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**GOVERNMENT CODE - GOV**

**TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980]** ( Title 2 enacted by Stats. 1943, Ch. 134. )

**DIVISION 4. FISCAL AFFAIRS [16100 - 17700]** ( Division 4 added by Stats. 1945, Ch. 119. )

**PART 7. STATE-MANDATED LOCAL COSTS [17500 - 17630]** ( Part 7 added by Stats. 1984, Ch. 1459, Sec. 1. )

**CHAPTER 4. Identification and Payment of Costs Mandated by the State [17550 - 17617]** ( Chapter 4 added by Stats. 1984, Ch. 1459, Sec. 1. )

**ARTICLE 2. Specific Costs Mandated by the State [17575 - 17581.97]** ( Article 2 added by Stats. 1984, Ch. 1459, Sec. 1. )

**17575.** When a bill is introduced in the Legislature, and each time a bill is amended, on and after January 1, 1985, the Legislative Counsel shall determine whether the bill mandates a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution. The Legislative Counsel shall make this determination known in the digest of the bill and shall describe in the digest the basis for this determination. The determination by the Legislative Counsel shall not be binding on the commission in making its determination pursuant to Section 17555.

(Added by Stats. 1984, Ch. 1459, Sec. 1.)

**17576.** Whenever the Legislative Counsel determines that a bill will mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, the Department of Finance shall prepare an estimate of the amount of reimbursement which will be required. This estimate shall be prepared for the respective committees of each house of the Legislature which consider taxation measures and appropriation measures and shall be prepared prior to any hearing on the bill by any such committee.

(Added by Stats. 1984, Ch. 1459, Sec. 1.)

**17577.** The estimate required by Section 17576 shall be the amount estimated to be required during the first fiscal year of a bill's operation in order to reimburse local agencies and school districts for costs mandated by the state by the bill.

(Added by Stats. 1984, Ch. 1459, Sec. 1.)

**17578.** In the event that a bill is amended on the floor of either house, whether by adoption of the report of a conference committee or otherwise, in such a manner as to mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, the Legislative Counsel shall immediately inform, respectively, the Speaker of the Assembly and the President of the Senate of that fact. Notification from the Legislative Counsel shall be published in the journal of the respective houses of the Legislature.

(Added by Stats. 1984, Ch. 1459, Sec. 1.)

**17579.** Any bill introduced or amended for which the Legislative Counsel has determined the bill will mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution shall contain a section specifying that reimbursement shall be made pursuant to this chapter or that the mandate is being disclaimed and the reason therefor.

(Amended by Stats. 2004, Ch. 890, Sec. 24. Effective January 1, 2005.)

**17581.** (a) No local agency shall be required to implement or give effect to any statute or executive order, or portion thereof, during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply:

- (1) The statute or executive order, or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of local agencies pursuant to Section 6 of Article XIII B of the California Constitution.

(2) The statute or executive order, or portion thereof, or the commission's test claim number, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements.

(b) Within 30 days after enactment of the Budget Act, the Department of Finance shall notify local agencies of any statute or executive order, or portion thereof, for which operation of the mandate is suspended because reimbursement is not provided for that fiscal year pursuant to this section and Section 6 of Article XIII B of the California Constitution.

(c) Notwithstanding any other provision of law, if a local agency elects to implement or give effect to a statute or executive order described in subdivision (a), the local agency may assess fees to persons or entities which benefit from the statute or executive order. Any fee assessed pursuant to this subdivision shall not exceed the costs reasonably borne by the local agency.

(d) This section shall not apply to any state-mandated local program for the trial courts, as specified in Section 77203.

(e) This section shall not apply to any state-mandated local program for which the reimbursement funding counts toward the minimum General Fund requirements of Section 8 of Article XVI of the Constitution.

(f) All state-mandated local programs suspended in the Budget Act for the 2012–13 fiscal year shall also be suspended in the 2013–14 and 2014–15 fiscal years.

*(Amended by Stats. 2012, Ch. 32, Sec. 18. (SB 1006) Effective June 27, 2012.)*

**17581.5.** (a) A school district or community college district shall not be required to implement or give effect to the statutes, or a portion of the statutes, identified in subdivision (c) during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply:

(1) The statute or a portion of the statute, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of school districts or community college districts pursuant to Section 6 of Article XIII B of the California Constitution.

(2) The statute, or a portion of the statute, or the test claim number utilized by the commission, specifically has been identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered specifically to have been identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it specifically is identified in the language of a provision of the item providing the appropriation for mandate reimbursements.

(b) Within 30 days after enactment of the Budget Act, the Department of Finance shall notify school districts of any statute or executive order, or portion thereof, for which reimbursement is not provided for the fiscal year pursuant to this section.

(c) This section applies only to the following mandates:

(1) School Bus Safety I (CSM-4433) and II (97-TC-22) (Chapter 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994; and Chapter 739 of the Statutes of 1997).

(2) County Treasury Withdrawals (96-365-03; and Chapter 784 of the Statutes of 1995 and Chapter 156 of the Statutes of 1996).

(3) Grand Jury Proceedings (98-TC-27; and Chapter 1170 of the Statutes of 1996, Chapter 443 of the Statutes of 1997, and Chapter 230 of the Statutes of 1998).

(4) Law Enforcement Sexual Harassment Training (97-TC-07; and Chapter 126 of the Statutes of 1993).

(5) Health Benefits for Survivors of Peace Officers and Firefighters (Chapter 1120 of the Statutes of 1996 and 97-TC-25).

(6) Removal of Chemicals (Chapter 1107 of the Statutes of 1984 and CSM 4211 and 4298).

(7) Scoliosis Screening (Chapter 1347 of the Statutes of 1980 and CSM 4195).

(8) Pupil Residency Verification and Appeals (Chapter 309 of the Statutes of 1995 and 96-384-01).

(9) Integrated Waste Management (Chapter 1116 of the Statutes of 1992 and 00-TC-07).

(10) Law Enforcement Jurisdiction Agreements (Chapter 284 of the Statutes of 1998 and 98-TC-20).

