accountability data on
16 pupils in alternative education programs shall be assigned to the
17 school and school district of residence pursuant to paragraph (1)
18 of subdivision (a).

19 (2) Whether it is appropriate to assign accountability data to the
20 school or the school district, pursuant to paragraph (1) of
21 subdivision (a), if the pupil never attended the school of residence
22 or has been absent for more than one year from the school district
23 of residence due to placement in another school or school district
24 or out of state.

25 (c) Before January 30, 2014, the advisory committee established
26 pursuant to Section 52052.5 shall review, and recommend to the
27 Superintendent and the state board any changes proposed for, the
28 assignment of accountability data to the school district of residence
29 pursuant to paragraph (1) of subdivision (a) based on the addition
30 of Sections 2574, 2575, 42238.02, and 42238.03, and Article 4.5
31 (commencing with Section 52060) by the act adding this
32 subdivision.

33 SEC. 97. Section 52052.2 of the Education Code is repealed.

34 SEC. 98. Section 52052.5 of the Education Code is amended
35 to read:

36 52052.5. (a) The Superintendent shall establish a broadly
37 representative and diverse advisory committee to advise the
38 Superintendent and the state board on all appropriate matters
39 relative to the creation of the Academic Performance Index.
40 Members of the advisory committee shall serve without

1 compensation for terms not to exceed two years. The department
2 shall provide staff to the advisory panel.

3 ~~(b) By July 1, 2005, the advisory committee established pursuant~~
4 ~~to this section shall make recommendations to the Superintendent~~
5 ~~on the appropriateness and feasibility of a methodology for~~
6 ~~generating a measurement of academic performance by using~~
7 ~~unique pupil identifiers for pupils in kindergarten and any of grades~~
8 ~~1 to 12, inclusive, and annual academic achievement growth to~~
9 ~~provide a more accurate measure of a school's growth over time.~~
10 ~~If appropriate and feasible, the Superintendent, with the approval~~
11 ~~of the state board, shall thereafter implement this measurement of~~
12 ~~academic performance.~~

13 ~~(c) By January 1, 2011, the Superintendent and the state board,~~
14 ~~in consultation with the advisory committee established pursuant~~
15 ~~to subdivision (a), shall make recommendations to the Legislature~~
16 ~~and the Governor on each of the following:~~

17 ~~(1) Approaches to increasing the emphasis of science and~~
18 ~~mathematics in the calculation of the Academic Performance Index~~
19 ~~or any successor measure.~~

20 ~~(2) Methods to incorporate into the Academic Performance~~
21 ~~Index, or into other aspects of the state's accountability system, a~~
22 ~~measure of the degree to which pupils graduate from high school~~
23 ~~with the skills and knowledge necessary to attain entry-level~~
24 ~~employment in business or industry, as set forth in subdivision (b)~~
25 ~~of Section 51228.~~

26 ~~(3) Methods to incorporate into the Academic Performance~~
27 ~~Index, or into other aspects of the state's accountability system, a~~
28 ~~measure of the degree to which pupils graduate from high school~~
29 ~~with the skills and knowledge necessary to succeed in~~
30 ~~postsecondary education.~~

31 ~~(d) By July 1, 2013, the Superintendent and the state board, in~~
32 ~~consultation with the advisory committee established pursuant to~~
33 ~~subdivision (a), shall make recommendations to the Legislature~~
34 ~~and the Governor on the establishment of a methodology for~~
35 ~~generating a measurement of group and individual academic~~
36 ~~performance growth by utilizing individual pupil results from a~~
37 ~~longitudinally valid achievement assessment system. These~~
38 ~~recommendations should also address any interactions between~~
39 ~~the Academic Performance Index, or any successor measure, and~~
40 ~~individual test scores from the state's tests, as well as implications~~

1 for the reauthorization of the state's assessment system. This
2 paragraph shall not be construed to supersede the provisions of
3 Chapter 273 of the Statutes of 2009.

4 SEC. 99. Article 3 (commencing with Section 52053) of
5 Chapter 601 of Part 28 of Division 4 of Title 2 of the Education
6 Code is repealed.

7 SEC. 100. Article 3.5 (commencing with Section 52055.600)
8 of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education
9 Code is repealed.

10 SEC. 101. Section 52055.750 of the Education Code is
11 amended to read:

12 52055.750. (a) A school district or chartering authority that
13 receives funding pursuant to this article shall agree to do all of the
14 following for each funded school within its jurisdiction:

15 (1) Comply with the program requirements of this article and
16 require that each funded schoolsite complete and meet the criteria
17 of an academic review process that includes the elements of the
18 school assistance and intervention team review process described
19 in Section 52055.51, as that section read on January 1, 2013.

20 (2) Ensure that funded schools meet the requirements of this
21 article.

22 (3) Ensure that each school administrator in a funded school is
23 confirmed to have exemplary qualifications and experience by the
24 end of the first full year of funding and in each year of funding
25 thereafter. Those qualifications shall include the ability to support
26 the success of all pupils by facilitating the development,
27 articulation, implementation, and stewardship of a vision of
28 learning that is shared and supported by the school community as
29 well as the ability to advocate, nurture, and sustain a school culture
30 and instructional program that is conducive to pupils learning and
31 staff professional growth. The school district or chartering authority
32 shall provide for high quality professional development for each
33 administrator through leadership training, coaching, and mentoring
34 and shall take all reasonable steps to maintain stable school
35 leadership in schools that receive funding pursuant to this article.
36 To the extent appropriate, the professional development shall be
37 similar in quality and rigor to that provided pursuant to the
38 Administrator Training Program under Article 4.6 (commencing
39 with Section 44510) of Chapter 3 of Part 25.

- 1 ~~(4) Provide all fiscal and evaluation data requested by the~~
2 ~~Superintendent for initial approval, annual reviews, and reports.~~
- 3 ~~(5) Comply with subdivisions (a) to (e), inclusive, of Section~~
4 ~~52055.630, as that section read on January 1, 2013, and in the same~~
5 ~~manner consult with the exclusive representative of classified~~
6 ~~employees.~~
- 7 ~~(6) Assist eligible schools in developing and carrying out a plan~~
8 ~~to implement the provisions of this article to ensure the school~~
9 ~~district's plan supports the work of the school.~~
- 10 ~~(7) Agree to focus on conditions that improve instruction and~~
11 ~~achievement in funded schools.~~
- 12 ~~(8) Express its full understanding that not meeting annual and~~
13 ~~final program and academic achievement requirements under this~~
14 ~~article will result in the termination of funding.~~
- 15 ~~(9) Ensure that the funds received on behalf of funded schools~~
16 ~~are expended on that school, except that during the first partial~~
17 ~~year of funding school districts may use funding under this article~~
18 ~~for facilities necessary to meet the class-size reduction requirements~~
19 ~~of this article, if all funds are spent on funded schools within the~~
20 ~~school district.~~
- 21 ~~(10) Use the uniform process recommended by the~~
22 ~~Superintendent pursuant to subdivision (d) of Section 52055.730~~
23 ~~to ensure that the average teaching experience of the classroom~~
24 ~~teachers in funded schools is equal to or greater than the average~~
25 ~~teaching experience of classroom teachers in the school district as~~
26 ~~a whole.~~
- 27 ~~(b) If not expressly prohibited by federal law, a school district~~
28 ~~or chartering authority on behalf of a funded school is exempt from~~
29 ~~requirements imposed on the use of state categorical or federal~~
30 ~~funds in the consolidated application, except those funds related~~
31 ~~to economic impact aid, if those funds are identified in the revised~~
32 ~~plan of Section 52055.755. Funded schools are exempt from all~~
33 ~~program requirements associated with funds in the consolidated~~
34 ~~application, except requirements regarding parent advisory~~
35 ~~committees, schoolsite councils, and special education. Funds~~
36 ~~provided under the economic aid program shall not be used to~~
37 ~~implement this program.~~
- 38 ~~(c) Each funded school shall ensure that each teacher in a~~
39 ~~subject-specific classroom or teaching covered subjects participates~~
40 ~~in professional development that is made available by the school~~

1 district or the schoolsite councils, is developed in a collaborative
2 process with interested parties, and is articulated in an improvement
3 plan. For purposes of this article, professional development
4 activities may include collaboration time for teachers to develop
5 new instructional lessons or analyze pupil data, mentoring projects
6 for new teachers, or extra support for teachers to improve practice.
7 At a minimum, appropriate professional development for the site
8 shall be part of a coherent plan that combines school activities
9 within the school, including, but not limited to, lesson study or
10 coteaching, and external learning opportunities that meet all of the
11 following criteria:

- 12 (1) ~~Are related to the academic subjects taught.~~
- 13 (2) ~~Provide time to meet and work with other teachers.~~
- 14 (3) ~~Support instruction and pupil learning to improve instruction~~
15 ~~in a manner that is consistent with academic content standards.~~
- 16 (4) ~~Include an average of 40 hours per teacher per year.~~
- 17 (d) ~~At a minimum, professional development in a self-contained~~
18 ~~classroom shall include content regarding mathematics, science,~~
19 ~~English language arts, reading, and English language development.~~
20 ~~Professional development for teachers teaching subject specific~~
21 ~~courses shall include the specific subject and English language~~
22 ~~development. To the extent appropriate the professional~~
23 ~~development shall be similar in quality and rigor to the training~~
24 ~~provided under the Mathematics and Reading Professional~~
25 ~~Development Program in Article 3 (commencing with Section~~
26 ~~99230) of Chapter 5 of Part 65 of Division 14 of Title 3.~~

27 (e) ~~On or before the end of the first three years of full funding,~~
28 ~~funded schools shall do the following:~~

- 29 (1) ~~Increase actual pupil attendance, as compared with monthly~~
30 ~~enrollment in the school.~~
- 31 (2) ~~For secondary schools, increase graduation rates as described~~
32 ~~in Section 52055.640.~~

33 ~~SEC. 102. Article 4 (commencing with Section 52056) of~~
34 ~~Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education~~
35 ~~Code is repealed.~~

36 ~~SEC. 103. Article 4.5 (commencing with Section 52060) is~~
37 ~~added to Chapter 6.1 of Part 28 of Division 4 of Title 2 of the~~
38 ~~Education Code, to read:~~

1 Article 4.5. Local Control and Accountability Plans

2
3 52060. (a) On or before July 1, 2014, the governing board of
4 each school district shall adopt a local control and accountability
5 plan using a template adopted by the state board.

6 (b) ~~A local control and accountability plan adopted by a~~
7 ~~governing board of a school district shall be effective for a period~~
8 ~~of three years, and shall be updated on or before July 1 of each~~
9 ~~year.~~

10 (c) ~~A local control and accountability plan adopted by a~~
11 ~~governing board of a school district shall include, for the school~~
12 ~~district and each school within the school district, a description of~~
13 ~~both of the following:~~

14 (1) ~~The annual goals, for all pupils and each subgroup of pupils~~
15 ~~identified pursuant to Section 52052, to be achieved for each of~~
16 ~~the state priorities identified in subdivision (d) and for any~~
17 ~~additional local priorities identified by the governing board of the~~
18 ~~school district. For purposes of this article, a subgroup of pupils~~
19 ~~identified pursuant to Section 52052 shall be a numerically~~
20 ~~significant pupil subgroup as specified in paragraphs (2) and (3)~~
21 ~~of subdivision (a) of Section 52052.~~

22 (2) ~~The specific actions the school district will take during each~~
23 ~~year of the local control and accountability plan to achieve the~~
24 ~~goals identified in paragraph (1), including the enumeration of any~~
25 ~~specific actions necessary for that year to correct any deficiencies~~
26 ~~in regard to the state priorities listed in paragraph (1) of subdivision~~
27 ~~(d).~~

28 (d) ~~All of the following are state priorities:~~

29 (1) ~~The degree to which the teachers of the school district are~~
30 ~~appropriately assigned in accordance with Section 44258.9, and~~
31 ~~fully credentialed in the subject areas, and, for the pupils they are~~
32 ~~teaching, every pupil in the school district has sufficient access to~~
33 ~~the standards-aligned instructional materials as determined pursuant~~
34 ~~to Section 60119, and school facilities are maintained in good~~
35 ~~repair as specified in subdivision (d) of Section 17002.~~

36 (2) ~~Implementation of the academic content and performance~~
37 ~~standards adopted by the state board, including how the programs~~
38 ~~and services will enable English learners to access the common~~
39 ~~core academic content standards adopted pursuant to Section~~
40 ~~60605.8 and the English language development standards adopted~~

- 1 pursuant to Section 60811.3 for purposes of gaining academic
2 content knowledge and English language proficiency.
- 3 ~~(3) Parental involvement, including efforts the school district~~
4 ~~makes to seek parent input in making decisions for the school~~
5 ~~district and each individual schoolsite, and including how the~~
6 ~~school district will promote parental participation in programs for~~
7 ~~unduplicated pupils and individuals with exceptional needs.~~
- 8 ~~(4) Pupil achievement, as measured by all of the following, as~~
9 ~~applicable:~~
- 10 ~~(A) Statewide assessments administered pursuant to Article 4~~
11 ~~(commencing with Section 60640) of Chapter 5 of Part 33 or any~~
12 ~~subsequent assessment, as certified by the state board.~~
- 13 ~~(B) The Academic Performance Index, as described in Section~~
14 ~~52052.~~
- 15 ~~(C) The percentage of pupils who have successfully completed~~
16 ~~courses that satisfy the requirements for entrance to the University~~
17 ~~of California and the California State University, or career technical~~
18 ~~education sequences or clusters of courses that satisfy the~~
19 ~~requirements of subdivision (a) of Section 52302, subdivision (a)~~
20 ~~of Section 52372.5, or paragraph (2) of subdivision (c) of Section~~
21 ~~54692, and align with state board-approved career technical~~
22 ~~education standards and frameworks.~~
- 23 ~~(D) The percentage of English learner pupils who make progress~~
24 ~~toward English proficiency as measured by the California English~~
25 ~~Language Development Test or any subsequent assessment of~~
26 ~~English proficiency, as certified by the state board.~~
- 27 ~~(E) The English learner reclassification rate.~~
- 28 ~~(F) The percentage of pupils who have passed an advanced~~
29 ~~placement examination with a score of 3 or higher.~~
- 30 ~~(G) The percentage of pupils who participate in, and demonstrate~~
31 ~~college preparedness pursuant to, the Early Assessment Program,~~
32 ~~as described in Chapter 6 (commencing with Section 99300) of~~
33 ~~Part 65 of Division 14 of Title 3, or any subsequent assessment of~~
34 ~~college preparedness.~~
- 35 ~~(5) Pupil engagement, as measured by all of the following, as~~
36 ~~applicable:~~
- 37 ~~(A) School attendance rates.~~
- 38 ~~(B) Chronic absenteeism rates.~~
- 39 ~~(C) Middle school dropout rates, as described in paragraph (3)~~
40 ~~of subdivision (a) of Section 52052.1.~~

- 1 ~~(D) High school dropout rates.~~
- 2 ~~(E) High school graduation rates.~~
- 3 ~~(6) School climate, as measured by all of the following, as~~
4 ~~applicable:~~
 - 5 ~~(A) Pupil suspension rates.~~
 - 6 ~~(B) Pupil expulsion rates.~~
 - 7 ~~(C) Other local measures, including surveys of pupils, parents,~~
8 ~~and teachers on the sense of safety and school connectedness.~~
- 9 ~~(7) The extent to which pupils have access to, and are enrolled~~
10 ~~in, a broad course of study that includes all of the subject areas~~
11 ~~described in Section 51210 and subdivisions (a) to (i), inclusive,~~
12 ~~of Section 51220, as applicable, including the programs and~~
13 ~~services developed and provided to unduplicated pupils and~~
14 ~~individuals with exceptional needs, and the program and services~~
15 ~~that are provided to benefit these pupils as a result of the funding~~
16 ~~received pursuant to Section 42238.02, as implemented by Section~~
17 ~~42238.03.~~
- 18 ~~(8) Pupil outcomes, if available, in the subject areas described~~
19 ~~in Section 51210 and subdivisions (a) to (i), inclusive, of Section~~
20 ~~51220, as applicable.~~
- 21 ~~(e) For purposes of the descriptions required by subdivision (c),~~
22 ~~a governing board of a school district may consider qualitative~~
23 ~~information, including, but not limited to, findings that result from~~
24 ~~school quality reviews conducted pursuant to subparagraph (J) or~~
25 ~~paragraph (4) of subdivision (a) of Section 52052 or any other~~
26 ~~reviews.~~
- 27 ~~(f) To the extent practicable, data reported in a local control and~~
28 ~~accountability plan shall be reported in a manner consistent with~~
29 ~~how information is reported on a school accountability report card.~~
- 30 ~~(g) A governing board of a school district shall consult with~~
31 ~~teachers, principals, administrators, other school personnel, parents,~~
32 ~~and pupils in developing a local control and accountability plan.~~
- 33 ~~(h) A school district may identify local priorities, goals in regard~~
34 ~~to the local priorities, and the method for measuring the school~~
35 ~~district's progress toward achieving those goals.~~
- 36 ~~52061. (a) On or before July 1, 2015, and each year thereafter,~~
37 ~~a school district shall update the local control and accountability~~
38 ~~plan. The annual update shall be developed using a template~~
39 ~~developed pursuant to Section 52064 and shall include all of the~~
40 ~~following:~~

1 ~~(1) A review of any changes in the applicability of the goals~~
2 ~~described in paragraph (1) of subdivision (c) of Section 52060.~~

3 ~~(2) A review of the progress toward the goals included in the~~
4 ~~existing local control and accountability plan, an assessment of~~
5 ~~the effectiveness of the specific actions described in the existing~~
6 ~~local control and accountability plan toward achieving the goals,~~
7 ~~and a description of changes to the specific actions the school~~
8 ~~district will make as a result of the review and assessment.~~

9 ~~(3) A listing and description of the expenditures for the fiscal~~
10 ~~year implementing the specific actions included in the local control~~
11 ~~and accountability plan as a result of the reviews and assessment~~
12 ~~required by paragraphs (1) and (2).~~

13 ~~(4) A listing and description of expenditures for the fiscal year~~
14 ~~that will serve the pupils to whom one or more of the definitions~~
15 ~~in Section 42238.01 apply and pupils redesignated as fluent English~~
16 ~~proficient.~~

17 ~~(b) The expenditures identified in subdivision (a) shall be~~
18 ~~classified using the California School Accounting Manual pursuant~~
19 ~~to Section 41010.~~

20 ~~52062. (a) Before the governing board of a school district~~
21 ~~considers the adoption of a local control and accountability plan~~
22 ~~or an annual update to the local control and accountability plan,~~
23 ~~all of the following shall occur:~~

24 ~~(1) The superintendent of the school district shall present the~~
25 ~~local control and accountability plan or annual update to the local~~
26 ~~control and accountability plan to the parent advisory committee~~
27 ~~established pursuant to Section 52063 for review and comment.~~
28 ~~The superintendent of the school district shall respond, in writing,~~
29 ~~to comments received from the parent advisory committee.~~

30 ~~(2) The superintendent of the school district shall present the~~
31 ~~local control and accountability plan or annual update to the local~~
32 ~~control and accountability plan to the English learner parent~~
33 ~~advisory committee established pursuant to Section 52063, if~~
34 ~~applicable, for review and comment. The superintendent of the~~
35 ~~school district shall respond, in writing, to comments received~~
36 ~~from the English learner parent advisory committee.~~

37 ~~(3) The superintendent of the school district shall notify~~
38 ~~members of the public of the opportunity to submit written~~
39 ~~comments regarding the specific actions and expenditures proposed~~
40 ~~to be included in the local control and accountability plan or annual~~

1 update to the local control and accountability plan, using the most
2 efficient method of notification possible. This paragraph shall not
3 require a school district to produce printed notices or to send
4 notices by mail.

