



*California*  
LEGISLATIVE INFORMATION

AB-1610 Education finance. (2009-2010)

**Assembly Bill No. 1610**

CHAPTER 724

An act to amend Sections 2558.46, 8223, 8335.4, 8335.5, 8335.7, 8357, 8450, 14041.5, 14041.6, 37252.2, 41203.1, 42238.146, 42606, 44396, 47614.5, 47634.4, 48260.5, 48262, 52055.770, 54026, 56523, and 84043 of, to amend and repeal Section 84321.5 of, to add Sections 14041.7, 41207.4, 42238.24, 54021.1, 54021.2, 84321.6, and 99221.5 to, to add Chapter 3.5 (commencing with Section 66150) to Part 40 of Division 5 of Title 3 of, to repeal Section 92612.5 of, and to repeal Chapter 4 (commencing with Section 400) of Part 1 of Division 1 of Title 1 of, the Education Code, to amend Section 17581.5 of the Government Code, to amend Section 38 of Chapter 12 of the Third Extraordinary Session of the Statutes of 2009, to amend Section 5 of Chapter 3 of the Fourth Extraordinary Session of the Statutes of 2009, and to amend Section 1 of Chapter 221 of the Statutes of 2010, relating to education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[ Approved by Governor October 19, 2010. Filed with Secretary of State  
October 19, 2010. ]

LEGISLATIVE COUNSEL'S DIGEST

AB 1610, Committee on Budget. Education finance.

(1) Existing law establishes the English Language Acquisition Program, which is designed for pupils enrolled in grades 4 to 8, inclusive, and requires local educational agencies, as defined, participating in the program to conduct assessments, to provide an instructional program, to provide supplemental instructional support, and to coordinate available services and funding. Existing law requires the Superintendent of Public Instruction to allocate annually to each participating local educational agency \$100 for each pupil participating in the program and a one-time \$100 allocation for pupils in kindergarten or grades 1 to 12, inclusive, who are reclassified to English-fluent status.

This bill would repeal the program and would require the Superintendent to increase the amount of economic impact aid received by a school district by the amount the district received from the English Language Acquisition Program for the 2009–10 fiscal year. The bill would continue in existence the English Language Development Professional Institutes and would authorize a local educational agency to use economic impact aid funds for those purposes.

(2) Existing law requires a revenue limit to be calculated for each county superintendent of schools, adjusted for various factors, and reduced, as specified. Existing law reduces the revenue limit for each county superintendent of schools for the 2009–10 fiscal year by a deficit factor of 18.250%.

This bill would maintain the deficit factor for each county superintendent of schools for the 2010–11 fiscal year at 18.621%.

(3) The Child Care and Development Services Act, administered by the State Department of Education, provides that children up to 13 years of age are eligible, with certain requirements, for child care and development services. Existing law provides for child care alternative payment programs, the purpose of which is to provide

for parental choice in child care. Existing law requires reimbursement for alternative payment programs to include the cost of child care, plus administrative and support services. Under existing law, the total cost for administrative and support services is not permitted to exceed 19% of the total contract amount.

This bill would instead provide that the administrative and support services costs would not be permitted to exceed 17.5% of the total contract amount.

(4) Existing law requires the Superintendent of Public Instruction to administer child care and development programs that offer a full range of services for eligible children from infancy to 13 years of age. Existing law, until January 1, 2011, authorizes the City and County of San Francisco, as a pilot project, to develop and implement an individualized county child care subsidy plan, and provides for the repeal of those provisions on January 1, 2013.

This bill would authorize the City and County of San Francisco to implement an individualized county child care subsidy plan until July 1, 2013, and would require the city and county to phase out the plan and implement the state's requirements for child care subsidies as of July 1, 2015. The bill would require the city and county, on or before June 30, 2013, to submit a final report to the Legislature and other specified entities that summarizes the impact of the plan. The bill would make those provisions inoperative on July 1, 2015, and would repeal those provisions on January 1, 2016.

(5) Existing law requires the cost of state-funded child care services to be governed by regional market rates and requires a regional market rate ceiling to be established at the 85th percentile of the 2005 regional market rate survey for that region.

This bill would set the reimbursement rate for license-exempt providers at 80% of the regional market rate ceiling.

(6) Existing law encourages all child development contractors to develop and maintain a reserve within the child development fund, derived from earned but unexpended funds. Existing law allows child development contractors to retain all earned funds, as defined. Existing law requires that earned but unexpended funds remain in the contractor's reserve account within the child development fund and be expended only by direct service child development programs that are funded under contract with the State Department of Education.

This bill, commencing July 1, 2011, would allow a child development contractor operating a direct service child development program to retain a reserve fund balance equal to 5% of the sum of the maximum reimbursable amounts of all contracts to which the contractor is a party, or \$2,000, whichever is greater.

(7) Existing law requires the Controller to draw warrants on the State Treasury in each month of each year in specified amounts for purposes of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of those warrants, as specified.

This bill would defer additional specified amounts of the warrants for school districts and county superintendents of schools for April and May to July.

The bill would allow up to \$100,000 of the amount of the warrants for the principal apportionments for June that are deferred until July to be drawn instead in June for a charter school or school district that will be unable to meet its financial obligation for June if specified criteria are met. The bill would authorize additional payments for school districts and county superintendents of schools of up to \$300,000,000 if sufficient cash is available.

The bill also would authorize the Controller to issue warrants for a community college district that include the full amount of deferred apportionments if the president of the district certifies to the Chancellor of the California Community Colleges and the Director of Finance that the deferral of warrants will result in the district being unable to meet its expenditure obligations, as specified.

(8) Existing law limits the amount of specified revenue limit apportionments that counts towards the minimum funding obligation for the following fiscal year to \$1,101,655,000.

This bill would increase that amount by \$500,000,000.

(9) Existing law requires the governing board of a school district maintaining any of grades 2 to 9, inclusive, to offer programs of direct, systematic, and intensive supplemental instruction to pupils enrolled in grades 2 to 9, inclusive, who have been recommended for retention or who have been retained at their grade for the next year.

This bill would make this requirement inoperative from the date this bill is enacted until July 1, 2013, during which time school districts would be relieved from performing any activities under this provision that are deemed to be reimbursable state mandates.

(10) Existing law requires, for the 1990–91 fiscal year and each fiscal year thereafter, that moneys to be applied by the state for the support of school districts, community college districts, and direct elementary and secondary level instructional services provided by the state be distributed in accordance with certain calculations governing the proration of those moneys among the 3 segments of public education. Existing law makes that provision inapplicable to the fiscal years between 1992–93 and 2009–10, inclusive.

This bill would make that provision inapplicable to the 2010–11 fiscal year.

(11) Section 8 of Article XVI of the California Constitution imposes on the state annual minimum funding requirements for school districts and community college districts.

The bill would appropriate \$210,100,000 from the General Fund to the Controller for allocation to school districts and community college districts for the purpose of offsetting the 2009–10 outstanding balance of the state minimum funding obligation. The bill would require this appropriation to be distributed to school districts in a manner that reflects the proportion of regular average daily attendance in school districts and to community college districts based on enrolled full-time equivalent students.

The bill would apply the appropriation to the outstanding balance of the minimum funding obligation to school districts and community college districts for the 2009–10 fiscal year, and deem the appropriations to be made and allocated in that fiscal year in which the deficiencies resulting in the outstanding balance were incurred.

The bill would require funding received by school districts and community college districts pursuant to this appropriation to first be deemed to be paid in satisfaction of any outstanding claims for reimbursement of state-mandated local costs for any fiscal year and would authorize funds received in excess of amounts offsetting mandate claims to be used for any other one-time purpose, as determined by the governing board of the school district or community college district.

(12) Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county and requires the amount of the revenue limit to be adjusted for various factors. Existing law reduces the revenue limit for each school district for the 2009–10 fiscal year by a deficit factor of 18.355%.

This bill would maintain the deficit factor for each school district for the 2010–11 fiscal year at 17.963%.

(13) Existing law specifies the courses a pupil is required to complete in order to receive a diploma of graduation from high school.

This bill would require that costs related to the salaries and benefits of teachers incurred by a school district or county office of education to provide those courses be offset by specified state funding and would require the proportion of the school district's current expense of education that is required to be expended for payment of the salaries of classroom teachers to first be allocated to fund the teacher salary costs incurred to provide the courses required by the state.

(14) Existing law authorizes a local educational agency, including a direct-funded charter school, to apply for any state categorical program funding included in the annual Budget Act on behalf of a school that begins operation in the 2008–09 to the 2012–13 fiscal years, inclusive.

This bill would require the Superintendent to allocate a supplemental categorical block grant for the 2010–11 fiscal year to a charter school that begins operation in the 2008–09, 2009–10, or 2010–11 fiscal year and would authorize the charter school to use the block grant funds to be used for any educational purpose.

(15) Existing law makes a teacher who attains certification from the National Board for Professional Teaching Standards and meets other specified criteria eligible for an award. Existing law requires a school district that receives an application for an award to certify the applicant's employment and that the applicant meets the criteria and to submit the application to the State Department of Education for its review and approval.

This bill would eliminate the school district's obligations under this program.

(16) Existing law establishes the Charter School Facility Grant Program to provide assistance with facilities rent and lease costs for pupils in charter schools and requires the Superintendent of Public Instruction to allocate annually the facilities grants to eligible charter schools no later than October 1 of each fiscal year. Existing law

requires funding appropriated for this program in the 2009–10 fiscal year be used first to reimburse eligible charter schools for rent or lease costs for the 2008–09 fiscal year.

This bill would require the grants to be allocated, instead, for the current school year rent and lease costs, but would require the department to first use the funding appropriated for the program to reimburse eligible charter schools for unreimbursed rent or lease costs for the prior school year.

(17) Existing law requires a school district to notify a pupil's parent or guardian, by first-class mail or other reasonable means, when the pupil is initially classified as a truant.

This bill would require the notification instead to be made using the most cost-effective method possible and would specify that this may include electronic mail or a telephone call.

(18) Existing law deems a pupil to be an habitual truant if the pupil is reported as a truant 3 or more times per school year unless an appropriate district officer or employee has made a conscientious effort to hold at least one conference with a parent or guardian of the pupil and the pupil himself, after the filing of specified required reports.

This bill would define "conscientious effort" for purposes of this provision.

(19) Existing law appropriates specified amounts for various fiscal years for allocation by the Superintendent of Public Instruction and the Chancellor of the California Community Colleges for purposes of improving and expanding career technical education in public secondary education and lower division public higher education.

This bill, in addition, would appropriate specified amounts for the 2009–10 and 2010–11 fiscal years for allocation by the Superintendent and the chancellor for those purposes.

(20) Existing law provides for the administration and operation of public schools in juvenile halls, juvenile homes, day centers, juvenile ranches, juvenile camps, regional youth educational facilities, or Orange County youth correctional centers, as specified. Existing law requires the Superintendent of Public Instruction to compute an inflation-adjusted revenue limit for juvenile court school programs operated by a county superintendent of schools.

This bill would make a county juvenile court school eligible to receive economic impact aid funding commencing with the 2010–11 fiscal year.

(21) Existing law requires the Superintendent of Public Instruction to develop, and the State Board of Education to adopt, regulations governing the use of behavioral interventions with individuals with exceptional needs receiving special education and related services.

This bill would specify that this provision and its implementing regulations are declaratory of federal law and are intended to provide the clarity, definition, and specificity necessary for local educational agencies to comply with the federal Individuals with Disabilities Education Act. The bill would provide that this provision and the implementing state regulations shall not exceed the requirements of federal law, create new or separate state requirements, or result in a level of state service beyond that needed to comply with federal law and regulations. The bill would require local educational agencies to agree to adhere to implementing federal and state regulations as a condition of choosing to receive funding from the federal Individuals with Disabilities Education Act. The bill would authorize the Superintendent to monitor the compliance of local educational agencies and take appropriate action, including fiscal repercussions, if a local educational agency fails to comply or fails to implement the decision of a due process hearing officer based on noncompliance, as specified.

