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AB-104 Education finance: education omnibus trailer bill. (2015-2016)

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Assembly Bill No. 104

CHAPTER 13

An act to amend Sections 2574, 2575, 8238, 8239, 8263.1, 8265, 8265.5, 8335, 8335.1, 8335.2, 8335.4, 8357, 8447, 10554, 17070.75, 41202, 41203.1, 41207.3, 41976, 42238, 42238.02, 42238.03, 44235, 47614.5, 48000, 49430.5, 51745.6, 52052, 52064.5, 52501.5, 52616, 53011, and 84830 of, to add Sections 41207.41, 60212, and 84920 to, to add Chapter 16.5 (commencing with Section 53070) to Part 28 of Division 4 of Title 2 of, to add Article 9 (commencing with Section 84900) to Chapter 5 of Part 50 of Division 7 of Title 3 of, and to repeal Sections 8335.5, 8335.7, and 84908 of, the Education Code, to amend Sections 17581.6 and 17581.8 of, and to add Section 17581.9 to, the Government Code, to amend Sections 33607.5 and 33607.7 of the Health and Safety Code, and to amend Section 11 of Chapter 325 of the Statutes of 2012, relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 24, 2015. Filed with Secretary of State June 24, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

AB 104, Committee on Budget. Education finance: education omnibus trailer bill.

(1) Existing law provides supplemental funding to qualifying California state preschool classrooms, and requires a part-day preschool program to provide parenting education and to provide staff development for teachers in participating classrooms as a condition of receiving funds.

This bill would include within the meaning of parenting education for these purposes improving parental knowledge of local resources for the identification of and services for developmental disabilities, and would include as part of staff development the development of improved behavioral strategies and the provision of interventions for young children to improve kindergarten readiness.

(2) Existing law provides for income eligibility standards for families to receive child care and development services. Existing law provides that "income eligible," for purposes of the Child Care and Development Services Act, means that a family's adjusted monthly income is at or below 70% of the state median income, adjusted for family size, and adjusted annually. Notwithstanding this provision, existing law sets the income eligibility limits for the 2014–15 fiscal year at 70% of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

This bill would set the income eligibility limits for the 2015–16 fiscal year at 70% of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

(3) Existing law requires the Superintendent of Public Instruction to implement a plan that establishes reasonable child care standards and assigned reimbursement rates, and sets the standard reimbursement rate at \$9,024.75 per unit of average daily

enrollment for a 250-day year. Commencing with the 2015–16 fiscal year, existing law requires that rate to be increased by the cost-of-living adjustment granted by the Legislature annually.

This bill would set the standard reimbursement rate at \$9,572.50, and the full-day state preschool reimbursement rate at \$9,632.50, per unit of average daily enrollment for a 250-day year and, commencing with the 2016–17 fiscal year, would require that rate to be increased by the cost-of-living adjustment granted by the Legislature annually.

(4) Existing law applies various adjustment factors to specified programs, including programs for infants and toddlers, for which reimbursement rates are at or below the standard reimbursement rate, as provided.

This bill would provide that these adjustment factors shall apply to those full-day state preschool programs for which assigned reimbursement rates are above the full-day state preschool reimbursement rate.

(5) Existing law, the Child Care and Development Services Act, administered by the State Department of Education, requires the Superintendent of Public Instruction to administer child care and development programs that offer a full range of services for eligible children from infancy to 13 years of age. Existing law authorizes the City and County of San Francisco, until July 1, 2016, and as a pilot project, to develop and implement an individualized county child care subsidy plan, requires the city and county, on or before December 31, 2014, to submit a final report to the Legislature and other specified entities that summarizes the impact of the plan, requires the city and county to phase out the plan and implement the state's requirements for child care subsidies as of July 1, 2018, and provides for the repeal of those provisions on January 1, 2019.

This bill would authorize the City and County of San Francisco to implement the individualized county child care subsidy plan indefinitely and would make conforming changes. The bill would make legislative findings and declarations regarding the need for special legislation for the City and County of San Francisco.

(6) Existing law provides that the cost of child care services provided for CalWORKs recipients is governed by regional market rates, and establishes regional market rate ceilings for each region at the greater of either the 85th percentile of the 2009 regional market rate survey for that region, reduced by 10.11%, or the 85th percentile of the 2005 regional market rate survey for that region.

This bill would, commencing October 1, 2015, increase the regional market rate ceilings established for each region by 4.5%. The bill would provide that, effective October 1, 2015, reimbursement to license-exempt child care providers shall not exceed 65% of the established regional market rate. The bill would require, commencing October 1, 2015, the regional market rate ceilings for all counties to be increased by 4.5%.

(7) Existing law establishes the Educational Telecommunication Fund, moneys in which are available for expenditure upon appropriation for specified purposes relating to establishing telecommunication standards for state, county, and local educational agencies. Existing law provides for the deposit in the fund of the amount of any offset made to certain apportionments upon a specified finding, and limits the maximum amount that may be annually deposited in the fund from the offset to \$15,000,000.

This bill would repeal the provisions relating to the deposit of moneys into the fund.

(8) Existing law, the Leroy F. Greene School Facilities Act of 1998, requires the State Allocation Board to allocate to applicant school districts prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition. The act requires the board to require applicant school districts that receive funding under the act to establish a restricted account within the general fund of the school district for the exclusive purpose of providing moneys for ongoing and major maintenance of school buildings, and to agree to deposit into that account in each fiscal year for 20 years after receipt of funds under the act a minimum amount equal to or greater than 3% of the total general fund expenditures of the applicant school district for that fiscal year.

This bill would require the board to require applicant school districts to instead deposit into the account, for the 2015–16 and 2016–17 fiscal years, a minimum amount that is the lesser of 3% of the total general fund expenditures for that fiscal year or the amount that the school district deposited into the account in the 2014–15 fiscal year. For the 2017–18 to 2019–20 fiscal years, inclusive, the bill would require the board to require applicant school districts to instead deposit into the account a minimum amount that is the greater of (1) the lesser of 3% of the total general fund expenditures for that fiscal year or the amount that the school district deposited into the account in the 2014–15 fiscal year or (2) 2% of the total general fund expenditures of the applicant school district for that fiscal year. The bill would make the existing minimum deposit requirement applicable to school districts that received an amount equal to or greater than 10% of state school facilities funds in specified prior years only under certain circumstances. The bill would specify that funds in the account may be used for drought mitigation purposes related to the implementation of a certain executive order of the Governor. The bill would also delete obsolete provisions.

(9) Section 8 of Article XVI of the California Constitution sets forth a formula for computing the minimum amount of revenues that the state is required to appropriate for the support of school districts and community college districts for each fiscal year. Existing

law provides that "General Fund revenues appropriated for school districts and community college districts, respectively" and "moneys to be applied by the state for the support of school districts and community college districts," for purposes of that computation, include funds appropriated for part-day California state preschool programs and the After School Education and Safety Program.

This bill would provide that those funds appropriated to local educational agencies to create a full day of care for children participating in the California state preschool program are also "General Fund revenues appropriated for school districts and community college districts, respectively" and "moneys to be applied by the state for the support of school districts and community college districts" for purposes of that computation.

(10) Existing law requires, for the 1990–91 fiscal year and each fiscal year thereafter, that moneys to be applied by the state for the support of school districts, community college districts, and direct elementary and secondary level instructional services provided by the state be distributed in accordance with certain calculations governing the proration of those moneys among the 3 segments of public education. Existing law makes that provision inapplicable to the 1992–93 to 2014–15 fiscal years, inclusive.

This bill would also make that provision inapplicable to the 2015–16 fiscal year.

(11) Existing law declares the minimum state education funding obligation for school districts and community college districts for the 2006–07 fiscal year is \$55,251,266,000, with an outstanding balance of \$211,533,000. Existing law, commencing with the 2015–16 fiscal year, requires the Legislature to appropriate the outstanding balance, as specified.

This bill would appropriate \$256,000,000 from the General Fund to the Controller for allocation to school districts and community college districts for the purpose of offsetting the entire 2006–07 outstanding balance referenced above, and offsetting the 2009–10 outstanding balance of the minimum funding obligation to school districts and community college districts, as specified.

(12) Existing law authorizes the governing board of a school district maintaining secondary schools to establish and maintain classes for adults, as specified. Existing law authorizes specified classes and courses to be offered by school districts and county superintendents of schools for apportionment purposes from the adult education fund, including, among other subject matters, classes and courses for adult education programs for apprentices.

This bill would instead authorize for purposes of apportionments from the adult education fund programs offering pre-apprenticeship training activities conducted in coordination with one or more apprenticeship programs approved by the Division of Apprenticeship Standards for the occupation and geographic area.

(13) Existing law requires funding pursuant to the local control funding formula to include, in addition to a base grant, supplemental and concentration grant add-ons that are based on the total percentage of English language learners, pupils eligible for free or reduced-price meals, and foster youth served by county superintendents of schools, school districts, and charter schools. Existing law requires the Superintendent of Public Instruction to subtract certain amounts, including amounts from certain redevelopment revenues that are paid to these local educational agencies, from their base grants.

Existing law provides, in calculating each community college district's revenue level for each fiscal year, that the Board of Governors of the California Community Colleges shall subtract, from the total revenues otherwise owed to the community college districts, certain amounts, including certain redevelopment-related revenues that are allocated to community college districts and, for purposes of community college district revenue levels, that are considered property tax revenues.

This bill would revise the provisions of the local control funding formula for county offices of education, school districts, and charter schools, and the provisions for a community college district's revenue levels, that address the treatment of these redevelopment funds, as specified, including authorizing the expenditure of a portion of those funds for land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(14) Existing law establishes a public school financing system that requires state funding for county superintendents of schools, school districts, and charter schools to be calculated pursuant to a local control funding formula, and requires funds received for specified pupil transportation programs to be included as part of the formula.

This bill would revise specified calculations for home-to-school transportation joint powers agencies that received certain apportionments in the 2012–13 fiscal year by authorizing the joint powers agencies to identify and transfer the entitlement to that funding, commencing with the 2015–16 fiscal year, to member local educational agencies, and would require the Superintendent of Public Instruction to add those amounts to the member local educational agencies' local control funding formula allocations, as specified.

(15) This bill would require the Superintendent of Public Instruction to reduce any home-to-school transportation funding of the county local control funding formula allocated to the Los Angeles County Superintendent of Schools by \$2,785,448, and would

require the Superintendent of Public Instruction to increase the home-to-school transportation funding of the school district local control funding formula for specified school districts in specified amounts.

(16) Existing law provides for the levying of fees by the Commission on Teacher Credentialing for the issuance and renewal of teaching and service credentials, not to exceed \$70.

This bill would increase the maximum amount of the fee from \$70 to \$100.

(17) Existing law requires the California School Finance Authority to administer the Charter School Facility Grant Program, and provides that the grant program is intended to provide assistance with facilities rent and lease costs for pupils in charter schools. Existing law provides that a charter schoolsite is eligible for funding under this provision if the charter schoolsite is located in the attendance area of a public elementary school in which 70% or more of the pupil enrollment is eligible for free or reduced-price meals, or if 70% of the pupil enrollment at the charter schoolsite is eligible for free or reduced-price meals, as measured using prior year data. Existing law further specifies that the grant program is to be expanded by reducing the 70% threshold if funds remain after eligible charter schools meeting the 70% requirement are funded.

This bill would reduce the eligibility threshold to participate in the grant program from 70% to 55%. The bill would provide that a new charter school that was not operational in the prior year shall be eligible in the current year if it meets the free or reduced-price meal eligibility requirements based on current year data. The bill would delete the provisions providing for the expansion of the program specified above.

(18) Existing law authorizes a school district or charter school to maintain a transitional kindergarten program, and, as a condition of receipt of apportionments for pupils in a transitional kindergarten program, requires the school district or charter school to comply with specified minimum age requirements for pupils participating in the transitional kindergarten program, including, for the 2014–15 school year and each school year thereafter, that the school district or charter school admit a child who will have his or her 5th birthday between September 2 and December 2. Existing law also specifies that a transitional kindergarten program shall not be construed as a new program or higher level of service.

Existing law requires funding pursuant to the local control funding formula to include, in addition to a base grant, supplemental and concentration grant add-ons that are based on the percentage of certain categories of pupils, known as unduplicated pupils, served by the county superintendent of schools, school district, or charter school. Existing law includes among unduplicated pupils, a pupil who is classified as an English learner, eligible for a free or reduced-price meal, or a foster youth, as defined, and requires county superintendents of schools, school districts, and charter schools to submit and report data relating to these pupils.

This bill would, for the 2015–16 school year and each school year thereafter, authorize a school district or charter school, at any time during the school year, to admit a child to a transitional kindergarten program who will have his or her 5th birthday after December 2 but during that same school year if certain conditions are met. The bill would prohibit a pupil admitted to a transitional kindergarten program pursuant to that provision from generating average daily attendance, or being included in the enrollment or unduplicated pupil count pursuant to the local control funding formula, until the pupil has attained his or her 5th birthday.

(19) Existing law sets the reimbursement a school receives for free and reduced-price meals sold or served to pupils in elementary, middle, or high schools at \$0.2248 per meal, and for meals served in child care centers and homes, at \$0.1674 per meal.

This bill would increase the reimbursement rate for elementary, middle, and high schools to \$0.2271 per meal, and, for meals served in child care centers and homes, would increase the reimbursement rate to \$0.1691 per meal.

(20) Existing law requires the ratio of average daily attendance for independent study pupils 18 years of age or less to full-time equivalent certificated employees responsible for independent study, for the applicable grade span, as specified, not to exceed a specified ratio.

This bill would eliminate grade spans as factors in the computation of the ratios.

(21) Existing law requires the Superintendent of Public Instruction, with the approval of the State Board of Education, to develop an Academic Performance Index, as specified, to measure the performance of schools and school districts. Existing law requires schools and school districts to demonstrate comparable improvement in academic achievement as measured by the Academic Performance Index by all numerically significant pupil subgroups at the school or school district, including ethnic subgroups, socioeconomically disadvantaged pupils, English learners, pupils with disabilities, and foster youth.

This bill would add homeless youth to the list of *pupils subgroups for which, if numerically significant, comparable improvement must be demonstrated*, and would specify that, for a subgroup of pupils who are homeless youth, a numerically significant pupil

subgroup is one that consists of at least 15 pupils. To the extent that this bill would impose new duties on schools and school districts, it would constitute a state-mandated local program.

(22) Existing law requires the State Board of Education, on or before October 1, 2015, to adopt evaluation rubrics to, among other things, assist a school district, county office of education, or charter school in evaluating its strengths, weaknesses, and areas that require improvement.

This bill would instead require the state board to adopt evaluation rubrics on or before October 1, 2016.

(23) Existing law prohibits the expenditure of revenue derived from the average daily attendance of adult education programs for other than adult education purposes.

This bill would authorize the expenditure of revenue derived from average daily attendance pursuant to the local control funding formula for adult education programs.

(24) Existing law requires the State Department of Education to administer the California Career Pathways Trust as a competitive grant program for kindergarten and grades 1 to 14, inclusive.

This bill would specify that funds appropriated in Item 6110-280-0001 of the Budget Act of 2014 for the Career Technical Education Pathways Grant Program shall be available for expenditure in the 2014–15 fiscal year to the 2016–17 fiscal year, inclusive.

(25) Existing law authorizes secondary schools and postsecondary educational institutions to offer instruction in career technical education.

This bill would establish the California Career Technical Education Incentive Grant Program, under the administration of the State Department of Education, as a state education and economic and workforce development initiative with the goal of providing pupils in kindergarten and grades 1 to 12, inclusive, with the knowledge and skills necessary to transition to employment and postsecondary education. The bill would establish criteria for the award of grants to school districts, county offices of education, charter schools, or regional occupational centers or programs operated by joint powers authorities under these provisions. The bill would appropriate specified amounts from the General Fund in the 2015–16, 2016–17, and 2017–18 fiscal years to the department for the award of grants.

(26) Existing law establishes a process for the adoption of instructional materials, including instructional materials related to history-social science, for use in public elementary and secondary schools.

This bill would, for purposes of adopting basic instructional materials for history-social science, require the State Department of Education to provide notice of the imposition of a fee, as specified, to all publishers and manufacturers known to produce basic instructional materials in history-social science. The bill would require that each publisher or manufacturer choosing to participate in the textbook adoption process be assessed a fee based on the number of programs the publisher or manufacturer indicates will be submitted for review and the number of grade levels proposed to be covered by each program.

(27) Existing law requires the Chancellor of the California Community Colleges and the State Department of Education, pursuant to funding made available in the annual Budget Act, to jointly provide 2-year planning and implementation grants to regional consortia of community college districts and school districts for developing regional plans to better serve the educational needs of adults. Existing law requires the grant funds provided under this program to be used by each regional consortium to create and implement a plan to better provide adults in its region with certain skills, classes, courses, and programs, including, among other things, programs for apprentices.

This bill would instead require the plan to better provide adults in the region with programs offering pre-apprenticeship training activities, as specified. To the extent that this bill would impose new duties on school districts and community college districts that participate in these regional consortia, it would constitute a state-mandated local program.

(28) Existing law provides that adult schools and evening high schools shall consist of classes for adults. Existing law authorizes minors to be admitted into those classes pursuant to policies adopted by the governing board of the school district if those minors meet certain eligibility requirements.

This bill would establish the Adult Education Block Grant Program under the administration of the Chancellor of the California Community Colleges and the Superintendent of Public Instruction. The bill would require the chancellor and the Superintendent, with the advice of the Executive Director of the State Board of Education, to divide the state into adult education regions and approve one adult education consortium in each adult education region, as specified.

The bill would require the chancellor and the Superintendent, with the advice of the executive director, to approve, for each consortium, rules and procedures that adhere to prescribed conditions. The bill would require that, as a condition for the receipt of

an apportionment of funds from this program for a particular fiscal year, members of a consortium to have approved an adult education plan, as specified.

The bill, for the 2015–16 fiscal year, would require the chancellor and the Superintendent, with the concurrence of the executive director, to approve a schedule of allocations, and to apportion funds, to each consortium in accordance with prescribed calculations. The bill, for the 2016–17 fiscal year and each fiscal year thereafter, would require the chancellor and the Superintendent, with the advice of the executive director, to approve, within 15 days of the annual Budget Act and in accordance with prescribed criteria, a final schedule of allocations to each consortium under the program.

The bill would require the chancellor and the Superintendent to submit to the Director of Finance, the State Board of Education, and the Legislature, no later than January 31, 2016, a plan approved by the chancellor and the Superintendent to distribute funds from specified federal programs to the consortia for purposes of the program proposed in this bill. The bill would also require the chancellor and the Superintendent to submit an annual report including specified data about the use of funds for the program and the outcomes for adults statewide and in each adult education region.

This bill would, to the extent that one-time funding is made available in the Budget Act of 2015 for its purposes, require the chancellor and the Superintendent to identify common measures for determining the effectiveness of the members of each consortium in meeting the educational needs of adults, as specified. The bill would require the chancellor and the Superintendent to submit to the Director of Finance, the State Board of Education, and the appropriate fiscal and policy committees of the Legislature, no later than November 1, 2015, a report of its progress in this regard.

The bill would require that 85% of the funds appropriated for purposes of these provisions be used for grants to consortia to establish systems or obtain data for making this annual report, and that 15% of the funds appropriated for purposes of these provisions be used for grants for development of statewide policies and procedures related to data collection or reporting or for technical assistance to consortia, or both.

(29) Existing law requires certain funds appropriated in the annual Budget Act for reimbursement for the cost of a new program or increased level of service of an existing program mandated by statute or executive order to be available as a block grant to school districts, charter schools, and county offices of education, to support specified state-mandated local programs. Existing law provides that a school district, charter school, or county office of education that submits a letter requesting funding to the Superintendent of Public Instruction and receives this block grant funding is not eligible to submit a claim for reimbursement for those specified mandated programs for the fiscal year in which the block grant funding is received.

This bill would revise the list of programs that are authorized for block grant funding in lieu of program-specific reimbursement, as specified.

(30) This bill, for the 2014–15 fiscal year, would appropriate \$287,149,000 from the General Fund to the Superintendent of Public Instruction for allocation to school districts, county offices of education, and charter schools, and appropriate \$49,500,000 from the General Fund to the Chancellor of the California Community Colleges for allocation to community college districts, for purposes of satisfying state-mandated local program reimbursement claims.

The bill also would appropriate \$3,098,455,000 from the General Fund to the Superintendent for allocation to school districts and county superintendents of schools, and \$604,043,000 from the General Fund to the Chancellor of the California Community Colleges for allocation to community college districts, as specified. The bill would authorize the governing boards of school districts and community college districts to expend these one-time funds for any purpose, as determined by a governing board.