5 (4) The superintendent of the school district shall review school
6 plans submitted pursuant to Section 64001 for schools within the
7 school district and ensure that the specific actions included in the
8 local control and accountability plan or annual update to the local
9 control and accountability plan are consistent with strategies
10 included in the school plans submitted pursuant to Section 64001.

11 (b) (1) A governing board of a school district shall hold at least
12 one public hearing to solicit the recommendations and comments
13 of members of the public regarding the specific actions and
14 expenditures proposed to be included in the local control and
15 accountability plan or annual update to the local control and
16 accountability plan. The agenda for the public hearing shall be
17 posted at least 72 hours before the public hearing and shall include
18 the location where the local control and accountability plan or
19 annual update to the local control and accountability plan will be
20 available for public inspection. The public hearing shall be held
21 at the same meeting as the public hearing required by paragraph
22 (1) of subdivision (a) of Section 42127.

23 (2) A governing board of a school district shall adopt a local
24 control and accountability plan or annual update to the local control
25 and accountability plan in a public meeting. This meeting shall be
26 held after, but not on the same day as, the public hearing held
27 pursuant to paragraph (1). This meeting shall be the same meeting
28 as that during which the governing board of the school district
29 adopts a budget pursuant to paragraph (2) of subdivision (a) of
30 Section 42127.

31 (c) A governing board of a school district may adopt revisions
32 to a local control and accountability plan during the period the
33 local control and accountability plan is in effect. A governing board
34 of a school district may only adopt a revision to a local control
35 and accountability plan if it follows the process to adopt a local
36 control and accountability plan pursuant to this section and the
37 revisions are adopted in a public meeting.

38 52063. (a) (1) The governing board of a school district shall
39 establish a parent advisory committee to provide advice to the

1 governing board of the school district and the superintendent of
2 the school district regarding the requirements of this article.

3 (2) A parent advisory committee shall include parents or legal
4 guardians of pupils to whom one or more of the definitions in
5 Section 42238.01 apply.

6 (3) This subdivision shall not require the governing board of
7 the school district to establish a new parent advisory committee if
8 the governing board of the school district already has established
9 a parent advisory committee that meets the requirements of this
10 subdivision, including any committee established to meet the
11 requirements of the federal No Child Left Behind Act of 2001
12 (Public Law 107-110) pursuant to Section 1112 of Subpart 1 of
13 Part A of Title I of that act.

14 (b) (1) The governing board of a school district shall establish
15 an English learner parent advisory committee if the enrollment of
16 the school district includes at least 15 percent English learners and
17 the school district enrolls at least 50 pupils who are English
18 learners.

19 (2) This subdivision shall not require the governing board of
20 the school district to establish a new English learner parent advisory
21 committee if the governing board of the school district already has
22 established a committee that meets the requirements of this
23 subdivision.

24 52064. (a) On or before March 31, 2014, the state board shall
25 adopt templates for the following purposes:

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

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

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

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

1 ~~(e) If possible, the templates identified in paragraph (2) of~~
2 ~~subdivision (a) for use by county superintendents of schools shall~~
3 ~~allow a county superintendent of schools to develop a single local~~
4 ~~control and accountability plan that would also satisfy the~~
5 ~~requirements of Section 48926.~~

6 ~~(d) The state board shall adopt the template pursuant to the~~
7 ~~requirements of the Administrative Procedure Act (Chapter 3.5~~
8 ~~(commencing with Section 11340) of Part 1 of Division 3 of Title~~
9 ~~2 of the Government Code). The state board may adopt emergency~~
10 ~~regulations for purposes of implementing this section.~~

11 ~~(e) Revisions to a template or evaluation rubric shall be approved~~
12 ~~by the state board by January 31 before the fiscal year during which~~
13 ~~the template or evaluation rubric is to be used by a school district,~~
14 ~~county superintendent of schools, or charter school.~~

15 ~~(f) The adoption of a template or evaluation rubric by the state~~
16 ~~board shall not create a requirement for a governing board of a~~
17 ~~school district, a county board of education, or a governing body~~
18 ~~of a charter school to submit a local control and accountability~~
19 ~~plan to the state board, unless otherwise required by federal law.~~
20 ~~The Superintendent shall not require a local control and~~
21 ~~accountability plan to be submitted by a governing board of a~~
22 ~~school district or the governing body of a charter school to the~~
23 ~~state board. The state board may adopt a template or evaluation~~
24 ~~rubric that would authorize a school district or a charter school to~~
25 ~~submit to the state board only the sections of the local control and~~
26 ~~accountability plan required by federal law.~~

27 ~~52064.5. (a) On or before October 1, 2015, the state board~~
28 ~~shall adopt evaluation rubrics for all of the following purposes:~~

29 ~~(1) To assist a school district, county office of education, or~~
30 ~~charter school in evaluating its strengths, weaknesses, and areas~~
31 ~~that require improvement.~~

32 ~~(2) To assist a county superintendent of schools in identifying~~
33 ~~school districts and charter schools in need of technical assistance~~
34 ~~pursuant to Section 52071 or 47607.3, as applicable, and the~~
35 ~~specific priorities upon which the technical assistance should be~~
36 ~~focused.~~

37 ~~(3) To assist the Superintendent in identifying school districts~~
38 ~~for which intervention pursuant to Section 52072 is warranted.~~

39 ~~(b) The evaluation rubrics shall reflect a holistic,~~
40 ~~multidimensional assessment of school district and individual~~

1 schoolsite performance and shall include all of the state priorities
2 described in subdivision (d) of Section 52060.

3 (e) As part of the evaluation rubrics, the state board shall adopt
4 standards for school district and individual schoolsite performance
5 and expectation for improvement in regard to each of the state
6 priorities described in subdivision (d) of Section 52060.

7 52065. (a) The superintendent of a school district shall post
8 on the Internet Web site of the school district any local control and
9 accountability plan approved by the governing board of the school
10 district, and any updates or revisions to a local control and
11 accountability plan approved by the governing board of the school
12 district.

13 (b) A county superintendent of schools shall do all of the
14 following:

15 (1) Post on the Internet Web site of the county office of
16 education any local control and accountability plan approved by
17 the county board of education, and any updates or revisions to a
18 local control and accountability plan approved by the county board
19 of education.

20 (2) Post all local control and accountability plans submitted by
21 school districts, or links to those plans, on the Internet Web site
22 of the county office of education.

23 (3) Transmit or otherwise make available to the Superintendent
24 all local control and accountability plans submitted to the county
25 superintendent of schools by school districts and the local control
26 and accountability plan approved by the county board of education.

27 (e) The Superintendent shall post links to all local control and
28 accountability plans approved by the governing boards of school
29 districts and county boards of education on the Internet Web site
30 of the department.

31 52066. (a) On or before July 1, 2014, each county
32 superintendent of schools shall develop, and present to the county
33 board of education for adoption, a local control and accountability
34 plan using a template adopted by the state board.

35 (b) A local control and accountability plan adopted by a county
36 board of education shall be effective for a period of three years,
37 and shall be updated on or before July 1 of each year.

38 (c) A local control and accountability plan adopted by a county
39 board of education shall include, for each school or program

1 operated by the county superintendent of schools, a description of
2 both of the following:

3 (1) ~~The annual goals, for all pupils and each subgroup of pupils~~
4 ~~identified pursuant to Section 52052, to be achieved for each of~~
5 ~~the state priorities identified in subdivision (d), as applicable to~~
6 ~~the pupils served, and for any additional local priorities identified~~
7 ~~by the county board of education.~~

8 (2) ~~The specific actions the county superintendent of schools~~
9 ~~will take during each year of the local control and accountability~~
10 ~~plan to achieve the goals identified in paragraph (1), including the~~
11 ~~enumeration of any specific actions necessary for that year to~~
12 ~~correct any deficiencies in regard to the state priorities listed in~~
13 ~~paragraph (1) of subdivision (d).~~

14 (d) ~~All of the following are state priorities:~~

15 (1) ~~The degree to which the teachers in the schools or programs~~
16 ~~operated by the county superintendent of schools are appropriately~~
17 ~~assigned in accordance with Section 44258.9 and fully credentialed~~
18 ~~in the subject areas, and, for the pupils they are teaching, every~~
19 ~~pupil in the schools or programs operated by the county~~
20 ~~superintendent of schools has sufficient access to the~~
21 ~~standards-aligned instructional materials as determined pursuant~~
22 ~~to Section 60119, and school facilities are maintained in good~~
23 ~~repair as specified in subdivision (d) of Section 17002.~~

24 (2) ~~Implementation of the academic content and performance~~
25 ~~standards adopted by the state board, including how the programs~~
26 ~~and services will enable English learners to access the common~~
27 ~~core academic content standards adopted pursuant to Section~~
28 ~~60605.8 and the English language development standards adopted~~
29 ~~pursuant to Section 60811.3 for purposes of gaining academic~~
30 ~~content knowledge and English language proficiency.~~

31 (3) ~~Parental involvement, including efforts the county~~
32 ~~superintendent of schools makes to seek parent input in making~~
33 ~~decisions for each individual schoolsite and program operated by~~
34 ~~a county superintendent of schools, and including how the county~~
35 ~~superintendent of schools will promote parental participation in~~
36 ~~programs for unduplicated pupils and individuals with exceptional~~
37 ~~needs.~~

38 (4) ~~Pupil achievement, as measured by all of the following, as~~
39 ~~applicable:~~

- 1 ~~(A) Statewide assessments administered pursuant to Article 4~~
2 ~~(commencing with Section 60640) of Chapter 5 of Part 33 or any~~
3 ~~subsequent assessment, as certified by the state board.~~
- 4 ~~(B) The Academic Performance Index, as described in Section~~
5 ~~52052.~~
- 6 ~~(C) The percentage of pupils who have successfully completed~~
7 ~~courses that satisfy the requirements for entrance to the University~~
8 ~~of California and the California State University, or career technical~~
9 ~~education sequences or clusters of courses that satisfy the~~
10 ~~requirements of subdivision (a) of Section 52302, subdivision (a)~~
11 ~~of Section 52372.5, or paragraph (2) of subdivision (e) of Section~~
12 ~~54692, and align with state board-approved career technical~~
13 ~~education standards and frameworks.~~
- 14 ~~(D) The percentage of English learner pupils who make progress~~
15 ~~toward English proficiency as measured by the California English~~
16 ~~Language Development Test or any subsequent assessment of~~
17 ~~English proficiency, as certified by the state board.~~
- 18 ~~(E) The English learner reclassification rate.~~
- 19 ~~(F) The percentage of pupils who have passed an advanced~~
20 ~~placement examination with a score of 3 or higher.~~
- 21 ~~(G) The percentage of pupils who participate in, and demonstrate~~
22 ~~college preparedness pursuant to, the Early Assessment Program,~~
23 ~~as described in Chapter 6 (commencing with Section 99300) of~~
24 ~~Part 65 of Division 14 of Title 3, or any subsequent assessment of~~
25 ~~college preparedness.~~
- 26 ~~(5) Pupil engagement, as measured by all of the following, as~~
27 ~~applicable:~~
- 28 ~~(A) School attendance rates.~~
- 29 ~~(B) Chronic absenteeism rates.~~
- 30 ~~(C) Middle school dropout rates, as described in paragraph (3)~~
31 ~~of subdivision (a) of Section 52052.1.~~
- 32 ~~(D) High school dropout rates.~~
- 33 ~~(E) High school graduation rates.~~
- 34 ~~(6) School climate, as measured by all of the following, as~~
35 ~~applicable:~~
- 36 ~~(A) Pupil suspension rates.~~
- 37 ~~(B) Pupil expulsion rates.~~
- 38 ~~(C) Other local measures, including surveys of pupils, parents,~~
39 ~~and teachers on the sense of safety and school connectedness.~~

1 ~~(7) The extent to which pupils have access to, and are enrolled~~
2 ~~in, a broad course of study that includes all of the subject areas~~
3 ~~described in Section 51210 and subdivisions (a) to (i), inclusive,~~
4 ~~of Section 51220, as applicable, including the programs and~~
5 ~~services developed and provided to unduplicated pupils and~~
6 ~~individuals with exceptional needs, and the program and services~~
7 ~~that are provided to benefit these pupils as a result of the funding~~
8 ~~received pursuant to Section 42238.02, as implemented by Section~~
9 ~~42238.03.~~

10 ~~(8) Pupil outcomes, if available, in the subject areas described~~
11 ~~in Section 51210 and subdivisions (a) to (i), inclusive, of Section~~
12 ~~51220, as applicable.~~

13 ~~(9) How the county superintendent of schools will coordinate~~
14 ~~instruction of expelled pupils pursuant to Section 48926.~~

15 ~~(10) How the county superintendent of schools will coordinate~~
16 ~~services for foster children, including, but not limited to, all of the~~
17 ~~following:~~

18 ~~(A) Working with the county child welfare agency to minimize~~
19 ~~changes in school placement.~~

20 ~~(B) Providing education-related information to the county child~~
21 ~~welfare agency to assist the county child welfare agency in the~~
22 ~~delivery of services to foster children, including, but not limited~~
23 ~~to, educational status and progress information that is required to~~
24 ~~be included in court reports.~~

25 ~~(C) Responding to requests from the juvenile court for~~
26 ~~information and working with the juvenile court to ensure the~~
27 ~~delivery and coordination of necessary educational services.~~

28 ~~(D) Establishing a mechanism for the efficient expeditious~~
29 ~~transfer of health and education records and the health and~~
30 ~~education passport.~~

31 ~~(e) For purposes of the descriptions required by subdivision (c),~~
32 ~~a county board of education may consider qualitative information,~~
33 ~~including, but not limited to, findings that result from school quality~~
34 ~~reviews conducted pursuant to subparagraph (J) or paragraph (4)~~
35 ~~of subdivision (a) of Section 52052 or any other reviews.~~

36 ~~(f) To the extent practicable, data reported in a local control and~~
37 ~~accountability plan shall be reported in a manner consistent with~~
38 ~~how information is reported on a school accountability report card.~~

1 ~~(g) The county superintendent of schools shall consult with~~
2 ~~teachers, principals, administrators, other school personnel, parents,~~
3 ~~and pupils in developing a local control and accountability plan.~~

4 ~~(h) A county board of education may identify local priorities,~~
5 ~~goals in regard to the local priorities, and the method for measuring~~
6 ~~the county office of education's progress toward achieving those~~
7 ~~goals.~~

8 ~~52067. (a) On or before July 1, 2015, and each year thereafter,~~
9 ~~a county board of education shall update the local control and~~
10 ~~accountability plan. The annual update shall be developed using~~
11 ~~a template developed pursuant to Section 52064 and shall include~~
12 ~~all of the following:~~

13 ~~(1) A review of any changes in the applicability of the goals~~
14 ~~described in paragraph (1) of subdivision (c) of Section 52066.~~

15 ~~(2) A review of the progress toward the goals included in the~~
16 ~~existing local control and accountability plan, an assessment of~~
17 ~~the effectiveness of the specific actions described in the existing~~
18 ~~local control and accountability plan toward achieving the goals,~~
19 ~~and a description of changes to the specific actions the county~~
20 ~~office of education will make as a result of the review and~~
21 ~~assessment.~~

22 ~~(3) A listing and description of the expenditures for the fiscal~~
23 ~~year implementing the specific actions included in the local control~~
24 ~~and accountability plan as a result of the reviews and assessment~~
25 ~~required by paragraphs (1) and (2).~~

26 ~~(4) A listing and description of expenditures for the fiscal year~~
27 ~~that will serve the pupils to whom one or more of the definitions~~
28 ~~in Section 42238.01 apply and pupils redesignated as fluent English~~
29 ~~proficient.~~

30 ~~(b) The expenditures identified in subdivision (a) shall be~~
31 ~~classified using the California School Accounting Manual pursuant~~
32 ~~to Section 41010.~~

33 ~~52068. (a) Before the county board of education considers the~~
34 ~~adoption of a local control and accountability plan or an annual~~
35 ~~update to the local control and accountability plan, all of the~~
36 ~~following shall occur:~~

37 ~~(1) The county superintendent of schools shall present the local~~
38 ~~control and accountability plan or annual update to the local control~~
39 ~~and accountability plan to a parent advisory committee established~~
40 ~~pursuant to Section 52069 for review and comment. The county~~

1 superintendent of schools shall respond, in writing, to comments
2 received from the parent advisory committee.

