

## Education Omnibus Trailer Bill with May Revision Amendments

The May Revision proposes the following trailer bill language changes. Incremental changes to the Governor's Budget proposal are highlighted in bold font.

### Application of Local Control Funding Formula Proration Factor

Section 2575.3 of the Education Code is added to read: **(New for May Revision)**

2575.3. (a)(1) In the 2020-21 fiscal year, the total county operations grant determined pursuant to subdivision (a) of Section 2574 shall be prorated by 10 percent.

(2)The alternative education grant rate determined pursuant to subdivision (c) of Section 2574 shall be prorated by 10 percent.

(3) In addition to the calculations referenced in paragraph (1), in fiscal year 2020-21, the amounts determined pursuant to the subdivision (e) of section 2574, subdivisions (a), (h), and (k) of section 2575, and section 2575.1 shall be prorated by 10 percent.

### Adjust Child Care Workforce Development and Infrastructure Grants to Revert Funding

Section 8280 of the Education Code is amended to read:

8280. (a) The Superintendent shall administer the Early Learning and Care Infrastructure Grant Program to expand access to early learning and care opportunities for children up to five years of age by providing resources to build new facilities or retrofit, renovate, or expand existing facilities pursuant to this section.

(b) Notwithstanding any other law, the Child Care Facilities Revolving Fund shall remain operative for the sole purpose of collecting deposits derived from the Child Care Facilities Revolving Fund program pursuant to Section 8278.3.

(1) The Superintendent shall deposit all revenue derived from the lease payments or renovation or repair loan payments into the Child Care Facilities Revolving Fund until December 31, 2029.

(2) Local educational agencies and contracting agencies using facilities purchased with funds pursuant to Section 8278.3 before December 31, 2019, shall be charged a leasing fee, either at fair market value for those facilities or at an amount sufficient to amortize the cost of purchase and relocation, whichever amount is lower, over a 10-year period. Upon full repayment of the purchase and relocation costs, title shall transfer from the State of California to the local educational agency or contracting agency. Loans for renovation or repair shall be repaid within a period that does not exceed 10 years.

(3) As of December 31, 2019, the remaining balance of the Child Care Facilities Revolving Fund shall be allocated as follows:

(A) The sum of ten million dollars (\$10,000,000) shall be transferred to the Inclusive Early Education Expansion Program, pursuant to Section 8492.

(B) Following the transfer pursuant to subparagraph (A), the remaining balance shall be allocated for the purposes described in this section.

(C) Any balance derived from the ongoing deposits of the lease payments or renovation or repair loan payments after December 31, 2019, shall be allocated through the annual Budget Act process.

(c) The Superintendent shall award infrastructure grants on a competitive basis to early learning and care providers that are not local educational agencies, and operate as a licensed childcare center, preschool, or licensed family childcare home for the following purposes:

(1) Construction of new early learning and care facilities to increase capacity or recover lost capacity as a result of a state or federally declared disaster.

(2) Renovation, repair, modernization, or retrofitting of existing early learning and care facilities to increase capacity or recover lost capacity as a result of a state or federally declared disaster, or make existing early learning and care facilities more resilient for future natural disasters.

(3) Renovation, repair, modernization, or retrofitting of existing facilities for use as early learning and care facilities.

(4) Renovation, repair, modernization, or retrofitting of existing early learning and care facilities to address health and safety or other licensure needs to the extent the applicant can demonstrate a financial hardship, and that failure to correct the issues would result in an inability to provide care. Funds awarded in this category shall be limited to high-need providers based on criteria established by the Superintendent.

(d) The Superintendent shall require all of the following from applicants for the infrastructure grants:

(1) A proposal to increase capacity and local access to subsidized early learning and care programs for children up to five years of age, including children with exceptional needs. The ~~information~~ proposal shall quantify the number of additional children who will be provided with access to subsidized early learning and care programs.

(2) A plan to fiscally sustain the increase in subsidized spaces or programs created through the use of these funds. Subsidies may be funded with private, local, state, or federal funds, but shall be able to demonstrate reasonable expectations of sustainability.

(3) Specific activities and materials for which grant funding will be used.

(4) A description of how the applicant will measure outcomes associated with the proposal submitted pursuant to paragraph (1), as specified by the Superintendent.

(5) An outline of any potential challenges or barriers the applicant will experience or expect to experience in building capacity, including the need for any technical assistance to address the identified challenges or barriers.

(e) The Superintendent shall give priority for grant funding based on the following:

(1) Applicants with a demonstrated need for expanded access to subsidized early learning and care programs as measured by the ratio of children in subsidized early learning and care programs to eligible children in the applicant's service area.

(2) Applicants in low-income communities, as measured by the proportion of children that qualify for state or federal subsidies for early learning and care programs.

(3) Applicants who plan to use grant funding to serve children that qualify for state or federal subsidies for early learning and care programs.

(4) Applicants serving children from birth to five years of age, inclusive, with exceptional needs in inclusive environments.

(5) Applicants wishing to recover lost capacity as a result of a state or federally declared disaster.

(f) Infrastructure grants may be used for one-time infrastructure costs only, including, but not limited to, universal design facility renovations, retrofitting to meet licensing requirements, the cost of design, engineering, testing, inspections, plan checking, construction management, site acquisition and development, evaluation and response action costs relating to hazardous substances at a new or existing site, demolition, construction, landscaping, or other related costs as determined by the Superintendent.

(g) The Superintendent shall determine the appropriate grant amount for each grantee, based upon factors that include, but are not limited to, the scope of the project, regional costs, the use of universal design to provide inclusive environments, the need to meet licensing requirements or health and safety standards, and the proportion of subsidized children to be served.

(h) The Superintendent shall establish the terms and conditions associated with accepting the infrastructure grant funds awarded pursuant to this section and determine a mechanism for recouping any grant moneys from grantees that do not adhere to those terms and conditions.

(i) The Superintendent shall establish a separate application and grant process for providing grant funds related to paragraph (4) of subdivision (c) that limits grantees to low-income providers who serve a minimum percentage of subsidized children. In establishing this process, the Superintendent shall consult with the State Department of Social Services to ensure grant funds are accessible to the highest need providers and shall consider the timeframe during which health and safety violations are cited and must be resolved.

(j) The grant program shall offer technical assistance to potential applicants before being awarded a grant that includes, but is not limited to, project development support and financial expertise, including assistance with coordinating financing from multiple sources.

(k) Infrastructure grant recipients shall commit to providing program data to the department, as specified by the Superintendent, and participate in overall program evaluation.

(1) There is hereby appropriated two hundred forty-five million dollars (\$245,000,000) to the department from the General Fund for the infrastructure grant program established pursuant to this section to be released ~~according to the following schedule:~~ in the 2019-20 fiscal year.

~~(A) For the 2019-20 fiscal year, one hundred sixty one million dollars (\$161,000,000).~~

~~(B) For the 2020-21 fiscal year, twenty million dollars (\$20,000,000).~~

~~(C) For the 2021-22 fiscal year, thirty two million dollars (\$32,000,000).~~

~~(D) For the 2022-23 fiscal year, thirty two million dollars (\$32,000,000).~~

(2) The Director of Finance may change the release of funds scheduled in subparagraphs (A) to (D), inclusive, of paragraph (1), if deemed necessary. The director shall notify the Chairperson of the Joint Legislative Budget Committee, or the chairperson's designee, of the director's intent to notify the Controller of the necessity to change the release of funds scheduled in ~~subparagraphs (A) to (D), inclusive,~~ of paragraph (1). The total amount released shall not be greater or lesser than the amount appropriated in paragraph (1). The Controller shall make the funds available to the department not sooner than five days after receipt of this notification.

(3) The program established pursuant to this section shall be funded from funds appropriated in this section, funds transferred from the Child Care Facilities Revolving Fund pursuant to Section 8278.3, and federal funds appropriated for this purpose in the

Budget Act of 2019. Notwithstanding Section 16304 of the Government Code, of the amount appropriated for this program, the Superintendent shall allocate the funds available for the grants through the 2023–24 fiscal year, in approximately equal amounts each fiscal year as follows:

(A) In the 2019–20 fiscal year, for licensed early learning and care centers that are not local educational agencies, pursuant to this section.

(B) In each fiscal year thereafter, for all licensed early learning and care providers, including licensed family childcare home providers, to the extent the process described in subdivision (n) is complete.

(C) In each fiscal year, up to 5 percent of the amount provided for this program shall be used for the renovation, repair, modernization, or retrofitting of existing early learning and care facilities to address health and safety or other licensure needs pursuant to the process established pursuant to subdivision (i).

(m) Notwithstanding any other provision of this section, the Superintendent, with the concurrence of the executive director of the state board, shall recommend to the Department of Finance and the budget committees of the Legislature by January 1, 2021, any changes to the funding methodology in this section related to the recommendations and priorities provided pursuant to Section 8207.

(n) Before March 1, 2020, the Superintendent, with the concurrence of the Department of Finance, shall establish an appropriate method, process, and structure for grant management, fiscal accountability, and technical assistance and supports for grantees that ensures transparency and accountability in the use of state funds. The Superintendent may set aside up to 5 percent of the total amount appropriated for the program to contract with one or more community development financial intermediaries, state financial entities, or other community-based organizations for these purposes. Beginning in the 2020–21 fiscal year, the Legislature may reassess the total amount set aside for purposes of this subdivision. The Superintendent shall notify the Joint Legislative Budget Committee when this process is established.

(o) For purposes of this section, “state or federally declared disaster” means counties where early learning and care providers are operating subject to a Presidential declaration of an emergency or major disaster, pursuant to the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Sec. 5121 et seq.), or a Governor’s Proclamation, on behalf of the impacted local government, as authorized by the powers authorized by the California Emergency Services Act (Chapter 7 commencing with Section 8550) of Division 1 of Title 2 of the Government Code).

(p) The Superintendent shall provide annual reports, until December 31, 2025, to the Governor and the appropriate policy and fiscal committees of the Legislature on any recommendations for consideration in future budgets, the impact of the grant program in achieving the goals described in this section, recommendations as to whether the program should receive additional appropriations, and any changes that should be considered.

**(q) As of June 30, 2020, the amounts appropriated and transferred for the purposes of this section shall revert to the General Fund.**

Section 8280.1 of the Education Code is amended to read:

8280.1. (a) The Superintendent shall administer the Early Learning and Care Workforce Development Grants Program to expand the number of qualified early learning and

care professionals and increase the educational credentials of existing early learning and care professionals across the state, pursuant to this section.

(b) (1) There is hereby appropriated one hundred fifty million dollars (\$150,000,000) to the department from the General Fund for the competitive workforce development grants program established pursuant to this section to be released ~~according to the following schedule:~~ in the 2019–20 fiscal year.

~~(A) For the 2019–20 fiscal year, eighty-four million dollars (\$84,000,000).~~

~~(B) For the 2020–21 fiscal year, twenty-two million dollars (\$22,000,000).~~

~~(C) For the 2021–22 fiscal year, twenty-two million dollars (\$22,000,000).~~

~~(D) For the 2022–23 fiscal year, twenty-two million dollars (\$22,000,000).~~

(2) The Director of Finance may change the release of funds scheduled in subparagraphs (A) to (D), inclusive, of paragraph (1), if deemed necessary. The director shall notify the Chairperson of the Joint Legislative Budget Committee, or the chairperson's designee, of the director's intent to notify the Controller of the necessity to change the release of funds scheduled in subparagraphs (A) to (D), inclusive, of paragraph (1). The total amount released shall not be greater or lesser than the amount appropriated in paragraph (1). The Controller shall make the funds available to the department not sooner than five days after receipt of this notification.

(3) Notwithstanding Section 16304 of the Government Code, of the amount appropriated for this program in this subdivision, the Superintendent shall allocate the funds available for the grants through the 2023–24 fiscal year, in approximately equal amounts each fiscal year.

(c) The Superintendent shall award and administer the workforce development grants to local, regional, or local and regional quality improvement partnerships, as defined by the Superintendent, consistent with the Quality Rating and Improvement System local consortia, as defined in Section 8203.1, representing all counties of the state. A local, regional, or local and regional quality improvement partnership may form a consortia with one or more regional partners. All local, regional, or local and regional quality improvement partnerships shall submit a plan to the department that describes how they will allocate funds and increase the number, qualifications, and competencies of early learning and care professionals in their county or region. The plan shall also describe how local partnerships will engage in collaborative partnerships with their members, local governmental agencies, businesses, nonprofit organizations, or other interested partners to improve the educational attainment of early learning and care professionals in their county or region, including those working in centers, family childcare homes, and license-exempt settings that serve a majority of children who receive subsidized early learning and care services or are eligible to received subsidized early learning and care services, pursuant to this chapter.

(d) Workforce development grant award amounts shall be determined based on the following criteria:

(1) Demonstrated need for early learning and care professionals in each county or region.

(2) The cost of living in each county or region.

(3) The number of children under 13 years of age in each county or region who are in a family whose income is up to 85 percent of the state median income.

(e) Workforce development grants may be used for costs associated with the educational expenses of current and future early learning and care professionals that move those professionals along the early learning and care career lattice and support

their attainment of increased education or English language proficiency, as well as professional development in early childhood instruction or child development, including developing competencies in serving children with exceptional needs and dual language learners. Allowable uses of funds include:

- (1) Tuition, supplies, and other related educational expenses.
- (2) Transportation and childcare costs incurred as a result of attending classes.
- (3) Substitute teacher pay for early learning and care professionals that are currently working in a subsidized early learning and care setting.
- (4) Stipends and professional development expenses, aligned to the Quality Counts California professional development system in that area, as determined by the Superintendent.
- (5) Career, course, and professional development coaching, counseling, and navigation services.
- (6) Other educational expenses as determined by the Superintendent.
- (f) Local, regional, or local and regional quality improvement partnerships awarded funding pursuant to this section may partner with local or online accredited higher education institutions, local agencies that provide high-quality, credit-bearing trainings, or apprenticeship programs that integrate and embed higher education coursework with on-the-job training of professionals.
- (g) The Superintendent may set aside no more than 1 percent of the total funding appropriated for the Early Learning and Care Workforce Development Grants Program to provide technical assistance and support for grantees and potential grantees on developing proposals for and implementing workforce development grants.
- (h) Local, regional, or local and regional quality improvement partnerships receiving grants shall commit to providing program data to the department, as specified by the Superintendent, including, but not limited to, recipient information, educational progress, and employment status, and participate in overall program evaluation.
- (i) The Superintendent shall provide a report to the Governor as well as the appropriate policy and fiscal committees of the Legislature by October 1, 2020, and annually thereafter through the 2023–24 fiscal year, on the expenditure of funds as well as relevant outcome data in order to evaluate the impact of the program.
- (j) The competitive workforce development grants program established pursuant to this section shall be funded from funds appropriated in this section.
- (k) Notwithstanding any other provision of this section, the Superintendent, with the concurrence of the executive director of the state board, shall recommend to the Department of Finance and the budget committees of the Legislature by January 1, 2021, any changes to the funding methodology in this section related to the recommendations and priorities provided pursuant to Section 8207.

**(l) As of June 30, 2020, the amounts appropriated for the purposes of this section shall revert to the General Fund.**

### **Principal Apportionment Deferrals**

Section 14041.5 of the Education Code is amended to read: **(New for May Revision)**

14041.5. (a) Notwithstanding subdivision (a) of Section 14041, for the 2002–03 fiscal year to the 2013–14 fiscal year, inclusive, and commencing with the 2019-20 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 to the 2013–14 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 one billion one hundred one million six hundred fifty-five thousand

dollars (\$1,101,655,000). Any amount in excess of one billion one hundred one million six hundred fifty-five thousand dollars (\$1,101,655,000) 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.

(f) Commencing with the 2019-20 school year, the amount of 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 eight hundred sixty-five million six hundred thousand dollars (\$1,865,600,000). Any amount in excess of one billion eight hundred sixty-five million six hundred thousand dollars (\$1,865,600,000) 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.

Section 14041.6 of the Education Code is amended to read: **(New for May Revision)**

14041.6. (a) Notwithstanding subdivision (a) of Section 14041, or any other law, for 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, for the 2009–10 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 and warrants 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 pursuant to the certification made pursuant to Section 41339.

(c) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2010–11 fiscal year, warrants for the principal apportionments for the month of February in the amount of two billion dollars (\$2,000,000,000), for the month of April in the amount of four hundred nineteen million twenty thousand dollars (\$419,020,000), for the month of May in the amount of eight hundred million dollars (\$800,000,000), and for the month of June in the amount of five hundred million dollars (\$500,000,000) instead shall be drawn in July of the same calendar year and warrants 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 pursuant to the certification made pursuant to Section 41339.

(d) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2011–12 fiscal year, warrants for the principal apportionments for the month of February in the amount of two billion dollars (\$2,000,000,000), for the month of April in the amount of

four hundred nineteen million twenty thousand dollars (\$419,020,000), for the month of May in the amount of eight hundred million dollars (\$800,000,000), and for the month of June in the amount of five hundred million dollars (\$500,000,000) instead shall be drawn in July of the same calendar year and warrants for the month of March in the amount of one billion three hundred million dollars (\$1,300,000,000) and for the month of April in the amount of one billion four hundred forty-two million four hundred five thousand dollars (\$1,442,405,000) and for the month of May in the amount of one billion dollars (\$1,000,000,000) instead shall be drawn in August pursuant to the certification made pursuant to Section 41339.

(e) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2012–13 fiscal year, warrants for the principal apportionments for the month of February in the amount of five hundred thirty-one million seven hundred twenty thousand dollars (\$531,720,000), for the month of April in the amount of five hundred ninety-four million seven hundred forty-eight thousand dollars (\$594,748,000), for the month of May in the amount of one billion nine hundred seventy-six million seven hundred one thousand dollars (\$1,976,701,000), and for the month of June in the amount of five hundred million dollars (\$500,000,000) instead shall be drawn in July of the same calendar year and warrants for the month of March in the amount of one billion twenty-nine million four hundred ninety-three thousand dollars (\$1,029,493,000) and for the month of April in the amount of seven hundred sixty-three million seven hundred ninety-four thousand dollars (\$763,794,000) instead shall be drawn in August pursuant to the certification made pursuant to Section 41339.