(11) Physical Education Reports (Chapter 640 of the Statutes of 1997 and 98-TC-08).

(12) Sexual Assault Response Procedures (Chapter 423 of the Statutes of 1990 and 99-TC-12).

(13) Student Records (Chapter 593 of the Statutes of 1989 and 02-TC-34).

(14) Absentee Ballots (Chapter 77 of the Statutes of 1978 and CSM-3713).

(15) Brendon Maguire Act (Chapter 391 of the Statutes of 1988 and CSM-4357).

(16) Mandate Reimbursement Process I and II (Chapter 486 of the Statutes of 1975; Chapter 890 of the Statutes of 2004; CSM-4204; CSM-4485; and 05-TC-05).

(17) Sex Offenders: Disclosure by Law Enforcement Officers (Chapters 908 and 909 of the Statutes of 1996; and 97-TC-15).

*(Amended by Stats. 2013, Ch. 48, Sec. 77. (AB 86) Effective July 1, 2013.)*

**17581.6.** (a) Funding apportioned pursuant to this section shall constitute reimbursement pursuant to Section 6 of Article XIII B of the California Constitution for the performance of any state mandates included in the statutes and executive orders identified in subdivision (f).

(b) Any school district, county office of education, or charter school may elect to receive block grant funding pursuant to this section.

(c) (1) (A) A school district, county office of education, or charter school that elects to receive block grant funding pursuant to this section in a given fiscal year shall submit a letter requesting funding to the Superintendent of Public Instruction on or before August 30 of that fiscal year.

(B) A charter school regarded as a continuing charter school pursuant to subparagraph (E) of paragraph (5) of subdivision (a) of Section 47605 of the Education Code, subparagraph (B) of paragraph (5) of subdivision (c) of Section 47605.1 of the Education Code, subdivision (d) of Section 47605.9 of the Education Code, or paragraph (3) of subdivision (b) of Section 47612.7 of the Education Code, shall do all of the following in the first year the charter school is affected by an action to restructure:

(i) Provide timely notification to the Superintendent of Public Instruction pursuant to Section 47653 of the Education Code.

(ii) Submit a letter requesting funding on or before August 30 of the fiscal year for which funding is requested pursuant to subparagraph (A) or 30 days after the charter school is assigned a number by the State Board of Education pursuant to Section 47602 of the Education Code, whichever is later.

(iii) As applicable, provide to the Superintendent of Public Instruction the prior year average daily attendance attributable to each restructured charter school to be used in the calculation of funding. The charter school shall provide data in a format prescribed by the Superintendent of Public Instruction. The total average daily attendance attributable to the restructured charter school or schools pursuant to this clause shall not exceed the total prior year average daily attendance of the original charter school. The definitions in Section 47654 of the Education Code apply for purposes of this subparagraph.

(2) (A) The Superintendent of Public Instruction shall, in the month of November of each year, apportion block grant funding appropriated pursuant to Item 6100-296-0001 of Section 2.00 of the annual Budget Act to all school districts, county offices of education, and charter schools that submitted letters requesting funding in that fiscal year according to the provisions of that item, except as provided in subparagraph (B).

(B) In the first year that a charter school is affected by an action to restructure pursuant to Section 47654 of the Education Code, the Superintendent of Public Instruction may apportion funds after November of that fiscal year to a charter school that is eligible for funding pursuant to subparagraph (B) of paragraph (1) and that has submitted a letter requesting funding after August 30 of that fiscal year.

(3) A school district or county office of education that receives block grant funding pursuant to this section shall not be eligible to submit claims to the Controller for reimbursement pursuant to Section 17560 for any costs of any state mandates included in the statutes and executive orders identified in subdivision (f) incurred in the same fiscal year during which the school district or county office of education received funding pursuant to this section.

(d) Commencing with the 2017–18 fiscal year, the per unit average daily attendance funding rates specified in the provisions of Item 6100-296-0001 of the annual Budget Act shall be adjusted annually by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage

change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

(e) Block grant funding apportioned pursuant to this section is subject to annual financial and compliance audits required by Section 41020 of the Education Code.

(f) Block grant funding apportioned pursuant to this section is specifically intended to fund the costs of the following programs and activities:

(1) Agency Fee Arrangements (00-TC-17 and 01-TC-14; Chapter 893 of the Statutes of 2000 and Chapter 805 of the Statutes of 2001).

(2) AIDS Instruction and AIDS Prevention Instruction (CSM 4422, 99-TC-07, and 00-TC-01; Chapter 818 of the Statutes of 1991; and Chapter 403 of the Statutes of 1998).

(3) Cal Grant: Opt-Out Notice and Grade Point Average Submission (16-TC-02; Chapter 679 of the Statutes of 2014 and Chapter 82 of the Statutes of 2016).

(4) California Assessment of Student Performance and Progress (CAASPP) (14-TC-01 and 14-TC-04; Chapter 489 of the Statutes of 2013; and Chapter 32 of the Statutes of 2014).

(5) California State Teachers' Retirement System (CalSTRS) Service Credit (02-TC-19; Chapter 603 of the Statutes of 1994; Chapters 383, 634, and 680 of the Statutes of 1996; Chapter 838 of the Statutes of 1997; Chapter 965 of the Statutes of 1998; Chapter 939 of the Statutes of 1999; and Chapter 1021 of the Statutes of 2000).

(6) Caregiver Affidavits (CSM 4497; Chapter 98 of the Statutes of 1994).

(7) Charter Schools I, II, and III (CSM 4437, 99-TC-03, and 99-TC-14; Chapter 781 of the Statutes of 1992; Chapters 34 and 673 of the Statutes of 1998; Chapter 34 of the Statutes of 1998; and Chapter 78 of the Statutes of 1999).

(8) Charter Schools IV (03-TC-03; Chapter 1058 of the Statutes of 2002).

(9) Child Abuse and Neglect Reporting (01-TC-21; Chapters 640 and 1459 of the Statutes of 1987; Chapter 132 of the Statutes of 1991; Chapter 459 of the Statutes of 1992; Chapter 311 of the Statutes of 1998; Chapter 916 of the Statutes of 2000; and Chapters 133 and 754 of the Statutes of 2001).