3 ~~(2) The county superintendent of schools shall present the local~~
4 ~~control and accountability plan or annual update to the local control~~
5 ~~and accountability plan to the English learner parent advisory~~
6 ~~committee established pursuant to Section 52069, if applicable,~~
7 ~~for review and comment. The county superintendent of schools~~
8 ~~shall respond, in writing, to comments received from the English~~
9 ~~learner parent advisory committee.~~

10 ~~(3) The county superintendent of schools shall notify members~~
11 ~~of the public of the opportunity to submit written comments~~
12 ~~regarding the specific actions and expenditures proposed to be~~
13 ~~included in the local control and accountability plan or annual~~
14 ~~update to the local control and accountability plan, using the most~~
15 ~~efficient method of notification possible. This paragraph shall not~~
16 ~~require a county superintendent of schools to produce printed~~
17 ~~notices or to send notices by mail.~~

18 ~~(4) The county superintendent of schools shall review school~~
19 ~~plans submitted pursuant to Section 64001 for schools operated~~
20 ~~by the county superintendent of schools and ensure that the specific~~
21 ~~actions included in the local control and accountability plan or~~
22 ~~annual update to the local control and accountability plan are~~
23 ~~consistent with strategies included in the school plans submitted~~
24 ~~pursuant to Section 64001.~~

25 ~~(b) (1) The county board of education shall hold at least one~~
26 ~~public hearing to solicit the recommendations and comments of~~
27 ~~members of the public regarding the specific actions and~~
28 ~~expenditures proposed to be included in the local control and~~
29 ~~accountability plan or annual update to the local control and~~
30 ~~accountability plan. The agenda for the public hearing shall be~~
31 ~~posted at least 72 hours before the public hearing and shall include~~
32 ~~the location where the local control and accountability plan or~~
33 ~~annual update to the local control and accountability plan, and any~~
34 ~~comments received pursuant to paragraphs (1) to (3), inclusive, of~~
35 ~~subdivision (a), will be available for public inspection. The public~~
36 ~~hearing shall be held at the same meeting as the public hearing~~
37 ~~required by Section 1620.~~

38 ~~(2) The county board of education shall adopt a local control~~
39 ~~and accountability plan or annual update to the local control and~~
40 ~~accountability plan in a public meeting. This meeting shall be held~~

1 after, but not on the same day as, the public hearing held pursuant
2 to paragraph (1). This meeting shall be the same meeting as that
3 during which the county board of education adopts a budget
4 pursuant to Section 1622.

5 (e) A county superintendent of schools may develop and present
6 to a county board of education for adoption revisions to a local
7 control and accountability plan during the period the local control
8 and accountability plan is in effect. The county board of education
9 may only adopt a revision to a local control and accountability
10 plan if it follows the process to adopt a local control and
11 accountability plan pursuant to this section and the revisions are
12 adopted in a public meeting.

13 52069. (a) (1) A county superintendent of schools shall
14 establish a parent advisory committee to provide advice to the
15 county board of education and the county superintendent of schools
16 regarding the requirements of this article.

17 (2) A parent advisory committee shall include parents or legal
18 guardians of pupils to whom one or more of the definitions in
19 Section 42238.01 apply.

20 (3) This subdivision shall not require the county superintendent
21 of schools to establish a new parent advisory committee if the
22 county superintendent of schools already has established a parent
23 advisory committee that meets the requirements of this subdivision,
24 including any committee established to meet the requirements of
25 the federal No Child Left Behind Act of 2001 (Public Law
26 107-110) pursuant to Section 1112 of Subpart 1 of Part A of Title
27 I of that act.

28 (b) (1) A county superintendent of schools shall establish an
29 English learner parent advisory committee if the enrollment of the
30 pupils in the schools and programs operated by the county
31 superintendent of schools includes at least 15 percent English
32 learners and the schools and programs operated by the county
33 superintendent of schools enroll at least 50 pupils who are English
34 learners.

35 (2) This subdivision shall not require the county superintendent
36 of schools to establish a new English learner parent advisory
37 committee if the county superintendent of schools already has
38 established a committee that meets the requirements of this
39 subdivision.

1 ~~52070. (a) Not later than five days after adoption of a local~~
2 ~~control and accountability plan or annual update to a local control~~
3 ~~and accountability plan, the governing board of a school district~~
4 ~~shall file the local control and accountability plan or annual update~~
5 ~~to the local control and accountability plan with the county~~
6 ~~superintendent of schools.~~

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

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

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

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

29 ~~(2) The budget for the applicable fiscal year adopted by the~~
30 ~~governing board of the school district includes expenditures~~
31 ~~sufficient to implement the specific actions and strategies included~~
32 ~~in the local control and accountability plan adopted by the~~
33 ~~governing board of the school district, based on the projections of~~
34 ~~the costs included in the plan.~~

35 ~~(e) If a county superintendent of schools has jurisdiction over~~
36 ~~a single school district, the Superintendent shall designate a county~~
37 ~~superintendent of schools of an adjoining county to perform the~~
38 ~~duties specified in this section.~~

39 ~~52070.5. (a) Not later than five days after adoption of a local~~
40 ~~control and accountability plan or annual update to a local control~~

1 and accountability plan, the county board of education shall file
2 the local control and accountability plan or annual update to the
3 local control and accountability plan with the Superintendent.

4 (b) On or before August 15 of each year, the Superintendent
5 may seek clarification, in writing, from the county board of
6 education about the contents of the local control and accountability
7 plan or annual update to the local control and accountability plan.
8 Within 15 days the county board of education shall respond, in
9 writing, to requests for clarification.

10 (c) Within 15 days of receiving the response from the county
11 board of education, the Superintendent may submit
12 recommendations, in writing, for amendments to the local control
13 and accountability plan or annual update to the local control and
14 accountability plan. The county board of education shall consider
15 the recommendations submitted by the Superintendent in a public
16 meeting within 15 days of receiving the recommendations.

17 (d) The Superintendent shall approve a local control and
18 accountability plan or annual update to a local control and
19 accountability plan on or before October 8, if he or she determines
20 both of the following:

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

24 (2) The budget for the applicable fiscal year adopted by the
25 county board of education includes expenditures sufficient to
26 implement the specific actions and strategies included in the local
27 control and accountability plan adopted by the county board of
28 education, based on the projections of the costs included in the
29 plan.

30 52071. (a) If a county superintendent of schools does not
31 approve a local control and accountability plan or annual update
32 to the local control and accountability plan approved by a
33 governing board of a school district, or if the governing board of
34 a school district requests technical assistance, the county
35 superintendent of schools shall provide technical assistance,
36 including, among other things, any of the following:

37 (1) Identification of the school district's strengths and
38 weaknesses in regard to the state priorities described in subdivision
39 (d) of Section 52060, communicated in writing to the school

1 district. This identification shall include a review of effective,
2 evidence-based programs that apply to the school district's goals.

3 (2) Assignment of an academic expert or team of academic
4 experts to assist the school district in identifying and implementing
5 effective programs that are designed to improve the outcomes for
6 all pupil subgroups identified pursuant to Section 52052. The
7 county superintendent of schools may also solicit another school
8 district within the county to act as a partner to the school district
9 in need of technical assistance.

10 (3) Request that the Superintendent assign the California
11 Collaborative for Educational Excellence to provide advice and
12 assistance to the school district.

13 (b) Using an evaluation rubric adopted by the state board
14 pursuant to Section 52064.5, the county superintendent of schools
15 shall provide the technical assistance described in subdivision (a)
16 to any school district that fails to improve pupil achievement across
17 more than one state priority described in subdivision (d) of Section
18 52060 for one or more pupil subgroup identified pursuant to
19 Section 52052.

20 (c) Technical assistance provided pursuant to this section at the
21 request of a school district shall be paid for by the school district
22 requesting the assistance.

23 52071.5. (a) If the Superintendent does not approve a local
24 control and accountability plan or annual update to the local control
25 and accountability plan approved by a county board of education,
26 or if the county board of education requests technical assistance,
27 the Superintendent shall provide technical assistance, including,
28 among other things, any of the following:

29 (1) Identification of the county board of education's strengths
30 and weaknesses in regard to the state priorities described in
31 subdivision (d) of Section 52066, communicated in writing to the
32 county board of education. This identification shall include a
33 review of effective, evidence-based programs that apply to the
34 board's goals.

35 (2) Assignment of an academic expert or team of academic
36 experts, or the California Collaborative for Educational Excellence
37 established pursuant to Section 52074, to assist the county board
38 of education in identifying and implementing effective programs
39 that are designed to improve the outcomes for all pupil subgroups
40 identified pursuant to Section 52052. The Superintendent may also

1 solicit another county office of education to act as a partner to the
2 county office of education in need of technical assistance.

3 ~~(b) Using an evaluation rubric adopted by the state board
4 pursuant to Section 52064.5, the Superintendent shall provide the
5 technical assistance described in subdivision (a) to any county
6 office of education that fails to improve pupil achievement in
7 regard to more than one state priority described in subdivision (d)
8 of Section 52066 for one or more pupil subgroups identified
9 pursuant to Section 52052.~~

10 ~~(e) Technical assistance provided pursuant to this section at the
11 request of a county board of education shall be paid for by the
12 county board of education receiving assistance.~~

13 ~~52072. (a) The Superintendent may, with the approval of the
14 state board, identify school districts in need of intervention.~~

15 ~~(b) The Superintendent shall only intervene in a school district
16 that meets both of the following criteria:~~

17 ~~(1) The school district did not improve the outcomes for three
18 or more pupil subgroups identified pursuant to Section 52052 or,
19 if the school district has less than three pupil subgroups, all of the
20 school district's pupil subgroups, in regard to more than one state
21 or local priority in three out of four consecutive school years.~~

22 ~~(2) The California Collaborative for Educational Excellence
23 has provided advice and assistance to the school district pursuant
24 to Section 52071 and submits either of the following findings to
25 the Superintendent:~~

26 ~~(A) That the school district has failed, or is unable, to implement
27 the recommendations of the California Collaborative for
28 Educational Excellence.~~

29 ~~(B) That the inadequate performance of the school district, based
30 upon an evaluation rubric adopted pursuant to Section 52064.5, is
31 either so persistent or acute as to require intervention by the
32 Superintendent.~~

33 ~~(c) For school districts identified pursuant to subdivision (a),
34 the Superintendent may, with the approval of the state board, do
35 one or more of the following:~~

36 ~~(1) Make changes to a local control and accountability plan
37 adopted by the governing board of the school district.~~

38 ~~(2) Develop and impose a budget revision, in conjunction with
39 revisions to the local control and accountability plan, that the
40 Superintendent determines would allow the school district to~~

1 improve the outcomes for all pupil subgroups identified pursuant
2 to Section 52052 in regard to state and local priorities:

3 ~~(3) Stay or rescind an action, if that action is not required by a
4 local collective bargaining agreement, that would prevent the
5 school district from improving outcomes for all pupil subgroups
6 identified pursuant to Section 52052 in regard to state or local
7 priorities.~~

8 ~~(4) Appoint an academic trustee to exercise the powers and
9 authority specified in this section on his or her behalf.~~

10 ~~(d) The Superintendent shall notify the county superintendent
11 of schools, the county board of education, the superintendent of
12 the school district, and the governing board of the school district
13 of any action by the state board to direct him or her to exercise
14 any of the powers and authorities specified in this section.~~

15 ~~52072.5. (a) The Superintendent may, with the approval of
16 the state board, identify county offices of education in need of
17 intervention.~~

18 ~~(b) The Superintendent shall only intervene in a county office
19 of education that meets both of the following criteria:~~

20 ~~(1) The county office of education did not improve the outcomes
21 for three or more pupil subgroups identified pursuant to Section
22 52052 or, if the county office of education has less than three pupil
23 subgroups, all of the county office of education's pupil subgroups,
24 in regard to more than one state or local priority in three out of
25 four consecutive school years.~~

26 ~~(2) The California Collaborative for Educational Excellence
27 has provided advice and assistance to the county office of education
28 pursuant to Section 52071.5 and submits either of the following
29 findings to the Superintendent:~~

30 ~~(A) That the county office of education has failed, or is unable,
31 to implement the recommendations of the California Collaborative
32 for Educational Excellence.~~

33 ~~(B) That the inadequate performance of the county office of
34 education, based upon an evaluation rubric adopted pursuant to
35 Section 52064.5, is either so persistent or acute as to require
36 intervention by the Superintendent.~~

37 ~~(e) For county offices of education identified pursuant to
38 subdivision (a), the Superintendent may, with the approval of the
39 state board, do one or more of the following:~~

- 1 ~~(1) Make changes to a local control and accountability plan~~
2 ~~adopted by the county board of education.~~
- 3 ~~(2) Develop and impose a budget revision, in conjunction with~~
4 ~~revisions to the local control and accountability plan, that the~~
5 ~~Superintendent determines would allow the county office of~~
6 ~~education to improve the outcomes for all pupil subgroups~~
7 ~~identified pursuant to Section 52052 in regard to state and local~~
8 ~~priorities.~~
- 9 ~~(3) Stay or rescind an action, if that action is not required by a~~
10 ~~local collective bargaining agreement, that would prevent the~~
11 ~~county office of education from improving outcomes for all pupil~~
12 ~~subgroups identified pursuant to Section 52052 in regard to state~~
13 ~~or local priorities.~~
- 14 ~~(4) Appoint an academic trustee to exercise the powers and~~
15 ~~authority specified in this section on his or her behalf.~~
- 16 ~~(d) The Superintendent shall notify the county board of~~
17 ~~education and the county superintendent of schools, in writing, of~~
18 ~~any action by the state board to direct him or her to exercise any~~
19 ~~of the powers and authorities specified in this section.~~
- 20 ~~52074. — (a) The California Collaborative for Educational~~
21 ~~Excellence is hereby established.~~
- 22 ~~(b) The purpose of the California Collaborative for Educational~~
23 ~~Excellence is to advise and assist school districts, county~~
24 ~~superintendents of schools, and charter schools in achieving the~~
25 ~~goals set forth in a local control and accountability plan adopted~~
26 ~~pursuant to this article.~~
- 27 ~~(e) The Superintendent shall, with the approval of the state~~
28 ~~board, contract with individuals, local educational agencies, or~~
29 ~~organizations with the expertise, experience, and a record of~~
30 ~~success to carry out the purposes of this article. The areas of~~
31 ~~expertise, experience, and record of success shall include, but are~~
32 ~~not limited to, all of the following:~~
- 33 ~~(1) State priorities as described in subdivision (d) of Section~~
34 ~~52060.~~
- 35 ~~(2) Improving the quality of teaching.~~
- 36 ~~(3) Improving the quality of school district and schoolsite~~
37 ~~leadership.~~
- 38 ~~(4) Successfully addressing the needs of special pupil~~
39 ~~populations, including, but not limited to, English learners, pupils~~

1 eligible to receive a free or reduced-price meal, pupils in foster
2 care, and individuals with exceptional needs.

3 ~~(d) The Superintendent may direct the California Collaborative~~
4 ~~for Educational Excellence to advise and assist a school district,~~
5 ~~county superintendent of schools, or charter school in any of the~~
6 ~~following circumstances:~~

7 ~~(1) If the governing board of a school district, county board of~~
8 ~~education, or governing body of a charter school requests the advice~~
9 ~~and assistance of the California Collaborative for Educational~~
10 ~~Excellence:~~

11 ~~(2) If the county superintendent of schools of the county in~~
12 ~~which the school district or charter school is located determines,~~
13 ~~following the provision of technical assistance pursuant to Section~~
14 ~~52071 or 47607.3 as applicable, that the advice and assistance of~~
15 ~~the California Collaborative for Educational Excellence is~~
16 ~~necessary to help the school district or charter school accomplish~~
17 ~~the goals described in the local control and accountability plan~~
18 ~~adopted pursuant to this article.~~

19 ~~(3) If the Superintendent determines that the advice and~~
20 ~~assistance of the California Collaborative for Educational~~
21 ~~Excellence is necessary to help the school district, county~~
22 ~~superintendent of schools, or charter school accomplish the goals~~
23 ~~set forth in the local control and accountability plan adopted~~
24 ~~pursuant to this article.~~

25 ~~52075. (a) A complaint that a school district, county~~
26 ~~superintendent of schools, or charter school has not complied with~~
27 ~~the requirements of this article or Sections 47606.5 and 47607.3,~~
28 ~~as applicable, may be filed with a school district, county~~
29 ~~superintendent of schools, or charter school pursuant to the~~
30 ~~Uniform Complaint Procedures set forth in Chapter 5.1~~
31 ~~(commencing with Section 4600) of Division 1 of Title 5 of the~~
32 ~~California Code of Regulations.~~

33 ~~(b) A complaint may be filed anonymously if the complaint~~
34 ~~provides evidence or information leading to evidence to support~~
35 ~~an allegation of noncompliance with the requirements of this~~
36 ~~article.~~

37 ~~(c) A complainant not satisfied with the decision of a school~~
38 ~~district, county superintendent of schools, or charter school may~~
39 ~~appeal the decision to the Superintendent and shall receive a written~~

1 appeal decision within 60 days of the Superintendent's receipt of
2 the appeal.

3 (d) If a school district, county superintendent of schools, or
4 charter school finds merit in a complaint, or the Superintendent
5 finds merit in an appeal, the school district, county superintendent
6 of schools, or charter school shall provide a remedy to all affected
7 pupils, parents, and guardians.