(22) Existing law, known as the Donahoe Higher Education Act, provides for a public postsecondary education system in this state. The University of California, which is administered by the Regents of the University of California, and the California State University, which is administered by the Trustees of the California State University, are 2 of the segments of the public postsecondary education system in this state. The provisions of the Donahoe Higher Education Act apply to the University of California only to the extent that the Regents of the University of California act by resolution to make them applicable.

Existing law authorizes the Trustees of the California State University to require that fees, among other charges, be paid by students at that institution. Existing provisions of the California Constitution require the Regents of the University of California to have all powers necessary or convenient for the effective administration of the university.

This bill would prohibit the Trustees of the California State University from allocating, and would request the Regents of the University of California to not allocate, any fees that are proposed by a student body

organization, as defined, and imposed pursuant to a vote of the students registered at a campus, branch, or location of the respective institution, for purposes of supporting intercollegiate athletics programs for any purpose or in any amount not approved by the vote of the students. The bill would require the trustees, and request the regents, at the end of an academic year, to refund to each fee-paying student a pro rata share of any portion of the fee that is not allocated for the authorized purposes during that academic year.

(23) Existing law, for the 2009–10 to 2012–13 fiscal years, inclusive, authorizes a community college district to use funds apportioned to the district for specified categorical programs, including career technical education, for purposes of a prescribed list of programs.

This bill would exclude funds apportioned for career technical education from the funds a community college district is authorized to use for other purposes.

(24) Existing law requires the Board of Governors of the California Community Colleges to adopt regulations for the payment of apportionments to community college districts. Existing law, notwithstanding the board of governors' authority in this respect, makes various adjustments to the payment of these apportionments.

This bill, commencing January 1, 2011, would revise the manner in which these apportionments are made according to specified criteria. The bill would appropriate \$832,000,000 from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts, to be expended in accordance with a specified schedule.

The bill would appropriate \$25,000,000 from the General Fund to the Chancellor of the California Community Colleges for the economic development program and would defer \$25,000,000 of that amount to July 2011. The bill would appropriate \$35,000,000 from the General Fund to the Chancellor of the California Community Colleges for specified categorical programs and would defer that amount to July 2011.

(25) Existing law expresses the intent of the Legislature that no new General Fund augmentation be made available for contributions to the University of California Retirement Plan.

This bill would repeal this provision.

(26) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions.

Existing law provides that no local agency or school district is required to implement or give effect to any statute or Executive order, or portion thereof, that imposes a mandate during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if specified conditions are met, including that the statute or Executive order, or portion thereof, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. Existing law provides that only certain specified mandates are subject to that provision.

This bill would specify additional mandates relating to school districts and community college districts to those that are subject to the provision. The bill additionally would request the Department of Finance to file a request with the Commission on State Mandates, on or before December 31, 2010, for the purposes of seeking the adoption of a new test claim to supersede the collective bargaining mandate.

The bill would require the Controller to take specified actions regarding the school accountability report card mandate.

The bill would require the Legislative Analyst's Office to convene a working group, as specified, to consider the future of school district and community college district mandates and would require the working group to develop recommendations by March 15, 2011, including whether to preserve, modify, or eliminate particular mandates.

(27) Existing law appropriates \$570,000,000 for class size reduction in kindergarten and grades 1 to 3, inclusive, to be expended consistent with the specified requirements.

This bill would reduce that appropriation to \$230,044,000 and would identify funds that the State Department of Education would be required to use if the funds appropriated for this program are insufficient.

The bill would require the Superintendent of Public Instruction to certify to the Controller the amounts needed for the 2010–11 fiscal year to fund the class size reduction program and set forth a schedule for the transfer of

that funding. The bill would require the Controller to transfer that funding from the General Fund to the State School Fund, thereby making an appropriation. The bill would require the Superintendent, before making each certification, to notify the Department of Finance, the Legislative Analyst, and the appropriate policy and fiscal committees of the Legislature regarding the amounts the Superintendent intends to certify and would require the notification to include the data used in determining the amounts to be certified.

(28) Existing law appropriates \$903,845,000 from the Federal Trust Fund, pursuant to a specified schedule, to the State Department of Education, the Board of Governors of the California Community Colleges, the University of California, and the California State University for the 2010–11 fiscal year.

This bill would increase that appropriation to \$906,845,000.

(29) This bill would revert to the General Fund specified amounts from specified office reference items in the Controller's office that would have been applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution for the 2009–10 fiscal year and was unallocated, unexpended, or not liquidated as of June 30, 2010, and appropriate \$339,956,000 from the General Fund to the Superintendent of Public Instruction for allocation for the 2010–11 fiscal year for special education to satisfy obligations incurred during the 2009–10 fiscal year. This appropriation 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 for the 2010–11 fiscal year.

The bill would reduce 3 prior reversions to the General Fund from specified office reference items in the Controller's office that would have been applied toward the minimum funding requirements and were unallocated, unexpended, or not liquidated as of June 30, 2009.

(30) This bill would appropriate \$905,700,000 from the General Fund to the State Department of Education for 10 specified programs according to a specified schedule, and would require the department to encumber these funds by July 31, 2011. The bill would provide that, for purposes of satisfying the minimum annual funding obligation for school districts required by the California Constitution, the appropriated funds are General Fund revenues appropriated for school districts and community college districts for the 2011–12 fiscal year.

(31) This bill would set the cost-of-living adjustment for specified items in the Budget Act of 2010 at 0% for the 2010–11 fiscal year notwithstanding the cost-of-living adjustment specified in existing statutes.

(32) This bill would require funds appropriated pursuant to specified items in the Budget Act of 2009 to be encumbered by July 31, 2011.

(33) The 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.

(34) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: yes Fiscal Committee: yes Local Program: no

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

**SECTION 1.** Chapter 4 (commencing with Section 400) of Part 1 of Division 1 of Title 1 of the Education Code is repealed.

**SEC. 2.** Section 2558.46 of the Education Code is amended to read:

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

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

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

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

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

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

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

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

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

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

**SEC. 3.** Section 8223 of the Education Code is amended to read:

**8223.** The reimbursement for alternative payment programs shall include the cost of child care paid to child care providers plus the administrative and support services costs of the alternative payment program. The total cost for administration and support services shall not exceed an amount equal to 17.5 percent of the total contract amount. The administrative costs shall not exceed the costs allowable for administration under federal requirements.

**SEC. 4.** Section 8335.4 of the Education Code is amended to read:

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

(b) The City and County of San Francisco shall submit an interim report to the Legislature, the State Department of Social Services, and the department on or before December 31, 2010, and shall submit a final report to those entities on or before June 30, 2013, summarizing the impact of the plan on the child care needs of working families in the city and county.

**SEC. 5.** Section 8335.5 of the Education Code is amended to read:

**8335.5.** The City and County of San Francisco may implement an individualized child care subsidy plan until July 1, 2013, at which date the city and county shall terminate the plan. Between July 1, 2013, and July 1, 2015, the city and county shall phase out the individualized county child care subsidy plan and, as of July 1, 2015, shall implement the state's requirements for child care subsidies. A child enrolling for the first time for subsidized child care in the city and county after July 1, 2013, shall not be enrolled in the pilot program established pursuant to this article and is subject to existing state laws and regulations regarding child care eligibility and priority.

**SEC. 6.** Section 8335.7 of the Education Code is amended to read:

**8335.7.** This article shall become inoperative on July 1, 2015, and as of January 1, 2016, is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends the dates on which it becomes inoperative and is repealed.

**SEC. 7.** Section 8357 of the Education Code is amended to read:

**8357.** (a) The cost of child care services provided under this article shall be governed by regional market rates. Recipients of child care services provided pursuant to this article shall be allowed to choose the child care services of licensed child care providers or child care providers who are, by law, not required to be licensed, and

the cost of that child care shall be reimbursed by counties or agencies that contract with the State Department of Education if the cost is within the regional market rate. For purposes of this section, "regional market rate" means care costing no more than 1.5 market standard deviations above the mean cost of care for that region. The regional market rate ceilings shall be established at the 85th percentile of the 2005 regional market rate survey for that region.

(b) Reimbursement to license-exempt child care providers shall not exceed 80 percent of the family child care home rate established pursuant to subdivision (a).

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

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

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

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

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

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

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

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

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

**SEC. 8.** Section 8450 of the Education Code is amended to read:

**8450.** (a) All child development contractors are encouraged to develop and maintain a reserve within the child development fund, derived from earned but unexpended funds. Child development contractors may retain all earned funds. For the purpose of this section, "earned funds" are those for which the required number of eligible service units have been provided.

(b) (1) Earned funds shall not be expended for any activities proscribed by Section 8406.7. Earned but unexpended funds shall remain in the contractor's reserve account within the child development fund and shall be expended only by direct service child development programs that are funded under contract with the department.

(2) Commencing July 1, 2011, a contractor may retain a reserve fund balance, separate from the reserve fund retained pursuant to subdivision (c) or (d), equal to 5 percent of the sum of the maximum reimbursable amounts of all contracts to which the contractor is a party, or two thousand dollars (\$2,000), whichever is greater. This paragraph applies to direct service child development programs that are funded under contract with the department.

(c) Notwithstanding subdivisions (a) and (b), a contractor may retain a reserve fund balance for a resource and referral program, separate from the balance retained pursuant to subdivision (b) or (d), not to exceed 3 percent

of the contract amount. Funds from this reserve account may be expended only by resource and referral programs that are funded under contract with the department.

(d) Notwithstanding subdivisions (a) and (b), a contractor may retain a reserve fund balance for alternative payment model and certificate child care contracts, separate from the reserve fund retained pursuant to subdivisions (b) and (c). Funds from this reserve account may be expended only by alternative payment model and certificate child care programs that are funded under contract with the department. The reserve amount allowed by this section may not exceed either of the following, whichever is greater:

(1) Two percent of the sum of the parts of each contract to which that contractor is a party that is allowed for administration pursuant to Section 8276.7 and that is allowed for supportive services pursuant to the provisions of the contract.

(2) One thousand dollars (\$1,000).

(e) Each contractor's audit shall identify any funds earned by the contractor for each contract through the provision of contracted services in excess of funds expended.

(f) Any interest earned on reserve funds shall be included in the fund balance of the reserve. This reserve fund shall be maintained in an interest-bearing account.

(g) Moneys in a contractor's reserve fund may be used only for expenses that are reasonable and necessary costs as defined in subdivision (n) of Section 8208.

(h) Any reserve fund balance in excess of the amount authorized pursuant to subdivisions (b), (c), and (d) shall be returned to the department pursuant to procedures established by the department.

(i) Upon termination of all child development contracts between a contractor and the department, all moneys in a contractor's reserve fund shall be returned to the department pursuant to procedures established by the department.

(j) Expenditures from, additions to, and balances in, the reserve fund shall be included in the agency's annual financial statements and audit.

**SEC. 9.** Section 14041.5 of the Education Code is amended to read:

**14041.5.** (a) Notwithstanding subdivision (a) of Section 14041, commencing with the 2002–03 fiscal year, warrants for the principal apportionments for the month of June instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41335.

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

(c) For the 2003–04 school year, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 for the following 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 2004–05 fiscal year shall be seven hundred twenty-six million two hundred seventy thousand dollars (\$726,270,000). Any amount in excess of seven hundred twenty-six million two hundred seventy thousand dollars (\$726,270,000) that is apportioned in July of 2004 is deemed "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 for the 2003–04 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 2003–04 fiscal year.

(d) For the 2004–05 school year to the 2007–08 school year, inclusive, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 for the following 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 following fiscal year shall be seven hundred fifteen million one hundred eighteen thousand dollars (\$715,118,000). Any amount in excess of seven hundred fifteen million one hundred eighteen thousand dollars (\$715,118,000) that is apportioned in July of any year is deemed "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 for the prior 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 prior fiscal year.