(10) Collective Bargaining (CSM 4425; Chapter 961 of the Statutes of 1975).

(11) Comprehensive School Safety Plans (98-TC-01 and 99-TC-10; Chapter 736 of the Statutes of 1997; Chapter 996 of the Statutes of 1999; and Chapter 828 of the Statutes of 2003).

(12) Consolidation of Annual Parent Notification/Schoolsite Discipline Rules/Alternative Schools (CSM 4488, CSM 4461, 99-TC-09, 00-TC-12, 97-TC-24, CSM 4453, CSM 4474, CSM 4462; Chapter 448 of the Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 975 of the Statutes of 1980; Chapter 469 of the Statutes of 1981; Chapter 459 of the Statutes of 1985; Chapters 87 and 97 of the Statutes of 1986; Chapter 1452 of the Statutes of 1987; Chapters 65 and 1284 of the Statutes of 1988; Chapter 213 of the Statutes of 1989; Chapters 10 and 403 of the Statutes of 1990; Chapter 906 of the Statutes of 1992; Chapter 1296 of the Statutes of 1993; Chapter 929 of the Statutes of 1997; Chapters 846 and 1031 of the Statutes of 1998; Chapter 1 of the Statutes of 1999, First Extraordinary Session; Chapter 73 of the Statutes of 2000; Chapter 650 of the Statutes of 2003; Chapter 895 of the Statutes of 2004; and Chapter 677 of the Statutes of 2005).

(13) Consolidation of Law Enforcement Agency Notification and Missing Children Reports (CSM 4505; Chapter 1117 of the Statutes of 1989 and 01-TC-09; Chapter 249 of the Statutes of 1986; and Chapter 832 of the Statutes of 1999).

(14) Consolidation of Notification to Teachers: Pupils Subject to Suspension or Expulsion I and II, and Pupil Discipline Records (00-TC-10 and 00-TC-11; Chapter 345 of the Statutes of 2000).

(15) Consolidated Suspensions, Expulsions, and Expulsion Appeals (96-358-03, 03A, 98-TC-22, 01-TC-18, 98-TC-23, 97-TC-09; Chapters 972 and 974 of the Statutes of 1995; Chapters 915, 937, and 1052 of the Statutes of 1996; Chapter 637 of the Statutes of 1997; Chapter 489 of the Statutes of 1998; Chapter 332 of the Statutes of 1999; Chapter 147 of the Statutes of 2000; and Chapter 116 of the Statutes of 2001) (CSM 4455; Chapter 1253 of the Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 668 of the Statutes of 1978; Chapter 318 of the Statutes of 1982; Chapter 498 of the Statutes of 1983; Chapter 622 of the Statutes of 1984; Chapter 942 of the Statutes of 1987; Chapter 1231 of the Statutes of 1990; Chapter 152 of the Statutes of 1992; Chapters 1255, 1256, and 1257 of the Statutes of 1993; and Chapter 146 of the Statutes of 1994) (CSM 4456; Chapter 965 of the Statutes of 1977; Chapter 668 of the Statutes of 1978; Chapter 73 of the Statutes of 1980; Chapter 498 of the Statutes of 1983;

Chapter 856 of the Statutes of 1985; and Chapter 134 of the Statutes of 1987) (CSM 4463; Chapter 1253 of the Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 668 of the Statutes of 1978; and Chapter 498 of the Statutes of 1983).

(16) County Office of Education Fiscal Accountability Reporting (97-TC-20; Chapters 917 and 1452 of the Statutes of 1987; Chapters 1461 and 1462 of the Statutes of 1988; Chapter 1372 of the Statutes of 1990; Chapter 1213 of the Statutes of 1991; Chapter 323 of the Statutes of 1992; Chapters 923 and 924 of the Statutes of 1993; Chapters 650 and 1002 of the Statutes of 1994; and Chapter 525 of the Statutes of 1995).

(17) Criminal Background Checks (97-TC-16; Chapters 588 and 589 of the Statutes of 1997).

(18) Criminal Background Checks II (00-TC-05; Chapters 594 and 840 of the Statutes of 1998; and Chapter 78 of the Statutes of 1999).

(19) Developer Fees (02-TC-42; Chapter 955 of the Statutes of 1977; Chapter 282 of the Statutes of 1979; Chapter 1354 of the Statutes of 1980; Chapter 201 of the Statutes of 1981; Chapter 923 of the Statutes of 1982; Chapter 1254 of the Statutes of 1983; Chapter 1062 of the Statutes of 1984; Chapter 1498 of the Statutes of 1985; Chapters 136 and 887 of the Statutes of 1986; and Chapter 1228 of the Statutes of 1994).

(20) Differential Pay and Reemployment (99-TC-02; Chapter 30 of the Statutes of 1998).

(21) Expulsion of Pupil: Transcript Cost for Appeals (SMAS; Chapter 1253 of the Statutes of 1975).

(22) Financial and Compliance Audits (CSM 4498 and CSM 4498-A; Chapter 36 of the Statutes of 1977).

(23) Free Application for Federal Student Aid (22-TC-05; Chapter 144 of the Statutes of 2021).

(24) Graduation Requirements (CSM 4181; Chapter 498 of the Statutes of 1983).

(25) Habitual Truants (CSM 4487 and CSM 4487-A; Chapter 1184 of the Statutes of 1975).

(26) Immunization Records (SB 90-120; Chapter 1176 of the Statutes of 1977).

(27) Immunization Records—Mumps, Rubella, and Hepatitis B (98-TC-05; 14-MR-04; Chapter 325 of the Statutes of 1978; Chapter 435 of the Statutes of 1979; Chapter 472 of the Statutes of 1982; Chapter 984 of the Statutes of 1991; Chapter 1300 of the Statutes of 1992; Chapter 1172 of the Statutes of 1994; Chapters 291 and 415 of the Statutes of 1995; Chapter 1023 of the Statutes of 1996; and Chapters 855 and 882 of the Statutes of 1997; and Chapter 434 of the Statutes of 2010).

(28) Immunization Records—Pertussis (11-TC-02; Chapter 434 of the Statutes of 2010).

