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AB-1840 Education finance. (2017-2018)

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Assembly Bill No. 1840

CHAPTER 426

An act to amend Sections 8265.5, 41320, 41320.1, 41321, 41325, 41326, 41327, 41327.1, 41327.2, 42127.6, 42127.9, 44416, 44418, 46392, 47606.5, 52060, 52061, 52064, 52065, 52066, 52067, 52074, 78222, and 84750.41 of, to add Sections 17463.5 and 66093.4 to, to add Chapter 6.5 (commencing with Section 42160) to Part 24 of Division 3 of Title 2 of, to repeal Section 60810 of, and to repeal and amend Section 313 of, the Education Code, to amend Sections 17581.6 and 17581.97 of the Government Code, to amend Section 28160 of the Vehicle Code, to amend Section 77 of Chapter 15 of the Statutes of 2017, and to amend Sections 131, 133, and 134 of Chapter 32 of the Statutes of 2018, relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor September 17, 2018. Filed with Secretary of State September 17, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1840, Committee on Budget. Education finance.

(1) Existing law, the Child Care and Development Services Act, establishes a system of child care and development services for children up to 13 years of age, and requires the Superintendent of Public Instruction to implement a plan establishing assigned reimbursement rates, per unit of average daily enrollment, to be paid by the state to provider agencies for the provision of those services. Existing law also provides for an adjustment factor to be applied to units of average daily enrollment if a provider agency serves children who meet specified criteria.

This bill would revise the adjustment factors applicable until December 31, 2018, as provided.

(2) Existing law imposes various requirements on the sale or lease of surplus real property by school districts.

Existing law authorizes the governing board of a school district to request an emergency apportionment through the Superintendent of Public Instruction if the governing board of the school district determines during a fiscal year that its revenues are less than the amount necessary to meet its current year expenditure obligations. Existing law imposes duties on the Superintendent, among others, relating to the administration of those emergency apportionments.

This bill would reallocate duties, and would revise the provisions, relating to those emergency apportionments. Because the bill would impose new duties on county superintendents of schools, the bill would impose a state-mandated local program.

This bill would authorize the Inglewood Unified School District, the Oakland Unified School District, the South Monterey County Joint Union High School District, and the Vallejo City Unified School District, if those school districts have an outstanding emergency apportionment loan as of July 1, 2018, until the emergency apportionment loan is repaid, to sell or lease surplus real property, together with any personal property located on the real property, owned by the school district and use the proceeds from

the sale or lease to service, reduce, or retire the debt on the emergency apportionment loan, or for capital improvements of the school district's facilities.

The bill would make legislative findings and declarations as to the necessity of a special statute for the Inglewood Unified School District, the Oakland Unified School District, the South Monterey County Joint Union High School District, and the Vallejo City Unified School District.

(3) Existing law establishes a public school financing system that requires state funding for school districts and charter schools to be calculated pursuant to a local control funding formula, as specified.

Existing law requires the governing board of a school district to certify twice during a fiscal year whether the school district is able to meet its financial obligations for the remainder of the fiscal year and for the subsequent fiscal year. Existing law requires these certifications to be classified as positive, qualified, or negative and to be filed with the county superintendent of schools. Existing law requires a county superintendent of schools to change a positive certification to negative or qualified when the county office of education determines a negative or qualified certification should have been filed.

This bill would require the Oakland Unified School District, for the 2018–19 fiscal year, in collaboration with and with the concurrence of the Alameda County Superintendent of Schools and the County Office Fiscal Crisis and Management Assistance Team, to take certain actions by March 1, 2019, regarding its financial plans and school district construction plans, as specified. The bill would provide that, beginning with the 2019–20 fiscal year and ending with the 2021–22 fiscal year, the Budget Act for those fiscal years shall include certain appropriations, as specified. The bill would make the disbursement of moneys from those appropriations contingent upon the completion of activities specified in the prior year Budget Act to improve the school district's fiscal solvency.

This bill would require the Inglewood Unified School District, for the 2018–19 fiscal year, to take certain actions. The bill would provide that, beginning with the 2019–20 fiscal year and ending with the 2021–22 fiscal year, the Budget Act for those fiscal years shall include certain appropriations, as specified. The bill would make the disbursement of moneys from those appropriations contingent upon the completion of activities specified in the prior year Budget Act to improve the school district's fiscal solvency. The bill would, until June 30, 2019, authorize the Superintendent of Public Instruction to waive the reimbursement determination, calculated pursuant to a specified regulation, for Inglewood Unified School District's 2016–17 fiscal year California state preschool program contract in order to resolve the school district's outstanding child development reimbursement liability to the state.

Because the bill would impose additional duties on local agencies, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for Oakland Unified School District and the Inglewood Unified School District.

(4) Existing law requires the county superintendent of schools to take certain actions if, at any time during the fiscal year, he or she determines that a school district may be unable to meet its financial obligations for the current or 2 subsequent fiscal years or if the district would have a qualified or negative certification, as specified, including, among others, notifying, and performing certain actions with the consultation of, the Superintendent of Public Instruction. Existing law establishes a process to appeal these determinations of the county superintendent of schools by appealing to the Superintendent of Public Instruction, as specified. Existing law requires the Superintendent to monitor the efforts of a county office of education in exercising its authority under these provisions and authorizes the Superintendent to exercise any of that authority if he or she finds that the actions of the county superintendent of schools are not effective in resolving the financial problems of the school district.

This bill would require the county superintendent of schools to additionally notify, and report to, the president of the State Board of Education or the president's designee concerning matters noticed and reported to the Superintendent pursuant to these provisions. The bill, if the county superintendent of schools is relieved of certain powers assumed by the Superintendent pursuant to those provisions, would require the county superintendent of schools to provide support and assistance to the Superintendent in the exercise of those powers. The bill would require the Superintendent to also request that the County Office Fiscal Crisis and Management Assistance Team identify the circumstances that led to the ineffectiveness of the county superintendent of schools in resolving the financial problems of the school district, and to require the county office of education to demonstrate, in a manner determined by the Superintendent, remediation of those deficiencies. Because the bill would impose new duties on county superintendents of schools, it would create a state-mandated local program.

(5) Existing law, if a school district that receives notice of any change or changes adopted by the county superintendent of schools in the school district's budget pursuant to specified provisions, authorizes the governing board of the school district to submit an appeal to the Superintendent of Public Instruction, based upon the contention that the change or changes would cause one or more specified actions. Existing law requires the Superintendent, no later than five days after receiving that appeal, to deny or uphold the appeal.

This bill would require the Superintendent to deny or uphold the appeal, no later than five days after receiving the appeal, with the concurrence of the president of the State Board of Education or the president's designee.

(6) Existing law establishes the Local Solutions Grant Program to provide one-time competitive grants to specified types of local educational agencies to develop and implement new, or expand existing, locally identified solutions that address a local need for special education teachers, as provided. Existing law appropriates \$50,000,000 from the General Fund to the Commission on Teacher Credentialing for the 2018–19 fiscal year for purposes of the program, and provides that this funding is available for encumbrance through June 30, 2023, and for liquidation through June 30, 2026. Existing law requires the commission to require grant recipients to submit a final implementation report within 3 years of receiving a grant award. Existing law repeals the Local Solutions Grant Program and the Teacher Residency Grant Program on January 1, 2027.

This bill would instead make that funding available for liquidation through June 30, 2028, and would instead require the commission to require grant recipients to submit a final implementation report within 5 years of receiving a grant award. By extending the time in which funds encumbered under an existing appropriation may be liquidated, the bill would make an appropriation. The bill would delay the repeal of the Local Solutions Grant Program and the Teacher Residency Grant Program until January 1, 2029.

(7) Existing law requires, on or before July 1, 2014, governing boards of school districts and county boards of education to adopt a local control and accountability plan, as provided. Existing law requires charter schools, on or before July 1, 2015, and each year thereafter, to adopt a local control and accountability plan to update the goals and annual actions to achieve those goals identified in the charter petition, as provided. Existing law requires, on or before March 31, 2014, the State Board of Education to adopt templates for use by school districts, county superintendents of schools, and charter schools for purposes of the local control and accountability plans.

This bill would require, on or before January 31, 2020, the template adopted by the state board to require the inclusion of specified information relating to pupil performance and fiscal accountability in the local control and accountability plans. The bill would require the template, to the greatest extent practicable, to use language that is understandable and accessible to parents. The bill would require a local control and accountability plan and an annual update to a local control and accountability plan adopted by a school district, county board of education, or charter school to include all of the information specified in the template, and would require data reported in the local control and accountability plan to be reported in a manner consistent with how information is reported on the California School Dashboard maintained by the State Department of Education. The bill would require the superintendent of a school district and a county superintendent of schools to post prominently on the homepage of their Internet Web site, instead of just posting on their Internet Web site, their local control and accountability plans and any updates or revisions to those plans. To the extent the bill would require school districts, county boards of education, and charter schools to include additional information in their local control and accountability plans, the bill would impose a state-mandated local program.

The bill would appropriate, for the 2018–19 fiscal year, \$200,000 from the General Fund to the department to support updating the Local Control Accountability Plan Electronic Template system. The bill would require the department, in collaboration with, and subject to the approval of, the executive director of the state board, to enter into contracts with the San Joaquin County Office of Education for these purposes. To the extent these contracts would impose additional duties on the San Joaquin County Office of Education, the bill would impose a state-mandated local program.

(8) Existing law establishes the California Collaborative for Educational Excellence for purposes of advising and assisting school districts, county superintendents of schools, and charter schools in achieving the goals set forth in a local control and accountability plan. Existing law authorizes the collaborative to accept a request or referral to advise and assist a school district, county superintendent of schools, or charter school in specified circumstances. Existing law authorizes the governing board of a school district to request an emergency apportionment through the Superintendent of Public Instruction if the governing board of the school district determines during a fiscal year that its revenues are less than the amount necessary to meet its current year expenditure obligations.

This bill would provide that a school district is deemed to have been referred to the California Collaborative for Educational Excellence if the school district receives an emergency apportionment pursuant to specified provisions. The bill, if the collaborative provides assistance to a school district referred pursuant to this provision, would require the collaborative to conduct a systemic review of the school district to identify needs and strategies to improve pupil academic achievement, as provided. The bill would require the collaborative, based on the results of the systemic review, to coordinate and facilitate the assistance provided to the school district by governmental agencies to provide coherent and effective support consistent with the purpose of the statewide system of support.

(9) The California Constitution provides that the University of California constitutes a public trust administered by the Regents of the University of California, a corporation in the form of a board, with full powers of organization and government, subject to legislative control only for specified purposes.

This bill would expressly authorize the University of California to provide services, benefits, and any other form of assistance aimed at furthering a student's educational success to all of its enrolled students who meet the eligibility requirements for any such program the University, or its campuses, establishes.

(10) Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law establishes the Student Equity and Achievement Program pursuant to which funding may be provided to support the California Community Colleges in implementing activities and practices that, among other things, advance the systemwide goal of eliminating achievement gaps for students from traditionally underrepresented groups. Existing law requires a community college district to comply with certain requirements as a condition of the receipt of funds for purposes of the program.

This bill would also require a community college district, as a condition of the receipt of funds for purposes of the program, to provide a report to the Office of the Chancellor of the California Community Colleges by January 1 of each year detailing how program funding was expended in the prior fiscal year and an assessment of the progress in advancing the systemwide goal of eliminating achievement gaps for students from traditionally underrepresented groups. The bill would require, by April 1 of each year, the chancellor's office to submit a systemwide report to the Legislature and Department of Finance that provides a summary of those district reports. The bill would authorize the Board of Governors to require districts or colleges to provide a local fund match for funding appropriated for purposes of the program, and would alter other provisions relating to program funding.

(11) Existing law establishes the Community College Student Success Funding Formula Oversight Committee, consisting of 15 members for purposes of continuously evaluating and reviewing the implementation of the student success funding formula. Existing law states the intent of the Legislature to further refine and determine the membership, duties, and responsibilities of the oversight committee.

This bill would provide that the oversight committee consists of 12 members, 4 appointed by the Senate Committee on Rules, 4 by the Speaker of the Assembly, and 4 by the Governor, as specified. The bill would specify that the committee members appointed by the Legislature serve at the pleasure of the appointing authority and those appointed by the Governor serve a 4-year term, with at least one member being a community college administrator. The bill would specify the duties and responsibilities of the oversight committee. The bill would repeal the provisions establishing the oversight committee on January 1, 2022.

(12) Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. Existing law provides that specified services provided by local educational agencies are covered Medi-Cal benefits and are reimbursable on a fee-for-service basis under the Local Educational Agency Medi-Cal Billing Option program.

Existing law appropriates, for the 2018–19 fiscal year, \$697,759,000 from the General Fund to the Controller for transfer to Section A of the State School Fund for allocation by the State Department of Education to school districts, county offices of education, and charter schools, as specified. Under existing law, if a school district, county office of education, or charter school is required to repay claims disallowed under, among other programs, the Local Educational Agency Medi-Cal Billing Option program for the 2009–10 fiscal year to the 2015–16 fiscal year, inclusive, the Controller is required, upon notification from the Department of Finance, to withhold the specified amounts owed from the allocations made pursuant to these provisions.

This bill would delete that requirement for the Controller to withhold the specified amounts owed if a school district, county office of education, or charter school is required to repay claims disallowed under the Local Educational Agency Medi-Cal Billing Option program.

(13) Existing law requires all schoolbuses to be equipped with certain safety features, as specified. Existing law requires, on or before the beginning of the 2018–19 school year, schoolbuses, school pupil activity buses, except as provided, youth buses, and child care motor vehicles to be equipped with an operational child safety alert system, as defined.

This bill would instead require schoolbuses, school pupil activity buses, except as provided, youth buses, and child care motor vehicles to be equipped with an operational child safety alert system on or before March 1, 2019. The bill would grant specified school districts, county offices of education, charter schools, private schools, and other entities that operate those vehicles an additional 6 months to meet that requirement if certain documentation is submitted to the Department of the California Highway Patrol on or before March 1, 2019.

The bill would require the Department of the California Highway Patrol to consult with the State Department of Education to develop frequently asked questions related to the implementation of these requirements.

(14) Existing law, for the 2017–18 fiscal year, appropriates \$400,000 from the General Fund to the Superintendent of Public Instruction for support and development of the Local Control Accountability Plan Electronic Template system and the California School Dashboard mobile app, with \$350,000 of that amount required to be used to host, maintain, and support the development

of the Local Control Accountability Plan Electronic Template system and the remaining \$50,000 to be used to support and develop the California School Dashboard mobile app.

This bill would provide that the \$50,000 to be used to support and develop the California School Dashboard mobile app is available for encumbrance through the 2018–19 fiscal year.

(15) Existing law appropriates \$50,000,000 to the Controller for transfer to Section A of the State School Fund for allocation by the State Department of Education for purposes of the Classified School Employee Summer Assistance Program. Existing law authorizes a classified employee of a local educational agency participating in the program who meets specified requirements to withhold an amount from his or her monthly paycheck during the 2019–20 school year to be paid out during the summer recess period, and requires the department to apportion funds to participating local educational agencies to provide a participating classified employee up to \$1 for each \$1 that participating classified employee has elected to have withheld from his or her monthly paychecks. Existing law requires participating local educational agencies to deposit the amounts withheld from the monthly paychecks of a participating classified employee in an account within its general fund, to be known as the Classified School Employee Summer Assistance Program Fund.

This bill, instead of requiring the amounts withheld to be deposited in an account within its general fund, would require the amounts withheld to be deposited in a separate account. The bill would also clarify that, for purposes of the program, "local educational agency" means a school district or county office of education.

(16) Existing law appropriates \$50,000,000 for the 2018–19 fiscal year from the General Fund to the State Department of Education to establish the Classified School Employee Professional Development Block Grant Program. Existing law requires the department to apportion those block grant funds to local educational agencies for specified purposes relating to the professional development of classified school employees, as provided.

This bill would require the department to provide \$5,000,000 of those funds to the Office of the Chancellor of the California Community Colleges for professional development for classified community college employees, as provided. Because the bill would authorize an existing appropriation to be spent for a new purpose, the bill would make an appropriation.

(17) Existing law establishes the Charter Schools Facilities Program to provide funding to qualifying entities for the purpose of establishing school facilities for charter school pupils. Existing law places various duties on the California School Finance Authority for purposes of administering the program.

This bill would appropriate \$21,146,000 from the General Fund to the California School Finance Authority for the 2018–19 fiscal year to support programmatic costs for the program attributable to the 2017–18 fiscal year.