(e) For the 2008–09 school year, and each school year thereafter, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 for the following 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 following fiscal year shall be one billion six hundred one million six hundred fifty-five thousand dollars (\$1,601,655,000). Any amount in excess of one billion six hundred one million six hundred fifty-five thousand dollars (\$1,601,655,000) that is apportioned in July of any year is deemed "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 for the prior 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 prior fiscal year.

**SEC. 10.** Section 14041.6 of the Education Code is amended to read:

**14041.6.** (a) Notwithstanding subdivision (a) of Section 14041, or any other law, commencing with the 2008–09 fiscal year, warrants for the principal apportionments for the month of February in the amount of two billion dollars (\$2,000,000,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

(b) Notwithstanding subdivision (a) of Section 14041 or any other law, commencing with the 2009–10 fiscal year, warrants for the principal apportionments for the month of April in the amount of six hundred seventy-eight million six hundred eleven thousand dollars (\$678,611,000) and for the month of May in the amount of one billion dollars (\$1,000,000,000) instead shall be drawn in August of the same calendar year pursuant to the certification made pursuant to Section 41339.

(c) Notwithstanding subdivision (a) of Section 14041 or any other law, commencing with the 2010–11 fiscal year, warrants for the principal apportionments for the month of April in the amount of four hundred twenty million dollars (\$420,000,000) and for the month of May in the amount of eight hundred million dollars (\$800,000,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

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

**SEC. 11.** Section 14041.7 is added to the Education Code, to read:

**14041.7.** (a) Commencing with the 2010–11 fiscal year, up to one hundred million dollars (\$100,000,000) of the amount of the warrants for the principal apportionments for the month of June, that are instead to be drawn in July pursuant to Section 14041.5, may be drawn in June, subject to the approval of the Director of Finance, for a charter school or school district as follows:

(1) In order for a charter school to receive a payment in June pursuant to this section, the chartering authority, in consultation with the county superintendent of schools, shall certify to the Superintendent and the Director of Finance on or before April 1 that the deferral of warrants pursuant to Sections 14041.5 and 14041.6 will result in the charter school being unable to meet its financial obligations for June and shall provide the Superintendent an estimate of the amount of additional funds necessary for the charter school to meet its financial obligations for the month of June.

(2) In order for a school district to receive a payment in June pursuant to this section, the county superintendent of schools shall certify to the Superintendent and to the Director of Finance on or before April 1 that the deferral of warrants pursuant to Sections 14041.5 and 14041.6 will result in the school district being unable to meet its financial obligations for June and shall provide the Superintendent an estimate of the amount of additional funds necessary for the school district to meet its financial obligations for the month of June.

(3) The criteria, as applicable, set forth in statute and regulations to qualify a school district for an emergency apportionment shall be used to make the certification specified in paragraph (2).

(4) A charter school or school district may receive, pursuant to this section, no more than the lesser of the following:

(A) The total amount of additional funds necessary for the charter school or school district to meet its financial obligations for the month of June, as reported to the Superintendent pursuant to paragraph (1) or (2).

(B) The total payments the charter school or school district is entitled to receive in July for the prior fiscal year.

(b) If the total amount requested by charter schools and school districts pursuant to paragraph (4) of subdivision (a) exceeds one hundred million dollars (\$100,000,000), the Controller, Treasurer, and Director of Finance may authorize additional payments to meet these requests, but total payments to charter schools and school districts pursuant to this section shall not exceed three hundred million dollars (\$300,000,000). No later than May 1, the Controller, Treasurer, and Director of Finance shall determine whether sufficient cash is available to make payments in excess of one hundred million dollars (\$100,000,000). In making the determination that cash is sufficient to make additional payments, in whole or in part, the Controller, Treasurer, and Director of Finance shall consider costs for state government, the scope of any identified cash shortage, timing, achievability, legislative direction, and the impact and hardship imposed on potentially affected programs, entities, and related public services. The Department of Finance shall notify the Joint Legislative Budget Committee within 10 days of this determination and identify the total amount of requests that will be paid.

(c) If the total amount of cash made available pursuant to subdivision (b) is less than the amount requested pursuant to paragraph (3) of subdivision (a), payments to charter schools and school districts shall be prioritized according to the date on which notification was provided to the Superintendent and the Department of Finance.

(d) Payments pursuant to this section shall be made no later than June 20.

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

**SEC. 12.** Section 37252.2 of the Education Code is amended to read:

**37252.2.** (a) The governing board of each school district maintaining any or all of grades 2 to 9, inclusive, shall offer, and a charter school may offer, programs of direct, systematic, and intensive supplemental instruction to pupils enrolled in grades 2 to 9, inclusive, who have been recommended for retention or who have been retained pursuant to Section 48070.5. A school district or charter school may require a pupil who has been retained to participate in supplemental instructional programs. Notwithstanding the requirements of this section, the school district or charter school shall provide a mechanism for a parent or guardian to decline to enroll his or her child in the program. Attendance in supplemental instructional programs shall not be compulsory within the meaning of Section 48200.

(b) Supplemental educational services pursuant to subdivision (a) may be offered during the summer, before school, after school, on Saturdays, or during intersession, or in a combination of summer school, before school, after school, Saturday, or intersession instruction. Services shall not be provided during the pupil's regular instructional day. Any minor pupil whose parent or guardian informs the school district that the pupil is unable to attend a Saturday school program for religious reasons, or any pupil 18 years of age or older who states that he or she is unable to attend a Saturday school program for religious reasons, shall be given priority for

enrollment in supplemental instruction offered at a time other than Saturday, over a pupil who is not unable to attend a Saturday school program for religious reasons.

(c) For purposes of this section, a pupil shall be considered to be enrolled in a grade immediately upon completion of the preceding grade. Summer school instruction may also be offered to pupils who were enrolled in grade 6 during the prior school year. For ninth grade pupils identified in subdivision (a), summer school instruction may also be offered to pupils who were enrolled in grade 9 during the prior school year.

(d) Each school district or charter school shall use results from tests administered under the Standardized Testing and Reporting Program, established pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or other evaluative criteria to identify eligible pupils pursuant to subdivision (b).

(e) An intensive remedial program in reading or written expression offered pursuant to this section shall, as needed, include instruction in phoneme awareness, systematic explicit phonics and decoding, word attack skills, spelling and vocabulary, explicit instruction of reading comprehension, writing, and study skills.

(f) Each school district or charter school shall seek the active involvement of parents and classroom teachers in the development and implementation of supplemental instructional programs provided pursuant to this section.

(g) It is the intent of the Legislature that pupils who are at risk of failing to meet state adopted standards, or who are at risk of retention, be identified as early in the school year and as early in their school careers as possible, and be provided the opportunity for supplemental instruction sufficient to assist them in attaining expected levels of academic achievement.

(h) Notwithstanding any other provision of law, neither the State Board of Education nor the Superintendent of Public Instruction may waive any provision of this section.

(i) School districts are relieved from the obligation to perform any activities under this section that are deemed to be reimbursable state mandates pursuant to Section 6 of Article XIII B of the California Constitution from the date that the act amending this subdivision in 2010 is enacted until July 1, 2013.

**SEC. 13.** Section 41203.1 of the Education Code is amended to read:

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

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

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

**SEC. 14.** Section 41207.4 is added to the Education Code, to read:

**41207.4.** (a) The sum of two hundred ten million one hundred thousand dollars (\$210,100,000) is hereby appropriated in the 2010–11 fiscal year from the General Fund to the Controller for allocation to school districts and community college districts for the purpose of offsetting the 2009–10 outstanding balance of the minimum funding obligation to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution.

(1) The amount appropriated pursuant to this subdivision shall be allocated to school districts and community college districts as defined in subdivision (a) of Section 41203.1.

(2) The amount allocated to school districts pursuant to this subdivision shall be distributed in a manner that reflects the proportion of regular average daily attendance in school districts, as defined in subdivision (a) of Section 41209, as those numbers are reported at the time of the second principal apportionment for the fiscal year prior to the fiscal year in which funds are to be received.

(3) The amount annually allocated to community college districts pursuant to this subdivision shall be distributed based on enrolled full-time equivalent students, as those numbers are reported at the time of the second principal apportionment for the fiscal year prior to the fiscal year in which funds are to be received.

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

(b) For purposes of Section 8 of Article XVI of the California Constitution, the amounts appropriated and allocated pursuant to this section shall be applied to the outstanding balance of the minimum funding obligation to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution for the 2009–10 fiscal year, and shall be deemed to be appropriations made and allocated in that fiscal year in which the deficiencies resulting in the outstanding balance were incurred.

(c) Funding received by school districts and community college districts pursuant to this section shall first be deemed to be paid in satisfaction of any outstanding claims pursuant to Section 6 of Article XIII B of the California Constitution for reimbursement of state-mandated local costs for any fiscal year. Notwithstanding any amounts that are deemed, pursuant to this subdivision, to be paid in satisfaction of outstanding claims for reimbursement of state-mandated local costs, the Controller may audit any claim as allowed by law and may reduce any amount owed by school districts and community college districts pursuant to an audit by reducing amounts owed for any other mandate claims. The Controller shall apply amounts received by each school district or community college district against any balances of unpaid claims for reimbursement of state-mandated local costs and interest in chronological order beginning with the earliest claim. The Controller shall report to each school district and community college district the amounts of any claims and interest that are offset from funds provided pursuant to this section and shall report a summary of the amounts offset for each mandate for each fiscal year to the Department of Finance and the fiscal committees of the Legislature. The governing board of a school district or community college district may expend funds received pursuant to this section in excess of amounts offsetting mandate claims for any other one-time purposes, as determined by the governing board.

**SEC. 15.** Section 42238.146 of the Education Code is amended to read:

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

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

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

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

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

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

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

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

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

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

**SEC. 16.** Section 42238.24 is added to the Education Code, to read:

**42238.24.** Costs related to the salaries and benefits of teachers incurred by a school district or county office of education to provide the courses specified in paragraph (1) of subdivision (a) of Section 51225.3 shall be offset by the amount of state funding apportioned to the district pursuant to this article, or in the case of a county office of education pursuant to Article 2 (commencing with Section 2550) of Chapter 12 of Part 2 of Division 1 of Title 1, and the amount of state funding received from any of the items listed in Section 42605 that are contained in the annual Budget Act. The proportion of the school district's current expense of education that is required to be expended for payment of the salaries of classroom teachers pursuant to Section 41372 shall first be allocated to fund the teacher salary costs incurred to provide the courses required by the state.

**SEC. 17.** Section 42606 of the Education Code is amended to read:

**42606.** (a) A local educational agency, including a direct-funded charter school, may apply for any state categorical program funding included in the annual Budget Act on behalf of a school that begins operation in the 2008–09 to the 2012–13 fiscal years, inclusive, but only to the extent the school or local educational agency is eligible for funding and meets the provisions of the program that were in effect as of January 1, 2009, except that charter schools shall not apply for any of the programs contained in Section 47634.4.

(b) A local educational agency that establishes a new school by redirecting enrollment from its existing schools to the new school shall not be eligible to receive funding in addition to the amounts allocated pursuant to Section 42605 for the categorical programs specified in that section or for the class size reduction program pursuant to Sections 52122 and 52124.

(c) The Superintendent shall report the number of new schools and the programs that these schools are applying for, including an estimate of the cost for that year. This information shall be reported by November 11, 2009, and each fiscal year thereafter, to the appropriate committees of the Legislature, the Legislative Analyst's Office, and the Department of Finance.

(d) Notwithstanding subdivision (a), for the 2010–11 fiscal year, the Superintendent shall allocate a supplemental categorical block grant to a charter school that began operation in the 2008–09, 2009–10, or 2010–11 fiscal year. The supplemental categorical block grant shall equal one hundred twenty-seven dollars (\$127) per unit of charter school average daily attendance as determined at the 2010–11 second principal apportionment. These supplemental categorical block grant funds may be used for any educational purpose. A locally funded charter school that converted from a preexisting school between the 2008–09 and 2010–11 fiscal years is not eligible for funding specified in this section. A charter school that receives funding pursuant to this subdivision shall not receive additional funding for programs specified in paragraph (2) of subdivision (a) of Section 42605, with the exception of the program funded pursuant to Item 6110-211-0001 of Section 2.00 of the annual Budget Act.