(29) Interdistrict Attendance Permits (CSM 4442; Chapters 172 and 742 of the Statutes of 1986; Chapter 853 of the Statutes of 1989; Chapter 10 of the Statutes of 1990; and Chapter 120 of the Statutes of 1992).

(30) Intradistrict Attendance (CSM 4454; Chapters 161 and 915 of the Statutes of 1993).

(31) Juvenile Court Notices II (CSM 4475; Chapters 1011 and 1423 of the Statutes of 1984; Chapter 1019 of the Statutes of 1994; and Chapter 71 of the Statutes of 1995).

(32) Notification of Truancy (CSM 4133; Chapter 498 of the Statutes of 1983; Chapter 1023 of the Statutes of 1994; and Chapter 19 of the Statutes of 1995).

(33) Parental Involvement Programs (03-TC-16; Chapter 1400 of the Statutes of 1990; Chapters 864 and 1031 of the Statutes of 1998; and Chapter 1037 of the Statutes of 2002).

(34) Physical Performance Tests (96-365-01; Chapter 975 of the Statutes of 1995).

(35) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the Statutes of 1978).

(36) Public Contracts (02-TC-35; Chapter 1073 of the Statutes of 1985; Chapter 1408 of the Statutes of 1988; Chapter 330 of the Statutes of 1989; Chapter 1414 of the Statutes of 1990; Chapter 321 of the Statutes of 1990; Chapter 799 of the Statutes of 1992; and Chapter 726 of the Statutes of 1994).

(37) Public School Restrooms: Feminine Hygiene Products (18-TC-01; Chapter 687 of the Statutes of 2017).

(38) Pupil Health Screenings (CSM 4440; Chapter 1208 of the Statutes of 1976; Chapter 373 of the Statutes of 1991; and Chapter 750 of the Statutes of 1992).

(39) Pupil Promotion and Retention (98-TC-19; Chapter 100 of the Statutes of 1981; Chapter 1388 of the Statutes of 1982; Chapter 498 of the Statutes of 1983; Chapter 1263 of the Statutes of 1990; and Chapters 742 and 743 of the Statutes of 1998).

(40) Pupil Safety Notices (02-TC-13; Chapter 498 of the Statutes of 1983; Chapter 482 of the Statutes of 1984; Chapter 948 of the Statutes of 1984; Chapter 196 of the Statutes of 1986; Chapter 332 of the Statutes of 1986; Chapter 445 of the Statutes of 1992; Chapter 1317 of the Statutes of 1992; Chapter 589 of the Statutes of 1993; Chapter 1172 of the Statutes of 1994; Chapter 1023 of the Statutes of 1996; and Chapter 492 of the Statutes of 2000).

(41) Race to the Top (10-TC-06; Chapters 2 and 3 of the Statutes of 2009).

(42) School Accountability Report Cards (97-TC-21, 00-TC-09, 00-TC-13, and 02-TC-32; Chapter 918 of the Statutes of 1997; Chapter 912 of the Statutes of 1997; Chapter 824 of the Statutes of 1994; Chapter 1031 of the Statutes of 1993; Chapter 759 of the Statutes of 1992; and Chapter 1463 of the Statutes of 1989).

(43) School District Fiscal Accountability Reporting (97-TC-19; Chapter 100 of the Statutes of 1981; Chapter 185 of the Statutes of 1985; Chapter 1150 of the Statutes of 1986; Chapters 917 and 1452 of the Statutes of 1987; Chapters 1461 and 1462 of the Statutes of 1988; Chapter 525 of the Statutes of 1990; Chapter 1213 of the Statutes of 1991; Chapter 323 of the Statutes of 1992; Chapters 923 and 924 of the Statutes of 1993; Chapters 650 and 1002 of the Statutes of 1994; and Chapter 525 of the Statutes of 1995).

(44) School District Reorganization (98-TC-24; Chapter 1192 of the Statutes of 1980; and Chapter 1186 of the Statutes of 1994).

(45) Student Records (02-TC-34; Chapter 593 of the Statutes of 1989; Chapter 561 of the Statutes of 1993; Chapter 311 of the Statutes of 1998; and Chapter 67 of the Statutes of 2000).

(46) The Stull Act (98-TC-25; Chapter 498 of the Statutes of 1983; and Chapter 4 of the Statutes of 1999).

(47) Threats Against Peace Officers (CSM 96-365-02; Chapter 1249 of the Statutes of 1992; and Chapter 666 of the Statutes of 1995).

(48) Training for School Employee Mandated Reporters (14-TC-02; Chapter 797 of the Statutes of 2014).

(49) Uniform Complaint Procedures (03-TC-02; Chapter 1117 of the Statutes of 1982; Chapter 1514 of the Statutes of 1988; and Chapter 914 of the Statutes of 1998).

(50) Williams Case Implementation I, II, and III (05-TC-04, 07-TC-06, and 08-TC-01; Chapters 900, 902, and 903 of the Statutes of 2004; Chapter 118 of the Statutes of 2005; Chapter 704 of the Statutes of 2006; and Chapter 526 of the Statutes of 2007).

(g) Notwithstanding Section 10231.5, on or before November 1 of each fiscal year, the Superintendent of Public Instruction shall produce a report that indicates the total amount of block grant funding each school district, county office of education, and charter school received in that fiscal year pursuant to this section. Funding apportioned pursuant to subparagraph (B) of paragraph (2) of subdivision (c) shall be excluded from this reporting requirement. The Superintendent of Public Instruction shall provide this report to the appropriate fiscal and policy committees of the Legislature, the Controller, the Department of Finance, and the Legislative Analyst's Office.

*(Amended by Stats. 2025, Ch. 8, Sec. 55. (AB 121) Effective June 27, 2025.)*

**17581.7.** (a) Funding apportioned pursuant to this section shall constitute reimbursement pursuant to Section 6 of Article XIII B of the California Constitution for the performance of any state mandates included in the statutes and executive orders identified in subdivision (f).

(b) Any community college district may elect to receive block grant funding pursuant to this section.

