

2012-13 EDUCATION TRAILER BILL

Education Protection Account and Redevelopment Agencies Property Tax- General Fund Offset to COE Revenue Limits (Amends Education Code Section 2558)

SEC. 1. 2558. Notwithstanding any other law, for the 1979-80 fiscal year and each fiscal year thereafter, the Superintendent of Public Instruction shall apportion state aid to county superintendents of schools pursuant to this section.

(a) The Superintendent of Public Instruction shall total the amounts computed for the fiscal year pursuant to Sections 2550, 2551.3, 2554, 2555, and 2557 and Section 2551, as that section read on January 1, 1999. For the 1979-80 fiscal year and for purposes of calculating the 1979-80 fiscal year base amounts in succeeding fiscal years, the amounts in Sections 2550, 2551, 2552, 2554, 2555, and 2557, as they read in the 1979-80 fiscal year, shall be multiplied by a factor of 0.994. For the 1981-82 fiscal year and for purposes of calculating the 1981-82 fiscal year base amounts in succeeding fiscal years, the amount in this subdivision shall be multiplied by a factor of 0.97.

(b) For the 1995-96 fiscal year and each fiscal year thereafter, the county superintendent of schools shall adjust the total revenue limit computed pursuant to this section by the amount of increased or decreased employer contributions to the Public Employees' Retirement System resulting from the enactment of Chapter 330 of the Statutes of 1982, adjusted for any changes in those contributions resulting from subsequent changes in employer contribution rates, excluding rate changes due to the direct transfer of the state-mandated portion of the employer contributions to the Public Employees' Retirement System through the current fiscal year. The adjustment shall be calculated for each county superintendent of schools as follows:

(1) Determine the amount of employer contributions that would have been made in the current fiscal year if the applicable Public Employees' Retirement System employee contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes of 1982 were in effect during the current fiscal year.

(2) Determine the actual amount of employer contributions made to the Public Employees' Retirement System in the current fiscal year.

(3) If the amount determined in paragraph (1) is greater than the amount determined in paragraph (2), the total revenue limit computed pursuant to this part for that county superintendent of schools shall be decreased by the amount of the difference between those paragraphs; or if the amount determined in paragraph (1) is less than the amount determined in paragraph (2), the total revenue limit for that county superintendent of schools shall be increased by the amount of the difference between those paragraphs.

(4) For the purposes of this subdivision, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation specified above:

(A) Positions or portions of positions supported by federal funds that are subject to supplanting restrictions.

(B) Positions supported by funds received pursuant to paragraph (1) of subdivision (a) of Section 54203.

(C) Positions supported, to the extent of employers' contributions not exceeding twenty-five thousand dollars (\$25,000) by any single educational agency, from a non-General Fund revenue source determined to be properly excludable from this subdivision by the Superintendent of Public Instruction with the approval of the Director

of Finance. Commencing in the 2002-03 fiscal year, only positions supported from a non-General Fund revenue source determined to be properly excludable as identified for a particular local education agency or pursuant to a blanket waiver by the Superintendent of Public Instruction and the Director of Finance, prior to the 2002-03 fiscal year, may be excluded pursuant to this paragraph.

(5) For accounting purposes, any reduction to county office of education revenue limits made by this subdivision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.

(6) The amount of the increase or decrease to the revenue limits of county superintendents of schools made by this subdivision for the 1995-96 to 2001-02 fiscal years, inclusive, may not be adjusted by the deficit factor applied to the revenue limit of each county superintendent of schools pursuant to Section 2558.45.

(7) For the 2003-04 fiscal year and any fiscal year thereafter, the revenue limit reduction specified in Section 2558.46 may not be applied to the amount of the increase or decrease to the revenue limits of each county superintendent of schools computed pursuant to paragraph (3).

(c) The Superintendent of Public Instruction shall also subtract from the amount determined in subdivision (a) the sum of: (1) local property tax revenues received pursuant to Section 2573 in the then current fiscal year, and tax revenues received pursuant to Section 2556 in the then current fiscal year, (2) state and federal categorical aid for the fiscal year, (3) district contributions pursuant to Section 52321 for the fiscal year, and other applicable local contributions and revenues, (4) any amounts that the county superintendent of schools was required to maintain as restricted and not available for expenditure in the 1978-79 fiscal year as specified in the second paragraph of subdivision (c) of Section 6 of Chapter 292 of the Statutes of 1978, as amended by Chapter 51 of the Statutes of 1979, and (5) the amount received pursuant to subparagraph (C) of paragraph (3) of subdivision (a) of Section 33607.5 of the Health and Safety Code that is considered property taxes pursuant to that section, (6) the amount, if any, received pursuant to Sections 34183 and 34188 of the Health and Safety Code, and (7) the amount received pursuant to The Schools and Local Public Safety Act of 2012 subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California State Constitution.

(d) The remainder computed in subdivision (c) shall be distributed in the same manner as state aid to school districts from funds appropriated to Section A of the State School Fund.

(e) If the remainder determined pursuant to subdivision (c) is a negative amount, no state aid shall be distributed to that county superintendent of schools pursuant to subdivision (d), and an amount of funds of that county superintendent equal to that negative amount shall be deemed restricted and not available for expenditure during the current fiscal year. In the next fiscal year, that amount shall be considered local property tax revenue for purposes of the operation of paragraph (1) of subdivision (c).

(f) The calculations set forth in paragraphs (1) to (3), inclusive, of subdivision (b) exclude employer contributions for employees of charter schools funded pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8.

COE Deficit Factor (Amends ECS 2258.46)

SEC. 2. 2558.46. (a) (1) For the 2003-04 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 1.195 percent deficit factor.

(2) For the 2004-05 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 0.323 percent deficit factor.

(3) For the 2003-04 and 2004-05 fiscal years, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced further by a 1.826 percent deficit factor.

(4) For the 2005-06 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced further by a 0.898 percent deficit factor.

(5) For the 2008-09 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 7.839 percent deficit factor.

(6) For the 2009-10 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by an 18.621 percent deficit factor.

(7) For the 2010-11 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by an 18.250 percent deficit factor.

(8) For the 2011-12 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 20.041 percent deficit factor.

(9) For the 2012-13 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 22.497 percent deficit factor.

(b) In computing the revenue limit for each county superintendent of schools for the 2006-07 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2003-04, 2004-05, and 2005-06 fiscal years without being reduced by the deficit factors specified in subdivision (a).

(c) In computing the revenue limit for each county superintendent of schools for the 2010-11 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2009-10 fiscal year without being reduced by the deficit factors specified in subdivision (a).

(d) In computing the revenue limit for each county superintendent of schools for the 2011-12 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2010-11 fiscal year without being reduced by the deficit factors specified in subdivision (a).

(e) In computing the revenue limit for each county superintendent of schools for the 2012-13 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2011-12 fiscal year without being reduced by the deficit factor specified in subdivision (a).

(f) In computing the revenue limit for each county superintendent of schools for the 2013-14 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2012-13 fiscal year without being reduced by the deficit factor specified in subdivision (a).

Redevelopment Agency Property-Tax Offset for Special Education (Amends ECS 2571)

SEC. 3. 2571. The Superintendent of Public Instruction shall make the following computations for each county superintendent of schools:

(a) Add the property tax revenues received for the 1977-78 fiscal year pursuant to subdivisions (b), (c) and (d) of Section 2500, Section 2501 for purposes of Section 1705, Section 2502 for purposes of Section 56811, Section 2505 for special education tuition charges, Section 42909 for purposes of Section 56604, and Section 56364 or Section 56364.2, as applicable. For purposes of this subdivision, section references are to sections effective during the 1977-78 fiscal year.

(b) Divide the sum computed pursuant to subdivision (a) by the total amount of property tax revenues received by the county superintendent of schools for the 1977-78 fiscal year.

(c) Multiply the quotient computed pursuant to subdivision (b) by the total amount of property tax revenues received by the county superintendent of schools for the then current fiscal year.

(d) Subtract the product computed pursuant to subdivision (c) from the total amount of property tax revenues received by the county superintendent of schools for the then current fiscal year.

(e) For purposes of subdivisions (c) and (d), "total property tax revenues" include taxes on the secured roll, taxes on the unsecured roll, prior year taxes, and subventions of property taxes, and beginning in the 2011-12 fiscal year, revenues received pursuant to Section 34183 and Section 34188 of the Health and Safety Code.