(31) Existing law authorizes the Inglewood Unified School District, until June 30, 2015, to sell property owned by the school district and use the proceeds to reduce or retire a specified emergency loan.

This bill would extend the operation of those provisions to June 30, 2018. The bill would make legislative findings and declarations as to the necessity of a special statute for the Inglewood Unified School District.

(32) Existing law establishes a public school financing system that requires state funding for county superintendents of schools, school districts, and charter schools to be calculated pursuant to a local control funding formula, as specified. Existing law requires funding pursuant to the local control funding formula to include, in addition to a base grant, supplemental and concentration grant add-ons that are based on the percentage of certain categories of pupils, known as unduplicated pupils, served by the county superintendent of schools, school district, or charter school. Existing law requires the Superintendent of Public Instruction to calculate, for each county superintendent of schools, school district, and charter school, a base entitlement for the transition to the local control funding formula, and requires the Superintendent to determine the percentage of school districts that are apportioned base entitlement funding that is less than the amount calculated pursuant to the local control funding formula. If the percentage is less than 10%, existing law requires the Superintendent to apportion funding to school districts and charter schools equal to the amount calculated pursuant to the local control funding formula in that fiscal year and each fiscal year thereafter.

This bill would declare the intent of the Legislature that when the local control funding formula is fully implemented, local educational agencies shall be required to report to the Superintendent for compilation on the State Department of Education's Internet Web site (1) the amount of funds received on the basis of the number and concentration of unduplicated pupils in the current year and, to the extent available, prior fiscal years and (2) the amount of local control funding formula funds expended on services for unduplicated pupils in the current year and, to the extent available, prior fiscal years commencing with the 2013–14 fiscal year. By requiring local educational agencies to report certain information to the Superintendent, this bill would impose a state-mandated local program.

(33) This bill would require an amount to be determined by the Director of Finance to be appropriated, on or before June 30, 2016, from the General Fund to the Superintendent of Public Instruction in the event that and up to the amount by which specified revenues distributed to local educational agencies for special education programs are less than the estimated amount reflected in the Budget Act of 2015. The bill would also require the Director of Finance to reduce the General Fund appropriation for these programs by the amount that these revenues exceed the estimated amount.

(34) This bill would require the State Department of Education to convene, by September 1, 2015, a stakeholder group, composed as specified, to provide recommendations to streamline data and other reporting requirements for child care and early learning providers that contract with the department to provide state preschool and other state subsidized child care and early learning programs, as specified.

(35) This bill would require the State Department of Education to convene, by September 1, 2015, a stakeholder group, composed as specified, to examine CalWORKs Stage 2, CalWORKs Stage 3, and alternative payment program child care contract requirements, program and fiscal audits, and the process by which contractors are informed of and implement new contract requirements, with the purpose of identifying redundancies and efficiencies in program implementation and reducing the workload in program administration, as specified.

(36) This bill would appropriate the sum of \$50,000 from the General Fund to the State Department of Education for payment of claims received in the 2013–14 and 2014–15 fiscal years pursuant to the requirements for conducting hearings relating to suspension or dismissal of certificated school employees.

(37) This bill would appropriate the sum of \$350,000 to the Superintendent of Public Instruction for support and development of evaluation rubrics for specified purposes relating to the implementation of local control and accountability plans.

(38) In the 2009–10 and 2010–11 fiscal years, for a pupil of a charter school sponsored by a basic aid school district who resided in a school district other than a basic aid school district, the Superintendent of Public Instruction was required to apportion to the sponsoring school district an amount equal to 70% of the revenue limit funding per unit of average daily attendance that would have been apportioned to the school district in which the pupil resided, as specified. However, a basic aid school district that lost basic aid status as a result of required property tax transfers to charter schools was entitled to a pro rata share of that apportionment, calculated based on the ratio between (1) the amount of property taxes the school district would have received in excess of the revenue limit guarantee before required property tax transfers to charter schools and (2) the total amount of property taxes transferred to the charter schools that the school district sponsored.

This bill would, for the 2009–10 and 2010–11 fiscal years, require that certain allocations from the county Supplemental Educational Revenue Augmentation Fund, created in 2009 and funded with specified redevelopment agency revenues, be treated as property taxes for purposes of calculating the ratio that determined the pro rata share of the apportionment for a basic aid school district that lost its basic aid status as a result of required property tax transfers to charter schools.

(39) This bill would appropriate an additional \$2,000,000 to the amount apportioned pursuant to the local control funding formula for the Los Angeles County Office of Education for the purpose of supporting professional development and leadership training for education professionals related to antibias education and the creation of inclusive and equitable schools.

(40) This bill would specify that, of the amount allocated pursuant to a specified item in the Budget Act of 2012, \$16,549,000 shall be allocated to fund the 2010–11 fiscal year maintenance of effort in the special education program, and \$19,173,000 shall be allocated to fund the 2011–12 maintenance of effort in the special education program.

(41) This bill would appropriate the sum of \$10,000,000 from the General Fund to the Superintendent of Public Instruction on a one-time basis to apportion to a designated county office of education or two designated county offices of education applying jointly to provide technical assistance and to develop and disseminate statewide resources that encourage and assist local educational agencies and charter schools in establishing and aligning schoolwide, data-driven systems of learning and behavioral supports for the purpose of meeting the needs of California's diverse learners in the most inclusive environments possible, as specified. The bill would provide that the designated county office of education or county offices of education shall, with the goal of maximizing their availability, efficacy, and usage across the state, identify existing evidence-based resources, professional development activities, and other efforts currently available, and develop new evidence-based resources and activities designed

to help local educational agencies and charter schools across the state complete specified activities. The bill would require the designated county office of education or county offices of education, by September 30 of each fiscal year until the designated county office of education or county offices of education have fully expended the allocated funds, to submit an annual report to the Superintendent of Public Instruction summarizing how the designated county office of education or county offices of education used the allocated funds in the prior fiscal year.

(42) This bill would appropriate the sum of \$490,000,000 from the General Fund to the Superintendent of Public Instruction to be allocated to school districts, county offices of education, charter schools, and the state special schools, as provided, for specified teacher and administrator training and professional development. The bill would appropriate the sum of \$10,000,000 from the General Fund to the Superintendent of Public Instruction to be provided to the K–12 High-Speed Network for the purpose of providing professional development and technical assistance to local educational agencies related to network management.

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

(44) Funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

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

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

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

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 2574 of the Education Code is amended to read:

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

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

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

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

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

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

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

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

(E) For purposes of this section, countywide average daily attendance means the aggregate number of annual 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, charter schools authorized by school districts for which the county superintendent of schools has jurisdiction, and charter schools authorized by the county superintendent of schools.

(4) For the 2014–15 fiscal year and each fiscal year thereafter, adjust each of the rates provided in the prior year pursuant to paragraphs (1), (2), and (3) 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.

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

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

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

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

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

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

(E) For purposes of determining the enrollment percentage of unduplicated pupils pursuant to this subdivision, enrollment in schools or classes established pursuant to Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2 and the enrollment of pupils other than the pupils identified in clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4) of subdivision (c), shall be excluded from the calculation of the enrollment percentage of unduplicated pupils.

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

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

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

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

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

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

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

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

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

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

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

(B) Commencing with the 2013–14 fiscal year, the per pupil base grant shall be adjusted 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.

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

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

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

(ii) Zero.

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

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

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

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

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

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

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

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

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

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

(2) (A) (i) The amount of funding a county superintendent of schools received for the 2012–13 fiscal year from funds allocated pursuant to the Home-to-School Transportation program, as set forth in former Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5 of Division 3 of Title 2, former Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2, and the Small School District Transportation program, as set forth in former Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, as those articles read on January 1, 2013.

(ii) If a home-to-school transportation joint powers agency, established pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation, received an apportionment directly from the Superintendent pursuant to Item 6110-111-0001 of Section 2.00 of the Budget Act of 2012, as identified in clause (i) of subparagraph (A) of paragraph (2) of subdivision (a) of Section 2575, the joint powers agency may identify the member local educational agencies and transfer entitlement to that funding to any of those member local educational agencies by reporting to the Superintendent, on or before September 30, 2015, the reassignment of a specified amount of the joint powers agency's 2012–13 fiscal year entitlement to the member local educational agency. Commencing with the 2015–16 fiscal year, the Superintendent shall add the reassigned amounts to the amounts calculated pursuant to this paragraph.

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

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

SEC. 2. Section 2575 of the Education Code is amended to read:

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

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

(2) The sum of all of the following:

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

(ii) If a home-to-school transportation joint powers agency, established pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation, received an apportionment directly from the Superintendent pursuant to Item 6110-111-0001 of Section 2.00 of the Budget Act of 2012, as identified in clause (i), the joint powers agency may identify the member local educational agencies and transfer entitlement to that funding to any of those member local educational agencies by reporting to the Superintendent, on or before September 30, 2015, the reassignment of a specified amount of the joint powers agency's 2012–13 fiscal year entitlement to the member local educational agency. Commencing with the 2015–16 fiscal year, the Superintendent shall add the reassigned amounts to the amounts calculated pursuant to this paragraph. These funds shall be subject to the requirements specified in paragraph (1) of subdivision (k).

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

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

(4) The revenue limit amount determined pursuant to paragraph (1) shall be increased by the difference determined by subtracting the amount provided per unit of average daily attendance in paragraph (1) for pupils attending a school that is eligible for funding pursuant to paragraph (2) of subdivision (b) of Section 42285 from the amount of funding that was provided

to eligible schools in the 2012–13 fiscal year pursuant to Sections 42284 and 42238.146, as those sections read on January 1, 2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

sum is greater than zero.

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

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

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

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

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

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

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

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

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

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

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

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

(k) (1) In addition to subdivision (j), of the funds a county superintendent of schools receives for home-to-school transportation programs, the county superintendent of schools shall expend, pursuant to former Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5 of Division 3 of Title 2, former Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2, and the Small School District Transportation program, as set forth in former Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, as those articles read on January 1, 2013, no less for those programs than the amount of funds the county superintendent of schools expended for home-to-school transportation in the 2012–13 fiscal year.

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

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

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

SEC. 3. Section 8238 of the Education Code is amended to read:

8238. As a condition of receipt of funds pursuant to Section 8238.4, a participating part-day preschool program shall coordinate the provision of all of the following:

(a) Opportunities for parents and legal guardians to work with their children on interactive literacy activities. For purposes of this subdivision, “interactive literacy activities” means activities in which parents or legal guardians actively participate in facilitating the acquisition by their children of prereading skills through guided activities such as shared reading, learning the alphabet, and basic vocabulary development.

(b) Parenting education for parents and legal guardians of children in participating classrooms to support the development by their children of literacy skills. Parenting education shall include, but not be limited to, instruction in all of the following:

(1) Providing support for the educational growth and success of their children.

(2) Improving parent-school communications and parental understanding of school structures and expectations.

(3) Becoming active partners with teachers in the education of their children.

(4) Improving parental knowledge of local resources for the identification of and services for developmental disabilities, including, but not limited to, contact information for school district special education referral.

(c) Referrals, as necessary, to providers of instruction in adult education and English as a second language in order to improve the academic skills of parents and legal guardians of children in participating classrooms.

(d) Staff development for teachers in participating classrooms that includes, but is not limited to, all of the following:

(1) Development of a pedagogical knowledge, including, but not limited to, improved instructional and behavioral strategies.

(2) Knowledge and application of developmentally appropriate assessments of the prereading skills of children in participating classrooms.

(3) Information on working with families, including the use of onsite coaching, for guided practice in interactive literacy activities.

(4) Providing targeted interventions for all young children to improve kindergarten readiness upon program completion.

SEC. 4. Section 8239 of the Education Code is amended to read:

8239. (a) The Superintendent shall encourage state preschool program applicants or contracting agencies to offer full-day services through a combination of part-day preschool slots and wraparound general child care and development programs. In order to facilitate a full day of services, all of the following shall apply:

(1) Part-day preschool programs provided pursuant to this section shall operate between 175 and 180 days.

(2) Wraparound general child care and development programs provided pursuant to this section may operate a minimum of 246 days per year unless the child development contract specified a lower minimum days of operation. Part-day general child care and development programs may operate a full day for the remainder of the year after the completion of the preschool program.

(3) Part-day preschool services combined with wraparound child care services shall be reimbursed at a base rate determined pursuant to Section 8265 and in the annual Budget Act, using adjustment factors pursuant to Section 8265.5.

(4) Three- and four-year-old children are eligible for wraparound child care services to supplement the part-day California state preschool program if the family meets at least one of the criteria specified in paragraph (1) of subdivision (a) of Section 8263, and the parents meet at least one of the criteria specified in paragraph (2) of subdivision (a) of Section 8263.

(b) For purposes of this section, "wraparound child care services" and "wraparound general child care and development programs" mean services provided for the remaining portion of the day or remainder of the year following the completion of part-day preschool services that are necessary to meet the child care needs of parents eligible pursuant to subdivision (a) of Section 8263. These services shall be provided consistent with the general child care and development programs provided pursuant to Article 8 (commencing with Section 8240).

SEC. 5. Section 8263.1 of the Education Code is amended to read:

8263.1. (a) For purposes of this chapter, "income eligible" means that a family's adjusted monthly income is at or below 70 percent of the state median income, adjusted for family size, and adjusted annually.

(b) Notwithstanding any other law, for the 2011–12 fiscal year, the income eligibility limits that were in effect for the 2007–08 fiscal year shall be reduced to 70 percent of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size, effective July 1, 2011.

(c) Notwithstanding any other law, for the 2012–13, 2013–14, 2014–15, and 2015–16 fiscal years, the income eligibility limits shall be 70 percent of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

(d) The income of a recipient of federal supplemental security income benefits pursuant to Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program benefits pursuant to Title XVI of the federal Social Security Act and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code shall not be included as income for purposes of determining eligibility for child care under this chapter.

SEC. 6. Section 8265 of the Education Code is amended to read:

8265. (a) The Superintendent shall implement a plan that establishes reasonable standards and assigned reimbursement rates, which vary with the length of the program year and the hours of service.

(1) Parent fees shall be used to pay reasonable and necessary costs for providing additional services.

(2) When establishing standards and assigned reimbursement rates, the Superintendent shall confer with applicant agencies.

(3) The reimbursement system, including standards and rates, shall be submitted to the Joint Legislative Budget Committee.

(4) The Superintendent may establish any regulations he or she deems advisable concerning conditions of service and hours of enrollment for children in the programs.

(b) The standard reimbursement rate shall be nine thousand five hundred seventy-two dollars and fifty cents (\$9,572.50) per unit of average daily enrollment for a 250-day year and, commencing with the 2016–17 fiscal year, shall be increased by the cost-of-living adjustment granted by the Legislature annually pursuant to Section 42238.15. The full-day state preschool reimbursement rate shall be nine thousand six hundred thirty-two dollars and fifty cents (\$9,632.50) per unit of average daily enrollment for a 250-

day year and, commencing with the 2016–17 fiscal year, shall be increased by the cost-of-living adjustment granted by the Legislature annually pursuant to Section 42238.15.

(c) The plan shall require agencies having an assigned reimbursement rate above the current year standard reimbursement rate to reduce costs on an incremental basis to achieve the standard reimbursement rate.

(d) (1) The plan shall provide for adjusting reimbursement on a case-by-case basis, in order to maintain service levels for agencies currently at a rate less than the standard reimbursement rate. Assigned reimbursement rates shall be increased only on the basis of one or more of the following:

(A) Loss of program resources from other sources.

(B) Need of an agency to pay the same child care rates as those prevailing in the local community.

(C) Increased costs directly attributable to new or different regulations.

(D) Documented increased costs necessary to maintain the prior year's level of service and ensure the continuation of threatened programs.

(2) Child care agencies funded at the lowest rates shall be given first priority for increases.

(e) The plan shall provide for expansion of child development programs at no more than the standard reimbursement rate for that fiscal year.

(f) The Superintendent may reduce the percentage of reduction for a public agency that satisfies any of the following:

(1) Serves more than 400 children.

(2) Has in effect a collective bargaining agreement.

(3) Has other extenuating circumstances that apply, as determined by the Superintendent.

SEC. 7. Section 8265.5 of the Education Code is amended to read:

8265.5. (a) In order to reflect the additional expense of serving children who meet any of the criteria outlined in paragraphs (1) to (7), inclusive, of subdivision (b) the provider agency's reported child days of enrollment for these children shall be multiplied by the adjustment factors listed below.

(b) The adjustment factors shall apply to a full-day state preschool program and those programs for which assigned reimbursement rates are at or below the standard reimbursement rate. In addition, the adjustment factors shall apply to those programs for which assigned reimbursement rates are above the standard reimbursement rate, but the reimbursement rate, as adjusted, shall not exceed the adjusted standard reimbursement rate. The adjustment factors shall apply to those full-day state preschool programs for which assigned reimbursement rates are above the full-day state preschool reimbursement rate, but the reimbursement rate, as adjusted, shall not exceed the adjusted full-day state preschool reimbursement rate.

(1) For infants who are 0 to 18 months of age and are served in a child day care center, the adjustment factor shall be 1.7.

(2) For toddlers who are 18 to 36 months of age and are served in a child day care center, the adjustment factor shall be 1.4.

(3) For infants and toddlers who are 0 to 36 months of age and are served in a family child care home, the adjustment factor shall be 1.4.

(4) For children with exceptional needs who are 0 to 21 years of age, the adjustment factor shall be 1.2.

(5) For severely disabled children who are 0 to 21 years of age, the adjustment factor shall be 1.5.

(6) For a child at risk of neglect, abuse, or exploitation who are 0 to 14 years of age, the adjustment factor shall be 1.1.

(7) For limited-English-speaking and non-English-speaking children who are 2 years of age through kindergarten age, the adjustment factor shall be 1.1.

(c) Use of the adjustment factors shall not increase the provider agency's total annual allocation.

(d) Days of enrollment for children having more than one of the criteria outlined in paragraphs (1) to (7), inclusive, of subdivision (b) shall not be reported under more than one of the above categories.

(e) The difference between the reimbursement resulting from the use of the adjustment factors outlined in paragraphs (1) to (7), inclusive, of subdivision (b) and the reimbursement that would otherwise be received by a provider in the absence of the

adjustment factors shall be used for special and appropriate services for each child for whom an adjustment factor is claimed.

SEC. 8. Section 8335 of the Education Code is amended to read:

8335. The City and County of San Francisco may develop and implement an individualized county child care subsidy plan. The plan shall ensure that child care subsidies received by the city and county are used to address local needs, conditions, and priorities of working families in the community.

SEC. 9. Section 8335.1 of the Education Code is amended to read:

8335.1. Before implementing the local subsidy plan, the City and County of San Francisco, in consultation with the department, shall develop an individualized county child care subsidy plan for the city and county that includes the following four elements:

(a) An assessment to identify the city and county's goal for its subsidized child care system. The assessment shall examine whether the current structure of subsidized child care funding adequately supports working families in the city and county and whether the city and county's child care goals coincide with the state's requirements for funding, eligibility, priority, and reimbursement. The assessment shall also identify barriers in the state's child care subsidy system that inhibit the city and county from meeting its child care goals. In conducting the assessment, the city and county shall consider all of the following:

- (1) The general demographics of families who are in need of child care, including employment, income, language, ethnic, and family composition.
- (2) The current supply of available subsidized child care.
- (3) The level of need for various types of subsidized child care services including, but not limited to, infant care, after-hours care, and care for children with exceptional needs.
- (4) The city and county's self-sufficiency income level.
- (5) Income eligibility levels for subsidized child care.
- (6) Family fees.
- (7) The cost of providing child care.
- (8) The regional market rates, as established by the department, for different types of child care.
- (9) The standard reimbursement rate or state per diem for centers operating under contracts with the department.
- (10) Trends in the county's unemployment rate and housing affordability index.

(b) Development of a local policy to eliminate state-imposed regulatory barriers to the city and county's achievement of its desired outcomes for subsidized child care.

(1) The local policy shall do all of the following:

- (A) Prioritize lowest income families first.
- (B) Follow the family fee schedule established pursuant to Section 8273 for those families that are income eligible, as defined by Section 8263.1.
- (C) Meet local goals that are consistent with the state's child care goals.
- (D) Identify existing policies that would be affected by the city and county's child care subsidy plan.
- (E) (i) Authorize any agency that provides child care and development services in the city and county through a contract with the department to apply to the department to amend existing contracts in order to benefit from the local policy once it is adopted.
 - (ii) The department shall approve an application to amend an existing contract if the child care subsidy plan is approved pursuant to subdivision (b) of Section 8335.3, or modified pursuant to subdivision (c) of Section 8335.3.
 - (iii) The contract of a department contractor who does not elect to request an amendment to its contract remains operative and enforceable.