(f) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2013–14 fiscal year, warrants for the principal apportionments for the month of April in the amount of nine hundred seventeen million five hundred forty-two thousand dollars (\$917,542,000), for the month of May in the amount of two billion one hundred fifty-two million four hundred thirty thousand dollars (\$2,152,430,000), and for the month of June in the amount of five hundred million dollars (\$500,000,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

(g) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2013–14 fiscal year, warrants for the principal apportionments for the month of May in the amount of two hundred million dollars (\$200,000,000) and for the month of June in the amount of six hundred ninety-nine million four hundred seventy-three thousand dollars (\$699,473,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339. The Superintendent shall allocate this deferred amount and repayment to local educational agencies based on their proportionate share of funding appropriated to local educational agencies pursuant to Section 92 of Chapter 38 of the Statutes of 2012.

(h) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2014–15 fiscal year, warrants for the principal apportionments for the month of June in the amount of eight hundred ninety-seven million one hundred eighty-four thousand dollars (\$897,184,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

(i) Notwithstanding subdivision (a) of Section 14041, or any other law, commencing with the 2020–21 fiscal year, warrants for the principal apportionments for the month of April in the amount of five hundred twenty-seven million eight hundred forty six thousand dollars (\$527,846,000) and for the month of May in the amount of two billion three

hundred seventy-five million three hundred eight thousand dollars (\$2,375,308,000) shall be drawn in [XXXX] of the same calendar year, and warrants for the principal apportionments for the month of June in the amount of two billion three hundred seventy-five million three hundred eight thousand dollars (\$2,375,308,000) instead shall be drawn in [XXXX] of the same calendar year pursuant to the certification made pursuant to Section 41335.

~~(j)~~ (i) 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) to ~~(h)~~ (i), inclusive, shall be deemed to be "General Fund revenues appropriated for 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.

~~(j)~~ (k) Notwithstanding subdivision ~~(j)~~ (i), for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, one billion five hundred ninety million four hundred forty-nine thousand dollars (\$1,590,449,000) of the warrants drawn in August of 2013 pursuant to subdivision (e) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, for the 2012–13 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2012–13 fiscal year.

~~(k)~~ (l) Notwithstanding subdivision ~~(j)~~ (i) of this section and subdivision (e) of Section 14041.5, for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, one billion two hundred ninety-four million seven hundred twenty thousand dollars (\$1,294,720,000) of the warrants drawn in July 2014 pursuant to subdivisions (f) and (g) of this section and subdivision (e) of Section 14041.5 shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, for the 2012–13 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2012–13 fiscal year.

~~(j)~~ (m) Notwithstanding subdivision ~~(j)~~ (i) of this section and subdivision (e) of Section 14041.5, for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, two billion seven hundred eighty million five hundred twenty-six thousand dollars (\$2,780,526,000) of the warrants drawn in July 2014 pursuant to subdivisions (f) and (g) of this section and subdivision (e) of Section 14041.5 shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, for the 2013–14 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2013–14 fiscal year.

(n) Notwithstanding subdivision (j) of this section and subdivision (f) of Section 14041.5, for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (i) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision

(c) of Section 41202, for the 2020-21 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 2020-21 fiscal year.

(o) Notwithstanding subdivision (j) of this section and subdivision (f) of Section 14041.5, for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (j) shall be deemed to be "General Fund revenues appropriated for 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.

Section 14041.8 of the Education Code is added to read: **(New for May Revision)**

14041.8. (a) For the 2020–21 fiscal year only, up to one hundred million dollars (\$100,000,000) of the amount of the warrants for the principal apportionments for the month of May, that are instead to be drawn in [XXXX], pursuant to Section 14041.6, may be drawn in May, 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 May 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 January 5, 2021 that the deferral of warrants pursuant to Section 14041.6 will result in the charter school being unable to meet its financial obligations for May, and shall provide the Superintendent an estimate of the amount of additional funds necessary for the charter school to meet its financial obligations for each month, as applicable.

(2) In order for a school district to receive a payment in May pursuant to this section, the county superintendent of schools shall certify to the Superintendent and to the Director of Finance on or before January 5, 2021 that the deferral of warrants pursuant to Section 14041.6 will result in the school district being unable to meet its financial obligations for May, 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 May.

(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 monthly payment for the charter school or school district calculated pursuant to Section 14041 or the amount of additional funds necessary for the charter school or school district to meet its financial obligations for the month of May, as reported to the Superintendent pursuant to paragraph (1) or (2).

(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 February 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 (4) 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 by the Controller no later than the last business day May.

(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 for 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.

Section 14041.9 of the Education Code is added to read: **(New for May Revision)**

14041.9. (a) For the 2020–21 fiscal year only, 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 and 14041.6, 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 Section 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 Section 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 monthly payment for the charter school or school district calculated pursuant to Section 14041 or the 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) 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 (4) 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 by the Controller 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 for 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.

### **2019-20 Full-Day Kindergarten Facilities Program**

Section 17375 of the Education Code is amended to read:

17375. (a) (1) The Full-Day Kindergarten Facilities Grant Program is hereby established, under the administration of the State Allocation Board pursuant to the requirements of this section, to provide one-time grants to school districts to construct new school facilities or retrofit existing school facilities for the purpose of providing full-day kindergarten classrooms pursuant to Section 8973.

(2) Moneys appropriated pursuant to this section shall be deposited in the Full-Day Kindergarten Facilities Account, hereby created in the State Treasury, administered by the State Allocation Board.

(3) For the 2018–19 fiscal year, the sum of one hundred million dollars (\$100,000,000) is hereby appropriated from the General Fund to the State Allocation Board to provide one-time grants as specified in this section.

~~(4) (A) For the 2019–20 fiscal year, the sum of three one hundred fifty million dollars (\$300,000,000) (\$150,000,000) is hereby appropriated from the General Fund to the State Allocation Board to provide one-time grants as specified in this section. Pursuant to Section 17376, an additional sum of one hundred fifty million dollars (\$150,000,000) is appropriated from the General Fund to the State Allocation Board to provide one-time grants for the 2019–20 fiscal year, as specified in Article 8 (commencing with Section 17376). These moneys shall be available for encumbrance or expenditure by the State Allocation Board until June 30, 2022.~~

~~(4) (A) Commencing with fiscal year 2019–20, this program is contingent upon appropriation by the Legislature.~~

(B) (i) Of the moneys allocated to a school district from the appropriation made pursuant to this paragraph, savings and interest achieved upon full completion of an approved project, and as a result of a school district's efficient and prudent expenditure of the moneys allocated, may be used for professional development or instructional materials to build capacity for the implementation of a full-day kindergarten program, or high priority capital outlay purposes identified by the school district and in accordance with subdivision (f), associated regulations, and any accompanying grant agreement.

(ii) Notwithstanding any other law, for purposes of the funds appropriated by this paragraph only, a school district may retain and use savings and interest pursuant to clause (i) even if it receives financial hardship assistance pursuant to Section 17075.10.

(iii) Savings and interest retained by a school district must be expended within one year of project completion or returned to the state as defined by associated regulations and any accompanying grant agreement.

~~(C) For purposes of this section and for the 2019–20 and 2020–21 fiscal years, For the first two years after any funds have been appropriated in support of this paragraph, funds shall be limited to schoolsites that did not offer a full-day kindergarten program as of July 1, 2019, and will use the funding to convert a part-day kindergarten program to a full-day kindergarten program. For any funds remaining after the 2020–21 fiscal year, this subparagraph shall not apply.~~

(5) New school facilities built pursuant to this section shall not be included in the eligibility determination used for purposes of the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10).

(b) (1) The State Allocation Board shall award grants to school districts that lack the facilities to provide full-day kindergarten as required for eligibility pursuant to Sections 17071.25 and 17072.10 or that lack facilities that satisfy the design requirements required for new kindergarten classrooms as specified in paragraph (2) of subdivision (h) of Section 14030 of Title 5 of the California Code of Regulations.

(2) Priority for grants shall be given to school districts that meet either of the following criteria:

(A) The school district is financially unable to contribute a portion of, or all of, the local matching share required pursuant to paragraph (3), and meets the requirements for financial hardship pursuant to Section 17075.10.

(B) The school district is located in an underserved community with a high population of pupils who are eligible for free or reduced-price meals pursuant to subdivision (a) of Section 42238.01.

(3) Except for school districts that meet the requirements for financial hardship pursuant to Section 17075.10 and as specified in paragraph (4), a school district that applies for a grant pursuant to this section for new construction shall provide 50 percent of the cost of the project, and a school district that applies for a grant pursuant to this section for a retrofit project shall provide 40 percent of the cost of the project.

(4) Except for school districts that meet the requirements for financial hardship pursuant to Section 17075.10, a school district that will convert a part-day kindergarten program to a full-day kindergarten program shall provide 25 percent of the cost of the project whether the project is for new construction or retrofit. A school district that was awarded a grant from funds appropriated pursuant to paragraph (3) of subdivision (a) and met the requirements of this paragraph shall have its grant amount adjusted from funds appropriated pursuant to paragraph (4) of subdivision (a) to reflect this local match requirement.

(5) A school district seeking a grant from moneys in the Full-Day Kindergarten Facilities Account shall provide the Office of Public School Construction with schoolsite enrollment data for the year in which its application is processed and the three immediately preceding years. The Office of Public School Construction shall use this data to verify the schoolsite's overall need for funding pursuant to this section based on the schoolsite's enrollment patterns. As part of this verification, the Office of Public School Construction, in consultation with the State Department of Education, shall determine if the schoolsite's need for funding shall be limited to retrofit projects.

(c) The State Allocation Board shall ~~release disbursements of~~ disburse grant funds to school districts with approved applications for new construction or retrofit projects, to the extent funds are available for the state's applicable matching share, if the school district has provided its applicable local matching share, unless the school district meets the requirements for financial hardship pursuant to Section 17075.10, and upon certification by the school district that the school district has entered into a binding contract for completion of the approved project.

(d) The State Allocation Board shall allocate funds to school districts using the same maximum grant eligibility amounts that are used for purposes of the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10), as set forth in Sections 17072.10 and 17072.11 for new construction, and as set forth in Section 17074.10 for retrofit projects.

(e) As a condition of receiving grant funds pursuant to this section, and before the release of those funds, the school district shall execute and submit a grant agreement consistent with the applicable sections of the grant agreement specified in Section 1859.90.4 of Title 2 of the California Code of Regulations.

(f) (1) A school district may use grant funds awarded for new construction on costs necessary to adequately house kindergarten pupils in an approved project, which may include only the following:

(A) The costs of design, engineering, testing, inspections, plan checking, construction management, site acquisition and development, evaluation and response action costs relating to hazardous substances at a new or existing schoolsite, demolition, construction, landscaping, necessary utility costs, utility connections and other related fees, equipment including telecommunication equipment to increase school security,

furnishings, the upgrading of electrical systems, and the wiring or cabling of classrooms in order to accommodate educational technology.

(B) The costs of acquiring an existing government-owned or privately owned building, or a privately financed school building, and the necessary costs of converting the government-owned or privately owned building for public school use.

(2) (A) A school district may use grant funds awarded for a retrofit project to retrofit an existing school facility to adequately house kindergarten pupils, which may only include the costs of design, engineering, testing, inspection, plan checking, construction management, demolition, construction, necessary utility costs, utility connection and other related fees, the purchase and installation of air-conditioning equipment and insulation materials and related costs, furniture and equipment, including telecommunication equipment to increase school security, fire safety improvements, playground safety improvements, the identification, assessment, or abatement of hazardous asbestos, seismic safety improvements, the upgrading of electrical systems, and the wiring or cabling of classrooms in order to accommodate educational technology.

(B) Grant funds awarded for a retrofit project shall not be used for costs associated with acquisition and development of real property or for routine maintenance and repair.

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

(h) Notwithstanding any other law, a school district shall be subject, with regard to this section, to audit conducted pursuant to Section 41024.

(i) The Office of Public School Construction shall report to the Director of Finance, and shall post on its internet website, information regarding the use of grant funds that have been made available to school districts during each fiscal year grant funds are disbursed pursuant to this section. A final report shall also be issued after projects have been audited pursuant to Section 41024 and any savings have been spent or returned to the state.

(j) The Department of General Services may charge its administrative costs against the Full-Day Kindergarten Facilities Account, which shall be subject to the approval of the Department of Finance and which shall not exceed 2.5 percent of the account.

(k) Funds made available to school districts pursuant to this article shall supplement, not supplant, existing funds available for school facilities construction.

(l) For purposes of this section, kindergarten includes transitional kindergarten, as defined in Section 48000.

(PU Amended by Stats. 2019, Ch. 51, Sec. 16. (SB 75) Effective July 1, 2019.)

## Full-Day Kindergarten Facilities Program

Proposed Sections 17376, 17377, 17378, and 17379 of the Education Code are withdrawn.

SEC. 5. Article 8 (commencing with Section 17376) is added to Chapter 3 of Part 10.5 of Division 1 of Title 1 of the Education Code, to read:

### Article 8. Full-Day Preschool Facilities Grant Program

17376. (a) For the 2019–20 fiscal year, the sum of one hundred fifty million dollars (\$150,000,000) is hereby appropriated from the General Fund to the State Allocation Board and shall be available for one-time preschool facility grants under the administration of the board pursuant to the requirements of this article.

(b) (1) With funds made available for purposes of this article, the State Allocation Board shall provide grants pursuant to this article for the construction of new preschool classrooms, the modernization of existing preschool classrooms, or the modernization of existing classrooms for kindergarten or grades 1 to 12, inclusive, that would be converted to preschool classrooms to provide full-day preschool programs operated by a local educational agency on a schoolsite maintained as an elementary school.

(2) For purposes of this article, the following definitions apply:

(A) "Classroom" means a preschool classroom used or proposed to be used for instructional purposes in a full-day preschool program.

(B) "Full-day preschool program" means a full-day California state preschool program or federal Head Start program operated pursuant to Article 7 (commencing with Section 8235) of Chapter 2 of Part 6, or a combination of the two.

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

(D) "Schoolsite" means the project location for which the local educational agency is applying for a grant under this article.

17377. (a) A local educational agency may apply for a grant pursuant to this article if all of the following requirements are met:

(1) The local educational agency has either of the following:

(A) An existing contract to operate a full-day preschool program.

(B) A resolution passed by the governing board of the local educational agency stating its intent to operate a full-day preschool program, and the local educational agency certifies that it will apply for a contract to operate a full-day preschool program before occupying the facility to be constructed or retrofitted.

(2) In order for a local educational agency to receive a grant pursuant to this article to modernize an existing classroom, including outdoor play areas and installed equipment, the existing classroom shall comply with all of the following:

(A) The Field Act, as defined in Section 17281.

(B) The California Building Standards Code, as set forth in Title 24 of the California Code of Regulations.

(C) The applicable regulations for childcare and development programs set forth in Chapter 19 (commencing with Section 18000) of Division 1 of Title 5 of, and Chapter 1 (commencing with Section 101151) of Division 12 of Title 22 of, the California Code of Regulations.

(3) In order to receive a grant pursuant to this article to construct new preschool classrooms, the local educational agency shall demonstrate that its existing classrooms, including outdoor play areas and equipment, are insufficient to meet the needs of a full-day preschool program, and that its projected enrollment in the full-day preschool program exceeds the current full-day preschool program classroom capacity at the applicable schoolsite. A local educational agency shall use both of the following to demonstrate enrollment for purposes of determining eligibility:

(A) The most recent childcare needs assessment conducted by its local planning council for preschool age children pursuant to Section 8499.5.

(B) In addition to the childcare needs assessment described in paragraph (1), a local educational agency shall demonstrate that it has, or will have, a contract with the department or federal government to operate a full-day preschool program. A local educational agency with an existing contract may use the three-year average of the full-day preschool program enrollment growth rate, or, if the program has been operating for less than three years, the average annual growth rate.

(b) New school facilities constructed pursuant to this article shall not be included in the eligibility determination used for purposes of the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10).

17378. (a) The State Allocation Board shall award local educational agencies determined to be eligible for funding under this article up to four hundred fifty thousand dollars (\$450,000) per classroom for each new classroom and up to two hundred fifty thousand dollars (\$250,000) per classroom to renovate each existing classroom included in the project application. The State Allocation Board may adopt regulations to provide grantees supplemental grants for new construction and modernization projects under this article and the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10).

(b) (1) Priority for grants shall first be given to local educational agencies that meet one or more of the following criteria, with the criteria equally weighted and greater priority given depending on how many of the applicable criteria the local educational agency meets:

(A) The local educational agency is proposing to operate a new, full-day preschool program at a schoolsite that does not currently provide access to a full-day preschool program, or the local educational agency is proposing to convert a schoolsite's part-day preschool program into a full-day preschool program.

(B) The local educational agency is financially unable to contribute a portion or all of the local matching share required pursuant to subdivision (c) and meets the requirements for financial hardship pursuant to Section 17075.10.

(C) The local educational agency is located in an underserved community with a percentage of pupils who are eligible for free or reduced-price meals, as determined pursuant to subdivision (a) of Section 42238.01, that is greater than the statewide average percentage of pupils who are eligible for free or reduced-price meals.

(2) If multiple applications generate the same priority, the State Allocation Board shall further prioritize applications from local educational agencies with higher percentages of pupils who are eligible for free or reduced-price meals, as determined pursuant to subdivision (a) of Section 42238.01.