(18) This bill would repeal obsolete provisions, make conforming and clarifying changes, correct cross-references, and make other nonsubstantive changes.

(19) 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 the statutory provisions noted above, except that specified funding provided for school districts, county offices of education, and charter schools shall be used to directly offset any mandated costs.

(20) 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.

(21) 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. With respect to Section 34 of this act:

(a) It is the intent of the Legislature by authorizing the extension for compliance with the child safety requirements initially established by Chapter 721 of the Statutes of 2016 (Senate Bill 1072 of the 2015–16 Regular Session) to provide a sufficient timeline to successfully install child safety alert systems in all applicable vehicles as required by Section 28160 of the Vehicle Code to ensure the safety of all pupils and youth being transported.

(b) It is further the intent of the Legislature, by providing this extension, to strongly encourage school districts, county offices of education, charter schools, private schools, and other entities to prioritize the installation of child safety alert systems on vehicles

that transport individuals with exceptional needs, as defined in Section 56026 of the Education Code, as their safety continues to be a top priority for the Legislature.

(c) Additionally, as public safety remains a top priority for the Legislature, it is further the intent of the Legislature to only provide this extension on a one-time basis to ensure that child safety alert systems are properly installed on all applicable vehicles pursuant to Section 28160 of the Vehicle Code and pupils and youth are transported in the safest manner.

SEC. 2. Section 313 of the Education Code, as amended by Section 2 of Chapter 478 of the Statutes of 2013, is repealed.

SEC. 3. Section 313 of the Education Code, as added by Section 3 of Chapter 478 of the Statutes of 2013, is amended to read:

313. (a) Each school district that has one or more pupils who are English learners, and, to the extent required by federal law, each county office of education and each charter school, shall assess the English language development of each pupil in order to determine the level of proficiency for purposes of this chapter.

(b) The department, with the approval of the state board, shall establish procedures for conducting the assessment required pursuant to subdivision (a) and for the reclassification of a pupil from English learner to English proficient.

(c) Commencing with the 2000–01 school year until subdivision (d) is implemented, the assessment shall be conducted upon initial enrollment, and annually, thereafter, during a period of time determined by the Superintendent and the state board. The annual assessments shall continue until the pupil is redesignated as English proficient. The assessment shall primarily utilize the English language development test identified or developed by the Superintendent pursuant to Chapter 7 (commencing with Section 60810) of Part 33 of Division 4 of Title 2.

(d) (1) This subdivision shall not be implemented unless and until the department receives written documentation from the United States Department of Education that federal law permits the implementation of the changes set forth in this subdivision or until the 2013–14 school year, whichever occurs later.

(2) The summative assessment shall be conducted annually during a four-month period after January 1 determined by the Superintendent with the approval of the state board. Annual assessments shall continue until the pupil is redesignated as English proficient. The annual assessment shall primarily utilize the English language development assessment identified or developed by the Superintendent pursuant to Chapter 7 (commencing with Section 60810) of Part 33 of Division 4 of Title 2.

(3) The assessment for initial identification shall be conducted upon the initial enrollment of a pupil in order to provide information to be used to determine if the pupil is an English learner.

(A) If the initial enrollment of a pupil occurs on a date outside of the testing period identified pursuant to paragraph (2), the prior year's annual assessment for the grade in which the pupil is enrolling shall be used for this purpose.

(B) If the initial enrollment of a pupil occurs on a date within the testing period identified pursuant to paragraph (2), the initial assessment of the pupil shall be conducted as part of the annual assessment conducted pursuant to paragraph (2).

(4) Notwithstanding paragraph (2), a school district shall assess the English language development of a pupil pursuant to this section no more than one time per school year for each assessment purpose pursuant to Chapter 7 (commencing with Section 60810) of Part 33 of Division 4 of Title 2.

(e) The assessments conducted pursuant to subdivision (d) shall be conducted in a manner consistent with federal statutes and regulations.

(f) The reclassification procedures developed by the department shall utilize multiple criteria in determining whether to reclassify a pupil as proficient in English, including, but not limited to, all of the following:

(1) Assessment of language proficiency using an objective assessment instrument, including, but not limited to, the English language development test that is developed or acquired pursuant to Section 60810.

(2) Teacher evaluation, including, but not limited to, a review of the pupil's curriculum mastery.

(3) Parental opinion and consultation.

(4) Comparison of the performance of the pupil in basic skills against an empirically established range of performance in basic skills based upon the performance of English proficient pupils of the same age, that demonstrates whether the pupil is sufficiently proficient in English to participate effectively in a curriculum designed for pupils of the same age whose native language is English.

(g) This section does not preclude a school district or county office of education from testing English learners more than once in a school year if the school district or county office of education chooses to do so.

SEC. 4. 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 subdivisions (c) and (d), 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.

(c) Until December 31, 2018, the adjustment factors shall be as follows:

- (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 children 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 two years of age through kindergarten age, the adjustment factor shall be 1.1.

(d) Notwithstanding any other law, commencing January 1, 2019, the adjustment factors shall be as follows:

- (1) For infants who are 0 to 18 months of age and are served in a child day care center or a family child care home, the adjustment factor shall be 2.44.
- (2) For toddlers who are 18 to 36 months of age and are served in a child day care center or a family child care home, the adjustment factor shall be 1.8.
- (3) For children with exceptional needs who are 0 to 21 years of age, the adjustment factor shall be 1.54.
- (4) For severely disabled children who are 0 to 21 years of age, the adjustment factor shall be 1.93.
- (5) For children at risk of neglect, abuse, or exploitation who are 0 to 14 years of age, the adjustment factor shall be 1.1.
- (6) For limited-English-speaking and non-English-speaking children who are two years of age through kindergarten age, the adjustment factor shall be 1.1.

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

(f) Days of enrollment for children having more than one of the criteria outlined in subdivisions (c) and (d) shall not be reported under more than one of the above categories.

(g) The difference between the reimbursement resulting from the use of the adjustment factors outlined in subdivisions (c) and (d) 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. 5. Section 17463.5 is added to the Education Code, to read:

17463.5. (a) For purposes of this section, "designated school district" means the Inglewood Unified School District, the Oakland Unified School District, the South Monterey County Joint Union High School District, and the Vallejo City Unified School District.

(b) (1) Notwithstanding Sections 17456, 17457, 17462, 17462.7, and 17463, or any other law, until the emergency apportionment loan is repaid, a designated school district with an outstanding emergency apportionment loan pursuant to Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of Division 3 of Title 2, as of July 1, 2018, may sell or lease surplus real property, together with any personal property located on the real property, owned by the designated school district and use the proceeds

from the sale or lease to service, reduce, or retire the debt on the emergency apportionment loan, or for capital improvements of the facilities of the designated school district pursuant to subdivisions (a) and (b) of Section 17462.

(2) The sale or lease of surplus real property pursuant to this subdivision shall be sold or leased pursuant to Section 17458, 17464, or 17489, as applicable.

(c) Notwithstanding any other law, a designated school district that uses the proceeds from the sale or lease of surplus real property pursuant to subdivision (b) shall not be eligible for financial hardship assistance pursuant to Article 8 (commencing with Section 17075.10) of Chapter 12.5 of Part 10.

(d) Nothing in this section shall be construed as modifying the responsibility of a designated school district to accommodate pupils in accordance with Section 47614.

(e) Nothing in this section shall exclude the designated school districts with outstanding emergency apportionment loans, pursuant to Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of Division 3 of Title 2, as of July 1, 2018, except as provided in subdivision (c), from participating in or benefitting from any program authorized pursuant to Chapter 12 (commencing with Section 17000), Chapter 12.5 (commencing with Section 17070.10), or Chapter 14 (commencing with Section 17085) of Part 10, or any other state school facilities funding program.

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

SEC. 6. Section 41320 of the Education Code is amended to read:

41320. As a condition to any emergency apportionment to be made pursuant to Section 41320.2, the following requirements shall be met:

(a) The school district requesting the apportionment shall submit to the county superintendent of schools having jurisdiction over the school district a report issued by an independent auditor approved by the county superintendent of schools on the financial conditions and budgetary controls of the school district, a written management review conducted by a qualified management consultant approved by the county superintendent of schools, and a fiscal plan adopted by the governing board to resolve the financial problems of the school district.

(b) The county superintendent of schools shall review, and provide written comment on, the independent auditor's report, the management review, and the school district plan. That written comment shall include the county superintendent's approval or disapproval of the school district plan. In the event the county superintendent disapproves the plan, the governing board shall revise the school district plan to respond to the concerns expressed by the county superintendent.

(c) Upon his or her approval of the school district plan, the county superintendent of schools shall submit copies of the report, review, plan, and written comments specified in subdivision (b) to the Superintendent, the Joint Legislative Audit Committee, the Joint Legislative Budget Committee, the Director of Finance, the president of the state board or his or her designee, and the Controller.

(d) The school district receiving the apportionment shall be eligible for assistance from the California Collaborative for Educational Excellence pursuant to Section 52074.

(e) The county superintendent of schools, with the concurrence of the Superintendent, shall certify to the Director of Finance that the action taken to correct the financial problems of the school district is realistic and will result in placing the school district on a sound financial basis.

(f) The school district shall develop a schedule to repay the emergency loan, including any lease financing pursuant to Article 2.7 (commencing with Section 41329.50), and submit it to the county superintendent of schools. The county superintendent of schools shall review and comment on the repayment schedule and submit it to the Superintendent for approval or disapproval. Upon the approval of the repayment schedule, and of the other reports, reviews, plans, and the appointment of the trustee required by this article, the Superintendent shall request the Controller to disburse the proceeds of the emergency loan to the school district.

(g) The school district requesting the apportionment shall reimburse the county superintendent of schools for the costs incurred by the superintendent pursuant to this section.

SEC. 7. Section 41320.1 of the Education Code is amended to read:

41320.1. Acceptance by the school district of the apportionments made pursuant to Section 41320 constitutes the agreement by the school district to all of the following conditions:

(a) The county superintendent of schools, the Superintendent, and the president of the state board or his or her designee shall, by majority vote, appoint a trustee from a pool of candidates identified and vetted by the County Office Fiscal Crisis and Management Assistance Team pursuant to subdivision (b) who has recognized expertise in management and finance and may employ, on a short-term basis, staff necessary to assist the trustee, including, but not limited to, certified public accountants, as follows:

(1) The expenses incurred by the trustee and necessary staff shall be borne by the school district.

(2) The county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, shall establish the terms and conditions of the employment, including the remuneration of the trustee. The trustee shall report directly to the county superintendent of schools. The county superintendent of schools shall provide regular updates to the Superintendent and the president of the state board or his or her designee regarding the work of the trustee.

(3) The trustee, and necessary staff, shall serve until the school district has adequate fiscal systems and controls in place, the Superintendent has determined that the school district's future compliance with the fiscal plan approved for the school district pursuant to Section 41320 is probable, and the county superintendent of schools, the Superintendent, and the president of the state board or his or her designee decide to terminate the trustee's appointment, but in no event for less than three years. The county superintendent of schools shall notify the Legislature, the Department of Finance, and the Controller no less than 60 days before the time that the county superintendent of schools expects these conditions to be met.

(4) Before the school district repays the loan, including interest, the recipient of the loan shall select an auditor from a list established by the Superintendent and the Controller to conduct an audit of its fiscal systems. If the fiscal systems are deemed to be inadequate, the county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, may retain the trustee until the deficiencies are corrected. The cost of this audit and any additional cost of the trustee shall be borne by the school district.

(5) Notwithstanding any other law, all reports submitted to the trustee are public records.

(6) To facilitate the appointment of the trustee and the employment of necessary staff, this section is exempt from the requirements of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

(7) If the trustee appointed pursuant to this section is an employee of the department, the salary and benefits of that employee shall be established by the Superintendent and paid by the school district. During the time of appointment, the employee is an employee of the school district, but shall remain in the same retirement system under the same plan as if the employee had remained in the department. Upon the expiration or termination of the appointment, the employee shall have the right to return to his or her former position, or to a position at substantially the same level as that position, with the department. The time served in the appointment shall be counted for all purposes as if the employee had served that time in his or her former position with the department.

(b) The County Office Fiscal Crisis and Management Assistance Team, when selecting the pool of candidates for trustee, shall consider candidates' expertise in management and finance, previous experience mitigating fiscal distress in school districts, and ability to meaningfully engage with the community that the school district serves, and shall provide an opportunity for public input on the selection of the pool of candidates for trustee.

(c) (1) The trustee appointed pursuant to this section shall monitor and review the operation of the school district. During the period of his or her service, the trustee may stay or rescind an action of the governing board of the school district that, in the judgment of the trustee, may affect the financial condition of the school district.

(2) After the trustee's period of service, and until the loan is repaid, the county superintendent of schools that has jurisdiction over the school district may stay or rescind an action of the governing board of the school district that, in his or her judgment, may affect the financial condition of the school district. The county superintendent of schools shall notify the Superintendent and the president of the state board or his or her designee, within five business days, if he or she stays or rescinds an action of the governing board of the school district. The notice shall include, but not be limited to, both of the following:

(A) A description of the governing board of the school district's intended action and its financial implications.

(B) The rationale and findings that support the county superintendent of school's decision to stay or rescind the action of the governing board of the school district.

(3) If the county superintendent of schools notifies the Superintendent and the president of the state board or his or her designee pursuant to paragraph (2), the county superintendent of schools shall report to the Legislature, pursuant to Section

9795 of the Government Code, on or before December 30 of every year, whether the school district is complying with the fiscal plan approved for the school district.

(4) The county superintendent of schools, with concurrence from the Superintendent, may establish timelines and prescribe formats for reports and other materials to be used by the trustee to monitor and review the operations of the school district. The trustee shall approve or reject all reports and other materials required from the school district as a condition of receiving the apportionment. The Superintendent, upon the recommendation of the trustee, may reduce an apportionment to the school district in an amount up to two hundred dollars (\$200) per day for each late or unacceptable report or other material required under this part, and shall report to the Legislature a failure of the school district to comply with the requirements of this section. If the county superintendent of schools determines, at any time, that the fiscal plan approved for the school district under Section 41320 is unsatisfactory, he or she may modify the plan as necessary, with concurrence from the Superintendent, and the school district shall comply with the plan as modified.

(d) At the request of the county superintendent of schools, with approval from the Superintendent, the Controller shall transfer to the department, from an apportionment to which the school district would otherwise have been entitled pursuant to Section 42238.02, as implemented by Section 42238.03, the amount necessary to pay the expenses incurred by the trustee and associated costs incurred by the county superintendent of schools.

(e) For the fiscal year in which the apportionments are disbursed and every year thereafter, the Controller, or an auditor that is designated by the Controller as both active and able to perform K–12 local education agency audits, shall cause an audit to be conducted of the books and accounts of the school district, in lieu of the audit required by Section 41020. At the Controller's discretion, the audit may be conducted by the Controller, his or her designee, an auditor that is designated by the Controller as both active and able to perform K–12 local education agency audits, or an auditor selected by the school district and approved by the Controller. The costs of these audits shall be borne by the school district. These audits shall be required until the Controller determines, in consultation with the county superintendent of schools and the Superintendent, that the school district is financially solvent, but in no event earlier than one year following the implementation of the plan or later than the time the apportionment made is repaid, including interest. The auditor selected pursuant to this subdivision, if any, the county superintendent of schools, a County Office Fiscal Crisis and Management Assistance Team representative, the Superintendent, and the school district superintendent, or their respective designees, shall meet before the audit to discuss the terms of the audit and the timeline under which it will proceed. In addition, the Controller shall conduct quality control reviews pursuant to subdivision (c) of Section 14504.2.

(f) For purposes of errors and omissions liability insurance policies, the trustee appointed pursuant to this section is an employee of the local educational agency to which he or she is assigned. For purposes of workers' compensation benefits, the trustee is an employee of the local educational agency to which he or she is assigned, except that a trustee appointed pursuant to paragraph (7) of subdivision (a) is an employee of the department for those purposes.

(g) Except for an individual appointed by the vote pursuant to subdivision (a) as a trustee described in paragraph (7) of subdivision (a), the trustee appointed pursuant to this section is a member of the State Teachers' Retirement System, if qualified, for the period of service as trustee, unless the trustee elects in writing not to become a member. A person who is a member or retirant of the State Teachers' Retirement System at the time of appointment shall continue to be a member or retirant of the system for the duration of the appointment. If the trustee chooses to become a member or is already a member, the trustee shall be placed on the payroll of the school district for the purpose of providing appropriate contributions to the system. The Superintendent may also require that an individual appointed as a trustee described in paragraph (7) of subdivision (a) be placed on the payroll of the school district for purposes of remuneration, other benefits, and payroll deductions. For purposes of workers' compensation benefits, the state-appointed trustee is deemed an employee of the local educational agency to which he or she is assigned, except that a trustee who is described in paragraph (7) of subdivision (a) is an employee of the department for those purposes.