8 (e) Information regarding the requirements of this article shall
9 be included in the annual notification distributed to pupils, parents
10 and guardians, employees, and other interested parties pursuant to
11 Section 4622 of Title 5 of the California Code of Regulations or
12 any successor regulation.

13 (f) School districts, county superintendents of schools, and
14 charter schools shall establish local policies and procedures to
15 implement the provisions of this section on or before June 30,
16 2014.

17 52076. Notwithstanding any other law, this article shall not be
18 subject to waiver by the state board pursuant to Section 33050 or
19 by the Superintendent.

20 52077. If any activities authorized pursuant to this article and
21 implementing regulations are found to be a state reimbursable
22 mandate pursuant to Section 6 of Article XIII B of the California
23 Constitution, funding provided for school districts and county
24 offices of education pursuant to Sections 2574, 2575, 42238.02,
25 and 42238.03 shall be used to directly offset any mandated costs.

26 SEC. 104. Section 56365 of the Education Code is amended
27 to read:

28 56365. (a) Services provided by nonpublic, nonsectarian
29 schools, as defined pursuant to Section 56034, and nonpublic,
30 nonsectarian agencies, as defined pursuant to Section 56035, shall
31 be made available. These services shall be provided pursuant to
32 Section 56366, and in accordance with Section 300.146 of Title
33 34 of the Code of Federal Regulations, under contract with the
34 local educational agency to provide the appropriate special
35 educational facilities, special education, or designated instruction
36 and services required by the individual with exceptional needs if
37 no appropriate public education program is available.

38 (b) Pupils enrolled in nonpublic, nonsectarian schools and
39 agencies under this section shall be deemed to be enrolled in public
40 schools for all purposes of Chapter 4 (commencing with Section

1 41600) of Part 24 of Division 3 and Section 42238.02. The local
2 educational agency shall be eligible to receive allowances under
3 Articles 3 (commencing with Section 56836.165) and 4
4 (commencing with Section 56836.20) of Chapter 7.2 for services
5 that are provided to individuals with exceptional needs pursuant
6 to the contract.

7 (e) If the state participates in the federal program of assistance
8 for state-operated or state-supported programs for individuals with
9 exceptional needs (Public Law 89-313, Sec. 6), pupils enrolled in
10 nonpublic, nonsectarian schools shall be deemed to be enrolled in
11 state-supported institutions for all purposes of that program and
12 shall be eligible to receive allowances under Chapter 7.2
13 (commencing with Section 56836) for supplemental services
14 provided to individuals with exceptional needs pursuant to a
15 contract with a local educational agency. In order to participate in
16 the federal program, the state shall find that participation will not
17 result in any additional expenditures from the General Fund.

18 (d) The local educational agency shall pay to the nonpublic,
19 nonsectarian school or agency the full amount of the tuition for
20 individuals with exceptional needs that are enrolled in programs
21 provided by the nonpublic, nonsectarian school pursuant to the
22 contract.

23 (e) Before contracting with a nonpublic, nonsectarian school or
24 agency outside of this state, the local educational agency shall
25 document its efforts to utilize public schools or to locate an
26 appropriate nonpublic, nonsectarian school or agency program, or
27 both, within the state.

28 (f) If a local educational agency places a pupil with a nonpublic,
29 nonsectarian school or agency outside of this state, the pupil's
30 individualized education program team shall submit a report to
31 the Superintendent within 15 days of the placement decision. The
32 report shall include information about the special education and
33 related services provided by the out-of-state program placement
34 and the costs of the special education and related services provided,
35 and shall indicate the efforts of the local educational agency to
36 locate an appropriate public school or nonpublic, nonsectarian
37 school or agency, or a combination thereof, within the state. The
38 Superintendent shall submit a report to the board on all placements
39 made outside of this state.

1 ~~(g) If a local educational agency decides to place a pupil with~~
2 ~~a nonpublic, nonsectarian school or agency outside of this state,~~
3 ~~that local educational agency shall indicate the anticipated date~~
4 ~~for the return of the pupil to a public or nonpublic, nonsectarian~~
5 ~~school or agency placement, or a combination thereof, located in~~
6 ~~the state and shall document efforts during the previous placement~~
7 ~~year to return the pupil.~~

8 ~~(h) In addition to meeting the requirements of Section 56366.1,~~
9 ~~a nonpublic, nonsectarian school or agency that operates a program~~
10 ~~outside of this state shall be certified or licensed by that state to~~
11 ~~provide, respectively, special education and related services and~~
12 ~~designated instruction and related services to pupils under the~~
13 ~~federal Individuals with Disabilities Education Act (20 U.S.C. Sec.~~
14 ~~1400 et seq.).~~

15 ~~(i) A nonpublic, nonsectarian school or agency that is located~~
16 ~~outside of this state is eligible for certification pursuant to Section~~
17 ~~56366.1 only if a pupil is enrolled in a program operated by that~~
18 ~~school or agency pursuant to the recommendation of an~~
19 ~~individualized education program team in California, and if that~~
20 ~~pupil's parents or guardians reside in California.~~

21 ~~(j) In accordance with Section 300.147(b) and (c) of Title 34 of~~
22 ~~the Code of Federal Regulations, the department shall disseminate~~
23 ~~copies of applicable standards to each nonpublic, nonsectarian~~
24 ~~school and nonpublic, nonsectarian agency to which a local~~
25 ~~educational agency has referred or placed an individual with~~
26 ~~exceptional needs and shall provide an opportunity for those~~
27 ~~nonpublic, nonsectarian schools and nonpublic, nonsectarian~~
28 ~~agencies to participate in the development and revision of state~~
29 ~~standards that apply to those entities.~~

30 ~~SEC. 105.— Section 56366.1 of the Education Code is amended~~
31 ~~to read:~~

32 ~~56366.1. (a) A nonpublic, nonsectarian school or agency that~~
33 ~~seeks certification shall file an application with the Superintendent~~
34 ~~on forms provided by the department and include the following~~
35 ~~information on the application:~~

36 ~~(1) A description of the special education and designated~~
37 ~~instruction and services provided to individuals with exceptional~~
38 ~~needs if the application is for nonpublic, nonsectarian school~~
39 ~~certification.~~

1 ~~(2) A description of the designated instruction and services~~
2 ~~provided to individuals with exceptional needs if the application~~
3 ~~is for nonpublic, nonsectarian agency certification.~~

4 ~~(3) A list of appropriately qualified staff, a description of the~~
5 ~~credential, license, or registration that qualifies each staff member~~
6 ~~rendering special education or designated instruction and services~~
7 ~~to do so, and copies of their credentials, licenses, or certificates of~~
8 ~~registration with the appropriate state or national organization that~~
9 ~~has established standards for the service rendered.~~

10 ~~(4) An annual operating budget.~~

11 ~~(5) Affidavits and assurances necessary to comply with all~~
12 ~~applicable federal, state, and local laws and regulations that include~~
13 ~~criminal record summaries required of all nonpublic, nonsectarian~~
14 ~~school or agency personnel having contact with minor children~~
15 ~~under Section 44237.~~

16 ~~(b) (1) The applicant shall provide the special education local~~
17 ~~plan area in which the applicant is located with the written~~
18 ~~notification of its intent to seek certification or renewal of its~~
19 ~~certification. The applicant shall submit on a form, developed by~~
20 ~~the department, a signed verification by local educational agency~~
21 ~~representatives that they have been notified of the intent to certify~~
22 ~~or renew certification. The verification shall include a statement~~
23 ~~that representatives of the local educational agency for the area in~~
24 ~~which the applicant is located have had the opportunity to review~~
25 ~~the application at least 60 calendar days prior to submission of an~~
26 ~~initial application to the Superintendent, or at least 30 calendar~~
27 ~~days prior to submission of a renewal application to the~~
28 ~~Superintendent. The signed verification shall provide assurances~~
29 ~~that local educational agency representatives have had the~~
30 ~~opportunity to provide input on all required components of the~~
31 ~~application.~~

32 ~~(2) If the applicant has not received a response from the local~~
33 ~~educational agency 60 calendar days from the date of the return~~
34 ~~receipt for initial applications or 30 calendar days from the date~~
35 ~~of the return receipt for renewal applications, the applicant may~~
36 ~~file the application with the Superintendent. A copy of the return~~
37 ~~receipt shall be included with the application as verification of~~
38 ~~notification efforts to the local educational agency.~~

1 ~~(3) The department shall mail renewal application materials to~~
2 ~~certified nonpublic, nonsectarian schools and agencies at least 120~~
3 ~~days before the date their current certification expires.~~

4 ~~(e) If the applicant operates a facility or program on more than~~
5 ~~one site, each site shall be certified.~~

6 ~~(d) If the applicant is part of a larger program or facility on the~~
7 ~~same site, the Superintendent shall consider the effect of the total~~
8 ~~program on the applicant. A copy of the policies and standards for~~
9 ~~the nonpublic, nonsectarian school or agency and the larger~~
10 ~~program shall be available to the Superintendent.~~

11 ~~(e) Before certification, the Superintendent shall conduct an~~
12 ~~onsite review of the facility and program for which the applicant~~
13 ~~seeks certification. The Superintendent may be assisted by~~
14 ~~representatives of the special education local plan area in which~~
15 ~~the applicant is located and a nonpublic, nonsectarian school or~~
16 ~~agency representative who does not have a conflict of interest with~~
17 ~~the applicant. The Superintendent shall conduct an additional onsite~~
18 ~~review of the facility and program within three years of the~~
19 ~~effective date of the certification, unless the Superintendent~~
20 ~~conditionally certifies the school or agency or unless the~~
21 ~~Superintendent receives a formal complaint against the school or~~
22 ~~agency. In the latter two cases, the Superintendent shall conduct~~
23 ~~an onsite review at least annually.~~

24 ~~(f) The Superintendent shall make a determination on an~~
25 ~~application within 120 days of receipt of the application and shall~~
26 ~~certify, conditionally certify, or deny certification to the applicant.~~
27 ~~If the Superintendent fails to take one of these actions within 120~~
28 ~~days, the applicant is automatically granted conditional certification~~
29 ~~for a period terminating on August 31 of the current school year.~~
30 ~~If certification is denied, the Superintendent shall provide reasons~~
31 ~~for the denial. The Superintendent may certify the school or agency~~
32 ~~for a period of not longer than one year.~~

33 ~~(g) Certification becomes effective on the date the nonpublic,~~
34 ~~nonsectarian school or agency meets all the application~~
35 ~~requirements and is approved by the Superintendent. Certification~~
36 ~~may be retroactive if the school or agency met all the requirements~~
37 ~~of this section on the date the retroactive certification is effective.~~
38 ~~Certification expires on December 31 of the terminating year.~~

39 ~~(h) The Superintendent annually shall review the certification~~
40 ~~of each nonpublic, nonsectarian school and agency. For this~~

1 ~~purpose, a certified school or agency annually shall update its~~
2 ~~application between August 1 and October 31, unless the board~~
3 ~~grants a waiver pursuant to Section 56101. The Superintendent~~
4 ~~may conduct an onsite review as part of the annual review.~~

5 ~~(i) (1) The Superintendent shall conduct an investigation of a~~
6 ~~nonpublic, nonsectarian school or agency onsite at any time without~~
7 ~~prior notice if there is substantial reason to believe that there is an~~
8 ~~immediate danger to the health, safety, or welfare of a child. The~~
9 ~~Superintendent shall document the concern and submit it to the~~
10 ~~nonpublic, nonsectarian school or agency at the time of the onsite~~
11 ~~investigation. The Superintendent shall require a written response~~
12 ~~to any noncompliance or deficiency found.~~

13 ~~(2) With respect to a nonpublic, nonsectarian school, the~~
14 ~~Superintendent shall conduct an investigation, which may include~~
15 ~~an unannounced onsite visit, if the Superintendent receives~~
16 ~~evidence of a significant deficiency in the quality of educational~~
17 ~~services provided, a violation of Section 56366.9, or~~
18 ~~noncompliance with the policies expressed by subdivision (b) of~~
19 ~~Section 1501 of the Health and Safety Code by the nonpublic,~~
20 ~~nonsectarian school. The Superintendent shall document the~~
21 ~~complaint and the results of the investigation and shall provide~~
22 ~~copies of the documentation to the complainant, the nonpublic,~~
23 ~~nonsectarian school, and the contracting local educational agency.~~

24 ~~(3) Violations or noncompliance documented pursuant to~~
25 ~~paragraph (1) or (2) shall be reflected in the status of the~~
26 ~~certification of the school, at the discretion of the Superintendent,~~
27 ~~pending an approved plan of correction by the nonpublic,~~
28 ~~nonsectarian school. The department shall retain for a period of~~
29 ~~10 years all violations pertaining to certification of the nonpublic,~~
30 ~~nonsectarian school or agency.~~

31 ~~(j) The Superintendent shall monitor the facilities, the~~
32 ~~educational environment, and the quality of the educational~~
33 ~~program, including the teaching staff, the credentials authorizing~~
34 ~~service, the standards-based core curriculum being employed, and~~
35 ~~the standard-focused instructional materials used, of an existing~~
36 ~~certified nonpublic, nonsectarian school or agency on a three-year~~
37 ~~cycle, as follows:~~

38 ~~(1) The nonpublic, nonsectarian school or agency shall complete~~
39 ~~a self-review in year one.~~

1 ~~(2) The Superintendent shall conduct an onsite review of the~~
2 ~~nonpublic, nonsectarian school or agency in year two.~~

3 ~~(3) The Superintendent shall conduct a followup visit to the~~
4 ~~nonpublic, nonsectarian school or agency in year three.~~

5 ~~(k) (1) Notwithstanding any other law, the Superintendent shall~~
6 ~~not certify a nonpublic, nonsectarian school or agency that proposes~~
7 ~~to initiate or expand services to pupils currently educated in the~~
8 ~~immediate prior fiscal year in a juvenile court program, community~~
9 ~~school pursuant to Section 56150, or other nonspecial education~~
10 ~~program, including independent study or adult school, or both,~~
11 ~~unless the nonpublic, nonsectarian school or agency notifies the~~
12 ~~county superintendent of schools and the special education local~~
13 ~~plan area in which the proposed new or expanded nonpublic,~~
14 ~~nonsectarian school or agency is located of its intent to seek~~
15 ~~certification.~~

16 ~~(2) The notification shall occur no later than the December 1~~
17 ~~before the new fiscal year in which the proposed or expanding~~
18 ~~school or agency intends to initiate services. The notice shall~~
19 ~~include the following:~~

20 ~~(A) The specific date upon which the proposed nonpublic,~~
21 ~~nonsectarian school or agency is to be established.~~

22 ~~(B) The location of the proposed program or facility.~~

23 ~~(C) The number of pupils proposed for services, the number of~~
24 ~~pupils currently served in the juvenile court, community school,~~
25 ~~or other nonspecial education program, the current school services~~
26 ~~including special education and related services provided for these~~
27 ~~pupils, and the specific program of special education and related~~
28 ~~services to be provided under the proposed program.~~

29 ~~(D) The reason for the proposed change in services.~~

30 ~~(E) The number of staff who will provide special education and~~
31 ~~designated instruction and services and hold a current valid~~
32 ~~California credential or license in the service rendered.~~

33 ~~(3) In addition to the requirements in subdivisions (a) to (f),~~
34 ~~inclusive, the Superintendent shall require and consider the~~
35 ~~following in determining whether to certify a nonpublic,~~
36 ~~nonsectarian school or agency as described in this subdivision:~~

37 ~~(A) A complete statement of the information required as part~~
38 ~~of the notice under paragraph (1).~~

39 ~~(B) Documentation of the steps taken in preparation for the~~
40 ~~conversion to a nonpublic, nonsectarian school or agency, including~~

1 information related to changes in the population to be served and
2 the services to be provided pursuant to each pupil's individualized
3 education program:

4 ~~(4) Notwithstanding any other law, the certification becomes~~
5 ~~effective no earlier than July 1 if the school or agency provided~~
6 ~~the notification required pursuant to paragraph (1).~~

7 ~~(l) (1) Notwithstanding any other law, the Superintendent shall~~
8 ~~not certify or renew the certification of a nonpublic, nonsectarian~~
9 ~~school or agency, unless all of the following conditions are met:~~

10 ~~(A) The entity operating the nonpublic, nonsectarian school or~~
11 ~~agency maintains separate financial records for each entity that it~~
12 ~~operates, with each nonpublic, nonsectarian school or agency~~
13 ~~identified separately from any licensed children's institution that~~
14 ~~it operates.~~

15 ~~(B) The entity submits an annual budget that identifies the~~
16 ~~projected costs and revenues for each entity and demonstrates that~~
17 ~~the rates to be charged are reasonable to support the operation of~~
18 ~~the entity.~~

19 ~~(C) The entity submits an entitywide annual audit that identifies~~
20 ~~its costs and revenues, by entity, in accordance with generally~~
21 ~~accepted accounting and auditing principles. The audit shall clearly~~
22 ~~document the amount of moneys received and expended on the~~
23 ~~education program provided by the nonpublic, nonsectarian school.~~

24 ~~(D) The relationship between various entities operated by the~~
25 ~~same entity are documented, defining the responsibilities of the~~
26 ~~entities. The documentation shall clearly identify the services to~~
27 ~~be provided as part of each program, for example, the residential~~
28 ~~or medical program, the mental health program, or the educational~~
29 ~~program. The entity shall not seek funding from a public agency~~
30 ~~for a service, either separately or as part of a package of services,~~
31 ~~if the service is funded by another public agency, either separately~~
32 ~~or as part of a package of services.~~

33 ~~(2) For purposes of this section, "licensed children's institution"~~
34 ~~has the same meaning as it is defined by Section 56155.5.~~

35 ~~(m) The school or agency shall be charged a reasonable fee for~~
36 ~~certification. The Superintendent may adjust the fee annually~~
37 ~~commensurate with the statewide average percentage inflation~~
38 ~~adjustment computed for local control funding formula allocations~~
39 ~~pursuant to Section 42238.02, as implemented by Section 42238.03,~~
40 ~~of unified school districts with greater than 1,500 units of average~~

1 daily attendance if the percentage increase is reflected in the school
2 district local control funding formula allocation pursuant to Section
3 42238.02, as implemented by Section 42238.03, for inflation
4 purposes. For purposes of this section, the base fee shall be the
5 following:

6		
7	(1) 1-5 pupils	\$-300
8	(2) 6-10 pupils	500
9	(3) 11-24 pupils	1,000
10	(4) 25-75 pupils	1,500
11	(5) 76 pupils and over	2,000
12		

13 The school or agency shall pay this fee when it applies for
14 certification and when it updates its application for annual renewal
15 by the Superintendent. The Superintendent shall use these fees to
16 conduct onsite reviews, which may include field experts. No fee
17 shall be refunded if the application is withdrawn or is denied by
18 the Superintendent.