(c) (1) A local educational agency that receives a grant pursuant to this article shall provide a local match that is consistent with the applicable new construction and modernization grant local match requirements required for new construction and

~~modernization grants pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10).~~

~~(2) Notwithstanding paragraph (1), a local educational agency may also apply for, and be eligible to receive, financial hardship assistance pursuant to Article 8 (commencing with Section 17075.10) of Chapter 12.5 of Part 10.~~

~~(d) To the extent funds are available for the state's applicable matching share, the State Allocation Board shall disburse grant funds to local educational agencies with approved applications for new construction or retrofit projects if the local educational agency has provided its applicable local matching share, unless the local educational agency meets the requirements for financial hardship pursuant to Section 17075.10, and upon certification by the local educational agency that the local educational agency has entered into a binding contract for completion of the approved project.~~

~~(e) (1) Of the funds allocated to a local educational agency from the appropriation made pursuant to this article, savings and interest achieved upon full completion of an approved project, and as a result of a local educational agency's efficient and prudent expenditure of the moneys allocated, may be used for professional development or instructional materials to build capacity for the implementation of a full-day preschool program, or high priority capital outlay purposes identified by the local educational agency in accordance with subdivision (f) of Section 17375, applicable regulations, and any accompanying grant agreement.~~

~~(2) Notwithstanding any other law, for purposes of the funds appropriated pursuant to this article only, a local educational agency may retain and use savings and interest pursuant to paragraph (1) even if it receives financial hardship assistance pursuant to Section 17075.10.~~

~~(3) Savings and interest retained by a local educational agency must be expended within one year of project completion or returned to the state, as defined by applicable regulations and any accompanying grant agreement.~~

~~17379. (a) Grants awarded under this article shall be used to modernize or construct new preschool classrooms, including outdoor play areas and equipment, to ensure that, at completion of the project, the classrooms comply with all of the following applicable requirements:~~

~~(1) The Field Act, as defined in Section 17281.~~

~~(2) The California Building Standards Code, as set forth in Title 24 of the California Code of Regulations.~~

~~(3) The applicable regulations for childcare and development programs set forth in Chapter 19 (commencing with Section 18000) of Division 1 of Title 5 of, and Chapter 1 (commencing with Section 101151) of Division 12 of Title 22 of, the California Code of Regulations.~~

~~(b) As a condition of receiving grant funds pursuant to this article, and before the release of those funds, the local educational agency shall execute and submit a grant agreement consistent with the applicable sections of the grant agreement specified in Section 1859.90.4 of Title 2 of the California Code of Regulations.~~

~~(c) Notwithstanding any other law, a local educational agency shall be subject, with regard to this article, to an audit conducted pursuant to Section 41024.~~

~~(d) Funds made available to a local educational agency pursuant to this article shall supplement, not supplant, existing funds available for school facilities construction.~~

~~(e) In conjunction with a project audit required pursuant to subdivision (c), the Office of Public School Construction shall verify that a local educational agency that receives~~

~~funding under this article has a contract or has submitted an application with the State Department of Education or the federal government to operate a full-day preschool program before occupying the newly constructed or retrofitted facility.~~

### **Eliminate Waivers for Skilled Workforce Requirement for Lease-Leaseback Contracts**

Proposed amendments to Section 17407.5 of the Education Code are withdrawn.

17407.5. (a) The governing board of a school district shall not enter into an agreement pursuant to Section 17406 or 17407 with any entity unless the entity provides to the governing board of the school district an enforceable commitment that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades, in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(b) Subdivision (a) shall not apply if any of the following requirements are met:

(1) The governing board of the school district has entered into a project labor agreement that will bind all contractors and subcontractors performing work on the project or contract to use a skilled and trained workforce and the entity agrees to be bound by that project labor agreement.

(2) The project or contract is being performed under the extension or renewal of a project labor agreement that was entered into by the school district **prior to ~~before~~** January 1, 2017.

(3) The entity has entered into a project labor agreement that will bind the entity and all its subcontractors at every tier performing the project or contract to use a skilled and trained workforce.

(c) For purposes of this section, "project labor agreement" has the same meaning as **defined** in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

~~(d) The requirements of this section shall not be waived by the state board pursuant to Section 33050 or any other law.~~

### **Sale of Surplus Property for School Districts**

Section 17463.7 of the Education Code is added to read: **(New for May Revision)**

17463.7. (a) Notwithstanding any other law, a school district may deposit the proceeds from the sale or lease of surplus real property, together with any personal property located on the property, purchased entirely with local funds, into the general fund of the school district and may use the proceeds for any one-time general fund purpose. If the purchase of the property was made using the proceeds of a local general obligation bond or revenue derived from developer fees, the amount of the proceeds of the transaction that may be deposited into the general fund of the school district may not exceed the percentage computed by the difference between the purchase price of the property and the proceeds from the transaction, divided by the amount of the proceeds of the transaction. For purposes of this section, proceeds of the transaction means either of the following, as appropriate:

(1) The amount realized from the sale of property after reasonable expenses related to the sale.

(2) For a transaction that does not result in a lump-sum payment of the proceeds of the transaction, the proceeds of the transaction shall be calculated as the net present value of the future cashflow generated by the transaction.

(b) The State Allocation Board shall reduce an apportionment of hardship assistance awarded to the particular school district pursuant to Article 8 (commencing with Section 17075.10) by an amount equal to the amount of the sale of surplus real property used for a one-time expenditure of the school district pursuant to this section.

(c) Before a school district exercises the authority granted pursuant to this section, the governing board of the school district shall first submit to the State Allocation Board documents certifying the following:

(1) The sale of real property pursuant to this section does not violate the provisions of a local bond act.

(2) The real property is not suitable to meet projected school construction needs for the next 10 years.

(d) Before the school district exercises the authority granted pursuant to this section, the governing board of the school district at a regularly scheduled meeting shall present a plan for expending one-time resources pursuant to this section. The plan shall identify the source and use of the funds and describe the reasons why the expenditure will not result in ongoing fiscal obligations for the school district.

(e) The Office of Public School Construction shall submit an interim and a final report to the State Allocation Board and the budget, education policy, and fiscal committees of the Legislature that identifies the school districts that have exercised the authority granted by this section, the amount of proceeds involved, and the purposes for which those proceeds were used. The interim report shall be submitted by June 1, 2022, and the final report by January 1, 2025.

(f) This section shall become inoperative on July 1, 2024, and, as of January 15, 2025, is repealed.

### **School District Territory Transfers**

Proposed amendments to Section 35709 of the Education Code are withdrawn.

35709. If ~~all of~~ the following conditions are met, the county committee may approve the petition and order that the petition be granted, and shall so notify the county board of supervisors:

(a) The county committee finds that the conditions enumerated in paragraphs (1) to (10), inclusive, of subdivision (a) of Section 35753 are substantially **met, and: ~~met.~~**

**(b) Either:**

**~~(b) The governing board of each affected school district consents to the transfer.~~**

**~~(c) Either of the following:~~**

(1) The petition is to transfer uninhabited territory from one school district to another and the owner of the territory, or a majority of the owners of the territory, **and the governing board of each affected district** consents to the **transfer; or ~~transfer.~~**

(2) The petition is to transfer inhabited territory of less than 10 percent of the assessed valuation of the school district from which the territory is being **transferred, and the governing board of each affected district consents to the transfer. ~~transferred.~~**

Section 35710.5 of the Education Code is amended to read:

35710.5. (a) ~~(1)~~ An action by the county committee approving ~~or disapproving~~ a petition pursuant to Section **35709, 35710, or 35710.1** ~~35709 or 35710~~ may be appealed to the ~~State Board of Education~~ state board by the chief petitioners or one or more affected school districts. ~~The~~ Except as provided in paragraph (2), the appeal shall be limited to issues of noncompliance with ~~the provisions of Section 35705, 35706, 35709, or 35710, or 35710, or subdivision (a) or (b) of Section 35709.~~ If an appeal is made as to the issue of whether the proposed transfer will adversely affect the racial or ethnic integration of the schools of the districts affected, it shall be made pursuant to Section 35711.

(2) Notwithstanding paragraph (1), an appeal **submitted pursuant to this section to the state board before July 1, 2020, may be based on noncompliance with one of the conditions described in subdivision (c) of Section 35709. shall be considered pursuant to the language of this section as it existed prior to July 1, 2020, if notice of the appeal, pursuant to subdivision (b) of this section, was filed prior to July 1, 2020.**

(b) Within five days after the final action of the county committee, the appellant shall file with the county committee a notice of appeal and shall provide a copy to the county superintendent of schools, except that if the appellant is one of the affected school districts it shall have 30 days to file the notice of appeal with the county committee and provide a copy to the county superintendent. Upon the filing of the notice of appeal, the action of the county committee shall be stayed, pending the outcome of the appeal. Within 15 days after the filing of the notice of appeal, the appellant shall file with the county committee a statement of reasons and factual evidence. The county committee shall then, within 15 days of receipt of the statement, send to the ~~State Board of Education~~ state board the statement and the complete administrative record of the county committee proceedings, including minutes of the oral proceedings.

(c) Upon receipt of the appeal, the ~~State Board of Education~~ state board may ~~elect~~ either ~~to review the appeal,~~ appeal or ~~to ratify the county committee's decision by summarily denying review of the appeal.~~ The board may review the appeal either solely on the administrative record or in conjunction with a public hearing. Following the review, the board shall affirm or reverse the action of the county committee, and if the petition will be sent to election, shall determine the territory in which the election is to be held. The board may reverse or modify the action of the county committee in any manner consistent with law.

(d) The decision of the state board shall be sent to the county committee which shall notify the county board of supervisors or the county superintendent of schools pursuant to Section **35709, 35710, or 35710.1, as appropriate.** ~~35709 or 35710, as appropriate.~~

### **Proposition 98 Supplementary Payments**

Section 41204.2 of the Education Code is added to read:

41204.2. (a) Notwithstanding any other law, commencing with the 2021-22 fiscal year, an appropriation shall be made from the General Fund in the annual Budget Act for the support of K-14 public schools to supplement funding appropriated pursuant to Section 8 of Article XVI of the California Constitution. In each fiscal year, the amount of

the supplemental appropriation shall be equal to 1.5 percent of total General Fund revenues as calculated pursuant to Section 8 of Article XVI of the California Constitution. The supplemental appropriation shall be made annually until the sum of all supplemental appropriations is equal to twelve billion nine hundred eighty-two million three hundred and eighty-six thousand dollars (\$12,982,386,000).

(b) Amounts appropriated pursuant to subdivision (a) shall be deemed supplementary payments in excess of the minimum amount required for a given fiscal year pursuant to Section 8 of Article XVI of the California Constitution.

(c)(1) For the 2022-23 fiscal year, and each fiscal year thereafter, "the percentage of General Fund revenues appropriated for school districts and community colleges districts, respectively, in fiscal year 1986-87," for purposes of paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, shall be deemed to be the percentage of General Fund revenues that would have been appropriated for those entities if the share of the General Fund of the supplementary payment calculated pursuant to subdivision (a) in the prior fiscal year had been included in the percentage of General Fund revenues appropriated for school districts and community colleges districts, respectively, in fiscal year 1986-87.

(2) Paragraph (1) shall remain operative until "the percentage of General Fund revenues appropriated for school districts and community colleges districts, respectively, in fiscal year 1986-87," for purposes of paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution is equal to 40 percent.

### **2019-20 Local Control Funding Formula Backfill**

Section 41207.48 of the Education is added to read:

**(New for May Revision)**

41207.48. (a) (1) The sum of two hundred eighty-two million two hundred thirty-seven thousand dollars (\$391,441,000) is hereby appropriated in the 2019-20 fiscal year from the General Fund to the for allocation by the Superintendent pursuant to Section 42238.02.

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

### **Limit Micro-College Programs**

Section 41370 of the Education Code is amended to read:

**(New for May Revision)**

41370. (a) The governing board of each school district, charter school, or county office of education shall, except as may otherwise be specifically provided by law, use all money apportioned to the district, charter school, or county office of education from the State School Fund during any fiscal year exclusively for the support of the charter school or the school or schools of the district, or county office of education for that year.

(b) School districts, charter schools, and county offices of education shall not expend Proposition 98 funds for courses or instruction offered by private or public colleges or universities beyond that permitted in pursuit of a high school diploma.

### **AB 1200 Clean-up**

Section 42127 of the Education Code is amended to read:

42127. (a) On or before July 1 of each year, the governing board of each school district shall accomplish the following:

(1) Hold a public hearing conducted in accordance with Section 42103 on the budget to be adopted for the subsequent fiscal year. The budget to be adopted shall be prepared in accordance with Section 42126. The agenda for that hearing shall be posted at least 72 hours before the public hearing and shall include the location where the budget will be available for public inspection.

(2) (A) Adopt a budget. Not later than five days after that adoption or by July 1, whichever occurs first, the governing board of the school district shall file that budget with the county superintendent of schools. The budget and supporting data shall be maintained and made available for public review. If the governing board of the school district does not want all or a portion of the property tax requirement levied for the purpose of making payments for the interest and redemption charges on indebtedness as described in paragraph (1) or (2) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, the budget shall include a statement of the amount or portion for which a levy shall not be made. For the 2014–15 fiscal year and each fiscal year thereafter, the governing board of the school district shall not adopt a budget before the governing board of the school district adopts a local control and accountability plan, if an existing local control and accountability plan or annual update to a local control and accountability plan is not effective for the budget year. The governing board of a school district shall not adopt a budget that does not include the expenditures necessary to implement the local control and accountability plan or the annual update to a local control and accountability plan that is effective for the budget year.

(B) Commencing with budgets adopted for the 2015–16 fiscal year, the governing board of a school district that proposes to adopt a budget that includes a combined assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties adopted by the state board pursuant to subdivision (a) of Section 33128, shall, at the public hearing held pursuant to paragraph (1), provide all of the following for public review and discussion:

(i) The minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.

(ii) The combined assigned and unassigned ending fund balances that are in excess of the minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.

(iii) A statement of reasons that substantiates the need for an assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties for each fiscal year that the school district identifies an assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties, as identified pursuant to clause (ii).

(C) The governing board of a school district shall include the information required pursuant to subparagraph (B) in its budgetary submission each time it files an adopted or revised budget with the county superintendent of schools. The information required pursuant to subparagraph (B) shall be maintained and made available for public review.

(b) The county superintendent of schools may accept changes in any statement included in the budget, pursuant to subdivision (a), of the amount or portion for which a property tax levy shall not be made. The county superintendent of schools or the county auditor shall compute the actual amounts to be levied on the property tax rolls of the school district for purposes that exceed apportionments to the school district pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code. Each school district shall provide all data needed by the county superintendent of schools or the county auditor to compute the amounts. On or before August 15, the county superintendent of schools shall transmit the amounts computed to the county auditor who shall compute the tax rates necessary to produce the amounts. On or before September 1, the county auditor shall submit the rate computed to the board of supervisors for adoption.

(c) The county superintendent of schools shall do all of the following:

(1) Examine the adopted budget to determine whether it complies with the standards and criteria adopted by the state board pursuant to Section 33127 for application to final local educational agency budgets. The county superintendent of schools shall identify, if necessary, technical corrections that are required to be made to bring the budget into compliance with those standards and criteria.

(2) Determine whether the adopted budget will allow the school district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the school district to satisfy its multiyear financial commitments. In addition to ~~his or her~~ the county superintendent of schools' own analysis of the budget of each school district, the county superintendent of schools shall review and consider studies, reports, evaluations, or audits of the school district that were commissioned by the school district, the county superintendent of schools, the Superintendent, and state control agencies and that contain evidence that the school district is showing fiscal distress under the standards and criteria adopted in Section 33127 or that contain a finding by an external reviewer that ~~more than 3 of the 15~~ the school district is at moderate or high risk of intervention based on the most common predictors indicators of a school district needing intervention, as determined by the County Office Fiscal Crisis and Management Assistance ~~Team, are present.~~ Team. The county superintendent of schools shall either conditionally approve or disapprove a budget that does not provide adequate assurance that the school district will meet its current and future obligations and resolve any problems identified in studies, reports, evaluations, or audits described in this paragraph.

(3) Determine whether the adopted budget includes the expenditures necessary to implement the local control and accountability plan or annual update to the local control and accountability plan approved by the county superintendent of schools.

(4) Determine whether the adopted budget includes a combined assigned and unassigned ending fund balance that exceeds the minimum recommended reserve for economic uncertainties. If the adopted budget includes a combined assigned and unassigned ending fund balance that exceeds the minimum recommended reserve for economic uncertainties, the county superintendent of schools shall verify that the

school district complied with the requirements of subparagraphs (B) and (C) of paragraph (2) of subdivision (a).

(d) (1) On or before September ~~15, 25~~, the county superintendent of schools shall approve, conditionally approve, or disapprove the adopted budget for each school district. For the 2014–15 fiscal year and each fiscal year thereafter, the county superintendent of schools shall disapprove a budget if the county superintendent of schools determines that the budget does not include the expenditures necessary to implement a local control and accountability plan or an annual update to the local control and accountability plan approved by the county superintendent of schools. If the governing board of a school district does not submit a budget to the county superintendent of schools, the county superintendent of schools shall develop, at school district expense, a budget for that school district by September 15 and transmit that budget to the governing board of the school district. The budget prepared by the county superintendent of schools shall be deemed adopted, unless the county superintendent of schools approves any modifications made by the governing board of the school district. The budget prepared by the county superintendent of schools shall also comply with the requirements of subparagraph (B) of paragraph (2) of subdivision (a). The approved budget shall be used as a guide for the school district's priorities. The Superintendent shall review and certify the budget approved by the county. If, pursuant to the review conducted pursuant to subdivision (c), the county superintendent of schools determines that the adopted budget for a school district does not satisfy ~~paragraph (1), (2), (3), or (4) of that subdivision, he or she~~ the county superintendent of schools shall conditionally approve or disapprove the budget and, not later than September 15, transmit to the governing board of the school district, in writing, ~~his or her~~ the county superintendent of schools' recommendations regarding revision of the budget and the reasons for those recommendations, including, but not limited to, the amounts of any budget adjustments needed before ~~he or she~~ the county superintendent of schools can approve that budget. The county superintendent of schools may assign a fiscal adviser to assist the school district to develop a budget in compliance with those revisions. In addition, the county superintendent of schools may appoint a committee to examine and comment on the county superintendent's review and recommendations, subject to the requirement that the committee report its findings to the county superintendent of schools no later than September 20.