SEC. 8. Section 41321 of the Education Code is amended to read:

41321. (a) On or before October 31 of the year following receipt of an emergency apportionment, and each year thereafter, until the emergency apportionment, including interest, is repaid, the governing board of the school district shall prepare a report on the financial condition of the school district. The report shall include, but not necessarily be limited to, all of the following information:

- (1) Specific actions taken to reduce expenditures or increase income, and the cost savings and increased income resulting from those actions.
- (2) A copy of the adopted budget for the current fiscal year.
- (3) Reserves for economic uncertainties.
- (4) Status of employee contracts.

(5) Obstacles to the implementation of the adopted recovery plan.

(b) The school district shall submit the report to the trustee for review. Upon the trustee's approval of the report, the school district shall transmit copies to the county superintendent of schools, the Superintendent, the president of the state board or his or her designee, and the Controller.

SEC. 9. Section 41325 of the Education Code is amended to read:

41325. (a) The Legislature finds and declares that when a school district becomes insolvent and requires an emergency apportionment from the state in the amount designated in this article, it is necessary that the county superintendent of schools, under the supervision of the Superintendent, assume control of the school district in order to ensure the school district's return to fiscal solvency.

(b) It is the intent of the Legislature that an administrator, appointed pursuant to Section 41326, do all of the following:

(1) Implement substantial changes in the school district's fiscal policies and practices, including, if necessary, the filing of a petition under Chapter 9 of the federal Bankruptcy Code for the adjustment of indebtedness.

(2) Revise the school district's educational program to reflect realistic income projections, in response to the dramatic effect of the changes in fiscal policies and practices upon educational program quality and the potential for the success of all pupils.

(3) Encourage all members of the school community to accept a fair share of the burden of the school district's fiscal recovery.

(4) Consult, for the purposes described in this subdivision, with the school district governing board, the exclusive representatives of the employees of the school district, parents, and the community.

(5) Consult with and seek recommendations from the county superintendent of schools and the Superintendent for the purposes described in this subdivision.

(c) For purposes of this article, the county superintendent of schools, the Superintendent, and the president of the state board or his or her designee may also appoint a trustee with the powers and responsibilities of an administrator, as set forth in this article.

SEC. 10. Section 41326 of the Education Code is amended to read:

41326. (a) Notwithstanding any other provision of this code, the acceptance by a school district of an apportionment made pursuant to Section 41320 that exceeds an amount equal to 200 percent of the amount of the reserve recommended for that school district under the standards and criteria adopted pursuant to Section 33127 constitutes the agreement by the school district to the conditions set forth in this article. Before applying for an emergency apportionment in the amount identified in this subdivision, the governing board of a school district shall discuss the need for that apportionment at a regular or special meeting of the governing board of the school district and, at that meeting, shall receive testimony regarding the apportionment from parents, exclusive representatives of employees of the school district, and other members of the community. For purposes of this article, "qualifying school district" means a school district that accepts a loan as described in this subdivision.

(b) The county superintendent of schools shall assume all the legal rights, duties, and powers of the governing board of a qualifying school district. The county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, shall appoint an administrator from a pool of candidates identified and vetted by the County Office Fiscal Crisis and Management Assistance Team pursuant to subdivision (c) to exercise the authority described in this subdivision in accordance with all of the following:

(1) The administrator shall serve under the direction and supervision of the county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, until terminated by the county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, at their discretion.

(2) The administrator shall have recognized expertise in management and finance.

(3) To facilitate the appointment of the administrator and the employment of necessary staff, this section is exempt from the requirements of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

(4) Notwithstanding any other law, if an employee of the state or the office of the county superintendent of schools is appointed to act as administrator pursuant to this section, the administrator, if he or she is an employee of the state or the office of the county superintendent of schools, is an employee of the qualifying school district during the tenure of his or her appointment, but shall remain in the same retirement system under the same plan that has been provided by his or her employment with the

state or the office of the county superintendent of schools. Upon the expiration or termination of the appointment, the employee shall have the right to return to his or her former position, or to a position at substantially the same level as that position, with the state or the office of the county superintendent of schools. The time served in the appointment shall be counted for all purposes as if the administrator had served that time in his or her former position with the state or the office of the county superintendent of schools.

(5) Except for an individual appointed as an administrator by the county superintendent of schools who is described in and subject to paragraph (4), the administrator shall be a member of the State Teachers' Retirement System, if qualified, for the period of service as administrator, unless he or she elects in writing not to become a member. A person who is a member or retirant of the State Teachers' Retirement System at the time of appointment shall continue to be a member or retirant of the system for the duration of the appointment. If the administrator chooses to become a member or is already a member, the administrator shall be placed on the payroll of the qualifying school district for purposes of providing appropriate contributions to the system. The Superintendent may also require the administrator to be placed on the payroll of the qualifying school district for purposes of remuneration, other benefits, and payroll deductions.

(6) For purposes of workers' compensation benefits, the administrator is an employee of the qualifying school district, except that an administrator described in and subject to paragraph (4) may be deemed an employee of the state or office of the county superintendent of schools, as applicable.

(7) The qualifying school district shall add the administrator as a covered employee of the qualifying school district for all purposes of errors and omissions liability insurance policies.

(8) The salary and benefits of the administrator shall be established by the county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, and paid by the qualifying school district.

(9) The county superintendent of schools or the administrator may employ, on a short-term basis and at the expense of the qualifying school district, any staff necessary to assist the administrator, including, but not limited to, a certified public accountant.

(10) The administrator may do all of the following:

(A) Implement substantial changes in the fiscal policies and practices of the qualifying school district, including, if necessary, the filing of a petition under Chapter 9 (commencing with Section 901) of Title 11 of the United States Code for the adjustment of indebtedness.

(B) Revise the educational program of the qualifying school district to reflect realistic income projections and pupil performance relative to state standards.

(C) Encourage all members of the school community to accept a fair share of the burden of the fiscal recovery of the qualifying school district.

(D) Consult, for the purposes described in this subdivision, with the governing board of the qualifying school district, the exclusive representatives of the employees of the qualifying school district, parents, and the community.

(E) Consult with, and seek recommendations from, the Superintendent, the county superintendent of schools, and the County Office Fiscal Crisis and Management Assistance Team authorized pursuant to subdivision (c) of Section 42127.8 for purposes described in this article.

(F) Upon approval by the county superintendent of schools, enter into agreements on behalf of the qualifying school district and, subject to any contractual obligation of the qualifying school district, change existing school district rules, regulations, policies, or practices as necessary for the effective implementation of the recovery plans referred to in Sections 41327 and 41327.1.

(G) Request the advice and assistance of the California Collaborative for Educational Excellence.

(c) The County Office Fiscal Crisis and Management Assistance Team, when selecting the pool of candidates for administrator, shall consider candidates' expertise in management and finance, previous experience mitigating fiscal distress in school districts, and ability to engage meaningfully with the community that the school district serves, and shall provide an opportunity for public input on the selection of the pool of candidates for administrator.

(d) (1) Except as provided for in paragraph (2), the period of time during which the county superintendent of schools exercises the authority described in subdivision (b), the governing board of the qualifying school district shall serve as an advisory body

reporting to the administrator appointed pursuant to subdivision (b), and has no rights, duties, or powers, and is not entitled to any stipend, benefits, or other compensation from the qualifying school district.

(2) (A) After one complete fiscal year has elapsed following the qualifying school district's acceptance of an emergency apportionment, the governing board of the qualifying school district may conduct an annual advisory evaluation of an administrator for the duration of the administratorship.

(B) An advisory evaluation of an administrator shall focus on the administrator's effectiveness in leading the qualifying school district toward fiscal recovery and improved academic achievement. Advisory evaluation criteria shall be agreed upon by the governing board of the qualifying school district and the administrator before the advisory evaluation. The advisory evaluation shall include, but not be limited to, all of the following:

(i) Goals and standards consistent with Section 41327.1.

(ii) Commendations in the areas of the administrator's strengths and achievements.

(iii) Recommendations for improving the administrator's effectiveness in areas of concern and unsatisfactory performance.

(C) An advisory evaluation of an administrator conducted by the governing board of a qualifying school district shall be submitted to the Governor, the Legislature, pursuant to Section 9795 of the Government Code, the Superintendent, the president of the state board or his or her designee, the county superintendent of schools, and the County Office Fiscal Crisis and Management Assistance Team.

(3) Upon the appointment of an administrator pursuant to this section, the district superintendent of schools is no longer an employee of the qualifying school district.

(4) A determination of the severance compensation for the district superintendent of schools shall be made pursuant to subdivision (k).

(e) Notwithstanding Section 35031 or any other law, the administrator, after according the affected employee reasonable notice and the opportunity for a hearing, may terminate the employment of a deputy, associate, assistant superintendent, or other school district level administrator who is employed by a qualifying school district under a contract of employment signed or renewed after January 1, 1992, if the employee fails to document, to the satisfaction of the administrator, that before the date of the acceptance of the emergency apportionment he or she either advised the governing board of the qualifying school district, or his or her superior, that actions contemplated or taken by the governing board of the qualifying school district could result in the fiscal insolvency of the qualifying school district, or took other appropriate action to avert that fiscal insolvency.

(f) The authority of the county superintendent of schools, the Superintendent, the president of the state board or his or her designee, and the administrator, under this section shall continue until all of the following occur:

(1) (A) After one complete fiscal year has elapsed following the qualifying school district's acceptance of an emergency apportionment as described in subdivision (a), the administrator determines, and so notifies the county superintendent of schools, the Superintendent, and the president of the state board or his or her designee, that future compliance by the qualifying school district with the recovery plans approved pursuant to paragraph (2) is probable.

(B) The county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, may return power to the governing board of the qualifying school district for an area listed in subdivision (a) of Section 41327.1 if performance under the recovery plan for that area has been demonstrated to the satisfaction of the county superintendent of schools, with concurrence from the Superintendent.

(2) The county superintendent of schools, with concurrence from the Superintendent, has approved all of the recovery plans referred to in subdivision (a) of Section 41327 and the County Office Fiscal Crisis and Management Assistance Team completes the improvement plans specified in Section 41327.1 and has completed a minimum of two reports identifying the qualifying school district's progress in implementing the improvement plans.

(3) The administrator certifies that all necessary collective bargaining agreements have been negotiated and ratified, and that the agreements are consistent with the terms of the recovery plans.

(4) The qualifying school district has completed all reports required by the county superintendent of schools and the administrator.

(5) The county superintendent of schools, with concurrence from the Superintendent, determines that future compliance by the qualifying school district with the recovery plans approved pursuant to paragraph (2) is probable.

(g) When the conditions stated in subdivision (f) have been met, and at least 60 days after the county superintendent of schools has notified the Legislature, pursuant to Section 9795 of the Government Code, the Department of Finance, the Superintendent, the president of the state board or his or her designee, and the Controller that he or she expects the conditions prescribed pursuant to this section to be met, the governing board of the qualifying school district shall regain all of its legal rights, duties, and powers, except for the powers held by the trustee provided for pursuant to Article 2 (commencing with Section 41320). The parties specified in Section 41320.1 shall appoint a trustee under that section to monitor and review the operations of the qualifying school district until the conditions of subdivision (b) of that section have been met.

(h) Notwithstanding subdivision (g), if the qualifying school district violates a provision of the recovery plans approved by the county superintendent of schools, with concurrence from the Superintendent, pursuant to this article within five years after the trustee appointed pursuant to Section 41320.1 is removed or after the emergency apportionment is repaid, whichever occurs later, or the improvement plans specified in Section 41327.1 during the period of the trustee's appointment, the county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, may reassume, either directly or through an administrator appointed in accordance with this section, all of the legal rights, duties, and powers of the governing board of the qualifying school district. The county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, shall return to the governing board of the qualifying school district all of its legal rights, duties, and powers reassumed under this subdivision when he or she determines that future compliance with the approved recovery plans is probable, or after a period of one year, whichever occurs later.

(i) Article 2 (commencing with Section 41320) shall apply except as otherwise specified in this article.

(j) It is the intent of the Legislature that the legislative budget subcommittees annually conduct a review of each qualifying school district that includes an evaluation of the financial condition of the qualifying school district, the impact of the recovery plans upon the qualifying school district's educational program, and the efforts made by the state-appointed administrator to obtain input from the community and the governing board of the qualifying school district.

(k) (1) The district superintendent of schools is entitled to a due process hearing for purposes of determining final compensation. The final compensation of the district superintendent of schools shall be between zero and six times his or her monthly salary. The outcome of the due process hearing shall be reported to the Superintendent and the public. The information provided to the public shall explain the rationale for the compensation.

(2) This subdivision applies only to a contract for employment negotiated on or after June 21, 2004.

(l) (1) When the county superintendent of schools assumes control over a qualifying school district pursuant to subdivision (b), the County Office Fiscal Crisis and Management Assistance Team shall review the fiscal oversight of the qualifying school district by the county superintendent of schools. The County Office Fiscal Crisis and Management Assistance Team may consult with other fiscal experts, including other county superintendents of schools and regional fiscal teams, in conducting this review.

(2) Within three months of the county superintendent of schools assuming control over a qualifying school district, the County Office Fiscal Crisis and Management Assistance Team shall report its findings to the Legislature, pursuant to Section 9795 of the Government Code, and shall provide a copy of that report to the Department of Finance, the Superintendent, and the president of the state board or his or her designee. This report shall include findings as to fiscal oversight actions that were or were not taken and may include recommendations as to an appropriate legislative response to improve fiscal oversight.

(3) In the year following the completion of the report required in paragraph (2), the County Office Fiscal Crisis and Management Assistance Team shall begin annual reviews of the effectiveness of the oversight of the qualifying school district by the county office of education.

(4) If, after performing the duties described in paragraphs (1), (2), and (3), the County Office Fiscal Crisis and Management Assistance Team determines that the county superintendent of schools failed to carry out his or her responsibilities for fiscal oversight as required by this code, the Superintendent, with the concurrence of the president of the state board or his or her designee, may exercise the authority of the county superintendent of schools who has oversight responsibilities for a qualifying school district. The Superintendent and the president of the state board or his or her designee shall further require the county superintendent of schools to demonstrate remediation of deficiencies identified in reports required in paragraphs (2) and (3). If the Superintendent finds, based on the reports required in paragraphs (2) and (3), that the county superintendent of schools failed to appropriately take into account particular types of indicators of financial distress, or failed to take appropriate remedial actions in the qualifying school district, the Superintendent shall further investigate whether the county superintendent of schools failed to take into account those indicators, or similarly failed to take appropriate actions in other school districts with negative or qualified certifications.

SEC. 11. Section 41327 of the Education Code is amended to read:

41327. (a) In accordance with timelines, instructions, and a format established by the county superintendent of schools, with concurrence from the Superintendent, the administrator appointed pursuant to subdivision (b) of Section 41326 shall prepare or obtain the following reports and plans:

(1) A management review and recovery plan.

(2) A multiyear financial recovery plan. The multiyear financial recovery plan shall include a plan, to be submitted annually on or before July 1, to repay to the state any and all loans owed by the school district.

(3) During the period of service by the administrator appointed pursuant to subdivision (b) of Section 41326, an annual report on the financial condition of the school district, including, but not necessarily limited to, all of the following information:

(A) Specific actions taken to reduce school district expenditures or increase income to the school district, and the amount of the resulting cost savings and increases in income.

(B) A copy of the adopted school district budget for the current fiscal year.

(C) The amount of the school district budgetary reserve.

(D) The status of employee contracts.

(E) Any obstacles to the implementation of the recovery plans described in paragraphs (1) and (2).

(b) Each of the reports or plans required under this section, or under any other law that requires the school district to prepare reports or plans, shall be submitted to the county superintendent of schools for approval, with concurrence from the Superintendent. The county superintendent of schools may accept and approve, for the purposes of this section, any reports or plans that were prepared by or for the school district prior to the school district's acceptance of a loan as described in subdivision (a) of Section 41326.

(c) With the approval of the county superintendent of schools, the administrator appointed pursuant to subdivision (b) of Section 41326 may enter into agreements on behalf of the school district and, subject to any contractual obligation of the school district, change any existing school district rules, regulations, policies, or practices as necessary for the effective implementation of the recovery plans referred to in subdivision (a).