19 ~~(n) (1) Notwithstanding any other law, only those nonpublic,
20 nonsectarian schools and agencies that provide special education
21 and designated instruction and services utilizing staff who hold a
22 certificate, permit, or other document equivalent to that which staff
23 in a public school are required to hold in the service rendered are
24 eligible to receive certification. Only those nonpublic, nonsectarian
25 schools or agencies located outside of California that employ staff
26 who hold a current valid credential or license to render special
27 education and related services as required by that state shall be
28 eligible to be certified.~~

29 ~~(2) The board shall develop regulations to implement this
30 subdivision.~~

31 ~~(o) In addition to meeting the standards adopted by the board,
32 a nonpublic, nonsectarian school or agency shall provide written
33 assurances that it meets all applicable standards relating to fire,
34 health, sanitation, and building safety.~~

35 SEC. 106. Section 56836.21 of the Education Code is amended
36 to read:

37 56836.21. (a) The department shall administer an extraordinary
38 cost pool to protect special education local plan areas from the
39 extraordinary costs associated with single placements as described
40 in subdivision (d). Funds shall be appropriated for this purpose in

1 the annual Budget Act. Special education local plan areas shall be
2 eligible for reimbursement from this pool in accordance with this
3 section.

4 (b) The threshold amount for claims under this section shall be
5 the lesser of the following:

6 (1) One percent of the allocation calculated pursuant to Section
7 56836.08 for the special education local plan area for the current
8 fiscal year for any special education local plan area that meets the
9 criteria in Section 56212.

10 (2) The department shall calculate the average cost of a
11 nonpublic, nonsectarian school placement in the 1997–98 fiscal
12 year. This amount shall be multiplied by 2.5, then by one plus the
13 inflation factor computed pursuant to Section 42238.1, as that
14 section read on January 1, 2013, to obtain the alternative threshold
15 amount for claims in the 1998–99 fiscal year. In subsequent fiscal
16 years, the alternative threshold amount shall be the alternative
17 threshold amount for the prior fiscal year multiplied by one plus
18 the inflation factor computed pursuant to Section 42238.1, as that
19 section read on January 1, 2013, through the 2012–13 fiscal year
20 and, commencing with the 2013–14 fiscal year, paragraph (2) of
21 subdivision (d) of Section 42238.02.

22 (c) Special education local plan areas are eligible to submit
23 claims for costs exceeding the threshold amount on forms
24 developed by the department. All claims for a fiscal year shall be
25 submitted by November 30 following the close of the fiscal year.
26 If the total amount claimed by special education local plan areas
27 exceeds the amount appropriated, the claims shall be prorated.

28 (d) Special education local plan areas are eligible to submit
29 claims for the costs of nonpublic, nonsectarian school placements
30 in excess of those in existence in the 1997–98 fiscal year and of
31 special education and related services for pupils who reside in
32 licensed children’s institutions.

33 SEC. 107. Section 56836.24 of the Education Code is amended
34 to read:

35 56836.24. Commencing with the 1998–99 fiscal year and each
36 year thereafter, the Superintendent shall make the following
37 computations to determine the amount of funding for the purposes
38 specified in Section 56836.23 to apportion to each special education
39 local plan area for the fiscal year in which the computation is made:

1 ~~(a) For the 1998–99 fiscal year the superintendent shall make~~
2 ~~the following computations:~~

3 ~~(1) Multiply the total amount of state General Fund money~~
4 ~~allocated to the special education local plan areas in the 1997–98~~
5 ~~fiscal year, for the purposes of Article 9 (commencing with Section~~
6 ~~56780) of Chapter 7, as that chapter existed on December 31, 1998,~~
7 ~~by one plus the inflation factor computed pursuant to subdivision~~
8 ~~(b) of Section 42238.1, as that section read on January 1, 2013,~~
9 ~~for the 1998–99 fiscal year.~~

10 ~~(2) Divide the amount calculated in paragraph (1) by the units~~
11 ~~of average daily attendance, exclusive of average daily attendance~~
12 ~~for absences excused pursuant to subdivision (b) of Section 46010~~
13 ~~as that subdivision read on July 1, 1997, reported for the special~~
14 ~~education local plan area for the 1997–98 fiscal year.~~

15 ~~(3) To determine the amount to be allocated to each special~~
16 ~~education local plan area in the 1998–99 fiscal year, the~~
17 ~~superintendent shall multiply the amount computed in paragraph~~
18 ~~(2) by the number of units of average daily attendance reported~~
19 ~~for the special education local plan area for the 1998–99 fiscal~~
20 ~~year, except that a special education local plan area designated as~~
21 ~~a necessary small special education local plan area in accordance~~
22 ~~with Section 56212 and reporting fewer than 15,000 units of~~
23 ~~average daily attendance for the 1998–99 fiscal year shall be~~
24 ~~deemed to have 15,000 units of average daily attendance, and no~~
25 ~~special education local plan area shall receive less than it received~~
26 ~~in the 1997–98 fiscal year.~~

27 ~~(b) For the 1999–2000 fiscal year and each fiscal year thereafter,~~
28 ~~the Superintendent shall make the following calculations:~~

29 ~~(1) Multiply the amount determined in paragraph (2) of~~
30 ~~subdivision (a) by one plus the inflation factor computed pursuant~~
31 ~~to subdivision (b) of Section 42238.1, as that section read on~~
32 ~~January 1, 2013, and commencing with the 2013–14 fiscal year,~~
33 ~~paragraph (2) of subdivision (d) of Section 42238.02 for the current~~
34 ~~fiscal year.~~

35 ~~(2) Multiply the amount determined in paragraph (1) by the~~
36 ~~number of units of average daily attendance reported for the special~~
37 ~~education local plan area for the current fiscal year, except that a~~
38 ~~special education local plan area designated as a necessary small~~
39 ~~special education local plan area in accordance with Section 56212~~
40 ~~and reporting fewer than 15,000 units of average daily attendance~~

1 for the current fiscal year shall be deemed to have 15,000 units of
2 average daily attendance.

3 SEC. 108. Section 7906 of the Government Code is amended
4 to read:

5 7906. For school districts:

6 (a) “ADA” means a school district’s second principal
7 apportionment units of average daily attendance as determined
8 pursuant to Section 42238.5 of the Education Code, including
9 average daily attendance in summer school, regional occupational
10 centers and programs, and apprenticeship programs, and excluding
11 average daily attendance in adult education programs. All other
12 units of average daily attendance including, but not limited to,
13 special day classes for special education pupils, shall be included.

14 (1) For purposes of this subdivision, the average daily attendance
15 of apprenticeship programs shall be determined pursuant to Section
16 79149.1 of the Education Code.

17 (2) For the 2008–09 fiscal year and each fiscal year thereafter,
18 the average daily attendance of public school districts, including
19 county superintendents of schools, serving kindergarten and grades
20 1 to 12, inclusive, or any part thereof, shall include the same
21 amount of average daily attendance for classes for supplemental
22 instruction and regional occupational centers and programs that
23 was used for purposes of this section for the 2007–08 fiscal year.

24 (b) “Foundation program level” means:

25 (1) For the 1978–79 fiscal year, one thousand two hundred
26 forty-one dollars (\$1,241) for elementary school districts, one
27 thousand three hundred twenty-two dollars (\$1,322) for unified
28 school districts, and one thousand four hundred twenty-seven
29 dollars (\$1,427) for high school districts.

30 (2) For the 1979–80 fiscal year to the 1986–87 fiscal year,
31 inclusive, the levels specified in paragraph (1) increased by the
32 lesser of the change in cost of living or California per capita
33 personal income for the preceding calendar year.

34 (3) For the 1986–87 fiscal year, the levels specified in paragraph
35 (2) increased by one hundred eighty dollars (\$180) for elementary
36 school districts, one hundred ninety-one dollars (\$191) for unified
37 school districts, and two hundred seven dollars (\$207) for high
38 school districts.

39 (4) For the 1987–88 fiscal year, the levels specified in paragraph
40 (3) increased by the lesser of the change in cost of living or

1 California per capita personal income for the preceding calendar
2 year.

3 ~~(5) For the 1988–89 fiscal year and each fiscal year thereafter,~~
4 ~~the foundation program level shall be the appropriations limit of~~
5 ~~the school district for the current fiscal year, plus amounts paid~~
6 ~~for any nonreimbursed court or federal mandates imposed on or~~
7 ~~after November 6, 1979, less the sum of the following:~~

8 ~~(A) Interest earned on the proceeds of taxes during the current~~
9 ~~fiscal year.~~

10 ~~(B) The 50 percent of miscellaneous funds received during the~~
11 ~~current fiscal year that are from the proceeds of taxes.~~

12 ~~(C) Locally voted taxes received during the current fiscal year,~~
13 ~~such as parcel taxes or square foot taxes, unless for voter-approved~~
14 ~~bonded debt.~~

15 ~~(D) Any other local proceeds of taxes received during the current~~
16 ~~fiscal year, other than local taxes which count towards the revenue~~
17 ~~limit, such as excess bond revenues transferred to a district's~~
18 ~~general fund pursuant to Section 15234 of the Education Code.~~

19 ~~(e) "Proceeds of taxes" shall be deemed to include subventions~~
20 ~~received from the state only if those subventions are for one of the~~
21 ~~following two purposes:~~

22 ~~(1) Basic aid subventions of one hundred twenty dollars (\$120)~~
23 ~~per ADA.~~

24 ~~(2) Additional apportionments that, when added to the district's~~
25 ~~local revenues as defined in Section 42238 of the Education Code,~~
26 ~~do not exceed the foundation program level for that district. In no~~
27 ~~case shall subventions received from the state for reimbursement~~
28 ~~of state mandates in accordance with the provisions of Section 6~~
29 ~~of Article XIII B of the California Constitution or of Section 17561~~
30 ~~or for reimbursement of court or federal mandates imposed on or~~
31 ~~after November 6, 1979, be considered "proceeds of taxes" for~~
32 ~~purposes of this section.~~

33 ~~(d) Proceeds of taxes for a fiscal year shall not include any~~
34 ~~proceeds of taxes within the district's beginning balance or reserve,~~
35 ~~unless those funds were not appropriated in a prior fiscal year.~~
36 ~~Funds that were appropriated to a reserve or other fund referenced~~
37 ~~in Section 5 of Article XIII B of the California Constitution shall~~
38 ~~be deemed to be appropriated for the purpose of this paragraph.~~

1 ~~(e) The remainder of the state apportionments, including special~~
2 ~~purpose apportionments and categorical aid subventions shall not~~
3 ~~be considered proceeds of taxes for a school district.~~

4 ~~(f) Each school district shall report to the Superintendent of~~
5 ~~Public Instruction and to the Director of Finance at least annually~~
6 ~~its appropriations limit, its appropriations subject to limitation, the~~
7 ~~amount of its state aid apportionments and subventions included~~
8 ~~within the proceeds of taxes of the school district, and amounts~~
9 ~~excluded from its appropriations limit, at a time and in a manner~~
10 ~~prescribed by the Superintendent of Public Instruction and~~
11 ~~approved by the Director of Finance.~~

12 ~~(g) For the 1988-89 fiscal year and each fiscal year thereafter,~~
13 ~~nothing in paragraph (2) of subdivision (c) shall be so construed~~
14 ~~as to require that the amount determined pursuant to subdivision~~
15 ~~(b) be multiplied by the amount determined pursuant to subdivision~~
16 ~~(a) for purposes of determining the amount of state aid included~~
17 ~~in school district "proceeds of taxes" for purposes of this section.~~

18 ~~SEC. 109. Section 50286 of the Government Code is amended~~
19 ~~to read:~~

20 ~~50286. (a) If a contract is canceled under Section 50284, the~~
21 ~~owner shall pay a cancellation fee equal to 12 ½ percent of the~~
22 ~~current fair market value of the property, as determined by the~~
23 ~~county assessor as though the property were free of the contractual~~
24 ~~restriction.~~

25 ~~(b) The cancellation fee shall be paid to the county auditor, at~~
26 ~~the time and in the manner that the county auditor shall prescribe,~~
27 ~~and shall be allocated by the county auditor to each jurisdiction in~~
28 ~~the tax rate area in which the property is located in the same manner~~
29 ~~as the auditor allocates the annual tax increment in that tax rate~~
30 ~~area in that fiscal year.~~

31 ~~(c) Notwithstanding any other law, revenue received by a school~~
32 ~~district pursuant to this section shall be considered property tax~~
33 ~~revenue for the purposes of Section 42238.02 of the Education~~
34 ~~Code, as implemented pursuant to Section 42238.03 of the~~
35 ~~Education Code, and revenue received by a county superintendent~~
36 ~~of schools pursuant to this section shall be considered property tax~~
37 ~~revenue for purposes of Article 4 (commencing with Section 2570)~~
38 ~~of Chapter 12 of Part 2 of Division 1 of Title 1 of the Education~~
39 ~~Code.~~

1 ~~SEC. 110. Section 33492.78 of the Health and Safety Code is~~
2 ~~amended to read:~~

3 ~~33492.78. (a) Section 33607.5 shall not apply to an agency~~
4 ~~created pursuant to this article. For purposes of Sections 42238.02,~~
5 ~~84750.5, and 84751 of the Education Code, funds allocated~~
6 ~~pursuant to this section shall be treated as if they were allocated~~
7 ~~pursuant to Section 33607.5.~~

8 ~~(1) This section shall apply to each redevelopment project area~~
9 ~~created pursuant to a redevelopment plan that contains the~~
10 ~~provisions required by Section 33670 and is created pursuant to~~
11 ~~this article. All the amounts calculated pursuant to this section~~
12 ~~shall be calculated after the amount required to be deposited in the~~
13 ~~Low and Moderate Income Housing Fund pursuant to Sections~~
14 ~~33334.2, 33334.3, and 33334.6, as modified by Section 33492.76,~~
15 ~~has been deducted from the total amount of tax-increment funds~~
16 ~~received by the agency in the applicable fiscal year.~~

17 ~~(2) The payments made pursuant to this section shall be in~~
18 ~~addition to any amounts the school district or districts and~~
19 ~~community college district or districts receive pursuant to~~
20 ~~subdivision (a) of Section 33670. The agency shall reduce its~~
21 ~~payments pursuant to this section to an affected school or~~
22 ~~community college district by any amount the agency has paid,~~
23 ~~directly or indirectly, pursuant to Section 33445, 33445.5, or 33446,~~
24 ~~or any provision of law other than this section for, or in connection~~
25 ~~with, a public facility owned or leased by that affected school or~~
26 ~~community college district.~~

27 ~~(3) (A) Of the total amount paid each year pursuant to this~~
28 ~~section to school districts, 43.9 percent shall be considered to be~~
29 ~~property taxes for the purposes of paragraph (1) of subdivision (j)~~
30 ~~of Section 42238.02 of the Education Code, and 56.1 percent shall~~
31 ~~not be considered to be property taxes for the purposes of that~~
32 ~~section, and shall be available to be used for educational facilities.~~

33 ~~(B) Of the total amount paid each year pursuant to this section~~
34 ~~to community college districts, 47.5 percent shall be considered~~
35 ~~to be property taxes for the purposes of Section 84751 of the~~
36 ~~Education Code, and 52.5 percent shall not be considered to be~~
37 ~~property taxes for the purposes of that section, and shall be~~
38 ~~available to be used for educational facilities.~~

39 ~~(C) Of the total amount paid each year pursuant to this section~~
40 ~~to county offices of education, 19 percent shall be considered to~~

1 be property taxes for the purposes of paragraph (1) of subdivision
2 (e) of Section 2575 of the Education Code, and 81 percent shall
3 not be considered to be property taxes for the purposes of that
4 section, and shall be available to be used for educational facilities.

5 (D) Of the total amount paid each year pursuant to this section
6 to special education, 19 percent shall be considered to be property
7 taxes for the purposes of paragraph (1) of subdivision (j) of Section
8 42238.02 of the Education Code, and 81 percent shall not be
9 considered to be property taxes for the purposes of that section,
10 and shall be available to be used for educational facilities.

11 (4) Local education agencies that use funds received pursuant
12 to this section for educational facilities shall spend these funds at
13 schools that are any one of the following:

14 (A) Within the project area.

15 (B) Attended by students from the project area.

16 (C) Attended by students generated by projects that are assisted
17 directly by the redevelopment agency.

18 (D) Determined by a local education agency to be of benefit to
19 the project area.

20 (b) Commencing with the first fiscal year in which the agency
21 receives tax increments, and continuing through the last fiscal year
22 in which the agency receives tax increments, a redevelopment
23 agency created pursuant to this article shall pay to each affected
24 school and community college district an amount equal to the
25 product of 25 percent times the percentage share of total property
26 taxes collected that are allocated to each affected school or
27 community college district, including any amount allocated to each
28 district pursuant to Sections 97.03 and 97.035 of the Revenue and
29 Taxation Code times the total of the tax increments received by
30 the agency after the amount required to be deposited in the Low
31 and Moderate Income Housing Fund has been deducted.