(c) (1) A community college district that elects to receive block grant funding pursuant to this section in a given fiscal year shall submit a letter requesting funding to the Chancellor of the California Community Colleges on or before August 30 of that fiscal year.

(2) The Chancellor of the California Community Colleges shall apportion, in the month of November of each year, block grant funding appropriated in Item 6870-296-0001 of Section 2.00 of the annual Budget Act to all community college districts that submitted letters requesting funding in that fiscal year according to the provisions of that budget item.

(3) A community college district that receives block grant funding pursuant to this section shall not be eligible to submit claims to the Controller for reimbursement pursuant to Section 17560 for any costs of any state mandates included in the statutes and executive orders identified in subdivision (f) incurred in the same fiscal year during which the community college district received funding pursuant to this section.

(d) Commencing with the 2017–18 fiscal year, the per full-time equivalent students funding rate specified in the provisions of Item 6870-296-0001 of Section 2.00 of the annual Budget Act shall be adjusted annually by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

(e) All funding apportioned pursuant to this section is subject to annual financial and compliance audits required by Section 84040 of the Education Code.

(f) Block grant funding apportioned pursuant to this section is specifically intended to fund the costs of the following programs:

(1) Agency Fee Arrangements (00-TC-17 and 01-TC-14; Chapter 893 of the Statutes of 2000; and Chapter 805 of the Statutes of 2001).

(2) Cal Grants (02-TC-28; Chapter 403 of the Statutes of 2000).

(3) California State Teachers' Retirement System (CalSTRS) Service Credit (02-TC-19; Chapter 603 of the Statutes of 1994; Chapters 383, 634, and 680 of the Statutes of 1996; Chapter 838 of the Statutes of 1997; Chapter 965 of the Statutes of 1998; Chapter 939 of the Statutes of 1999; and Chapter 1021 of the Statutes of 2000).

(4) Collective Bargaining and Collective Bargaining Agreement Disclosure (CSM 4425 and 97-TC-08; Chapter 961 of the Statutes of 1975; Chapter 1213 of the Statutes of 1991).

(5) Discrimination Complaint Procedures (02-TC-46 and portions of 02-TC-25 and 02-TC-31; Chapter 1010 of the Statutes of 1976; Chapter 470 of the Statutes of 1981; Chapter 1117 of the Statutes of 1982; Chapter 143 of the Statutes of 1983; Chapter 1371 of the Statutes of 1984; Chapter 973 of the Statutes of 1988; Chapter 1372 of the Statutes of 1990; Chapter 1198 of the Statutes of 1991; Chapter 914 of the Statutes of 1998; Chapter 587 of the Statutes of 1999; and Chapter 1169 of the Statutes of 2002).

(6) Enrollment Fee Collection and Waivers (99-TC-13 and 00-TC-15).

(7) Health Fee Elimination (CSM 4206; Chapter 1 of the Statutes of 1984, Second Extraordinary Session).

(8) Minimum Conditions for State Aid (02-TC-25 and 02-TC-31; Chapter 802 of the Statutes of 1975; Chapters 275, 783, 1010, and 1176 of the Statutes of 1976; Chapters 36 and 967 of the Statutes of 1977; Chapters 797 and 977 of the Statutes of 1979; Chapter 910 of the Statutes of 1980; Chapters 470 and 891 of the Statutes of 1981; Chapters 1117 and 1329 of the Statutes of 1982; Chapters 143 and 537 of the Statutes of 1983; Chapter 1371 of the Statutes of 1984; Chapter 1467 of the Statutes of 1986; Chapters 973 and 1514 of the Statutes of 1988; Chapters 1372 and 1667 of the Statutes of 1990; Chapters 1038, 1188, and 1198 of the Statutes of 1991; Chapters 493 and 758 of the Statutes of 1995; Chapters 365, 914, and 1023 of the Statutes of 1998; Chapter 587 of the Statutes of 1999; Chapter 187 of the Statutes of 2000; and Chapter 1169 of the Statutes of 2002).

(9) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the Statutes of 1978).

(10) Public Contracts (02-TC-35; Chapter 1073 of the Statutes of 1985; Chapter 1408 of the Statutes 1988; Chapter 330 of the Statutes of 1989; Chapters 321 and 1414 of the Statutes of 1990; Chapter 799 of the Statutes of 1992; and Chapter 726 of the Statutes of 1994).

(11) Reporting Improper Governmental Activities (02-TC-24; Chapter 416 of the Statutes of 2001; and Chapter 81 of the Statutes of 2002).

(12) Threats Against Peace Officers (CSM 96-365-02; Chapter 1249 of the Statutes of 1992; and Chapter 666 of the Statutes of 1995).

(13) Tuition Fee Waivers (02-TC-21; Chapter 36 of the Statutes of 1977; Chapter 580 of the Statutes of 1980; Chapter 102 of the Statutes of 1981; Chapter 1070 of the Statutes of 1982; Chapter 753 of the Statutes of 1988; Chapters 424, 900, and 985 of the Statutes 1989; Chapter 1372 of the Statutes of 1990; Chapter 455 of the Statutes of 1991; Chapter 8 of the Statutes of 1993; Chapter 389 of the Statutes of 1995; Chapter 438 of the Statutes of 1997; Chapter 952 of the Statutes of 1998; Chapters 571 and 949 of the Statutes of 2000; Chapter 814 of the Statutes of 2001; and Chapter 450 of the Statutes of 2002).

(g) Notwithstanding Section 10231.5, on or before November 1 of each fiscal year, the Chancellor of the California Community Colleges shall produce a report that indicates the total amount of block grant funding each community college district received in the current fiscal year pursuant to this section. The chancellor shall provide this report to the appropriate fiscal and policy committees of the Legislature, the Controller, the Department of Finance, and the Legislative Analyst's Office.

**17581.8.** (a) (1) For the 2014–15 fiscal year, the sum of two hundred eighty-seven million one hundred forty-nine thousand dollars (\$287,149,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation to school districts in the manner, and for the purposes, set forth in this section.