(2) Notwithstanding any other provision of this article, for the 2014–15 fiscal year and each fiscal year thereafter, the budget shall not be adopted or approved by the county superintendent of schools before a local control and accountability plan or update to an existing local control and accountability plan for the budget year is approved.

(3) If the adopted budget of a school district is conditionally approved or disapproved pursuant to paragraph (1), on or before October 8, the governing board of the school district, in conjunction with the county superintendent of schools, shall review and respond to the recommendations of the county superintendent of schools at a regular meeting of the governing board of the school district. The response shall include any revisions to the adopted budget and other proposed actions to be taken, if any, as a result of those recommendations.

(e) On or before October 22, the county superintendent of schools shall provide a list to the Superintendent identifying all school districts for which budgets may be disapproved.

(f) (1) The county superintendent of schools shall examine the revised budget as provided in paragraph (3) of subdivision (d) to determine whether it (A) complies with the standards and criteria adopted by the state board pursuant to Section 33127 for application to final local educational agency budgets, (B) allows the school district to meet its financial obligations during the fiscal year, (C) satisfies all conditions established by the county superintendent of schools in the case of a conditionally approved budget, (D) is consistent with a financial plan that will enable the school district to satisfy its multiyear financial commitments, and, not later than November 8, shall approve or disapprove the revised budget, and (E) whether the revised budget complies with the requirements of subparagraph (B) of paragraph (2) of subdivision (a). If the county superintendent of schools disapproves the budget, ~~he or she~~ the county superintendent of schools shall call for the formation of a budget review committee pursuant to Section 42127.1, unless the governing board of the school district and the county superintendent of schools agree to waive the requirement that a budget review committee be formed and the department approves the waiver after determining that a budget review committee is not necessary. Upon the grant of a waiver, the county superintendent of schools immediately has the authority and responsibility provided in Section 42127.3. Upon approving a waiver of the budget review committee, the department shall ensure that a balanced budget is adopted for the school district by December 31. If no budget is adopted by December 31, the Superintendent may adopt a budget for the school district. The Superintendent shall report to the Legislature and the Director of Finance by January 10 if any school district, including a school district that has received a waiver of the budget review committee process, does not have an adopted budget by December 31. This report shall include the reasons why a budget has not been adopted by the deadline, the steps being taken to finalize budget adoption, the date the adopted budget is anticipated, and whether the Superintendent has or will exercise ~~his or her~~ the Superintendent's authority to adopt a budget for the school district.

(2) Notwithstanding any other law, for the 2014–15 fiscal year and each fiscal year thereafter, if the county superintendent of schools disapproves the budget for the sole reason that the county superintendent of schools has not approved a local control and accountability plan or an annual update to the local control and accountability plan filed by the governing board of the school district pursuant to Section 52070, the county superintendent of schools shall not call for the formation of a budget review committee pursuant to Section 42127.1.

(g) Not later than November 8, the county superintendent of schools shall submit a report to the Superintendent identifying all school districts for which budgets have been ~~disapproved or budget review committees waived~~, disapproved, and whether a budget review committee will be formed or waived. The report shall include a copy of the written response transmitted to each of those school districts pursuant to paragraph (1) of subdivision (d).

(h) Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

(i) Any school district for which the county board of education serves as the governing board of the school district is not subject to subdivisions (c) to (h), inclusive, but is governed instead by the budget procedures set forth in Section 1622.

Proposed amendments to Section 42127.1 of the Education Code are withdrawn.

42127.1.( a) Pursuant to subdivision (f) of Section 42127, upon the disapproval of a school district budget by the county superintendent of schools, the county superintendent of schools shall call for the formation of a budget review committee unless the governing board of the school district and the county superintendent of schools agree to waive the requirement that a budget review committee be formed, and the department approves the waiver after determining that a budget review committee is not necessary. Upon the grant of a waiver, the county superintendent of schools has the authority and responsibility provided to a budget review committee in Section 42127.3. Upon approving a waiver of the budget review committee, the department shall ensure that a balanced budget is adopted for the school district by December 31.

(b) The budget review committee shall be composed of three persons selected by the governing board of the school district from a list of candidates provided to the governing board of the school district by the Superintendent. The list of candidates shall be composed of persons who have expertise in the management of a school district or county office of education. Their experience shall include, but not necessarily be limited to, the fiscal and educational aspects of local educational agency management.

**(c) Notwithstanding subdivision (b) or any other provision of this article, with the approval of the Superintendent and the governing board of the school district, the county superintendent of schools may select and convene a regional review committee, consisting of persons having the expertise described in subdivision (b). The regional review committee shall operate in place of the budget review committee, in accordance with the provisions of this article governing budget review committees.**

(d) Members of the committee shall be reimbursed by the department for their services and associated expenses while on official business at rates established by the state board.

Section 42127.6 of the Education Code is amended to read:

42127.6. (a) (1) A school district shall provide the county superintendent of schools with a copy of a study, report, evaluation, or audit that was commissioned by the school district, the county superintendent, the Superintendent, and state control agencies and that contains evidence that the school district is showing fiscal distress under the standards and criteria adopted in Section 33127, or a report on the school district by the County Office Fiscal Crisis and Management Assistance ~~Team or any regional team created pursuant to subdivision (i) of Section 42127.8. Team.~~ The county superintendent shall review and consider studies, reports, evaluations, or audits of the school district that contain evidence that the school district is demonstrating fiscal distress under the standards and criteria adopted in Section 33127 or that contain a finding by an external reviewer that ~~more than three of the 15~~ the school district is at moderate or high risk of intervention based on the most common predictors indicators of a school district needing intervention, as determined by the County Office Fiscal Crisis and Management Assistance ~~Team, are present. Team.~~ If these findings are made, the county superintendent of schools shall investigate the financial condition of the school district and determine if the school district may be unable to meet its financial

obligations for the current or two subsequent fiscal years, or should receive a qualified or negative interim financial certification pursuant to Section 42131. If at any time during the fiscal year the county superintendent of schools determines that a school district may be unable to meet its financial obligations for the current or two subsequent fiscal years or if a school district has a qualified or negative certification pursuant to Section 42131, the county superintendent of schools shall ~~notify~~ provide a written notice of going concern determination to the governing board of the school district and the Superintendent ~~in writing of that determination~~ and the basis for the determination. The notification shall include the assumptions used in making the determination and shall be available to the public. The county superintendent of schools shall report to the Superintendent on the financial condition of the school district and the county superintendent's proposed remedial actions and shall do at least one of the following and all actions that are necessary to ensure that the school district meets its financial obligations:

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

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

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

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

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

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

(G) Assign the County Office Fiscal Crisis and Management Assistance Team to **review teacher hiring practices, teacher retention rate, percentage of provision of highly qualified teachers, and the extent of teacher misassignment in the school district and provide the school district with recommendations to streamline and improve the teacher hiring process, teacher retention rate, extent of teacher misassignment, and provision of highly qualified teachers.** perform any or all of the duties prescribed in subparagraphs (A) to (C), inclusive, or to further review the causes that led to a finding of moderate or high risk of intervention pursuant to subdivision (a) and recommend corrective action. If a review team is assigned to a school district, the school district shall follow the recommendations of the team, unless the school district shows good cause

for failure to do so. The County Office Fiscal Crisis and Management Assistance Team may not recommend an action that would abrogate a contract that governs employment.

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

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

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

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

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

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

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

(2) Stay or rescind any action ~~of the governing board of the school district, or of a personnel commission established pursuant to Section 45240,~~ that is determined to be inconsistent with the ability of the school district to meet its obligations for the current or

subsequent fiscal year. This includes any actions up to the point that the subsequent year's budget is approved by the county superintendent of schools. ~~If the subsequent year's budget is disapproved by the county superintendent of schools, the county superintendent's authority under this paragraph continues without interruption until the next subsequent year's budget is approved by the county superintendent of schools.~~

The county superintendent of schools shall inform the governing board of the school district ~~district, and, if applicable, the personnel commission~~, in writing of the county superintendent's justification for any exercise of authority under this paragraph.

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

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

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

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

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

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

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

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

(k) The Superintendent shall monitor the efforts of a county office of education in exercising its authority under this section and may exercise any of that authority if the Superintendent finds that the actions of the county superintendent of schools are not effective in resolving the financial problems of the school district. Upon a decision to exercise the powers of the county superintendent of schools, the county superintendent

of schools is relieved of those powers assumed by the Superintendent, and shall provide support and assistance to the Superintendent in the exercise of those powers. The Superintendent shall also request that the County Office Fiscal Crisis and Management Assistance Team identify the circumstances that led to the ineffectiveness of the county superintendent of schools in resolving the financial problems of the school district, and shall require the county office of education to demonstrate, in a manner determined by the Superintendent, remediation of those deficiencies. In addition to the actions taken by the county superintendent of schools, the Superintendent shall take further actions to ensure the long-term fiscal stability of the school district. The county office of education shall reimburse the Superintendent for all of the Superintendent's costs in exercising the Superintendent's authority under this subdivision. The Superintendent shall promptly notify the county superintendent of schools, the county board of education, the superintendent of the school district, the governing board of the school district, the appropriate policy and fiscal committees of each house of the Legislature, and the Department of Finance of the Superintendent's decision to exercise the authority of the county superintendent of schools.

Proposed amendments to Section 42133 of the Education Code are withdrawn.

42133.(a) A school district that has a qualified or negative certification pursuant to this article, or received a notice of going concern determination issued by the county superintendent of schools pursuant to paragraph (1) of subdivision (a) of Section 42127.6, in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds, or any other debt instruments that do not require the approval of the voters of the district, nor may the district cause an information report regarding the debt instrument to be submitted pursuant to subdivision (e) of Section 149 of Title 26 of the United States Code, unless the county superintendent of schools determines, pursuant to criteria established by the Superintendent of Public Instruction, that the district's repayment of that indebtedness is probable. A For purposes of this subdivision, a school district is deemed to have a qualified or negative certification **for purposes of this subdivision** if, pursuant to this article, it files that certification or the county superintendent of schools classifies the certification for that fiscal year to be qualified or negative.

(b) A county office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds, or any other debt instruments not requiring the approval of the voters of the district, nor may the county office of education cause an information report regarding the debt instrument to be submitted pursuant to **subdivision (e) of Section 149** ~~Section 149(e)~~ of Title 26 of the United States Code, unless the Superintendent **of Public Instruction** determines that the repayment of that indebtedness by the county office of education is probable. A county office of education is deemed to have a qualified or negative certification for purposes of this subdivision if, pursuant to this article, it files that certification or the Superintendent **of Public Instruction** classifies the certification for that fiscal year to be qualified or negative. For purposes of this subdivision, "county office of education" includes a school district that is governed by a county board of education.

(c) No later than March 31, 1992, the Superintendent **of Public Instruction** shall develop and adopt criteria and standards to govern the determination to be made under

subdivisions (a) and (b).

### **Requirements for Disbursement of Funding to Oakland Unified School District**

Section 42160 of the Education Code is amended to read:

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

(1) Update or develop short- and long-term financial plans based on reasonable and accurate assumptions and current and past year expenditure data.

(2) Review and update school district facilities construction plans to ensure that costs are reasonable, accurate, and align with long-term financial plans for fiscal solvency.

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

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

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

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

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

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

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

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

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

(5) ~~Sale~~ Affirmative action by the governing board to continue planning for, and timely implementation of, a school and facility closure and consolidation plan that supports the sale or lease of surplus property.

(6) Growth and maintenance of budgetary reserves.

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

(d) Funds described in subdivision (b) shall be allocated to Oakland Unified School District upon the certification of the County Office Fiscal Crisis and Management Assistance Team, with concurrence from the Alameda County Superintendent of

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

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

(f) Disbursement of funds specified in paragraph (2) of subdivision (b) shall be contingent on the Oakland Unified School District's completion of ~~both of the~~ following:

(1) Affirmative action by the governing board to continue planning for, and timely implementation of, a school and facility closure and consolidation plan that supports the sale or lease of surplus property.

~~(2) Completion of on-time audits. The required annual audit for the preceding year filed no later than December 15 pursuant to subdivision (h) of Section 41020.~~

~~(3) Affirmative board action to continue to update or develop short- and long-term financial plans based on best practices and reasonable and accurate assumptions.~~

### **AB 1505/AB 1507 Charter School Clean-up**

Section 42238.02 of the Education Code is amended to read:

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

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

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

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

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

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

(2) Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year, a school district or charter school shall annually submit its enrolled free and reduced-price meal eligibility, foster youth, and English learner pupil-

level records for enrolled pupils to the Superintendent using the California Longitudinal Pupil Achievement Data System.

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

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

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

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

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

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

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

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

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

(E) (i) Notwithstanding any other law, for purposes of subparagraph (C), the unduplicated pupils and total pupil enrollment in prior fiscal years shall be the following:

(l) For a transferred charter school, the counts shall be equal to the counts reported for the original charter school.

(II) For an acquiring charter school, the counts shall be equal to the counts reported for the original charter school. **This subclause shall become inoperative on July 1, 2023, unless extended by the Legislature.**

(III) For the restructured portions of a divided charter school, the counts shall be zero.

(IV) For the remaining portion of a divided charter school, the counts shall be equal to the counts reported for the original charter school.

(ii) The definitions in Section 47654 apply for purposes of this subparagraph.

(6) ~~The Notwithstanding subdivision (a) of Section 14002, the data used to determine the percentage of unduplicated pupils shall be final once that data is no longer used in the current fiscal year calculation of the percentage of unduplicated pupils. This paragraph does not apply to a change that is the result of an audit that has been appealed pursuant to Section 41344.~~ exception, as described in paragraph (2) of subdivision (a) of Section 41341.

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

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

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

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

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

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

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

(2) In each year the grade span adjusted base grants in paragraph (1) shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

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

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

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

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

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

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

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

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

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

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

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

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

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

charter school. The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

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

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

(B) For purposes of this paragraph and subparagraph (A) of paragraph (1) of subdivision (f) of Section 42238.03, a charter school shall report its physical location to the department under timeframes established by the department. For a charter school authorized by a school district, the department shall include the authorizing school district in the department's determination of physical location. For a charter school authorized on appeal pursuant to subdivision ~~(j)~~ (k) of Section 47605, the department shall include the ~~sponsoring~~ school district that initially denied the petition in the department's determination of physical location. ~~The Notwithstanding subdivision (a) of Section 14002, the~~ reported physical location of the charter school shall be considered final as of the second principal apportionment for that fiscal year. ~~For year, and, for~~ purposes of this paragraph, the percentage of unduplicated pupils of the school district associated with the charter school pursuant to subparagraph (A) shall be considered final as of the second principal apportionment for that fiscal year.

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

year. The amount computed pursuant to this subdivision shall reflect the reduction specified in paragraph (2) of subdivision (a) of Section 42238.03.

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

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

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

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

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

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

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

(1) (A) For school districts, the property tax revenue received pursuant to Chapter 3.5 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

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

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

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

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

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

(6) The amount, if any, received pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), less any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance and that is not an amount received pursuant to Section 33492.15, or paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

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

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

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

(l) (1) This section ~~shall not be interpreted to~~ does not authorize a school district that receives funding on behalf of a charter school pursuant to Section 47651 to redirect this funding for another purpose unless otherwise authorized in law pursuant to paragraph (2) or pursuant to an agreement between the charter school and its chartering authority.

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

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

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

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

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

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

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

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

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

(n) The funds apportioned pursuant to this section and Section 42238.03 shall be available to implement the activities required pursuant to Article 4.5 (commencing with Section 52059.5) of Chapter 6.1 of Part 28 of Division 4.

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

### **Application of Local Control Funding Formula Proration Factor**

Section 42238.021 of the Education Code is added to read: **(New for May Revision)**

42238.021. (a) The 2020-21 grade span adjusted base grants determined pursuant to subdivision (d) of section 42238.02 shall be prorated by 10 percent. A commensurate proration shall be made for the computations made pursuant to Article 4 (commencing with Section 42280) for school districts that receive necessary small school funding in-lieu of the grade span adjusted base grants.

(b) In the 2020-21 fiscal year, the following funding calculations shall be prorated by 10 percent:

(1) Section 42238.025.

(2) Subdivisions (g) and (h) of section 42238.02.

(3) Paragraphs (1) to (3) of subdivision (e) of section 42238.03.

(4) Section 47663.

(5) Section 48310.

(6) Section 41544.

**AB 1505/AB 1507 Charter School Clean-up**

Section 42238.025 of the Education Code is amended to read:

42238.025.(a) In the 2013–14 fiscal year, the Superintendent shall compute an economic recovery target rate for each school district and charter school equal to the sum of the following:

(1) (A) For each school district, the school district's revenue limit in the 2012–13 fiscal year as computed pursuant to this article, as this article read on January 1, 2013, divided by the 2012–13 fiscal year average daily attendance of the school district computed pursuant to Section 42238.05. For purposes of this section, average daily attendance shall include any applicable revenue limit average daily attendance and shall be considered final for purposes of this section as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.

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

(C) The amounts determined pursuant to subparagraphs (A) and (B) shall not reflect the deficit factor adjustments set forth in Section ~~42238.146~~ 42238.146, as that section read on January 1, 2013.

(D) The amounts determined pursuant to subparagraphs (A) and (B) shall be adjusted for the cost-of-living adjustment for the 2013–14 fiscal year pursuant to paragraph (2) of subdivision (d) of Section 42238.02 and an annual average cost-of-living adjustment of 1.94 percent for the 2014–15 fiscal year to the 2020–21 fiscal year, inclusive.

(2) (A) For each school district and charter school, the sum of the entitlements from items contained in Section 2.00 of the Budget Act of 2012 for Items 6110-104-0001, 6110-105-0001, 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001, 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4, as it read on January 1, 2013, and 2012–13 fiscal year funding for pupils enrolled in community day schools who are mandatorily expelled pursuant to subdivision (d) of Section 48915, divided by the 2012–13 fiscal year average daily attendance of the school district computed pursuant to Section 42238.05. For purposes of this

subparagraph, 2012–13 fiscal year entitlements shall be considered final as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.