32 (c) Commencing with the 11th fiscal year in which the agency
33 receives tax increments and continuing through the last fiscal year
34 in which the agency receives tax increments, a redevelopment
35 agency created pursuant to this article shall pay to each affected
36 school and community college district, in addition to the amounts
37 paid pursuant to subdivision (b), an amount equal to the product
38 of 21 percent times the percentage share of total property taxes
39 collected that are allocated to each affected school or community
40 college district, including any amount allocated to each district

1 pursuant to Sections 97.03 and 97.035 of the Revenue and Taxation
2 Code times the total of the first adjusted tax increments received
3 by the agency after the amount required to be deposited in the Low
4 and Moderate Income Housing Fund has been deducted. The first
5 adjusted tax increments received by the agency shall be calculated
6 by applying the tax rate against the amount of assessed value by
7 which the current year assessed value exceeds the first adjusted
8 base year assessed value. The first adjusted base year assessed
9 value is the assessed value of the project area in the 10th fiscal
10 year in which the agency receives tax increment.

11 (d) Commencing with the 31st fiscal year in which the agency
12 receives tax increments and continuing through the last fiscal year
13 in which the agency receives tax increments, a redevelopment
14 agency shall pay to the affected school and community college
15 districts, in addition to the amounts paid pursuant to subdivisions
16 (b) and (c), an amount equal to 14 percent times the percentage
17 share of total property taxes collected that are allocated to each
18 affected school or community college district, including any
19 amount allocated to each district pursuant to Sections 97.03 and
20 97.035 of the Revenue and Taxation Code times the total of the
21 second adjusted tax increments received by the agency after the
22 amount required to be deposited in the Low and Moderate Income
23 Housing Fund has been deducted. The second adjusted tax
24 increments received by the agency shall be calculated by applying
25 the tax rate against the amount of assessed value by which the
26 current year assessed value exceeds the second adjusted base year
27 assessed value. The second adjusted base year assessed value is
28 the assessed value of the project area in the 30th fiscal year in
29 which the agency receives tax increments.

30 (e) (1) The Legislature finds and declares both of the following:

31 (A) The payments made pursuant to this section are necessary
32 in order to alleviate the financial burden and detriment that affected
33 school and community college districts may incur as a result of
34 the adoption of a redevelopment plan, and payments made pursuant
35 to this section will benefit redevelopment project areas.

36 (B) The payments made pursuant to this section are the exclusive
37 payments that are required to be made by a redevelopment agency
38 to affected school and community college districts during the term
39 of a redevelopment plan.

1 ~~(2) Notwithstanding any other provision of law, a redevelopment~~
2 ~~agency shall not be required, either directly or indirectly, as a~~
3 ~~measure to mitigate a significant environmental effect or as part~~
4 ~~of any settlement agreement or judgment brought in any action to~~
5 ~~contest the validity of a redevelopment plan pursuant to Section~~
6 ~~33501, to make any other payments to affected school or~~
7 ~~community college districts, or to pay for public facilities that will~~
8 ~~be owned or leased to an affected school or community college~~
9 ~~district.~~

10 ~~(f) As used in this section, a “local education agency” includes~~
11 ~~a school district, a community college district, or a county office~~
12 ~~of education.~~

13 ~~SEC. 111. Section 33607.5 of the Health and Safety Code is~~
14 ~~amended to read:~~

15 ~~33607.5. (a) (1) This section shall apply to each~~
16 ~~redevelopment project area that, pursuant to a redevelopment plan~~
17 ~~which contains the provisions required by Section 33670, is either:~~
18 ~~(A) adopted on or after January 1, 1994, including later~~
19 ~~amendments to these redevelopment plans; or (B) adopted prior~~
20 ~~to January 1, 1994, but amended, after January 1, 1994, to include~~
21 ~~new territory. For plans amended after January 1, 1994, only the~~
22 ~~tax increments from territory added by the amendment shall be~~
23 ~~subject to this section. All the amounts calculated pursuant to this~~
24 ~~section shall be calculated after the amount required to be deposited~~
25 ~~in the Low and Moderate Income Housing Fund pursuant to~~
26 ~~Sections 33334.2, 33334.3, and 33334.6 has been deducted from~~
27 ~~the total amount of tax increment funds received by the agency in~~
28 ~~the applicable fiscal year.~~

29 ~~(2) The payments made pursuant to this section shall be in~~
30 ~~addition to any amounts the affected taxing entities receive~~
31 ~~pursuant to subdivision (a) of Section 33670. The payments made~~
32 ~~pursuant to this section to the affected taxing entities, including~~
33 ~~the community, shall be allocated among the affected taxing~~
34 ~~entities, including the community if the community elects to receive~~
35 ~~payments, in proportion to the percentage share of property taxes~~
36 ~~each affected taxing entity, including the community, receives~~
37 ~~during the fiscal year the funds are allocated, which percentage~~
38 ~~share shall be determined without regard to any amounts allocated~~
39 ~~to a city, a city and county, or a county pursuant to Sections 97.68~~
40 ~~and 97.70 of the Revenue and Taxation Code, and without regard~~

1 to any allocation reductions to a city, a city and county, a county,
2 a special district, or a redevelopment agency pursuant to Sections
3 97.71, 97.72, and 97.73 of the Revenue and Taxation Code and
4 Section 33681.12. The agency shall reduce its payments pursuant
5 to this section to an affected taxing entity by any amount the agency
6 has paid, directly or indirectly, pursuant to Section 33445, 33445.5,
7 33445.6, 33446, or any other provision of law other than this
8 section for, or in connection with, a public facility owned or leased
9 by that affected taxing agency, except: (A) any amounts the
10 agency has paid directly or indirectly pursuant to an agreement
11 with a taxing entity adopted prior to January 1, 1994; or (B) any
12 amounts that are unrelated to the specific project area or
13 amendment governed by this section. The reduction in a payment
14 by an agency to a school district, community college district, or
15 county office of education, or for special education, shall be
16 subtracted only from the amount that otherwise would be available
17 for use by those entities for educational facilities pursuant to
18 paragraph (4). If the amount of the reduction exceeds the amount
19 that otherwise would have been available for use for educational
20 facilities in any one year, the agency shall reduce its payment in
21 more than one year.

22 (3) If an agency reduces its payment to a school district,
23 community college district, or county office of education, or for
24 special education, the agency shall do all of the following:

25 (A) Determine the amount of the total payment that would have
26 been made without the reduction.

27 (B) Determine the amount of the total payment without the
28 reduction which: (i) would have been considered property taxes;
29 and (ii) would have been available to be used for educational
30 facilities pursuant to paragraph (4).

31 (C) Reduce the amount available to be used for educational
32 facilities.

33 (D) Send the payment to the school district, community college
34 district, or county office of education, or for special education,
35 with a statement that the payment is being reduced and including
36 the calculation required by this subdivision showing the amount
37 to be considered property taxes and the amount, if any, available
38 for educational facilities.

39 (4) (A) Except as specified in subparagraph (E), of the total
40 amount paid each year pursuant to this section to school districts,

1 ~~43.3 percent shall be considered to be property taxes for the~~
2 ~~purposes of paragraph (1) of subdivision (h) of Section 42238 of~~
3 ~~the Education Code, as it read on January 1, 2013, and paragraph~~
4 ~~(1) of subdivision (j) of Section 42238.02 of the Education Code,~~
5 ~~and 56.7 percent shall not be considered to be property taxes for~~
6 ~~the purposes of that section and shall be available to be used for~~
7 ~~educational facilities, including, in the case of amounts paid during~~
8 ~~the 2011–12 fiscal year through the 2015–16 fiscal year, inclusive,~~
9 ~~land acquisition, facility construction, reconstruction, remodeling,~~
10 ~~maintenance, or deferred maintenance.~~

11 ~~(B) Except as specified in subparagraph (E), of the total amount~~
12 ~~paid each year pursuant to this section to community college~~
13 ~~districts, 47.5 percent shall be considered to be property taxes for~~
14 ~~the purposes of Section 84751 of the Education Code, and 52.5~~
15 ~~percent shall not be considered to be property taxes for the purposes~~
16 ~~of that section and shall be available to be used for educational~~
17 ~~facilities, including, in the case of amounts paid during the 2011–12~~
18 ~~fiscal year through the 2015–16 fiscal year, inclusive, land~~
19 ~~acquisition, facility construction, reconstruction, remodeling,~~
20 ~~maintenance, or deferred maintenance.~~

21 ~~(C) Except as specified in subparagraph (E), of the total amount~~
22 ~~paid each year pursuant to this section to county offices of~~
23 ~~education, 19 percent shall be considered to be property taxes for~~
24 ~~the purposes of Section 2558 of the Education Code, as it read on~~
25 ~~January 1, 2013, and Section 2575 of the Education Code, and 81~~
26 ~~percent shall not be considered to be property taxes for the purposes~~
27 ~~of that section and shall be available to be used for educational~~
28 ~~facilities, including, in the case of amounts paid during the 2011–12~~
29 ~~fiscal year through the 2015–16 fiscal year, inclusive, land~~
30 ~~acquisition, facility construction, reconstruction, remodeling,~~
31 ~~maintenance, or deferred maintenance.~~

32 ~~(D) Except as specified in subparagraph (E), of the total amount~~
33 ~~paid each year pursuant to this section for special education, 19~~
34 ~~percent shall be considered to be property taxes for the purposes~~
35 ~~of Section 56712 of the Education Code, and 81 percent shall not~~
36 ~~be considered to be property taxes for the purposes of that section~~
37 ~~and shall be available to be used for education facilities, including,~~
38 ~~in the case of amounts paid during the 2011–12 fiscal year through~~
39 ~~the 2015–16 fiscal year, inclusive, land acquisition, facility~~

1 construction, reconstruction, remodeling, maintenance, or deferred
2 maintenance.

3 ~~(E) If, pursuant to paragraphs (2) and (3), an agency reduces its~~
4 ~~payments to an educational entity, the calculation made by the~~
5 ~~agency pursuant to paragraph (3) shall determine the amount~~
6 ~~considered to be property taxes and the amount available to be~~
7 ~~used for educational facilities in the year the reduction was made.~~

8 ~~(5) Local education agencies that use funds received pursuant~~
9 ~~to this section for school facilities shall spend these funds at schools~~
10 ~~that are: (A) within the project area, (B) attended by students from~~
11 ~~the project area, (C) attended by students generated by projects~~
12 ~~that are assisted directly by the redevelopment agency, or (D)~~
13 ~~determined by the governing board of a local education agency to~~
14 ~~be of benefit to the project area.~~

15 ~~(b) Commencing with the first fiscal year in which the agency~~
16 ~~receives tax increments and continuing through the last fiscal year~~
17 ~~in which the agency receives tax increments, a redevelopment~~
18 ~~agency shall pay to the affected taxing entities, including the~~
19 ~~community if the community elects to receive a payment, an~~
20 ~~amount equal to 25 percent of the tax increments received by the~~
21 ~~agency after the amount required to be deposited in the Low and~~
22 ~~Moderate Income Housing Fund has been deducted. In any fiscal~~
23 ~~year in which the agency receives tax increments, the community~~
24 ~~that has adopted the redevelopment project area may elect to~~
25 ~~receive the amount authorized by this paragraph.~~

26 ~~(c) Commencing with the 11th fiscal year in which the agency~~
27 ~~receives tax increments and continuing through the last fiscal year~~
28 ~~in which the agency receives tax increments, a redevelopment~~
29 ~~agency shall pay to the affected taxing entities, other than the~~
30 ~~community which has adopted the project, in addition to the~~
31 ~~amounts paid pursuant to subdivision (b) and after deducting the~~
32 ~~amount allocated to the Low and Moderate Income Housing Fund,~~
33 ~~an amount equal to 21 percent of the portion of tax increments~~
34 ~~received by the agency, which shall be calculated by applying the~~
35 ~~tax rate against the amount of assessed value by which the current~~
36 ~~year assessed value exceeds the first adjusted base year assessed~~
37 ~~value. The first adjusted base year assessed value is the assessed~~
38 ~~value of the project area in the 10th fiscal year in which the agency~~
39 ~~receives tax increment revenues.~~

1 ~~(d) Commencing with the 31st fiscal year in which the agency~~
2 ~~receives tax increments and continuing through the last fiscal year~~
3 ~~in which the agency receives tax increments, a redevelopment~~
4 ~~agency shall pay to the affected taxing entities, other than the~~
5 ~~community which has adopted the project, in addition to the~~
6 ~~amounts paid pursuant to subdivisions (b) and (e) and after~~
7 ~~deducting the amount allocated to the Low and Moderate Income~~
8 ~~Housing Fund, an amount equal to 14 percent of the portion of tax~~
9 ~~increments received by the agency, which shall be calculated by~~
10 ~~applying the tax rate against the amount of assessed value by which~~
11 ~~the current year assessed value exceeds the second adjusted base~~
12 ~~year assessed value. The second adjusted base year assessed value~~
13 ~~is the assessed value of the project area in the 30th fiscal year in~~
14 ~~which the agency receives tax increments.~~

15 ~~(e) (1) Prior to incurring any loans, bonds, or other~~
16 ~~indebtedness, except loans or advances from the community, the~~
17 ~~agency may subordinate to the loans, bonds, or other indebtedness~~
18 ~~the amount required to be paid to an affected taxing entity by this~~
19 ~~section, provided that the affected taxing entity has approved these~~
20 ~~subordinations pursuant to this subdivision.~~

21 ~~(2) At the time the agency requests an affected taxing entity to~~
22 ~~subordinate the amount to be paid to it, the agency shall provide~~
23 ~~the affected taxing entity with substantial evidence that sufficient~~
24 ~~funds will be available to pay both the debt service and the~~
25 ~~payments required by this section, when due.~~

26 ~~(3) Within 45 days after receipt of the agency's request, the~~
27 ~~affected taxing entity shall approve or disapprove the request for~~
28 ~~subordination. An affected taxing entity may disapprove a request~~
29 ~~for subordination only if it finds, based upon substantial evidence,~~
30 ~~that the agency will not be able to pay the debt payments and the~~
31 ~~amount required to be paid to the affected taxing entity. If the~~
32 ~~affected taxing entity does not act within 45 days after receipt of~~
33 ~~the agency's request, the request to subordinate shall be deemed~~
34 ~~approved and shall be final and conclusive.~~

35 ~~(f) (1) The Legislature finds and declares both of the following:~~

36 ~~(A) The payments made pursuant to this section are necessary~~
37 ~~in order to alleviate the financial burden and detriment that affected~~
38 ~~taxing entities may incur as a result of the adoption of a~~
39 ~~redevelopment plan, and payments made pursuant to this section~~
40 ~~will benefit redevelopment project areas.~~

1 ~~(B) The payments made pursuant to this section are the exclusive~~
2 ~~payments that are required to be made by a redevelopment agency~~
3 ~~to affected taxing entities during the term of a redevelopment plan.~~

4 ~~(2) Notwithstanding any other provision of law, a redevelopment~~
5 ~~agency shall not be required, either directly or indirectly, as a~~
6 ~~measure to mitigate a significant environmental effect or as part~~
7 ~~of any settlement agreement or judgment brought in any action to~~
8 ~~contest the validity of a redevelopment plan pursuant to Section~~
9 ~~33501, to make any other payments to affected taxing entities, or~~
10 ~~to pay for public facilities that will be owned or leased to an~~
11 ~~affected taxing entity.~~

12 ~~(g) As used in this section, a “local education agency” is a school~~
13 ~~district, a community college district, or a county office of~~
14 ~~education.~~

15 ~~SEC. 112. Section 33684 of the Health and Safety Code is~~
16 ~~amended to read:~~

17 ~~33684. (a) (1) This section shall apply to each redevelopment~~
18 ~~project area that, pursuant to a redevelopment plan that contains~~
19 ~~the provisions required by Section 33670, meets any of the~~
20 ~~following:~~

21 ~~(A) Was adopted on or after January 1, 1994, including later~~
22 ~~amendments to these redevelopment plans.~~

23 ~~(B) Was adopted prior to January 1, 1994, but amended after~~
24 ~~January 1, 1994, to include new territory. For plans amended after~~
25 ~~January 1, 1994, only the tax increments from territory added by~~
26 ~~the amendment shall be subject to this section.~~

27 ~~(C) Was adopted prior to January 1, 1994, but amended after~~
28 ~~January 1, 1994, to increase the limitation on the number of dollars~~
29 ~~to be allocated to the agency or that increased, or eliminated,~~
30 ~~pursuant to paragraph (1) of subdivision (e) of Section 33333.6,~~
31 ~~the time limit on the establishing of loans, advances, and~~
32 ~~indebtedness established pursuant to paragraphs (1) and (2) of~~
33 ~~subdivision (a) of Section 33333.6, as those paragraphs read on~~
34 ~~December 31, 2001, or that lengthened the period during which~~
35 ~~the redevelopment plan is effective if the redevelopment plan being~~
36 ~~amended contains the provisions required by subdivision (b) of~~
37 ~~Section 33670.~~

38 ~~(2) This section shall apply to passthrough payments, as required~~
39 ~~by Sections 33607.5 and 33607.7, for the 2003-04 to 2008-09,~~
40 ~~inclusive, fiscal years. For purposes of this section, a passthrough~~

1 payment shall be considered the responsibility of an agency in the
2 fiscal year the agency receives the tax increment revenue for which
3 the passthrough payment is required.

4 (3) For purposes of this section, “local educational agency” is
5 a school district, a community college district, or a county office
6 of education.