(2) For the 2014–15 fiscal year, the sum of forty-nine million five hundred thousand dollars (\$49,500,000) is hereby appropriated from the General Fund to the Chancellor of the California Community Colleges for allocation to community college districts in the manner, and for the purposes, set forth in this section.

(3) For purposes of this section, a school district includes a county office of education and a charter school.

(b) (1) The Superintendent of Public Instruction shall allocate the funds appropriated pursuant to paragraph (1) of subdivision (a), and the funds appropriated for purposes of this section pursuant to Item 6110-488 of Section 2.00 of the Budget Act of 2014, to school districts on the basis of an equal amount per unit of regular average daily attendance, as those average daily attendance numbers are reported at the time of the second principal apportionment for the 2013–14 fiscal year.

(2) The Chancellor shall allocate the funds appropriated pursuant to paragraph (2) of subdivision (a) to community college districts on the basis of an equal amount per enrolled full-time equivalent student, as those numbers of students are reported at the time of the second principal apportionment for the 2013–14 fiscal year.

(c) Allocations made pursuant to this section shall first satisfy any outstanding claims pursuant to Section 6 of Article XIII B of the California Constitution for reimbursement of state-mandated local program costs for any fiscal year. Notwithstanding Section 12419.5 and any amounts that are paid in satisfaction of outstanding claims for reimbursement of state-mandated local program costs, the Controller may audit any claim as allowed by law, and may recover any amount owed by school districts or community college districts pursuant to an audit only by reducing amounts owed by the state to school districts or community college districts for any other mandate claims. Under no circumstances shall a school district or community college district be required to remit funding back to the state to pay for disallowed costs identified by a Controller audit of claimed reimbursable state-mandated local program costs. The Controller shall not recover any amount owed by a school district or community college district pursuant to an audit of claimed reimbursable state-mandated local program costs by reducing any amount owed a school district or community college district for any purpose other than amounts owed for any other mandate claims. The Controller shall apply amounts received by each school district or community college district against any balances of unpaid claims for reimbursement of state-mandated local program costs and interest in chronological order beginning with the earliest claim. The Controller shall report to each school district and community college district the amounts of any claims and interest that are offset from funds provided pursuant to this section, and shall report a summary of the amounts offset for each mandate for each fiscal year to the Department of Finance and the fiscal committees of the Legislature.

(d) (1) The governing board of a school district or community college district may expend funds received pursuant to this section for any one-time purpose, as determined by the governing board.

(2) It is the intent of the Legislature that school districts will prioritize the use of these one-time funds for professional development, instructional materials, technology infrastructure, and any other investments necessary to support implementation of the common core standards in English language arts and mathematics, the implementation of English language development standards, and the implementation of the Next Generation Science standards.

(Amended by Stats. 2015, Ch. 13, Sec. 42. (AB 104) Effective June 24, 2015.)

**17581.9.** (a) (1) For the 2015–16 fiscal year, the sum of three billion ninety-eight million four hundred fifty-five thousand dollars (\$3,098,455,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation to school districts and county superintendents of schools in the manner, and for the purposes, set forth in this section.

(2) The sum of six hundred four million forty-three thousand dollars (\$604,043,000) is hereby appropriated from the General Fund to the Chancellor of the California Community Colleges for allocation to community college districts in the manner, and for the purposes, set forth in this section.

(3) For purposes of this section, a school district includes a county office of education and a charter school.

(b) (1) (A) The Superintendent of Public Instruction shall allocate forty million dollars (\$40,000,000) of the funds appropriated pursuant to paragraph (1) of subdivision (a) to county superintendents of schools, as follows:

(i) Each county superintendent of schools shall be allocated the greater of: (I) thirty thousand dollars (\$30,000), multiplied by the number of school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253 of the Education Code; or (II) eighty thousand dollars (\$80,000).

(ii) After the allocations pursuant to subparagraph (A), the balance shall be allocated in an equal amount per unit of regular average daily attendance, as those average daily attendance numbers are reported at the time of the second principal apportionment for the 2014–15 fiscal year.

(B) For purposes of allocating funding pursuant to this paragraph only, “regular average daily attendance” means the aggregate number of units of average daily attendance within the county attributable to all school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253 of the Education Code, charter schools within the county, and the schools operated by the county superintendent of schools.

(2) It is the intent of the Legislature that county offices of education will prioritize the use of funds allocated pursuant to paragraph (1) for investments necessary to support new responsibilities required under the evolving accountability structure of the local control funding formula and develop greater capacity and consistency within and between county offices of education. A county office of education may encumber funds apportioned pursuant to this section at any time during the 2015–16 or 2016–17 fiscal year.

(3) The Superintendent of Public Instruction shall allocate three billion fifty-eight million four hundred fifty-five thousand dollars (\$3,058,455,000) of the funds appropriated pursuant to paragraph (1) of subdivision (a) to school districts on the basis of an equal amount per unit of regular average daily attendance, as those average daily attendance numbers are reported at the time of the second principal apportionment for the 2014–15 fiscal year.

(c) The Chancellor of the California Community Colleges shall allocate the funds appropriated pursuant to paragraph (2) of subdivision (a) to community college districts on the basis of an equal amount per enrolled full-time equivalent student, as those numbers of students are reported at the time of the second principal apportionment for the 2014–15 fiscal year.

(d) Allocations made pursuant to this section shall first satisfy any outstanding claims pursuant to Section 6 of Article XIII B of the California Constitution for reimbursement of state-mandated local program costs for any fiscal year. Notwithstanding Section 12419.5 and any amounts that are paid in satisfaction of outstanding claims for reimbursement of state-mandated local program costs, the Controller may audit any claim as allowed by law, and may recover any amount owed by school districts or community college districts pursuant to an audit only by reducing amounts owed by the state to school districts or community college districts for any other mandate claims. Under no circumstances shall a school district or community college district be required to remit funding back to the state to pay for disallowed costs identified by a Controller audit of claimed reimbursable state-mandated local program costs. The Controller shall not recover any amount owed by a school district or community college district pursuant to an audit of claimed reimbursable state-mandated local program costs by reducing any amount owed a school district or community college district for any purpose other than amounts owed for any other mandate claims. The Controller shall apply amounts received by each school district or community college district against any balances of unpaid claims for reimbursement of state-mandated local program costs and interest in chronological order beginning with the earliest claim. The Controller shall report to each school district and community college district the amounts of any claims and interest that are offset from funds provided pursuant to this section, and shall report a summary of the amounts offset for each mandate for each fiscal year to the Department of Finance and the fiscal committees of the Legislature.