(B) The amounts determined pursuant to this subdivision shall not be adjusted for the reduction set forth in Section 12.42 of the Budget Act of 2012.

(b) Of the amounts computed for school districts pursuant to subdivision (a), the Superintendent shall determine the funding rate per unit of average daily attendance above which fall not more than 10 percent of the total number of school districts statewide.

(c) The Superintendent shall compute a 2020–21 fiscal year local control funding formula rate for each school district and charter school equal to the amount computed pursuant to Section 42238.02 for the 2013–14 fiscal year, adjusted for an annual average cost-of-living adjustment of 1.94 percent for the 2014–15 fiscal year to the 2020–21 fiscal year, inclusive, divided by the 2013–14 fiscal year average daily attendance of the school district or charter school computed pursuant to Section 42238.05. For purposes of this subdivision, the amount computed pursuant to Section 42238.02 for the 2013–14 fiscal year shall be considered final as of the second principal apportionment for the 2013–14 fiscal year, as calculated for purposes of the certification required on or before July 2, 2014, pursuant to Sections 41335 and 41339.

(d) (1) For each school district and charter school that has a funding rate per unit of average daily attendance computed pursuant to subdivision (a) that is equal to, or below, the funding rate per unit of average daily attendance determined pursuant to subdivision (b), the Superintendent shall subtract the amount computed pursuant to subdivision (c) from the amount computed pursuant to subdivision (a). Each school district or charter school for which this calculation yields an amount greater than zero shall be eligible for an economic recovery target payment equal to the amount of the difference. A school district or charter school that has a funding rate per unit of average daily attendance calculated pursuant to subdivision (a) that exceeds the rate calculated pursuant to subdivision (b) shall not be eligible for an economic recovery target payment.

(2) Each school district or charter school eligible for an economic recovery target payment pursuant to paragraph (1) shall receive the following apportionments:

(A) For the 2013–14 fiscal year, one-eighth of the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(B) For the 2014–15 fiscal year, one-quarter of the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(C) For the 2015–16 fiscal year, three-eighths of the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(D) For the 2016–17 fiscal year, one-half of the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(E) For the 2017–18 fiscal year, five-eighths of the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(F) For the 2018–19 fiscal year, three-quarters of the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(G) For the 2019–20 fiscal year, seven-eighths of the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(H) For the 2020–21 fiscal year and each fiscal year thereafter, the amount calculated pursuant to paragraph (1) multiplied by the 2012–13 fiscal year average daily attendance computed pursuant to Section 42238.05.

(3) In each fiscal year until a determination has been made that all school districts and charter schools equal or exceed the local control funding formula target computed pursuant to Section 42238.02, as determined by the calculation of a zero difference pursuant to paragraph (1) of subdivision (b) of Section 42238.03, the economic recovery target payment apportioned to each eligible school district or charter school pursuant to paragraph (2) shall be added to the school district's or charter school's funding amounts that are continuously appropriated pursuant to subdivision (a) of Section 42238.03 and included in the amount of funding that is subject to offset pursuant to subdivision (c) of Section 42238.03. The amount apportioned pursuant to paragraph (2) shall not receive a cost-of-living adjustment.

(4) Commencing with the first fiscal year in which all school districts and charter schools are apportioned funding pursuant to Section 42238.02, the economic recovery target calculated pursuant to subparagraph (H) of paragraph (2) shall be included as an add-on to the amounts computed pursuant to subdivisions (c) to (i), inclusive, of Section 42238.02 and included in the amount of funding that is subject to offset pursuant to subdivision (j) of Section 42238.02. The amount included as an add-on pursuant to this paragraph shall not receive a cost-of-living adjustment.

(e) (1) The economic recovery target payment calculated pursuant to subparagraph (H) of paragraph (2) of subdivision (d) for a restructured charter school shall be the following:

(A) For a transferred charter school, the economic recovery target payment shall be equal to the amount calculated for the original charter school.

(B) For an acquiring charter school, the economic recovery target payment shall be equal to the sum of the amounts calculated for the original charter schools. **This subparagraph shall become inoperative July 1, 2023, unless extended by the Legislature.**

(C) For a divided charter school, the economic recovery target payment shall be divided between the restructured portions of a divided charter school and the remaining portion of a divided charter school based on each charter school's share of the combined average daily attendance of the charter schools computed pursuant to Section 42238.05 **as of the second principal apportionment in the year prior to** ~~in~~ **the first** fiscal year of instruction as a restructured charter school. **Data regarding average daily attendance shall be provided by the charter school in a format prescribed by the Superintendent. The total average daily attendance attributable to the restructured and remaining portions of a divided charter school shall not exceed the total average daily attendance of the original charter school for the applicable fiscal year.** The amounts shall be final as of the second principal apportionment for that fiscal year and each fiscal year thereafter.

(2) The definitions in Section 47654 apply for purposes of this subdivision.

Section 42238.03 of the Education Code is amended to read:

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

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

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

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

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

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

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

(2) (A) Entitlements from items contained in Section 2.00, as adjusted pursuant to Section 12.42, of the Budget Act of 2012 for Items 6110-104-0001, 6110-105-0001,

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

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

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

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

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

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

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

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

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

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

(7) For the 2013–14 and 2014–15 fiscal years only, of the funds a school district receives for purposes of regional occupational centers or programs, or adult education, the school district shall expend no less than the amount of funds the school district expended for purposes of regional occupational centers or programs, or adult

education, respectively, in the 2012–13 fiscal year. For purposes of this paragraph, a school district may include expenditures made by its county office of education within the school district for purposes of regional occupational centers or programs so long as the total amount of expenditures by the school district and the county office of education equal or exceed the total amount required to be expended for purposes of regional occupational centers or programs pursuant to this paragraph and paragraph (3) of subdivision (k) of Section 2575.

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

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

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

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

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

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

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

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

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

(B) For purposes of subparagraph (A), the proportion of total need that is funded from any available appropriations specifically made for purposes of this subdivision for a fiscal year shall be considered fixed as of the second principal apportionment for that fiscal year. Adjustments to a school district's or charter school's total need, as computed pursuant to paragraph (1), subsequent to the second principal apportionment for a fiscal year, shall be funded based on the fixed proportion of total need that is funded for that fiscal year pursuant to this subdivision and shall be continuously appropriated pursuant to Section 14002.

(4) If the total amount of funds appropriated for purposes of paragraph (3) pursuant to this subdivision are sufficient to fully fund any positive amounts computed pursuant to paragraph (1), the local control funding formula grant computed pursuant to

subdivision (c) of Section 42238.02 shall be adjusted to ensure that any available appropriation authority is expended for purposes of the local control funding formula.

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

(1) (A) For school districts, the property tax revenue received pursuant to Chapter 3.5 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

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

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

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

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

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

(6) The amount, if any, received pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), less any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance and that is not an amount received pursuant to Section 33492.15, or paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

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

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

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

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

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

(B) (i) For charter schools, general purpose funding in the 2012–13 fiscal year as computed pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part

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

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

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

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

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

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

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

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

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

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

(4) (A) For purposes of this subdivision, funding for a restructured charter school shall be calculated as follows:

(i) Funding for a transferred charter school that meets the requirements of Section 47653 shall be calculated by doing both of the following:

(I) For purposes of paragraphs (1) and (3), using the quotient calculated for the original charter school.

(II) For purposes of paragraph (2), using the same amount of entitlement funding calculated for the charter school before the restructuring.

(ii) Funding for an acquiring charter school that meets the requirements of Section 47653 shall be calculated by doing both of the following:

(I) For purposes of paragraphs (1) and (3), using the median quotient calculated for the original charter schools.

(II) For purposes of paragraph (2), using the same amount of entitlement funding calculated for each original charter school before the restructuring.

**(III) This clause shall become inoperative on July 1, 2023, unless extended by the Legislature.**

(iii) Funding for a divided charter school that meets the requirements of Section 47653 shall be calculated by doing the following:

(I) For purposes of paragraphs (1) and (3), using the quotients calculated for the original charter school for both the restructured portions of a divided charter school and the remaining portion of a divided charter school.

**(II) For purposes of paragraph (2), ~~for the remaining portion of a divided charter school, using the same amount of entitlement funding calculated for the charter school before the restructuring. the amount shall be divided between the restructured portions of a divided charter school and the remaining portion of a divided charter school based on each charter school's share of the combined average daily attendance of the original charter school computed pursuant to Section 42238.05 as of the second principal apportionment in the year prior to the first fiscal year of instruction as a restructured charter school. Data regarding average daily attendance shall be provided by the charter school in a format prescribed by the Superintendent. The total average daily attendance attributable to the restructured and remaining portions of a divided charter school shall not exceed the total average daily attendance of the original charter school for the applicable fiscal year. The amounts shall be final as of the second principal apportionment for that fiscal year and each fiscal year thereafter.~~**

**~~(III) For purposes of paragraph (2), the restructured portions of a divided charter school shall not use any entitlement funding calculated for the divided charter school before the restructuring.~~**

(B) The definitions in Section 47654 apply for purposes of this paragraph.

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

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

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

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

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

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

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

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

## School District Interfund Borrowing

Section 42603.1 of the Education Code is added to read: **(New for May Revision)**

42603.1. (a) Commencing with the 2020-21 fiscal year and continuing through the 2021-22 fiscal year, and if the state defers any payments owed to school districts, the governing board of any school district may authorize, by resolution, that moneys held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations. The transfer shall be accounted for as temporary borrowing between funds or accounts and shall not be available for appropriation or be considered income to the borrowing fund or account. Amounts transferred shall be repaid either in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year. Borrowing shall occur only when the fund or account receiving the money will earn sufficient income, during the current fiscal year, to repay the amount transferred. No more than 85 percent of the maximum of moneys held in any fund or account during a current fiscal year may be transferred.

(b) If a school district elects to use the provisions authorized pursuant to subdivision (a), the governing board of the school district shall hold a public hearing to take testimony from the public prior to adopting the required resolution.

(c) This section shall become inoperative on July 1, 2022, and, as of January 1, 2023, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2023, deletes or extends the dates on which it becomes inoperative and is repealed.

## Teacher Residency Grant Program

Proposed Section 44415.1 of the Education Code is withdrawn.

**Section 44415.1 is added to the Education Code, to read:**

**44415.1. (a) For the 2020-21 fiscal year, the sum of one hundred seventy-five million dollars (\$175,000,000) is hereby appropriated from the General Fund to the commission for the 2020 Teacher Residency Grant Program to support teacher residency programs that recruit and support the preparation of teachers pursuant to this section. This funding shall be available for encumbrance until June 30, 2025.**

**(b) (1) The commission shall make one-time grants to grant applicants to establish new, or expand existing, teacher residency programs in designated shortage fields, including special education, bilingual education, science, computer science, technology, engineering, or mathematics, and any other shortage fields identified by the commission based on an analysis of hiring and vacancy data on an annual basis. Grant recipients shall work with one or more commission-accredited teacher preparation programs and may work with other community partners or nonprofit organizations to develop and implement programs of preparation and mentoring for resident teachers who will be supported through program funds and subsequently employed by the sponsoring grant recipient.**

**(2) A grant applicant may consist of one or more, or any combination, of the following:**

**(A) A school district.**

**(B) A county office of education.**

**(C) A charter school.**

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

~~(E) A nonpublic, nonsectarian school, as defined in Section 56034.~~

~~(c) Grants allocated pursuant to subdivision (b) shall not exceed twenty thousand dollars (\$20,000) per teacher candidate in the residency program of the jurisdiction of the grant recipient, and shall be matched by that grant recipient on a dollar-for-dollar basis in accordance with subdivision (e). Teacher residents shall also be eligible for other forms of federal, state, and local financial assistance to support the cost of preparation. Grant program funding may be used for, but is not limited to, all of the following:~~

~~(1) Teacher preparation costs.~~

~~(2) Stipends for mentor teachers.~~

~~(3) Stipends for teacher candidates.~~

~~(4) Recruitment costs.~~

~~(5) Residency program staff.~~

~~(6) Mentoring and beginning teacher induction costs following initial preparation.~~

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

~~(e) A grant recipient shall provide a 100-percent match of grant funding in the form of one or both of the following:~~

~~(1) One dollar (\$1) for every one dollar (\$1) of grant funding received that is to be used in a manner consistent with the allowable grant activities specified in subdivision (c).~~

~~(2) An in-kind match provided by the grant recipient of program director personnel costs, mentor teacher personnel costs, or other personnel costs related to the 2020 Teacher Residency Grant Program.~~

~~(f) Grant recipients shall do all of the following:~~

~~(1) Ensure that candidates are prepared to earn a preliminary teaching credential that will authorize the candidate to teach in a designated shortage field upon completion of the program.~~

~~(2) Ensure that candidates are provided instruction in all of the following:~~

~~(A) Teaching the content area or areas in which the teacher will become certified to teach.~~

~~(B) Planning, curriculum development, and assessment.~~

~~(C) Learning and child development.~~

~~(D) Management of the classroom environment.~~

~~(E) Use of culturally responsive practices, supports for language development, and supports for serving pupils with disabilities.~~

~~(F) Professional responsibilities, including interaction with families and colleagues.~~

~~(3) Provide each candidate mentoring and beginning teacher induction support following the completion of the initial credential program necessary to obtain a clear credential and ongoing professional development and networking opportunities during the candidate's first years of teaching.~~

~~(4) Prepare candidates to teach at the same grant recipient at which they will work and learn the instructional initiatives and curriculum of the grant recipient.~~

~~(5) Group teacher candidates in cohorts to facilitate professional collaboration among residents, and place candidates in teaching schools or professional development programs that are organized to support a high-quality teacher learning experience in a supportive work environment.~~

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

~~(h) When selecting grant recipients, the commission shall do both of the following:~~

~~(1) Require applicants to demonstrate a need for teachers in one or more designated shortage fields and to propose to establish a new, or expand an existing, teacher residency program that recruits, prepares, and supports teachers in one or more designated shortage fields in a school within the jurisdiction of the sponsoring grant applicant.~~

~~(2) Give priority consideration to grant applicants that demonstrate a commitment to increasing diversity in the teaching workforce and that have one or more schools within the jurisdiction of the grant applicant that exhibit one or both of the following characteristics:~~

~~(A) Fifty percent or more of the enrolled pupils are eligible for free or reduced-price meals.~~

~~(B) Is located in either a rural location or a densely populated region.~~

~~(i) A candidate in a teacher residency program sponsored by a grant provided pursuant to subdivision (b) shall agree in writing to serve in a school within the jurisdiction of the grant recipient that sponsored the candidate for a period of at least four school years, commencing with the school year that begins after the candidate successfully completes the initial year of preparation and obtains a preliminary teaching credential. A candidate who fails to earn a preliminary credential or complete the period of the placement shall reimburse the sponsoring grant recipient the amount of grant funding invested in the candidate's residency training. The reimbursement amount shall be adjusted proportionately to reflect the service provided if the candidate taught at least one year, but less than four years, at the sponsoring grant recipient. A candidate shall have five school years to complete the four-school-year teaching commitment.~~

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

~~(1) The candidate has completed at least one-half of the school year.~~

~~(2) The employer deems the candidate to have fulfilled the candidate's contractual requirements for the school year for purposes of salary increases, probationary or permanent status, or retirement.~~

~~(3) The candidate was not able to teach due to the financial circumstances of the sponsoring grant recipient, including a decision to not reelect the candidate for the next succeeding school year.~~

~~(4) The candidate has a condition covered under the federal Family and Medical Leave Act of 1993 (29 U.S.C. Sec. 2061 et seq.) or similar state law.~~

~~(5) The candidate was called or ordered to active duty status for more than 30 days as a member of a reserve component of the Armed Forces of the United States.~~

~~(k) For purposes of administering the grant program pursuant to subdivision (b), the commission shall do all of the following:~~

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

~~(2) Require grant recipients to submit program and expenditure reports, as specified by the commission, as a condition of receiving grant funds.~~

~~(3) Annually review each grant recipient's program and expenditure reports to determine if any candidate has failed to meet the candidate's commitment pursuant to subdivision (i).~~

~~(l) If the commission determines or is informed that a sponsored candidate failed to earn a preliminary credential or meet the candidate's commitment to teach pursuant to subdivision (i), the commission shall confirm with the grant recipient the applicable grant amount to be recovered from the candidate and the grant recipient. The amount to be recovered shall be adjusted proportionately to reflect the service provided if the candidate taught at least one year, but less than four years, at the sponsoring grant recipient.~~

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

~~(n) An amount recovered by the commission or deducted by the Controller pursuant to subdivision (m) shall be deposited into the Proposition 98 Reversion Account.~~

~~(o) Grant recipients may recover from a sponsored candidate who fails to earn a preliminary credential or complete the period of placement the amount of grant funding invested in the candidate's residency training. The amount to be recovered shall be adjusted proportionately to reflect the service provided if the candidate taught at least one year, but less than four years, at the sponsoring grant recipient.~~

~~(p) Grant recipients shall not charge a teacher resident a fee to participate in the 2020 Teacher Residency Grant Program.~~

~~(q) (1) Notwithstanding subdivision (b), the commission may allocate up to five million dollars (\$5,000,000) of the amount appropriated pursuant to subdivision (a) to capacity grants that shall be awarded on a competitive basis to local educational agencies or consortia, as described in paragraph (2) of subdivision (b), partnering with regionally accredited institutions of higher education to expand or create teacher residency programs that lead to more credentialed teachers to teach in designated shortage fields.~~

~~(2) (A) The commission shall determine the number of capacity grants to be awarded and the amount of the capacity grants.~~

~~(B) Individual capacity grants shall not exceed one hundred fifty thousand dollars (\$150,000) per grant recipient.~~

~~(r) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, fifty million dollars (\$50,000,000) of the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, for the 2018–19 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2018–19 fiscal year.~~

~~(s) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, one hundred twenty-five million dollars (\$125,000,000) of the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, for the 2020–21 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 2020–21 fiscal year.~~

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

~~(1) An "experienced mentor teacher" means an educator who meets all of the following criteria:~~

~~(A) Has at least three years of teaching experience and holds a clear credential in the subject in which the experienced mentor teacher will be mentoring.~~

~~(B) Has a record of successful teaching as demonstrated, at a minimum, by satisfactory annual performance evaluations for the preceding three years.~~

~~(C) Receives specific training for the mentor teacher role and engages in ongoing professional learning and networking with other mentors.~~

~~(D) Receives compensation, appropriate release time, or both, to serve as a mentor in the initial preparation or beginning teacher induction component of the teacher residency program.~~

~~(2) "Teacher residency program" means a grant applicant-based program that partners with one or more commission-approved teacher preparation programs offered by a regionally accredited institution of postsecondary education in which a prospective teacher teaches at least one-half time alongside a teacher of record, who is designated as the experienced mentor teacher, for at least one full school year while engaging in initial preparation coursework.~~

## California Teacher Credential Award Program

Proposed Section 44415.5 of the Education Code is withdrawn.