(d) The County Office Financial Crisis and Management Assistance Team shall do an annual review of the progress made with regard to the recovery plans required by subdivision (a), and submit that review to the county superintendent, the Superintendent, and the president of the state board or his or her designee.

SEC. 12. Section 41327.1 of the Education Code is amended to read:

41327.1. (a) The state board shall adopt and may periodically update by regulation a comprehensive list of professional and legal standards that all school districts are encouraged to use as a guide to conduct a good educational program and fiscal and management practices that shall be used as the basis of evaluating the improvement of qualifying school districts pursuant to this article. These standards shall, at a minimum, address all of the following areas:

(1) Financial management.

(2) Pupil achievement.

(3) Personnel management.

(4) Facilities management.

(5) Community relations.

(b) If an administrator is appointed pursuant to Section 41326, the County Office Fiscal Crisis and Management Assistance Team established pursuant to Section 42127.8 shall conduct comprehensive assessments in the five areas specified in subdivision (a).

(c) After the assessments specified in subdivision (b) are completed, the county superintendent of schools, in consultation with the County Office Fiscal Crisis and Management Assistance Team, the Superintendent, and the president of the state board or his or her designee, shall determine, based upon the school district's particular needs and circumstances, the level of improvement needed in the standards adopted pursuant to subdivision (a) before local authority will be returned pursuant to subdivision (g) of Section 41326. Based upon this determination, the County Office Fiscal Crisis and Management Assistance Team shall complete improvement plans in the five areas specified in subdivision (a) that focus on the agreed upon standards, and that are consistent with the financial improvement plan.

(d) Beginning six months after an emergency loan is approved, and every six months thereafter until local authority is returned pursuant to subdivision (g) of Section 41326, the County Office Fiscal Crisis and Management Assistance Team shall file a written status report with the appropriate fiscal and policy committees of the Legislature, the Members of the Legislature that represent the qualifying school district, any advisory council of the school district, the Superintendent, the county superintendent of schools, and the Director of Finance. The reports shall indicate the progress that the school district is making in meeting the recommendations of the improvement plans developed pursuant to this section.

(e) If the County Office Fiscal Crisis and Management Assistance Team indicates in writing that it has insufficient resources to complete the comprehensive assessments, improvement plans, and progress reports required pursuant to this section, the county superintendent of schools shall request proposals to complete these tasks, and subject to the approval of the Department of Finance, select an entity to complete the tasks assigned to the County Office Fiscal Crisis and Management Assistance Team pursuant to this section.

SEC. 13. Section 41327.2 of the Education Code is amended to read:

41327.2. (a) The appointment of an administrator pursuant to Section 41326 does not remove any statutory rights, duties, or obligations from the county superintendent of schools. The county superintendent of schools retains the responsibility to superintend school districts under his or her jurisdiction.

(b) The county superintendent of schools shall submit reports to the Superintendent, the president of the state board or his or her designee, the appropriate fiscal and policy committees of the Legislature, and the Director of Finance subsequent to review by the county superintendent of schools of the school district's budget and interim reports in accordance with subdivision (d) of, and paragraph (1) of subdivision (f) of, Section 42127, and paragraph (2) of subdivision (a) of, and subdivision (e) of, Section 42131. These reports shall document the fiscal and administrative status of the qualifying school district, particularly in regard to the implementation of fiscal and management recovery plans. Each report shall also include a determination of whether the revenue streams to the school district appear to be consistent with its expenditure plan, according to the most recent data available at the time of the report. These reports are required until six months after all rights, duties, and powers are returned to the school district pursuant to this article.

SEC. 14. Section 42127.6 of the Education Code is amended to read:

42127.6. (a) (1) A school district shall provide the county superintendent of schools with a copy of a study, report, evaluation, or audit that was commissioned by the school district, the county superintendent, the Superintendent of Public Instruction, and state control agencies and that contains evidence that the school district is showing fiscal distress under the standards and criteria adopted in Section 33127, or a report on the school district by the County Office Fiscal Crisis and Management Assistance Team or any regional team created pursuant to subdivision (i) of Section 42127.8. The county superintendent shall review and consider studies, reports, evaluations, or audits of the school district that contain evidence that the school district is demonstrating fiscal distress under the standards and criteria adopted in Section 33127 or that contain a finding by an external reviewer that more than three of the 15 most common predictors of a school district needing intervention, as determined by the County Office Fiscal Crisis and Management Assistance Team, are present. If these findings are made, the county superintendent shall investigate the financial condition of the school district and determine if the school district may be unable to meet its financial obligations for the current or two subsequent fiscal years, or should receive a qualified or negative interim financial certification pursuant to Section 42131. If at any time during the fiscal year the county superintendent of schools determines that a school district may be unable to meet its financial obligations for the current or two subsequent fiscal years or if a school district has a qualified or negative certification pursuant to Section 42131, he or she shall notify the governing board of the school district and the Superintendent of Public Instruction in writing of that determination and the basis for the determination. The notification shall include the assumptions used in making the determination and shall be available to the public. The county superintendent of schools shall report to the Superintendent of Public Instruction on the financial condition of the school district and his or her proposed remedial actions and shall do at least one of the following and all actions that are necessary to ensure that the school district meets its financial obligations:

(A) Assign a fiscal expert, paid for by the county superintendent, to advise the school district on its financial problems.

(B) Conduct a study of the financial and budgetary conditions of the school district that includes, but is not limited to, a review of internal controls. If, in the course of this review, the county superintendent determines that his or her office requires analytical assistance or expertise that is not available through the school district, he or she may employ, on a short-term basis, with the approval of the Superintendent of Public Instruction, staff, including certified public accountants, to provide the assistance and expertise. The school district shall pay 75 percent and the county office of education shall pay 25 percent of these staff costs.

(C) Direct the school district to submit a financial projection of all fund and cash balances of the district as of June 30 of the current year and subsequent fiscal years as he or she requires.

(D) Require the district to encumber all contracts and other obligations, to prepare appropriate cashflow analyses and monthly or quarterly budget revisions, and to appropriately record all receivables and payables.

(E) Direct the school district to submit a proposal for addressing the fiscal conditions that resulted in the determination that the school district may not be able to meet its financial obligations.

(F) Withhold compensation of the members of the governing board of the school district and the school district superintendent for failure to provide requested financial information. This action may be appealed to the Superintendent of Public Instruction pursuant to subdivision (b).

(G) Assign the County Office Fiscal Crisis and Management Assistance Team to review teacher hiring practices, teacher retention rate, percentage of provision of highly qualified teachers, and the extent of teacher misassignment in the school district and provide the school district with recommendations to streamline and improve the teacher hiring process, teacher retention rate, extent of teacher misassignment, and provision of highly qualified teachers. If a review team is assigned to a school district, the school district shall follow the recommendations of the team, unless the school district shows good cause for failure to do so. The County Office Fiscal Crisis and Management Assistance Team may not recommend an action that would abrogate a contract that governs employment.

(2) Any contract entered into by a county superintendent of schools for the purposes of this subdivision is subject to the approval of the Superintendent of Public Instruction.

(3) An employee of a school district who provides information regarding improper governmental activity, as defined in Section 44112, is entitled to the protection provided pursuant to Article 5 (commencing with Section 44110) of Chapter 1 of Part 25.

(b) Within five days of the county superintendent making the determination specified in subdivision (a), a school district may appeal the basis of the determination and any of the proposed actions that the county superintendent has indicated that he or she will take to further examine the financial condition of the school district. The Superintendent of Public Instruction shall sustain or deny any or all parts of the appeal within 10 days.

(c) If, after taking the actions identified in subdivision (a), the county superintendent determines that a school district will be unable to meet its financial obligations for the current or subsequent fiscal year, he or she shall notify the governing board of the school district, the Superintendent of Public Instruction, and the president of the state board or the president's designee in writing of that determination and the basis for that determination. The notification shall include the assumptions used in making the determination and shall be provided to the superintendent of the school district and parent and teacher organization of the school district.

(d) Within five days of the county superintendent making the determination specified in subdivision (c), a school district may appeal that determination to the Superintendent of Public Instruction. The Superintendent shall sustain or deny the appeal within 10 days. If the governing board of the school district appeals the determination, the county superintendent of schools may stay any action of the governing board of the school district that he or she determines is inconsistent with the ability of the school district to meet its financial obligations for the current or subsequent fiscal year until resolution of the appeal by the Superintendent of Public Instruction.

(e) If the appeal described in subdivision (d) is denied or not filed, or if the school district has a negative certification pursuant to Section 42131, the county superintendent, in consultation with the Superintendent of Public Instruction, shall take at least one of the actions described in paragraphs (1) to (5), inclusive, and all actions that are necessary to ensure that the school district meets its financial obligations and shall make a report to the Superintendent and the president of the state board or the president's designee about the financial condition of the school district and remedial actions proposed by the county superintendent.

(1) Develop and impose, in consultation with the Superintendent of Public Instruction and the governing board of the school district, a budget revision that will enable the school district to meet its financial obligations in the current fiscal year.

(2) Stay or rescind any action that is determined to be inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year. This includes any actions up to the point that the subsequent year's budget is approved by the county superintendent of schools. The county superintendent of schools shall inform the governing board of the school district in writing of his or her justification for any exercise of authority under this paragraph.

(3) Assist in developing, in consultation with the governing board of the school district, a financial plan that will enable the school district to meet its future obligations.

(4) Assist in developing, in consultation with the governing board of the school district, a budget for the subsequent fiscal year. If necessary, the county superintendent of schools shall continue to work with the governing board of the school district until the budget for the subsequent year is adopted.

(5) As necessary, appoint a fiscal adviser to perform any or all of the duties prescribed by this section on his or her behalf.

(f) Any action taken by the county superintendent of schools pursuant to paragraph (1) or (2) of subdivision (e) shall be accompanied by a notification that shall include the actions to be taken, the reasons for the actions, and the assumptions used to support the necessity for these actions.

(g) This section does not authorize the county superintendent to abrogate any provision of a collective bargaining agreement that was entered into by a school district before the date that the county superintendent of schools assumed authority pursuant to subdivision (e).

(h) The school district shall pay 75 percent and the county office of education shall pay 25 percent of the administrative expenses incurred pursuant to subdivision (e) or costs associated with improving the school district's financial management practices. The Superintendent of Public Instruction shall develop and distribute to affected school districts and county offices of education advisory guidelines regarding the appropriate amount of administrative expenses charged pursuant to this subdivision.

(i) Notwithstanding Section 42647 or 42650 or any other law, a county treasurer shall not honor any warrant if, pursuant to Sections 42127 to 42127.5, inclusive, or pursuant to this section, the county superintendent or the Superintendent of Public Instruction, as appropriate, has disapproved that warrant or the order on school district funds for which a warrant was prepared.

(j) Effective upon the certification of the election results for a newly organized school district pursuant to Section 35763, the county superintendent of schools may exercise any of the powers and duties of this section regarding the reorganized school district and the other affected school districts until the reorganized school district becomes effective for all purposes in accordance with Article 4 (commencing with Section 35530) of Chapter 3 of Part 21.

(k) The Superintendent of Public Instruction shall monitor the efforts of a county office of education in exercising its authority under this section and may exercise any of that authority if he or she finds that the actions of the county superintendent of schools are not effective in resolving the financial problems of the school district. Upon a decision to exercise the powers of the county superintendent of schools, the county superintendent of schools is relieved of those powers assumed by the Superintendent, and shall provide support and assistance to the Superintendent in the exercise of those powers. The Superintendent shall also request that the County Office Fiscal Crisis and Management Assistance Team identify the circumstances that led to the ineffectiveness of the county superintendent of schools in resolving the financial problems of the school district, and shall require the county office of education to demonstrate, in a manner determined by the Superintendent, remediation of those deficiencies. In addition to the actions taken by the county superintendent, the Superintendent of Public Instruction shall take further actions to ensure the long-term fiscal stability of the school district. The county office of education shall reimburse the Superintendent of Public Instruction for all of his or her costs in exercising his or her authority under this subdivision. The Superintendent of Public Instruction shall promptly notify the county superintendent of schools, the county board of education, the superintendent of the school district, the governing board of the school district, the appropriate policy and fiscal committees of each house of the Legislature, and the Department of Finance of his or her decision to exercise the authority of the county superintendent of schools.

SEC. 15. Section 42127.9 of the Education Code is amended to read:

42127.9. (a) No later than five days after a school district receives notice of any change or changes adopted by the county superintendent of schools in the school district's budget pursuant to subdivision (b) of Section 42127.3, subdivision (e) of Section 42127.6, or subdivision (b) of Section 42131, the governing board of the school district may submit an appeal to the Superintendent of Public Instruction, based upon the contention that the change or changes would do one or more of the following:

(1) Exceed the financial or program changes necessary to allow the school district to meet its financial obligations in the current fiscal year and with regard to its multiyear financial commitments. It is the intent of the Legislature that any change or changes adopted by the county superintendent of schools in a school district's budget minimize, to the extent possible, any impact upon the educational program of the school district.

(2) Require reductions that are unnecessary in view of other reductions that are proposed by the governing board of the school district and that reasonably can be expected to be realized.

(3) Make one or more changes in the school district's operations that are inconsistent with any provision of state or federal law.

(b) No later than five days after receiving that appeal, the Superintendent of Public Instruction, with the concurrence of the president of the state board or the president's designee, shall deny or uphold the appeal. If the appeal is denied, the school district shall implement the change or changes adopted by the county superintendent of schools. If the appeal is upheld, the Superintendent of Public Instruction may revise the change or changes adopted by the county superintendent of schools or issue

guidelines governing the manner in which the governing board of the school district or the county superintendent of schools shall be required to change the school district budget.

SEC. 16. Chapter 6.5 (commencing with Section 42160) is added to Part 24 of Division 3 of Title 2 of the Education Code, to read:

CHAPTER 6.5. School Districts in Financial Distress

42160. (a) For the 2018–19 fiscal year, by March 1, 2019, the Oakland Unified School District, in collaboration with and with the concurrence of the Alameda County Superintendent of Schools and the County Office Fiscal Crisis and Management Assistance Team, shall do both of the following:

- (1) Update or develop short- and long-term financial plans based on reasonable and accurate assumptions and current and past year expenditure data.
- (2) Review and update school district facilities construction plans to ensure that costs are reasonable, accurate, and align with long-term financial plans for fiscal solvency.

(b) Beginning with the 2019–20 fiscal year, the Budget Act shall include an appropriation for the Oakland Unified School District, if the school district complies with the terms specified in subdivisions (a) and (c), in the following amounts:

- (1) For the 2019–20 fiscal year, up to 75 percent of the school district's projected operating deficit, as determined by the County Office Fiscal Crisis and Management Assistance Team, with concurrence with the Department of Finance.
- (2) For the 2020–21 fiscal year, up to 50 percent of the school district's projected operating deficit, as determined by the County Office Fiscal Crisis and Management Assistance Team, with concurrence with the Department of Finance.
- (3) For the 2021–22 fiscal year, up to 25 percent of the school district's projected operating deficit, as determined by the County Office Fiscal Crisis and Management Assistance Team, with concurrence with the Department of Finance.

(c) Disbursement of funds specified in subdivision (b) shall be contingent on the Oakland Unified School District's completion of activities specified in the prior year Budget Act to improve the school district's fiscal solvency. These activities may include, but are not limited to, all of the following:

- (1) Completion of comprehensive operational reviews that compare the needs of the school district with similar school districts and provide data and recommendations regarding changes the school district can make to achieve fiscal sustainability.
- (2) Adoption and implementation of necessary budgetary solutions, including the consolidation of school sites.
- (3) Completion and implementation of multiyear, fiscally solvent budgets and budget plans.
- (4) Qualification for positive certification pursuant to Article 3 (commencing with Section 42130) of Chapter 6.
- (5) Sale or lease of surplus property.
- (6) Growth and maintenance of budgetary reserves.
- (7) Approval of school district budgets by the Alameda County Superintendent of Schools.

(d) Funds described in subdivision (b) shall be allocated to Oakland Unified School District upon the certification of the County Office Fiscal Crisis and Management Assistance Team, with concurrence from the Alameda County Superintendent of Schools, to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance that the activities described in subdivision (c), as specified in the prior year Budget Act, have been completed. Additionally, by March 1 of each year, through March 1, 2021, the County Office Fiscal Crisis and Management Assistance Team, with concurrence from the Alameda County Superintendent of Schools, shall report to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance the progress that Oakland Unified School District has made to complete the activities described in subdivision (c), as specified in the prior year Budget Act.