**SEC. 18.** Section 44396 of the Education Code is amended to read:

**44396.** (a) (1) To the extent that funds are available for that purpose, a teacher who meets the criteria approved by the state board pursuant to subdivision (b) of Section 44395 is eligible and may apply for an award by following the procedures and instructions developed pursuant to that subdivision.

(2) A teacher who attained certification from the National Board for Professional Teaching Standards before January 1, 1999, and who was employed by a school district or charter school and assigned to teach in a California public school on the date of certification may apply for an award authorized pursuant to this article if he or she meets all the other requirements for that award specified by this article. For awards pursuant to this subdivision, teaching service before July 1, 2000, may not be counted toward satisfaction of the teacher's four-year agreement to teach in a high-priority school.

(b) Teachers shall submit their applications for an award authorized by this article to the school district employing them. Teachers employed by a charter school shall submit their application through the school district granting the school's charter.

(c) The department shall approve applications submitted by school districts that meet the criteria established pursuant to subdivision (b) of Section 44395. To the extent funds are available, the department shall apportion funds to the appropriate school districts in the amount of the award authorized by Section 44395 for each approved application. The school district shall use funds apportioned to it pursuant to this subdivision to provide the amount of the award authorized by subdivision (a) of Section 44395 to each teacher whose application is approved.

**SEC. 19.** Section 47614.5 of the Education Code is amended to read:

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

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

(c) For purposes of this section, the department shall do all of the following:

(1) Inform charter schools of the grant program.

(2) Upon application by a charter school, determine eligibility, based on the geographic location of the charter schoolsite, pupil eligibility for free or reduced price meals, and a preference in admissions, as appropriate. Eligibility for funding shall not be limited to the grade level or levels served by the school whose attendance area is used to determine eligibility. Charter schoolsites are eligible for funding pursuant to this section if the charter schoolsite meets either of the following conditions:

(A) The charter schoolsite is physically located in the attendance area of a public elementary school in which 70 percent or more of the pupil enrollment is eligible for free or reduced priced meals and the schoolsite gives a preference in admissions to pupils who are currently enrolled in that public elementary school and to pupils who reside in the elementary school attendance area where the charter schoolsite is located.

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

(3) Inform charter schools of their grant eligibility.

(4) Allocate funding to charter schools for eligible expenditures in a timely manner.

(5) No later than June 30, 2005, report to the Legislature on the number of charter schools that have participated in the grant program pursuant to the expanded eligibility prescribed in paragraph (2). In addition, the report shall provide recommendations and suggestions on improving the grant program.

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

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

(2) Charter schools occupying existing school district or county office of education facilities.

(3) Charter schools receiving reasonably equivalent facilities from their chartering authority pursuant to Section 47614.

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

(f) If an existing charter school located in an elementary attendance area in which less than 50 percent of pupil enrollment is eligible for free or reduced price meals relocates to an attendance area identified in paragraph (2)

of subdivision (c), admissions preference shall be given to pupils who reside in the elementary school attendance area into which the charter school is relocating.

(g) The Superintendent annually shall report to the state board regarding the use of funds that have been made available during the fiscal year to each charter school pursuant to the grant program.

(h) It is the intent of the Legislature that not less than eighteen million dollars (\$18,000,000) annually be appropriated for purposes of the grant program on the same basis as other elementary and secondary education categorical programs.

(i) The Superintendent shall annually allocate the facilities grants to eligible charter schools no later than October 1 of each fiscal year or 90 days after enactment of the annual Budget Act, whichever is later, for the current school year rent and lease costs. However, the department shall first use the funding appropriated for this program to reimburse eligible charter schools for unreimbursed rent or lease costs for the prior school year.

**SEC. 20.** Section 47634.4 of the Education Code is amended to read:

**47634.4.** (a) A charter school that elects to receive its funding directly, pursuant to Section 47651, may apply individually for federal and state categorical programs, not excluded in this section, but only to the extent it is eligible for funding and meets the provisions of the program. For purposes of determining eligibility for, and allocation of, state or federal categorical aid, a charter school that applies individually shall be deemed to be a school district, except as otherwise provided in this chapter.

(b) A charter school that does not elect to receive its funding directly, pursuant to Section 47651, may, in cooperation with its chartering authority, apply for federal and state categorical programs not specified in this section, but only to the extent it is eligible for funding and meets the provisions of the program.

(c) Notwithstanding any other provision of law, for the 2006–07 fiscal year and each fiscal year thereafter, a charter school may not apply directly for categorical programs for which services are exclusively or almost exclusively provided by a county office of education.

(d) Consistent with subdivision (c), a charter school may not receive direct funding for any of the following county-administered categorical programs:

- (1) American Indian Education Centers.
- (2) The California Association of Student Councils.
- (3) California Technology Assistance Project established pursuant to Article 15 (commencing with Section 51870) of Chapter 5 of Part 28.
- (4) The Center for Civic Education.
- (5) County Office Fiscal Crisis and Management Assistance Team.
- (6) The K–12 High Speed Network.

(e) A charter school may apply separately for district-level or school-level grants associated with any of the categorical programs specified in subdivision (d).

(f) Notwithstanding any other provision of law, for the 2006–07 fiscal year and each fiscal year thereafter, in addition to the programs listed in subdivision (d), a charter school may not apply for any of the following categorical programs:

- (1) Agricultural Career Technical Education Incentive Program, as set forth in Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28.
- (2) Bilingual Teacher Training Assistance Program, as set forth in Article 4 (commencing with Section 52180) of Chapter 7 of Part 28.
- (3) California Peer Assistance and Review Program for Teachers, as set forth in Article 4.5 (commencing with Section 44500) of Chapter 3 of Part 25.
- (4) College preparation programs, as set forth in Chapter 12 (commencing with Section 11020) of Part 7, Chapter 8.3 (commencing with Section 52240) of Part 28, and Chapter 8 (commencing with Section 60830) of Part 33.

- (5) Foster youth programs pursuant to Chapter 11.3 (commencing with Section 42920) of Part 24.
- (6) Gifted and talented pupil programs pursuant to Chapter 8 (commencing with Section 52200) of Part 28.
- (7) Home-to-school transportation programs, as set forth in Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5 and Article 10 (commencing with Section 41850) of Chapter 5 of Part 24.
- (8) International Baccalaureate Diploma Program, as set forth in Chapter 12.5 (commencing with Section 52920) of Part 28.
- (9) Mathematics and Reading Professional Development Program, as set forth in Article 3 (commencing with Section 99230) of Chapter 5 of Part 65.
- (10) Principal Training Program, as set forth in Article 4.6 (commencing with Section 44510) of Chapter 3 of Part 25.
- (11) Professional Development Block Grant, as set forth in Article 5 (commencing with Section 41530) of Chapter 3.2 of Part 24.
- (12) Program to Reduce Class Size in Two Courses in Grade 9 (formerly The Morgan-Hart Class Size Reduction Act of 1989), as set forth in Chapter 6.8 (commencing with Section 52080) of Part 28.
- (13) Pupil Retention Block Grant, as set forth in Article 2 (commencing with Section 41505) of Chapter 3.2 of Part 24.
- (14) Reader services for blind teachers, as set forth in Article 8.5 (commencing with Section 45370) of Chapter 5 of Part 25.
- (15) School and Library Improvement Block Grant, as set forth in Article 7 (commencing with Section 41570) of Chapter 3.2 of Part 24.
- (16) School Safety Consolidated Competitive Grant, as set forth in Article 3 (commencing with Section 41510) of Chapter 3.2 of Part 24.
- (17) School safety programs, as set forth in Article 3.6 (commencing with Section 32228) and Article 3.8 (commencing with Section 32239.5) of Chapter 2 of Part 19.
- (18) Specialized secondary schools pursuant to Chapter 6 (commencing with Section 58800) of Part 31.
- (19) State Instructional Materials Fund, as set forth in Article 3 (commencing with Section 60240) of Chapter 2 of Part 33.
- (20) Targeted Instructional Improvement Block Grant, as set forth in Article 6 (commencing with Section 41540) of Chapter 3.2 of Part 24.
- (21) Teacher dismissal apportionment, as set forth in Section 44944.
- (22) The deferred maintenance program, as set forth in Article 1 (commencing with Section 17565) of Chapter 5 of Part 10.5.
- (23) The General Fund contribution to the State Instructional Materials Fund pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33.
- (24) Year-Round School Grant Program, as set forth in Article 3 (commencing with Section 42260) of Chapter 7 of Part 24.

**SEC. 21.** Section 48260.5 of the Education Code is amended to read:

**48260.5.** Upon a pupil's initial classification as a truant, the school district shall notify the pupil's parent or guardian using the most cost-effective method possible, which may include electronic mail or a telephone call:

- (a) That the pupil is truant.
- (b) That the parent or guardian is obligated to compel the attendance of the pupil at school.
- (c) That parents or guardians who fail to meet this obligation may be guilty of an infraction and subject to prosecution pursuant to Article 6 (commencing with Section 48290) of Chapter 2 of Part 27.

- (d) That alternative educational programs are available in the district.
- (e) That the parent or guardian has the right to meet with appropriate school personnel to discuss solutions to the pupil's truancy.
- (f) That the pupil may be subject to prosecution under Section 48264.
- (g) That the pupil may be subject to suspension, restriction, or delay of the pupil's driving privilege pursuant to Section 13202.7 of the Vehicle Code.
- (h) That it is recommended that the parent or guardian accompany the pupil to school and attend classes with the pupil for one day.

**SEC. 22.** Section 48262 of the Education Code is amended to read:

**48262.** Any pupil is deemed an habitual truant who has been reported as a truant three or more times per school year, provided that no pupil shall be deemed an habitual truant unless an appropriate district officer or employee has made a conscientious effort to hold at least one conference with a parent or guardian of the pupil and the pupil himself, after the filing of either of the reports required by Section 48260 or Section 48261. For purposes of this section, a conscientious effort means attempting to communicate with the parents of the pupil at least once using the most cost-effective method possible, which may include electronic mail or a telephone call.

**SEC. 23.** Section 52055.770 of the Education Code is amended to read:

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

- (1) For kindergarten and grades 1 to 3, inclusive, five hundred dollars (\$500) per enrolled pupil in funded schools.
- (2) For grades 4 to 8, inclusive, nine hundred dollars (\$900) per enrolled pupil in funded schools.
- (3) For grades 9 to 12, inclusive, one thousand dollars (\$1,000) per enrolled pupil in funded schools.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) Instructional materials and support.

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

(D) Library materials.

(E) Technology infrastructure.

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

(G) Architectural barrier removal.

(H) State-mandated local programs.

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

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

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

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

(h) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, including computation of the state's minimum funding obligation to school districts and community college districts in subsequent fiscal years, the first one billion six hundred twenty million nine hundred twenty-eight thousand dollars (\$1,620,928,000) in appropriations made pursuant to subdivision (c) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 and "General Fund Revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202, for the 2004–05 fiscal year and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for that fiscal year. The remaining appropriations made pursuant to subdivision (c) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 and "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202, for the 2005–06 fiscal year and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for that fiscal year.

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

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

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

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

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

**SEC. 24.** Section 54021.1 is added to the Education Code, to read:

**54021.1.** (a) The Superintendent shall make the following calculations for each school district:

(1) For the 2010–11 fiscal year, after calculating the economic impact aid allocation of each school district based on Section 54022, the Superintendent shall add to that allocation the amount the school district received, based on Section 404, for the English Language Acquisition Program in the 2009–10 fiscal year. A school district shall expend the funds added pursuant to this subdivision consistent with the parameters described in Section 54025 or Section 400, as it read on January 1, 2010.