7 (b) On or before October 1, 2008, each agency shall submit a
8 report to the county auditor and to each affected taxing entity that
9 describes each project area, including its location, purpose, date
10 established, date or dates amended, and statutory and contractual
11 passthrough requirements. The report shall specify, by year, for
12 each project area all of the following:

13 (1) Gross tax increment received between July 1, 2003, and
14 June 30, 2008, that is subject to a passthrough payment pursuant
15 to Sections 33607.5 and 33607.7, and accumulated gross tax
16 increments through June 30, 2003.

17 (2) Total passthrough payments to each taxing entity that the
18 agency deferred pursuant to a subordination agreement approved
19 by the taxing agency under subdivision (e) of Section 33607.5 and
20 the dates these deferred payments will be made.

21 (3) Total passthrough payments to each taxing entity that the
22 agency was responsible to make between July 1, 2003, and June
23 30, 2008, pursuant to Sections 33607.5 and 33607.7, excluding
24 payments identified in paragraph (2).

25 (4) Total passthrough payments that the agency disbursed to
26 each taxing entity between July 1, 2003, and June 30, 2008,
27 pursuant to Sections 33607.5 and 33607.7.

28 (5) Total sums reported in paragraph (4) for each local
29 educational agency that are considered to be property taxes under
30 the provisions of paragraph (4) of subdivision (a) of Section
31 33607.5 and Section 33607.7.

32 (6) Total outstanding payment obligations to each taxing entity
33 as of June 30, 2008. This amount shall be calculated by subtracting
34 the amounts reported in paragraph (4) from paragraph (3) and
35 reporting any positive difference.

36 (7) Total outstanding overpayments to each taxing entity as of
37 June 30, 2008. This amount shall be calculated by subtracting the
38 amounts reported in paragraph (3) from paragraph (4) and reporting
39 any positive difference.

1 ~~(8) The dates on which the agency made payments identified~~
2 ~~in paragraph (6) or intends to make the payments identified in~~
3 ~~paragraph (6):~~

4 ~~(9) A revised estimate of the agency's total outstanding~~
5 ~~passthrough payment obligation to each taxing agency pursuant~~
6 ~~to paragraph (6) of subdivision (b) and paragraph (6) of subdivision~~
7 ~~(c) and the dates on which the agency intends to make these~~
8 ~~payments:~~

9 ~~(e) On or before October 1, 2009, each agency shall submit a~~
10 ~~report to the county auditor and to each affected taxing entity that~~
11 ~~describes each project area, including its location, purpose, date~~
12 ~~established, date or dates amended, and statutory and contractual~~
13 ~~passthrough requirements. The report shall specify, by year, for~~
14 ~~each project area all of the following:~~

15 ~~(1) Gross tax increment received between July 1, 2008, and~~
16 ~~June 30, 2009, that is subject to a passthrough payment pursuant~~
17 ~~to Sections 33607.5 and 33607.7.~~

18 ~~(2) Total passthrough payments to each taxing entity that the~~
19 ~~agency deferred pursuant to a subordination agreement approved~~
20 ~~by the taxing entity under subdivision (e) of Section 33607.5 and~~
21 ~~the dates these deferred payments will be made:~~

22 ~~(3) Total passthrough payments to each taxing entity that the~~
23 ~~agency was responsible to make between July 1, 2008, and June~~
24 ~~30, 2009, pursuant to Sections 33607.5 and 33607.7, excluding~~
25 ~~payments identified in paragraph (2):~~

26 ~~(4) Total passthrough payments that the agency disbursed to~~
27 ~~each taxing entity between July 1, 2008, and June 30, 2009,~~
28 ~~pursuant to Sections 33607.5 and 33607.7.~~

29 ~~(5) Total sums reported in paragraph (4) for each local~~
30 ~~educational agency that are considered to be property taxes under~~
31 ~~the provisions of paragraph (4) of subdivision (a) of Sections~~
32 ~~33607.5 and 33607.7.~~

33 ~~(6) Total outstanding payment obligations to each taxing entity~~
34 ~~as of June 30, 2009. This amount shall be calculated by subtracting~~
35 ~~the amounts reported in paragraph (4) from paragraph (3) and~~
36 ~~reporting any positive difference.~~

37 ~~(7) Total outstanding overpayments to each taxing entity as of~~
38 ~~June 30, 2009. This amount shall be calculated by subtracting the~~
39 ~~amounts reported in paragraph (3) from paragraph (4) and reporting~~
40 ~~any positive difference.~~

1 ~~(8) The dates on which the agency made payments identified~~
2 ~~in paragraph (6) or intends to make the payments identified in~~
3 ~~paragraph (6):~~

4 ~~(d) If an agency reports pursuant to paragraph (6) of subdivision~~
5 ~~(b) or paragraph (6) of subdivision (c) that it has an outstanding~~
6 ~~passthrough payment obligation to any taxing entity, the agency~~
7 ~~shall submit annual updates to the county auditor on October 1 of~~
8 ~~each year until such time as the county auditor notifies the agency~~
9 ~~in writing that the agency's outstanding payment obligations have~~
10 ~~been fully satisfied. The report shall contain both of the following:~~

11 ~~(1) A list of payments to each taxing agency and to the~~
12 ~~Educational Revenue Augmentation Fund pursuant to subdivision~~
13 ~~(j) that the agency disbursed after the agency's last update filed~~
14 ~~pursuant to this subdivision or, if no update has been filed, after~~
15 ~~the agency's submission of the reports required pursuant to~~
16 ~~subdivisions (b) and (c). The list of payments shall include only~~
17 ~~those payments that address obligations identified pursuant to~~
18 ~~paragraph (6) of subdivision (b) and paragraph (6) of subdivision~~
19 ~~(c). The update shall specify the date on which each payment was~~
20 ~~disbursed.~~

21 ~~(2) A revised estimate of the agency's total outstanding~~
22 ~~passthrough payment obligation to each taxing agency pursuant~~
23 ~~to paragraph (6) of subdivision (b) and paragraph (6) of subdivision~~
24 ~~(c) and the dates on which the agency intends to make these~~
25 ~~payments.~~

26 ~~(e) The county auditor shall review each agency's reports~~
27 ~~submitted pursuant to subdivisions (b) and (c) and any other~~
28 ~~relevant information to determine whether the county auditor~~
29 ~~concurs with the information included in the reports.~~

30 ~~(1) If the county auditor concurs with the information included~~
31 ~~in a report, the county auditor shall issue a finding of concurrence~~
32 ~~within 45 days.~~

33 ~~(2) If the county auditor does not concur with the information~~
34 ~~included in a report or considers the report to be incomplete, the~~
35 ~~county auditor shall return the report to the agency within 45 days~~
36 ~~with information identifying the elements of the report with which~~
37 ~~the county auditor does not concur or considers to be incomplete.~~
38 ~~The county auditor shall provide the agency at least 15 days to~~
39 ~~respond to concerns raised by the county auditor regarding the~~
40 ~~information contained in the report. An agency may revise a report~~

1 that has not received a finding of concurrence and resubmit it to
2 the county auditor.

3 (3) If an agency and county auditor do not agree regarding the
4 passthrough requirements of Sections 33607.5 and 33607.7, an
5 agency may submit a report pursuant to subdivisions (b) and (c)
6 and a statement of dispute identifying the issue needing resolution.

7 (4) An agency may amend a report for which the county auditor
8 has issued a finding of concurrence and resubmit the report
9 pursuant to paragraphs (1), (2), and (3) if any of the following
10 apply:

11 (A) The county auditor and agency agree that an issue identified
12 in the agency's statement of dispute has been resolved and the
13 agency proposes to modify the sections of the report to conform
14 with the resolution of the statement of dispute.

15 (B) The county auditor and agency agree that the amount of
16 gross tax increment or the amount of a passthrough payment to a
17 taxing entity included in the report is not accurate.

18 (5) The Controller may revoke a finding of concurrence and
19 direct the agency to resubmit a report to the county auditor pursuant
20 to paragraphs (1), (2), and (3) if the Controller finds significant
21 errors in a report.

22 (f) On or before December 15, 2008, and annually thereafter
23 through 2014, the county auditor shall submit a report to the
24 Controller that includes all of the following:

25 (1) The name of each redevelopment project area in the county
26 for which an agency must submit a report pursuant to subdivision
27 (b) or (c) and information as to whether the county auditor has
28 issued a finding of concurrence regarding the report.

29 (2) A list of the agencies for which the county auditor has issued
30 a finding of concurrence for all project areas identified in paragraph
31 (1).

32 (3) A list of agencies for which the county auditor has not issued
33 a finding of concurrence for all project areas identified in paragraph
34 (1).

35 (4) Using information applicable to agencies listed in paragraph
36 (2), the county auditor shall report all of the following:

37 (A) The total sums reported by each redevelopment agency
38 related to each taxing entity pursuant to paragraphs (1) to (7),
39 inclusive, of subdivision (b) and, on or after December 15, 2009,
40 pursuant to paragraphs (1) to (7), inclusive, of subdivision (c).

1 ~~(B) The names of agencies that have outstanding passthrough~~
2 ~~payment obligations to a local educational agency that exceed the~~
3 ~~amount of outstanding passthrough payments to the local~~
4 ~~educational agency.~~

5 ~~(C) Summary information regarding agencies' stated plans to~~
6 ~~pay the outstanding amounts identified in paragraph (6) of~~
7 ~~subdivision (b) and paragraph (6) of subdivision (c) and the actual~~
8 ~~amounts that have been deposited into the county Educational~~
9 ~~Revenue Augmentation Fund pursuant to subdivision (j):~~

10 ~~(D) All unresolved statements of dispute filed by agencies~~
11 ~~pursuant to paragraph (3) of subdivision (c) and the county~~
12 ~~auditor's analyses supporting the county auditor's conclusions~~
13 ~~regarding the issues under dispute.~~

14 ~~(g) (1) On or before February 1, 2009, and annually thereafter~~
15 ~~through 2015, the Controller shall submit a report to the Legislative~~
16 ~~Analyst's Office and the Department of Finance and provide a~~
17 ~~copy to the Board of Governors of the California Community~~
18 ~~Colleges. The report shall provide information as follows:~~

19 ~~(A) Identify agencies for which the county auditor has issued~~
20 ~~a finding of concurrence for all reports required under subdivisions~~
21 ~~(b) and (c).~~

22 ~~(B) Identify agencies for which the county auditor has not issued~~
23 ~~a finding of concurrence for all reports required pursuant to~~
24 ~~subdivision (b) and all reports required pursuant to subdivision (c)~~
25 ~~or for which a finding of concurrence has been withdrawn by the~~
26 ~~Controller.~~

27 ~~(C) Summarize the information reported in paragraph (4) of~~
28 ~~subdivision (f). This summary shall identify, by local educational~~
29 ~~agency and by year, the total amount of passthrough payments that~~
30 ~~each local educational agency received, was entitled to receive,~~
31 ~~subordinated, or that has not yet been paid, and the portion of these~~
32 ~~amounts that are considered to be property taxes for purposes of~~
33 ~~Sections 2558 and 42238 of the Education Code, as those sections~~
34 ~~read on January 1, 2013, and, after June 30, 2013, Sections 2575~~
35 ~~and 42238.02, and Section 84751 of the Education Code. The~~
36 ~~report shall identify, by agency, the amounts that have been~~
37 ~~deposited to the county Educational Revenue Augmentation Fund~~
38 ~~pursuant to subdivision (j):~~

39 ~~(D) Summarize the statements of dispute. The Controller shall~~
40 ~~specify the status of these disputes, including whether the~~

1 Controller or other state entity has provided instructions as to how
2 these disputes should be resolved.

3 ~~(E) Identify agencies that have outstanding passthrough payment~~
4 ~~liabilities to a local educational agency that exceed the amount of~~
5 ~~outstanding passthrough overpayments to the local educational~~
6 ~~agency.~~

7 ~~(2) On or before February 1, 2009, and annually thereafter~~
8 ~~through 2015, the Controller shall submit a report to the State~~
9 ~~Department of Education and the Board of Governors of the~~
10 ~~California Community Colleges. The report shall identify, by local~~
11 ~~educational agency and by year of receipt, the total amount of~~
12 ~~passthrough payments that the local educational agency received~~
13 ~~from redevelopment agencies listed in subparagraph (A) of~~
14 ~~paragraph (1).~~

15 ~~(h) (1) On or before April 1, 2009, and annually thereafter until~~
16 ~~April 1, 2015, the State Department of Education shall do all of~~
17 ~~the following:~~

18 ~~(A) Calculate for each school district for the 2003-04 to~~
19 ~~2007-08, inclusive, fiscal years the difference between 43.3 percent~~
20 ~~of the amount reported pursuant to paragraph (2) of subdivision~~
21 ~~(g) and the amount subtracted from each school district's~~
22 ~~apportionment pursuant to paragraph (6) of subdivision (h) of~~
23 ~~Section 42238 of the Education Code, as it read on January 1,~~
24 ~~2013.~~

25 ~~(B) Calculate for each county superintendent of schools for the~~
26 ~~2003-04 to 2007-08, inclusive, fiscal years the difference between~~
27 ~~19 percent of the amount reported pursuant to paragraph (2) of~~
28 ~~subdivision (g) and the amount received pursuant to Sections~~
29 ~~33607.5 and 33607.7 and subtracted from each county~~
30 ~~superintendent of schools apportionment pursuant to subdivision~~
31 ~~(c) of Section 2558 of the Education Code, as it read on January~~
32 ~~1, 2013.~~

33 ~~(C) Notify each school district and county superintendent of~~
34 ~~schools for which any amount calculated in subparagraph (A) or~~
35 ~~(B) is nonzero as to the reported change and its resulting impact~~
36 ~~on apportionments. After April 1, 2009, however, the department~~
37 ~~shall not notify a school district or county superintendent of schools~~
38 ~~if the amount calculated in subparagraph (A) or (B) is the same~~
39 ~~amount as the department calculated in the preceding year.~~

1 ~~(2) On or before April 1, 2010, and annually thereafter until~~
2 ~~April 1, 2015, the State Department of Education shall do all of~~
3 ~~the following:~~

4 ~~(A) Calculate for each school district for the 2008–09 fiscal~~
5 ~~year the difference between 43.3 percent of the amount reported~~
6 ~~pursuant to paragraph (2) of subdivision (g) and the amount~~
7 ~~subtracted from each school district’s apportionment pursuant to~~
8 ~~paragraph (6) of subdivision (h) of Section 42238 of the Education~~
9 ~~Code, as it read on January 1, 2013.~~

10 ~~(B) Calculate for each county superintendent of schools for the~~
11 ~~2008–09 fiscal year the difference between 19 percent of the~~
12 ~~amount reported pursuant to paragraph (2) of subdivision (g) and~~
13 ~~the amount received pursuant to Sections 33607.5 and 33607.7~~
14 ~~and subtracted from each county superintendent of schools~~
15 ~~apportionment pursuant to subdivision (c) of Section 2558 of the~~
16 ~~Education Code, as it read on January 1, 2013.~~

17 ~~(C) Notify each school district and county superintendent of~~
18 ~~schools for which any amount calculated in subparagraph (A) or~~
19 ~~(B) is nonzero as to the reported change and its resulting impact~~
20 ~~on revenue limit apportionments. After April 1, 2010, however,~~
21 ~~the department shall not notify a school district or county~~
22 ~~superintendent of schools if the amount calculated in subparagraph~~
23 ~~(A) or (B) is the same amount as the department calculated in the~~
24 ~~preceding year.~~

25 ~~(3) For the purposes of Article 3 (commencing with Section~~
26 ~~41330) of Chapter 3 of Part 24 of Division 3 of Title 2 of the~~
27 ~~Education Code, the amounts reported to each school district and~~
28 ~~county superintendent of schools in the notification required~~
29 ~~pursuant to subparagraph (C) of paragraph (1) and subparagraph~~
30 ~~(C) of paragraph (2) shall be deemed to be apportionment~~
31 ~~significant audit exceptions and the date of receipt of that~~
32 ~~notification shall be deemed to be the date of receipt of the final~~
33 ~~audit report that includes those audit exceptions.~~

34 ~~(4) On or before March 1, 2009, and annually thereafter until~~
35 ~~March 1, 2015, the Board of Governors of the California~~
36 ~~Community Colleges shall do all of the following:~~

37 ~~(A) Calculate for each community college district for the~~
38 ~~2003–04 to 2007–08, inclusive, fiscal years the difference between~~
39 ~~47.5 percent of the amount reported pursuant to paragraph (2) of~~
40 ~~subdivision (g) and the amount subtracted from each district’s total~~

1 revenue owed pursuant to subdivision (d) of Section 84751 of the
2 Education Code.