Revenue Limit Deferrals (Amends ECS 14041.6)

SEC. 4. 14041.6. (a) Notwithstanding subdivision (a) of Section 14041, or any other law, ~~commencing with the~~ from the 2008-09 fiscal year through the 2011-12 fiscal year, warrants for the principal apportionments for the month of February in the amount of two billion dollars (\$2,000,000,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339. Commencing with the 2012-13 fiscal year, warrants for the principal apportionment for the month of February in the amount of one billion one million five hundred fifty thousand (\$1,001,550,000), instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

(b) Notwithstanding subdivision (a) of Section 14041 or any other law, ~~commencing with~~ from the 2009-10 fiscal year through the 2011-12 fiscal year, warrants for the principal apportionments for the month of April in the amount of six hundred seventy-eight million six hundred eleven thousand dollars (\$678,611,000) and for the month of May in the amount of one billion dollars (\$1,000,000,000) instead shall be drawn in August of the same calendar year pursuant to the certification made pursuant to Section 41339. Commencing with the 2012-13 fiscal year, warrants for the principal apportionment for the month of April in the amount of one hundred forty-six million nine hundred ninety-one thousand (\$146,991,000) and for the month of May in the amount of three hundred seventy-nine million three hundred and four thousand (\$379,304,000), instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

(c) Notwithstanding subdivision (a) of Section 14041 or any other law, commencing with the 2010-11 fiscal year, warrants for the principal apportionments for the month of

April in the amount of four hundred nineteen million twenty thousand dollars (\$419,020,000), for the month of May in the amount of eight hundred million dollars (\$800,000,000), and for the month of June in the amount of five hundred million dollars (\$500,000,000), instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

(d) Notwithstanding subdivision (a) of Section 14041 or any other law, commencing with the 2011-12 fiscal year, warrants for the principal apportionments for the month of March in the amount of one billion three hundred million dollars (\$1,300,000,000) and for the month of April in the amount of seven hundred sixty-three million seven hundred ninety-four thousand dollars (\$763,794,000) instead shall be drawn in August of the same calendar year pursuant to the certification made pursuant to Section 41339.

(e) Except as provided in subdivisions (c) and (e) of Section 41202, for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the warrants drawn pursuant to subdivisions (a), (b), (c), and (d) shall be deemed to be "General Fund revenues appropriated to school districts," as defined in subdivision (c) of Section 41202, for the fiscal year in which the warrants are drawn and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the fiscal year in which the warrants are drawn.

June 2013 to January 2013 Advanced Cash Payment (Amends ECS 14041)

SEC. 5. 14041. (a) The Controller shall draw warrants on the State Treasury in favor of the county treasurer of each county in each month of each year in the amounts and manner prescribed in this section so as to provide in each warrant a portion of the total amount certified by the Superintendent as apportioned under the provisions of Sections 41330 to 41343, inclusive, and Chapter 4 (commencing with Section 41600) and Chapter 5 (commencing with Section 41700) and Article 2 (commencing with Section 42237) of Chapter 7 of Part 24 of Division 3 of Title 2, inclusive, during the fiscal year from the State School Fund to the school districts under the jurisdiction of the county superintendent of schools of the county, to the county school service fund, and to the county school tuition fund of the county.

(1) Warrants for amounts allowed to the county school service funds under subdivisions (a) and (b) of Section 14054 shall be for amounts equal to 5 percent in July, 5 percent in August, and 9 percent in each remaining month of the fiscal year of the amounts certified by the Superintendent as a part of the advance apportionment.

(2) Warrants for amounts apportioned to school districts and county school service funds for classes maintained by county superintendents of schools and to the county school tuition funds shall be for amounts equal to 5 percent in July, 5 percent in August, and 9 percent in September, October, November, December, and January, of the amounts certified by the Superintendent as a part of the advance apportionment.

(3) Warrants in the months of February to May, inclusive, shall be for amounts equal to one-fifth of the difference between the amounts certified by the Superintendent for school districts and county school service funds for classes maintained by county superintendents of schools and county school tuition funds as the first principal apportionment and the amounts required by paragraph (2).

(4) Warrants for the month of June shall be for amounts equal to the difference between the amounts certified by the Superintendent for school districts and county school service funds for classes maintained by county superintendents of schools and

county school tuition funds as the second principal apportionment and the amounts required by paragraphs (2) and (3).

(5) Warrants in the months of July and August shall include 5 percent of the estimated total amounts of the special purpose apportionment, as determined by the Superintendent. Warrants in the months of September to November, inclusive, shall include 9 percent of the estimated total amounts of the special purpose apportionment, as determined by the Superintendent. Warrants in December shall include 9 percent of the amounts certified by the Superintendent as the special purpose apportionment, as adjusted, if necessary, to correct excesses or deficiencies in the estimates made for purposes of the warrants in the months of September to November, inclusive. An additional 9 percent of the amounts of the special purpose apportionment shall be included in the warrants for the months from January to June, inclusive.

(6) Warrants in June shall include the total amounts certified by the Superintendent as the final apportionment.

(7) Notwithstanding paragraph (2) to the contrary, for school districts that reported less than 5,000 units of average daily attendance in the 1979-80 fiscal year and that received 39 percent or more, but less than 75 percent, of their total revenue limits from local property taxes in that fiscal year, warrants for amounts apportioned to the districts shall be for amounts equal to 15 percent in July, August, September, and October; zero percent in November and December; and 6 percent in January of the amounts certified by the Superintendent as a part of the advance apportionment. Warrants for amounts apportioned to the districts for the months of February to May, inclusive, shall be in accordance with paragraph (3), and for the month of June, shall be in accordance with paragraph (4).

(8) Notwithstanding paragraph (2) or (7) to the contrary, for school districts which reported less than 5,000 units of average daily attendance in the 1979-80 fiscal year and which received 75 percent or more of their total revenue limits from local property taxes in that fiscal year, warrants for amounts apportioned to the districts shall be for amounts equal to 15 percent in July; 30 percent in August and September; 15 percent in October; zero percent in November and December; 6 percent in January; and zero percent in February, March, April, and May, of the amounts certified by the Superintendent as a part of the advance apportionment. Warrants for the month of June shall be in accordance with paragraph (4).

(b) The drawing of the warrants required to be drawn during any one of the months mentioned may be postponed by the Controller for not to exceed 30 days, but the total amounts due the several counties during any fiscal year shall be paid within the fiscal year. The warrants shall be paid by the State Treasurer from the State School Fund and are not subject to the provisions of Government Code Section 925.6.

(9) Notwithstanding paragraphs (1), (3), or (7), for the 2012-13 fiscal year only, up to six hundred million dollars (\$600,000,000) of the June 2013 payment may instead be paid in February 2013, upon approval of the Director of the Department of Finance.

Transfer Overcrowded Relief Grant Program Bond Authority (Adds ECS 17079.31)

SEC. 6. 17079.31. The board shall not approve any projects pursuant this article (commencing with section 17079) on or after June 30, 2012.

New Construction and Modernization Approvals (Amends ECS 17070.35)

SEC. 7. 17070.35. (a) In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following:

(1) Adopt rules and regulations, pursuant to the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, for the administration of this chapter. However, the board shall have no authority to set the level of the fees of any architect, structural engineer, or other design professional on any project. The initial regulations adopted pursuant to this chapter shall be adopted as emergency regulations, and the circumstances related to the initial adoption are hereby deemed to constitute an emergency for this purpose. The initial regulations adopted pursuant to this chapter shall be adopted by November 4, 1998. If the initial regulations are not adopted by that date, the board shall report to the Legislature by that date, explaining the reasons for the delay.

(2) Establish and publish any procedures and policies in connection with the administration of this chapter as it deems necessary.

(3) Determine the eligibility of school districts to receive apportionments under this chapter.

(4) Apportion funds to eligible school districts under this chapter.

(b) The board shall review and amend its regulations as necessary to adjust its administration of this chapter to conform with the act that amended this section to add this subdivision. Regulations adopted pursuant to this subdivision shall be adopted by November 5, 2002, and shall be adopted as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of any emergency regulation pursuant to this subdivision filed with the Office of Administrative Law shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding subdivision (e) of Section 11346.1 of the Government Code, any emergency regulation adopted pursuant to this section shall remain in effect for no more than 365 days unless the board has complied with Sections 11346.2 to 11348, inclusive, of the Government Code.