(2) (A) The city and county shall, by the end of the first fiscal year of operation under the approved child care subsidy plan, demonstrate an increase in the aggregate child days of enrollment in the county as compared to the enrollment in the final

quarter of the 2004–05 fiscal year.

(B) The amount of the increase shall be at least equal to the aggregate child days of enrollment in the final quarter of the 2004–05 fiscal year for all contracts amended as provided in subparagraph (E) of paragraph (1), under which the contractor receives an increase in its reimbursement rate, times 2 percent.

(C) The amount of the increase shall also be proportional to the total contract maximum reimbursable amount to reflect the changes in the budget allocation for each fiscal year of the plan.

(3) The local policy may supersede state law concerning child care subsidy programs with regard only to the following factors:

(A) Eligibility criteria including, but not limited to, age, family size, time limits, income level, inclusion of former and current CalWORKs participants, and special needs considerations, except that the local policy may not deny or reduce eligibility of a family that qualifies for child care pursuant to Section 8353. Under the local policy, a family that qualifies for child care pursuant to Section 8354 shall be treated for purposes of eligibility and fees in the same manner as a family that qualifies for subsidized child care on another basis pursuant to the local policy.

(B) Fees including, but not limited to, family fees, sliding scale fees, and copayments for those families that are not income eligible, as defined by Section 8263.1.

(C) Reimbursement rates.

(D) Methods of maximizing the efficient use of subsidy funds, including, but not limited to, multiyear contracting with the department for center-based child care, and interagency agreements that allow for flexible and temporary transfer of funds among agencies.

(c) Recognition that all funding sources utilized by direct service contractors that provide child care and development services in the city and county are eligible to be included in the child care subsidy plan of the city and county.

(d) Establishment of measurable outcomes to evaluate the success of the plan to achieve the city and county's child care goals and to overcome any barriers identified in the state's child care subsidy system. The State Department of Social Services shall have an opportunity to review and comment on the proposed measurable outcomes before they are submitted to the local child care planning council for approval pursuant to Section 8335.3.

SEC. 10. Section 8335.2 of the Education Code is amended to read:

8335.2. To ensure that the annual report required pursuant to Section 8335.4 provides useful comparative information, the Legislative Analyst and the Senate Office of Research shall review the evaluation design, the baseline data, and the data collection proposed in the child care subsidy plan of the City and County of San Francisco before the plan is submitted to the local planning council as defined in subdivision (g) of Section 8499, for approval pursuant to Section 8335.3.

SEC. 11. Section 8335.4 of the Education Code is amended to read:

8335.4. (a) Upon approval of the plan by the Child Development Division of the department, the City and County of San Francisco shall annually prepare and submit to the Legislature, the State Department of Social Services, and the department a report that summarizes the success of the plan and the city and county's ability to maximize the use of funds and to improve and stabilize child care in the city and county.

(b) The City and County of San Francisco shall submit a report to the Legislature, the State Department of Social Services, and the department on or before December 31, 2014. The report shall summarize the impact of the plan on the child care needs of working families in the city and county, evaluate the pilot project's operation between the 2011–12 and 2013–14 fiscal years, and provide a recommendation as to whether the pilot project should continue as a permanent program.

SEC. 12. Section 8335.5 of the Education Code is repealed.

SEC. 13. Section 8335.7 of the Education Code is repealed.

SEC. 14. Section 8357 of the Education Code is amended to read:

8357. (a) The cost of child care services provided under this article shall be governed by regional market rates. Recipients of child care services provided pursuant to this article shall be allowed to choose the child care services of licensed child care providers or child care providers who are, by law, not required to be licensed, and the cost of that child care shall be reimbursed by counties or agencies that contract with the department if the cost is within the regional market rate. For purposes of this section, "regional market rate" means care costing no more than 1.5 market standard deviations above the mean cost of care for that region. Until

October 1, 2015, the regional market rate ceilings shall be established at the greater of either the 85th percentile of the 2009 regional market rate survey for that region, reduced by 10.11 percent, or the 85th percentile of the 2005 regional market rate survey for that region. Commencing October 1, 2015, the regional market rate ceilings shall be established at 104.5 percent of the greater of either of the following:

(1) The 85th percentile of the 2009 regional market rate survey for that region, reduced by 10.11 percent.

(2) The 85th percentile of the 2005 regional market rate survey for that region.

(b) Until October 1, 2015, the reimbursement to license-exempt child care providers shall not exceed 60 percent of the family child care home rate established pursuant to subdivision (a), effective July 1, 2011. Commencing October 1, 2015, reimbursement to license-exempt child care providers shall not exceed 65 percent of the family child care home rate established pursuant to subdivision (a).

(c) Reimbursement to child care providers shall not exceed the fee charged to private clients for the same service.

(d) Reimbursement shall not be made for child care services when care is provided by parents, legal guardians, or members of the assistance unit.

(e) A child care provider located on an Indian reservation or rancheria and exempted from state licensing requirements shall meet applicable tribal standards.

(f) For purposes of this section, "reimbursement" means a direct payment to the provider of child care services, including license-exempt providers. If care is provided in the home of the recipient, payment may be made to the parent as the employer, and the parent shall be informed of his or her concomitant legal and financial reporting requirements. To allow time for the development of the administrative systems necessary to issue direct payments to providers, for a period not to exceed six months from the effective date of this article, a county or an alternative payment agency contracting with the department may reimburse the cost of child care services through a direct payment to a recipient of aid rather than to the child care provider.

(g) Counties and alternative payment programs shall not be bound by the rate limits described in subdivision (a) when there are, in the region, no more than two child care providers of the type needed by the recipient of child care services provided under this article.

(h) (1) Notwithstanding any other law, reimbursements to child care providers based upon a daily rate may only be authorized under either of the following circumstances:

(A) A family has an unscheduled but documented need of six hours or more per occurrence, such as the parent's need to work on a regularly scheduled day off, that exceeds the certified need for child care.

(B) A family has a documented need of six hours or more per day that exceeds no more than 14 days per month. In no event shall reimbursements to a provider based on the daily rate over one month's time exceed the provider's equivalent full-time monthly rate or applicable monthly ceiling.

(2) This subdivision shall not limit providers from being reimbursed for services using a weekly or monthly rate, pursuant to subdivision (c) of Section 8222.

SEC. 15. Section 8447 of the Education Code is amended to read:

8447. (a) The Legislature hereby finds and declares that greater efficiencies may be achieved in the execution of state subsidized child care and development program contracts with public and private agencies by the timely approval of contract provisions by the Department of Finance, the Department of General Services, and the department and by authorizing the department to establish a multiyear application, contract expenditure, and service review as may be necessary to provide timely service while preserving audit and oversight functions to protect the public welfare.

(b) (1) The Department of Finance and the Department of General Services shall approve or disapprove annual contract funding terms and conditions, including both family fee schedules and regional market rate schedules that are required to be adhered to by contract, and contract face sheets submitted by the department not more than 30 working days from the date of submission, unless unresolved conflicts remain between the Department of Finance, the department, and the Department of General Services. The department shall resolve conflicts within an additional 30 working day time period. Contracts and funding terms and conditions shall be issued to child care contractors no later than June 1. Applications for new child care funding shall be issued not more than 45 working days after the effective date of authorized new allocations of child care moneys.

(2) Notwithstanding paragraph (1), until January 1, 2015, the State Department of Education shall implement the regional market rate schedules based upon the county aggregates, as determined by the Regional Market survey conducted in 2005. Commencing January 1, 2015, the department shall implement the regional market rate schedules based upon the 85th

percentile of county aggregates, as determined by the Regional Market survey conducted in 2009. Commencing January 1, 2015, the regional market rate schedule developed pursuant to this paragraph shall be reduced by 10.11 percent. If a ceiling for a county is less than the ceiling provided for that county before January 1, 2015, the department shall use the ceiling from the Regional Market survey conducted in 2005. Commencing October 1, 2015, the regional market rate ceilings for all counties shall be increased by 4.5 percent.

(3) It is the intent of the Legislature to fully fund the third stage of child care for former CalWORKs recipients.

(c) With respect to subdivision (b), it is the intent of the Legislature that the Department of Finance annually review contract funding terms and conditions for the primary purpose of ensuring consistency between child care contracts and the child care budget. This review shall include evaluating any proposed changes to contract language or other fiscal documents to which the contractor is required to adhere, including those changes to terms or conditions that authorize higher reimbursement rates, modify related adjustment factors, modify administrative or other service allowances, or diminish fee revenues otherwise available for services, to determine if the change is necessary or has the potential effect of reducing the number of full-time equivalent children that may be served.

(d) Alternative payment child care systems, as set forth in Article 3 (commencing with Section 8220), shall be subject to the rates established in the Regional Market Rate Survey of California Child Care Providers for provider payments. The department shall contract to conduct and complete a Regional Market Rate Survey no more frequently than once every two years, consistent with federal regulations, with a goal of completion by March 1.

(e) By March 1 of each year, the Department of Finance shall provide to the department the state median income amount for a four-person household in California based on the best available data. The department shall adjust its fee schedule for child care providers to reflect this updated state median income; however, no changes based on revisions to the state median income amount shall be implemented midyear.

(f) Notwithstanding the June 1 date specified in subdivision (b), changes to the regional market rate schedules and fee schedules may be made at any other time to reflect the availability of accurate data necessary for their completion, provided these documents receive the approval of the Department of Finance. The Department of Finance shall review the changes within 30 working days of submission and the department shall resolve conflicts within an additional 30 working day period. Contractors shall be given adequate notice before the effective date of the approved schedules. It is the intent of the Legislature that contracts for services not be delayed by the timing of the availability of accurate data needed to update these schedules.

SEC. 16. Section 10554 of the Education Code is amended to read:

10554. (a) In order for the governing board to carry out its responsibilities pursuant to this chapter, there is hereby established the Educational Telecommunication Fund. The Controller shall establish an account to receive and expend moneys in the fund.

(b) Moneys in the fund established pursuant to subdivision (a) shall only be available for expenditure upon appropriation by the Legislature in the annual Budget Act.

(c) Moneys in the fund established pursuant to subdivision (a) may be expended by the governing board to carry out the purposes of this chapter, including, but not limited to, for the following purposes:

(1) To support the activities of the team established pursuant to subdivision (c) of Section 10551.

(2) To assist the school districts and county superintendents of schools in purchasing both hardware and software to allow school districts, county superintendents of schools, and the department to be linked for school business and administrative purposes. The governing board shall establish a matching share requirement that applicant school districts and county superintendents of schools must fulfill to receive those funds. It is the intent of the Legislature to encourage the distribution of grants to school districts and county superintendents of schools to the widest extent possible.

(3) To provide technical assistance through county offices of education to school districts in implementing the standards established pursuant to subdivision (a) of Section 10552.

SEC. 17. Section 17070.75 of the Education Code is amended to read:

17070.75. (a) The board shall require the school district to make all necessary repairs, renewals, and replacements to ensure that a project is at all times maintained in good repair, working order, and condition. All costs incurred for this purpose shall be borne by the school district.

(b) In order to ensure compliance with subdivision (a) and to encourage school districts to maintain all buildings under their control, the board shall require an applicant school district to do all of the following before the approval of a project:

(1) Establish a restricted account within the general fund of the school district for the exclusive purpose of providing moneys for ongoing and major maintenance of school buildings, according to the highest priority to funding for the purposes set forth in subdivision (a). Funds in the account may be used for drought mitigation purposes related to the implementation of Executive Order B-29-15.

(2) (A) Agree to deposit into the account established pursuant to paragraph (1), in each fiscal year for 20 years after receipt of funds under this chapter, a minimum amount equal to or greater than 3 percent of the total general fund expenditures of the applicant school district, including other financing uses, for that fiscal year.

(B) Notwithstanding subparagraph (A), for the 2015–16 and 2016–17 fiscal years, the minimum amount required to be deposited into the account established pursuant to paragraph (1) shall be the lesser of the following amounts:

(i) Three percent of the total general fund expenditures for that fiscal year.

(ii) The amount that the school district deposited into the account in the 2014–15 fiscal year.

(C) Notwithstanding subparagraph (A), for the 2017–18 to 2019–20 fiscal years, inclusive, the minimum amount required to be deposited into the account established pursuant to paragraph (1) shall be the greater of the following amounts:

(i) The lesser of 3 percent of the general fund expenditures for that fiscal year or the amount that the school district deposited into the account in the 2014–15 fiscal year.

(ii) Two percent of the total general fund expenditures of the applicant school district for that fiscal year.

(D) A school district contribution to the account may be provided in lieu of meeting the ongoing maintenance requirements pursuant to Section 17014 to the extent the funds are used for purposes established in that section. A school district that serves as the administrative unit for a special education local plan area may elect to exclude from its total general fund expenditures, for purposes of this paragraph, the distribution of revenues that are passed through to participating members of the special education local plan area.

(E) This paragraph applies only to the following school districts:

(i) High school districts with an average daily attendance greater than 300 pupils.

(ii) Elementary school districts with an average daily attendance greater than 900 pupils.

(iii) Unified school districts with an average daily attendance greater than 1,200 pupils.

(F) It is the intent of the Legislature that a school district shall be required to comply with the requirements of subparagraph (A) in the year in which the local control funding formula is fully implemented.

(3) Certify that it has publicly approved an ongoing and major maintenance plan that outlines the use of the funds deposited, or to be deposited, pursuant to paragraph (2). The plan may provide that the school district need not expend all of its annual allocation for ongoing and major maintenance in the year in which it is deposited if the cost of major maintenance requires that the allocation be carried over into another fiscal year. However, any state funds carried over into a subsequent year may not be counted toward the annual minimum contribution by the school district.

(c) A school district to which paragraph (2) of subdivision (b) does not apply shall certify to the board that it can reasonably maintain its facilities with a lesser level of maintenance.

(d) For purposes of calculating a county office of education requirement pursuant to this section, the applicable maintenance requirement specified in paragraph (2) of subdivision (b) shall be based upon the county office of education general fund less any restricted accounts.

(e) (1) This subdivision shall only apply to a school district that received funds pursuant to this chapter equal to or greater than 10 percent of the State School Facilities Funds of 1998, 2002, 2004, and 2006.

(2) Notwithstanding subparagraphs (B) and (C) of paragraph (2) of subdivision (b), a school district shall comply with the requirements of subparagraph (A) of paragraph (2) of subdivision (b) if the amount available in any fiscal year for the public school system pursuant to Section 8 of Article XVI of the California Constitution is equal to or greater than the amount available in the prior fiscal year, unless a school district has locally negotiated an alternative minimum annual deposit percentage in a collective bargaining agreement with the representatives of the school district's skilled crafts employees.

(3) Under no circumstances shall a school district deposit less than the amounts required in subparagraphs (B) and (C) of paragraph (2) of subdivision (b).

(4) This subdivision shall be operative from July 1, 2015, until June 30, 2020.

(f) As a condition of participation in the school facilities program or the receipt of funds pursuant to Section 17582, for a fiscal year after the 2004–05 fiscal year, a school district shall establish a facilities inspection system to ensure that each of its schools is maintained in good repair.

(g) For purposes of this section, “good repair” has the same meaning as specified in subdivision (d) of Section 17002.

SEC. 18. Section 41202 of the Education Code is amended to read:

41202. The words and phrases set forth in subdivision (b) of Section 8 of Article XVI of the Constitution of the State of California shall have the following meanings:

(a) “Moneys to be applied by the State,” as used in subdivision (b) of Section 8 of Article XVI of the California Constitution, means appropriations from the General Fund that are made for allocation to school districts, as defined, or community college districts. An appropriation that is withheld, impounded, or made without provisions for its allocation to school districts or community college districts shall not be considered to be “moneys to be applied by the State.”

(b) “General Fund revenues which may be appropriated pursuant to Article XIII B,” as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means General Fund revenues that are the proceeds of taxes as defined by subdivision (c) of Section 8 of Article XIII B of the California Constitution, including, for the 1986–87 fiscal year only, any revenues that are determined to be in excess of the appropriations limit established pursuant to Article XIII B of the California Constitution for the fiscal year in which they are received. General Fund revenues for a fiscal year to which paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution is being applied shall include, in that computation, only General Fund revenues for that fiscal year that are the proceeds of taxes, as defined in subdivision (c) of Section 8 of Article XIII B of the California Constitution, and shall not include prior fiscal year revenues. Commencing with the 1995–96 fiscal year, and each fiscal year thereafter, “General Fund revenues that are the proceeds of taxes,” as defined in subdivision (c) of Section 8 of Article XIII B of the California Constitution, includes any portion of the proceeds of taxes received from the state sales tax that are transferred to the counties pursuant to, and only if, legislation is enacted during the 1995–96 fiscal year the purpose of which is to realign children’s programs. The amount of the proceeds of taxes shall be computed for any fiscal year in a manner consistent with the manner in which the amount of the proceeds of taxes was computed by the Department of Finance for purposes of the Governor’s Budget for the Budget Act of 1986 (Chapter 186 of the Statutes of 1986).

(c) “General Fund revenues appropriated for school districts,” as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to school districts, as defined in Section 41302.5, regardless of whether those appropriations were made from the General Fund to the Superintendent, to the Controller, or to any other fund or state agency for the purpose of allocation to school districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (1) of subdivision (b) of Article XVI of the California Constitution, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(d) “General Fund revenues appropriated for community college districts,” as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to community college districts, regardless of whether those appropriations were made from the General Fund to the Controller, to the Chancellor of the California Community Colleges, or to any other fund or state agency for the purpose of allocation to community college districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (1) of subdivision (b) of Article XVI of the California Constitution, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(e) “Total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as used in paragraph (2) or (3) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to school districts, as defined in Section 41302.5, and community college districts, regardless of whether those appropriations were made from the General Fund to the Controller, to the Superintendent, to the Chancellor of the California Community Colleges, or to any other fund or state agency for the purpose of allocation to school districts and community college districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (2) or (3) of subdivision (b) of Section 8 of Article XVI of the California Constitution, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(f) “General Fund revenues appropriated for school districts and community college districts, respectively” and “moneys to be applied by the state for the support of school districts and community college districts,” as used in Section 8 of Article XVI of the California Constitution, shall include funds appropriated for part-day California state preschool programs under Article 7 (commencing with Section 8235) of Chapter 2 of Part 6 of Division 1 of Title 1, funds appropriated to local educational agencies,

as defined in subdivision (ak) of Section 8208, to create a full day of care for children participating in the California state preschool program, and funds appropriated for the After School Education and Safety Program established pursuant to Article 22.5 (commencing with Section 8482) of Chapter 2 of Part 6 of Division 1 of Title 1, and shall not include any of the following:

(1) Any appropriation that is not made for allocation to a school district, as defined in Section 41302.5, or to a community college district, regardless of whether the appropriation is made for any purpose that may be considered to be for the benefit to a school district, as defined in Section 41302.5, or a community college district. This paragraph shall not be construed to exclude any funding appropriated for part-day California state preschool programs under Article 7 (commencing with Section 8235) of Chapter 2 of Part 6 of Division 1 of Title 1, to create a full day of care for children participating in the California state preschool program, or for the After School Education and Safety Program established pursuant to Article 22.5 (commencing with Section 8482) of Chapter 2 of Part 6 of Division 1 of Title 1.

(2) Any appropriation made to the Teachers' Retirement Fund or to the Public Employees' Retirement Fund except those appropriations for reimbursable state mandates imposed on or before January 1, 1988.

(3) Any appropriation made to service any public debt approved by the voters of this state.

(4) With the exception of the programs identified in paragraph (1), commencing with the 2011–12 fiscal year, any funds appropriated for the Child Care and Development Services Act, pursuant to Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1.

(g) "Allocated local proceeds of taxes," as used in paragraph (2) or (3) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means, for school districts as defined, those local revenues, except revenues identified pursuant to paragraph (5) of subdivision (j) of Section 42238.02, that are used to offset state aid for school districts in calculations performed pursuant to Sections 2558 and 42238 and Chapter 7.2 (commencing with Section 56836) of Part 30.

(h) "Allocated local proceeds of taxes," as used in paragraph (2) or (3) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means, for community college districts, those local revenues that are used to offset state aid for community college districts. In no event shall the revenues or receipts derived from student fees be considered "allocated local proceeds of taxes."