~~Section 44415.5 is added to the Education Code, to read:~~

~~44415.5. (a) The California Teacher Credential Award Program is hereby established for the purpose of providing service awards to teachers who earn a preliminary credential in a high-need subject, are appropriately assigned, and provide instruction at a high-need school.~~

~~(b) Subject to an appropriation by the Legislature in the annual Budget Act or another statute for purposes of this section, the commission shall issue a request for proposals to all local educational agencies to solicit funding applications.~~

~~(c) The commission shall approve applications submitted by local educational agencies that meet the criteria established pursuant to this section and established by~~

~~the commission. To the extent that funds are available, the commission shall allocate funds to participating local educational agencies in the amount of the award authorized by this section for each approved application.~~

~~(d) A qualifying teacher is eligible to receive an award of up to twenty thousand dollars (\$20,000) from the California Teacher Credential Award Program.~~

~~(e) Awards granted pursuant to this section shall be disbursed in annual payments of five thousand dollars (\$5,000) to qualifying teachers. The annual payment shall be made to qualifying teachers upon completion of an academic year of qualifying service and upon commission certification of a commission-developed application.~~

~~(f) The commission shall do both of the following:~~

~~(1) Accept, review, and certify award requests from participating local educational agencies on an annual basis.~~

~~(2) Allocate awards annually to participating local educational agencies for the purpose of providing awards to qualifying teachers.~~

~~(g) The awards allocated pursuant to this section shall not be subject to local educational agency indirect costs.~~

~~(h) (1) On or before January 1, 2023, and on or before January 1 of each year thereafter until all funds have been disbursed, the commission shall report the status of the program to the relevant policy and fiscal committees of the Legislature and the Department of Finance, including, but not limited to, the number of participating local educational agencies, the number of awards issued, the degree to which the qualifying teachers meet the teacher shortage needs of the participating local educational agency, and the ethnic and racial composition of the qualifying teachers in the program.~~

~~(2) The requirement for submitting a report pursuant to paragraph (1) is inoperative four years after all funds have been disbursed, pursuant to Section 10231.5 of the Government Code.~~

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

~~(1) "High-need school" means a school that exhibits at least one of the following characteristics:~~

~~(A) Fifty percent or more of the enrolled pupils are eligible for free or reduced-price meals.~~

~~(B) Five percent or more of the teachers are misassigned, as determined by the commission, or working on a short-term staffing permit, a provisional intern permit, or a waiver.~~

~~(C) Is located in either a rural location or a densely populated region.~~

~~(D) Has a cumulative voluntary teacher attrition rate that exceeded 20 percent over the three preceding school years.~~

~~(2) "High-need subject" includes special education, bilingual instruction, science, technology, engineering, math, and computer science.~~

~~(3) "Local educational agency" means a school district, county office of education, county superintendent of schools, state-operated education program, including a state special school, or an education program providing instruction in kindergarten or any of grades 1 to 12, inclusive, that is offered by a state agency, including the Department of Youth and Community Restoration and the State Department of Developmental Services.~~

~~(4) "Qualifying service" means completion of one year of instructional service in a high-need subject, authorized by the teacher's credential, at a high-need school.~~

~~Qualifying service shall not be required to be completed in four consecutive academic years. Instructional service completed before July 1, 2020, shall not be counted as qualifying service.~~

~~(5) "Qualifying teacher" means a teacher who has attained a preliminary credential on or after July 1, 2019, in a high-need subject.~~

### Teacher Residency Grant Evaluation

Proposed Section 44417.5 of the Education Code is withdrawn.

~~Section 44417.5 is added to the Education Code, to read:~~

~~44417.5. (a) The commission shall conduct an evaluation of the 2020 Teacher Residency Grant Program established in Section 44415.1 to determine the effectiveness of the program in recruiting, developing support systems for, and retaining teachers prepared to teach in commission-designated shortage areas and provide the evaluation to the Department of Finance and the relevant policy and fiscal committees of the Legislature by December 1, 2025.~~

~~(b) Pursuant to Section 10231.5 of the Government Code, this section shall become inoperative on December 1, 2029, and, as of January 1, 2030, is repealed.~~

### Educator Workforce Investment Grant

Proposed Section 44655 of the Education Code is withdrawn.

~~Article 10.7 (commencing with Section 44655) is added to Chapter 3 of Part 25 of Division 3 of Title 2 of the Education Code, to read:~~

~~Article 10.7. Professional Learning Opportunities~~

~~44655. (a) The Legislature finds and declares all of the following:~~

~~(1) A critical component of an effective statewide system of support for local educational agencies and schools is a strong and coherent professional learning infrastructure to ensure that there is an adequate supply of high-quality, standards-aligned, professional development offerings available to all local educational agencies and schools interested in improving practice and pupil performance across the state priorities identified pursuant to Sections 52060 and 52066, and especially those represented on the California School Dashboard established pursuant to Section 52064.5.~~

~~(2) In addition to training in subject matter pedagogy, educators need opportunities to learn how to teach California's diverse pupils well, how to engage families and caregivers in their children's education, and how to support social-emotional learning, restorative practices, and a positive school climate.~~

~~(3) Designing professional learning opportunities to include early educators will increase the alignment between early education and K-12 education and help prepare California's early learners for academic success.~~

~~(4) Developing a centralized capacity to organize and leverage high-quality professional learning opportunities for teachers and paraprofessionals on a statewide basis will maximize the return on state and local investments in professional learning opportunities for teachers and paraprofessionals.~~

~~(b) (1) Subject to an appropriation by the Legislature in the annual Budget Act or another statute for this purpose, the department and the California Collaborative for Educational Excellence shall establish a competitive grant process, to be administered by the department and subject to approval by the executive director of the state board, to select high-quality professional learning opportunities on the topics specified in subdivision (d) for school staff as part of the statewide system of support established pursuant to Article 4.5 (commencing with Section 52059.5) of Chapter 6.1 of Part 28 of Division 4.~~

~~(2) Subject to an appropriation by the Legislature in the annual Budget Act or another statute to provide professional learning opportunities pursuant to this section on topics in addition to those specified in subdivision (d), the department and the California Collaborative for Educational Excellence shall select one or more grantees to provide professional learning opportunities consistent with subdivision (c) and shall ensure that the delivery of professional learning opportunities on those additional topics is aligned with the other professional learning opportunities delivered pursuant to this section.~~

~~(3) At the conclusion of each grant term, the department may, subject to approval by the executive director of the state board, renew the selection of the grantee or grantees or reopen the selection process.~~

~~(4) Before renewing a grant, the department and the California Collaborative for Education Excellence shall evaluate the grantee's or grantees' performance relative to the requirements and criteria specified in subdivisions (c) and (d) and other metrics identified by the grantee or grantees.~~

~~(5) Grants awarded pursuant to this section shall be both of the following:~~

~~(A) Awarded for a term not to exceed five years.~~

~~(B) Administered by the department.~~

~~(c) The department and the California Collaborative for Education Excellence shall ensure that the selected grantee or grantees does all of the following:~~

~~(1) Develop, and deliver free of charge to local educational agencies statewide, professional development and professional learning opportunities that, at a minimum, are content focused, standards- and research-based, incorporate active learning, support and promote collaboration, use models of effective practice, provide coaching and expert support, offer feedback and reflection, and are of sustained duration.~~

~~(2) Leverage and use expertise and resources already identified, developed, and available, including, but not limited to, expert lead agencies established pursuant to Section 52073.1 and the special education resource leads established pursuant to Section 52073.2, to advance the goals of this section.~~

~~(3) Provide professional learning opportunities in a manner that is consistent with the statewide system of support established pursuant to Article 4.5 (commencing with Section 52059.5) of Chapter 6.1 of Part 28 of Division 4.~~

~~(4) Provide ongoing coaching and training for school staff that supports the professional learning opportunities provided pursuant to this section.~~

~~(5) Design and develop professional learning opportunities to include early educators.~~

~~(6) Work within the statewide system of support to provide professional development and professional learning opportunities.~~

~~(7) Provide ongoing training to develop mentors and coaches that support school staff in high-need settings.~~

~~(8) Review professional learning opportunities offered pursuant to this section to ensure the opportunities are high-quality.~~

(9) In consultation with the department and the California Collaborative for Educational Excellence, evaluate the professional learning opportunities offered or funded pursuant to this section for their effectiveness. The grantee or grantees shall participate in the development of the evaluation.

(10) Identify any existing gaps in capacity to deliver high-quality professional learning opportunities on a statewide basis and work with professional learning providers selected pursuant to this section and other partners to address those gaps.

(d) Professional learning opportunities offered pursuant to this section shall address one or more of the following topics:

(1) Literacy: Support effective, standards-aligned instruction and improve instruction in literacy across all subject areas, including science, technology, engineering, and mathematics fields and computer science.

(2) Mental health supports: Strategies to support social-emotional learning, trauma-informed practices, suicide prevention, access to mental health services, and other approaches that improve pupil well-being.

(3) School climate: Strategies to create a positive school climate, including, but not limited to, restorative justice, training regarding implicit bias, providing positive behavioral supports, multitiered systems of support, and preventing discrimination, harassment, bullying, and intimidation based on actual or perceived characteristics including disability, gender, gender identity, gender expression, language, nationality, race or ethnicity, religion, or sexual orientation.

(4) Supports for pupils with disabilities:

(A) Universal design for learning to improve inclusive practices for all pupils, including pupils with disabilities, in general education settings.

(B) Best practices for early identification of individuals with exceptional needs and develop appropriate individualized education programs for these pupils.

(5) English learners: Implement effective language acquisition programs for English learners, which may include integrated language development within and across content areas, building and strengthening capacity to implement the English Learner Roadmap adopted by the state board in July 2017, and bilingual and biliterate proficiency.

(6) Science, technology, engineering, mathematics, and computer science:

(A) Leverage existing resources, curriculum, and best practices, and identify new resources as needed, to support the effective implementation of computer science, science, technology, engineering, and mathematics instruction in both an interdisciplinary and applied approach at all grade levels.

(B) Align instructional practices to the state's computer science content standards and the Next Generation Science Standards, with particular emphasis on how instruction and learning experiences can be delivered through either an interdisciplinary or applied approach at all grade levels.

(C) Identify practices and strategies to support instruction, assessment, and learning experiences aligned to the standards that incorporate scientific inquiry and can be delivered through interdisciplinary and applied approaches at all grade levels.

(e) Priority for professional learning opportunities provided pursuant to this section may be given to school districts and county offices of education eligible to receive technical assistance pursuant to Sections 52071 and 52071.5, charter schools eligible to receive technical assistance pursuant to Section 47607.3, and schools identified for

~~comprehensive support, as described in Section 1003(e)(1)(B) of the federal Every Student Succeeds Act (Public Law 114-95).~~

~~(f) The grantee or grantees shall provide program information to, and as needed by, the department, as a condition of receiving funds pursuant to this section.~~

~~(g) The department and the California Collaborative for Educational Excellence shall evaluate the professional learning opportunities provided pursuant to this section for their effectiveness. The process for selecting grantees shall ensure that grantees identify metrics to measure the effectiveness of the professional learning opportunities provided and under which the grantees will be evaluated in performing the duties specified in this section.~~

### **AB 1505/AB 1507 Charter School Clean-up**

Section 47605 of the Education Code is amended to read:

47605. (a) (1) Except as set forth in paragraph (2), a petition for the establishment of a charter school within a school district may be circulated by one or more persons seeking to establish the charter school. A petition for the establishment of a charter school shall identify a single charter school that will operate within the geographic boundaries of that school district. A charter school may propose to operate at multiple sites within the school district if each location is identified in the charter school petition. The petition may be submitted to the governing board of the school district for review after either of the following conditions is met:

(A) The petition is signed by a number of parents or legal guardians of pupils that is equivalent to at least one-half of the number of pupils that the charter school estimates will enroll in the charter school for its first year of operation.

(B) The petition is signed by a number of teachers that is equivalent to at least one-half of the number of teachers that the charter school estimates will be employed at the charter school during its first year of operation.

(2) A petition that proposes to convert an existing public school to a charter school that would not be eligible for a loan pursuant to subdivision (c) of Section 41365 may be circulated by one or more persons seeking to establish the charter school. The petition may be submitted to the governing board of the school district for review after the petition is signed by not less than 50 percent of the permanent status teachers currently employed at the public school to be converted.

(3) A petition shall include a prominent statement that a signature on the petition means that the parent or legal guardian is meaningfully interested in having their child or ward attend the charter school, or in the case of a teacher's signature, means that the teacher is meaningfully interested in teaching at the charter school. The proposed charter shall be attached to the petition.

(4) After receiving approval of its petition, a charter school that proposes to expand operations to one or more additional sites or grade levels shall request a material revision to its charter and shall notify the chartering authority of those additional locations or grade levels. The chartering authority shall consider whether to approve those additional locations or grade levels at an open, public meeting. If the additional locations or grade levels are approved pursuant to the standards and criteria described in subdivision (c), they shall be a material revision to the charter school's charter.

(5) (A) A charter school that established one site outside the boundaries of the school district, but within the county in which that school district is located before January 1, 2020, may continue to operate that site until the charter school submits a request for the renewal of its charter petition. To continue operating the site, the charter school shall do either of the following:

(i) First, before submitting the request for the renewal of the charter petition, obtain approval in writing from the school district where the site is operating.

(ii) Submit a request for the renewal of the charter petition pursuant to Section 47607 to the school district in which the charter school is located.

(B) If a Presidential declaration of a major disaster or emergency is issued in accordance with the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Sec. 5121 et seq.) for an area in which a charter school site is located and operating, the charter school, for not more than five years, may relocate that site outside the area subject to the Presidential declaration if the charter school first obtains the written approval of the school district where the site is being relocated to.

(C) Notwithstanding subparagraph (A), if a charter school was relocated from December 31, 2016, to December 31, 2019, inclusive, due to a Presidential declaration of a major disaster or emergency in accordance with the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Sec. 5121 et seq.), that charter school shall be allowed to return to its original campus location in perpetuity.

(D) A charter school located on a federally recognized California Indian reservation or rancheria or operated by a federally recognized California Indian tribe shall be exempt from the ~~provisions of this paragraph.~~ geographic restrictions of this paragraph or Section 47605.1.

(E) The department shall regard as a continuing charter school for all purposes a charter school that was granted approval of its petition, that was providing educational services to pupils ~~prior to~~ before October 1, 2019, and is authorized by a different chartering authority due to changes to this paragraph that took effect January 1, 2020. This paragraph shall be implemented only to the extent it does not conflict with federal law. In order to prevent any potential conflict with federal law, this paragraph does not apply to covered programs as identified in Section 8101(11) of the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 7801) to the extent the affected charter school is the restructured portion of a divided charter school pursuant to Section 47654.

(6) Commencing January 1, 2003, a petition to establish a charter school shall not be approved to serve pupils in a grade level that is not served by the school district of the governing board considering the petition, unless the petition proposes to serve pupils in all of the grade levels served by that school district.

(b) No later than 60 days after receiving a petition, in accordance with subdivision (a), the governing board of the school district shall hold a public hearing on the provisions of the charter, at which time the governing board of the school district shall consider the level of support for the petition by teachers employed by the school district, other employees of the school district, and parents. Following review of the petition and the public hearing, the governing board of the school district shall either grant or deny the charter within 90 days of receipt of the petition, provided, however, that the date may be extended by an additional 30 days if both parties agree to the extension. A petition is deemed received by the governing board of the school district for purposes of commencing the timelines described in this subdivision on the day the petitioner

submits a petition to the district office, along with a signed certification that the petitioner deems the petition to be complete. The governing board of the school district shall publish all staff recommendations, including the recommended findings and, if applicable, the certification from the county superintendent of schools prepared pursuant to paragraph (8) of subdivision (c), regarding the petition at least 15 days before the public hearing at which the governing board of the school district will either grant or deny the charter. At the public hearing at which the governing board of the school district will either grant or deny the charter, petitioners shall have equivalent time and procedures to present evidence and testimony to respond to the staff recommendations and findings.

(c) In reviewing petitions for the establishment of charter schools pursuant to this section, the chartering authority shall be guided by the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that the establishment of charter schools should be encouraged. The governing board of the school district shall grant a charter for the operation of a school under this part if it is satisfied that granting the charter is consistent with sound educational practice and with the interests of the community in which the school is proposing to locate. The governing board of the school district shall consider the academic needs of the pupils the school proposes to serve. The governing board of the school district shall not deny a petition for the establishment of a charter school unless it makes written factual findings, specific to the particular petition, setting forth specific facts to support one or more of the following findings:

(1) The charter school presents an unsound educational program for the pupils to be enrolled in the charter school.

(2) The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.

(3) The petition does not contain the number of signatures required by subdivision (a).

(4) The petition does not contain an affirmation of each of the conditions described in subdivision (e).

(5) The petition does not contain reasonably comprehensive descriptions of all of the following:

(A) (i) The educational program of the charter school, designed, among other things, to identify those whom the charter school is attempting to educate, what it means to be an "educated person" in the 21st century, and how learning best occurs. The goals identified in that program shall include the objective of enabling pupils to become self-motivated, competent, and lifelong learners.