(c) Notwithstanding subdivision (4) of this section, and section 17070.40, effective upon enactment of the 2012 Budget Act, the board shall apportion up to eight million five hundred thousand dollars (\$8,500,000) for new construction projects and up to nine million dollars (\$9,000,000) for modernization projects per month at any board meeting. This provision shall not apply to new construction and modernization projects that have received an unfunded approval by the board prior to the enactment of the 2012 Budget Act

Emergency Repair Program (Amends ECS 17592.71)

SEC. 8. 17592.71. (a) There is hereby established in the State Treasury the School Facilities Emergency Repair Account. The State Allocation Board shall administer the account.

(b) (1) Commencing with the 2005-06 fiscal year, an amount of moneys shall be transferred in the annual Budget Act from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account, equaling 50 percent of the unappropriated balance of the Proposition 98 Reversion Account or one hundred million dollars (\$100,000,000), whichever amount is greater. Moneys transferred pursuant to this

subdivision shall be used for the purpose of addressing emergency facilities needs pursuant to Section 17592.72.

(2) Notwithstanding paragraph (1), for the 2008-09 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall not exceed one hundred one million dollars (\$101,000,000).

(3) Notwithstanding paragraph (1), for the 2009-10 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero.

(4) Notwithstanding paragraph (1), for the 2010-11 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero.

(5) Notwithstanding paragraph (1), for the 2011-12 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero.

(6) Notwithstanding paragraph (1), for the 2012-13 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be twelve million two hundred eighty-two thousand dollars \$12,282,000.

(c) The Legislature may transfer to the School Facilities Emergency Repair Account other one-time Proposition 98 funds, except funds specified pursuant to Section 41207, as repealed and added by Section 6 of Chapter 216 of the Statutes of 2004. Donations by private entities shall be deposited in the account and, for tax purposes, be treated as otherwise provided by law.

(d) Funds shall be transferred pursuant to this section until a total of eight hundred million dollars (\$800,000,000) has been disbursed from the School Facilities Emergency Repair Account.

K-12 / CCC, 3-Pot Split (Amends ECS 41203.1)

SEC. 9. 41203.1. (a) For the 1990-91 fiscal year and each fiscal year thereafter, allocations calculated pursuant to Section 41203 shall be distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for the purposes of this section, school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution were to be applied separately to each segment and the base year for the purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989-90 fiscal year. Calculations made pursuant to this subdivision shall be made so that each segment of public education is entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

(b) If the single calculation made pursuant to Section 41203 yields a guaranteed amount of funding that is less than the sum of the amounts calculated pursuant to subdivision (a), the amount calculated pursuant to Section 41203 shall be prorated for the three segments of public education.

(c) Notwithstanding any other law, this section does not apply to the 1992-93 to 2010-11 2012-13 fiscal years, inclusive.

Eliminate the Gas Tax Rebench (Repeals ECS 41204.2)

SEC. 10. ~~41204.2. The Director of Finance shall adjust "the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986-87" for purposes of applying paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution in a manner that ensures that the shift in General Fund revenues, pursuant to Sections 6051.8, 6201.8, 6357.7, and 7361.1, subdivision (b) of Section 7360, and subdivision (b) of Section 60050 of the Revenue and Taxation Code, as those provisions were enacted in the 2009-10 Eighth Extraordinary Session and 2009-10 Regular Session, and reenacted in the 2011-12 Regular Session, shall have no net fiscal impact upon the amounts that are otherwise required to be applied by the state for the support of school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution.~~

Eliminate RDA Rebench for 2011-12 (Repeals ECS 41204.3)

Sec. 11 ~~41204.3. (a) Notwithstanding any other law, for the 2011-12 fiscal year, the Director of Finance shall adjust "the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986-87" for purposes of making the calculations required under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution in a manner that ensures that the shift to school districts and community college districts of local property tax revenues pursuant to subdivision (a) of Section 34183 of the Health and Safety Code has no net fiscal impact upon the combined amount of General Fund proceeds of taxes and allocated local proceeds of taxes that are otherwise required to be applied by the state for the support of school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution.~~
~~—(b) For purposes of Section 8 of Article XVI of the California Constitution, the property tax revenues transferred to school districts, county offices of education, and community college districts pursuant to subdivision (a) of Section 34183 of the Health and Safety Code shall constitute "allocated local proceeds of taxes."~~
~~—(c) For the 2012-13 fiscal year, and for each fiscal year thereafter, the adjustments provided in this section shall not be made.~~

Education Protection Account and Redevelopment Agency Property Tax Offset to District Revenue Limits (Amends ECS 42238)

SEC. 12. 42238. (a) For the 1984-85 fiscal year and each fiscal year thereafter, the county superintendent of schools shall determine a revenue limit for each school district in the county pursuant to this section.

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

(1) The inflation adjustment specified in Section 42238.1.

(2) For the 1995-96 fiscal year, the equalization adjustment specified in Section 42238.4.

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

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

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

(6) For the 2004-05 fiscal year, the equalization adjustment specified in Section 42238.44.

(7) For the 2006-07 fiscal year, the equalization adjustment specified in Section 42238.48.

(8) For the 2011-12 fiscal year, the equalization adjustment specified in Section 42238.49.

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

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

(2) Commencing with the 2010-11 fiscal year, the Superintendent shall compute an add-on for each school district by dividing each school district's fiscal year average daily attendance computed pursuant to Section 42238.5 by the total adjustments in funding for each district made for the 2007-08 fiscal year pursuant to Section 42238.22 as it read on January 1, 2009.

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

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

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

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

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

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

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

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

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

(A) Positions supported totally by federal funds that were subject to supplanting restrictions.

(B) Positions supported, to the extent of employer contributions not exceeding twenty-five thousand dollars (\$25,000) by a single educational agency, from a revenue source determined on the basis of equity to be properly excludable from the provisions of this subdivision by the Superintendent with the approval of the Director of Finance.

(4) For accounting purposes, the reduction made by this subdivision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent.

(h) The Superintendent shall apportion to each school district the amount determined in this section less the sum of:

(1) The district's property tax revenue received pursuant to Chapter 3.5 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

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

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

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

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

(6) The amount, if any, received pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), except for any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance, except for any amount received pursuant to Section 33492.15 of, paragraph (4) of subdivision (a) of Section 33607.5 of, or Section 33607.7 of, the Health and Safety Code that is allocated exclusively for educational facilities.

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

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

(9) The district's Schools and Local Public Safety Act of 2012 revenue pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California State Constitution.

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

District Revenue Limits Deficit Factor (Amends ECS 42238.146)

SEC. 13. 42238.146. (a) (1) For the 2003-04 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 1.198 percent deficit factor.

(2) For the 2004-05 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 0.323 percent deficit factor.

(3) For the 2003-04 and 2004-05 fiscal years, the revenue limit for each school district determined pursuant to this article shall be further reduced by a 1.826 percent deficit factor.

(4) For the 2005-06 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 0.892 percent deficit factor.

(5) For the 2008-09 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 7.844 percent deficit factor.

(6) For the 2009-10 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 18.355 percent deficit factor.

(7) For the 2010-11 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 17.963 percent deficit factor.

(8) For the 2011-12 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 19.754 percent deficit factor.

(9) For the 2012-13 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 21.666 percent deficit factor.

(b) In computing the revenue limit for each school district for the 2006-07 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the 2003-04, 2004-05, and 2005-06 fiscal years without being reduced by the deficit factors specified in subdivision (a).

(c) In computing the revenue limit for each school district for the 2010-11 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the 2009-10 fiscal year without being reduced by the deficit factors specified in subdivision (a).

(d) In computing the revenue limit for each school district for the 2011-12 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the 2010-11 fiscal year without being reduced by the deficit factors specified in subdivision (a).

(e) In computing the revenue limit for each school district for the 2012-13 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the 2011-12 fiscal year without being reduced by the deficit factors specified in subdivision (a).

(f) In computing the revenue limit for each school district for the 2013-14 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the 2012-13 fiscal year without being reduced by the deficit factors specified in subdivision (a).

Eliminate Transitional Kindergarten Mandate (Amends ECS 46300 and 48000)

SEC. 14. 46300. (a) In computing average daily attendance of a school district or county office of education, there shall be included the attendance of pupils while engaged in educational activities required of those pupils and under the immediate supervision and

control of an employee of the district or county office who possessed a valid certification document, registered as required by law.

(b) (1) For purposes of a work experience education program in a secondary school that meets the standards of the California State Plan for Career Technical Education, "immediate supervision," in the context of off-campus work training stations, means pupil participation in on-the-job training as outlined under a training agreement, coordinated by the school district under a state-approved plan, wherein the employer and certificated school personnel share the responsibility for on-the-job supervision.