3 ~~(B) Notify each community college district for which any~~
4 ~~amount calculated in subparagraph (A) is nonzero as to the reported~~
5 ~~change and its resulting impact on apportionments. After March~~
6 ~~1, 2009, however, the board shall not notify a school district or~~
7 ~~county superintendent of schools if the amount calculated in~~
8 ~~subparagraph (A) is the same amount as the board calculated in~~
9 ~~the preceding year.~~

10 ~~(5) On or before March 1, 2010, and annually thereafter until~~
11 ~~March 1, 2015, the Board of Governors of the California~~
12 ~~Community Colleges shall do all of the following:~~

13 ~~(A) Calculate for each community college district for the~~
14 ~~2003-04 to 2007-08, inclusive, fiscal years the difference between~~
15 ~~47.5 percent of the amount reported pursuant to paragraph (2) of~~
16 ~~subdivision (g) and the amount subtracted from each district's total~~
17 ~~revenue owed pursuant to subdivision (d) of Section 84751 of the~~
18 ~~Education Code.~~

19 ~~(B) Notify each community college district for which any~~
20 ~~amount calculated in subparagraph (A) is nonzero as to the reported~~
21 ~~change and its resulting impact on revenue apportionments. After~~
22 ~~March 1, 2010, however, the board shall not notify a community~~
23 ~~college district if the amount calculated in subparagraph (A) is the~~
24 ~~same amount as the board calculated in the preceding year.~~

25 ~~(6) A community college district may submit documentation to~~
26 ~~the Board of Governors of the California Community Colleges~~
27 ~~showing that all or part of the amount reported to the district~~
28 ~~pursuant to subparagraph (B) of paragraph (4) and subparagraph~~
29 ~~(B) of paragraph (5) was previously reported to the California~~
30 ~~Community Colleges for the purpose of the revenue level~~
31 ~~calculations made pursuant to Section 84751 of the Education~~
32 ~~Code. Upon acceptance of the documentation, the board shall~~
33 ~~adjust the amounts calculated in paragraphs (4) and (5) accordingly.~~

34 ~~(7) The Board of Governors of the California Community~~
35 ~~Colleges shall make corrections in any amounts allocated in any~~
36 ~~fiscal year to each community college district for which any amount~~
37 ~~calculated in paragraphs (4) and (5) is nonzero so as to account~~
38 ~~for the changes reported pursuant to paragraph (4) of subdivision~~
39 ~~(b) and paragraph (4) of subdivision (c). The board may make the~~
40 ~~corrections over a period of time, not to exceed five years.~~

1 (i) (1) ~~After February 1, 2009, for an agency listed on the most~~
2 ~~recent Controller's report pursuant to subparagraph (B) or (E) of~~
3 ~~paragraph (1) of subdivision (g), all of the following shall apply:~~

4 (A) ~~The agency shall be prohibited from adding new project~~
5 ~~areas or expanding existing project areas. For purposes of this~~
6 ~~paragraph, "project area" has the same meaning as in Sections~~
7 ~~33320.1 to 33320.3, inclusive, and Section 33492.3.~~

8 (B) ~~The agency shall be prohibited from issuing new bonds,~~
9 ~~notes, interim certificates, debentures, or other obligations, whether~~
10 ~~funded, refunded, assumed, or otherwise, pursuant to Article 5~~
11 ~~(commencing with Section 33640).~~

12 (C) ~~The agency shall be prohibited from encumbering any funds~~
13 ~~or expending any moneys derived from any source, except that~~
14 ~~the agency may encumber funds and expend funds to pay, if any,~~
15 ~~all of the following:~~

16 (i) ~~Bonds, notes, interim certificates, debentures, or other~~
17 ~~obligations issued by an agency before the imposition of the~~
18 ~~prohibition in subparagraph (B) whether funded, refunded,~~
19 ~~assumed, or otherwise, pursuant to Article 5 (commencing with~~
20 ~~Section 33460).~~

21 (ii) ~~Loans or moneys advanced to the agency, including, but not~~
22 ~~limited to, loans from federal, state, local agencies, or a private~~
23 ~~entity.~~

24 (iii) ~~Contractual obligations that, if breached, could subject the~~
25 ~~agency to damages or other liabilities or remedies.~~

26 (iv) ~~Obligations incurred pursuant to Section 33445.~~

27 (v) ~~Indebtedness incurred pursuant to Section 33334.2 or~~
28 ~~33334.6.~~

29 (vi) ~~Obligations incurred pursuant to Section 33401.~~

30 (vii) ~~An amount, to be expended for the monthly operation and~~
31 ~~administration of the agency, that may not exceed 75 percent of~~
32 ~~the average monthly amount spent for those purposes in the fiscal~~
33 ~~year preceding the fiscal year in which the agency was first listed~~
34 ~~on the Controller's report pursuant to subparagraph (B) or (E) of~~
35 ~~paragraph (1) of subdivision (g).~~

36 (2) ~~After February 1, 2009, an agency identified in subparagraph~~
37 ~~(B) or (E) of paragraph (1) of subdivision (g) shall incur interest~~
38 ~~charges on any passthrough payment that is made to a local~~
39 ~~educational agency more than 60 days after the close of the fiscal~~
40 ~~year in which the passthrough payment was required. Interest shall~~

1 be charged at a rate equal to 150 percent of the current Pooled
2 Money Investment Account earnings annual yield rate and shall
3 be charged for the period beginning 60 days after the close of the
4 fiscal year in which the passthrough payment was due through the
5 date that the payment is made.

6 ~~(3) The Controller, with the concurrence of the Director of~~
7 ~~Finance, may waive the provisions of paragraphs (1) and (2) for~~
8 ~~a period of up to 12 months if the Controller determines all of the~~
9 ~~following:~~

10 ~~(A) The county auditor has identified the agency in its most~~
11 ~~recent report issued pursuant to paragraph (2) of subdivision (f)~~
12 ~~as an agency for which the auditor has issued a finding of~~
13 ~~concurrence for all reports required pursuant to subdivisions (b)~~
14 ~~and (c).~~

15 ~~(B) The agency has filed a statement of dispute on an issue or~~
16 ~~issues that, in the opinion of the Controller, are likely to be resolved~~
17 ~~in a manner consistent with the agency's position.~~

18 ~~(C) The agency has made passthrough payments to local~~
19 ~~educational agencies and the county Educational Revenue~~
20 ~~Augmentation Fund, or has had funds previously withheld by the~~
21 ~~auditor, in amounts that would satisfy the agency's passthrough~~
22 ~~payment requirements to local educational agencies if the issue or~~
23 ~~issues addressed in the statement of dispute were resolved in a~~
24 ~~manner consistent with the agency's position.~~

25 ~~(D) The agency would sustain a fiscal hardship if it made~~
26 ~~passthrough payments to local educational agencies and the county~~
27 ~~Educational Revenue Augmentation Fund in the amounts estimated~~
28 ~~by the county auditor.~~

29 ~~(j) Notwithstanding any other provision of law, if an agency~~
30 ~~report submitted pursuant to subdivision (b) or (c) indicates~~
31 ~~outstanding payment obligations to a local educational agency,~~
32 ~~the agency shall make these outstanding payments as follows:~~

33 ~~(1) Of the outstanding payments owed to school districts,~~
34 ~~including any interest payments pursuant to paragraph (2) of~~
35 ~~subdivision (i), 43.3 percent shall be deposited in the county~~
36 ~~Educational Revenue Augmentation Fund and the remainder shall~~
37 ~~be allocated to the school district or districts.~~

38 ~~(2) Of the outstanding payments owed to community college~~
39 ~~districts, including any interest payments pursuant to paragraph~~
40 ~~(2) of subdivision (i), 47.5 percent shall be deposited in the county~~

1 Educational Revenue Augmentation Fund and the remainder shall
2 be allocated to the community college district or districts.

3 ~~(3) Of the outstanding payments owed to county offices of~~
4 ~~education, including any interest payments pursuant to paragraph~~
5 ~~(2) of subdivision (i), 19 percent shall be deposited in the county~~
6 ~~Educational Revenue Augmentation Fund and the remainder shall~~
7 ~~be allocated to the county office of education.~~

8 ~~(k) (1) This section shall not be construed to increase any~~
9 ~~allocations of excess, additional, or remaining funds that would~~
10 ~~otherwise have been allocated to cities, counties, cities and~~
11 ~~counties, or special districts pursuant to clause (i) of subparagraph~~
12 ~~(B) of paragraph (4) of subdivision (d) of Section 97.2 of, clause~~
13 ~~(i) of subparagraph (B) of paragraph (4) of subdivision (d) of~~
14 ~~Section 97.3 of, or Article 4 (commencing with Section 98) of~~
15 ~~Chapter 6 of Part 0.5 of Division 1 of, the Revenue and Taxation~~
16 ~~Code had this section not been enacted.~~

17 ~~(2) Notwithstanding any other provision of law, no funds~~
18 ~~deposited in the county Educational Revenue Augmentation Fund~~
19 ~~pursuant to subdivision (j) shall be distributed to a community~~
20 ~~college district.~~

21 ~~(l) A county may require an agency to reimburse the county for~~
22 ~~any expenses incurred by the county in performing the services~~
23 ~~required by this section.~~

24 ~~SEC. 113. Section 95 of the Revenue and Taxation Code is~~
25 ~~amended to read:~~

26 ~~95. For purposes of this chapter:~~

27 ~~(a) "Local agency" means a city, county, and special district.~~

28 ~~(b) "Jurisdiction" means a local agency, school district,~~
29 ~~community college district, or county superintendent of schools.~~
30 ~~A jurisdiction as defined in this subdivision is a "district" for~~
31 ~~purposes of Section 1 of Article XIII A of the California~~
32 ~~Constitution.~~

33 ~~For jurisdictions located in more than one county, the county~~
34 ~~auditor of each county in which that jurisdiction is located shall,~~
35 ~~for the purposes of computing the amount for that jurisdiction~~
36 ~~pursuant to this chapter, treat the portion of the jurisdiction located~~
37 ~~within that county as a separate jurisdiction.~~

38 ~~(c) "Property tax revenue" includes the amount of state~~
39 ~~reimbursement for the homeowners' exemption. "Property tax~~
40 ~~revenue" does not include the amount of property tax levied for~~

1 the purpose of making payments for the interest and principal on
2 either of the following:

3 (1) ~~General obligation bonds or other indebtedness approved~~
4 ~~by the voters prior to July 1, 1978, including tax rates levied~~
5 ~~pursuant to Part 10 (commencing with Section 15000) of Division~~
6 ~~1 of, and Sections 39308 and 39311 and former Sections 81338~~
7 ~~and 81341 of the Education Code, and Section 26912.7 of the~~
8 ~~Government Code.~~

9 (2) ~~Bonded indebtedness for the acquisition or improvement of~~
10 ~~real property approved by two-thirds of the voters on or after June~~
11 ~~4, 1986.~~

12 (d) ~~“Taxable assessed value” means total assessed value minus~~
13 ~~all exemptions other than the homeowners’ and business inventory~~
14 ~~exemptions.~~

15 (e) ~~“Jurisdictional change” includes any change of organization,~~
16 ~~as defined in Section 56021 of the Government Code and a~~
17 ~~reorganization, as defined in Section 56073 of the Government~~
18 ~~Code. “Jurisdictional change” also includes any change in the~~
19 ~~boundary of those special districts that are not under the jurisdiction~~
20 ~~of a local agency formation commission.~~

21 ~~“Jurisdictional change” also includes a functional consolidation~~
22 ~~where two or more local agencies, except two or more counties,~~
23 ~~exchange or otherwise reassign functions and any change in the~~
24 ~~boundaries of a school district or community college district or~~
25 ~~county superintendent of schools.~~

26 (f) ~~“School entities” means school districts, community college~~
27 ~~districts, the Educational Revenue Augmentation Fund, and county~~
28 ~~superintendents of schools.~~

29 (g) ~~Except as otherwise provided in this subdivision, “tax rate~~
30 ~~area” means a specific geographic area all of which is within the~~
31 ~~jurisdiction of the same combination of local agencies and school~~
32 ~~entities for the current fiscal year.~~

33 ~~In the case of a jurisdictional change pursuant to Section 99, the~~
34 ~~area subject to the change shall constitute a new tax rate area,~~
35 ~~except that if the area subject to change is within the same~~
36 ~~combinations of local agencies and school entities as an existing~~
37 ~~tax rate area, the two tax rate areas may be combined into one tax~~
38 ~~rate area.~~

39 ~~Existing tax rate areas having the same combinations of local~~
40 ~~agencies and school entities may be combined into one tax rate~~

1 area. For the combination of existing tax rate areas, the factors
2 used to allocate the annual tax increment pursuant to Section 98
3 shall be determined by calculating a weighted average of the annual
4 tax increment factors used in the tax rate areas being combined.

5 (h) “State assistance payments” means:

6 (1) For counties, amounts determined pursuant to subdivision
7 (b) of Section 16260 of the Government Code, increased by the
8 amount specified for each county pursuant to Section 94 of Chapter
9 282 of the Statutes of 1979, with the resultant sum reduced by an
10 amount derived by the calculation made pursuant to Section 16713
11 of the Welfare and Institutions Code.

12 (2) For cities, 82.91 percent of the amounts determined pursuant
13 to subdivisions (b) and (i) of Section 16250 of the Government
14 Code, plus for any city an additional amount equal to one-half of
15 the amount of any outstanding debt as of June 30, 1978, for
16 “museums” as shown in the Controller’s “Annual Report of
17 Financial Transactions of Cities for Fiscal Year 1977–78.”

18 (3) For special districts, 95.24 percent of the amounts received
19 pursuant to Chapter 3 (commencing with Section 16270) of Part
20 1.5 of Division 4 of Title 2 of the Government Code, Section 35.5
21 of Chapter 332 of the Statutes of 1978, and Chapter 12 of the
22 Statutes of 1979.

23 (i) “City clerk” means the clerk of the governing body of a city
24 or city and county.

25 (j) “Executive officer” means the executive officer of a local
26 agency formation commission.

27 (k) “City” means any city whether general law or charter, except
28 a city and county.

29 (l) “County” means any chartered or general law county.
30 “County” includes a city and county.

31 (m) “Special district” means any agency of the state for the local
32 performance of governmental or proprietary functions within
33 limited boundaries. “Special district” includes a county service
34 area, a maintenance district or area, an improvement district or
35 improvement zone, or any other zone or area, formed for the
36 purpose of designating an area within which a property tax rate
37 will be levied to pay for a service or improvement benefiting that
38 area. “Special district” includes the Bay Area Air Quality
39 Management District. “Special district” does not include a city, a
40 county, a school district, or a community college district. “Special

1 district” does not include any agency that is not authorized by
2 statute to levy a property tax rate. However, any special district
3 authorized to levy a property tax by the statute under which the
4 district was formed shall be considered a special district.
5 Additionally, a county free library established pursuant to Article
6 1 (commencing with Section 19100) of Chapter 6 of Part 11 of
7 Division 1 of Title 1 of the Education Code, and for which a
8 property tax was levied in the 1977-78 fiscal year, shall be
9 considered a special district.

10 (n) “Excess tax school entity” means an educational agency for
11 which the amount of the state funding entitlement determined
12 under subdivision (e), (f), or (g) of Section 2575, or Section
13 84750.5 or 84751 of the Education Code, as appropriate, is zero,
14 and as described in subdivision (o) of Section 42238.02 of the
15 Education Code, as implemented by Section 42238.03 of the
16 Education Code.

17 SEC. 114. Section 196.4 of the Revenue and Taxation Code
18 is amended to read:

19 196.4. (a) In the 1991-92 fiscal year, the county auditor of an
20 eligible county, proclaimed by the Governor to be in a state of
21 disaster as a result of the Oakland/Berkeley Fire that occurred in
22 October 1991, shall certify to the Director of Finance an estimate
23 of the total amount of the reduction in property tax revenues on
24 both the regular secured roll and the supplemental roll for that
25 fiscal year resulting from the reassessment of eligible properties
26 by the county assessor pursuant to Section 170, except that the
27 amount certified shall not include any estimated property tax
28 revenue reductions to school districts (other than basic state aid
29 school districts), county offices of education, and community
30 college districts.

31 (b) In the 1991-92 fiscal year, the county auditor of an eligible
32 county, proclaimed by the Governor to be in a state of disaster as
33 a result of the Painted Cave Fire that occurred in June 1990, shall
34 certify to the Director of Finance an estimate of the total amount
35 of the reduction in property tax revenues on both the regular
36 secured roll and the supplemental roll for the 1990-91 fiscal year
37 resulting from the reassessment of eligible properties by the county
38 assessor pursuant to Section 170, except that the amount certified
39 shall not include any estimated property tax revenue reductions to

1 school districts (other than basic aid school districts), county offices
2 of education, and community college districts.

3 (e) For purposes of this section, “basic state aid school district”
4 means any school district that does not receive a state
5 apportionment pursuant to subdivision (h) of Section 42238 of the
6 Education Code, as it read on January 1, 2013, but receives from
7 the state only a basic apportionment pursuant to Section 6 of Article
8 IX of the California Constitution.

9 SEC. 115. (a) The sum of two billion ninety-nine million one
10 hundred sixty-one thousand dollars (\$2,099,161,000) is hereby
11 appropriated from the General Fund for the purposes of this act as
12 follows:

13 (1) Two million dollars (\$2,000,000) shall be appropriated to
14 the Governor’s Office of Planning and Research for purposes of
15 implementing Sections 42238.07, 52064, and 52064.5 of the
16 Education Code.

17 (2) Two billion sixty-seven million one hundred forty thousand
18 dollars (\$2,067,140,000) shall be appropriated to the
19 Superintendent of Public Instruction and shall be allocated pursuant
20 to the calculation in subdivision (b) of Section 42238.03 of the
21 Education Code.

22 (3) Thirty-two million twenty-one thousand dollars
23 (\$32,021,000) shall be appropriated to the Superintendent of Public
24 Instruction and shall be allocated pursuant to the calculation in
25 subdivision (f) of Section 2575 of the Education Code.

26 (b) For purposes of making the computations required by Section
27 8 of Article XVI of the California Constitution, the appropriation
28 made by subdivision (a) shall be deemed to be “General Fund
29 revenues appropriated for school districts,” as defined in
30 subdivision (c) of Section 41202 of the Education Code, for the
31 2013–14 fiscal year, and included within the “total allocations to
32 school districts and community college districts from General Fund
33 proceeds of taxes appropriated pursuant to Article XIII B,” as
34 defined in subdivision (e) of Section 41202 of the Education Code,
35 for the 2013–14 fiscal year.

36 SEC. 116. If the Commission on State Mandates determines
37 that this act contains costs mandated by the state, reimbursement
38 to local agencies and school districts for those costs shall be made
39 pursuant to Part 7 (commencing with Section 17500) of Division
40 4 of Title 2 of the Government Code.

1 ~~SEC. 117. This act is a bill providing for appropriations related~~
2 ~~to the Budget Bill within the meaning of subdivision (c) 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.~~

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