(2) The Superintendent shall divide the total amount provided to each school district in the 2010–11 fiscal year pursuant to paragraph (1) by the district's total number of economic impact aid-eligible pupils in the 2010–11 fiscal year, calculated pursuant to Section 54023.

(b) For the 2011–12 fiscal year, the amount calculated in subdivision (a) shall be the prior fiscal year economic impact aid per pupil amount for purposes of Section 54022.

**SEC. 25.** Section 54021.2 is added to the Education Code, to read:

**54021.2.** (a) Commencing with the 2010–11 fiscal year and each fiscal year thereafter, a juvenile court school operated by a county superintendent of schools shall be eligible to receive economic impact aid funding.

(b) For the 2010–11 fiscal year, the Superintendent shall allocate to each juvenile court school operated by a county superintendent of schools the product of its economic impact aid-eligible pupil count calculated pursuant to Section 54023 multiplied by the current year economic impact aid statewide average per pupil rate for school districts based on subdivision (b) of Section 54021.1.

(c) For the 2011–12 fiscal year, the Superintendent shall determine the allocation of each juvenile court school operated by a county superintendent of schools pursuant to the formulas described in Section 54022.

**SEC. 26.** Section 54026 of the Education Code is amended to read:

**54026.** For purposes of this article, the following definitions apply:

(a) "Economically disadvantaged pupils" means either of the following, whichever is applicable:

(1) Pupils described in Section 101 of Title I of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6333(c)(1)(A)(B)). Counts of the pupils described in this paragraph shall be the counts used in the current year apportionment calculations for purposes of Title I of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

(2) (A) Notwithstanding paragraph (1), for a small school district and for a juvenile court school operated by a county superintendent of schools, the product of the number of pupils eligible for participation in the free meals program for the prior fiscal year, as defined in subdivision (d), and the free meals adjustment factor. The free meals adjustment factor is the quotient, rounded to two decimal places, resulting from dividing the statewide total of economically disadvantaged pupils as defined in paragraph (1) by the statewide total of pupils eligible for participation in the free meals program for the prior fiscal year, as defined in subdivision (d).

(B) Notwithstanding paragraph (1) or subparagraph (A), for charter schools that are funded through the block grant funding model pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 in the 2006–07 fiscal year, the department shall use counts as of October 2006 of pupils 5 to 17 years of age, inclusive, who are living with families whose annual income is at or below the federal poverty guideline, as collected through the first principal apportionment data collection process, as defined in Section 41601. Commencing in the 2007–08 fiscal year, the Superintendent shall use counts as of October of the prior year of pupils 5 to 17 years of age, inclusive, who are living with families whose annual income is at or below the federal poverty guideline, as collected through the first principal apportionment data collection process, as defined in Section 41601. For purposes of this subdivision, the department may use in the first year of operation of a charter school that is established on or after July 1, 2007, the current year counts of pupils 5 to 17 years of age, inclusive, who are living with families whose annual income is at or below the federal poverty guideline.

(C) The Superintendent may expand upon an existing process of collecting free or reduced price meal data in order to collect from small districts, as defined in subdivision (c), counts of pupils living with families whose annual income is at or below the federal poverty guideline.

(b) "English learner" means a pupil described in subdivision (a) of Section 306 or identified as a pupil of limited English proficiency, as that term is defined in subdivision (m) of Section 52163. Counts of the pupils described in this subdivision shall be the counts reported in the prior year language census.

(c) "Small school district" means a school district that has an annual enrollment of less than 600 pupils based on prior school year CBEDS data and is, for the purposes of this section, designated a rural school by the Superintendent based on the appropriate school locale codes, as used by the National Center for Education Statistics of the United States Department of Education.

(d) "Free meals" means the aggregate number of pupils meeting the income eligibility guidelines established by the federal government for free meals as reported for all schools for which the district is the authorizing agency.

(e) For purposes of subparagraph (B) of paragraph (2) of subdivision (a), the count of economically disadvantaged pupils for a charter school that is operated pursuant to Section 47612.1 shall be calculated without regard to the age of the pupil. A pupil who resides in program housing shall be considered a family of one.

**SEC. 27.** Section 56523 of the Education Code is amended to read:

**56523.** (a) On or before September 1, 1992, the Superintendent shall develop and the board shall adopt regulations governing the use of behavioral interventions with individuals with exceptional needs receiving special education and related services.

(b) This section and the implementing regulations adopted by the board are declaratory of federal law and deemed necessary to implement the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and associated federal regulations. This section is intended to provide the clarity, definition, and specificity necessary for local educational agencies to comply with the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.). This section, including the implementing state regulations needed to implement federal law and regulations, shall not exceed the requirements of federal law, create new or separate state requirements, or result in a level of state service beyond that needed to comply with federal law and regulations.

(c) As a condition of receiving funding from the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), a local educational agency shall agree to adhere to implementing federal regulations and state regulations set forth in this section.

(d) The Superintendent may monitor local educational agency compliance with this section and may take appropriate action, including fiscal repercussions, if either of the following is found:

(1) The local educational agency failed to comply with this section and implementing regulations that govern the provision of special education and related services to individuals with exceptional needs and failed to comply substantially with corrective action orders issued by the department resulting from monitoring findings or complaint investigations.

(2) The local educational agency failed to implement the decision of a due process hearing officer based on noncompliance with this part, the state implementing regulations, provisions of the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), or the federal implementing regulations, wherein noncompliance resulted in the denial of, or impeded the delivery of, a free appropriate public education for an individual with exceptional needs.

(e) Commencing with the 2010–11 fiscal year, if any activities authorized pursuant to this section and implementing regulations are found to be a state reimbursable mandate pursuant to Section 6 of Article XIII B of the California Constitution, state funding provided for purposes of special education pursuant to Item 6110-161-0001 of Section 2.00 of the annual Budget Act shall first be used to directly offset any mandated costs.

(f) Contingent on the adoption of a statute in the 2009–10 Regular Session that adds Section 17570.1 to the Government Code, the Legislature hereby requests the Department of Finance on or before December 31, 2010, to exercise its authority pursuant to subdivision (c) of Section 17570 of the Government Code and file a request with the Commission on State Mandates for the purpose of seeking the adoption of a new test claim to supersede CSM-4464 based on subsequent changes in law that may modify a requirement that the state reimburse a local government for a state mandate.

(g) The regulations shall do all of the following:

(1) Specify the types of positive behavioral interventions which may be utilized and specify that interventions which cause pain or trauma are prohibited.

(2) Require that, if appropriate, the pupil's individual education plan includes a description of the positive behavioral interventions to be utilized which accomplishes the following:

(A) Assesses the appropriateness of positive interventions.

(B) Assures the pupil's physical freedom, social interaction, and individual choices.

- (C) Respects the pupil's human dignity and personal privacy.
  - (D) Assures the pupil's placement in the least restrictive environment.
  - (E) Includes the method of measuring the effectiveness of the interventions.
  - (F) Includes a timeline for the regular and frequent review of the pupil's progress.
- (3) Specify standards governing the application of restrictive behavioral interventions in the case of emergencies. These emergencies must pose a clear and present danger of serious physical harm to the pupil or others. These standards shall include:
- (A) The definition of an emergency.
  - (B) The types of behavioral interventions that may be utilized in an emergency.
  - (C) The duration of the intervention which shall not be longer than is necessary to contain the dangerous behavior.
  - (D) A process and timeline for the convening of an individual education plan meeting to evaluate the application of the emergency intervention and adjust the pupil's individual education plan in a manner designed to reduce or eliminate the negative behavior through positive programming.
  - (E) A process for reporting annually to the department and the Advisory Commission on Special Education the number of emergency interventions applied under this chapter.

**SEC. 28.** Chapter 3.5 (commencing with Section 66150) is added to Part 40 of Division 5 of Title 3 of the Education Code, to read:

**CHAPTER 3.5. Student-Imposed Athletics Fees**

**66150.** The following definitions govern the construction of this chapter:

- (a) "Student body organization" means an entity formed or operating pursuant to Section 89300 or a student body organization that is established at a campus of the University of California.
- (b) "Student-imposed athletics fee" means a fee proposed by the governing body of a student body organization, and imposed or increased pursuant to approval by a vote of a majority of the registered students voting in an election at a campus, branch, or location of the California State University or the University of California, for the purposes of supporting intercollegiate athletics programs at that institution.

**66152.** (a) The Trustees of the California State University shall not, and the Regents of the University of California are requested not to, allocate any student-imposed athletics fees that are collected from registered students for purposes of supporting intercollegiate athletics programs for any purpose that is not and in the amounts that is not approved pursuant to the election approving the fees.

(b) At the end of each academic year, the Trustees of the California State University shall, and the Regents of the University of California are requested to, refund to each fee-paying student a pro rata share of any portion of the student-imposed athletics fee that is collected and is not allocated for the approved purposes during that academic year.

**SEC. 29.** Section 84043 of the Education Code is amended to read:

**84043.** (a) (1) Notwithstanding any other provision of law, and unless otherwise prohibited under federal law, for the 2009–10 to 2012–13 fiscal years, inclusive, community college districts may use funding received, pursuant to subdivision (b), from any of the programs listed in paragraph (2) that are contained in Item 6870-101-0001 of Section 2.00 of the annual Budget Act, for the purposes of any of the programs contained in Schedule (2) and Schedules (4) to (23), inclusive, of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2009.

- (2) (A) Apprenticeship.
- (B) Matriculation.
- (C) Academic Senate for the Community Colleges.
- (D) Equal Employment Opportunity.

- (E) Part-time Faculty Health Insurance.
- (F) Part-time Faculty Compensation.
- (G) Part-time Faculty Office Hours.
- (H) Economic Development.
- (I) Transfer Education and Articulation.
- (J) Physical Plant and Instructional Support.
- (K) Campus Childcare Tax Bailout.

(b) For the 2009–10 to 2012–13 fiscal years, inclusive, the chancellor shall apportion from the amounts provided in the annual Budget Act for the programs enumerated in paragraph (2) of subdivision (a), an amount to a community college district, based on the same relative proportion that the district received in the 2008–09 fiscal year for the programs enumerated in paragraph (2) of subdivision (a). The amounts allocated shall be adjusted for any greater or lesser amount appropriated for the items enumerated in paragraph (2) of subdivision (a).

(c) (1) This section does not obligate the state to refund or repay reductions made pursuant to this section. A decision by a district to reduce funding pursuant to this section for a state-mandated local program shall constitute a waiver of the subvention of funds that the district is otherwise entitled to pursuant to Section 6 of Article XIII B of the California Constitution on the amount so reduced.

(2) If a community college district elects to use funding received pursuant to subdivision (b) in the manner authorized pursuant to subdivision (a), the governing board of the district shall, at a regularly scheduled open public hearing, take testimony from the public, discuss, and shall approve or disapprove the proposed use of funding.

(3) (A) If a community college district elects to use funding received pursuant to subdivision (b) in the manner authorized pursuant to subdivision (a), the district shall continue to report the expenditures pursuant to this section by using the appropriate codes to indicate the activities for which these funds were expended using the existing standard reporting process as determined by the chancellor.

(B) The chancellor shall collect the information in subparagraph (A) and shall provide that information to the Department of Finance and to the appropriate policy and budget committees of the Legislature on or before April 15, 2010, and annually thereafter by April 15 of each year, through 2014.

(d) For the 2009–10 to 2012–13 fiscal years, inclusive, community college districts that elect to use funding in the manner authorized pursuant to subdivision (a) shall be deemed to be in compliance with the program and funding requirements contained in statutory, regulatory, and provisional language, associated with the programs enumerated in subdivision (a).

**SEC. 30.** Section 84321.5 of the Education Code is amended to read:

**84321.5.** (a) Notwithstanding any other law, commencing with the 2004–05 fiscal year, warrants for the principal apportionments for the month of June, for general apportionments in the amount of two hundred million dollars (\$200,000,000), shall instead be drawn in July of the same calendar year pursuant to the certification made under Section 84320.