(2) The pupil-teacher ratio in a work experience program shall not exceed 125 pupils per full-time equivalent certificated teacher coordinator. This ratio may be waived by the state board pursuant to Article 3 (commencing with Section 33050) of Chapter 1 of Part 20 of Division 2 under criteria developed by the state board.

(3) A pupil enrolled in a work experience program shall not be credited with more than one day of attendance per calendar day, and shall be a full-time pupil enrolled in regular classes that meet the requirements of Section 46141 or 46144.

(c) (1) For purposes of the rehabilitative schools, classes, or programs described in Section 48917 that require immediate supervision, "immediate supervision" means that the person to whom the pupil is required to report for training, counseling, tutoring, or other prescribed activity shares the responsibility for the supervision of the pupils in the rehabilitative activities with certificated personnel of the district.

(2) A pupil enrolled in a rehabilitative school, class, or program shall not be credited with more than one day of attendance per calendar day.

(d) (1) For purposes of computing the average daily attendance of pupils engaged in the educational activities required of high school pupils who are also enrolled in a regional occupational center or regional occupational program, the school district shall receive proportional average daily attendance credit for those educational activities that are less than the minimum schoolday, pursuant to regulations adopted by the state board; however, none of that attendance shall be counted for purposes of computing attendance pursuant to Section 52324.

(2) A school district shall not receive proportional average daily attendance credit pursuant to this subdivision for a pupil in attendance for less than 145 minutes each day.

(3) The divisor for computing proportional average daily attendance pursuant to this subdivision is 240, except that, in the case of a pupil excused from physical education classes pursuant to Section 52316, the divisor is 180.

(4) Notwithstanding any other provision of law, travel time of pupils to attend a regional occupational center or regional occupational program shall not be used in any manner in the computation of average daily attendance.

(e) (1) In computing the average daily attendance of a school district, there shall also be included the attendance of pupils participating in independent study conducted pursuant to Article 5.5 (commencing with Section 51745) of Chapter 5 of Part 28 for five or more consecutive schooldays.

(2) A pupil participating in independent study shall not be credited with more than one day of attendance per calendar day.

(f) For purposes of cooperative career technical education programs and community classrooms described in Section 52372.1, "immediate supervision" means pupil participation in paid and unpaid on-the-job experiences, as outlined under a training agreement and individualized training plans wherein the supervisor of the training site and certificated school personnel share the responsibility for the supervision of on-the-job experiences.

(g) (1) In computing the average daily attendance of a school district, there shall be included the attendance of pupils in kindergarten after they have completed one school

year in kindergarten only if the school district has on file for each of those pupils an agreement made pursuant to Section 48011, approved in form and content by the department and signed by the pupil's parent or guardian, that the pupil may continue in kindergarten for not more than one additional year. ~~or pupils in a transitional kindergarten program after they have completed one year in that program if one of the following conditions is met:~~

~~—(A) The school district has on file for each of those pupils an agreement made pursuant to Section 48011, approved in form and content by the department and signed by the pupil's parent or guardian, that the pupil may continue in kindergarten for not more than one additional school year.~~

~~—(B) The pupils participated in a transitional kindergarten program pursuant to subdivision (c) of Section 48000.~~

~~—(2) A school district may not include for apportionment purposes the attendance of any pupil for more than two years in kindergarten or for more than two years in a combination of transitional kindergarten and kindergarten.~~

Sec. 15 48000. (a) A child shall be admitted to a kindergarten maintained by the school district at the beginning of a school year, or at a later time in the same year if the child will have his or her fifth birthday on or before one of the following dates:

- (1) December 2 of the 2011-12 school year.
- (2) November 1 of the 2012-13 school year.
- (3) October 1 of the 2013-14 school year.
- (4) September 1 of the 2014-15 school year and each school year thereafter.

(b) Notwithstanding subdivision (a) of this section, ~~the~~ governing board of a school district maintaining one or more kindergartens may, on a case-by-case basis, admit to a kindergarten at the beginning of the school year, a child having attained the age of five years at any time during the school year with the approval of the parent or guardian, subject to the following conditions:

(1) The governing board determines that the admittance to kindergarten ~~is~~ in the best interests of the child.

(2) The parent or guardian is given information regarding the advantages and disadvantages and any other explanatory information about the effect of this early admittance.

(c) ~~As a condition of receipt of apportionment for pupils in a transitional kindergarten program pursuant to subdivision (g) of Section 46300, a school district or charter school shall ensure the following:~~

~~—(1) In the 2012-13 school year, a child who will have his or her fifth birthday between November 2 and December 2 shall be admitted to a transitional kindergarten program maintained by the school district.~~

~~—(2) In the 2013-14 school year, a child who will have his or her fifth birthday between October 2 and December 2 shall be admitted to a transitional kindergarten program maintained by the school district.~~

~~—(3) In the 2014-15 school year and each school year thereafter, a child who will have his or her fifth birthday between September 2 and December 2 shall be admitted to a transitional kindergarten program maintained by the school district.~~

~~—(d) For purposes of this section, "transitional kindergarten" means the first year of a two-year kindergarten program that uses a modified kindergarten curriculum that is age and developmentally appropriate.~~

~~—(e) A transitional kindergarten shall not be construed as a new program or higher level of service.~~

Education Protection Account General Fund Offset for Charter School Revenue Limits (Amends ECS 47633)

SEC. 16. 47633. The Superintendent of Public Instruction shall annually compute a general-purpose entitlement, funded from a combination of state aid and local funds, for each charter school as follows:

(a) The superintendent shall annually compute the statewide average amount of general-purpose funding per unit of average daily attendance received by school districts for each of four grade level ranges: kindergarten and grades 1, 2, and 3; grades 4, 5, and 6; grades 7 and 8; and, grades 9 to 12, inclusive. For purposes of making these computations, both of the following conditions shall apply:

(1) Revenue limit funding attributable to pupils in kindergarten and grades 1 to 5, inclusive, shall equal the statewide average revenue limit funding per unit of average daily attendance received by elementary school districts; revenue limit funding attributable to pupils in grades 6, 7, and 8, shall equal the statewide average revenue limit funding per unit of average daily attendance received by unified school districts; and revenue limit funding attributable to pupils in grades 9 to 12, inclusive, shall equal the statewide average revenue limit funding per unit of average daily attendance received by high school districts.

(2) Revenue limit funding received by school districts shall exclude the value of any benefit attributable to the presence of necessary small schools or necessary small high schools within the school district.

(b) The superintendent shall multiply each of the four amounts computed in subdivision (a) by the charter school's average daily attendance in the corresponding grade level ranges. The resulting figure shall be the amount of the charter school's general-purpose entitlement, which shall be funded through a combination of state aid and local funds. From funds appropriated for this purpose pursuant to Section 14002, the superintendent shall apportion to each charter school this amount, less local funds allocated to the charter school pursuant to Section 47635 and any amount received pursuant to The Schools and Local Public Safety Act of 2012 subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California State Constitution.

(c) General-purpose entitlement funding may be used for any public school purpose determined by the governing body of the charter school.

QEIA Technical Fix (Amends ECS 52055.770)

SEC. 17. 52055.770 (a) School districts and chartering authorities shall receive funding at the following rate, on behalf of funded schools:

(1) For kindergarten and grades 1 to 3, inclusive, five hundred dollars (\$500) per enrolled pupil in funded schools.

(2) For grades 4 to 8, inclusive, nine hundred dollars (\$900) per enrolled pupil in funded schools.

(3) For grades 9 to 12, inclusive, one thousand dollars (\$1,000) per enrolled pupil in funded schools.

(b) For purposes of subdivision (a), enrollment of a pupil in a funded school in the prior fiscal year shall be based on data from the CBEDS. For the 2007-08 fiscal year, the funded rates shall be reduced to reflect the percentage difference in the total amounts appropriated for purposes of this section in that year compared to the amounts appropriated for purposes of this section in the 2008-09 fiscal year.

(c) The following amounts are hereby appropriated from the General Fund for the purposes set forth in subdivision (f):

(1) For the 2007-08 fiscal year, three hundred million dollars (\$300,000,000), to be allocated as follows:

(A) Thirty-two million dollars (\$32,000,000) for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges for the purpose of providing funding to the community colleges to improve and expand career technical education in public secondary education and lower division public higher education pursuant to Section 88532, including the hiring of additional faculty to expand the number of career technical education programs and course offerings.