(i) For purposes of calculating the 4-percent entitlement pursuant to subdivision (a) of Section 8.5 of Article XVI of the California Constitution, "the total amount required pursuant to Section 8(b)" shall mean the General Fund aid required for schools pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution, and shall not include allocated local proceeds of taxes.

(j) This section shall become inoperative on December 15, 2012, and, as of January 1, 2013, is repealed, only if the Schools and Local Public Safety Protection Act of 2012 (Attorney General reference number 12-0009) is not approved by the voters at the November 6, 2012, statewide general election, or if the provisions of that act that modify personal income tax rates do not become operative due to a conflict with another initiative measure that is approved at the same election and receives a greater number of affirmative votes.

SEC. 19. Section 41203.1 of the Education Code is amended to read:

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 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 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 the 2015–16 fiscal years, inclusive.

SEC. 20. Section 41207.3 of the Education Code, as amended by Section 24 of Chapter 32 of the Statutes of 2014, is amended to read:

41207.3. (a) Notwithstanding Section 41206, the minimum state educational funding obligation for school districts and community college districts pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution is determined to be the following:

(1) Fifty-three billion three hundred forty-five million four hundred twenty thousand dollars (\$53,345,420,000) for the 2005–06 fiscal year, with an outstanding balance of one billion one hundred ten million five hundred sixteen thousand dollars (\$1,110,516,000). The outstanding balance is appropriated and allocated pursuant to Article 3.7 (commencing with Section 52055.700) of Chapter 6.1 of Part 28 of Division 4.

(2) Fifty-five billion two hundred fifty-one million two hundred sixty-six thousand dollars (\$55,251,266,000) for the 2006–07 fiscal year, with an outstanding balance of two hundred eleven million five hundred thirty-three thousand dollars (\$211,533,000). The outstanding balance is appropriated and allocated pursuant to Section 41207.41.

(3) Fifty-six billion five hundred seventy-seven million four hundred ninety-one thousand dollars (\$56,577,491,000) for the 2007–08 fiscal year, with no outstanding balance.

(b) (1) The amount determined pursuant to paragraph (1) of subdivision (a) shall be deemed certified for purposes of Section 41206 when the conditions set forth in subdivision (c) of Section 41207.1 are met.

(2) The amount determined pursuant to paragraph (2) of subdivision (a) shall be deemed certified for purposes of Section 41206 upon appropriation of the full amount of the outstanding balance determined for that year.

(3) The amount determined pursuant to paragraph (3) of subdivision (a) is deemed to be certified for purposes of Section 41206 upon enactment of this section.

SEC. 21. Section 41207.41 is added to the Education Code, to read:

41207.41. (a) The sum of two hundred fifty-six million dollars (\$256,000,000) is hereby appropriated from the General Fund to the Controller for allocation to school districts and community college districts for the purpose of offsetting the 2006–07 fiscal year and 2009–10 fiscal year outstanding balance of the minimum funding obligation to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution.

(1) The amount appropriated pursuant to this subdivision shall be allocated to school districts and community college districts, as described in subdivision (a) of Section 41203.1, in accordance with the following:

(A) Eighty-two million four hundred sixty-seven thousand dollars (\$82,467,000) for transfer by the Controller to Section A of the State Schools Fund for allocation by the Superintendent pursuant to this section.

(B) Twenty-seven million nine hundred eighty-one thousand dollars (\$27,981,000) 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 districts pursuant to this section.

(C) One hundred forty-five million five hundred fifty-two thousand dollars (\$145,552,000) for transfer by the Controller to the School Facilities Emergency Repair Account pursuant to Section 17592.71.

(2) The amount allocated to school districts pursuant to subparagraph (A) of paragraph (1) shall be distributed 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.

(3) The amount allocated to community college districts pursuant to this subdivision shall be distributed 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.

(4) For purposes of this subdivision a school district includes a county office of education and a charter school.

(b) For purposes of Section 8 of Article XVI of the California Constitution, the amounts appropriated and allocated pursuant to this section shall be applied to the outstanding balance of the minimum funding obligation to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution, and shall be deemed to be appropriations made and allocated in that fiscal year in which the deficiencies resulting in the outstanding balance were incurred in accordance with the following:

(1) Two hundred eleven million five hundred thirty-three thousand dollars (\$211,533,000) in payment of the outstanding balance of the minimum funding obligation for the 2006–07 fiscal year.

(2) Forty-four million four hundred sixty-seven thousand dollars (\$44,467,000) in payment of the outstanding balance of the minimum funding obligation for the 2009–10 fiscal year.

(c) Funding received by school districts and community college districts pursuant to subparagraphs (A) and (B) of paragraph (1) of subdivision (a) shall first be deemed to be paid in satisfaction of any outstanding claims pursuant to Section 6 of Article XIII B of the California Constitution for reimbursement of state-mandated local costs for any fiscal year. Notwithstanding Section 12419.5 of the Government Code and any amounts that are deemed, pursuant to this subdivision, to be paid in satisfaction of outstanding claims for reimbursement of state-mandated local costs, the Controller may audit any claim as allowed by law and may recover any amount owed by school districts and community college districts pursuant to an audit only by reducing amounts owed 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 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 the one-time funds received pursuant to subparagraphs (A) and (B) of paragraph (1) of subdivision (a) for any 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, 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.

SEC. 22. Section 41976 of the Education Code is amended to read:

41976. (a) For purposes of this chapter, the following classes and courses are authorized to be offered by school districts and county superintendents of schools for apportionment purposes from the adult education fund:

(1) Adult programs in parenting, including parent cooperative preschools, and classes in child growth and development, parent-child relationships, and parenting.

(2) Adult programs in elementary and secondary basic skills and other courses and classes required for the high school diploma. Apportionments for these courses and classes may only be generated by students who do not possess a high school diploma, except for remedial academic courses or classes in reading, mathematics, and language arts.

(3) Adult education programs in English as a second language.

(4) Adult education programs for immigrants eligible for educational services in citizenship, English as a second language, and workforce preparation classes in the basic skills of speaking, listening, reading, writing, mathematics, decisionmaking and problem solving skills, and other classes required for preparation to participate in job specific technical training.

(5) Adult education programs for adults with disabilities.

(6) Adult short-term career technical education programs with high employment potential. Any reference to “vocational” education or programs in adult education means “career technical” education or programs in adult education.

(7) Adult programs for older adults.

(8) Programs offering pre-apprenticeship training activities conducted in coordination with one or more apprenticeship programs approved by the Division of Apprenticeship Standards for the occupation and geographic area.

(9) Adult programs in home economics.

(10) Adult programs in health and safety education.

(b) No state apportionment shall be made for any course or class that is not set forth in subdivision (a).

SEC. 23. Section 42238 of the Education Code is amended to read:

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 before 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 school 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) (A) 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, facility reconstruction, facility remodeling, maintenance, or deferred maintenance, and 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.

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

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

(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 school 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 school district.

(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 school 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.

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

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

SEC. 24. Section 42238.02 of the Education Code is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) In each year the grade span adjusted base grants in paragraph (1) shall be adjusted 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) (1) The Superintendent shall compute an add-on to the total sum of a school district's or charter school's base, supplemental, and concentration grants equal to the amount of funding a school district or charter school received from funds allocated pursuant to the Home-to-School Transportation program, as set forth in former Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5, former Article 10 (commencing with Section 41850) of Chapter 5, and the Small School District Transportation program, as set forth in former Article 4.5 (commencing with Section 42290), as those articles read on January 1, 2013, for the 2012–13 fiscal year. A school district or charter school shall not receive a total funding amount from this add-on greater than the total amount received by the school district or charter school for those programs in the 2012–13 fiscal year. The amount computed pursuant to this subdivision shall reflect the reduction specified in paragraph (2) of subdivision (a) of Section 42238.03.

(2) If a home-to-school transportation joint powers agency, established pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation, received an apportionment directly from the Superintendent from any of the funding sources specified in paragraph (1) for the 2012–13 fiscal year, the joint powers agency may identify the member local educational agencies and transfer entitlement to that funding to any of those member local educational agencies by reporting to the Superintendent, on or before September 30, 2015, the reassignment of a specified amount of the joint powers agency's 2012–13 fiscal year entitlement to the member local educational agency. Commencing with the 2015–16 fiscal year, the Superintendent shall compute an add-on to the total sum of

a school district's or charter school's base, supplemental, and concentrations grants equal to the amount of the entitlement to funding transferred by the joint powers agency to the member school district or charter school.

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

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

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

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

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

(1) (A) For school districts, the 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.

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

(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), less 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 and that is not an amount received pursuant to Section 33492.15, or paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

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

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

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

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

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

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

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

subdivision (a) of Section 42238.03 for the charter school.

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

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

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

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

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

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

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

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

SEC. 25. Section 42238.03 of the Education Code is amended to read:

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

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

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

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

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

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

(D) For school districts, funding for qualifying necessary small high school and necessary small elementary schools shall be adjusted to reflect the funding levels that correspond to the 2012–13 necessary small high school and necessary small elementary school allowances pursuant to Article 4 (commencing with Section 42280) and former Section 42238.146, as those provisions read on January 1, 2013.

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

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

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

(4) The amount allocated to a school district or charter school pursuant to paragraph (3) of subdivision (b) for the fiscal years before the current fiscal year divided by the average daily attendance of the school district or charter school for the fiscal years before the current fiscal year computed pursuant to Section 42238.05. That quotient shall be multiplied by the current fiscal year average daily attendance of the school district or charter school computed pursuant to Section 42238.05. For purposes of this paragraph, the amount allocated pursuant to paragraph (3) of subdivision (b) for the fiscal years before the current fiscal year, and the average daily attendance of the school district or charter school for the fiscal years before the current fiscal year, as computed pursuant to Section 42238.05, shall be considered final as of the third recertification of the annual apportionment.

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

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

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

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

(iii) If a home-to-school transportation joint powers agency, established pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation, received an apportionment directly from the Superintendent from any of the funding sources specified in subparagraph (A) of paragraph (2) of subdivision (a) for the 2012–13 fiscal year, the joint powers agency may identify the member local educational agencies and transfer entitlement to that funding to any of those member local educational agencies by reporting to the Superintendent, on or before September 30, 2015, the reassignment of a specified amount of the joint powers agency's 2012–13 fiscal year entitlement to the member local educational agency. Commencing with the 2015–16 fiscal year, the Superintendent shall add the reassigned amounts to the amounts calculated pursuant to subparagraph (A) of paragraph (2) of subdivision (a).

(B) In addition to subparagraph (A), of the funds a school district receives for home-to-school transportation programs the school district shall expend, pursuant to former Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5, former Article 10 (commencing with Section 41850) of Chapter 5, and the Small School District Transportation program, as set forth in former Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, as those articles read on January 1, 2013, no less for those programs than the amount of funds the school district expended for home-to-school transportation in the 2012–13 fiscal year.

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

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

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

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

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

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

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

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

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

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

(B) For purposes of subparagraph (A), the proportion of total need that is funded from any available appropriations specifically made for purposes of this subdivision for a fiscal year shall be considered fixed as of the second principal apportionment for that fiscal year. Adjustments to a school district's or charter school's total need, as computed pursuant to paragraph (1), subsequent to the second principal apportionment for a fiscal year, shall be funded based on the fixed

proportion of total need that is funded for that fiscal year pursuant to this subdivision and shall be continuously appropriated pursuant to Section 14002.

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

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

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

(1) (A) For school districts, the 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.

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

(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), less 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 and that is not an amount received pursuant to Section 33492.15, or paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

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

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

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

(e) Notwithstanding paragraph (2) of subdivision (g), or the computations pursuant to subdivisions (b) to (d), inclusive, and Section 42238.02, commencing with the 2013–14 fiscal year, a school district or charter school shall receive state-aid funding of no less than the sum of the amounts computed pursuant to paragraphs (1) to (3), inclusive.

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

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

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

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

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

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

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

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

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

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

(D) Commencing with the 2015–16 fiscal year, any portion of funding transferred to a school district or charter school by a joint powers agency pursuant to clause (iii) of subparagraph (A) of paragraph (6) of subdivision (a) shall be deemed to be included in the entitlements specified in subparagraph (A) for the school district or charter school.

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

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

(A) The prior year funding amount per unit of average daily attendance for the school district in which the charter school is physically located. The Superintendent shall calculate the funding amount per unit of average daily attendance for this purpose by dividing the total local control funding formula entitlement, calculated pursuant to subdivisions (a) and (b), received by that school district in the prior year by prior year funded average daily attendance of that school district. For purposes of this subparagraph, a charter school that is physically located in more than one school district shall use the calculated local control funding entitlement per unit of average daily attendance of the school district with the highest prior year funding amount per unit of average daily attendance. For purposes of this subparagraph, the prior year funding amount per unit of average daily attendance for the school district in which the charter school is physically located shall be considered final as of the second principal apportionment of the prior fiscal year.

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

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

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

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

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

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

SEC. 26. Section 44235 of the Education Code is amended to read:

44235. (a) Fees shall be levied by the commission for the issuance and renewal of teaching and service credentials. Commencing January 1, 1987, the fee for the issuance and renewal of teaching and service credentials shall be fifty dollars (\$50). In subsequent years, the commission may set a different fee, but in no case shall a fee exceed one hundred dollars (\$100) without express legislative approval.

(b) A single fee, not to exceed the charge for a single supplemental credential, shall be charged for all supplemental credentials applied for at the same time as a teaching or service credential pursuant to subdivision (a).

(c) Subject to funds being appropriated expressly for this purpose in the annual Budget Act, fees authorized by this section shall be waived by the commission for first-time teaching credential applicants for the following credentials:

- (1) Single subject credential.
- (2) Multiple subject credential.
- (3) Special education credential.
- (4) Specialist instruction credential.

(d) Annually, as part of the budget review process, the Department of Finance shall recommend to the Legislature an appropriate credential fee sufficient to generate revenues necessary to support the operating budget of the commission plus a prudent reserve, as determined by the Department of Finance pursuant to subdivision (b) of Section 44234.

SEC. 27. Section 47614.5 of the Education Code is amended to read:

47614.5. (a) The Charter School Facility Grant Program is hereby established, and shall be administered by the California School Finance Authority. The grant program is intended to provide assistance with facilities rent and lease costs for pupils in charter schools.

(b) Subject to the annual Budget Act, eligible charter schools shall receive an amount of up to, but not more than, seven hundred fifty dollars (\$750) per unit of average daily attendance, as certified at the second principal apportionment, to provide an amount of up to, but not more than, 75 percent of the annual facilities rent and lease costs for the charter school. In any fiscal year, if the funds appropriated for purposes of this section by the annual Budget Act are insufficient to fully fund the approved amounts, the California School Finance Authority shall apportion the available funds on a pro rata basis.

(c) For purposes of this section, the California School Finance Authority shall do all of the following:

- (1) Inform charter schools of the grant program.
- (2) Upon application by a charter school, determine eligibility, based on the geographic location of the charter schoolsite, pupil eligibility for free or reduced-price meals, and a preference in admissions, as appropriate. Eligibility for funding shall not be

limited to the grade level or levels served by the school whose attendance area is used to determine eligibility. A charter schoolsite is eligible for funding pursuant to this section if the charter schoolsite meets either of the following conditions:

(A) The charter schoolsite is physically located in the attendance area of a public elementary school in which 55 percent or more of the pupil enrollment is eligible for free or reduced-price meals and the charter schoolsite gives a preference in admissions to pupils who are currently enrolled in that public elementary school and to pupils who reside in the elementary school attendance area where the charter schoolsite is located.

(B) Fifty-five percent or more of the pupil enrollment at the charter schoolsite is eligible for free or reduced-price meals.

(3) Inform charter schools of their grant eligibility.

(4) Make apportionments to a charter school for eligible expenditures according to the following schedule:

(A) An initial apportionment by August 31 of each fiscal year or 30 days after enactment of the annual Budget Act, whichever is later, provided the charter school has submitted a timely application for funding, as determined by the California School Finance Authority. The initial apportionment shall be 50 percent of the charter school's estimated annual entitlement as determined by this section.

(B) A second apportionment by March 1 of each fiscal year. This apportionment shall be 75 percent of the charter school's estimated annual entitlement, as adjusted for any revisions in cost, enrollment, and other data relevant to computing the charter school's annual entitlement, less any funding already apportioned to the charter school.

(C) A third apportionment within 30 days of the end of each fiscal year or 30 days after receiving the data and documentation needed to compute the charter school's total annual entitlement, whichever is later. This apportionment shall be the charter school's total annual entitlement less any funding already apportioned to the charter school.

(D) Notwithstanding subparagraph (A), the initial apportionment in the 2013–14 fiscal year shall be made by October 15, 2013, or 105 days after enactment of the Budget Act of 2013, whichever is later.

(d) For purposes of this section:

(1) The California School Finance Authority shall use prior year data on pupil eligibility for free or reduced-price meals to determine eligibility pursuant to paragraph (2) of subdivision (c). A new charter school that was not operational in the prior year shall be eligible in the current year if it meets the free or reduced-price meal eligibility requirements specified in paragraph (2) of subdivision (c) based on current year data. Prior year rent or lease costs provided by charter schools shall be used to determine eligibility for the grant program until actual rent or lease costs become known or until June 30 of each fiscal year.

(2) If prior year rent or lease costs are unavailable, and the current year lease and rent costs are not immediately available, the California School Finance Authority shall use rent or lease cost estimates provided by the charter school.

(3) The California School Finance Authority shall verify that the grant amount awarded to each charter school is consistent with eligibility requirements as specified in this section and in regulations adopted by the authority. If it is determined by the California School Finance Authority that a charter school did not receive the proper grant award amount, either the charter school shall transfer funds back to the authority as necessary within 60 days of being notified by the authority, or the authority shall provide an additional apportionment as necessary to the charter school within 60 days of notifying the charter school, subject to the availability of funds.

(e) Funds appropriated for purposes of this section shall not be apportioned for any of the following:

(1) Units of average daily attendance generated through nonclassroom-based instruction as defined by paragraph (2) of subdivision (e) of Section 47612.5 or that does not comply with conditions or limitations set forth in regulations adopted by the state board pursuant to this section.

(2) Charter schools occupying existing school district or county office of education facilities, except that charter schools shall be eligible for the portions of their facilities that are not existing school district or county office of education facilities.

(3) Charter schools receiving reasonably equivalent facilities from their chartering authorities pursuant to Section 47614, except that charter schools shall be eligible for the portions of their facilities that are not reasonably equivalent facilities received from their chartering authorities.

(f) Funds appropriated for purposes of this section shall be used for costs associated with facilities rents and leases, consistent with the definitions used in the California School Accounting Manual or regulations adopted by the California School Finance Authority. These funds also may be used for costs, including, but not limited to, costs associated with remodeling buildings, deferred maintenance, initially installing or extending service systems and other built-in equipment, and improving sites.

(g) If an existing charter school located in an elementary attendance area in which less than 50 percent of pupil enrollment is eligible for free or reduced-price meals relocates to an attendance area identified in paragraph (2) of subdivision (c), admissions preference shall be given to pupils who reside in the elementary school attendance area into which the charter school is relocating.

(h) The California School Finance Authority annually shall report to the department and the Director of Finance, and post information on its Internet Web site, regarding the use of funds that have been made available during the fiscal year to each charter school pursuant to the grant program.

(i) The California School Finance Authority shall annually allocate the facilities grants to eligible charter schools according to the schedule in paragraph (4) of subdivision (c) for the current school year rent and lease costs. However, the California School Finance Authority shall first use the funding appropriated for this program to reimburse eligible charter schools for unreimbursed rent or lease costs for the prior school year.

(j) It is the intent of the Legislature that the funding level for the Charter School Facility Grant Program for the 2012–13 fiscal year be considered the base level of funding for subsequent fiscal years.

(k) The Controller shall include instructions appropriate to the enforcement of this section in the audit guide required by subdivision (a) of Section 14502.1.

(l) The California School Finance Authority, effective with the 2013–14 fiscal year, shall be considered the senior creditor for purposes of satisfying audit findings pursuant to the audit instructions to be developed pursuant to subdivision (k).

(m) The California School Finance Authority may adopt regulations to implement this section. Any regulations adopted pursuant to this section may be adopted as emergency regulations in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Title 2 of the Government Code). The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

(n) Notwithstanding any other law, a charter school shall be subject, with regard to this section, to audit conducted pursuant to Section 41020.

SEC. 28. Section 48000 of the Education Code is amended to read:

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) The governing board of the school district of a school district maintaining one or more kindergartens may, on a case-by-case basis, admit to a kindergarten 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 of the school district determines that the admittance 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 Section 46300, and Chapter 3 (commencing with Section 47610) of Part 26.8, as applicable, 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 or charter school.
- (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 or charter school.
- (3) (A) 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 or

charter school.