(e) The activities described in subdivision (c) shall be determined in the annual Budget Act based on joint recommendations from the County Office Fiscal Crisis and Management Assistance Team and the Alameda County Superintendent of Schools. These recommendations shall be submitted to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance by March 1 of each fiscal year, through March 1, 2021, in conjunction with the certification described in subdivision (d).

42161. (a) For the 2018–19 fiscal year, the Inglewood Unified School District shall do both of the following:

(1) Meet the requirements for qualified or positive certification for the school district's second interim report pursuant to Article 3 (commencing with Section 42130) of Chapter 6.

(2) Complete comprehensive operational reviews that compare the needs of the school district with similar school districts and provide data and recommendations regarding changes the school district can make to achieve fiscal sustainability.

(b) Beginning with the 2019–20 fiscal year, the Budget Act shall include an appropriation for the Inglewood Unified School District, if the school district complies with the terms specified in subdivisions (a) and (c), in the following amounts:

(1) For the 2019–20 fiscal year, up to 75 percent of the school district's projected operating deficit, as determined by the County Office Fiscal Crisis and Management Assistance Team, with concurrence with the Department of Finance.

(2) For the 2020–21 fiscal year, up to 50 percent of the school district's projected operating deficit, as determined by the County Office Fiscal Crisis and Management Assistance Team, with concurrence with the Department of Finance.

(3) For the 2021–22 fiscal year, up to 25 percent of the school district's projected operating deficit, as determined by the County Office Fiscal Crisis and Management Assistance Team, with concurrence with the Department of Finance.

(c) Disbursement of funds specified in subdivision (b) shall be contingent on the Inglewood Unified School District's completion of activities specified in the prior year Budget Act to improve the school district's fiscal solvency. These activities may include, but are not limited to, all of the following:

(1) Completion of comprehensive operational reviews that compare the needs of the school district with similar school districts and provide data and recommendations regarding changes the school district can make to achieve fiscal sustainability.

(2) Adoption and implementation of necessary budgetary solutions, including the consolidation of school sites.

(3) Completion and implementation of multiyear, fiscally solvent budgets and budget plans.

(4) Qualification for positive certification pursuant to Article 3 (commencing with Section 42130) of Chapter 6.

(5) Sale or lease of surplus property.

(6) Growth and maintenance of budgetary reserves.

(7) Approval of school district budgets by the Los Angeles County Superintendent of Schools.

(d) Funds described in subdivision (b) shall be allocated to Inglewood Unified School District upon the certification of the County Office Fiscal Crisis and Management Assistance Team, with concurrence from the Los Angeles County Superintendent of Schools, to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance that the activities described in subdivision (c), as specified in the prior year Budget Act, have been completed. Additionally, by March 1 of each year, through March 1, 2021, the County Office Fiscal Crisis and Management Assistance Team, with concurrence from the Los Angeles County Superintendent of Schools, shall report to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance the progress that Inglewood Unified School District has made to complete the activities described in subdivision (c), as specified in the prior year Budget Act.

(e) The activities described in subdivision (c) shall be determined in the annual Budget Act based on joint recommendations from the County Office Fiscal Crisis and Management Assistance Team and the Los Angeles County Superintendent of Schools. These recommendations shall be submitted to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance by March 1 of each fiscal year, through March 1, 2021, in conjunction with the certification described in subdivision (d).

(f) Until June 30, 2019, the Superintendent may waive the reimbursement determination specified in Section 18054 of Title 5 of the California Code of Regulations for Inglewood Unified School District's 2016–17 fiscal year California state preschool program contract in order to resolve the school district's outstanding child development reimbursement liability to the state.

SEC. 17. Section 44416 of the Education Code is amended to read:

44416. (a) For the 2018–19 fiscal year, the sum of fifty million dollars (\$50,000,000) is hereby appropriated from the General Fund to the commission to establish the Local Solutions Grant Program to provide one-time competitive grants to local educational agencies to develop and implement new, or expand existing, locally identified solutions that address a local need for special education teachers. This funding shall be available for encumbrance through June 30, 2023, and available for liquidation through June 30, 2028.

(b) (1) A grant shall be up to twenty thousand dollars (\$20,000) per teacher participant that the identified solution proposes to support, matched by that local educational agency or consortium on a dollar-for-dollar basis. Grant program funding may be used

for local efforts to recruit, develop support systems for, and retain special education teachers that include, but are not limited to, teacher career pathways, signing bonuses for newly credentialed teachers who earn an education specialist credential, mentors for existing teachers, professional learning communities, service awards, teacher service scholarships, student debt payment, living stipends for newly credentialed teachers who earn an education specialist credential, or other solutions that address a local need for special education teachers.

(2) (A) A teacher participant who receives a teacher service scholarship, signing bonus, or student debt payment shall agree to teach at a school within the jurisdiction of the grant recipient and work as an education specialist serving a caseload of pupils who receive special education services in a special education setting for four years, and the teacher participant shall have five years to meet that obligation.

(B) A teacher participant who fails to complete the service obligation described in subparagraph (A) shall reimburse the sponsoring grant recipient the amount of grant funding received as a teacher service scholarship, signing bonus, or student debt payment. The amount to be reimbursed shall be adjusted proportionately to reflect the service provided if the teacher participant taught at least one year, but less than the required four years, at the sponsoring grant recipient.

(C) If a teacher participant is unable to complete a school year of teaching, that school year may still be counted toward the required four complete school years if any of the following occur:

(i) The teacher participant has completed at least one-half of the school year.

(ii) The employer deems the teacher participant to have fulfilled his or her contractual requirements for the school year for the purposes of salary increases, probationary or permanent status, and retirement.

(iii) The teacher participant was not able to teach due to the financial circumstances of the sponsoring grant recipient, including a decision to not reelect the employee for the next succeeding school year.

(iv) The teacher participant has a condition covered under the federal Family and Medical Leave Act of 1993 (29 U.S.C. Sec. 2061 et seq.) or similar state law.

(v) The teacher participant was called or ordered to active duty status for more than 30 days as a member of a reserve component of the Armed Forces of the United States.

(D) If the commission determines or is informed that a teacher participant who fails to complete the service obligation described in subparagraph (A), the commission shall confirm with the grant recipient the applicable grant amount to be recovered from the teacher participant and the grant recipient. The amount to be recovered shall be adjusted proportionately to reflect the service provided if the teacher participant taught at least one year, but less than four years, at the sponsoring grant recipient.

(E) Upon confirming the amount to be recovered from the grant recipient pursuant to subparagraph (D), the commission shall notify the grant recipient of the amount to be repaid within 60 days. The grant recipient shall have 60 days from the date of the notification to make the required repayment to the commission. If the grant recipient fails to make the required payment within 60 days, the commission shall notify the Controller and the grant recipient of the failure to repay the amount owed. The Controller shall deduct an amount equal to the amount owed to the commission from the grant recipient's next principal apportionment or apportionments of state funds, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution. If the grant recipient is a regional occupational center or a program operated by a joint powers authority that does not receive principal apportionment or apportionments of state funds, or a consortia of local educational agencies, the commission shall notify the Controller of the local educational agency where the teacher participant taught and the Controller shall deduct the amount owed from the applicable local educational agency's next principal apportionment or apportionments of state funds, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution.

(F) An amount recovered by the commission or deducted by the Controller pursuant to subparagraph (E) shall be deposited into the Proposition 98 Reversion Account.

(G) Grant recipients may recover from a teacher participant who fails to complete the service obligation described in subparagraph (A) the amount of grant funding received as a teacher service scholarship, signing bonus, or student debt payment. The amount to be recovered shall be adjusted proportionately to reflect the service provided if the teacher participant taught at least one year, but less than four years, at the sponsoring grant recipient.

(c) A grant recipient shall not use more than 5 percent of a grant award for program administration costs.

(d) A grant recipient shall provide a 100-percent match of grant funding to support, complement, or enhance the local solution identified in subdivision (h). The match shall be in the form of one or both of the following:

(1) One dollar (\$1) for every one dollar (\$1) of grant funding received.

(2) An in-kind match.

(e) An applicant may consist of one or more, or any combination, of the following:

(1) A school district.

(2) A county office of education.

(3) A charter school.

(4) A regional occupational center or program operated by a joint powers authority.

(f) To receive a grant, an applicant shall submit to the commission an application at a time, in a manner, and containing information prescribed by the commission.

(g) A grant recipient shall not use funds from a Local Solutions Grant Program award to support teacher candidates participating in a program supported by an award from the Teacher Residency Grant Program established pursuant to Section 44415.

(h) When selecting grant recipients, the commission shall require applicants to demonstrate a local need for special education teachers and present a plan that proposes one or more solutions that address that local need.

(i) For purposes of administering the grant program pursuant to this section, the commission shall do all of the following:

(1) Determine the number of grants to be awarded and the total amount awarded to each grant applicant.

(2) Require grant recipients to annually report the status and progress of the identified solution and to submit a final implementation report within five years of receiving a grant award that describes the outcomes and effectiveness of the identified solution.

(3) Allocate 90 percent of funding to each grant recipient at the time of the initial grant award and allocate the final 10 percent of grant funding upon receipt of the final implementation report. If the grantee fails to provide the final implementation report pursuant to paragraph (2), the grantee shall not receive the final 10 percent of the grant award.

(j) 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, 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, for the 2017–18 fiscal year.

SEC. 18. Section 44418 of the Education Code is amended to read:

44418. This article shall remain in effect only until January 1, 2029, and as of that date is repealed.

SEC. 19. Section 46392 of the Education Code is amended to read:

46392. (a) If the average daily attendance of a school district, county office of education, or charter school during a fiscal year has been materially decreased during a fiscal year because of any of the following, the fact shall be established to the satisfaction of the Superintendent by affidavits of the members of the governing board or body of the school district, county office of education, or charter school and the county superintendent of schools:

(1) Fire.

(2) Flood.

(3) Impassable roads.

(4) Epidemic.

(5) Earthquake.

(6) The imminence of a major safety hazard as determined by the local law enforcement agency.

(7) A strike involving transportation services to pupils provided by a nonschool entity.

(8) An order provided for in Section 41422.

(b) (1) In the event a state of emergency is declared by the Governor in a county, a decrease in average daily attendance in the county below the approximate total average daily attendance that would have been credited to a school district, county office of education, or charter school had the state of emergency not occurred shall be deemed material. The Superintendent shall determine the length of the period during which average daily attendance has been reduced by the state of emergency.

(2) The period determined by the Superintendent shall not extend into the next fiscal year following the declaration of the state of emergency by the Governor, except upon a showing by a school district, county office of education, or charter school, to the satisfaction of the Superintendent, that extending the period into the next fiscal year is essential to alleviate continued reductions in average daily attendance attributable to the state of emergency.

(3) Notwithstanding any other law, the Superintendent shall extend through the 2018–19 fiscal year the period during which it is essential to alleviate continued reductions in average daily attendance attributable to a state of emergency declared by the Governor in October 2017, for a school district where no less than 5 percent of the residences within the school district or school district facilities were destroyed by the qualifying emergency.

(c) The average daily attendance of the school district, county office of education, or charter school for the fiscal year shall be estimated by the Superintendent in a manner that credits to the school district, county office of education, or charter school for determining the apportionments to be made to the school district, county office of education, or charter school from the State School Fund approximately the total average daily attendance that would have been credited to the school district, county office of education, or charter school had the emergency not occurred or had the order not been issued.

(d) This section applies to any average daily attendance that occurs during any part of a school year.

SEC. 20. Section 47606.5 of the Education Code is amended to read:

47606.5. (a) On or before July 1, 2015, and each year thereafter, a charter school shall update the goals and annual actions to achieve those goals identified in the charter petition pursuant to subparagraph (A) of paragraph (5) of subdivision (b) of Section 47605 or subparagraph (A) of paragraph (5) of subdivision (b) of Section 47605.6, as applicable, using the template for the local control and accountability plan and annual update to the local control and accountability plan adopted by the state board pursuant to Section 52064 and shall include all of the following:

(1) A review of the progress toward the goals included in the charter, an assessment of the effectiveness of the specific actions described in the charter toward achieving the goals, and a description of changes to the specific actions the charter school will make as a result of the review and assessment.

(2) A listing and description of the expenditures for the fiscal year implementing the specific actions included in the charter as a result of the reviews and assessment required by paragraph (1).

(b) For purposes of the review required by subdivision (a), a governing body of a charter school may consider qualitative information, including, but not limited to, findings that result from school quality reviews conducted pursuant to subdivision (b) of Section 52052 or any other reviews.

(c) To the extent practicable, data reported pursuant to this section shall be reported in a manner consistent with how information is reported on the California School Dashboard maintained by the department pursuant to Section 52064.5.

(d) The charter school shall consult with teachers, principals, administrators, other school personnel, parents, and pupils in developing the local control and accountability plan and annual update to the local control and accountability plan.

SEC. 21. Section 52060 of the Education Code is amended to read:

52060. (a) On or before July 1, 2014, the governing board of each school district shall adopt a local control and accountability plan using a template adopted by the state board.

(b) A local control and accountability plan adopted by the governing board of a school district shall be effective for a period of three years, and shall be updated on or before July 1 of each year.

(c) A local control and accountability plan adopted by the governing board of a school district shall include, for the school district and each school within the school district, all of the information specified in the template adopted by the state board pursuant to Section 52064.

(d) All of the following are state priorities for purposes of a school district's local control and accountability plan:

(1) The degree to which the teachers of the school district are appropriately assigned in accordance with Section 44258.9, and fully credentialed in the subject areas, and, for the pupils they are teaching, every pupil in the school district has sufficient

access to the standards-aligned instructional materials as determined pursuant to Section 60119, and school facilities are maintained in good repair, as defined in subdivision (d) of Section 17002.

(2) Implementation of the academic content and performance standards adopted by the state board, including how the programs and services will enable English learners to access the common core academic content standards adopted pursuant to Section 60605.8 and the English language development standards adopted pursuant to former Section 60811.3, as that section read on June 30, 2013, or Section 60811.4, for purposes of gaining academic content knowledge and English language proficiency.

(3) Parental involvement, including efforts the school district makes to seek parent input in making decisions for the school district and each individual schoolsite, and including how the school district will promote parental participation in programs for unduplicated pupils and individuals with exceptional needs.

(4) Pupil achievement, as measured by all of the following, as applicable:

(A) Statewide assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or any subsequent assessment, as certified by the state board.

(B) The percentage of pupils who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study that align with state board-approved career technical education standards and frameworks, including, but not limited to, those described in subdivision (a) of Section 52302, subdivision (a) of Section 52372.5, or paragraph (2) of subdivision (e) of Section 54692.

(C) The percentage of English learner pupils who make progress toward English proficiency as measured by the English Language Proficiency Assessments for California or any subsequent assessment of English proficiency, as certified by the state board.

(D) The English learner reclassification rate.

(E) The percentage of pupils who have passed an advanced placement examination with a score of 3 or higher.

(F) The percentage of pupils who demonstrate college preparedness pursuant to the Early Assessment Program, as described in Chapter 6 (commencing with Section 99300) of Part 65 of Division 14 of Title 3, or any subsequent assessment of college preparedness.

(5) Pupil engagement, as measured by all of the following, as applicable:

(A) School attendance rates.

(B) Chronic absenteeism rates.

(C) Middle school dropout rates.

(D) High school dropout rates.

(E) High school graduation rates.

(6) School climate, as measured by all of the following, as applicable:

(A) Pupil suspension rates.

(B) Pupil expulsion rates.

(C) Other local measures, including surveys of pupils, parents, and teachers on the sense of safety and school connectedness.

(7) The extent to which pupils have access to, and are enrolled in, a broad course of study that includes all of the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable, including the programs and services developed and provided to unduplicated pupils and individuals with exceptional needs, and the programs and services that are provided to benefit these pupils as a result of the funding received pursuant to Section 42238.02, as implemented by Section 42238.03.

(8) Pupil outcomes, if available, in the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable.

(e) For purposes of the descriptions required by subdivision (b) of Section 52064, the governing board of a school district may consider qualitative information, including, but not limited to, findings that result from school quality reviews conducted pursuant to subdivision (b) of Section 52052 or any other reviews.

(f) To the extent practicable, data reported in a local control and accountability plan shall be reported in a manner consistent with how information is reported on the California School Dashboard maintained by the department pursuant to Section 52064.5.

(g) The governing board of a school district shall consult with teachers, principals, administrators, other school personnel, local bargaining units of the school district, parents, and pupils in developing a local control and accountability plan.

(h) A school district may identify local priorities, goals in regard to the local priorities, and the method for measuring the school district's progress toward achieving those goals.