(B) Two hundred sixty-eight million dollars (\$268,000,000) for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent pursuant to this article.

(2) For each of the 2008-09, and 2011-12 to 2014-15 fiscal years, inclusive, four hundred fifty million dollars (\$450,000,000) per fiscal year, to be allocated as follows:

(A) Forty-eight million dollars (\$48,000,000) for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision (e).

(B) Four hundred two million dollars (\$402,000,000) for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent pursuant to this article.

(3) For the 2009-10 fiscal year, thirty million dollars (\$30,000,000), to be allocated for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision (e).

(4) For the 2010-11 fiscal year, four hundred twenty million dollars (\$420,000,000), to be allocated as follows:

(A) Eighteen million dollars (\$18,000,000) for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision (e).

(B) Four hundred two million dollars (\$402,000,000) for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent pursuant to this article.

(C) Commencing with the 2010-11 fiscal year, payments made pursuant to subparagraphs (A) and (B) shall be made only on or after October 8 of each fiscal year.

(d) For the ~~2013-14~~ 2014-15 fiscal year the amounts appropriated under subdivision (c) shall be adjusted to reflect the total fiscal settlement agreed to by the parties in California Teachers Association, et al. v. Arnold Schwarzenegger (Case Number 05CS01165 of the Superior Court for the County of Sacramento) and the sum of all fiscal years of funding provided to fund this article shall not exceed the total funds agreed to by those parties. This annual appropriation shall continue to be made until the Director of Finance reports to the Legislature, along with all proposed adjustments to the Governor's Budget pursuant to Section 13308 of the Government Code, that the sum of appropriations made and allocated pursuant to subdivision (c) equals the total outstanding balance of the minimum state educational funding obligation to school districts and community college districts required by Section 8 of Article XVI of the California Constitution and Chapter 213 of the Statutes of 2004 for the 2004-05 and 2005-06 fiscal years, as determined in subdivision (a) or (b) of Section 41207.1.

(e) The sum transferred under subparagraph (A) of paragraph (2) of subdivision (c) for the 2008-09 fiscal year shall be allocated by the Chancellor of the California Community Colleges as follows:

(1) Thirty-eight million dollars (\$38,000,000) to the community colleges for the purpose of providing funding to the community colleges to improve and expand career technical education in public secondary education and lower division public higher education pursuant to Section 88532, including the hiring of additional faculty to expand the number of career technical education programs and course offerings.

(2) Ten million dollars (\$10,000,000) to the community colleges for the purpose of providing one-time block grants to community college districts to be used for one-time items of expenditure, including, but not limited to, the following purposes:

(A) Physical plant, scheduled maintenance, deferred maintenance, and special repairs.

(B) Instructional materials and support.

(C) Instructional equipment, including equipment related to career-technical education, with priority for nursing program equipment.

(D) Library materials.

(E) Technology infrastructure.

(F) Hazardous substances abatement, cleanup, and repair.

(G) Architectural barrier removal.

(H) State-mandated local programs.

(3) The Chancellor of the California Community Colleges shall allocate the amount allocated pursuant to paragraph (2) to community college districts on an equal amount per actual full-time-equivalent student (FTES) reported for the prior fiscal year, except that each community college district shall be allocated an amount not less than fifty thousand dollars (\$50,000), and the equal amount per unit of FTES shall be computed accordingly.

(4) Funds allocated under paragraph (2) shall supplement and not supplant existing expenditures and may not be counted as the district contribution for physical plant projects and instructional material purchases funded in Item 6870-101-0001 of Section 2.00 of the annual Budget Act.

(f) For each fiscal year, commencing with the 2011-12 fiscal year, to the 2014-15 fiscal year, inclusive, the sum transferred pursuant to subparagraph (A) of paragraph (2) of subdivision (c) shall be allocated by the Chancellor of the California Community Colleges as follows: Forty-eight million dollars (\$48,000,000) to the community colleges for the purpose of providing funding to the community colleges to improve and expand career technical education in public secondary education and lower division public higher education pursuant to Section 88532, including the hiring of additional faculty to expand the number of career technical education programs and course offerings.

(g) The appropriations made under subdivision (c) are for the purpose of discharging in full the minimum state educational funding obligation to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution and Chapter 213 of the Statutes of 2004 for the 2004-05 fiscal year, and the outstanding maintenance factor for the 2005-06 fiscal year resulting from this additional payment of the Chapter 213 amount for the 2004-05 fiscal year.

(h) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, including computation of the state's minimum funding obligation to school districts and community college districts in subsequent fiscal years, the first one billion six hundred twenty million nine hundred twenty-eight thousand dollars (\$1,620,928,000) in appropriations made pursuant to subdivision (c) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 and "General Fund Revenues appropriated for community college

districts," as defined in subdivision (d) of Section 41202, for the 2004-05 fiscal year and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for that fiscal year. The remaining appropriations made pursuant to subdivision (c) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 and "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202, for the 2005-06 fiscal year and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for that fiscal year.

(i) From funds appropriated under subdivision (c), the Superintendent shall provide both of the following:

(1) Not more than two million dollars (\$2,000,000) annually to county superintendents of schools to carry out the requirements of this article, allocated in a manner similar to that created to carry out the new duties of those superintendents under the settlement agreement in the case of *Williams v. California* (Super. Ct. San Francisco, No. CGC-00-312236).

(2) Five million dollars (\$5,000,000) in the 2007-08 fiscal year to support regional assistance under Section 52055.730. It is the intent of the Legislature that the Superintendent and the secretary, along with county offices of education, seek foundational and other financial support to sustain and expand these services. Funds provided under this paragraph that are not expended in the 2007-08 fiscal year shall be reappropriated for use in subsequent fiscal years for the same purpose.

(j) Notwithstanding any other provision of law, funds appropriated under subdivision (c) but not allocated to schools with kindergarten or grades 1 to 12, inclusive, in a fiscal year due to program termination in any year or otherwise, shall be available for reappropriation for purposes of providing per pupil funding in accordance with subdivision (a), only in furtherance of the purposes of this article. First priority for those amounts shall be to provide cost-of-living increases and enrollment growth adjustments to funded schools.

(k) The sum of three hundred fifty thousand dollars (\$350,000) is hereby appropriated from the General Fund to the State Department of Education to fund 3.0 positions to implement this article. Funding provided under this subdivision is not part of funds provided pursuant to subdivision (c).

Eliminate Health Fee Elimination Mandate (Amends ECS 76355)

SEC. 18. 76355. (a) (1) The governing board of a district maintaining a community college may require community college students to pay a fee in the total amount of not more than ten dollars (\$10) for each semester, seven dollars (\$7) for summer school, seven dollars (\$7) for each intersession of at least four weeks, or seven dollars (\$7) for each quarter for health supervision and services, including direct or indirect medical and hospitalization services, or the operation of a student health center or centers, or both. —(2) ~~The governing board of each community college district may increase this fee by the same percentage increase as the Implicit Price Deflator for State and Local Government Purchase of Goods and Services. Whenever that calculation produces an increase of one dollar (\$1) above the existing fee, the fee may be increased by one dollar (\$1).~~

(b) If a district chooses to provide health services, an alternative fee or fee structure to that specified in subdivision (a) may be authorized by the following:

(1) Upon the favorable vote of a majority of the students of a campus of the district, who voted at an election on the question of whether or not the governing board should require all students at the campus to pay a fee, as specified, for health services, as specified, and for a period of time, as specified.

(2) Upon the favorable vote of a majority of the students at a campus of the district taking a specified number of course credits for a specified duration, to be determined by the governing board, who voted at an election on the question of whether or not the governing board should require all students taking that prescribed number of course credits to pay a fee, as specified, for health services, as specified, for a period of time, as specified.

(c) The governing board of each community college district may increase the fee pursuant to subdivisions (a) and (b) by the same percentage increase as the Implicit Price Deflator for State and Local Government Purchase of Goods and Services published by the United States Department of Commerce. The fees may be increased annually up to the next whole dollar increment above the existing fee limit that the calculation produces.

~~(b)~~ (d) If, pursuant to this section, a fee is required, the governing board of the district shall decide the amount of the fee, if any, that a part-time student is required to pay. The governing board may decide whether the fee shall be mandatory or optional.

~~(c)~~ (e) The governing board of a district maintaining a community college that chooses to implement this section shall adopt rules and regulations that exempt the following students from any fee required pursuant to subdivisions (a) and (b):

(1) Students who depend exclusively upon prayer for healing in accordance with the teachings of a bona fide religious sect, denomination, or organization.