(B) (i) For the 2015–16 school year and each school year thereafter, a school district or charter school may, at any time during a school year, admit a child to a transitional kindergarten program who will have his or her fifth birthday after December 2 but during that same school year, with the approval of the parent or guardian, subject to the following conditions:

(I) The governing board of the school district or the governing body of the charter school determines that the admittance is in the best interests of the child.

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

(ii) Notwithstanding any other law, a pupil admitted to a transitional kindergarten program pursuant to clause (i) shall not generate average daily attendance for purposes of Section 46300, or be included in the enrollment or unduplicated pupil count pursuant to Section 42238.02, until the pupil has attained his or her fifth birthday, regardless of when the pupil was admitted during the school year.

(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.

(f) It is the intent of the Legislature that transitional kindergarten curriculum be aligned to the California Preschool Learning Foundations developed by the department.

(g) As a condition of receipt of apportionment for pupils in a transitional kindergarten program pursuant to Section 46300, a school district or charter school shall ensure that credentialed teachers who are first assigned to a transitional kindergarten classroom after July 1, 2015, have, by August 1, 2020, one of the following:

(1) At least 24 units in early childhood education, or childhood development, or both.

(2) As determined by the local educational agency employing the teacher, professional experience in a classroom setting with preschool age children that is comparable to the 24 units of education described in paragraph (1).

(3) A child development teacher permit issued by the Commission on Teacher Credentialing.

SEC. 29. Section 49430.5 of the Education Code is amended to read:

49430.5. (a) The reimbursement a school receives for free and reduced-price meals sold or served to pupils in elementary, middle, or high schools included within a school district, charter school, or county office of education shall be twenty-two and seventy-one hundredths cents (\$0.2271) per meal, and, for meals served in child care centers and homes, the reimbursement shall be sixteen and ninety-one hundredths cents (\$0.1691) per meal.

(b) To qualify for the reimbursement for free and reduced-price meals provided to pupils in elementary, middle, or high schools, a school shall follow the Enhanced Food Based Meal Pattern, Nutrient Standard Meal Planning, or Traditional Meal Pattern developed by the United States Department of Agriculture or the SHAPE Menu Patterns developed by the state.

(c) The reimbursement rates set forth in this section shall be adjusted annually for increases in cost of living in the same manner set forth in Section 42238.1.

SEC. 30. Section 51745.6 of the Education Code is amended to read:

51745.6. (a) (1) The ratio of average daily attendance for independent study pupils 18 years of age or less to school district full-time equivalent certificated employees responsible for independent study, calculated as specified by the department, shall not exceed the equivalent ratio of average daily attendance to full-time equivalent certificated employees providing instruction in other educational programs operated by the school district, unless a new higher or lower average daily attendance ratio for all other educational programs offered is negotiated in a collective bargaining agreement or a memorandum of understanding is entered into that indicates an existing collective bargaining agreement contains an alternative average daily attendance ratio.

(2) The ratio of average daily attendance for independent study pupils 18 years of age or less to county office of education full-time equivalent certificated employees responsible for independent study, to be calculated in a manner prescribed by the department, shall not exceed the equivalent prior year ratio of average daily attendance to full-time equivalent certificated employees for all other educational programs operated by the high school or unified school district with the largest average daily attendance of pupils in that county or the collectively bargained alternative ratio used by that high school or unified school

district in the prior year, unless a new higher or lower average daily attendance ratio for all other educational programs offered is negotiated in a collective bargaining agreement or a memorandum of understanding is entered into that indicates an existing collective bargaining agreement contains an alternative average daily attendance ratio. The computation of the ratios shall be performed annually by the reporting agency at the time of, and in connection with, the second principal apportionment report to the Superintendent.

(b) Only those units of average daily attendance for independent study that reflect a pupil-teacher ratio that does not exceed the ratios described in subdivision (a) shall be eligible for apportionment pursuant to Section 2575, for county offices of education, and Section 42238.05, for school districts. Nothing in this section shall prevent a school district or county office of education from serving additional units of average daily attendance greater than the ratios described in subdivision (a), except that those additional units shall not be funded pursuant to Section 2575 or 42238.05, as applicable. If a school district, charter school, or county office of education has a memorandum of understanding to provide instruction in coordination with the school district, charter school, or county office of education at which a pupil is enrolled, the ratios that shall apply for purposes of this paragraph are the ratios for the local educational agency providing the independent study program to the pupil pursuant to Section 51749.5.

(c) The calculations performed for purposes of this section shall not include either of the following:

(1) The average daily attendance generated by special education pupils enrolled in special day classes on a full-time basis, or the teachers of those classes.

(2) The average daily attendance or teachers in necessary small schools that are eligible to receive funding pursuant to Article 4 (commencing with Section 42280) of Chapter 7 of Part 24 of Division 3.

(d) The applicable average-daily-attendance-to-certificated-employee ratios described in subdivision (a) may, in a charter school, be calculated by using a fixed average-daily-attendance-to-certificated-employee ratio of 25 to 1, or by using a ratio of less than 25 pupils per certificated employee. A new higher or lower ratio for all other educational programs offered by a charter school may be negotiated in a collective bargaining agreement, or a memorandum of understanding indicating that an existing collective bargaining agreement contains an alternative average daily attendance ratio may be entered into by a charter school. All charter school pupils, regardless of age, shall be included in the applicable average-daily-attendance-to-certificate-employee ratio calculations.

SEC. 31. Section 52052 of the Education Code is amended to read:

52052. (a) (1) The Superintendent, with the approval of the state board, shall develop an Academic Performance Index (API), to measure the performance of schools and school districts, especially the academic performance of pupils.

(2) A school or school district shall demonstrate comparable improvement in academic achievement as measured by the API by all numerically significant pupil subgroups at the school or school district, including:

(A) Ethnic subgroups.

(B) Socioeconomically disadvantaged pupils.

(C) English learners.

(D) Pupils with disabilities.

(E) Foster youth.

(F) Homeless youth.

(3) (A) For purposes of this section, a numerically significant pupil subgroup is one that consists of at least 30 pupils, each of whom has a valid test score.

(B) Notwithstanding subparagraph (A), for a subgroup of pupils who are foster youth or homeless youth, a numerically significant pupil subgroup is one that consists of at least 15 pupils.

(C) For a school or school district with an API score that is based on no fewer than 11 and no more than 99 pupils with valid test scores, numerically significant pupil subgroups shall be defined by the Superintendent, with approval by the state board.

(4) (A) The API shall consist of a variety of indicators currently reported to the department, including, but not limited to, the results of the achievement test administered pursuant to Section 60640, attendance rates for pupils in elementary schools, middle schools, and secondary schools, and the graduation rates for pupils in secondary schools.

(B) The Superintendent, with the approval of the state board, may also incorporate into the API the rates at which pupils successfully promote from one grade to the next in middle school and high school, and successfully matriculate from middle school to high school.

(C) Graduation rates for pupils in secondary schools shall be calculated for the API as follows:

(i) Four-year graduation rates shall be calculated by taking the number of pupils who graduated on time for the current school year, which is considered to be three school years after the pupils entered grade 9 for the first time, and dividing that number by the total calculated in clause (ii).

(ii) The number of pupils entering grade 9 for the first time in the school year three school years before the current school year, plus the number of pupils who transferred into the class graduating at the end of the current school year between the school year that was three school years before the current school year and the date of graduation, less the number of pupils who transferred out of the school between the school year that was three school years before the current school year and the date of graduation who were members of the class that is graduating at the end of the current school year.

(iii) Five-year graduation rates shall be calculated by taking the number of pupils who graduated on time for the current school year, which is considered to be four school years after the pupils entered grade 9 for the first time, and dividing that number by the total calculated in clause (iv).

(iv) The number of pupils entering grade 9 for the first time in the school year four years before the current school year, plus the number of pupils who transferred into the class graduating at the end of the current school year between the school year that was four school years before the current school year and the date of graduation, less the number of pupils who transferred out of the school between the school year that was four years before the current school year and the date of graduation who were members of the class that is graduating at the end of the current school year.

(v) Six-year graduation rates shall be calculated by taking the number of pupils who graduated on time for the current school year, which is considered to be five school years after the pupils entered grade 9 for the first time, and dividing that number by the total calculated in clause (vi).

(vi) The number of pupils entering grade 9 for the first time in the school year five years before the current school year, plus the number of pupils who transferred into the class graduating at the end of the current school year between the school year that was five school years before the current school year and the date of graduation, less the number of pupils who transferred out of the school between the school year that was five years before the current school year and the date of graduation who were members of the class that is graduating at the end of the current school year.

(D) The inclusion of five- and six-year graduation rates for pupils in secondary schools shall meet the following requirements:

(i) Schools and school districts shall be granted one-half the credit in their API scores for graduating pupils in five years that they are granted for graduating pupils in four years.

(ii) Schools and school districts shall be granted one-quarter the credit in their API scores for graduating pupils in six years that they are granted for graduating pupils in four years.

(iii) Notwithstanding clauses (i) and (ii), schools and school districts shall be granted full credit in their API scores for graduating in five or six years a pupil with disabilities who graduates in accordance with his or her individualized education program.

(E) The pupil data collected for the API that comes from the achievement test administered pursuant to Section 60640 and the high school exit examination administered pursuant to Section 60851, when fully implemented, shall be disaggregated by special education status, English learners, socioeconomic status, gender, and ethnic group. Only the test scores of pupils who were counted as part of the enrollment in the annual data collection of the California Basic Educational Data System for the current fiscal year and who were continuously enrolled during that year may be included in the test result reports in the API score of the school.

(F) (i) Commencing with the baseline API calculation in 2016, and for each year thereafter, results of the achievement test and other tests specified in subdivision (b) shall constitute no more than 60 percent of the value of the index for secondary schools.

(ii) In addition to the elements required by this paragraph, the Superintendent, with the approval of the state board, may incorporate into the index for secondary schools valid, reliable, and stable measures of pupil preparedness for postsecondary education and career.

(G) Results of the achievement test and other tests specified in subdivision (b) shall constitute at least 60 percent of the value of the index for primary schools and middle schools.

(H) It is the intent of the Legislature that the state's system of public school accountability be more closely aligned with both the public's expectations for public education and the workforce needs of the state's economy. It is therefore necessary that the accountability system evolve beyond its narrow focus on pupil test scores to encompass other valuable information about school performance, including, but not limited to, pupil preparedness for college and career, as well as the high school graduation rates already required by law.

(I) The Superintendent shall annually determine the accuracy of the graduation rate data. Notwithstanding any other law, graduation rates for pupils in dropout recovery high schools shall not be included in the API. For purposes of this subparagraph, "dropout recovery high school" means a high school in which 50 percent or more of its pupils have been designated as dropouts pursuant to the exit/withdrawal codes developed by the department or left a school and were not otherwise enrolled in a school for a period of at least 180 days.

(J) To complement the API, the Superintendent, with the approval of the state board, may develop and implement a program of school quality review that features locally convened panels to visit schools, observe teachers, interview pupils, and examine pupil work, if an appropriation for this purpose is made in the annual Budget Act.

(K) The Superintendent shall annually provide to local educational agencies and the public a transparent and understandable explanation of the individual components of the API and their relative values within the API.

(L) An additional element chosen by the Superintendent and the state board for inclusion in the API pursuant to this paragraph shall not be incorporated into the API until at least one full school year after the state board's decision to include the element into the API.

(b) Pupil scores from the following tests, when available and when found to be valid and reliable for this purpose, shall be incorporated into the API:

(1) The standards-based achievement tests provided for in Section 60642.5.

(2) The high school exit examination.

(c) Based on the API, the Superintendent shall develop, and the state board shall adopt, expected annual percentage growth targets for all schools based on their API baseline score from the previous year. Schools are expected to meet these growth targets through effective allocation of available resources. For schools below the statewide API performance target adopted by the state board pursuant to subdivision (d), the minimum annual percentage growth target shall be 5 percent of the difference between the actual API score of a school and the statewide API performance target, or one API point, whichever is greater. Schools at or above the statewide API performance target shall have, as their growth target, maintenance of their API score above the statewide API performance target. However, the state board may set differential growth targets based on grade level of instruction and may set higher growth targets for the lowest performing schools because they have the greatest room for improvement. To meet its growth target, a school shall demonstrate that the annual growth in its API is equal to or more than its schoolwide annual percentage growth target and that all numerically significant pupil subgroups, as defined in subdivision (a), are making comparable improvement.

(d) Upon adoption of state performance standards by the state board, the Superintendent shall recommend, and the state board shall adopt, a statewide API performance target that includes consideration of performance standards and represents the proficiency level required to meet the state performance target.

(e) (1) A school or school district with 11 to 99 pupils with valid test scores shall receive an API score with an asterisk that indicates less statistical certainty than API scores based on 100 or more test scores.

(2) A school or school district annually shall receive an API score, unless the Superintendent determines that an API score would be an invalid measure of the performance of the school or school district for one or more of the following reasons:

(A) Irregularities in testing procedures occurred.

(B) The data used to calculate the API score of the school or school district are not representative of the pupil population at the school or school district.

(C) Significant demographic changes in the pupil population render year-to-year comparisons of pupil performance invalid.

(D) The department discovers or receives information indicating that the integrity of the API score has been compromised.

(E) Insufficient pupil participation in the assessments included in the API.

(F) A transition to new standards-based assessments compromises comparability of results across schools or school districts. The Superintendent may use the authority in this subparagraph in the 2013–14 and 2014–15 school years only, with the approval of the state board.

(3) If a school or school district has fewer than 100 pupils with valid test scores, the calculation of the API or adequate yearly progress pursuant to the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) and federal regulations may be calculated over more than one annual administration of the tests administered pursuant to Section 60640 and the high school exit examination administered pursuant to Section 60851, consistent with regulations adopted by the state board.

(4) Any school or school district that does not receive an API calculated pursuant to subparagraph (F) of paragraph (2) shall not receive an API growth target pursuant to subdivision (c). Schools and school districts that do not have an API calculated pursuant to subparagraph (F) of paragraph (2) shall use one of the following:

(A) The most recent API calculation.

(B) An average of the three most recent annual API calculations.

(C) Alternative measures that show increases in pupil academic achievement for all groups of pupils schoolwide and among significant subgroups.

(f) Only schools with 100 or more test scores contributing to the API may be included in the API rankings.

(g) The Superintendent, with the approval of the state board, shall develop an alternative accountability system for schools under the jurisdiction of a county board of education or a county superintendent of schools, community day schools, nonpublic, nonsectarian schools pursuant to Section 56366, and alternative schools serving high-risk pupils, including continuation high schools and opportunity schools. Schools in the alternative accountability system may receive an API score, but shall not be included in the API rankings.

(h) For purposes of this section, county offices of education shall be considered school districts.

(i) For purposes of this section, "homeless youth" has the same meaning as in Section 11434a(2) of Title 42 of the United States Code.

SEC. 32. Section 52064.5 of the Education Code is amended to read:

52064.5. (a) On or before October 1, 2016, the state board shall adopt evaluation rubrics for all of the following purposes:

(1) To assist a school district, county office of education, or charter school in evaluating its strengths, weaknesses, and areas that require improvement.

(2) To assist a county superintendent of schools in identifying school districts and charter schools in need of technical assistance pursuant to Section 52071 or 47607.3, as applicable, and the specific priorities upon which the technical assistance should be focused.

(3) To assist the Superintendent in identifying school districts for which intervention pursuant to Section 52072 is warranted.

(b) The evaluation rubrics shall reflect a holistic, multidimensional assessment of school district and individual schoolsite performance and shall include all of the state priorities described in subdivision (d) of Section 52060.

(c) As part of the evaluation rubrics, the state board shall adopt standards for school district and individual schoolsite performance and expectations for improvement in regard to each of the state priorities described in subdivision (d) of Section 52060.

SEC. 33. Section 52501.5 of the Education Code is amended to read:

52501.5. (a) Except as provided in subdivision (b), revenue derived from the average daily attendance of adult education programs shall not be expended for other than adult education purposes.

(b) When a district's adult revenue limit as allowed by Section 52616 is composed of average daily attendance from both a regional occupational center or program and an adult education program, the adult revenue limit income may be allocated to each program in a proportion other than the amount of adult revenue limit per average daily attendance otherwise allocable thereto.

SEC. 34. Section 52616 of the Education Code is amended to read:

52616. (a) Notwithstanding any other law, commencing July 1, 1993, the Superintendent shall determine an adult block entitlement, to be paid from appropriations to Section A of the State School Fund as part of the principal apportionment to school

districts, for those school districts that maintain education programs for adults by multiplying the adult education revenue limit per unit of average daily attendance determined pursuant to Section 52616.16 and the adult education average daily attendance determined pursuant to Section 52616.17.

(b) The adult block entitlement shall be deposited in a separate fund of the school district to be known as the "adult education fund." Money in an adult education fund shall be expended only for adult education purposes. Except for moneys received pursuant to the local control funding formula, moneys received for programs other than adult education shall not be expended for adult education.

SEC. 35. Section 53011 of the Education Code is amended to read:

53011. Contingent upon funding provided for this purpose in the annual Budget Act, the department shall administer the California Career Pathways Trust as a competitive grant program for kindergarten and grades 1 to 14, inclusive. Funds appropriated in Item 6110-280-0001 of Section 2.00 of the Budget Act of 2014 shall be available for expenditure in the 2014–15 fiscal year to the 2016–17 fiscal year, inclusive. Recipients shall do all of the following:

(a) Prioritize work-based learning opportunities, as defined in Section 51760.1, for pupils and students in partnership with regional business and industry, state and local governmental entities, and nonprofit and community-based organizations.

(b) Define the labor market of the regional economy in a manner that identifies high-skill, high-wage, high-growth jobs in the current regional economy or in emerging economic sectors.

(c) Establish or strengthen existing regional collaborative relationships and partnerships among business entities, schools serving pupils in kindergarten and grades 1 to 12, inclusive, and postsecondary educational agencies, organizations that provide apprenticeship opportunities, and nonprofit or government entities.

(d) Develop and integrate standards-based academics with a career-relevant, sequenced curriculum following industry-themed pathways that are aligned to high-skill, high-wage, high-growth jobs in the current regional economy, or in emerging regional economic sectors.

(e) Provide articulated pathways from high school to postsecondary education and training that are aligned with the workforce development needs of regional economies.

(f) Ensure that career pathway programs are designed and implemented in a manner that leads students to a postsecondary degree or certification in a high-skill, high-wage, and high-growth or emerging field.

(g) Leverage and build on any of the following:

(1) Existing structures, requirements, and resources of the Carl D. Perkins Career and Technical Education Improvement Act of 2006, California Partnership Academies, and Regional Occupational Centers and Programs.

(2) The California Community Colleges Economic and Workforce Development Program.

(3) Matching resources and in-kind contributions from public, private, and philanthropic sources.

SEC. 36. Chapter 16.5 (commencing with Section 53070) is added to Part 28 of Division 4 of Title 2 of the Education Code, to read:

CHAPTER 16.5. California Career Technical Education Incentive Grant Program

53070. (a) The California Career Technical Education Incentive Grant Program is hereby established as a state education, economic, and workforce development initiative with the goal of providing pupils in kindergarten and grades 1 to 12, inclusive, with the knowledge and skills necessary to transition to employment and postsecondary education. The purpose of this program is to encourage and maintain the delivery of career technical education programs during implementation of the school district and charter school local control funding formula pursuant to Section 42238.02. There is hereby appropriated to the department from the General Fund for the program established pursuant to this chapter the following amounts:

(1) For the 2015–16 fiscal year, four hundred million dollars (\$400,000,000).

(2) For the 2016–17 fiscal year, three hundred million dollars (\$300,000,000).

(3) For the 2017–18 fiscal year, two hundred million dollars (\$200,000,000).

(b) Of the amounts appropriated in paragraphs (1) through (3), inclusive, of subdivision (a), 4 percent is designated for applicants with average daily attendance of less than or equal to 140, 8 percent is designated for applicants with average daily attendance of more than 140 and less than or equal to 550, and 88 percent is designated for applicants with average daily attendance of more

than 550. For purposes of this section, average daily attendance shall be those figures that are reported at the time of the second principal apportionment for the previous fiscal year for pupils in grades 7 to 12, inclusive. For any applicant consisting of more than one school district, county office of education, charter school, or regional occupational center or program operated by a joint powers authority, or of any combination of those entities, the sum of the average daily attendance for each of the constituent entities shall be used for purposes of this subdivision.