SEC. 22. Section 52061 of the Education Code is amended to read:

52061. On or before July 1, 2015, and each year thereafter, a school district shall update the local control and accountability plan. The annual update shall be developed using a template adopted by the state board pursuant to Section 52064 and shall include all of the information specified in the template.

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

52064. (a) On or before March 31, 2014, the state board shall adopt a template for a local control and accountability plan and an annual update to the local control and accountability plan for the following purposes:

- (1) For use by school districts to meet the requirements of Sections 52060 to 52063, inclusive.
- (2) For use by county superintendents of schools to meet the requirements of Sections 52066 to 52069, inclusive.
- (3) For use by charter schools to meet the requirements of Section 47606.5.

(b) On or before January 31, 2020, the template adopted by the state board shall require the inclusion of all of the following information:

(1) A description of the annual goals, for all pupils and each subgroup of pupils identified pursuant to Section 52052, to be achieved for each of the state priorities identified in subparagraph (A) of paragraph (5) of subdivision (b) of Section 47605, subparagraph (A) of paragraph (5) of subdivision (b) of Section 47605.6, subdivision (d) of Section 52060, or subdivision (d) of Section 52066, as applicable, and for any additional local priorities identified by the governing board of the school district, the county board of education, or in the charter school petition. For purposes of this article, a subgroup of pupils identified pursuant to Section 52052 shall be a numerically significant pupil subgroup as specified in subdivision (a) of Section 52052.

(2) A description of the specific actions the school district, county office of education, or charter school will take during each year of the local control and accountability plan to achieve the goals identified in paragraph (1). The specific actions shall not supersede the provisions of existing local collective bargaining agreements, if any, within the jurisdiction of the school district, county office of education, or charter school.

(3) One or more summary tables listing and describing the budgeted expenditures for the ensuing fiscal year implementing each specific action included in the local control and accountability plan, including expenditures for the ensuing fiscal year that will serve unduplicated pupils, as defined in Section 42238.02, and pupils redesignated as fluent English proficient. The summary table or tables shall include both of the following:

(A) The total overall expenditures for all specific actions included in the local control and accountability plan, broken down by personnel and nonpersonnel expenditures.

(B) The subtotals of expenditures for each specific action included in the local control and accountability plan broken down into the following categories:

- (i) Funds apportioned under the local control funding formula pursuant to Section 42238.02.
- (ii) All other state funds.
- (iii) All local funds.
- (iv) All federal funds.

(4) One or more summary tables listing and describing the specific actions and budgeted expenditures in paragraph (3) that contribute to the demonstration that the school district, county office of education, or charter school will increase or improve

services for unduplicated pupils in proportion to the increase in funds apportioned on the basis of the number and concentration of unduplicated pupils, consistent with regulations adopted by the state board pursuant to Section 42238.07, grouped as follows:

(A) Specific actions and budgeted expenditures provided to all pupils on a districtwide, countywide, or charterwide basis.

(B) Specific actions and budgeted expenditures that are targeted only to one or more unduplicated pupil subgroups. For these specific actions, the description shall specify the unduplicated pupil subgroup or subgroups that are targeted by each specific action and, if not provided at all schools, the school or schools where the specific action is provided.

(C) Only for school districts and county offices of education that operate more than one schoolsite, specific actions and budgeted expenditures provided to all pupils on a schoolwide basis, but only at schools serving certain grade spans or only at one or more schools. For these specific actions, the description shall specify the school or schools at which the specific action is provided.

(5) An estimate of the funds to be apportioned in the ensuing fiscal year on the basis of the number and concentration of unduplicated pupils and calculation of the percent the school district, county office of education, or charter school will increase or improve services for unduplicated pupils in proportion to the increase in funds apportioned on the basis of the number and concentration of unduplicated pupils, consistent with regulations adopted by the state board pursuant to Section 42238.07.

(6) A demonstration that the school district, county office of education, or charter school will increase or improve services for unduplicated pupils in the ensuing fiscal year in proportion to the increase in funds apportioned on the basis of the number and concentration of unduplicated pupils, consistent with regulations adopted by the state board pursuant to Section 42238.07.

(7) A review of the progress toward the goals included in the existing local control and accountability plan, a review of any changes in the applicability of the goals, an assessment of the effectiveness of the specific actions described in the existing local control and accountability plan toward achieving the goals, a description of changes to the specific actions and related expenditures the school district, county office of education, or charter school will make as a result of the review and assessment, and an update on progress implementing the specific actions in the current fiscal year, including estimated actual expenditures for the specific actions.

(8) A plan summary that includes general information about the school district, county office of education, or charter school and highlights of the local control and accountability plan and annual update to the local control and accountability plan, including reflections on annual performance on the California School Dashboard authorized in Section 52064.5 and other local data.

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

(d) (1) The template for the local control and accountability plan and annual update to the local control and accountability plan shall, to the greatest extent practicable, use language that is understandable and accessible to parents. The state board shall include instructions for school districts, county offices of education, and charter schools to complete the local control and accountability plan and annual update to the local control and accountability plan consistent with the requirements of this section. The state board may include more technical language in the instructions.

(2) Except as provided in paragraph (3), the state board shall not require school districts, county offices of education, or charter schools to provide any information in addition to the information required pursuant to subdivision (b).

(3) The state board may require the inclusion of additional information in the template in order to meet requirements of federal law.

(e) (1) The process of developing and annually updating the local control and accountability plan should support school districts, county offices of education, and charter schools in comprehensive strategic planning, accountability, and improvement across the state priorities and any locally identified priorities through meaningful engagement with local stakeholders.

(2) In developing the template for the local control and accountability plan and annual update to the local control and accountability plan, the state board shall ensure that school districts, county offices of education, and charter schools track and report their progress annually on all state priorities, including the applicable metrics specified within each state priority and, for charter schools, in accordance with Section 47606.5.

(3) The instructions developed by the state board pursuant to paragraph (1) of subdivision (d) shall specify that school districts, county offices of education, and charter schools should prioritize the focus of the goals, specific actions, and related expenditures included within the local control and accountability plan and annual update to the local control and accountability plan within one or more state priorities. The instructions shall further specify that school districts, county offices of education,

and charter schools should consider their performance on the state and local indicators, including their locally collected and reported data for the local indicators, that are included in the California School Dashboard authorized in Section 52064.5 in determining whether and how to prioritize the goals, specific actions, and related expenditures included within the local control and accountability plan and annual update to the local control and accountability plan.

(4) The instructions developed by the state board pursuant to paragraph (1) of subdivision (d) shall specify that school districts, county offices of education, and charter schools that have a numerically significant English learner pupil subgroup shall include specific actions in the local control and accountability plan related to, at a minimum, the language acquisition programs, as defined in Section 306, provided to pupils and professional development activities specific to English learners.

(f) (1) Except as provided in subdivision (g), the state board shall adopt the template pursuant to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The state board may adopt emergency regulations for purposes of implementing this section. The adoption of emergency regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare.

(2) Notwithstanding paragraph (1), the state board may adopt or revise the template in accordance with the requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code). When adopting the template pursuant to the requirements of the Bagley-Keene Open Meeting Act, the state board shall present the template at a regular meeting and may only take action to adopt the template at a subsequent regular meeting. This paragraph shall become inoperative on January 31, 2019.

(g) Notwithstanding subdivision (f), revisions of the template for the local control and accountability plan and annual update to the local control and accountability plan necessary to implement Assembly Bill 1808 and Assembly Bill 1840 of the 2017–18 Regular Session shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The state board may make necessary revisions to the template in accordance with the requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

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

(i) In developing the template, the state board shall take steps to minimize duplication of effort at the local level to the greatest extent possible. The adoption of a template or evaluation rubric by the state board shall not create a requirement for a governing board of a school district, a county board of education, or a governing body of a charter school to submit a local control and accountability plan to the state board, unless otherwise required by federal law. The Superintendent shall not require a local control and accountability plan to be submitted by a governing board of a school district or the governing body of a charter school to the state board. The state board may adopt a template or evaluation rubric that would authorize a school district or a charter school to submit to the state board only the sections of the local control and accountability plan required by federal law.

(j) Notwithstanding any other law, the templates developed by the state board pursuant to this section, as it read on June 30, 2018, shall continue in effect until the state board adopts a new template pursuant to subdivision (b) on or before January 31, 2020, except that the state board may adopt revisions to those templates pursuant to subdivision (g) that are necessary to implement Assembly Bill 1808 of the 2017–18 Regular Session or meet federal requirements.

SEC. 24. Section 52065 of the Education Code is amended to read:

52065. (a) The superintendent of a school district shall post prominently on the homepage of the Internet Web site of the school district any local control and accountability plan approved by the governing board of the school district, and any updates or revisions to a local control and accountability plan approved by the governing board of the school district.

(b) A county superintendent of schools shall do all of the following:

(1) Post prominently on the homepage of the Internet Web site of the county office of education any local control and accountability plan approved by the county board of education, and any updates or revisions to a local control and accountability plan approved by the county board of education.

(2) Post all local control and accountability plans submitted by school districts, or links to those plans, on the Internet Web site of the county office of education.

(3) Transmit or otherwise make available to the Superintendent all local control and accountability plans submitted to the county superintendent of schools by school districts and the local control and accountability plan approved by the county board of education.

(c) The Superintendent shall post links to all local control and accountability plans approved by the governing boards of school districts and county boards of education on the Internet Web site of the department.

SEC. 25. Section 52066 of the Education Code is amended to read:

52066. (a) On or before July 1, 2014, each county superintendent of schools shall develop, and present to the county board of education for adoption, a local control and accountability plan using a template adopted by the state board.

(b) A local control and accountability plan adopted by a county board of education shall be effective for a period of three years, and shall be updated on or before July 1 of each year.

(c) A local control and accountability plan adopted by a county board of education shall include, for each school or program operated by the county superintendent of schools, all of the information specified in the template adopted by the state board pursuant to Section 52064.

(d) All of the following are state priorities for purposes of a county board of education's local control and accountability plan:

(1) The degree to which the teachers in the schools or programs operated by the county superintendent of schools are appropriately assigned in accordance with Section 44258.9 and fully credentialed in the subject areas, and, for the pupils they are teaching, every pupil in the schools or programs operated by the county superintendent of schools has sufficient access to the standards-aligned instructional materials as determined pursuant to Section 60119, and school facilities are maintained in good repair as specified in subdivision (d) of Section 17002.

(2) Implementation of the academic content and performance standards adopted by the state board, including how the programs and services will enable English learners to access the common core academic content standards adopted pursuant to Section 60605.8 and the English language development standards adopted pursuant to Section 60811.3 for purposes of gaining academic content knowledge and English language proficiency.

(3) Parental involvement, including efforts the county superintendent of schools makes to seek parent input in making decisions for each individual schoolsite and program operated by a county superintendent of schools, and including how the county superintendent of schools will promote parental participation in programs for unduplicated pupils and individuals with exceptional needs.

(4) Pupil achievement, as measured by all of the following, as applicable:

(A) Statewide assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or any subsequent assessment, as certified by the state board.

(B) The percentage of pupils who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study that align with state board-approved career technical education standards and frameworks, including, but not limited to, those described in subdivision (a) of Section 52302, subdivision (a) of Section 52372.5, or paragraph (2) of subdivision (e) of Section 54692.

(C) The percentage of English learner pupils who make progress toward English proficiency as measured by the English Language Proficiency Assessments for California or any subsequent assessment of English proficiency, as certified by the state board.

(D) The English learner reclassification rate.

(E) The percentage of pupils who have passed an advanced placement examination with a score of 3 or higher.

(F) The percentage of pupils who demonstrate college preparedness pursuant to the Early Assessment Program, as described in Chapter 6 (commencing with Section 99300) of Part 65 of Division 14 of Title 3, or any subsequent assessment of college preparedness.

(5) Pupil engagement, as measured by all of the following, as applicable:

(A) School attendance rates.

(B) Chronic absenteeism rates.

(C) Middle school dropout rates.

(D) High school dropout rates.

(E) High school graduation rates.

(6) School climate, as measured by all of the following, as applicable:

(A) Pupil suspension rates.

(B) Pupil expulsion rates.

(C) Other local measures, including surveys of pupils, parents, and teachers on the sense of safety and school connectedness.

(7) The extent to which pupils have access to, and are enrolled in, a broad course of study that includes all of the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable, including the programs and services developed and provided to unduplicated pupils and individuals with exceptional needs, and the program and services that are provided to benefit these pupils as a result of the funding received pursuant to Section 42238.02, as implemented by Section 42238.03.

(8) Pupil outcomes, if available, in the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable.

(9) How the county superintendent of schools will coordinate instruction of expelled pupils pursuant to Section 48926.

(10) How the county superintendent of schools will coordinate services for foster children, including, but not limited to, all of the following:

(A) Working with the county child welfare agency to minimize changes in school placement.

(B) Providing education-related information to the county child welfare agency to assist the county child welfare agency in the delivery of services to foster children, including, but not limited to, educational status and progress information that is required to be included in court reports.

(C) Responding to requests from the juvenile court for information and working with the juvenile court to ensure the delivery and coordination of necessary educational services.

(D) Establishing a mechanism for the efficient expeditious transfer of health and education records and the health and education passport.

(e) For purposes of the descriptions required by subdivision (b) of Section 52064, a county board of education may consider qualitative information, including, but not limited to, findings that result from school quality reviews conducted pursuant to subdivision (b) of Section 52052 or any other reviews.

(f) To the extent practicable, data reported in a local control and accountability plan shall be reported in a manner consistent with how information is reported on the California School Dashboard maintained by the department pursuant to Section 52064.5.

(g) The county superintendent of schools shall consult with teachers, principals, administrators, other school personnel, local bargaining units of the county office of education, parents, and pupils in developing a local control and accountability plan.

(h) A county board of education may identify local priorities, goals in regard to the local priorities, and the method for measuring the county office of education's progress toward achieving those goals.

(i) (1) Beginning with the 2018–19 fiscal year and in each fiscal year thereafter, a county superintendent of schools shall prepare a summary of how the county superintendent of schools plans to support school districts and schools within the county in implementing the provisions of this article and present the summary to the county board of education at the same public meeting required under paragraph (2) of subdivision (b) of Section 52068. The summary shall include, but is not necessarily limited to, all of the following:

(A) A description of how the county superintendent of schools will support the continuous improvement of all school districts within the county, including steps that the county superintendent of schools plans to take to collaborate with the California Collaborative for Educational Excellence, the department, the lead agencies specified in Sections 52073 and 52073.1, and other county superintendents of schools to support school districts and schools within the county in implementing the provisions of this article.

(B) A description of how the county superintendent of schools will assist each school district identified for technical assistance pursuant to subdivision (c) of Section 52071 in improving pupil outcomes, including, at a minimum, a clear identification of the activities being performed by the county office of education and the source of funding for those activities.

This description shall include the actions the school district will take independent of the county superintendent of schools to improve pupil outcomes pursuant to paragraph (3) of subdivision (c) of Section 52071.

(C) One or more goals for each of the following:

(i) Completing the review of local control and accountability plans submitted by school districts pursuant to Section 52070.

(ii) Providing technical assistance to school districts pursuant to subdivisions (a) and (b) of Section 52071.

(iii) Providing any other support to school districts and schools within the county in implementing the provisions of this article.

(D) One or more metrics to assess progress toward each goal identified in subparagraph (C).

(E) Specific actions and related expenditures to achieve each goal identified in subparagraph (C), to the extent this information is not provided pursuant to subparagraph (B). The specific actions shall not supersede the provisions of existing local collective bargaining agreements within the jurisdiction of the county superintendent of schools.

(2) Commencing with the 2019–20 fiscal year and in each fiscal year thereafter, the county superintendent of schools shall submit the summary described in this subdivision with its local control and accountability plan pursuant to subdivision (a) of Section 52070.5.

(3) This subdivision shall not apply to a county superintendent of schools with jurisdiction over a single school district.

(4) On or before November 1 of each year, the department shall compile the information provided by county superintendents of schools pursuant to subparagraphs (A) and (B) of paragraph (1) into a single document and shall make this report available to the public on the department's Internet Web site.

SEC. 26. Section 52067 of the Education Code is amended to read:

52067. On or before July 1, 2015, and each year thereafter, a county board of education shall update the local control and accountability plan. The annual update shall be developed using a template adopted by the state board pursuant to Section 52064 and shall include all of the information specified in the template.

SEC. 27. Section 52074 of the Education Code is amended to read:

52074. (a) The California Collaborative for Educational Excellence is hereby established.