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

(c) This section shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

**SEC. 31.** Section 84321.6 is added to the Education Code, to read:

**84321.6.** (a) Notwithstanding any other law that governs the regulations adopted by the Chancellor of the California Community Colleges to disburse funds, the payment of apportionments to districts pursuant to Sections 84320, 84321, and 84321.5 shall be adjusted by the following:

(1) For the month of June, two hundred million dollars (\$200,000,000) shall be deferred to July. This paragraph is operative commencing with the 2004–05 fiscal year. Commencing with the 2010–11 fiscal year and each fiscal year thereafter, the amount deferred pursuant to this paragraph shall be increased by twenty-one million five hundred thousand dollars (\$21,500,000).

(2) For the months of January and February, one hundred fifteen million dollars (\$115,000,000) in each month, and the months of March and April, in the amounts of fifty-five million dollars (\$55,000,000) in each month, shall be deferred to July. The total amount of these payments deferred to the month of July shall be three hundred forty million dollars (\$340,000,000). This paragraph is operative commencing with the 2008–09 fiscal year. Commencing with the 2010–11 fiscal year and each fiscal year thereafter, the amount deferred pursuant to this paragraph shall be increased by eighty-six million dollars (\$86,000,000), to be split equally among the four months.

(3) For the months of April and May, eighty-one million five hundred thousand dollars (\$81,500,000) in each month, shall be deferred to July. The total amount of these payments deferred to the month of July shall be one hundred sixty-three million dollars (\$163,000,000). This paragraph is operative commencing with the 2009–10 fiscal year. Commencing with the 2010–11 fiscal year and each fiscal year thereafter, the amount deferred from the month of May to July, inclusive, pursuant to this paragraph shall be increased by twenty-one million five hundred thousand dollars (\$21,500,000).

(b) The sum of eight hundred thirty-two million dollars (\$832,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts, for expenditure during the 2011–12 fiscal year, to be expended in accordance with Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2010.

(c) The disbursement of funds appropriated in subdivision (b) shall be made in July of the 2011–12 fiscal year and is in satisfaction of the moneys deferred pursuant to subdivision (a).

(d) The sum of twenty-five million dollars (\$25,000,000) is hereby appropriated from the General Fund to the Chancellor of the California Community Colleges for the economic development program to be expended consistent with the requirements for that program specified in Schedule (16) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2010. Of the amount appropriated in this subdivision, twenty-five million dollars (\$25,000,000) shall be deferred commencing with the 2010–11 fiscal year to July of the following fiscal year. These funds are available for the purpose of maintaining existing, and creating new, workforce training programs. The chancellor's office shall allocate funds on a competitive basis to districts demonstrating an ability to offer workforce training in green technology, nursing, allied health, and other industry sectors in demand of high-skilled workers.

(e) The sum of thirty-five million dollars (\$35,000,000) is hereby appropriated from the General Fund to the Chancellor of the California Community Colleges to be allocated for Schedules (2), (4), (6), (7), (9), (11), (12), (13), (14), (15), (16), (17), (19), (20), (22), and (23) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2010. The funds shall be allocated in proportion to reductions made to the same programs in the Budget Act of 2009 and shall be expended consistent with the requirements specified for each program, unless otherwise authorized. The amount appropriated in this subdivision shall be deferred commencing with the 2010–11 fiscal year to July of the following fiscal year.

(f) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivisions (b), (d), and (e) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202, for the 2011–12 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 2011–12 fiscal year.

(g) This section shall become operative on January 1, 2011.

**SEC. 32.** Section 92612.5 of the Education Code is repealed.

**SEC. 33.** Section 99221.5 is added to the Education Code, to read:

**99221.5.** (a) The Regents of the University of California are requested to authorize the President of the University of California or his or her designee to jointly develop English Language Development Professional Institutes with the Chancellor of the California State University, the Chancellor of the California Community Colleges, the independent colleges and universities, and the Superintendent, or their designees. In order to provide maximum access, the institutes shall be offered at sites widely distributed throughout the state, which shall include programs offered through instructor-led, interactive online courses, in accordance with existing state law. In order to maximize access to teachers and administrators who may be precluded from participating in an onsite institute due to geographical, physical, or time constraints, each institute shall accommodate at least 5 percent of the participants through existing state-approved online instructor-led courses, programs, or both. The California subject matter projects, an intersegmental, discipline-based professional development network administered by the University of California, is requested to be the organizing entity for the institutes and followup programs.

(b) (1) The institutes shall provide instruction for school teams from each school participating in the program established pursuant to this section. The institutes may provide instruction for school teams serving English language learners in kindergarten and grades 1 to 12, inclusive. A school team shall include teachers who do not hold crosscultural or bilingual-crosscultural certificates or their equivalents, teachers who hold those certificates or their equivalents, and a schoolsite administrator. The majority of the team shall be teachers who do not hold those crosscultural certificates or their equivalents. If the participating school team employs instructional assistants who provide instructional services to English language learners, the team may include these instructional assistants.

(2) Commencing in July 2000, the English Language Development Institutes shall provide instruction to an additional 10,000 participants. These participants shall be in addition to the 5,000 participants authorized as of January 1, 2000. Commencing July 2001, and each fiscal year thereafter, the number of participants receiving instruction through the English Language Development Institutes shall be specified in the annual Budget Act.

(3) Criteria and priority for selection of participating school teams shall include, but not necessarily be limited to, all of the following:

(A) Schools whose pupils' reading scores are at or below the 40th percentile on the English language arts portion of the achievement test authorized by Section 60640.

(B) Schools in which a high percentage of pupils score below grade level on the English language development assessment authorized by Section 60810, when it is developed.

(C) Schools with a high number of new, underprepared, and noncredentialed teachers. Underprepared teachers shall be defined as teachers who do not possess a crosscultural or bilingual-crosscultural certificate, or their equivalents.

(D) Schools in which the enrollment of English language learners exceeds 25 percent of the total school enrollment.

(E) Schools with a full complement of team members as described in paragraph (1).

(4) In any fiscal year, if funding is inadequate to accommodate the participation of all eligible school teams, first priority shall be given to schools meeting the criteria set forth in subparagraph (C) of paragraph (3).

(c) Each team member who satisfactorily completes an institute authorized by this section shall receive a stipend, commensurate with the duration of the institute, of not less than one thousand dollars (\$1,000) nor more than two thousand dollars (\$2,000), as determined by the University of California.

(d) Instruction provided by the institutes shall be consistent with state-adopted academic content standards and with the English language development standards adopted pursuant to Section 60811.

(e) (1) Instruction at the institutes shall consist of an intensive, sustained training period of no less than 40 hours nor more than 80 hours during the summer or during an intersession break or an equivalent instructor-led, online course and shall be supplemented during the following school year with no fewer than 80 hours nor more than 120 hours of instruction and schoolsite meetings, held on at least a monthly basis, to focus on the academic progress of English language learners at that school.

(2) Instruction at the institutes shall be of sufficient scope, depth, and duration to fully equip instructional personnel to offer a comprehensive and rigorous instructional program for English language learners and to assess pupil progress so these pupils can meet the academic content and performance standards adopted by

the state board. The instruction shall be designed to increase the capacity of teachers and other school personnel to provide and assess standards-based instruction for English language learners.

(3) The instruction shall be multidisciplinary and focus on instruction in disciplines for which the state board has adopted academic content standards. The instruction shall also be research-based and provide effective models of professional development in order to ensure that instructional personnel increase their skills, at a minimum, in all of the following:

(A) Literacy instruction and assessment for diverse pupil populations, including instruction in the teaching of reading that is research-based and consistent with the balanced, comprehensive strategies required under Section 44757.

(B) English language development and second language acquisition strategies.

(C) Specially designed instruction and assessment in English.

(D) Application of appropriate assessment instruments to assess language proficiency and utilization of benchmarks for reclassification of pupils from English language learners to fully English proficient.

(E) Examination of pupil work as a basis for the alignment of standards, instruction, and assessment.

(F) Use of appropriate instructional materials to assist English language learners to attain academic content standards.

(G) Instructional technology and its integration into the school curriculum for English language learners.

(H) Parent involvement and effective practices for building partnerships with parents.

(f) A local educational agency may use its economic impact aid funds for purposes of this section.

(g) It is the intent of the Legislature that a local educational agency or postsecondary institution that offers an accredited program of professional preparation consider providing partial and proportional credit toward satisfaction of the course requirements to an enrolled candidate who satisfactorily completes a California English Language Development Institute program if the program has been certified by the Commission on Teacher Credentialing as meeting preparation standards.

(h) This section does not prohibit a team member from attending an institute authorized by this section in more than one academic year.

(i) This section shall not apply to the University of California unless and until the Regents of the University of California act, by resolution, to make it applicable.

**SEC. 34.** Section 17581.5 of the Government Code is amended to read:

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

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

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

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

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

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

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

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

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

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

(d) This section applies to the following mandates for the 2010–11, 2011–12, and 2012–13 fiscal years only:

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

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

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

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

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

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

**SEC. 35.** Section 38 of Chapter 12 of the Third Extraordinary Session of the Statutes of 2009 is amended to read:

**Sec.38.** (a) The sum of five hundred sixty-five million seven hundred forty-four thousand dollars (\$565,744,000) is hereby appropriated from the General Fund to the State Department of Education. This appropriation reflects the portion of the February 2010 payment for the class size reduction in kindergarten and grades 1 to 3, inclusive, and the June 2010 principal apportionment that is to be deferred until July 2010 and attributed to the 2010–11 fiscal year. Notwithstanding any other law, the department shall encumber the funds appropriated in this section by July 31, 2010. It is the intent of the Legislature that, by extending the encumbrance authority for the funds appropriated in this section to July 31, 2010, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2009. The appropriation is made in accordance with the following schedule:

(1) Six million two hundred twenty-seven thousand dollars (\$6,227,000) for apprenticeship programs to be expended consistent with the requirements specified in Item 6110-103-0001 of Section 2.00 of the Budget Act of 2009.

(2) Ninety million one hundred seventeen thousand dollars (\$90,117,000) for supplemental instruction to be expended consistent with the requirements specified in Item 6110-104-0001 of Section 2.00 of the Budget Act of 2009. Of the amount appropriated by this paragraph, fifty-one million sixty-one thousand dollars (\$51,061,000) shall be expended consistent with Schedule (1) of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2009, twelve million three hundred thirty thousand dollars (\$12,330,000) shall be expended consistent with Schedule (2) of that item, four million six hundred ninety thousand dollars (\$4,690,000) shall be expended consistent with Schedule (3) of that item, and twenty-two million thirty-six thousand dollars (\$22,036,000) shall be expended consistent with Schedule (4) of that item.

(3) Thirty-nine million six hundred thirty thousand dollars (\$39,630,000) for regional occupational centers and programs to be expended consistent with the requirements specified in Schedule (1) of Item 6110-105-0001 of Section 2.00 of the Budget Act of 2009.

(4) Four million two hundred ninety-four thousand dollars (\$4,294,000) for the Gifted and Talented Pupil Program to be expended consistent with the requirements specified in Item 6110-124-0001 of Section 2.00 of the Budget Act of 2009.

(5) Forty-five million eight hundred ninety-six thousand dollars (\$45,896,000) for adult education to be expended consistent with the requirements specified in Schedule (1) of Item 6110-156-0001 of Section 2.00 of the Budget Act of 2009.

(6) Four million seven hundred fifty-one thousand dollars (\$4,751,000) for community day schools to be expended consistent with the requirements specified in Item 6110-190-0001 of Section 2.00 of the Budget Act of 2009.

(7) Five million nine hundred forty-seven thousand dollars (\$5,947,000) for categorical block grants for charter schools to be expended consistent with the requirements specified in Item 6110-211-0001 of Section 2.00 of the Budget Act of 2009.