(ii) The annual goals for the charter school for all pupils and for each subgroup of pupils identified pursuant to Section 52052, to be achieved in the state priorities, as described in subdivision (d) of Section 52060, that apply for the grade levels served, and specific annual actions to achieve those goals. A charter petition may identify additional school priorities, the goals for the school priorities, and the specific annual actions to achieve those goals.

(iii) If the proposed charter school will serve high school pupils, the manner in which the charter school will inform parents about the transferability of courses to other public high schools and the eligibility of courses to meet college entrance requirements.

Courses offered by the charter school that are accredited by the Western Association of Schools and Colleges may be considered transferable and courses approved by the

University of California or the California State University as creditable under the "A to G" admissions criteria may be considered to meet college entrance requirements.

(B) The measurable pupil outcomes identified for use by the charter school. "Pupil outcomes," for purposes of this part, means the extent to which all pupils of the charter school demonstrate that they have attained the skills, knowledge, and attitudes specified as goals in the charter school's educational program. Pupil outcomes shall include outcomes that address increases in pupil academic achievement both schoolwide and for all pupil subgroups served by the charter school, as that term is defined in subdivision (a) of Section 52052. The pupil outcomes shall align with the state priorities, as described in subdivision (d) of Section 52060, that apply for the grade levels served by the charter school.

(C) The method by which pupil progress in meeting those pupil outcomes is to be measured. To the extent practicable, the method for measuring pupil outcomes for state priorities shall be consistent with the way information is reported on a school accountability report card.

(D) The governance structure of the charter school, including, but not limited to, the process to be followed by the charter school to ensure parental involvement.

(E) The qualifications to be met by individuals to be employed by the charter school.

(F) The procedures that the charter school will follow to ensure the health and safety of pupils and staff. These procedures shall require all of the following:

(i) That each employee of the charter school furnish the charter school with a criminal record summary as described in Section 44237.

(ii) The development of a school safety plan, which shall include the safety topics listed in subparagraphs (A) to (J), inclusive, of paragraph (2) of subdivision (a) of Section 32282.

(iii) That the school safety plan be reviewed and updated by March 1 of every year by the charter school.

(G) The means by which the charter school will achieve a balance of racial and ethnic pupils, special education pupils, and English learner pupils, including redesignated fluent English proficient pupils, as defined by the evaluation rubrics in Section 52064.5, that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted. Upon renewal, for a charter school not deemed to be a local educational agency for purposes of special education pursuant to Section 47641, the chartering authority may consider the effect of school placements made by the chartering authority in providing a free and appropriate public education as required by the federal Individuals with Disabilities Education Act (Public Law 101-476), on the balance of pupils with disabilities at the charter school.

(H) Admission policies and procedures, consistent with subdivision (e).

(I) The manner in which annual, independent financial audits shall be conducted, which shall employ generally accepted accounting principles, and the manner in which audit exceptions and deficiencies shall be resolved to the satisfaction of the chartering authority.

(J) The procedures by which pupils can be suspended or expelled from the charter school for disciplinary reasons or otherwise involuntarily removed from the charter school for any reason. These procedures, at a minimum, shall include an explanation of how the charter school will comply with federal and state constitutional procedural and substantive due process requirements that is consistent with all of the following:

- (i) For suspensions of fewer than 10 days, provide oral or written notice of the charges against the pupil and, if the pupil denies the charges, an explanation of the evidence that supports the charges and an opportunity for the pupil to present the pupil's side of the story.
- (ii) For suspensions of 10 days or more and all other expulsions for disciplinary reasons, both of the following:
  - (I) Provide timely, written notice of the charges against the pupil and an explanation of the pupil's basic rights.
  - (II) Provide a hearing adjudicated by a neutral officer within a reasonable number of days at which the pupil has a fair opportunity to present testimony, evidence, and witnesses and confront and cross-examine adverse witnesses, and at which the pupil has the right to bring legal counsel or an advocate.
- (iii) Contain a clear statement that no pupil shall be involuntarily removed by the charter school for any reason unless the parent or guardian of the pupil has been provided written notice of intent to remove the pupil no less than five schooldays before the effective date of the action. The written notice shall be in the native language of the pupil or the pupil's parent or guardian or, if the pupil is a foster child or youth or a homeless child or youth, the pupil's educational rights holder, and shall inform the pupil, the pupil's parent or guardian, or the pupil's educational rights holder of the right to initiate the procedures specified in clause (ii) before the effective date of the action. If the pupil's parent, guardian, or educational rights holder initiates the procedures specified in clause (ii), the pupil shall remain enrolled and shall not be removed until the charter school issues a final decision. For purposes of this clause, "involuntarily removed" includes disenrolled, dismissed, transferred, or terminated, but does not include suspensions specified in clauses (i) and (ii).
- (K) The manner by which staff members of the charter schools will be covered by the State Teachers' Retirement System, the Public Employees' Retirement System, or federal social security.
- (L) The public school attendance alternatives for pupils residing within the school district who choose not to attend charter schools.
- (M) The rights of an employee of the school district upon leaving the employment of the school district to work in a charter school, and of any rights of return to the school district after employment at a charter school.
- (N) The procedures to be followed by the charter school and the chartering authority to resolve disputes relating to provisions of the charter.
- (O) The procedures to be used if the charter school closes. The procedures shall ensure a final audit of the charter school to determine the disposition of all assets and liabilities of the charter school, including plans for disposing of any net assets and for the maintenance and transfer of pupil records.
- (6) The petition does not contain a declaration of whether or not the charter school shall be deemed the exclusive public employer of the employees of the charter school for purposes of Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code.
- (7) The charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate. Analysis of this finding shall include consideration of the fiscal impact of the proposed charter school. A written factual finding under this paragraph shall detail specific facts and circumstances that analyze and consider the following factors:

(A) The extent to which the proposed charter school would substantially undermine existing services, academic offerings, or programmatic offerings.

(B) Whether the proposed charter school would duplicate a program currently offered within the school district and the existing program has sufficient capacity for the pupils proposed to be served within reasonable proximity to where the charter school intends to locate.

(8) The school district is not positioned to absorb the fiscal impact of the proposed charter school. A school district satisfies this paragraph if it has a qualified interim certification pursuant to Section ~~1240.42131~~ and the county superintendent of schools, in consultation with the County Office Fiscal Crisis and Management Assistance Team, certifies that approving the charter school would result in the school district having a negative interim certification pursuant to Section ~~1240.42131~~, has a negative interim certification pursuant to Section ~~1240.42131~~, **or is under state receivership. 42131, or has a trustee appointed pursuant to Section 41320.1 or an administrator appointed pursuant to Section 41326.** Charter schools proposed in a school district satisfying one of these conditions shall be subject to a rebuttable presumption of denial.

(d) (1) Charter schools shall meet all statewide standards and conduct the pupil assessments required pursuant to Section 60605 and any other statewide standards authorized in statute or pupil assessments applicable to pupils in noncharter public schools.

(2) Charter schools shall, on a regular basis, consult with their parents, legal guardians, and teachers regarding the charter school's educational programs.

(e) (1) In addition to any other requirement imposed under this part, a charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations, shall not charge tuition, and shall not discriminate against a pupil on the basis of the characteristics listed in Section 220. Except as provided in paragraph (2), admission to a charter school shall not be determined according to the place of residence of the pupil, or of that pupil's parent or legal guardian, within this state, except that an existing public school converting partially or entirely to a charter school under this part shall adopt and maintain a policy giving admission preference to pupils who reside within the former attendance area of that public school.

(2) (A) A charter school shall admit all pupils who wish to attend the charter school.

(B) If the number of pupils who wish to attend the charter school exceeds the charter school's capacity, attendance, except for existing pupils of the charter school, shall be determined by a public random drawing. Preference shall be extended to pupils currently attending the charter school and pupils who reside in the school district except as provided for in Section 47614.5. Preferences, including, but not limited to, siblings of pupils admitted or attending the charter school and children of the charter school's teachers, staff, and founders identified in the initial charter, may also be permitted by the chartering authority on an individual charter school basis. Priority order for any preference shall be determined in the charter petition in accordance with all of the following:

(i) Each type of preference shall be approved by the chartering authority at a public hearing.

(ii) Preferences shall be consistent with federal law, the California Constitution, and Section 200.

(iii) Preferences shall not result in limiting enrollment access for pupils with disabilities, academically low-achieving pupils, English learners, neglected or delinquent pupils,

homeless pupils, or pupils who are economically disadvantaged, as determined by eligibility for any free or reduced-price meal program, foster youth, or pupils based on nationality, race, ethnicity, or sexual orientation.

(iv) In accordance with Section 49011, preferences shall not require mandatory parental volunteer hours as a criterion for admission or continued enrollment.

(C) In the event of a drawing, the chartering authority shall make reasonable efforts to accommodate the growth of the charter school and shall not take any action to impede the charter school from expanding enrollment to meet pupil demand.

(3) If a pupil is expelled or leaves the charter school without graduating or completing the school year for any reason, the charter school shall notify the superintendent of the school district of the pupil's last known address within 30 days, and shall, upon request, provide that school district with a copy of the cumulative record of the pupil, including report cards or a transcript of grades, and health information. If the pupil is subsequently expelled or leaves the school district without graduating or completing the school year for any reason, the school district shall provide this information to the charter school within 30 days if the charter school demonstrates that the pupil had been enrolled in the charter school. This paragraph applies only to pupils subject to compulsory full-time education pursuant to Section 48200.

(4) (A) A charter school shall not discourage a pupil from enrolling or seeking to enroll in the charter school for any reason, including, but not limited to, academic performance of the pupil or because the pupil exhibits any of the characteristics described in clause (iii) of subparagraph (B) of paragraph (2).

(B) A charter school shall not request a pupil's records or require a parent, guardian, or pupil to submit the pupil's records to the charter school before enrollment.

(C) A charter school shall not encourage a pupil currently attending the charter school to disenroll from the charter school or transfer to another school for any reason, including, but not limited to, academic performance of the pupil or because the pupil exhibits any of the characteristics described in clause (iii) of subparagraph (B) of paragraph (2). This subparagraph shall not apply to actions taken by a charter school pursuant to the procedures described in subparagraph (J) of paragraph (5) of subdivision (c).

(D) The department shall develop a notice of the requirements of this paragraph. This notice shall be posted on a charter school's internet website. A charter school shall provide a parent or guardian, or a pupil if the pupil is 18 years of age or older, a copy of this notice at all of the following times:

(i) When a parent, guardian, or pupil inquires about enrollment.

(ii) Before conducting an enrollment lottery.

(iii) Before disenrollment of a pupil.

(E) (i) A person who suspects that a charter school has violated this paragraph may file a complaint with the chartering authority.

(ii) The department shall develop a template to be used for filing complaints pursuant to clause (i).

(5) Notwithstanding any other law, a charter school in operation as of July 1, 2019, that operates in partnership with the California National Guard may dismiss a pupil from the charter school for failing to maintain the minimum standards of conduct required by the Military Department.

(f) The governing board of a school district shall not require an employee of the school district to be employed in a charter school.

(g) The governing board of a school district shall not require a pupil enrolled in the school district to attend a charter school.

(h) The governing board of a school district shall require that the petitioner or petitioners provide information regarding the proposed operation and potential effects of the charter school, including, but not limited to, the facilities to be used by the charter school, the manner in which administrative services of the charter school are to be provided, and potential civil liability effects, if any, upon the charter school and upon the school district. The description of the facilities to be used by the charter school shall specify where the charter school intends to locate. The petitioner or petitioners also shall be required to provide financial statements that include a proposed first-year operational budget, including startup costs, and cashflow and financial projections for the first three years of operation. If the school is to be operated by, or as, a nonprofit public benefit corporation, the petitioner shall provide the names and relevant qualifications of all persons whom the petitioner nominates to serve on the governing body of the charter school.

(i) In reviewing petitions for the establishment of charter schools within the school district, the governing board of the school district shall give preference to petitions that demonstrate the capability to provide comprehensive learning experiences to pupils identified by the petitioner or petitioners as academically low achieving pursuant to the standards established by the department under Section 54032, as that section read before July 19, 2006.

(j) Upon the approval of the petition by the governing board of the school district, the petitioner or petitioners shall provide written notice of that approval, including a copy of the petition, to the applicable county superintendent of schools, the department, and the state board.

(k) (1) (A) (i) If the governing board of a school district denies a petition, the petitioner may elect to submit the petition for the establishment of a charter school to the county board of education. The petitioner shall submit the petition to the county board of education within 30 days of a denial by the governing board of the school district. At the same time the petition is submitted to the county board of education, the petitioner shall also provide a copy of the petition to the school district. The county board of education shall review the petition pursuant to subdivisions (b) and (c). If the petition submitted on appeal contains new or different material terms, the county board of education shall immediately remand the petition to the governing board of the school district for reconsideration, which shall grant or deny the petition within 30 days. If the governing board of the school district denies a petition after reconsideration, the petitioner may elect to resubmit the petition for the establishment of a charter school to the county board of education.

(ii) The county board of education shall review the appeal petition pursuant to subdivision (c). If the denial of the petition was made pursuant to paragraph (8) of subdivision (c), the county board of education shall also review the school district's findings pursuant to paragraph (8) of subdivision (c).

(iii) As used in this subdivision, "material terms" of the petition means the signatures, affirmations, disclosures, documents, and descriptions described in subdivisions (a), (b), (c), and (h), but shall not include minor administrative updates to the petition or related documents due to changes in circumstances based on the passage of time related to fiscal affairs, facilities arrangements, or state law, or to reflect the county board of education as the chartering authority.

(B) If the governing board of a school district denies a petition and the ~~county lacks an independent county board of education,~~ education has jurisdiction over a single school district, the petitioner may elect to submit the petition for the establishment of a charter school to the state board. The state board shall review ~~the petition pursuant to this paragraph,~~ a petition submitted pursuant to this subparagraph pursuant to subdivision (c). If the denial of a charter petition is reversed by the state ~~board,~~ board pursuant to this subparagraph, the state board shall designate the governing board of the school district in which the charter school is located as the chartering authority.

(2) If the county board of education denies a petition, the petitioner may appeal that denial to the state board.

(A) The petitioner shall submit the petition to the state board within 30 days of a denial by the county board of education. The petitioner shall include the findings and documentary record from the governing board of the school district and the county board of education and a written submission detailing, with specific citations to the documentary record, how the governing board of the school district or the county board of education, or both, abused their discretion. The governing board of the school district and county board of education shall prepare the documentary record, including transcripts of the public hearing at which the governing board of the school district and county board of education denied the charter, at the request of the petitioner. The documentary record shall be prepared by the governing board of the school district and county board of education no later than 10 business days after the request of the petitioner is made. At the same time the petition and supporting documentation is submitted to the state board, the petitioner shall also provide a copy of the petition and supporting documentation to the school district and the county board of education.

(B) If the appeal contains new or different material terms, as defined in clause (iii) of subparagraph (A) of paragraph (1), the state board shall immediately remand the petition to the governing board of the school district to which the petition was submitted for reconsideration. The governing board of the school district shall grant or deny the petition within 30 days. If the governing board of the school district denies a petition after reconsideration, the petitioner may elect to resubmit the petition to the state board.

(C) Within 30 days of receipt of the appeal submitted to the state board, the governing board of the school district or county board of education may submit a written opposition to the state board detailing, with specific citations to the documentary record, how the governing board of the school district or the county board of education did not abuse its discretion in denying the petition. The governing board of the school district or the county board of education may submit supporting documentation or evidence from the documentary record that was considered by the governing board of the school district or the county board of education.

(D) The state board's Advisory Commission on Charter Schools shall hold a public hearing to review the appeal and documentary record. Based on its review, the Advisory Commission on Charter Schools shall submit a recommendation to the state board whether there is sufficient evidence to hear the appeal or to summarily deny review of the appeal based on the documentary record. If the Advisory Commission on Charter Schools does not submit a recommendation to the state board, the state board shall consider the appeal, and shall either hear the appeal or summarily deny

review of the appeal based on the documentary record at a regular public meeting of the state board.

(E) The state board shall either hear the appeal or summarily deny review of the appeal based on the documentary record. If the state board hears the appeal, the state board may affirm the determination of the governing board of the school district or the county board of education, or both of those determinations, or may reverse only upon a determination that there was an abuse of discretion. If the denial of a charter petition is reversed by the state board, the state board shall designate, in consultation with the petitioner, either the governing board of the school district or the county board of education in which the charter school is located as the chartering authority.

(3) A charter school for which a charter is granted by either the county board of education or the state board based on an appeal pursuant to this subdivision shall qualify fully as a charter school for all funding and other purposes of this part.

(4) A charter school that receives approval of its petition from a county board of education or from the state board on appeal shall be subject to the same requirements concerning geographic location to which it would otherwise be subject if it received approval from the chartering authority to which it originally submitted its petition. A charter petition that is submitted to either a county board of education or to the state board shall meet all otherwise applicable petition requirements, including the identification of the proposed site or sites where the charter school will operate.

(5) Upon the approval of the petition by the county board of education, the petition or petitioners shall provide written notice of that approval, including a copy of the petition, to the governing board of the school district in which the charter school is located, the department, and the state board.

(6) If either the county board of education or the state board fails to act on a petition within 180 days of receipt, the decision of the governing board of the school district to deny the petition shall be subject to judicial review.

(I) (1) Teachers in charter schools shall hold the Commission on Teacher Credentialing certificate, permit, or other document required for the teacher's certificated assignment. These documents shall be maintained on file at the charter school and are subject to periodic inspection by the chartering authority. A governing body of a direct-funded charter school may use local assignment options authorized in statute and regulations for the purpose of legally assigning certificated teachers, in accordance with all of the requirements of the applicable statutes or regulations in the same manner as a governing board of a school district. A charter school shall have authority to request an emergency permit or a waiver from the Commission on Teacher Credentialing for individuals in the same manner as a school district.

(2) By July 1, 2020, all teachers in charter schools shall obtain a certificate of clearance and satisfy the requirements for professional fitness pursuant to Sections 44339, 44340, and 44341.