(b) The purpose of the California Collaborative for Educational Excellence is to advise and assist school districts, county superintendents of schools, and charter schools in achieving the goals set forth in a local control and accountability plan adopted pursuant to this article. The California Collaborative for Educational Excellence shall achieve this purpose by facilitating continuous improvement for local educational agencies within California's system of public school support.

(c) The California Collaborative for Educational Excellence shall be governed by a board consisting of the following five members:

(1) The Superintendent or his or her designee.

(2) The president of the state board or his or her designee.

(3) A county superintendent of schools appointed by the Senate Committee on Rules.

(4) A teacher appointed by the Speaker of the Assembly.

(5) A superintendent of a school district appointed by the Governor.

(d) The governing board of the California Collaborative for Educational Excellence shall select, and direct the administrative agent provided for in subdivision (e) to hire, the executive director of the California Collaborative for Educational Excellence and provide policy and program direction.

(e) The department, in consultation with the executive director of the state board and with the approval of the Department of Finance, shall contract with a local educational agency, or consortium of local educational agencies, to serve as the administrative agent for the California Collaborative for Educational Excellence. The administrative agent shall operate all aspects of the California Collaborative for Educational Excellence in accordance with the terms of its contract or contracts with the State of California, applicable statutes, and the policy and program direction of the governing board of the California Collaborative for

Educational Excellence. The Superintendent shall apportion funds appropriated for the California Collaborative for Educational Excellence to the administrative agent.

(f) Pursuant to the policy and program direction of the governing board of the California Collaborative for Educational Excellence, the administrative agent shall contract with individuals, local educational agencies, or organizations with the expertise, experience, and a record of success to carry out the purposes of this article. The areas of expertise, experience, and record of success shall include, but are not limited to, all of the following:

(1) State priorities as described in subdivision (d) of Section 52060, including the state and local indicators developed for the California School Dashboard pursuant to Section 52064.5.

(2) Improving the quality of teaching.

(3) Improving the quality of school district and schoolsite leadership.

(4) Successfully addressing the needs of special pupil populations, including, but not limited to, English learners, pupils eligible to receive a free or reduced-price meal, pupils in foster care, and individuals with exceptional needs.

(g) (1) The California Collaborative for Educational Excellence may accept a request or referral to advise and assist a school district, county superintendent of schools, or charter school pursuant to paragraph (2) or in either of the following circumstances:

(A) If the county superintendent of schools of the county in which the school district or charter school is located determines, following the provision of technical assistance pursuant to Section 52071 or 47607.3, as applicable, and the geographic lead agency of that county identified pursuant to Section 52073 agrees, that the advice and assistance of the California Collaborative for Educational Excellence is necessary to help the school district or charter school accomplish the goals described in the local control and accountability plan adopted pursuant to this article.

(B) If the Superintendent determines that the advice and assistance of the California Collaborative for Educational Excellence is necessary to help the school district, county superintendent of schools, or charter school accomplish the goals set forth in the local control and accountability plan adopted pursuant to this article.

(2) (A) If a school district receives an emergency apportionment pursuant to Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of Division 3, the school district shall be deemed to have been referred to the California Collaborative for Educational Excellence.

(B) If the California Collaborative for Educational Excellence provides assistance to a school district referred pursuant to this paragraph, the California Collaborative for Educational Excellence shall conduct a systemic review of the school district to identify needs and strategies to improve pupil academic achievement, including, but not limited to, needs identified pursuant to Sections 52052, 52064.5, and 52071. Based on the results of the systemic review, the California Collaborative for Educational Excellence shall coordinate and facilitate the assistance provided to the school district by governmental agencies to provide coherent and effective support consistent with the purpose of the statewide system of support specified in Section 52059.5. The governmental agencies may include, among others, the department, the local county superintendent, the applicable geographic lead agency, and the County Office Fiscal Crisis and Management Assistance Team. It is the intent of the Legislature that no single governmental agency providing assistance in partnership with other governmental agencies bear the full cost of assistance.

(3) Outside of the processes described in paragraphs (1) and (2), a school district, county office of education, or charter school that requests the advice and assistance of the California Collaborative for Educational Excellence shall reimburse the California Collaborative for Educational Excellence for the cost of those services pursuant to authority provided in the annual Budget Act.

(h) To the extent authority is provided in the annual Budget Act, a school district at risk of qualifying for state intervention pursuant to subdivision (b) of Section 52072 shall have priority for direct technical assistance from the California Collaborative for Educational Excellence.

(i) In addition to the functions described in subdivision (g), the California Collaborative for Educational Excellence shall do both of the following:

(1) Facilitate professional development activities that increase the capacity of local educational agencies to improve pupil outcomes in alignment with state priorities pursuant to Section 52060 and to improve performance on the state and local indicators developed for the California School Dashboard pursuant to Section 52064.5. The California Collaborative for Educational Excellence shall provide professional development in partnership with state professional associations, nonprofit organizations, and public agencies. The governing board of the California Collaborative for Educational Excellence shall determine the extent of the training that is necessary to comply with this paragraph.

(2) Produce a professional development training calendar, to be posted on the California Collaborative for Educational Excellence's Internet Web site, that publicizes all of the professional development activities offered pursuant to paragraph (1) at the local, regional, and state levels.

(j) The individuals with whom the administrative agent enters into employment contracts to carry out the purposes of this article shall be deemed employees of the administrative agent and eligible for participation in either the State Teachers' Retirement System or the Public Employees' Retirement System, as appropriate to the nature of the work to be performed by the employees.

(k) Receipt of any revenues not appropriated by the Legislature to the California Collaborative for Educational Excellence shall be subject to approval by the governing board of the California Collaborative for Educational Excellence. The governing board of the California Collaborative for Educational Excellence shall ensure that all activities, regardless of fund source, are aligned with the purpose of the California Collaborative for Educational Excellence, as described in subdivision (b).

SEC. 28. Section 60810 of the Education Code, as amended by Section 108 of Chapter 32 of the Statutes of 2018, is repealed.

SEC. 29. Section 66093.4 is added to the Education Code, to read:

66093.4. (a) It is the intent of the Legislature to affirm the ability of the University of California to provide services, benefits, and assistance to all students enrolled at the University of California.

(b) The University of California may provide services, benefits, and any other form of assistance aimed at furthering a student's educational success to all of its enrolled students who meet the eligibility requirements for any such program the University, or its campuses, establishes.

(c) The Legislature finds and declares that this section is a state law within the meaning of subdivision (d) of Section 1621 of Title 8 of the United States Code.

SEC. 30. Section 78222 of the Education Code is amended to read:

78222. (a) (1) The Student Equity and Achievement Program is hereby established.

(2) It is the intent of the Legislature that funds for the Student Equity and Achievement Program support the California Community Colleges in advancing the systemwide goal to boost achievement for all students with an emphasis on eliminating achievement gaps for students from traditionally underrepresented groups by doing all of the following:

(A) Implementing activities and practices pursuant to the California Community College Guided Pathways Grant Program.

(B) Ensuring students complete their educational goals and a defined course of study.

(C) Providing quality curriculum, instruction, and support services to students who enter college deficient in English and mathematics to ensure these students complete a course of study in a timely manner.

(b) As a condition of the receipt of funds for purposes of this section, a district shall comply with all of the following:

(1) Maintain a student equity plan pursuant to Section 78220 to ensure equal educational opportunities and to promote student success for all students, regardless of race, gender, age, disability, or economic circumstances.

(2) Provide student matriculation services pursuant to Section 78212, including implementation of orientation, counseling and advising, referral to specialized student support services, and other education planning services needed to assist a student in making informed decisions about his or her educational goal and course of study and in developing an education plan. The Office of the Chancellor of the California Community Colleges shall establish guidelines on student matriculation services, including, but not limited to, the development of an education plan leading to a course of study. Notwithstanding any other law, students who are exempted from matriculation services pursuant to Section 78215 are not subject to the requirements of this paragraph.

(3) Adopt and implement placement policies consistent with the requirements of Section 78213.

(4) Provide all students with an education plan, which identifies courses, a sequence of courses, key progress milestones, and other requirements the student must complete to earn an associate degree, career technical education certificate, other community college certificate, or meet transfer requirements. Notwithstanding any other provision of law, students who are exempted from having an education plan under Section 78215 are not subject to the requirement of this paragraph.

(5) Provide a report to the chancellor's office by January 1 of each year detailing how funding pursuant to this section was expended in the prior fiscal year and for what specific purposes. A district report shall also include an assessment of the progress in advancing the goals identified in paragraph (2) of subdivision (a).

(c) (1) If the total amount of funds appropriated for purposes of this section is equal to or greater than the amount of funds appropriated in the 2017–18 fiscal year for the Student Success and Support Program pursuant to Section 78212, the student equity plans pursuant to Section 78221, and the Student Success for Basic Skills program pursuant to Section 88815, the chancellor shall allocate to each district an amount equal to or greater than the amount allocated in the 2017–18 fiscal year.

(2) If the total amount of funds appropriated for purposes of this section is less than the amount of funds appropriated in the 2017–18 fiscal year for the Student Success and Support Program pursuant to Section 78212, the student equity plans pursuant to Section 78221, and the Student Success for Basic Skills program pursuant to Section 88815, the chancellor shall allocate to each district the pro rata share of the amount appropriated based on the amount allocated to each district in the 2017–18 fiscal year.

(3) The Board of Governors of the California Community Colleges may require districts or colleges to provide a local fund match for funding appropriated for purposes of this section.

(4) The chancellor shall provide guidance to districts regarding eligible expenditures and activities and integrated planning to ensure funding for the Student Equity and Achievement Program is used to support the goal of eliminating disparities pursuant to paragraph (2) of subdivision (a). It is the intent of the Legislature that colleges prioritize funding for high-need and disadvantaged students, as those terms are defined in subdivision (c) of Section 78221.

(5) (A) The chancellor may allocate up to 5 percent of the total funds appropriated for the purposes of this program for state administrative operations to carry out the intent of this section.

(B) Of the amount allocated pursuant to subparagraph (A), the chancellor shall allocate to a community college district no less than the amount that was provided to a district in the 2017–18 fiscal year pursuant to paragraph (1) of subdivision (b) of Section 88815 to carry out faculty and staff development to improve curriculum, instruction, student services, and program practices in the areas of basic skills and English as a second language program.

(6) By April 1 of each year, the chancellor's office shall submit a systemwide report to the Legislature and Department of Finance that provides a summary of the district reports referenced in paragraph (5) of subdivision (b). A report to the Legislature pursuant to this paragraph shall be submitted in compliance with Section 9795 of the Government Code.

(d) (1) All districts receiving an allocation of funds pursuant to subdivision (c) shall comply with the requirements of Section 78214. In meeting this requirement, the Student Success and Support Program referenced in Section 78214 shall instead mean the Student Equity and Achievement Program.

(2) For purposes of Section 87482.3, the Student Success and Support Program shall instead mean the Student Equity and Achievement Program.

SEC. 31. Section 84750.41 of the Education Code is amended to read:

84750.41. (a) There is hereby established the Community College Student Success Funding Formula Oversight Committee for the purpose of continuously evaluating and reviewing the implementation of the student success funding formula established pursuant to Section 84750.4.

(b) (1) (A) The committee shall consist of 12 members, as follows:

(i) Four members shall be appointed by the Senate Committee on Rules and shall serve at the pleasure of the Senate Committee on Rules. At least one of these members shall be employed by a community college district in a classified position.

(ii) Four members shall be appointed by the Speaker of the Assembly and shall serve at the pleasure of the Speaker of the Assembly. At least one of these members shall be a faculty member from a community college district.

(iii) Four members shall be appointed by the Governor and shall serve a four-year term. At least one of these members shall be a community college administrator.

(B) In appointing members, the appointing authority shall make every effort to ensure both of the following:

(i) There is a geographic balance of representation on the committee as a whole, with members from the northern and southern and urban and rural areas of the state.

(ii) The membership reflects a diverse expertise in higher education, taking into consideration factors, including, but not limited to, socioeconomic background and professional experience, which may include experience working in, or serving, disadvantaged communities.

(C) For members with four-year terms, vacancies on the committee shall be filled by the applicable appointing authority for the unexpired portions of the terms in which they occur.

(2) The committee shall elect one of its members as chairperson, who shall preside at all meetings, and a vice chairperson who shall preside in absence of the chairperson.

(3) Members of the committee shall serve without compensation, but the chancellor's office may reimburse members for their actual and necessary traveling expenses while on official business. Each member shall also receive one hundred dollars (\$100) for each day he or she is attending to official business.

(4) Any action taken pursuant to this section to develop a report pursuant to subdivision (c) by the committee is exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(5) All meetings of the committee shall be subject to Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code. The chancellor's office shall provide the committee with guidance and assistance, as necessary, to ensure the committee is in compliance with the requirements of this paragraph.

(6) (A) Notwithstanding Article 4.7 (commencing with Section 1125) of Chapter 1 of Division 4 of Title 1 of the Government Code, related to incompatible activities, Section 1099 of the Government Code, related to incompatible offices, or any other law, a member of the committee shall not be considered to hold an incompatible office or to be engaged in activities inconsistent or incompatible with his or her duties as a result of his or her employment or affiliation with the committee.

(B) Committee members shall not include any state legislator, member of the Board of Governors of the California Community Colleges, a trustee of a local governing board of a community college district, legislative staff, or staff from the Department of Finance.

(7) The committee shall arrive at a consensus as a condition of having a specified finding or recommendation included in the reports described in subdivision (c).

(c) (1) The committee shall review and make recommendations on the following aspects of the funding formula:

(A) The first priority of the committee shall be to review and make recommendations to the Legislature and the Department of Finance on or before January 1, 2020, on the following elements and their inclusion in the supplemental allocation of the funding formula including a proposed implementation plan.

(i) First-generation college students, including a timeline for data collection and incorporation into the funding formula by no later than the 2022–23 fiscal year.

(ii) The definition of a low-income student in subdivision (e) of Section 84750.4, and whether to adjust the point system to better reflect low-income students in regions of the state with a high cost of living.

(iii) Incoming students' level of academic proficiency, which may include, but is not limited to, measures such as performance on a nationally recognized high school assessment, high school coursework, high school grades or grade point average, or achievement of a high school diploma.

(B) The other priority of the committee shall be to review and make recommendations to the Legislature and the Department of Finance on or before June 30, 2021, on the following elements and their inclusion in the applicable allocation of the funding formula, including an implementation plan:

(i) Noncredit instruction and instructional service agreements, and whether these should be incorporated as part of the base and supplemental allocations of the funding formula.

(ii) How district allocations could be adjusted if a recession were to occur.

(2) Nothing in this subdivision shall preclude the committee from submitting interim reports.

(d) (1) The chancellor's office shall issue a request for application to select the staff to support the work on the committee. Notwithstanding any other law, a representative from each of the Assembly, the Senate, and the Department of Finance shall jointly evaluate the submitted applications and select the application to staff the work on the committee. The chancellor's office shall execute and fund the contract with the selected applicant pursuant to the final selection.

(2) It is the intent of the Legislature that the chancellor's office will share data and information with the committee and the selected applicant related to the work of the committee.

(e) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 32. 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 (f) incurred in the same fiscal year during which the school district or county office of education received funding pursuant to this section.

(d) Commencing with the 2017–18 fiscal year, the per unit average daily attendance funding rates specified in the provisions of Item 6100-296-0001 of the annual Budget Act shall be adjusted annually by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

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

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

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

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

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

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

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

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

Chapters 133 and 754 of the Statutes of 2001).

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

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

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

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

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

(15) Consolidated Suspensions, Expulsions, and Expulsion Appeals (96-358-03, 03A, 98-TC-22, 01-TC-18, 98-TC-23, 97-TC-09; Chapters 972 and 974 of the Statutes of 1995; Chapters 915, 937, and 1052 of the Statutes of 1996; Chapter 637 of the Statutes of 1997; Chapter 489 of the Statutes of 1998; Chapter 332 of the Statutes of 1999; Chapter 147 of the Statutes of 2000; and Chapter 116 of the Statutes of 2001) (CSM 4455; Chapter 1253 of the Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 668 of the Statutes of 1978; Chapter 318 of the Statutes of 1982; Chapter 498 of the Statutes of 1983; Chapter 622 of the Statutes of 1984; Chapter 942 of the Statutes of 1987; Chapter 1231 of the Statutes of 1990; Chapter 152 of the Statutes of 1992; Chapters 1255, 1256, and 1257 of the Statutes of 1993; and Chapter 146 of the Statutes of 1994) (CSM 4456; Chapter 965 of the Statutes of 1977; Chapter 668 of the Statutes of 1978; Chapter 73 of the Statutes of 1980; Chapter 498 of the Statutes of 1983; Chapter 856 of the Statutes of 1985; and Chapter 134 of the Statutes of 1987) (CSM 4463; Chapter 1253 of the Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 668 of the Statutes of 1978; and Chapter 498 of the Statutes of 1983).