(8) Thirty-eight million seven hundred twenty thousand dollars (\$38,720,000) for the School Safety Block Grant to be expended consistent with the requirements specified in Schedule (1) of Item 6110-228-0001 of Section 2.00 of the Budget Act of 2009.

(9) Two hundred thirty million forty-four thousand dollars (\$230,044,000) for class size reduction in kindergarten and grades 1 to 3, inclusive, to be expended consistent with the requirements specified in Item 6110-234-0001 of Section 2.00 of the Budget Act of 2009.

(10) One hundred million one hundred eighteen thousand dollars (\$100,118,000) for the Targeted Instructional Improvement Grant Program to be expended consistent with the requirements specified in Item 6110-246-0001 of Section 2.00 of the Budget Act of 2009.

(b) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2010–11 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 2010–11 fiscal year.

**SEC. 36.** Section 5 of Chapter 3 of the Fourth Extraordinary Session of the Statutes of 2009, as amended by Section 2 of Chapter 31 of the Third Extraordinary Session of the Statutes of 2010, is amended to read:

**Sec. 5.** (a) Notwithstanding any other provision of law, the following amounts from the following Controller's office reference items, that would otherwise be in satisfaction of subdivision (b) of Section 8 of Article XVI of the California Constitution for the 2008–09 fiscal year, that were unallocated, unexpended, or not liquidated as of June 30, 2009, shall revert to the General Fund:

(1) 4450-102-0001 .....	\$12,256,628.09
(2) 6100-103-0001 .....	1,403,709.00
(3) 6100-104-0001 .....	8,921,610.00
(4) 6100-105-0001 .....	32,359,581.00
(5) 6100-107-0001 .....	252,000.00
(6) 6100-108-0001 .....	176,908,000.00
(7) 6100-113-0001 .....	26,390,134.00
(8) 6100-119-0001 .....	6,540,534.50
(9) 6100-122-0001 .....	3,911,000.00
(10) 6100-123-0001 .....	90,492,100.00
(11) 6100-124-0001 .....	767,061.00
(12) 6100-125-0001 .....	53,533,000.00
(13) 6100-128-0001 .....	205,749.00
(14) 6100-137-0001 .....	48,003,000.00
(15) 6100-144-0001 .....	4,146,000.00
(16) 6100-150-0001 .....	2,904.00
(17) 6100-156-0001 .....	19,691,825.00
(18) 6100-158-0001 .....	2,522,553.00
(19) 6100-161-0001 .....	493,295,639.51
(20) 6100-166-0001 .....	8,612,600.00

(21) 6100-167-0001 .....	20,379.00
(22) 6100-181-0001 .....	64,637.00
(23) 6100-190-0001 .....	551,546.00
(24) 6100-193-0001 .....	5,067,793.00
(25) 6100-195-0001 .....	3,385,000.00
(26) 6100-196-0001 .....	233,806,508.98
(27) 6100-198-0001 .....	27,965,147.00
(28) 6100-201-0001 .....	1,017,000.00
(29) 6100-203-0001 .....	6,717,856.17
(30) 6100-209-0001 .....	19,513.86
(31) 6100-211-0001 .....	8,650,311.00
(32) 6100-220-0001 .....	8,054,052.00
(33) 6100-228-0001 .....	45,926,000.00
(34) 6100-232-0001 .....	50,252,306.00
(35) 6100-234-0001 .....	241,243.00
(36) 6100-240-0001 .....	1,662,629.50
(37) 6100-244-0001 .....	45,425,175.52
(38) 6100-245-0001 .....	12.00
(39) 6100-248-0001 .....	14,959,417.00
(40) 6100-265-0001 .....	37,998,248.00
(41) 6100-267-0001 .....	9,060,000.00
(42) 6100-268-0001 .....	1,698,856.00
(43) 6100-295-0001 .....	38,000.00
(44) 6100-611-0001 .....	13,114,425.00
(45) 6100-619-0001 .....	2,356.00
(46) 6100-624-0001 .....	31.00
(47) 6100-628-0001 .....	11,367.00
(48) 6100-633-0001 .....	1,790,906.00
(49) 6100-649-0001 .....	68,164,309.06
(50) 6100-664-0001 .....	15,560,138.00
(51) 6360-101-0001 .....	708,537.41

(b) Notwithstanding Section 41207.5 of the Education Code, the amounts reverted pursuant to subdivision (a) shall not be deposited in the Proposition 98 Reversion Account.

(c) Notwithstanding Section 41202 of the Education Code, the amounts reverted pursuant to subdivision (a) shall not be included in the calculation of the minimum funding obligation pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution.

(d) (1) The Superintendent of Public Instruction shall calculate the following amount: one billion five hundred sixteen million dollars (\$1,516,000,000) divided by the statewide sum of 2008–09 second principal apportionment average daily attendance for school districts, county offices of education, and charter schools.

(2) The Superintendent shall reduce the apportionment for each school district, county office of education, and charter school provided pursuant to Sections 2558, 42238, and 47633, respectively, of the Education Code for the 2009–10 fiscal year by the amount determined pursuant to paragraph (1) multiplied by the 2008–09 second principal apportionment average daily attendance for that local educational agency. Local educational agencies for which the reduction calculated pursuant to this paragraph exceeds their apportionment of state funds shall

have their categorical funding reduced by the excess, except that the amount of the reduction shall be limited by both of the following:

(A) The amount of categorical funds to be reduced shall be limited to the extent that the provisions of Section 41975 of the Education Code cannot be met through other state aid, including amounts provided to a local educational agency pursuant to subdivision (f) of this section.

(B) Apportionments for special education, the After School Education and Safety Program, the Quality Education Investment Act of 2006, and child care and development shall not be reduced.

(e) For the amounts reverted pursuant to subdivision (a), the Superintendent shall determine the amounts that would have been allocated to each local educational agency or other recipient entity, other than amounts that would have been allocated for the High Priority School Grant Program pursuant to Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code, if those funds had not been reverted.

(f) The sum of one billion five hundred sixteen million dollars (\$1,516,000,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for the 2009–10 fiscal year for allocation pursuant to paragraphs (1) and (2).

(1) The sum of three hundred fifty-five million dollars (\$355,000,000) shall be allocated by the Superintendent of Public Instruction for the 2009–10 fiscal year to schoolsites selected to participate in the Quality Education Investment Act program pursuant to Section 52055.730 of the Education Code. Local educational agencies shall receive funding, on behalf of funded schools, at the rates established pursuant to subdivisions (a) and (i) of Section 52055.770 of the Education Code. Local educational agencies and schoolsites receiving this funding shall comply with all of the requirements of the Quality Education Investment Act program specified in Article 3.7 (commencing with Section 52055.700) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code. Notwithstanding any other provision of law, the amount allocated pursuant to this paragraph shall be in lieu of the appropriation required by subparagraph (B) of paragraph (2) of subdivision (c) of Section 52055.770 of the Education Code for the 2009–10 fiscal year.

(2) The Superintendent shall allocate the remaining amount to each local agency or other recipient entity identified pursuant to subdivision (e) in amounts equal to the amounts determined pursuant to subdivision (e) for that local educational agency or other recipient entity less any amount of federal State Federal Stabilization Funds allocated to that agency based on the reductions made pursuant to subdivision (a) of this section. Amounts received pursuant to this paragraph may be used to satisfy obligations incurred during the 2008–09 fiscal year.

(A) The payments made pursuant to this paragraph shall be considered as payments for the programs identified in subdivision (e), not including the High Priority School Grant Program pursuant to Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code, that are deferred from the 2008–09 fiscal year to the 2009–10 fiscal year.

(B) The Superintendent of Public Instruction shall transfer the amounts identified in paragraphs (1) and (51) of subdivision (a) to the appropriate state agency for distribution.

(C) Any of the amounts identified in paragraphs (1) to (51), inclusive, of subdivision (a) that were transferred to Section A of the State School Fund in the 2008–09 fiscal year shall be distributed through Section A of the State School Fund.

(3) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by this subdivision shall be included in the "[t]otal allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in Section 41202 of the Education Code, for the 2009–10 fiscal year.

(g) The amounts reverted pursuant to subdivision (a) shall not affect the determination of base year amounts for categorical funding set forth in Section 42605 of the Education Code.

(h) The Superintendent of Public Instruction shall allocate sixty-four million eight hundred seventy-two thousand dollars (\$64,872,000) in one-time carryover funds provided to the state under subsection (a) of Section 1003 of Title I of the Elementary and Secondary Education Act (20 U.S.C. Sec. 6303 et seq.), as appropriated pursuant to Provision 7 of Item 6110-134-0890 of Chapter 3 of the Fourth Extraordinary Session of the Statutes of 2009 for the purposes of awarding grants to local educational agencies that participate in the Quality Education Investment Act program in the 2009–10 fiscal year.

(i) The Superintendent of Public Instruction shall allocate one hundred million dollars (\$100,000,000) in ongoing funds provided to the state under subsection (a) of Section 1003 of Title I of the Elementary and Secondary Education Act (20 U.S.C. Sec. 6303 et seq.) and one-time funds provided to the state under subsection (a) of Section 1003 of Title I of the Elementary and Secondary Education Act (20 U.S.C. Sec. 6303 et seq.) pursuant to the federal American Recovery and Reinvestment Act of 2009, as appropriated pursuant to Item 6110-134-0890 for purposes of awarding grants to local educational agencies that participate in the Quality Education Investment Act program in the 2009–10 fiscal year.

(j) The total amount appropriated in paragraph (1) of subdivision (f) shall be reduced by the sum of the federal funds allocated in subdivisions (h) and (i), to the extent these federal funds are available for the purposes of awarding grants to local educational agencies that participate in the Quality Education Investment Act program in the 2009–10 fiscal year, as determined by the Superintendent of Public Instruction. It is the intent of the Legislature that the Superintendent of Public Instruction determine the availability of the federal funds on or before November 15, 2009.

**SEC. 37.** Section 1 of Chapter 221 of the Statutes of 2010 is amended to read:

**Section 1.** The sum of nine hundred six million eight hundred forty-five thousand dollars (\$906,845,000) is hereby appropriated for the 2010–11 fiscal year, payable from the Federal Trust Fund, for allocation pursuant to the following schedule:

(a) To the State Department of Education, for allocation to local educational agencies, pursuant to the following programs and subschedule:

(1) 10.30.004-School Improvement Grant	.....	\$64,082,000
(2) 10.30.016-School Improvements Grants (ARRA)	.....	\$351,763,000

(A) The funds appropriated in subschedules (1) and (2) are for the purpose of supporting three-year school improvement grants to local educational agencies, to be provided over a three-year period.

(B) The funds shall be allocated to local educational agencies to fund school improvement grants based on school size as approved by the State Board of Education on August 24, 2010.

(C) The appropriation of funds in subschedules (1) and (2) is contingent upon approval of California’s request to the United States Department of Education for a waiver to allocate 100 percent of the funds in a manner consistent with subparagraph (B).

(b) To the Office of Planning and Research, for transfer for purposes of reimbursement pursuant to the following subschedule:

(1) State Department of Education	.....	\$272,000,000
(2) Board of Governors of the California Community Colleges	.....	\$5,000,000
(3) University of California	.....	\$107,000,000
(4) California State University	.....	\$107,000,000

(A) The funds appropriated in subschedule (1) are for the purpose of reimbursement of local educational agencies for mitigating revenue limits reductions and reductions made to basic aid districts.

(B) The funds appropriated in subschedules (2) to (4), inclusive, are for the purpose of reimbursement to the entities in these subschedules for mitigating reductions made to the California Community Colleges, the University of California, and the California State University.

(C) The funds are for expenditure pursuant to Title XIV of the American Recovery and Reinvestment Act (ARRA) and related guidance for the federal State Fiscal Stabilization Fund (SFSF) Phase II grant award.