(e) (1) The governing board of a school district or community college district may expend the one-time funds received pursuant to this section for any purpose, as determined by the governing board.

(2) It is the intent of the Legislature that school districts shall prioritize the use of these one-time funds for professional development, induction for beginning teachers with a focus on relevant mentoring, instructional materials, technology infrastructure, and any other investments necessary to support implementation of the common core standards in English language arts and mathematics, the implementation of English language development standards, and the implementation of the Next Generation Science standards.

(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, three hundred nineteen million two hundred thirty-one thousand dollars (\$319,231,000) of 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 2013–14 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.

(g) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, ninety-three million five hundred twenty-nine thousand dollars (\$93,529,000) of the appropriations made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202 of the Education Code, for the 2013–14 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.

(h) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, two billion seven hundred forty-eight million three hundred forty-nine thousand dollars (\$2,748,349,000) of 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 2014–15 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 2014–15 fiscal year.

(i) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, three hundred ninety-three million two hundred twenty thousand dollars (\$393,220,000) of the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2014–15 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 2014–15 fiscal year.

(j) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, one hundred seventeen million two hundred ninety-four thousand dollars (\$117,294,000) of the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2015–16 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 2015–16 fiscal year.

(k) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, thirty million eight hundred seventy-five thousand dollars (\$30,875,000) of 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 2015–16 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 2015–16 fiscal year.

*(Amended by Stats. 2016, Ch. 29, Sec. 30. (SB 828) Effective June 27, 2016.)*

**17581.95.** (a) (1) For the 2016–17 fiscal year, the sum of nine hundred forty-five million five hundred eighty-nine thousand dollars (\$945,589,000) is hereby appropriated from the General Fund to the State Department of Education for transfer by the Controller to Section A of the State School Fund. The Superintendent of Public Instruction shall allocate those funds to school districts and county superintendents of schools in the manner, and for the purposes, set forth in this section.

(2) The sum of one hundred five million five hundred one thousand dollars (\$105,501,000) is hereby appropriated from the General Fund to the Chancellor of the California Community Colleges for allocation to community college districts in the manner, and for the purposes, set forth in this section.

(3) For purposes of this section, a school district includes a county office of education and a charter school.

(b) The Superintendent of Public Instruction shall allocate the funds appropriated pursuant to paragraph (1) of subdivision (a) to school districts on the basis of an equal amount per unit of regular average daily attendance, as those average daily attendance numbers are reported at the time of the second principal apportionment for the 2015–16 fiscal year.

(c) The Chancellor of the California Community Colleges shall allocate the funds appropriated pursuant to paragraph (2) of subdivision (a) to community college districts on the basis of an equal amount per enrolled full-time equivalent student, as those numbers of students are reported at the time of the second principal apportionment for the 2015–16 fiscal year.

(d) Allocations made pursuant to this section shall first satisfy any outstanding claims pursuant to Section 6 of Article XIII B of the California Constitution for reimbursement of state-mandated local program costs for any fiscal year. Notwithstanding Section 12419.5 and any amounts that are paid in satisfaction of outstanding claims for reimbursement of state-mandated local program costs, the Controller may audit any claim as allowed by law, and may recover any amount owed by school districts or community college districts pursuant to an audit only by reducing amounts owed by the state to school districts or community college districts for any other mandate claims. Under no circumstances shall a school district or community college district be required to remit funding back to the state to pay for disallowed costs identified by a Controller audit of claimed reimbursable state-mandated local program costs. The Controller shall not recover any amount owed by a school district or community college district pursuant to an audit of claimed reimbursable state-mandated local program costs by reducing any amount owed a school district or community college district for any purpose other than amounts owed for any other mandate claims. The Controller shall apply amounts received by each school district or community college district against any balances of unpaid claims for reimbursement of state-mandated local program costs and interest in chronological order beginning with the earliest claim. The Controller shall report to each school district and community college district the amounts of any claims and interest that are offset from funds provided pursuant to this section and shall report a summary of the amounts offset for each mandate for each fiscal year to the Department of Finance and the fiscal committees of each house of the Legislature.

(e) (1) The governing board of a school district or community college district may expend the one-time funds received pursuant to this section for any purpose, as determined by the governing board of the school district or community college district.

(2) It is the intent of the Legislature that school districts shall prioritize the use of these one-time funds for deferred maintenance, professional development for educators, induction for beginning teachers with a focus on relevant mentoring, instructional materials, technology infrastructure, and any other investments necessary to support implementation of the common core standards in English language arts and mathematics, the implementation of English language development standards, and the implementation of the Next Generation Science standards.

(3) It is the intent of the Legislature that community college districts shall prioritize the use of these one-time funds for professional development, campus security infrastructure, technology infrastructure, and developing open education resources and zero-textbook-cost degrees.

(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, six hundred thirty-five million seven hundred twenty-one thousand dollars (\$635,721,000) of the appropriations made by paragraph (1) of 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 2014–15 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 2014–15 fiscal year.

(g) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, twenty-nine million four hundred fifty-one thousand dollars (\$29,451,000) of the appropriations made by paragraph (2) of subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2014–15 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 2014–15 fiscal year.

(h) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, three hundred nine million eight hundred sixty-eight thousand dollars (\$309,868,000) of the appropriations made by paragraph (1) of 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 2015–16 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 2015–16 fiscal year.

(i) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, seventy-six million fifty thousand dollars (\$76,050,000) of the appropriations made by paragraph (2) of subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2015–16 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 2015–16 fiscal year.