(2) Students who are attending a community college under an approved apprenticeship training program.

~~(d)~~ (f) (1) All fees collected pursuant to this section shall be deposited in the fund of the district designated by the California Community Colleges Budget and Accounting Manual. These fees shall be expended only to provide health services as specified in regulations adopted by the board of governors.

(2) Authorized expenditures shall not include, among other things, athletic trainers' salaries, athletic insurance, medical supplies for athletics, physical examinations for intercollegiate athletics, ambulance services, the salaries of health professionals for athletic events, any deductible portion of accident claims filed for athletic team members, or any other expense that is not available to all students. No student shall be denied a service supported by student health fees on account of participation in athletic programs.

~~(e) Any community college district that provided health services in the 1986-87 fiscal year shall maintain health services, at the level provided during the 1986-87 fiscal year, and each fiscal year thereafter. If the cost to maintain that level of service exceeds the limits specified in subdivision (a), the excess cost shall be borne by the district.~~

~~(f)~~ (g) A district that begins charging a health fee may use funds for startup costs from other district funds, and may recover all or part of those funds from health fees collected within the first five years following the commencement of charging the fee.

~~(g)~~ (h) The board of governors that chooses to implement this section shall adopt regulations that generally describe the types of health services included in the health service program

SEC. 19. 84321.6. (a) Notwithstanding any other law that governs the regulations adopted by the Chancellor of the California Community Colleges to disburse funds, the payment of apportionments to districts pursuant to Sections 84320 and 84321 shall be adjusted, commencing with the 2011-12 fiscal year, by the following:

(1) For the month of June, two hundred twenty-one million five hundred thousand dollars (\$221,500,000) shall be deferred to July.

(2) For the month of May, one hundred twenty-four million five hundred thousand dollars (\$124,500,000) shall be deferred, of which one hundred three million dollars (\$103,000,000) shall be deferred to July and twenty-one million five hundred thousand dollars (\$21,500,000) shall be deferred to October.

(3) For the month of April, one hundred seventy-nine million five hundred thousand dollars (\$179,500,000) shall be deferred, of which one hundred fifty-eight million dollars (\$158,000,000) shall be deferred to July and twenty-one million five hundred thousand dollars (\$21,500,000) shall be deferred to October.

(4) For the month of March, one hundred nineteen million five hundred thousand dollars (\$119,500,000) shall be deferred, of which seventy-six million five hundred thousand dollars (\$76,500,000) shall be deferred to July and forty-three million dollars (\$43,000,000) shall be deferred to October.

(5) For the month of February, one hundred fifty-eight million dollars (\$158,000,000) shall be deferred, of which one hundred thirty-six million five hundred thousand dollars (\$136,500,000) shall be deferred to July and twenty-one million five hundred thousand dollars (\$21,500,000) shall be deferred to October.

(6) For the month of January, one hundred fifty-eight million dollars (\$158,000,000) shall be deferred, of which one hundred thirty-six million five hundred thousand dollars (\$136,500,000) shall be deferred to July and twenty-one million five hundred thousand dollars (\$21,500,000) shall be deferred to October.

(b) The sum of nine hundred sixty-one million dollars (\$961,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts, for expenditure during the 2012-13 fiscal year, to be expended in accordance with Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2011.

(c) Of the funds appropriated in subdivision (b), eight hundred thirty-two million dollars (\$832,000,000) shall be allocated in July of the 2012-13 fiscal year and one hundred twenty-nine million dollars (\$129,000,000) shall be allocated in October in satisfaction of the moneys deferred pursuant to subdivision (a).

(d) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (b) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202, for the 2012-13 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2012-13 fiscal year.

(e) This section shall become inoperative on December 1, 2012 and is repealed as of January 1, 2013.

CCC Funding Reforms (Amends ECS 84750.5, 84751, and 84752; and Repeals ECS 84751.5, 84753, 84756, 84757, 84759, 84760.5, and 84810.5)

SEC. 20. 84750.5. (a) The board of governors, ~~in accordance with the statewide requirements contained in paragraphs (1) to (11), inclusive, of subdivision (d), and in~~

~~consultation with institutional representatives of the California Community Colleges and statewide faculty and staff organizations, so as to ensure their participation in the development and review of policy proposals, shall develop criteria and standards for the purposes of making the annual budget request for the California Community Colleges to the Governor and the Legislature, and for the purpose of allocating the state general apportionment revenues. may develop a methodology for allocating district apportionment and special services funding provided in the annual budget act and general purpose funding provided by the Education Protection Act. The Board of Governors may seek input from districts and other stakeholders in developing the funding allocation methodology.~~

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

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

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

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

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

~~—(2) Commencing with the 2006-07 fiscal year, the funding mechanism developed pursuant to this section shall recognize the need for community college districts to receive an annual allocation based on the number of colleges and comprehensive centers in the district. In addition to this basic allocation, the marginal amount of credit revenue allocated per FTES shall be funded at a rate not less than four thousand three hundred sixty-seven dollars (\$4,367), as adjusted for the change in the cost-of-living in subsequent annual budget acts.~~

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

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

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

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

~~—(A) Beginning in the 2006-07 fiscal year, career development and college preparation FTES may be funded at a rate of three thousand ninety-two dollars (\$3,092) per FTES for courses in programs that conform to the requirements of Section 84760.5. This rate shall be adjusted for the change in the cost-of-living or as otherwise provided in subsequent annual budget acts.~~

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

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

~~—(ii) Decreases in career development and college preparation FTES shall result in a revenue reduction in the year following the decrease and at the average rate per career development and college preparation FTES.~~

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

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

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

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

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

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

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

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

~~—(B) To the extent the California unemployment rate exceeds 5 percent for the most recently completed fiscal year, that positive difference shall be added to the rate computed in subparagraph (A). In no event shall that positive difference exceed 2 percent.~~

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

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

~~—(ii) Establish the base level of FTES earned in the prior fiscal year for vocational education courses consisting of courses defined by the chancellor's office Student Accountability Model codes A and B that are consistent with the courses used for measuring success in this program area under the accountability system established pursuant to Section 84754.5.~~

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

~~—(iv) Add the sum of FTES for clauses (i) to (iii), inclusive.—(v) Multiply the result of the calculation made under clause (iv) by one plus the district's funded growth rate in the current fiscal year. This figure shall represent the maintenance of effort level for the budget year.~~

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

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

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

~~—(10) Except as specifically provided in statute, regulations of the board of governors for determining and allocating the state general apportionment to the community college districts shall not require district governing boards to expend the allocated revenues in~~

~~specified categories of operation or according to the workload measures developed by the board of governors.~~

~~—(e) This section shall become operative on October 1, 2006.~~

SEC. 21. 84751. In calculating ~~determining~~ each community college district's revenue ~~funding~~ level for each fiscal year pursuant to subdivision (a) of Section ~~84750~~ 84750.5, the board of governors shall ~~may~~ subtract, from the total revenues owed, all of the following ~~adjust district funding to reflect local revenue from the following sources:~~

(a) The local property tax revenue specified by law for general operating support, exclusive of bond interest and redemption.

(b) Ninety-eight percent of the fee revenues collected pursuant to Section 76300.

(c) Timber yield tax revenues received pursuant to Section 38905.1 of the Revenue and Taxation Code.

(d) Any amounts received pursuant to Section 33492.15, 33607.5, ~~or 33607.7,~~ 34183 or 34188 of the Health and Safety Code, and Section 33676 of the Health and Safety Code as amended by Section 2 of Chapter 1368 of the Statutes of 1990, that are considered to be from property tax revenues pursuant to those sections for the purposes of community college revenue levels, except those amounts that are allocated exclusively for educational facilities.

SEC. 22. ~~84751.5. Notwithstanding any other provision of law or regulation, if local revenues, consisting of the proceeds of property taxes and student fees, for community colleges exceed the estimates included in the annual Budget Act for these revenue sources, an equivalent amount of general purpose funds appropriated for local assistance to the Board of Governors of the California Community Colleges in Schedule (a) of Item 6870-101-0001, or a successor item appropriating funds for local assistance to the board of governors, of Section 2.00 of that Budget Act shall only be allocated to community college districts for one-time purposes. These allocations shall be based on the statewide ratio of actual FTES served for the preceding fiscal year. This amount shall be reduced from the apportionment base of districts in subsequent years.~~

SEC. 23. 84752. (a) No community college district shall receive full-time equivalent student (FTES) funding for activities that are fully funded through another source. The Board of Governors of the California Community Colleges shall adopt regulations to implement this subdivision.