**SEC. 38.** (a) Notwithstanding any other provision of law, the following amounts from the following Controller's office reference items that would otherwise be in satisfaction of subdivision (b) of Section 8 of Article XVI of the California Constitution for the 2009–10 fiscal year, that were unallocated, unexpended, or not liquidated as of June 30, 2010, shall revert to the General Fund:

(1) 5225-011-0001 .....	\$11,939,000.00
(2) 6100-128-0001 .....	\$68,126,458.00
(3) 6100-161-0001 .....	\$419,956,000.00
(4) 6100-196-0001 .....	\$32,070,866.00
(5) 6100-650-0001 .....	\$167,047,393.00
(6) 6100-651-0001 .....	\$22,073,021.00
(7) 6360-651-0001 .....	\$5,025,000.00

(b) Notwithstanding Section 41207.5 of the Education Code, the amount reverted pursuant to subdivision (a) shall not be deposited in the Proposition 98 Reversion Account.

(c) Notwithstanding Section 41202 of the Education Code, the amount reverted pursuant to subdivision (a) shall not be included in the calculation of the minimum funding obligation for the 2009–10 fiscal year pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution.

(d) The sum of three hundred thirty-nine million nine hundred fifty-six thousand dollars (\$339,956,000) is hereby appropriated from the General Fund to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the 2010–11 fiscal year for special education to satisfy obligations incurred during the 2009–10 fiscal year.

(e) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (d) shall be included in 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 Section 41202 of the Education Code for the 2010–11 fiscal year.

**SEC. 39.** (a) The sum of nine hundred five million seven hundred thousand dollars (\$905,700,000) is hereby appropriated from the General Fund to the State Department of Education. This appropriation reflects the portion of the payment for class size reduction in kindergarten and grades 1 to 3, inclusive, that is to be deferred until and attributed to the 2011–12 fiscal year and the June 2011 principal apportionment that is to be deferred until July 2011 and attributed to the 2011–12 fiscal year. Notwithstanding any other law, the department shall encumber the funds appropriated in this section by July 31, 2011. It is the intent of the Legislature that, by extending the encumbrance authority for the funds appropriated in this section to July 31, 2011, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2010. The appropriation is made in accordance with the following schedule:

(1) Six million two hundred twenty-seven thousand dollars (\$6,227,000) for apprenticeship programs to be expended consistent with the requirements specified in Item 6110-103-0001 of Section 2.00 of the Budget Act of 2010.

(2) Ninety million one hundred seventeen thousand dollars (\$90,117,000) for supplemental instruction to be expended consistent with the requirements specified in Item 6110-104-0001 of Section 2.00 of the Budget Act of 2010. Of the amount appropriated by this paragraph, fifty-one million sixty-one thousand dollars (\$51,061,000) shall be expended consistent with Schedule (1) of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2010, twelve million three hundred thirty thousand dollars (\$12,330,000) shall be expended consistent with Schedule (2) of that item, four million six hundred ninety thousand dollars (\$4,690,000) shall be expended consistent with Schedule (3) of that item, and twenty-two million thirty-six thousand dollars (\$22,036,000) shall be expended consistent with Schedule (4) of that item.

(3) Thirty-nine million six hundred thirty thousand dollars (\$39,630,000) for regional occupational centers and programs to be expended consistent with the requirements specified in Schedule (1) of Item 6110-105-0001 of Section 2.00 of the Budget Act of 2010.

(4) Four million two hundred ninety-four thousand dollars (\$4,294,000) for the Gifted and Talented Pupil Program to be expended consistent with the requirements specified in Item 6110-124-0001 of Section 2.00 of the Budget Act of 2010.

(5) Forty-five million eight hundred ninety-six thousand dollars (\$45,896,000) for adult education to be expended consistent with the requirements specified in Schedule (1) of Item 6110-156-0001 of Section 2.00 of the Budget Act of 2010.

(6) Four million seven hundred fifty-one thousand dollars (\$4,751,000) for community day schools to be expended consistent with the requirements specified in Item 6110-190-0001 of Section 2.00 of the Budget Act of 2010.

(7) Five million nine hundred forty-seven thousand dollars (\$5,947,000) for categorical block grants for charter schools to be expended consistent with the requirements specified in Item 6110-211-0001 of Section 2.00 of the Budget Act of 2010.

(8) Thirty-eight million seven hundred twenty thousand dollars (\$38,720,000) for the School Safety Block Grant to be expended consistent with the requirements specified in Schedule (1) of Item 6110-228-0001 of Section 2.00 of the Budget Act of 2010.

(9) One hundred million one hundred eighteen thousand dollars (\$100,118,000) for the Targeted Instructional Improvement Grant Program to be expended consistent with the requirements specified in Item 6110-246-0001 of Section 2.00 of the Budget Act of 2010.

(b) The amount appropriated in subdivision (a) shall be reduced by the lesser of five hundred seventy million dollars (\$570,000,000) or the sum of the amounts transferred pursuant to paragraphs (3) and (4) of subdivision (b) of Section 40 of this act.

(c) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2011-12 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 2011-12 fiscal year.

**SEC. 40.** (a) Notwithstanding any other law, the Superintendent of Public Instruction shall certify to the Controller the amounts needed for the 2010-11 fiscal year to fund the class size reduction program operated pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2 of the Education Code, pursuant to the following schedule:

(1) Within 90 days of the enactment of the Budget Act of 2010-11, the Superintendent shall certify to the Controller the amount needed to fund the advance apportionments for the 2010-11 fiscal year, consistent with paragraph (2) of subdivision (c), and paragraph (1) of subdivision (g), of Section 52126 and Section 52124.3 of the Education Code.

(2) By February 25, 2011, the Superintendent shall certify to the Controller the amount needed to fund the apportionment payments for the 2010-11 fiscal year on the basis of applications received, consistent with paragraph (2) of subdivision (c), and paragraph (2) of subdivision (g), of Section 52126 and Section 52124.3 of the Education Code.

(3) By July 25, 2011, the Superintendent shall certify to the Controller the amount needed to fund the apportionments for the 2010-11 fiscal year on the basis of actual enrollment, consistent with paragraph (2) of subdivision (c), and paragraph (3) of subdivision (g), of Section 52126 and Section 52124.3 of the Education Code.

(4) By April 30, 2012, the Superintendent shall certify to the Controller the amount needed to fund the full apportionments for the 2010-11 fiscal year on the basis of revised reports of actual enrollment, consistent with paragraph (2) of subdivision (c), and paragraph (3) of subdivision (g), of Section 52126 and Section 52124.3 of the Education Code.

(b) Not later than five days following each certification made pursuant to subdivision (a), the Controller shall transfer from the General Fund to Section A of the State School Fund for allocation by the Superintendent for purposes of Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4 of Title 2 of the Education Code the following amounts:

(1) For the certification made pursuant to paragraph (1) of subdivision (a), the amount certified.

(2) For the certification made pursuant to paragraph (2) of subdivision (a), 55 percent of the amount certified minus the amount transferred pursuant to paragraph (1).

(3) For the certification made pursuant to paragraph (3) of subdivision (a), the amount certified minus the sum of the amounts transferred pursuant to paragraphs (1) and (2).

(4) For the certification made pursuant to paragraph (4) of subdivision (a), the amount certified pursuant to paragraph (4) of subdivision (a) minus the sum of the amounts transferred pursuant to paragraphs (1), (2), and (3).

(c) Not less than 30 days before making each certification pursuant to subdivision (a), the Superintendent shall notify the Department of Finance, the Legislative Analyst, and the appropriate policy and fiscal committees of the Legislature regarding the amounts the Superintendent intends to certify to the Controller and shall include in that notification the data used in determining the amounts to be certified.

(d) The per pupil amounts for Option One and Option Two for the 2010–11 fiscal year shall be the same as those provided in the 2009–10 fiscal year.

(e) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the transfers made by paragraphs (3) and (4) of subdivision (b) 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 2011–12 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 2011–12 fiscal year.

**SEC. 41.** It is the intent of Legislature that, commencing with the audit guide authorized pursuant to Section 14502.1 of the Education Code for the 2011–12 school year, the Controller's office ensure that revisions are made to clarify that average daily attendance records for juvenile court schools operated by a county superintendent of schools are reviewed annually.

**SEC. 42.** (a) Notwithstanding Sections 42238.1 and 42238.15 of the Education Code or any other law, the cost-of-living adjustment for Items 6110-104-0001, 6110-105-0001, 6110-119-0001, 6110-122-0001, 6110-124-0001, 6110-128-0001, 6110-150-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-167-0001, 6110-181-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-196-0001, 6110-203-0001, 6110-209-0001, 6110-211-0001, 6110-224-0001, 6110-232-0001, 6110-244-0001, and 6110-246-0001 of Section 2.00 of the Budget Act of 2010 is zero percent for the 2010–11 fiscal year. All funds appropriated in the Budget Act of 2010 in the items identified in this section are in lieu of the amounts that would otherwise be appropriated pursuant to any other law.

(b) Notwithstanding Section 42238.1 of the Education Code or any other law, for purposes of Section 48664 of the Education Code, the cost-of-living adjustment is zero percent for the 2010–11 fiscal year.

**SEC. 43.** Notwithstanding any other law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-124-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-190-0001, 6110-211-0001, 6110-234-0001, and 6110-243-0001 of Section 2.00 of the Budget Act of 2010 shall be encumbered by July 31, 2011. This one-month extension of encumbrance authority is provided due to the effect of the deferral of the June 2011 principal apportionment on the budget items specified in this section. It is the intent of the Legislature that, by extending the encumbrance authority for the funds identified in this section to July 31, 2011, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2010.

**SEC. 44.** Notwithstanding any other provision of law and subject to the approval of the Director of Finance and the Chancellor of the California Community Colleges, the Controller shall issue warrants to a community college district pursuant to Sections 84320, 84321, 84321.5, and 84321.6 of the Education Code that include the full amount of the apportionment payments for any month for which apportionments are deferred within a fiscal year if the president of the community college district certifies to the Chancellor of the California Community Colleges and to the Director of Finance, on or before December 1 of that fiscal year, that the deferral of apportionment payments will result in the college being unable to meet its expenditure obligations for the time period during which payments are deferred. The criteria, as applicable, to qualify a community college for an emergency apportionment payment shall be used to make the certification specified in this section.

**SEC. 45.** Contingent on the enactment of a statute in the 2009–10 Regular Session that adds Section 17570.1 to the Government Code, the Legislature hereby requests the Department of Finance, on or before December 31, 2010, to exercise its authority pursuant to subdivision (c) of Section 17570 of Government Code and file a request with the Commission on State Mandates for the purpose of seeking the adoption of a new test claim to supersede CMS 4425 (97-TC-08), relating to the Collective Bargaining mandate.

**SEC. 46.** (a) On or before December 1, 2010, the Controller shall confirm that school districts are no longer filing mandate claims pursuant to Section 6 of Article XIII B of the California Constitution for activities deleted

from Section 33126 of the Education Code related to the School Accountability Report Cards mandate (97-TC-21), including the following:

(1) Reporting the average verbal and math Scholastic Aptitude Test scores of high school seniors, to the extent that those scores are provided, and the average percentage of seniors taking that exam for the most recent three-year period.

(2) The degree to which pupils are prepared to enter the workforce.

(b) If the Controller finds that school districts are still filing claims for either of these activities, then the Controller shall file a request with the Commission on State Mandates to amend the parameters and guidelines accordingly for the School Accountability Report Cards mandate (97-TC-21).

**SEC. 47.** The Legislative Analyst's Office shall convene a working group to consider the future of school district and community college district mandates. The working group shall include representatives from the Legislative Analyst's Office, the Department of Finance, the State Department of Education, the California Community Colleges Chancellor's Office, and staff of the fiscal and policy committees of the Legislature. The working group shall consult with appropriate stakeholders and shall develop recommendations by March 15, 2011, regarding the education mandates and the ways they should be treated, including whether to preserve, modify, or eliminate particular mandates.

**SEC. 48.** This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 2010 at the earliest time possible, it is necessary that this act take effect immediately.