53071. The department shall administer this program as a competitive grant program. An applicant shall demonstrate all of the following to be considered for a grant award:

(a) (1) A proportional dollar-for-dollar match as follows for any funding received from this program:

(A) For the fiscal year beginning July 1, 2015, one dollar (\$1) for every one dollar (\$1) received from this program.

(B) For the fiscal year beginning July 1, 2016, one dollar and fifty cents (\$1.50) for every one dollar (\$1) received from this program.

(C) For the fiscal year beginning July 1, 2017, two dollars (\$2) for every one dollar (\$1) received from this program.

(2) That local match may include funding from school district and charter school local control funding formula apportionments pursuant to Section 42238.02, the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006, the California Partnership Academies, the Agricultural Career Technical Education Incentive Grant, or any other source except as provided in paragraph (3).

(3) That local match shall not include funding from the California Career Pathways Trust established pursuant to Section 53010.

(b) At least a three-year plan for continued support of career technical education programs after grant funding expires. The plan, at a minimum, shall include the identification of available funding within an applicant's current or projected budget to continue to support career technical education programs and a written commitment to do so. If an applicant consisting of more than one school district, county office of education, charter school, or regional occupational center or program operated by a joint powers authority, or any combination of these entities, is applying for grant funding from this program, identification of available funding and a written commitment must be demonstrated by each participating constituent entity.

(c) The applicant, or the applicant's career technical education program, as applicable, meets all of the following minimum eligibility standards:

(1) Offers high quality curriculum and instruction aligned with the California Career Technical Education Model Curriculum Standards, including, but not limited to, providing a coherent sequence of career technical education courses that enable pupils to transition to postsecondary education programs that lead to a career pathway or attain employment upon graduation from high school.

(2) Provides pupils with quality career exploration and guidance.

(3) Provides pupil support services, including counseling and leadership development.

(4) Provides for system alignment, coherence, and articulation, including ongoing and structural regional or local partnerships with postsecondary educational institutions, documented through formal written agreements.

(5) Forms ongoing and structural industry and labor partnerships, documented through formal written agreements and through participation on advisory committees.

(6) Provides opportunities for pupils to participate in after school, extended day, and out-of-school internships, competitions, and other work-based learning opportunities.

(7) Reflects regional or local labor market demands and focuses on current or emerging high-skill, high-wage, or high-demand occupations.

(8) Leads to an industry-recognized credential or certificate, or appropriate postsecondary training or employment.

(9) Is staffed by skilled teachers or faculty and provides professional development opportunities for those teachers or faculty members.

(10) (A) Reports data, as a program participation requirement, to allow for an evaluation of the program.

(B) Data reported pursuant to this paragraph shall include, but not be limited to, metrics aligned with the core metrics required by the federal Workforce Innovation and Opportunity Act and the quality indicators described in the California State

Plan for Career Technical Education required by the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006, and the following metrics:

- (i) The number of pupils completing high school.
- (ii) The number of pupils completing career technical education coursework.
- (iii) The number of pupils obtaining an industry-recognized credential, certificate, license, or other measure of technical skill attainment.
- (iv) The number of former pupils employed and the types of businesses in which they are employed.
- (v) The number of former pupils enrolled in a postsecondary educational institution, a state apprenticeship program, or another form of job training.

53072. A grant recipient under this chapter may consist of one or more, or any combination, of the following:

- (a) School districts.
- (b) County offices of education.
- (c) Charter schools.
- (d) Regional occupational centers or programs operated by joint powers authorities, provided that the application has the written consent of each participating local educational agency.

53073. (a) An applicant receiving a grant from this program in the 2015–16 fiscal year shall be eligible to receive a renewal grant in the 2016–17 fiscal year and in the 2017–18 fiscal year. An applicant that does not receive a grant in the 2015–16 fiscal year, but receives a grant in the 2016–17 fiscal year, shall be eligible to receive a renewal grant in the 2017–18 fiscal year. No applicant shall be eligible for a renewal grant in the 2018–19 fiscal year.

(b) (1) The department, in collaboration with the state board, shall determine renewal grant eligibility using metrics identified pursuant to paragraph (10) of subdivision (c) of Section 53071.

(2) If an applicant for a renewal grant is subject to the requirements of Sections 52060 and 52061, Sections 52066 and 52067, or Section 47606.5, the inclusion of career technical education programs in the applicant's local control and accountability plan shall be required to be eligible for a renewal grant.

53074. The department shall consult with entities having career technical education expertise, including, but not necessarily limited to, the Chancellor of the California Community Colleges, state workforce investment organizations, and organizations representing business in the development of the request for grant applications and in the consideration of grant applications under this chapter. The department shall annually submit its list of recommended new and renewal grant recipients to the state board for review and approval before making annual grant awards.

53075. (a) When determining grant recipients, the department and the state board shall do both of the following:

(1) Give positive consideration to each of the following characteristics in an applicant:

- (A) Did not operate a career technical education program during the 2014–15 fiscal year.
- (B) Serving unduplicated pupils as defined in Section 42238.02.
- (C) Serving pupil subgroups that have higher than average dropout rates as identified by the Superintendent.
- (D) Located in an area of the state with a high unemployment rate.

(2) Give positive consideration to programs to the extent they do any of the following:

(A) Successfully leverage one or both of the following:

- (i) Existing structures, requirements, and resources of the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006, California Partnership Academies, or Agricultural Career Technical Education Incentive Grants.
- (ii) Contributions from industry, labor, and philanthropic sources.

(B) Engage in regional collaboration with postsecondary education or other local educational agencies.

(C) Make significant investment in career technical education infrastructure and equipment.

(D) Operate within rural school districts.

(b) When determining grant recipients, the department and the state board shall give greatest weight to the applicant characteristics included in paragraph (1) of subdivision (a).

53076. For purposes of administering the program established by this chapter, the Superintendent may do any of the following:

(a) Determine, in collaboration with the executive director of the state board, specific funding amounts and the number of grants to be awarded.

(b) Distribute funding on a multiyear schedule, establish a process for monitoring the use of the funding, and, if necessary, cease distribution of funding and recover previously distributed funding in the case of a recipient's failure to comply with a grant prerequisite or minimum standard.

(c) Require grant recipients to submit program reports.

(d) Set aside up to 1 percent of the total amount provided for the program for one or both of the following purposes:

(1) To provide planning grants.

(2) To contract with a local educational agency for the provision of technical assistance to applicants and grant recipients.

SEC. 37. Section 60212 is added to the Education Code, to read:

60212. For purposes of adopting basic instructional materials for history-social science pursuant to Section 60200, all of the following shall apply:

(a) (1) The department shall provide notice, pursuant to paragraph (2), to all publishers or manufacturers known to produce basic instructional materials in that subject, post an appropriate notice on the Internet Web site of the department, and take other reasonable measures to ensure that appropriate notice is widely circulated to potentially interested publishers and manufacturers.

(2) The notice shall specify that each publisher or manufacturer choosing to participate in the adoption process shall be assessed a fee based on the number of programs the publisher or manufacturer indicates will be submitted for review and the number of grade levels proposed to be covered by each program.

(b) The department, before incurring substantial costs for the adoption process, shall require that a publisher or manufacturer that wishes to participate in the adoption process first declare the intent to submit one or more specific programs for adoption and specify the specific grade levels to be covered by each program.

(c) After a publisher or manufacturer has declared its intent to submit one or more programs and the grade levels to be covered by each program, the department shall assess a fee that shall be payable by the publisher or manufacturer even if the publisher or manufacturer subsequently chooses to withdraw a program or reduce the number of grade levels covered.

(d) The fee assessed pursuant to subdivision (c) shall be in an amount that does not exceed the reasonable costs to the department in conducting the adoption process. The department shall take reasonable steps to limit costs of the adoption and to keep the fee modest.

(e) A submission by a publisher or manufacturer shall not be reviewed for purposes of adoption until the fee assessed pursuant to subdivision (c) has been paid in full.

(f) (1) Upon the request of a small publisher or small manufacturer, the state board may reduce the fee for participation in the adoption.

(2) For purposes of this section, "small publisher" and "small manufacturer" mean an independently owned or operated publisher or manufacturer that is not dominant in its field of operation and that, together with its affiliates, has 100 or fewer employees, and has average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years.

(g) If the department determines that there is little or no interest in participating in an adoption by publishers and manufacturers, the department shall recommend to the state board whether or not the adoption shall be conducted, and the state board may choose not to conduct the adoption.

(h) Revenue derived from fees assessed pursuant to subdivision (c) shall be budgeted as reimbursements and subject to review through the annual budget process, and may be used to pay for costs associated with any adoption and for any costs associated with the review of instructional materials, including costs of substitutes for teacher reviewers and stipends for content review experts.

SEC. 38. Section 84830 of the Education Code is amended to read:

84830. (a) The Chancellor of the California Community Colleges and the State Department of Education shall, pursuant to funding made available in the annual Budget Act, jointly provide two-year planning and implementation grants to regional consortia of community college districts and school districts for the purpose of developing regional plans to better serve the educational needs of adults.

(1) Eligibility shall be limited to consortia consisting of at least one community college district and at least one school district within the boundaries of the community college district, either of which may serve as the consortium's fiscal agent, as determined by the applicant consortium.

(2) If a community college district chooses not to participate in a consortium, a neighboring community college district may form a consortium with school districts within the boundaries of the nonparticipating community college district.

(3) Consortia may include other entities providing adult education courses, including, but not necessarily limited to, correctional facilities, other local public entities, and community-based organizations.

(b) Grant funds provided pursuant to this section shall be used by each regional consortium to create and implement a plan to better provide adults in its region with all of the following:

(1) Elementary and secondary basic skills, including classes required for a high school diploma or high school equivalency certificate.

(2) Classes and courses for immigrants eligible for educational services in citizenship and English as a second language, and workforce preparation classes in basic skills.

(3) Education programs for adults with disabilities.

(4) Short-term career technical education programs with high employment potential.

(5) Programs offering pre-apprenticeship training activities conducted in coordination with one or more apprenticeship programs approved by the Division of Apprenticeship Standards for the occupation and geographic area.

(c) (1) The classes and courses described in paragraphs (1) and (2) of subdivision (b) shall distribute basic information on American government and civics that includes, but is not limited to, instruction on all of the following:

(A) Federal, state, and local government.

(B) The three branches of government.

(C) The importance of civic engagement.

(D) Registering to vote.

(2) It is the intent of the Legislature that, consistent with the requirements of Sections 51225.3 and 52555, students enrolled in classes and courses described in paragraphs (1) and (2) of subdivision (b) in which instruction in American government and civics is appropriate shall receive instruction in American government and civics.

(d) Each regional consortium's plan shall include, at a minimum:

(1) An evaluation of current levels and types of adult education programs within its region, including education for adults in correctional facilities; credit, noncredit, and enhanced noncredit adult education coursework; and programs funded through Title II of the federal Workforce Investment Act of 1998, known as the Adult Education and Family Literacy Act (Public Law 105-220).

(2) An evaluation of current needs for adult education programs within its region.

(3) Plans for parties that make up the consortium to integrate their existing programs and create seamless transitions into postsecondary education or the workforce.

(4) Plans to address the gaps identified pursuant to paragraphs (1) and (2).

(5) Plans to employ approaches proven to accelerate a student's progress toward his or her academic or career goals, such as contextualized basic skills and career technical education, and other joint programming strategies between adult education and career technical education.

(6) Plans to collaborate in the provision of ongoing professional development opportunities for faculty and other staff to help them achieve greater program integration and improve student outcomes.

(7) Plans to leverage existing regional structures, including, but not necessarily limited to, local workforce investment areas.

(e) The Chancellor of the California Community Colleges and the State Department of Education may identify additional elements that consortia must include in a plan.

(f) (1) On or before March 1, 2014, the Chancellor of the California Community Colleges and the State Department of Education shall submit a joint report to the Legislature and the Governor. This report shall include, but not necessarily be limited to, both of the following:

(A) The status of developing regional consortia across the state, including identification of unserved geographic areas or emerging gaps in regional program delivery.

(B) The status and allocation of grant awards made to regional consortia.

(2) The report shall be submitted to the Legislature as provided in Section 9795 of the Government Code.

(g) (1) On or before March 1, 2015, the Chancellor of the California Community Colleges and the State Department of Education shall submit a joint report to the Legislature and the Governor. This report shall include, but is not limited to, both of the following:

(A) The plans developed by regional consortia across the state.

(B) Recommendations for additional improvements in the delivery system serving adult learners.

(2) The report shall be submitted to the Legislature as provided in Section 9795 of the Government Code.

(h) It is the intent of the Legislature to work toward developing common policies related to adult education affecting adult schools at local educational agencies and community colleges, including policies on fees and funding levels.

(i) It is the intent of the Legislature to provide additional funding in the 2015–16 fiscal year to regional consortia to expand and improve the provision of adult education.

SEC. 39. Article 9 (commencing with Section 84900) is added to Chapter 5 of Part 50 of Division 7 of Title 3 of the Education Code, to read:

Article 9. Adult Education Block Grant Program

84900. The Adult Education Block Grant Program is hereby established under the administration of the Chancellor of the California Community Colleges and the Superintendent of Public Instruction.

84901. For purposes of this article, the following definitions shall apply, unless otherwise specified:

(a) "Adult" means a person 18 years of age or older.

(b) "Consortium" means an adult education consortium approved pursuant to this article.

(c) "Executive director" means the executive director of the State Board of Education.

(d) "Program" means the Adult Education Block Grant Program established by Section 84900.

84902. (a) The chancellor and the Superintendent are the state officials responsible for identifying and understanding the educational needs of adults in the state.

(b) The chancellor and the Superintendent shall use the powers provided by this article to support the effective provision of services that address the educational needs of adults in all regions of the state.

(c) In performing duties under this article, the chancellor and the Superintendent shall seek advice from, and coordinate with, other state officials responsible for programs for adults.

84903. (a) The chancellor and the Superintendent, with the advice of the executive director, shall divide the state into adult education regions and shall determine the physical boundaries of each region.

(b) When determining the boundaries of the adult education regions, the chancellor and the Superintendent shall consider factors that impact the provision of adult education, including all of the following:

- (1) Economic and demographic factors, including the locations of regional labor markets.
- (2) The boundaries of regions used to distribute funds for other state programs.
- (3) The presence of adult education providers that have demonstrated effectiveness in meeting the educational needs of adults.

(c) Until otherwise determined by the chancellor and the Superintendent, the physical boundaries of the adult education regions shall be the same as the physical boundaries of the regions established for purposes of providing planning and implementation grants pursuant to Section 84830.

84904. (a) The chancellor and the Superintendent, with the advice of the executive director, shall approve one adult education consortium in each adult education region.

(b) Until otherwise determined by the chancellor and the Superintendent, the consortia to which planning and implementation grants were apportioned pursuant to Section 84830 shall be deemed approved for purposes of this section.

84905. The chancellor and the Superintendent, with the advice of the executive director, shall approve, for each consortium, rules and procedures that adhere to all of the following conditions:

(a) Any community college district, school district, or county office of education, or any joint powers authority consisting of community college districts, school districts, county offices of education, or a combination of these, located within the boundaries of the adult education region shall be permitted to join the consortium as a member.

(b) As a condition of joining a consortium, a member shall commit to reporting any funds available to that member for the purposes of education and workforce services for adults and the uses of those funds.

(c) A member of the consortium shall be represented only by an official designated by the governing board of the member.

(d) (1) Decisionmaking procedures are specified that ensure that all of the following conditions are satisfied:

(A) All members of the consortium shall participate in any decision made by the consortium.

(B) A proposed decision is considered at an open, properly noticed public meeting of the consortium at which members of the public may comment.

(C) The consortium has provided the public with adequate notice of a proposed decision and considered any comments submitted by members of the public, and any comments submitted by members of the public have been distributed publicly.

(D) (i) The consortium has requested comments regarding a proposed decision from other entities located in the adult education region that provide education and workforce services for adults.

(ii) The consortium has considered and responded to any comments submitted by entities pursuant to clause (i).

(iii) For purposes of this subparagraph, entities that provide education and workforce services to adults include, but are not necessarily limited to, local public agencies, departments, and offices, particularly those with responsibility for local public safety and social services; workforce investment boards; libraries; and community-based organizations.

(E) A decision is final.

(2) For purposes of this subdivision, a decision includes approval of an adult education plan pursuant to Section 84906 and approval of a distribution schedule pursuant to Section 84913.

(e) The members of the consortium may decide to designate a member to serve as the fund administrator to receive and distribute funds from the program.

84906. (a) As a condition of receipt of an apportionment of funds from this program for a fiscal year, the members of a consortium shall have approved an adult education plan that addresses that fiscal year.

(b) An adult education plan shall include all of the following:

- (1) An evaluation of the educational needs of adults in the region.

(2) A list of the following:

(A) Entities that provide education and workforce services to adults in the region.

(B) Entities that are impacted by, or that have a fundamental interest in, the provision of those services.

(3) A description of the services provided by entities listed pursuant to paragraph (2).

(4) An evaluation of current levels and types of education and workforce services for adults in the region.

(5) An evaluation of the funds available to the members of the consortium and the entities listed pursuant to paragraph (2), including funds other than those apportioned pursuant to this article.

(6) Actions that the members of the consortium will take to address the educational needs identified pursuant to paragraph (1).

(7) Actions that the members of the consortium will take to improve the effectiveness of their services.

(8) Actions that the members of the consortium, the entities listed pursuant to paragraph (2), and other interested parties will take to improve integration of services and to improve transitions into postsecondary education and the workforce, including actions related to all of the following:

(A) Placement of adults seeking education and workforce services into adult education programs.

(B) Alignment of academic standards and curricula for programs across entities that provide education and workforce services to adults.

(C) Qualifications of instructors, including common standards across entities that provide education and workforce services to adults.

(D) Collection and availability of data.

(9) A description of the alignment of adult education services supported by this program with those described in other education and workforce plans guiding services in the region, including plans pertaining to the building of career pathways and the employment of workforce sector strategies and those required pursuant to the federal Workforce Innovation and Opportunity Act (Public Law 113-128).

(10) A description of the ways in which each of the entities identified in paragraph (2) contributed to the development of the plan.

(c) The members of a consortium shall approve an adult education plan at least once every three years. The plan shall be updated at least once each year based on available data.

(d) For the 2015–16, 2016–17, and 2017–18 fiscal years, a regional plan developed pursuant to Section 84830 shall satisfy the requirements of this section.

84907. No later than July 31, 2015, the chancellor and the Superintendent, with the advice of the executive director, shall certify, for each school district and county office of education, the amount of state funds required to be expended for adult education pursuant to paragraph (7) of subdivision (a) of Section 42238.03, and paragraph (3) of subdivision (k) of Section 2575, respectively.

84908. (a) If the total amount certified for all school districts and county offices of education pursuant to Section 84907 is less than three hundred seventy-five million dollars (\$375,000,000), the chancellor and the Superintendent shall do both of the following:

(1) Apportion funds appropriated for the program in the Budget Act of 2015, no later than August 30, 2015, to each school district or county office of education in an amount equal to the amount certified for that school district or county office of education pursuant to Section 84907. As a condition of receipt of an apportionment, a school district or county office of education is required to be a member of a consortium.

(2) (A) (i) With the concurrence of the executive director, approve a schedule of allocations to each consortium, no later than October 30, 2015, of any funds appropriated for the program in the Budget Act of 2015 that remain after funds have been apportioned pursuant to paragraph (1).

(ii) The chancellor and the Superintendent shall determine the amount to be allocated to each consortium pursuant to this paragraph based on that adult education region's share of the statewide need for adult education.

(B) Using the schedule approved pursuant to subparagraph (A), the chancellor and the Superintendent shall do one of the following for each consortium:

(i) Apportion funds to a fund administrator designated by the members of a consortium beginning no more than 30 days after approval of the schedule pursuant to subparagraph (A).

(ii) Apportion funds to members of a consortium beginning no more than 30 days after receipt of a final distribution schedule from that consortium.

(b) If the total amount certified for all school districts and county offices of education pursuant to Section 84907 equals or exceeds three hundred seventy-five million dollars (\$375,000,000), the chancellor and the Superintendent shall do both of the following:

(1) Apportion funds appropriated for the program in the Budget Act of 2015, no later than August 30, 2015, to each school district or county office of education in an amount equal to the amount certified for that school district or county office of education pursuant to Section 84907 multiplied by three hundred seventy-five million dollars (\$375,000,000), divided by the total amount certified for all school districts and county offices of education pursuant to Section 84907.