~~(b) The State Auditor shall report to the Legislature by January 1, 2000, on the status of community college district compliance with this section. In preparing this report, the State Auditor shall use the audit methodology used in the Bureau of State Audits Report No. 96103.~~

SEC. 24. ~~84753. Notwithstanding any other provision of law, for the purposes of this article, the revenue level, or full-time equivalent student (FTES) funding for the South Orange County Community College District for the 1996-97 fiscal year, and future fiscal years, shall not include any amounts that should have been allocated to the Saddleback Community College District in the 1994-95 fiscal year but that were not received by the district until the 1996-97 fiscal year, and future fiscal years, due to the bankruptcy proceedings initiated on December 6, 1994, by the County of Orange by its filing of a~~

~~voluntary Chapter 9 petition in United States Bankruptcy Court, Case No. SA 94-22273-JR. These amounts shall not be included in the revenue limit, or FTES, computations for the 1996-97 fiscal year, and future fiscal years, but these amounts shall be treated as being received by the Saddleback Community College District in the 1994-95 fiscal year or the 1995-96 fiscal year, or both.~~

~~—In 1997, the Saddleback Community College District changed its name to the South Orange County Community College District. For the purposes of this section, the "Saddleback Community College District" means the South Orange County Community College District, and the "South Orange County Community College District" means the Saddleback Community College District.~~

SEC. 25. ~~84756. It is the intent of the Legislature that community college districts with noncredit programs recognize the importance of noncredit programs and that they will continue to support these offerings.~~

~~—It is also the intent of the Legislature that community college districts with noncredit programs consider the need for both credit and noncredit allocations in allocating future growth pursuant to board of governors regulations.~~

SEC. 26. ~~84757. (a) For purposes of this chapter, the following noncredit courses and classes shall be eligible for funding:~~

~~—(1) Parenting, including parent cooperative preschools, classes in child growth and development and parent-child relationships.~~

~~—(2) Elementary and secondary basic skills and other courses and classes such as remedial academic courses or classes in reading, mathematics, and language arts.~~

~~—(3) English as a second language.~~

~~—(4) Classes and courses for immigrants eligible for educational services in citizenship, English as a second language, and work force preparation classes in the basic skills of speaking, listening, reading, writing, mathematics, decision making and problem solving skills, and other classes required for preparation to participate in job-specific technical training.~~

~~—(5) Education programs for persons with substantial disabilities.~~

~~—(6) Short-term vocational programs with high employment potential.~~

~~—(7) Education programs for older adults.~~

~~—(8) Education programs for home economics.~~

~~—(9) Health and safety education.~~

~~—(b) No state apportionment shall be made for any course or class that is not set forth in subdivision (a) and for which no credit is given.~~

SEC. 27. ~~84759. (a) As used in this section, the following terms mean:~~

~~—(1) "CalWORKs recipient" means a recipient of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program.~~

~~—(2) "Direct excess costs" means the fixed, variable, and one-time costs associated with providing noncredit instructional services to CalWORKs recipients, as determined by the chancellor's office.~~

~~—(b) Notwithstanding any other provision of law, a community college district, to the extent funding is made available in the annual Budget Act, shall receive funding for noncredit instruction developed for and targeted to CalWORKs recipients, including~~

funding to offset the direct excess cost of providing noncredit instruction to CalWORKs recipients when the cost of providing a specific course offering exceeds the average cost of noncredit instruction.

SEC. 28. ~~84760.5. (a) For purposes of this chapter, the following career development and college preparation courses and classes for which no credit is given, and that are offered in a sequence of courses leading to a certificate of completion, that lead to improved employability or job placement opportunities, or to a certificate of competency in a recognized career field by articulating with college-level coursework, completion of an associate of arts degree, or for transfer to a four-year degree program, shall be eligible for funding subject to subdivision (b):~~

~~—(1) Classes and courses in elementary and secondary basic skills.~~

~~—(2) Classes and courses for students, eligible for educational services in workforce preparation classes, in the basic skills of speaking, listening, reading, writing, mathematics, decision making, and problem solving skills that are necessary to participate in job-specific technical training.~~

~~—(3) Short-term vocational programs with high-employment potential, as determined by the chancellor in consultation with the Employment Development Department utilizing job demand data provided by that department. —(4) Classes and courses in English as a second language and vocational English as a second language.~~

~~—(b) The board of governors shall adopt criteria and standards for the identification of career development and college preparation courses and the eligibility of these courses for funding, including the definition of courses eligible for funding pursuant to subdivision (a). The criteria and standards shall be based on recommendations from the chancellor, the statewide academic senate, and the statewide association of chief instructional officers. The career and college preparation courses to be identified for this higher rate of funding should include suitable courses that meet one or more of the qualifications described in subdivision (a).~~

~~—(c) A district that offers courses described in subdivision (a), but that is not eligible for funding under subdivision (b), shall be eligible for funding under Section 84757.~~

~~—(d) The chancellor, in consultation with the Department of Finance and the Office of the Legislative Analyst, shall develop specific outcome measures for career development and college preparation courses for incorporation into the annual report required by subdivision (b) of Section 84754.5.~~

~~—(e) The chancellor shall prepare and submit to the Department of Finance and the Legislature, on or before July 1 of each year, a report that details, at a minimum, the following:~~

~~—(1) The amount of FTES claimed by each community college district for career development and college preparation courses and classes.~~

~~—(2) The specific certificate programs and course titles of career development and college preparation courses and classes receiving additional funding pursuant to this section, as well as the number of those courses and classes receiving additional funding.~~

SEC. 29. ~~84810.5. (a) Notwithstanding open course provisions in statute or regulations of the board of governors, the governing board of a community college district that provides classes for inmates of any city, county, or city and county jail, road camp, farm for adults, or federal correctional facility may include the units of full-time equivalent student (FTES) generated in those classes for purposes of state apportionment. The~~

~~attendance hours generated by credit or noncredit shall be added and counted for apportionment purposes as noncredit attendance hours.~~

~~—(b) Notwithstanding any other provision of law, no funds for inmate education programs provided pursuant to this section shall be considered as part of the base revenues for community college districts in computing apportionments as prescribed in regulations of the board of governors. When computing apportionments for districts that provided inmate education programs in the 1994-95 fiscal year, the student workload measures generated and revenues received for that year shall be added to their noncredit base revenue and noncredit base workload measures for the following year.~~

Transfer Overcrowded Relief Grant Program Bond Authority (Amends ECS 101012)

SEC. 30. 101012 (a). The proceeds from the sale of bonds, issued and sold for the purposes of this chapter, shall be allocated in accordance with the following schedule:

(1) The amount of ~~one billion nine hundred million dollars (\$1,900,000,000)~~ two billion one hundred fifty-one million two hundred fifty thousand dollars (\$2,151,250,000) for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10. The amount shall be increased pursuant to paragraph (7) of subdivision (a). Of the amount allocated under this paragraph, up to 10.5 percent shall be available for purposes of seismic repair, reconstruction, or replacement, pursuant to Section 17075.10.

(7) The amount of ~~one billion dollars (\$1,000,000,000)~~ seven hundred forty-eight million seven hundred fifty thousand dollars (\$748,750,000) shall be available for providing new construction funding to severely overcrowded schoolsites pursuant to Article 14 (commencing with Section 17079) of Chapter 12.5 of Part 10. Any amount not approved by the State Allocation Board pursuant to this paragraph by June 30, 2012 shall be available for the purpose of paragraph (1) of subdivision (a). If an apportionment or State Allocation Board approval pursuant to this paragraph is rescinded, an amount equal to that apportionment or approval shall be available for the purpose of paragraph (1) of subdivision (a).

Growth and COLA In-Lieu Provisions (Adds Uncodified Section)

SEC. 31. (a) Notwithstanding Sections 42238.1 and 42238.15 of the Education Code or any other law, the cost-of-living adjustment for Items 6110-104-0001, 6110-105-0001, 6110-119-0001, 6110-122-0001, 6110-124-0001, 6110-128-0001, 6110-150-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-167-0001, 6110-181-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-194-0001, 6110-196-0001, 6110-203-0001, 6110-209-0001, 6110-211-0001, 611-212-0001, 6110-224-0001, 6110-232-0001, 6110-244-0001, and 6110-246-0001 of Section 2.00 of the Budget Act of 2011 is zero percent for the 2012-13 fiscal year. All funds appropriated in the Budget Act of 2012 in the items identified in this section are in lieu of the amounts that would otherwise be appropriated pursuant to any other provision of law.