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

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

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

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

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

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

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

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

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

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

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

- (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-TC-06; 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) Training for School Employee Mandated Reporters (14-TC-02; Chapter 797 of the Statutes of 2014).
- (47) Uniform Complaint Procedures (03-TC-02; Chapter 1117 of the Statutes of 1982; Chapter 1514 of the Statutes of 1988; and Chapter 914 of the Statutes of 1998).
- (48) Williams Case Implementation I, II, and III (05-TC-04, 07-TC-06, and 08-TC-01; Chapters 900, 902, and 903 of the Statutes of 2004; Chapter 118 of the Statutes of 2005; Chapter 704 of the Statutes of 2006; and Chapter 526 of the Statutes of 2007).

(g) Notwithstanding Section 10231.5, on or before November 1 of each fiscal year, the Superintendent of Public Instruction shall produce a report that indicates the total amount of block grant funding each school district, county office of education, and charter school received in that fiscal year pursuant to this section. 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. 33. Section 17581.97 of the Government Code is amended to read:

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

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

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

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

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

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

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

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

(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, one hundred three million three thousand dollars (\$103,003,000) of the appropriations made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2016–17 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2016–17 fiscal year.

(g) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, two hundred ninety-four million seven hundred fifty-six thousand dollars (\$294,756,000) of the appropriations made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2017–18 fiscal year, and included within the “total allocations to school districts and community college

districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2017–18 fiscal year.

(h) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, three hundred million dollars (\$300,000,000) of the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2018–19 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2018–19 fiscal year.

SEC. 34. Section 28160 of the Vehicle Code is amended to read:

28160. (a) On or before January 1, 2018, the department shall adopt regulations governing the specifications, installation, and use of child safety alert systems.

(b) (1) (A) Except as provided in subparagraphs (B) and (C), on or before March 1, 2019, each schoolbus, school pupil activity bus, except school pupil activity buses described in paragraph (2), youth bus, and child care motor vehicle shall be equipped with an operational child safety alert system.

(B) If a school district, county office of education, or charter school with an average daily attendance of 4,000 pupils or fewer, or a private school with 4,000 pupils or fewer in attendance, cannot meet the requirements of this section on or before March 1, 2019, the school district, county office of education, charter school, or private school shall submit to the department, on or before March 1, 2019, documentation that demonstrates that it has, before March 1, 2019, ordered or purchased the child safety alert system or child safety alert systems, and includes an estimate of repairs or installation, the total number of vehicles described in subparagraph (A) in the fleet and the number of vehicles described in subparagraph (A) that do not have an installed child safety alert system, the proposed date of installation, and the name of the vendor or individual who will install the child safety alert system or child safety alert systems. Upon providing this documentation, the school district, county office of education, charter school, or private school shall have an additional six months, not to extend beyond September 1, 2019, to meet the requirements of this section.

(C) Any entity other than a school district, county office of education, charter school, or private school that operates a schoolbus, school pupil activity bus, except school pupil activity buses described in paragraph (2), youth bus, or child care motor vehicle that is subject to the requirements of this section may submit documentation as specified in subparagraph (B) to the department. Upon providing this documentation, the entity shall have an additional six months, not to extend beyond September 1, 2019, to meet the requirements of this section.

(D) This section shall apply to all school districts, county offices of education, charter schools, and private schools, including those that began the 2018–19 school year before September 1, 2018.

(2) A school pupil activity bus is not required to be equipped with an operational child safety alert system if all of the following apply:

(A) The school pupil activity bus is not used exclusively to transport pupils.

(B) When the school pupil activity bus is used to transport pupils, the pupils are accompanied by at least one adult chaperone selected by a school official. If an adult chaperone is not a school employee, the chaperone shall meet the requirements for a school volunteer established by the policies of the school district, county office of education, charter school, or private school.

(C) One adult chaperone has a list of every pupil and adult chaperone, including a school employee, who is on the school pupil activity bus at the time of departure.

(D) The driver has reviewed all safety and emergency procedures before the initial departure and the driver and adult chaperone have signed a form with the time and date acknowledging that the safety plan and procedures were reviewed.

(E) Immediately before departure from any location, the adult chaperone shall account for each pupil on the list of pupils, verify the number of pupils to the driver, and sign a form indicating that all pupils are present or accounted for.

(F) After pupils have exited a school pupil activity bus, and before driving away, the driver shall check all areas of the bus, including, but not limited to, overhead compartments and bathrooms, to ensure that the bus is vacant.

(G) The driver shall sign a form with the time and date verifying that all required procedures have been followed.

(H) The information required to be recorded pursuant to subparagraphs (D), (E), and (G) may be recorded on a single form. These forms shall be retained by the school district, county office of education, charter school, or private school for a

minimum of two years.

(c) The department shall consult with the State Department of Education to develop frequently asked questions related to the implementation of this section and of Section 1294 of Title 13 of the California Code of Regulations. The department shall also consult with, at a minimum, the California Association of School Transportation Officials when developing the frequently asked questions. The department and the State Department of Education shall each post the frequently asked questions on their respective Internet Web sites.

(d) A "child safety alert system" is a device located at the interior rear of a vehicle that requires the driver to either manually contact or scan the device before exiting the vehicle, thereby prompting the driver to inspect the entirety of the interior of the vehicle before exiting.

(e) For purposes of this section, the following definitions apply:

(1) "Child care motor vehicle" means a vehicle designed, used, or maintained for more than eight persons, including the driver, that is used by a child care provider to transport children.

(2) "Child care provider" has the same meaning as provided for "day care center" in Section 1596.76 of the Health and Safety Code.

SEC. 35. Section 77 of Chapter 15 of the Statutes of 2017 is amended to read:

Sec. 77. (a) For the 2017–18 fiscal year, the sum of four hundred thousand dollars (\$400,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for support and development of the Local Control Accountability Plan Electronic Template system and the California School Dashboard mobile app.

(b) (1) For the purpose specified 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 contracts with the San Joaquin County Office of Education. Of the amount appropriated, three hundred fifty thousand dollars (\$350,000) shall be used to host, maintain, and support the development of the Local Control Accountability Plan Electronic Template system. The remaining fifty thousand dollars (\$50,000) shall be available for encumbrance through the 2018–19 fiscal year and used to support and develop the California School Dashboard mobile app.

(2) When performing these activities, the San Joaquin County Office of Education may enter into appropriate contracts for the provision of support and services, as necessary, and shall ensure alignment of the electronic template and mobile app with California's accountability system, including, but not limited to, the School Accountability Report Card and the California School Dashboard, 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 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. 36. Section 131 of Chapter 32 of the Statutes of 2018 is amended to read:

Sec. 131. (a) For the 2018–19 fiscal year, the sum of fifteen million dollars (\$15,000,000) is hereby appropriated from the General Fund to the State Department of Education for allocation for grants pursuant to Section 8460 of the Education Code to be available for the 2018–19, 2019–20, and 2020–21 fiscal years.

(b) 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 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.

SEC. 37. Section 133 of Chapter 32 of the Statutes of 2018 is amended to read:

Sec. 133. (a) The sum of fifty million dollars (\$50,000,000), is hereby appropriated to the Controller for transfer to Section A of the State School Fund for allocation by the State Department of Education for the Classified School Employee Summer Assistance Program.

(b) The Classified School Employee Summer Assistance Program shall provide a participating classified employee up to one dollar (\$1) for each one dollar (\$1) that the classified employee has elected to have withheld from his or her monthly paychecks

pursuant to this section.

(c) For the 2019–20 school year, a local educational agency may elect to participate in the Classified School Employee Summer Assistance Program. A participating local educational agency shall notify classified employees by January 1, 2019, that the local educational agency has elected to participate in the Classified School Employee Summer Assistance Program for the next school year. Once a local educational agency elects to participate in the Classified School Employee Summer Assistance Program and notifies classified employees pursuant to this subdivision, the local educational agency is prohibited from reversing its decision to participate in the Classified School Employee Summer Assistance Program for the 2019–20 school year.

(d) (1) A classified employee that elects to participate in the Classified School Employee Summer Assistance Program shall notify the local educational agency, in writing, by March 1, 2019, on a form developed by the State Department of Education that he or she wishes to participate in the Classified School Employee Summer Assistance Program for the 2019–20 school year. The classified employee shall specify the amount to be withheld from his or her monthly paychecks during the 2019–20 school year and whether he or she chooses to have the amounts withheld paid out during the summer recess period in one or two payments. A participating classified employee may elect to have up to 10 percent of his or her monthly pay withheld during the school year.

(2) A classified employee shall be eligible to participate in the Classified School Employee Summer Assistance Program if the classified employee has been employed with the local educational agency for at least one year at the time the classified employee elects to participate in the Classified School Employee Summer Assistance Program.

(3) A classified employee shall be eligible to participate in the Classified School Employee Summer Assistance Program if the classified employee is employed by the local educational agency for fewer than 12 months per fiscal year.

(4) A classified employee shall not be eligible to participate in the Classified School Employee Summer Assistance Program if the classified employee's regular annual pay received directly from the local educational agency is more than two times the full-time pay of a classified employee, paid at the state minimum wage for an entire school year, at the time of enrollment. For purposes of determining a classified employee's regular annual pay received directly from the local educational agency, the employing local educational agency shall exclude any pay received by the classified employee during the summer recess period of the previous fiscal year. For purposes of this section, "summer recess period" means the period that regular class sessions are not being held by a local educational agency during the months of June, July, and August.

(e) A local educational agency that elects to participate in the Classified School Employee Summer Assistance Program shall notify the State Department of Education in writing, by April 1, 2019, on a form developed by the State Department of Education that it has elected to participate in the Classified School Employee Summer Assistance Program. The local educational agency shall specify the number of classified employees that have elected to participate in the Classified School Employee Summer Assistance Program and the total estimated amount to be withheld from participating classified employee paychecks for the 2019–20 school year.

(f) The State Department of Education shall notify participating local educational agencies in writing, by May 1, 2019, of the estimated amount of state match funding that a participating classified employee can expect to receive as a result of participating in the Classified School Employee Summer Assistance Program. If the funding provided pursuant to subdivision (a) is insufficient to provide one dollar (\$1) for each one dollar (\$1) that has been withheld from participating classified employee monthly paychecks, the State Department of Education shall notify local educational agencies of the expected prorated amount of state match funds that a participating classified employee can expect to receive as result of participating in the Classified School Employee Summer Assistance Program.

(g) Participating local educational agencies shall notify participating classified employees by June 1, 2019, the amount of estimated state match funds that a participating classified employee can expect to receive as a result of participating in the Classified School Employee Summer Assistance Program. After receiving that notification, a classified employee may withdraw his or her election to participate in the Classified School Employee Summer Assistance Program or reduce the amount to be withheld from his or her paycheck pursuant to paragraph (1) of subdivision (d) by notifying his or her employing local educational agency no later than 30 days after the start of the school year.

(h) The local educational agency shall deposit the amounts withheld from participating classified employee monthly paychecks in accordance with the choices made by each participating classified employee pursuant to subdivision (d) in a separate account.

(i) A classified employee that separates from employment with a local educational agency during the 2019–20 school year may request from the local educational agency any pay withheld from his or her paycheck pursuant to this section. However, the classified employee shall not be entitled to receive any state match funds provided pursuant to this section.

(j) Participating local educational agencies shall request payment from the State Department of Education on or before July 31, 2020, on a form developed by the State Department of Education, for the amount of classified employee pay withheld from the monthly paychecks of participating classified employees and placed in a separate account pursuant to subdivision (h).

(k) The State Department of Education shall apportion funds to participating local educational agencies within 30 days of receiving a request for payment by the participating local educational agency pursuant to subdivision (j). The apportionment shall be determined for each local educational agency by the State Department of Education on the basis of the amount that has been withheld from the monthly paychecks of participating classified employees and placed in a separate account pursuant to subdivision (h).

(l) If the total amount requested by participating local educational agencies exceeds the amount appropriated pursuant to subdivision (a), the State Department of Education shall prorate the amount apportioned to participating local educational agencies accordingly, consistent with the determination made pursuant to subdivision (f).

(m) The participating local educational agency shall pay participating classified employees the amounts withheld in accordance with the classified employee's choices, plus the amount apportioned by the State Department of Education that is attributable to the amount withheld from that classified employee's paychecks during the school year. This amount shall be paid to the participating classified employee during the summer recess period, in either one or two payments, in accordance with the classified employee's option pursuant to subdivision (d).

(n) The state match funding received by participating classified employees pursuant to this section shall not be considered compensation for the purposes of determining retirement benefits for the California Public Employees' Retirement System or the California State Teachers' Retirement System.

(o) For purposes of this section, "local educational agency" means a school district or county office of education.

(p) 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 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.

SEC. 38. Section 134 of Chapter 32 of the Statutes of 2018 is amended to read:

Sec. 134. (a) For the 2018–19 fiscal year, the sum of fifty million dollars (\$50,000,000) is hereby appropriated from the General Fund to the State Department of Education to establish the Classified School Employee Professional Development Block Grant Program. For purposes of the Classified School Employee Professional Development Block Grant Program, the State Department of Education shall:

(1) Apportion forty-five million dollars (\$45,000,000) of the block grant funds to local educational agencies based on the number of classified school employees employed by the local educational agency in the immediately preceding fiscal year.

(2) Provide the Office of the Chancellor of the California Community Colleges five million dollars (\$5,000,000) for professional development for classified community college employees pursuant to paragraph (2) of subdivision (b). The chancellor's office shall apportion funding to community college districts based on the number of classified community college employees employed by the community college district in the immediately preceding fiscal year.

(b) (1) A local educational agency shall expend funds received pursuant to this section for any purpose described in Section 45391 of the Education Code, with first priority being for professional development for the implementation of school safety plans, as set forth in Article 5 (commencing with Section 32280) of Chapter 2.5 of Part 19 of Division 1 of Title 1 of the Education Code, if applicable.

(2) The Office of the Chancellor of the California Community Colleges shall provide community college districts with guidance regarding the expenditure of funds to support professional development for classified community college employees. This guidance shall include a requirement that a community college district consult with the exclusive representative of its classified staff in determining what professional development services or opportunities are provided to classified community college employees.

(c) For purposes of this section, the following terms have the following meanings:

(1) "Classified community college employee" means a person employed by a community college district in a classified position.

(2) "Classified school employee" means a full-time equivalent of classified staff, as reported in the California Basic Educational Data System.

(3) "Local educational agency" means a school district, county office of education, or charter school.

(d) (1) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the amount described in paragraph (1) of subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as

defined in subdivision (c) of Section 41202 of the Education Code, for the 2017–18 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2017–18 fiscal year.

(2) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the amount described in paragraph (2) of subdivision (a) shall be deemed to be “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202 of the Education Code, for the 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. 39. (a) For the 2018–19 fiscal year, the sum of twenty-one million one hundred forty-six thousand dollars (\$21,146,000) is hereby appropriated from the General Fund to the California School Finance Authority established pursuant to Section 17172 of the Education Code. This appropriation shall be available to the California School Finance Authority to support programmatic costs for the Charter School Facility Grant Program established pursuant to Section 47614.5 of the Education Code attributable to the 2017–18 fiscal year.

(b) 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 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. 40. (a) For the 2018–19 fiscal year, the sum of two hundred thousand dollars (\$200,000) is hereby appropriated from the General Fund to the State Department of Education to support updating the Local Control Accountability Plan Electronic Template system to reflect changes to the template for a local control and accountability plan and an annual update to the local control and accountability plan, as described in Section 52064 of the Education Code.

(b) (1) For the purposes specified 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 contracts with the San Joaquin County Office of Education.

(2) When performing these activities, the San Joaquin County Office of Education may enter into appropriate contracts for the provision of support and services, as necessary.

(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 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.

SEC. 41. With respect to Section 5 of this act, the Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the financial distress faced by the Inglewood Unified School District, the Oakland Unified School District, the South Monterey County Joint Union High School District, and the Vallejo City Unified School District.

SEC. 42. With respect to Section 16 of this act, the Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the financial distress faced by the Oakland Unified School District and the Inglewood Unified School District.

SEC. 43. 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, except that funding provided for school districts, county offices of education, and charter schools pursuant to Sections 2574, 2575, 2575.2, 42238.02, and 42238.03, as applicable, shall be used to directly offset any mandated costs.

SEC. 44. 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.