(2) (A) (i) With the concurrence of the executive director, approve a schedule of allocations to each consortium, no later than October 30, 2015, of any funds appropriated for this program in the Budget Act of 2015 that remain after funds have been apportioned pursuant to paragraph (1).

(ii) The chancellor and the Superintendent shall determine the amount to be allocated to each consortium pursuant to this paragraph based on that adult education region's share of the statewide need for adult education.

(B) Using the schedule approved pursuant to subparagraph (A), the chancellor and the Superintendent shall do one of the following for each consortium:

(i) Apportion funds to a fund administrator designated by the members of a consortium beginning no more than 30 days after approval of the schedule pursuant to subparagraph (A).

(ii) Apportion funds to members of a consortium beginning no more than 30 days after receipt of a final distribution schedule from that consortium.

(c) This section shall become inoperative on July 1, 2016, and, as of January 1, 2017, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2017, deletes or extends the dates on which it becomes inoperative and is repealed.

84909. (a) This section shall apply commencing with the 2016–17 fiscal year.

(b) The chancellor and the Superintendent, with the advice of the executive director, shall approve, no later than February 28 of the prior fiscal year, a preliminary schedule of allocations to each consortium of any funds proposed in the Governor's Budget for the program.

(c) The chancellor and the Superintendent, with the advice of the executive director, shall approve, within 15 days of enactment of the annual Budget Act, a final schedule of allocations to each consortium of any funds appropriated by the Legislature for the program.

(d) The chancellor and the Superintendent shall determine the amount to be allocated to each consortium based on the following:

(1) The amount of funds apportioned to the members of that consortium in the immediately preceding fiscal year.

(2) That adult education region's share of the statewide need for adult education.

(3) That consortium's effectiveness in meeting the educational needs of adults in the adult education region based on available data.

(e) Using the final schedule approved pursuant to subdivision (c), the chancellor and the Superintendent shall do one of the following for each consortium:

(1) Apportion funds to a fund administrator designated by the members of a consortium beginning no more than 30 days after approval of the final schedule of allocations.

(2) Apportion funds to members of a consortium beginning no more than 30 days after receipt of a final distribution schedule from that consortium.

84910. The chancellor and the Superintendent shall, when approving a schedule of allocations for a fiscal year, also present preliminary projections for the amounts that would be allocated in the subsequent two fiscal years. This preliminary presentation shall not constitute a binding commitment of funds.

84911. To determine the need for adult education, the chancellor and the Superintendent shall consider, at a minimum, measures related to adult population, employment, immigration, educational attainment, and adult literacy.

84912. The chancellor and the Superintendent shall apportion funds appropriated for the program in a given year in compliance with all of the following:

- (a) No more than one-twelfth of the total amount appropriated shall have been apportioned by the end of July.
- (b) No more than one-sixth of the total amount appropriated shall have been apportioned by the end of August.
- (c) No more than one-quarter of the total amount appropriated shall have been apportioned by the end of September.
- (d) No more than one-third of the total amount appropriated shall have been apportioned by the end of October.
- (e) No more than five-twelfths of the total amount appropriated shall have been apportioned by the end of November.
- (f) No more than one-half of the total amount appropriated shall have been apportioned by the end of December.
- (g) No more than seven-twelfths of the total amount appropriated shall have been apportioned by the end of January.
- (h) No more than two-thirds of the total amount appropriated shall have been apportioned by the end of February.
- (i) No more than three-quarters of the total amount appropriated shall have been apportioned by the end of March.
- (j) No more than five-sixths of the total amount appropriated shall have been apportioned by the end of April.
- (k) No more than eleven-twelfths of the total amount appropriated shall have been apportioned by the end of May.

84913. (a) Funds apportioned for the program shall be used only for support of the following:

- (1) Programs in elementary and secondary basic skills, including programs leading to a high school diploma or high school equivalency certificate.
- (2) Programs for immigrants eligible for educational services in citizenship, English as a second language, and workforce preparation.
- (3) Programs for adults, including, but not limited to, older adults, that are primarily related to entry or reentry into the workforce.
- (4) Programs for adults, including, but not limited to, older adults, that are primarily designed to develop knowledge and skills to assist elementary and secondary school children to succeed academically in school.
- (5) Programs for adults with disabilities.
- (6) Programs in career technical education that are short term in nature and have high employment potential.
- (7) Programs offering preapprenticeship training activities conducted in coordination with one or more apprenticeship programs approved by the Division of Apprenticeship Standards for the occupation and geographic area.

(b) A consortium may use no more than 5 percent of funds allocated in a given fiscal year for the sum of the following:

- (1) The costs of administration of these programs.
- (2) The costs of the consortium.

84914. (a) As a condition of receipt of an apportionment from the program, a consortium shall approve a distribution schedule that includes both of the following:

- (1) The amount of funds to be distributed to each member of the consortium for that fiscal year.
- (2) A narrative justifying how the planned allocations are consistent with the adult education plan.

(b) (1) For any fiscal year for which the chancellor and the Superintendent allocate an amount of funds to the consortium greater than the amount allocated in the prior fiscal year, the amount of funds to be distributed to a member of that consortium shall be

equal to or greater than the amount distributed in the prior fiscal year, unless the consortium makes at least one of the following findings related to the member for which the distribution would be reduced:

(A) The member no longer wishes to provide services consistent with the adult education plan.

(B) The member cannot provide services that address the needs identified in the adult education plan.

(C) The member has been consistently ineffective in providing services that address the needs identified in the adult education plan and reasonable interventions have not resulted in improvements.

(2) For any year for which the chancellor and the Superintendent allocate an amount of funds to the consortium less than the amount allocated in the prior year, the amount of funds to be distributed to a member of that consortium shall not be reduced by a percentage greater than the percentage by which the total amount of funds allocated to the consortium decreased, unless the consortium makes at least one of the following findings related to the member for which the distribution would be reduced further:

(A) The member no longer wishes to provide services consistent with the adult education plan.

(B) The member cannot provide services that address the needs identified in the adult education plan.

(C) The member has been ineffective in providing services that address the needs identified in the adult education plan and reasonable interventions have not resulted in improvements.

(c) A distribution schedule shall also include preliminary projections of the amount of funds that would be distributed to each member of the consortium in each of the subsequent two fiscal years. The preliminary projections shall not constitute a binding commitment of funds.

84915. (a) It is the intent of the Legislature to coordinate programs that support education and workforce services for adults.

(b) No later than January 31, 2016, the chancellor and the Superintendent shall submit to the Director of Finance, to the State Board of Education, and, in conformity with Section 9795 of the Government Code, to the Legislature a plan approved by the chancellor and the Superintendent to distribute funds from the following programs to the consortia:

(1) (A) The federal Adult Education and Family Literacy Act (Title II of the federal Workforce Innovation and Opportunity Act).

(B) The plan for allocating funds under this paragraph shall comply with the criteria enumerated in subsection (e) of Section 3321 of Title 29 of the United States Code related to base disbursement of these funds.

(2) The federal Carl D. Perkins Career and Technical Education Act (Public Law 109-270).

84916. In order to maximize the benefits derived from public funds provided for the purpose of addressing the educational needs of adults and to ensure the efficient and coordinated use of resources, it is the intent and expectation of the Legislature that any community college district, school district, or county office of education, or any joint powers authority consisting of community college districts, school districts, county offices of education, or a combination of these, located within the boundaries of the adult education region shall be a member of a consortium pursuant to this article if it receives funds from any of the following programs or allocations:

(a) The Adults in Correctional Facilities program.

(b) The federal Adult Education and Family Literacy Act (Title II of the federal Workforce Innovation and Opportunity Act).

(c) The federal Carl D. Perkins Career and Technical Education Act (Public Law 109-270).

(d) Local Control Funding Formula apportionments received for students who are 19 years of age or older.

(e) Community college apportionments received for providing instruction in courses in the areas listed in subdivision (a) of Section 84913.

(f) State funds for remedial education and job training services for participants in the CalWORKs program.

84917. (a) To inform actions taken by the Governor and the Legislature related to adult education, the chancellor and the Superintendent shall submit to the Director of Finance, to the State Board of Education, and, in conformity with Section 9795 of the Government Code, to the Legislature, by September 30 following any fiscal year for which funds are appropriated for the program, a report about the use of these funds and outcomes for adults statewide and in each adult education region. The report shall include at least all of the following:

(1) A summary of the adult education plan operative for each consortium.

(2) The distribution schedule for each consortium.

(3) The types and levels of services provided by each consortium.

(4) The effectiveness of each consortium in meeting the educational needs of adults in its respective region.

(5) Any recommendations related to delivery of education and workforce services for adults, including recommendations related to improved alignment of state programs.

(b) (1) The chancellor and the Superintendent may require a consortium, as a condition of receipt of an apportionment, to submit any reports or data necessary to produce the report described in subdivision (a).

(2) The chancellor and the Superintendent shall align the data used to produce the report described in subdivision (a) with data reported by local educational agencies for other purposes, such as data used for purposes of the federal Workforce Opportunity and Innovation Act (Public Law 113-128).

(3) The Employment Development Department and the California Workforce Investment Board shall provide any assistance needed to align delivery of services across state and regional workforce, education, and job service programs.

SEC. 40. Section 84920 is added to the Education Code, to read:

84920. (a) To the extent that one-time funding is made available in the Budget Act of 2015, consistent with the provisions of Section 84917, the chancellor and the Superintendent shall identify common measures for determining the effectiveness of members of each consortium in meeting the educational needs of adults. At a minimum, the chancellor and the Superintendent shall accomplish both of the following:

(1) Define the specific data each consortium shall collect.

(2) Establish a menu of common assessments and policies regarding placement of adults seeking education and workforce services into adult education programs to be used by each consortium to measure educational needs of adults and the effectiveness of providers in addressing those needs.

(b) It is the intent of the Legislature that both of the following occur:

(1) That the educational needs of adults in the state be better identified and understood through better sharing of data across state agencies.

(2) That, at a minimum, the chancellor and the Superintendent shall enter into agreements to share data related to effectiveness of the consortia between their agencies and with other state agencies, including, but not necessarily limited to, the Employment Development Department and the California Workforce Investment Board.

(c) The chancellor and the Superintendent shall identify, no later than January 1, 2016, the measures for assessing the effectiveness of consortia that will be used in the report that, pursuant to Section 84917, is to be submitted by September 30, 2016. These measures shall include, but not necessarily be limited to, all of the following:

(1) How many adults are served by members of the consortium.

(2) How many adults served by members of the consortium have demonstrated the following:

(A) Improved literacy skills.

(B) Completion of high school diplomas or their recognized equivalents.

(C) Completion of postsecondary certificates, degrees, or training programs.

(D) Placement into jobs.

(E) Improved wages.

(d) No later than November 1, 2015, the chancellor and the Superintendent shall submit to the Director of Finance, the state board, and the appropriate policy and fiscal committees in the Legislature a report of its progress in meeting the requirements of subdivisions (a) and (b).

(e) The chancellor and the Superintendent shall apportion the funds appropriated for purposes of this section in the Budget Act of 2015 in accordance with both of the following:

(1) Eighty-five percent of these funds shall be used for grants to consortia to establish systems or obtain data necessary to submit any reports or data required pursuant to subdivision (b) of Section 84917.

(2) Fifteen percent of these funds shall be used for grants for development of statewide policies and procedures related to data collection or reporting or for technical assistance to consortia, or both.

(f) The chancellor and the Superintendent shall provide any guidance to the consortia necessary to support the sharing of data included in systems established by consortia pursuant to this section across consortia.

SEC. 41. Section 17581.6 of the Government Code is amended to read:

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 (e).

(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 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.

(2) 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.

(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 (e) incurred in the same fiscal year during which the school district or county office of education received funding pursuant to this section.

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

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

(1) Academic Performance Index (01-TC-22; Chapter 3 of the Statutes of 1999, First Extraordinary Session; and Chapter 695 of the Statutes of 2000).

(2) 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).

(3) 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).

(4) 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).

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

(6) 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).

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

(8) 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).

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

(10) 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).

(11) 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).

(12) 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).

(13) 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).

(14) 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).

(15) 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).

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

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

(18) 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).

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

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

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

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

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

(24) High School Exit Examination (00-TC-06; Chapter 1 of the Statutes of 1999, First Extraordinary Session; and Chapter 135 of the Statutes of 1999).

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

(26) Immunization Records—Hepatitis B (98-TC-05; 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).

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

(28) 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).

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

(30) 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).

(31) 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).

(32) 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).

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

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

(35) 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).

(36) 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).

(37) 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).

(38) 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).

(39) Race to the Top (10-TC06; Chapters 2 and 3 of the Statutes of 2009).

(40) 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).

(41) 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).

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

(43) 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).

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

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

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

(47) 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).

(f) 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. 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.

SEC. 42. Section 17581.8 of the Government Code is amended to read:

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.

SEC. 43. Section 17581.9 is added to the Government Code, to read:

17581.9. (a) (1) 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 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.

SEC. 44. Section 33607.5 of the Health and Safety Code is amended to read:

33607.5. (a) (1) This section shall apply to each redevelopment project area that, pursuant to a redevelopment plan which contains the provisions required by Section 33670, is either: (A) adopted on or after January 1, 1994, including later amendments to these redevelopment plans; or (B) adopted prior to January 1, 1994, but amended, after January 1, 1994, to include new territory. For plans amended after January 1, 1994, only the tax increments from territory added by the amendment shall be subject to this section. All the amounts calculated pursuant to this section shall be calculated after the amount required to be deposited in the Low and Moderate Income Housing Fund pursuant to Sections 33334.2, 33334.3, and 33334.6 has been deducted from the total amount of tax increment funds received by the agency in the applicable fiscal year.

(2) The payments made pursuant to this section shall be in addition to any amounts the affected taxing entities receive pursuant to subdivision (a) of Section 33670. The payments made pursuant to this section to the affected taxing entities, including the community, shall be allocated among the affected taxing entities, including the community if the community elects to receive payments, in proportion to the percentage share of property taxes each affected taxing entity, including the community, receives during the fiscal year the funds are allocated, which percentage share shall be determined without regard to any amounts allocated to a city, a city and county, or a county pursuant to Sections 97.68 and 97.70 of the Revenue and Taxation Code, and without regard to any allocation reductions to a city, a city and county, a county, a special district, or a redevelopment agency pursuant to Sections 97.71, 97.72, and 97.73 of the Revenue and Taxation Code and Section 33681.12. The agency shall reduce its payments pursuant to this section to an affected taxing entity by any amount the agency has paid, directly or indirectly, pursuant to Section 33445, 33445.5, 33445.6, 33446, or any other provision of law other than this section for, or in connection with, a public facility owned or leased by that affected taxing agency, except: (A) any amounts the agency has paid directly or indirectly pursuant to an agreement with a taxing entity adopted prior to January 1, 1994; or (B) any amounts that are unrelated to the specific project area or amendment governed by this section. The reduction in a payment by an agency to a school district, community college district, or county office of education, or for special education, shall be subtracted only from the amount that otherwise would be available for use by those entities for educational facilities pursuant to paragraph (4). If the amount of the reduction exceeds the amount that otherwise would have been available for use for educational facilities in any one year, the agency shall reduce its payment in more than one year.

(3) If an agency reduces its payment to a school district, community college district, or county office of education, or for special education, the agency shall do all of the following:

(A) Determine the amount of the total payment that would have been made without the reduction.

(B) Determine the amount of the total payment without the reduction which: (i) would have been considered property taxes; and (ii) would have been available to be used for educational facilities pursuant to paragraph (4).

(C) Reduce the amount available to be used for educational facilities.

(D) Send the payment to the school district, community college district, or county office of education, or for special education, with a statement that the payment is being reduced and including the calculation required by this subdivision showing the amount to be considered property taxes and the amount, if any, available for educational facilities.

(4) (A) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to school districts, 43.3 percent shall be considered to be property taxes for purposes of paragraph (1) of subdivision (h) of Section 42238 of the Education Code and paragraph (1) of subdivision (j) of Section 42238.02 of the Education Code, and 56.7 percent shall not be considered to be property taxes for purposes of that section and shall be available to be used for educational facilities, including, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(B) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to community college districts, 47.5 percent shall be considered to be property taxes for purposes of Section 84751 of the Education Code, and 52.5 percent shall not be considered to be property taxes for purposes of that section and shall be available to be used for educational facilities, including, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(C) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to county offices of education, 19 percent shall be considered to be property taxes for purposes of Sections 2558 and 2575 of the Education Code, and 81 percent shall not be considered to be property taxes for purposes of those sections and shall be available to be used for educational facilities, including, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(D) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section for special education, 19 percent shall be considered to be property taxes for purposes of Sections 2558 and 2575 of the Education Code, or for purposes of paragraph (1) of subdivision (h) of Section 42238 of the Education Code and paragraph (1) of subdivision (j) of Section 42238.02 of the Education Code, as applicable, and 81 percent shall not be considered to be property taxes for purposes of those sections and shall be available to be used for education facilities, including, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance.

(E) If, pursuant to paragraphs (2) and (3), an agency reduces its payments to an educational entity, the calculation made by the agency pursuant to paragraph (3) shall determine the amount considered to be property taxes and the amount available to be used for educational facilities in the year the reduction was made.

(5) Local education agencies that use funds received pursuant to this section for school facilities shall spend these funds at schools that are: (A) within the project area, (B) attended by students from the project area, (C) attended by students generated by projects that are assisted directly by the redevelopment agency, or (D) determined by the governing board of a local education agency to be of benefit to the project area.

(b) Commencing with the first fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, including the community if the community elects to receive a payment, an amount equal to 25 percent of the tax increments received by the agency after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted. In any fiscal year in which the agency receives tax increments, the community that has adopted the redevelopment project area may elect to receive the amount authorized by this paragraph.

(c) Commencing with the 11th fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, other than the community which has adopted the project, in addition to the amounts paid pursuant to subdivision (b) and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 21 percent of the portion of tax increments received by the agency, which shall be calculated by applying the tax rate against the amount of assessed value by which the current year assessed value exceeds the first adjusted base year assessed value. The first adjusted base year assessed value is the assessed value of the project area in the 10th fiscal year in which the agency receives tax increment revenues.

(d) Commencing with the 31st fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, other than the community which has adopted the project, in addition to the amounts paid pursuant to subdivisions (b) and (c) and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 14 percent of the portion of tax increments received by the agency, which shall be calculated by applying the tax rate against the amount of assessed value by which the current year assessed value exceeds the second adjusted base year assessed value. The second adjusted base year assessed value is the assessed value of the project area in the 30th fiscal year in which the agency receives tax increments.

(e) (1) Prior to incurring any loans, bonds, or other indebtedness, except loans or advances from the community, the agency may subordinate to the loans, bonds, or other indebtedness the amount required to be paid to an affected taxing entity by this section, provided that the affected taxing entity has approved these subordinations pursuant to this subdivision.

(2) At the time the agency requests an affected taxing entity to subordinate the amount to be paid to it, the agency shall provide the affected taxing entity with substantial evidence that sufficient funds will be available to pay both the debt service and the payments required by this section, when due.

(3) Within 45 days after receipt of the agency's request, the affected taxing entity shall approve or disapprove the request for subordination. An affected taxing entity may disapprove a request for subordination only if it finds, based upon substantial evidence, that the agency will not be able to pay the debt payments and the amount required to be paid to the affected taxing entity. If the affected taxing entity does not act within 45 days after receipt of the agency's request, the request to subordinate shall be deemed approved and shall be final and conclusive.

(f) (1) The Legislature finds and declares both of the following:

(A) The payments made pursuant to this section are necessary in order to alleviate the financial burden and detriment that affected taxing entities may incur as a result of the adoption of a redevelopment plan, and payments made pursuant to this section will benefit redevelopment project areas.

(B) The payments made pursuant to this section are the exclusive payments that are required to be made by a redevelopment agency to affected taxing entities during the term of a redevelopment plan.

(2) Notwithstanding any other law, a redevelopment agency shall not be required, either directly or indirectly, as a measure to mitigate a significant environmental effect or as part of any settlement agreement or judgment brought in any action to contest the validity of a redevelopment plan pursuant to Section 33501, to make any other payments to affected taxing entities, or to pay for public facilities that will be owned or leased to an affected taxing entity.

(g) As used in this section, a "local education agency" is a school district, a community college district, or a county office of education.