(b) Notwithstanding Section 42238.1 of the Education Code or any other law, for purposes of Section 48664 of the Education Code, the cost-of-living adjustment is zero percent for the 2012-13 fiscal year.

Basic Aid District Offset (Adds Uncodified Section)

SEC. 32. (a) It is the intent of the Legislature that basic aid school districts assume categorical funding reductions proportionate to the revenue limit reductions implemented for nonbasic aid districts in the 2008-09, 2009-10, 2010-11 and 2011-12 fiscal years. It is the intent of the Legislature that the reductions to categorical funding for basic aid school districts set forth in this section be restored at the same time as, and in direct proportion to, reductions in the deficit factor for school district revenue limits set forth in Section 42238.146 of the Education Code. The Superintendent of Public Instruction shall reduce the amount of categorical funding allocated to basic aid school districts in the 2012-13 fiscal year, as follows:

(1) For the 2012-13 fiscal year, the State Department of Education shall notify each basic aid school district, by September 1, 2013, or two months after the Budget Act of 2013 is enacted, whichever is later, of the amount of funds to be reduced from its categorical funding allocations, as follows:

(A) Multiply each district's 2012-13 fiscal year total revenue limit subject to the deficit factor specified in paragraph (5) of subdivision (a) of Section 42238.146 of the Education Code, calculated as of the 2012-13 fiscal year certified second principal apportionment, by 8.92 percent.

(B) The department shall recover from categorical funds identified in paragraph (2) and apportioned in the 2013-14 fiscal year to school districts that were basic aid school districts in the 2012-13 fiscal year, the lesser of the amount calculated in subparagraph (A) or the amount by which the sum of the amounts described in subdivision (h) of Section 42238 of the Education Code exceeds the school district's revenue limit. This result will be further limited by the following:

(i) The amount of categorical funds to be reduced shall be limited to the extent that the provisions of Section 41975 of the Education Code cannot be met through other state aid.

(ii) If the amount determined in subparagraph (A) exceeds the amount of categorical funding owed or paid in the 2013-14 fiscal year to the basic aid school district for programs identified in paragraph (2), the department shall recover the lesser amount.

(2) The State Department of Education shall recover the amount of funds calculated in paragraph (1) and may offset funds for any categorical program to be received in the 2013-14 fiscal year, with the exception of funds received under the After School Education and Safety Program, the Quality Education Investment Act of 2006, and child care and development.

(b) By June 30, 2014, the State Department of Education shall report to the Controller and the Director of Finance the amounts that were recovered from each categorical education program and the corresponding item of appropriation in the Budget Act of 2012 that is to be reduced. The amounts so reduced shall revert to the General Fund. The reductions pursuant to this subdivision shall be reductions in the amount appropriated for purposes of Section 8 of Article XVI of the California Constitution for the 2012-13 fiscal year.

(c) For purposes of this section, "basic aid school district" means a school district that does not receive from the state, for the 2012-13 fiscal year, an apportionment of state funds pursuant to subdivision (h) of Section 42238 of the Education Code.

K-3 Class Size Reduction Program Appropriation (Adds Uncodified Section)

SEC. 33. The sum of one billion three hundred twenty-six million two hundred thousand (\$1,326,200,000) is hereby appropriated from the General Fund to the State Department of Education for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2 of the Education Code.

K-12 Deferrals (Adds Uncodified Section)

SEC. 34. (a) The sum of nine hundred five million seven hundred thousand dollars (\$905,700,000) is hereby appropriated from the General Fund to the State Department of Education. This appropriation reflects the portion of the payment for class size reduction in kindergarten and grades 1 to 3, inclusive, that is to be deferred until and attributed to the 2013-14 fiscal year and the June 2013 principal apportionment that is to be deferred until July 2013 and attributed to the 2013-14 fiscal year. Notwithstanding any other law, the department shall encumber the funds appropriated in this section by July 31, 2013. It is the intent of the Legislature that, by extending the encumbrance authority for the funds appropriated in this section to July 31, 2013, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2012. The appropriation is made in accordance with the following schedule:

(1) Six million two hundred twenty-seven thousand dollars (\$6,227,000) for apprenticeship programs to be expended consistent with the requirements specified in Item 6110-103-0001 of Section 2.00 of the Budget Act of 2012.

(2) Ninety million one hundred seventeen thousand dollars (\$90,117,000) for supplemental instruction to be expended consistent with the requirements specified in Item 6110-104-0001 of Section 2.00 of the Budget Act of 2012. Of the amount appropriated by this paragraph, fifty-one million sixty-one thousand dollars (\$51,061,000) shall be expended consistent with Schedule (1) of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2012, twelve million three hundred thirty thousand dollars (\$12,330,000) shall be expended consistent with Schedule (2) of that item, four million six hundred ninety thousand dollars (\$4,690,000) shall be expended consistent with Schedule (3) of that item, and twenty-two million thirty-six thousand dollars (\$22,036,000) shall be expended consistent with Schedule (4) of that item.

(3) Thirty-nine million six hundred thirty thousand dollars (\$39,630,000) for regional occupational centers and programs to be expended consistent with the requirements specified in Schedule (1) of Item 6110-105-0001 of Section 2.00 of the Budget Act of 2012.

(4) Four million two hundred ninety-four thousand dollars (\$4,294,000) for the Gifted and Talented Pupil Program to be expended consistent with the requirements specified in Item 6110-124-0001 of Section 2.00 of the Budget Act of 2012.

(5) Forty-five million eight hundred ninety-six thousand dollars (\$45,896,000) for adult education to be expended consistent with the requirements specified in Schedule (1) of Item 6110-156-0001 of Section 2.00 of the Budget Act of 2012.

(6) Four million seven hundred fifty-one thousand dollars (\$4,751,000) for community day schools to be expended consistent with the requirements specified in Item 6110-190-0001 of Section 2.00 of the Budget Act of 2012.

(7) Five million nine hundred forty-seven thousand dollars (\$5,947,000) for categorical block grants for charter schools to be expended consistent with the requirements specified in Item 6110-211-0001 of Section 2.00 of the Budget Act of 2012.

(8) Thirty-eight million seven hundred twenty thousand dollars (\$38,720,000) for the School Safety Block Grant to be expended consistent with the requirements specified in Item 6110-228-0001 of Section 2.00 of the Budget Act of 2012.

(9) One hundred million one hundred eighteen thousand dollars (\$100,118,000) for the Targeted Instructional Improvement Block Grant Program to be expended consistent with the requirements specified in Item 6110-246-0001 of Section 2.00 of the Budget Act of 2012.

(10) Five hundred seventy million (\$570,000,000) for the Class Size Reduction Program to be expended consistent with the provisions of Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2 of the Education Code

(b) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2012-13 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2013-14 fiscal year.

Extend Reversion Date for Programs Funded at P2 (Adds Uncodified)

SEC. 35. Notwithstanding any other provision of law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-124-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-190-0001, 6110-211-0001, 6110-234-0001, and 6110-243-0001 of Section 2.00 of the Budget Act of 2009 shall be encumbered by July 31, 2013. This one-month extension of encumbrance authority is provided due to the effect of the deferral of the June 2010 principal apportionment on the budget items specified in this section. It is the intent of the Legislature that, by extending the encumbrance authority for the funds identified in this section to July 31, 2013, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2012.

Current Year Special Education and CCC RDA GF Backfil (Adds Uncodified Sections)

Item 6870-101-0001 of Section 2 of the Budget Act of 2011 is amended as follows:

SEC. 36. The amount appropriated in Item 6870-101-0001 of Section 2 of the Budget Act of 2011 shall be reduced by one hundred forty-six million nine hundred forty thousand dollars (\$146,940,000). Schedule (1) of this item shall be reduced by same amount to conform apportionment funding to this action. This action is necessary to reflect General Fund savings due to additional local property revenues resulting from the elimination of redevelopment agencies.

Items 6110-161-0001 of Section 2 of the Budget Act of 2011 are amended as follows:

SEC. 37. The amount appropriated in Item 6110-161-0001 of the Budget Act of 2011 shall be reduced by twenty four million three hundred and seven thousand (\$24,307,000). Schedule (1) of this item shall be reduced by the same amount to conform to this action. This action is necessary to reflect General Fund savings due to

additional local property revenues resulting from the elimination of redevelopment agencies.

Urgency Clause (Adds Uncodified Section)

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