*(Added by Stats. 2016, Ch. 29, Sec. 31. (SB 828) Effective June 27, 2016.)*

**17581.96.** (a) (1) For the 2017–18 fiscal year, the sum of eight hundred seventy-six million five hundred eighty-one thousand dollars (\$876,581,000) is hereby appropriated from the General Fund to the State Department of Education for transfer by the Controller to Section A of the State School Fund. The Superintendent of Public Instruction shall allocate those funds to school districts and county superintendents of schools in the manner, and for the purposes, set forth in this section.

(2) For purposes of this section, a "school district" includes a county office of education and a charter school.

(b) The Superintendent of Public Instruction shall allocate the funds appropriated pursuant to paragraph (1) of subdivision (a) to school districts on the basis of an equal amount per unit of regular average daily attendance, as those average daily attendance numbers are reported at the time of the second principal apportionment for the 2016–17 fiscal year.

(c) Allocations made pursuant to this section shall first satisfy any outstanding claims pursuant to Section 6 of Article XIII B of the California Constitution for reimbursement of state-mandated local program costs for any fiscal year. Notwithstanding Section 12419.5 and any amounts that are paid in satisfaction of outstanding claims for reimbursement of state-mandated local program costs, the Controller may audit any claim as allowed by law, and may recover any amount owed by school districts pursuant to an audit only by reducing amounts owed by the state to school districts for any other mandate claims. Under no circumstances shall a school district be required to remit funding back to the state to pay for disallowed costs identified by a Controller audit of claimed reimbursable state-mandated local program costs. The Controller shall not recover any amount owed by a school district pursuant to an audit of claimed reimbursable state-mandated local program costs by reducing any amount owed a school district for any purpose other than amounts owed for any other mandate claims. The Controller shall apply amounts received by each school district against any balances of unpaid claims for reimbursement of state-mandated local program costs and interest in chronological order beginning with the earliest claim. The Controller shall report to each school district the amounts of any claims and interest that are

offset from funds provided pursuant to this section and shall report a summary of the amounts offset for each mandate for each fiscal year to the Department of Finance and the fiscal committees of each house of the Legislature.

(d) (1) The governing board of a school district may expend the one-time funds received pursuant to this section for any purpose, as determined by the governing board of the school district.

(2) It is the intent of the Legislature that school districts shall prioritize the use of these one-time funds for deferred maintenance, professional development for educators, induction for beginning teachers with a focus on relevant mentoring, instructional materials, technology infrastructure, and any other investments necessary to support implementation of the common core standards in English language arts and mathematics, the implementation of English language development standards, and the implementation of the Next Generation Science standards.

(e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by paragraph (1) of 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 2017–18 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 2017–18 fiscal year.

*(Added by Stats. 2017, Ch. 15, Sec. 67. (AB 99) Effective June 27, 2017.)*

**17581.97.** (a) (1) For the 2018–19 fiscal year, the sum of six hundred ninety-seven million seven hundred fifty-nine thousand dollars (\$697,759,000) is hereby appropriated from the General Fund to the Controller for transfer to Section A of the State School Fund for allocation by the State Department of Education to school districts in the manner, and for the purposes, set forth in this section.

(2) For purposes of this section, a "school district" includes a county office of education and a charter school.

(b) The Superintendent of Public Instruction shall allocate the funds appropriated pursuant to paragraph (1) of subdivision (a) to school districts on the basis of an equal amount per unit of regular average daily attendance, as those average daily attendance numbers are reported at the time of the second principal apportionment for the 2017–18 fiscal year.

(c) (1) If a school district is required to repay claims disallowed under the School-Based Medi-Cal Administrative Activities program for the 2009–10 fiscal year to the 2015–16 fiscal year, inclusive, the Controller shall, upon notification from the Department of Finance, withhold the specified amounts owed by the applicable school district from the allocations made to those school districts pursuant to subdivision (b).

(2) The Controller shall transfer the amounts withheld in paragraph (1) to the General Fund as reimbursement of the payments made by the state in the 2017–18 fiscal year and the 2018–19 fiscal year to the federal Centers for Medicare and Medicaid Services on behalf of those school districts.

(d) Allocations made pursuant to subdivision (b), less any amount withheld pursuant to subdivision (c), shall first satisfy any outstanding claims pursuant to Section 6 of Article XIII B of the California Constitution for reimbursement of state-mandated local program costs for any fiscal year. Notwithstanding Section 12419.5 and any amounts that are paid in satisfaction of outstanding claims for reimbursement of state-mandated local program costs, the Controller may audit any claim as allowed by law, and may recover any amount owed by school districts pursuant to an audit only by reducing amounts owed by the state to school districts for any other mandate claims. Under no circumstances shall a school district be required to remit funding back to the state to pay for disallowed costs identified by a Controller audit of claimed reimbursable state-mandated local program costs. The Controller shall not recover any amount owed by a school district pursuant to an audit of claimed reimbursable state-mandated local program costs by reducing any amount owed a school district for any purpose other than amounts owed for any other mandate claims. The Controller shall apply amounts received by each school district against any balances of unpaid claims for reimbursement of state-mandated local program costs and interest in chronological order beginning with the earliest claim. The Controller shall report to each school district the amounts of any claims and interest that are offset from funds provided pursuant to this section, and shall report a summary of the amounts offset for each mandate for each fiscal year to the Department of Finance and the fiscal committees of the Legislature.

(e) (1) The governing board of a school district may expend the one-time funds allocated pursuant to this section for any purpose.

(2) It is the intent of the Legislature that school districts shall prioritize the use of these one-time funds for professional development, induction for beginning teachers with a focus on relevant mentoring, instructional materials, technology infrastructure, employee benefits, and any other investments necessary to support implementation of the common core academic content standards in English language arts and mathematics, the implementation of English language development standards, and the implementation of the Next Generation Science standards.

(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, one hundred three million three thousand dollars (\$103,003,000) of 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 2016–17

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 2016–17 fiscal year.

(g) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, two hundred ninety-four million seven hundred fifty-six thousand dollars (\$294,756,000) of 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 2017–18 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 2017–18 fiscal year.

(h) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, three hundred million dollars (\$300,000,000) of 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 2018–19 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 2018–19 fiscal year.

*(Amended by Stats. 2018, Ch. 426, Sec. 33. (AB 1840) Effective September 17, 2018.)*