SEC. 45. Section 33607.7 of the Health and Safety Code is amended to read:

33607.7. (a) This section shall apply to a redevelopment plan amendment for any redevelopment plans adopted prior to January 1, 1994, that increases the limitation on the number of dollars to be allocated to the redevelopment agency or that increases, or eliminates pursuant to paragraph (1) of subdivision (e) of Section 33333.6, the time limit on the establishing of loans, advances, and indebtedness established pursuant to paragraphs (1) and (2) of subdivision (a) of Section 33333.6, as those paragraphs read on December 31, 2001, or that lengthens the period during which the redevelopment plan is effective if the redevelopment plan being amended contains the provisions required by subdivision (b) of Section 33670. However, this section shall not apply to those redevelopment plans that add new territory.

(b) If a redevelopment agency adopts an amendment that is governed by the provisions of this section, it shall pay to each affected taxing entity either of the following:

(1) If an agreement exists that requires payments to the taxing entity, the amount required to be paid by an agreement between the agency and an affected taxing entity entered into prior to January 1, 1994.

(2) If an agreement does not exist, the amounts required pursuant to subdivisions (b), (c), (d), and (e) of Section 33607.5, until termination of the redevelopment plan, calculated against the amount of assessed value by which the current year assessed value exceeds an adjusted base year assessed value. The amounts shall be allocated between property taxes and educational facilities, including, in the case of amounts paid commencing with the 2011–12 fiscal year, land acquisition, facility construction, reconstruction, remodeling, maintenance, or deferred maintenance, according to the appropriate formula in paragraph (3) of subdivision (a) of Section 33607.5. In determining the applicable amount under Section 33607.5, the first fiscal year shall be the first fiscal year following the fiscal year in which the adjusted base year value is determined.

(c) The adjusted base year assessed value shall be the assessed value of the project area in the year in which the limitation being amended would have taken effect without the amendment or, if more than one limitation is being amended, the first year in which one or more of the limitations would have taken effect without the amendment. The agency shall commence making these payments pursuant to the terms of the agreement, if applicable, or, if an agreement does not exist, in the first fiscal year following the fiscal year in which the adjusted base year value is determined.

SEC. 46. Section 11 of Chapter 325 of the Statutes of 2012 is amended to read:

Sec. 11. (a) Notwithstanding Sections 17456, 17457, 17462, and 17463 of the Education Code, or any other law, from September 1, 2012, to June 30, 2018, inclusive, the Inglewood Unified School District may sell property owned by the school district and use the proceeds from the sale to reduce or retire the emergency loan provided in Section 8 of this act. The sale only of property pursuant to this subdivision is not subject to Section 17459 or 17464 of the Education Code.

(b) Notwithstanding any other law, from June 1, 2012, to June 30, 2018, inclusive, the Inglewood Unified School District is not eligible for financial hardship assistance pursuant to Article 8 (commencing with Section 17075.10) of Chapter 12.5 of Part 10 of Division 1 of Title 1 of the Education Code.

SEC. 47. It is the intent of the Legislature that when the local control funding formula is fully implemented pursuant to subdivision (g) of Section 42238.03 of the Education Code, local educational agencies shall be required to report to the Superintendent of Public Instruction for compilation on the State Department of Education's Internet Web site both of the following:

(a) The amount of funds received on the basis of the number and concentration of unduplicated pupils in the current year and, to the extent available, prior fiscal years.

(b) The amount of local control funding formula funds expended on services for unduplicated pupils in the current year and, to the extent available, prior fiscal years commencing with the 2013–14 fiscal year.

SEC. 48. (a) On or before June 30, 2016, an amount to be determined by the Director of Finance, not to exceed the amount of the shortfall specified in subdivision (b), shall be appropriated from the General Fund to the Superintendent of Public Instruction in augmentation of Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2015.

(b) The funds appropriated in subdivision (a) shall not exceed the amount by which revenues distributed to local educational agencies for special education programs pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code are less than the estimated amount reflected in the Budget Act of 2015, as determined by the Director of Finance.

(c) On or before June 30, 2016, the Director of Finance shall determine if the revenues distributed to local educational agencies for special education programs pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code exceed the estimated amount reflected in the Budget Act of 2015 and shall reduce Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2015 by the amount of that excess.

(d) In making the determinations pursuant to subdivisions (b) and (c), the Director of Finance shall consider any other local property tax revenues collected in excess or in deficit of the estimated amounts reflected in the Budget Act of 2015.

(e) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (a) or to make the reduction pursuant to subdivision (c), and the amount needed to address the property tax shortfall determined pursuant to subdivision (b) or the amount of the reduction made pursuant to subdivision (c). The Controller shall make the funds available pursuant to subdivision (a) not sooner than five days after this notification, and the State Department of Education shall work with the Controller to allocate these funds to local educational agencies as soon as practicable.

(f) For 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 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.

SEC. 49. (a) The State Department of Education shall convene, by September 1, 2015, a stakeholder group to provide recommendations to streamline data and other reporting requirements for child care and early learning providers that contract with the State Department of Education to provide state preschool and other state subsidized child care and early learning programs under Title 5 of the California Code of Regulations. The recommendations shall address the challenges and redundancies in reporting faced by contractors and providers that deliver services to children through multiple contracts from different sources, including federal Head Start and Early Head Start, state preschool, and other Title 5 programs, programs administered by the California Children and Families Commission, and other federal, state, and local programs.

(b) The stakeholder group shall identify current reporting requirements for the programs identified in subdivision (a) in statute, regulations, and other administering documents, including funding terms and conditions and management bulletins, and shall find redundancies that can be eliminated, similar requirements that can be aligned, and other changes that could result in efficiencies for providers and contractors. The recommendations made by the stakeholder group shall reduce the administrative workload for contractors and providers that deliver services under multiple contracts without increasing administrative workload for contractors and providers that deliver services under a single state contract.

(c) The stakeholder group shall consist of no more than seven members, including one designee of the State Department of Education, one designee of the California Children and Families Commission, one designee of the State Department of Social Services, one state preschool contractor, one Title 5 contractor, one federal Head Start contractor, and one entity receiving funding through a program administered by the California Children and Families Commission. Contractors and providers shall represent, to the extent practicable, the regional and care environment diversity of state child care and early learning programs, including family child care home networks and local educational agencies.

(d) The stakeholder group shall provide its recommendations to the Legislature, the Department of Finance, and the State Board of Education no later than April 1, 2016. At least one month before presenting its recommendations, the group shall make a draft of its findings available to the Department of Finance and the Governor's State Advisory Council for Early Learning and Care for review and comment.

SEC. 50. (a) The State Department of Education shall convene, by September 1, 2015, a stakeholder group to examine CalWORKs Stage 2, CalWORKs Stage 3, and alternative payment program child care contract requirements, program and fiscal audits, and the process by which contractors are informed of and implement new contract requirements, with the purpose of identifying redundancies and efficiencies in program implementation and reducing the workload in program administration.

(b) The stakeholder group shall identify existing requirements for the administration of the programs identified in subdivision (a), as described in program contracts and funding terms and conditions. The group shall examine the current requirements, as well as the existing protocols in place for ensuring contract compliance through program and fiscal audits, and identify recommended actions the state could take to reduce redundant workload for contractors and allow for efficiencies in program administration, especially by utilizing technology. The group shall also examine recent management bulletins and other documents that alert contractors to changes in program administration requirements, and recommend ways that future changes could be implemented to reduce program disruption and allow contractors more implementation flexibility.

(c) The stakeholder group shall consist of no more than seven members, including one designee of the State Department of Education, one designee of the California Children and Families Commission, one designee of the State Department of Social Services, and four representatives of alternative payment program agencies that contract with the state to provide child care vouchers. Contractors shall represent, to the extent practicable, the regional and size diversity of alternative payment programs.

(d) The stakeholder group shall provide its recommendations to the Legislature, the Department of Finance, and the State Board of Education no later than April 1, 2016. At least one month before presenting its recommendations, the group shall make a draft of its findings available to the Department of Finance and the Governor's State Advisory Council for Early Learning and Care for review and comment.

SEC. 51. (a) The sum of fifty thousand dollars (\$50,000) is hereby appropriated from the General Fund to the State Department of Education for transfer to Section A of the State School Fund and allocation by the Controller for payment of claims for costs incurred in the 2013–14 and 2014–15 fiscal years pursuant to paragraph (1) of subdivision (f) of Section 44944 of the Education Code. Notwithstanding any other law, the Controller shall encumber the funds appropriated in this section by June 30, 2016.

(b) For 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 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.

SEC. 52. (a) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, one hundred fifty million dollars (\$150,000,000) of the appropriation made by paragraph (1) of subdivision (a) of Section 53070 of the Education Code 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.

(b) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, two hundred fifty million dollars (\$250,000,000) of the appropriation made by paragraph (1) of subdivision (a) of Section 53070 of the Education Code 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.

(c) 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 appropriation made by paragraph (2) of subdivision (a) of Section 53070 of the Education Code 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.

(d) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, two hundred million dollars (\$200,000,000) of the appropriation made by paragraph (3) of subdivision (a) of Section 53070 of the Education Code 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.

SEC. 53. (a) The sum of three hundred fifty thousand dollars (\$350,000) is hereby appropriated to the Superintendent of Public Instruction for support and development of the evaluation rubrics adopted pursuant to Section 52064.5 of the Education Code.

(b) For the purposes outlined in subdivision (a), the State Department of Education, in collaboration with and subject to the approval of the executive director of the State Board of Education, shall enter into a contract with the San Joaquin County Office of Education to perform activities that ensure alignment of the evaluation rubrics with California’s accountability system, accommodate state and local data availability, and reflect consistency with implementation of the local control funding formula.

(c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation 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.

SEC. 54. For purposes of apportionments calculated pursuant to Section 47663 of the Education Code for the 2009–10 and 2010–11 fiscal years, the Superintendent of Public Instruction shall include in the amount of property taxes as referenced in paragraph (1) of subdivision (b) of Section 47663 of the Education Code, as that section read at that time, and property taxes transferred to a charter school or schools as referenced in paragraph (2) of subdivision (b) of Section 47663 of the Education Code, as that section read at that time, allocations from the Supplemental Educational Revenue Augmentation Fund pursuant to subdivision (j) of Section 33690 of the Health and Safety Code.

SEC. 55. Commencing with the 2015–16 fiscal year, the Superintendent of Public Instruction shall add two million dollars (\$2,000,000) to the amount to be apportioned pursuant to Sections 2574 and 2575 of the Education Code for the Los Angeles County Office of Education for the purpose of supporting professional development and leadership training for education professionals related to antibias education and the creation of inclusive and equitable schools.

SEC. 56. Of the amount allocated in Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2012, sixteen million five hundred forty-nine thousand dollars (\$16,549,000) shall be allocated to fund the 2010–11 fiscal year maintenance of effort in the special education program, and nineteen million one hundred seventy-three thousand dollars (\$19,173,000) shall be allocated to fund the 2011–12 maintenance of effort in the special education program.

SEC. 57. (a) The sum of ten million dollars (\$10,000,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction on a one-time basis to apportion to a designated county office of education or two designated county offices of education applying jointly to provide technical assistance and to develop and disseminate statewide resources that encourage and assist local educational agencies and charter schools in establishing and aligning schoolwide, data-driven systems of learning and behavioral supports for the purpose of meeting the needs of California’s diverse learners in the most inclusive environments possible. The designated county office of education or county offices of education shall be selected by the State Department of Education and the executive director of the State Board of Education from among applicants that submit a detailed proposal for how they will effectively meet the criteria described in subdivisions (b), (c), and (e). These proposals shall include a detailed description of how the designated county office of education or county offices of education would use the funds, including how much funding it proposes to allocate to local educational agencies and charter schools for start-up and demonstration grants pursuant to paragraphs (8) and (9) of subdivision (c). If two county offices of education apply jointly, their application shall describe how their collaboration will not result in a duplication of effort. The designated county office of education or county offices of education shall encumber or expend the funds provided through this section by June 30, 2018.

(b) The designated county office of education or county offices of education shall identify existing evidence-based resources, professional development activities, and other efforts currently available at the state, federal, and local levels, as well as develop new evidence-based resources and activities, designed to help local educational agencies and charter schools across the state do all the following:

(1) Implement integrated multi-tiered systems of standards-based instruction, interventions, mental health, and academic and behavioral supports aligned with accessible instruction and curriculum using the principles of universal design, such as universal design for learning, established in the state curriculum frameworks and local control and accountability plans.

(2) Provide services that can reduce the need for a pupil's referral to special education or placement in more restrictive, isolated settings.

(3) Leverage and coordinate multiple school and community resources, including collaborations with local mental health agencies to provide school-based mental health services.

(4) Implement multi-tiered, evidence-based, data-driven school districtwide and schoolwide systems of support in both academic and behavioral areas including, but not limited to, positive behavior interventions and support, restorative justice, bullying prevention, social and emotional learning, trauma-informed practice, and cultural competency.

(5) Incorporate the types of practices, services, and efforts described in this subdivision into the local control and accountability plans of local educational agencies and charter schools.

(c) The designated county office of education or county offices of education shall identify and develop the resources and activities pursuant to subdivision (b) with the goal of maximizing their availability, efficacy, and usage across the state. To achieve this goal, the designated county office of education or county offices of education shall employ strategies that may include the following:

(1) Collect and disseminate evidence-based best practices.

(2) Develop train-the-trainer models and online training modules.

(3) Offer regional conferences and workshops.

(4) Provide technical assistance to local educational agencies and charter schools.

(5) Develop a network of educators who can provide coaching and training to other local educational agencies and charter schools.

(6) Provide stipends for school personnel to attend training sessions.

(7) Develop evaluation tools to measure the effectiveness of evidence-based strategies.

(8) Provide competitive startup grants to help local educational agencies and charter schools implement the practices described in subdivision (b).

(9) Provide demonstration grants to local educational agencies and charter schools for the purpose of identifying, evaluating, learning about, or testing the feasibility of effective approaches, for the purposes of informing the other activities and resources developed pursuant to this subdivision.

(d) A local educational agency or charter school that receives a grant from the designated county office of education or county offices of education, as described in paragraphs (8) and (9) of subdivision (c), shall, as a condition of receiving the grant, provide to the designated county office of education or county offices of education any available outcome data resulting from the new practices implemented. Such outcome data may include, but is not limited to, changes in rates of suspension or expulsion, discipline referrals, referrals to special education, pupil attendance, incidents of bullying or harassment, graduation rates, dropout rates, and measures of pupil academic achievement.

(e) By September 30 of each fiscal year until the designated county office of education or county offices of education have fully expended the funds allocated pursuant to subdivision (a), the designated county office of education or county offices of education shall submit an annual report to the Superintendent of Public Instruction summarizing how the designated county office of education or county offices of education used the funds in the prior fiscal year. The Superintendent of Public Instruction shall provide copies of these reports to the appropriate fiscal and policy committees of the Legislature, the Department of Finance, the State Board of Education, and the Legislative Analyst's Office. Each annual report shall include all of the following:

(1) A summary of the activities conducted and resources developed.

(2) The number of local educational agencies and charter schools, educators, and pupils served by the activities and resources.

(3) A description of effective evidence-based strategies identified for implementing the practices described in subdivision (b).

(4) A summary of any data that is available on outcomes resulting from the activities conducted, including any data reported by local educational agencies or charter schools pursuant to subdivision (d). Such outcome data may include, but is not limited to, changes in rates of suspension or expulsion, discipline referrals, referrals to special education, pupil attendance, incidents of bullying or harassment, graduation rates, dropout rates, and measures of pupil academic achievement.

(5) Recommendations for improving state-level activities or policies.

(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation 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 allocation 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.

SEC. 58. (a) The sum of five hundred million dollars (\$500,000,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for transfer to Section A of the State School Fund for the purposes set forth in subdivisions (b) and (c).

(b) Of the funds appropriated pursuant to this section, four hundred ninety million dollars (\$490,000,000) shall be apportioned to school districts, county offices of education, charter schools, and the state special schools in an equal amount per certificated staff in the 2014–15 fiscal year.

(1) A school district, county office of education, charter school, or state special school shall expend funds allocated pursuant to this subdivision for any of the following purposes:

(A) Beginning teacher and administrator support and mentoring, including, but not limited to, programs that support new teacher and administrator ability to teach or lead effectively and to meet induction requirements adopted by the Commission on Teacher Credentialing and pursuant to Section 44259 of the Education Code.

(B) Professional development, coaching, and support services for teachers who have been identified as needing improvement or additional support by local educational agencies.

(C) Professional development for teachers and administrators that is aligned to the state content standards adopted pursuant to Sections 51226, 60605, 60605.1, 60605.2, 60605.3, 60605.8, 60605.11, 60605.85, as that section read on June 30, 2014, and 60811.3, as that section read on June 30, 2013, of the Education Code.

(D) To promote educator quality and effectiveness, including, but not limited to, training on mentoring and coaching certificated staff and training certificated staff to support effective teaching and learning.

(2) As a condition of receiving funds allocated pursuant to this subdivision, a school district, county office of education, charter school, or state special school shall do both of the following:

(A) Develop and adopt a plan delineating how funds allocated pursuant to this section shall be spent. The plan shall be explained in a public meeting of the governing board of the school district, county board of education, or governing body of the charter school, before its adoption in a subsequent public meeting.

(B) On or before July 1, 2018, report detailed expenditure information to the State Department of Education, including, but not limited to, specific purchases made and the number of teachers, administrators, or paraprofessional educators that received professional development. The State Department of Education shall determine the format for this report.

(3) A school district, county office of education, charter school, or state special school may expend the funds received pursuant to this subdivision over the 2015–16 fiscal year, 2016–17 fiscal year, and the 2017–18 fiscal year. It is the intent of the Legislature that school districts, county offices of education, charter schools, and state special schools coordinate the use of any federal funds received under Title II of the federal No Child Left Behind Act of 2001 (Public Law 107-110) to support teachers and administrators with the provisions of this subdivision.

(4) The State Department of Education shall summarize the information reported pursuant to paragraph (2) and shall submit the summary to the appropriate budget subcommittees and policy committees of the Legislature and to the Department of Finance on or before January 1, 2019.

(c) Of the funds appropriated pursuant to this section, ten million dollars (\$10,000,000) shall be provided to the K–12 High-Speed Network for the purpose of providing professional development and technical assistance to local educational agencies related to network management.

(1) Professional development and technical assistance shall include training of local educational agency staff, and development and distribution of best practices, guidance, and other elements of technical support to implement network infrastructure within schools and to provide school districts with utilization information for optimal decisions.

(2) The K–12 High-Speed Network may partner with county offices of education or other local educational agencies to provide statewide access to training and resources.

(d) Funding apportioned pursuant to this section is subject to the annual audits required by Section 41020 of the Education Code.

(e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the funds appropriated pursuant to this section 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.

SEC. 59. Commencing with the 2015–16 fiscal year, and for every fiscal year thereafter, the Superintendent of Public Instruction shall reduce any home-to-school transportation funding of the county local control funding formula calculated pursuant to Sections 2574 and 2575 of the Education Code allocated to the Los Angeles County Superintendent of Schools by two million seven hundred eighty-five thousand four hundred forty-eight dollars (\$2,785,448), and shall increase the home-to-school transportation funding of the school district local control funding formula calculated pursuant to Sections 42238.02 and 42238.03 of the Education Code in the following amounts for the following school districts:

(a) Two hundred ninety-two thousand three hundred ninety-three dollars (\$292,393) for the Azusa Unified School District.

(b) Five hundred thirty-two thousand three hundred eighty-eight dollars (\$532,388) for the Baldwin Park Unified School District.

(c) One hundred thirty-two thousand six hundred twenty-nine dollars (\$132,629) for the Bassett Unified School District.

(d) Two hundred forty-three thousand five hundred four dollars (\$243,504) for the Bonita Unified School District.

(e) One hundred fifty-two thousand seven hundred forty-six dollars (\$152,746) for the Charter Oak Unified School District.

(f) One hundred ninety-four thousand three hundred eighty-three dollars (\$194,383) for the Claremont Unified School District.

(g) Three hundred eighty-six thousand eight hundred ninety-four dollars (\$386,894) for Covina-Valley Unified School District.

(h) Two hundred forty-four thousand nine hundred eight dollars (\$244,908) for the Glendora Unified School District.

(i) Two hundred eighty thousand four hundred sixty-three dollars (\$280,463) for the Walnut Valley Unified School District.

(j) Three hundred twenty-five thousand one hundred forty dollars (\$325,140) for the West Covina Unified School District.

SEC. 60. The Legislature finds and declares that a special law, as set forth in Sections 8 to 13, inclusive, of this act, is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances concerning the City and County of San Francisco.

SEC. 61. The Legislature finds and declares that a special law, as set forth in Section 46 of this act, is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances relating to the fiscal emergency in the Inglewood Unified School District.

SEC. 62. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 63. 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.