(3) The Commission on Teacher Credentialing shall include in the bulletins it issues pursuant to subdivision (k) of Section 44237 to provide notification to local educational agencies of any adverse actions taken against the holders of any commission documents, notice of any adverse actions taken against teachers employed by charter schools and shall make this bulletin available to all chartering authorities and charter schools in the same manner in which it is made available to local educational agencies.

(m) A charter school shall transmit a copy of its annual, independent financial audit report for the preceding fiscal year, as described in subparagraph (l) of paragraph (5) of subdivision (c), to its chartering authority, the Controller, the county superintendent of schools of the county in which the charter school is sited, unless the county board of education of the county in which the charter school is sited is the chartering authority, and the department by December 15 of each year. This subdivision does not apply if the audit of the charter school is encompassed in the audit of the chartering authority pursuant to Section 41020.

(n) A charter school may encourage parental involvement, but shall notify the parents and guardians of applicant pupils and currently enrolled pupils that parental involvement is not a requirement for acceptance to, or continued enrollment at, the charter school.

(o) The requirements of this section shall not be waived by the state board pursuant to Section 33050 or any other law.

Proposed amendments to Section 47605.9 of the Education Code are withdrawn:

47605.9 (a) A petition to establish a charter school under this part may be submitted only to the governing board of the school district or county office of education within the boundaries of which the charter school proposes to locate.

(b) A charter school operating under a charter approved by the state board pursuant to Section 47605, as that section read on January 1, 2019, may continue to operate under the authority of that chartering authority only until the date on which the charter is up for renewal, at which point the charter school shall submit a petition for renewal to the governing board of the school district within the boundaries of which the charter school is located. If the governing board of the school district denies the renewal petition, the charter school may submit the petition for renewal directly to the state board, which shall review the petition in accordance with subparagraph (B) of paragraph (1) of subdivision (k) of Section 47605. If the state board grants renewal pursuant to Section 47607, the state board shall designate, in consultation with the petitioner, either the governing board of the school district or the county board of education in which the charter school is located as the chartering authority. Subsequent renewals shall be subject to the same requirements as other charter schools authorized by the designated chartering authority, including review by the state board in accordance with Section 47607 and paragraph (2) of subdivision (k) of Section 47605.

(c) A charter school operating under a charter approved by the state board pursuant to Section 47605.8, as that section read on January 1, 2019, may continue to operate under the authority of that chartering authority only until the date on which the charter is up for renewal. The charter school shall submit a petition for renewal to the state board. If the state board grants renewal pursuant to Section 47607, the state board shall designate, in consultation with the petitioner, the governing board of the school district or county board of education in which the charter school is located as the chartering authority. A charter school assigned to a county board of education under this subdivision shall qualify as a charter school pursuant to Section 47605.6. Subsequent renewals shall be subject to the same requirements as other charter schools authorized by the same chartering authorities, including review by the state board in accordance with Section 47607 and paragraph (2) of subdivision (k) of Section 47605.

(d) A charter school designated to a new chartering authority pursuant to this section shall be regarded by the department as a continuing charter school for all purposes.

(e) The requirements of this section shall not be waived by the state board pursuant to Section 33050 or any other law.

**(f) This section does not apply to a charter school described in subdivision (f) of Section 47605.1.**

### Age Cap for Pupils Enrolled in Charter Schools

Section 47612.1 of the Education Code is amended to read: **(New for May Revision)**

47612.1. (a) Except for the requirement that a pupil be a California resident, subdivision (b) of Section 47612 shall not apply to a charter school program that provides instruction exclusively in partnership with any of the following:

(1) The federal Workforce Innovation and Opportunity Act (29 U.S.C. Sec. 3101 et seq.).

(2) Federally affiliated Youth Build programs.

(3) Federal job corps training or instruction provided pursuant to a memorandum of understanding with the federal provider.

(4) The California Conservation Corps or local conservation corps certified by the California Conservation Corps pursuant to Section 14406 or 14507.5 of the Public Resources Code.

**(b) Attendance for apportionment pursuant to sections 41601 and 47612.5 shall only be claimed for pupils under the age of 27 that are making satisfactory progress towards award of a high school diploma.**

**(c) Charter schools operating programs pursuant to this section shall annually report and provide documentation to the department that provides evidence of their exclusive partnership with any of the entities specified in subdivision (a).**

~~(d)~~ This section shall become operative on July 1, 2015.

### AB 1505/AB 1507 Charter School Clean-up

Section 47653 of the Education Code is added to read:

47653. (a) A charter school required to be regarded as a continuing charter school by the department pursuant to subparagraph (E) paragraph (5) of subdivision (a) of Section 47605, subparagraph (B) of paragraph (5) of subdivision (c) of Section 47605.1, subdivision (d) of Section 47605.9, or paragraph (3) of subdivision (b) of Section 47612.7 shall notify the department **by May 15 prior to the fiscal year the charter school is to be regarded as continuing by the department in a format to be under procedures and timeframes** established by the Superintendent. The Superintendent may require ~~that records attendance records or other documents necessary to verify that instruction had been provided at the site~~ be submitted to substantiate that the charter school meets the requirements to be regarded as a continuing charter school **by the department.**

(b) Failure of an eligible charter school or its chartering authority to provide notice and substantiation to the department in accordance with subdivision (a) relieves the department of any obligation to regard the charter school as a continuing charter school.

(c) A charter school petition authorized by a different chartering authority pursuant to subparagraph (A) of paragraph (5) of subdivision (a) of Section 47605, subparagraph (A) of paragraph (5) of subdivision (c) of Section 47605.1, subdivision (c) of Section 47605.9, or subdivision (b) of Section 47612.7 shall be effective before the date instruction begins for the current fiscal year.

(d) A charter school regarded as a continuing charter school in accordance with this section shall commence instruction within the first three months of the fiscal year beginning July 1 of the year the petition is effective pursuant to subdivision (c). A charter school shall not be eligible for an apportionment for any fiscal year in which instruction commenced after September 30 of that fiscal year.

(e) A charter school regarded as a continuing charter school by the department shall not be eligible for funding as a new charter school pursuant to subdivision (a) of Section 47652.

(f) The requirements of this section shall not be waived by the state board pursuant to Section 33050 or any other law.

Section 47654 of the Education Code is added to read:

47654. The definitions set forth in this section apply for purposes of this part and Chapter 7 (commencing with Section 42238) of Part 24 of Division 3. "Affected charter school" means a charter school that has been, or is proposed to be, affected by an action to comply with subparagraph (A) of paragraph (5) of subdivision (a) of Section 47605, subparagraph (A) of paragraph (5) of subdivision (c) of Section 47605.1, subdivision (c) of Section 47605.9, or subdivision (b) of Section 47612.7. Affected charter schools include all of the following charter school types:

(a) "Acquiring charter school" means a state charter school **site** deemed a continuing charter school that has wholly combined with one or more other affected state charter schools **sites** by an action taken to comply with subdivision (c) of Section 47605.9. **This subdivision shall become inoperative on July 1, 2023, unless extended by the Legislature.**

(b) "Continuing charter school" means a charter school that the department has deemed to have met the requirements of Section 47653.

(c) (1) "Divided charter school" means a continuing charter school that has had one or more of its sites become a separately authorized charter school by an action to comply with subparagraph (A) of paragraph (5) of subdivision (a) of Section 47605, subparagraph (A) of paragraph (5) of subdivision (c) of Section 47605.1, subdivision (c) of Section 47605.9, or subdivision (b) of Section 47612.7.

(2) The "restructured portion of a divided charter school" means the site or sites of the divided charter school that each become separately authorized by an action taken to comply with subparagraph (A) of paragraph (5) of subdivision (a) of Section 47605, subparagraph (A) of paragraph (5) of subdivision (c) of Section 47605.1, subdivision (c) of Section 47605.9, or subdivision (b) of Section 47612.7, and that is regarded as a continuing charter school in accordance with Section 47653.

(3) The "remaining portion of a divided charter school" means the portion of the original charter school remaining after action is taken to bring sites, resource centers, satellite facilities, and meeting spaces into compliance with subparagraph (A) of paragraph (5) of subdivision (a) of Section 47605, subparagraph (A) of paragraph (5) of

subdivision (c) of Section 47605.1, subdivision (c) of Section 47605.9, or subdivision (b) of Section 47612.7.

(d) "Original charter school" means a charter school as it existed before an action taken to comply with subparagraph (A) of paragraph (5) of subdivision (a) of Section 47605, subparagraph (A) of paragraph (5) of subdivision (c) of Section 47605.1, subdivision (c) of Section 47605.9, or subdivision (b) of Section 47612.7.

(e) "Restructured charter school" means a transferred charter school, acquiring charter school, or divided charter school.

(f) "Transferred charter school" means a continuing charter school that is wholly authorized by a different chartering authority to comply with subparagraph (A) of paragraph (5) of subdivision (a) of Section 47605, subparagraph (A) of paragraph (5) of subdivision (c) of Section 47605.1, subdivision (c) of Section 47605.9, or subdivision (b) of Section 47612.7.

Section 47655 of the Education Code is added to read:

47655. (a) Notwithstanding any other law, all debt and liabilities owed to the state for an original charter school shall transfer to a restructured charter school in accordance with this section.

(b) (1) A transferred charter school shall retain all of the debt and liabilities **owed to the state** incurred by, or applicable to, the original charter school for the period before the fiscal year the restructuring becomes effective.

(2) An acquiring charter school shall assume all of the debt and liabilities **owed to the state** incurred by, or applicable to, the original charter schools for the period before the fiscal year the restructuring becomes effective. **This paragraph shall become inoperative as of July 1, 2023, unless extended by the Legislature.**

(3) For a divided charter school, the debt and liabilities **owed to the state** incurred by, or applicable to, the original charter school for the period before the fiscal year the restructuring becomes effective shall be the responsibility of the remaining portion of a divided charter school, ~~unless none exists. If there is no remaining portion of a divided charter school, those debts and liabilities shall be assumed by the restructured portions of a divided charter school. If the remaining portion of a divided charter school closes, unassigned debt and liability owed to the state shall be the responsibility of the restructured charter schools.~~

### **Student Performance and Stakeholder Engagement in the Local Control and Accountability Plan Template**

Section 52064 of the Education Code is amended to read:

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

(1) For use by school districts to meet the requirements of Sections 52060 to 52063, inclusive.

(2) For use by county superintendents of schools to meet the requirements of Sections 52066 to 52069, inclusive.

(3) For use by charter schools to meet the requirements of Section 47606.5.

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

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

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

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

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

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

(i) Funds apportioned under the local control funding formula pursuant to Section 42238.02.

(ii) All other state funds.

(iii) All local funds.

(iv) All federal funds.

(4) One or more summary tables listing and describing the specific actions and budgeted expenditures in paragraph (3) that contribute to the demonstration that the school district, county office of education, or charter school will increase or improve services for unduplicated pupils in proportion to the increase in funds apportioned on the basis of the number and concentration of unduplicated pupils, consistent with regulations adopted by the state board pursuant to Section 42238.07, grouped as follows:

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

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

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

schools. For these specific actions, the description shall specify the school or schools at which the specific action is provided.

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

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

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

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

(9) A summary of the stakeholder engagement process and how stakeholder engagement influenced the development of the adopted local control and accountability plan and annual update to the local control and accountability plan.

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

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

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

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

(e) (1) The process of developing and annually updating the local control and accountability plan should support school districts, county offices of education, and charter schools in comprehensive strategic planning, accountability, and improvement

across the state priorities and any locally identified priorities through meaningful engagement with local stakeholders.

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

(3) The instructions developed by the state board pursuant to paragraph (1) of subdivision (d) shall specify that school districts, county offices of education, and charter schools should prioritize the focus of the goals, specific actions, and related expenditures included within the local control and accountability plan and annual update to the local control and accountability plan within one or more state priorities. The instructions shall further specify that school districts, county offices of education, and charter schools should consider their performance on the state and local indicators, including their locally collected and reported data for the local indicators, that are included in the California School Dashboard authorized in Section 52064.5 in determining whether and how to prioritize the goals, specific actions, and related expenditures included within the local control and accountability plan and annual update to the local control and accountability plan.

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

(5) On or before January 31, ~~2021~~ 2022, the instructions developed by the state board pursuant to paragraph (1) of subdivision (d) shall specify that school districts, county offices of education, and charter schools that meet the criteria to receive technical assistance pursuant to Section 47607, 47607.2, 52071, or 52071.5, as applicable, based on the performance of the same pupil subgroup or subgroups for three or more consecutive years shall include a goal in the local control and accountability plan focused on improving the performance of the pupil subgroup or subgroups.

(6) (A) On or before January 31, ~~2021~~ 2022, the instructions developed by the state board pursuant to paragraph (1) of subdivision (d) shall specify that, for any school district or county office of education with a school that meets the criteria described in subparagraph (B), the school district or county office of education shall include a goal in the local control and accountability plan focused on addressing the disparities in performance at the school or schools compared to the school district or county office of education as a whole.

(B) The requirement described in subparagraph (A) shall apply for any local educational agency with two or more schools if, for two consecutive years, a school receives the two lowest performance levels on all but one of the state indicators for which the school receives performance levels on the California School Dashboard pursuant to subdivision (d) of Section 52064.5 and the performance of the local educational agency for all pupils is at least one performance level higher on all of those indicators.

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

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

(g) Notwithstanding subdivision (f), revisions of the template for the local control and accountability plan and annual update to the local control and accountability plan necessary to implement Assembly Bill 1808 and Assembly Bill 1840 of the 2017–18 Regular Session or legislation passed during the 2019–20 Regular Session shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The state board may make necessary revisions to the template in accordance with the requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

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

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

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

## Career Technical Education Incentive Grant Appropriation

Section 53070 of the Education Code is amended to read: **(New for May Revision)**

53070. (a) The California Career Technical Education Incentive Grant Program is hereby established as a state education, economic, and workforce development initiative with the goal of providing pupils in kindergarten and grades 1 to 12, inclusive, with the knowledge and skills necessary to transition to employment and postsecondary education. The purpose of this program is to encourage, maintain, and strengthen the delivery of high-quality career technical education programs.

(b) For the 2015-16 to the 2019-20 fiscal years, inclusive, there there is hereby appropriated to the department from the General Fund for the program established pursuant to this chapter the following amounts:

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

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

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

(4) For the 2018-19 and the 2019-20 fiscal years, one hundred fifty million dollars (\$150,000,000).

(c) For the 2018-19 2020-21 fiscal year and each fiscal year thereafter, one hundred fifty million dollars (\$150,000,000) shall be made available to the department, upon appropriation by the Legislature in the annual Budget Act or another statute, for the program established pursuant to this chapter. funding for this program is subject to an appropriation in the annual Budget Act.

(d) Of the amounts appropriated pursuant to subdivisions (b) and (c) for purposes of this section in the annual Budget Act, 4 percent is designated for applicants with average daily attendance of less than or equal to 140, 8 percent is designated for applicants with average daily attendance of more than 140 and less than or equal to 550, and 88 percent is designated for applicants with average daily attendance of more than 550, unless otherwise determined by the Superintendent in collaboration with the executive director of the state board. For purposes of this section, average daily attendance shall be those figures that are reported at the time of the second principal apportionment for the previous fiscal year for pupils in grades 7 to 12, inclusive. For any applicant consisting of more than one school district, county office of education, charter school, or regional occupational center or program (ROCP) operated by a joint powers authority or county office of education, or of any combination of those entities, the sum of the average daily attendance for each of the constituent entities shall be used for purposes of this subdivision.

## Physical Performance Test Suspension and Reporting Requirement

Proposed Section 60800.5 of the Education Code is withdrawn.

**60800.5. (a) Notwithstanding Section 60800, the administration of the physical performance test shall be suspended for the 2020-21 to 2022-23 school years, inclusive. During the period of suspension, the department shall consult with experts and other stakeholders, including, but not limited to, individuals with expertise in fitness, adaptive physical education, gender identity, and pupils with disabilities, in order to provide recommendations regarding the purpose and administration of the physical**

~~performance test. The department may contract with a research entity to conduct a study regarding the physical performance testing of pupils.~~

~~(b) (1) On or before November 1, 2022, the Superintendent shall submit a report regarding its recommendations to the appropriate fiscal and policy committees of the Legislature, the Department of Finance, and the state board.~~

~~(2) The requirement for submitting a report imposed under paragraph (1) is inoperative on November 1, 2026, pursuant to Section 10231.5 of the Government Code.~~

## **Withdrawal of Various Proposals Relating to Collective Bargaining and Non-Represented Employees**

Proposed amendments to Section 3540.1 of the Government Code are withdrawn.

3540.1. As used in this chapter:

(a) "Board" means the Public Employment Relations Board created pursuant to Section 3541.

(b) "Certified organization" or "certified employee organization" means an organization that has been certified by the board as the exclusive representative of the public school employees in an appropriate unit after a proceeding under Article 5 (commencing with Section 3544).

(c) "Confidential employee" means an employee who is required to develop or present management positions with respect to employer-employee relations or whose duties normally require access to confidential information that is used to contribute significantly to the development of management positions.

(d) "Employee organization" means an organization that includes employees of a public school employer and that has as one of its primary purposes representing those employees in their relations with that public school employer. "Employee organization" shall also include any person of the organization authorized to act on its behalf.

(e) "Exclusive representative" means the employee organization recognized or certified as the exclusive negotiating representative of public school employees, as "public school employee" is defined in subdivision (j), ~~(k)~~, in an appropriate unit of a public school employer.

(f) "Impasse" means that the parties to a dispute over matters within the scope of representation have reached a point in meeting and negotiating at which their differences in positions are so substantial or prolonged that future meetings would be futile.

(g) "Management employee" means an employee in a position having significant responsibilities for formulating district policies or administering district programs. Management positions shall be designated by the public school employer subject to review by the Public Employment Relations Board.

(h) "Meeting and negotiating" means meeting, conferring, negotiating, and discussing by the exclusive representative and the public school employer in a good faith effort to reach agreement on matters within the scope of representation and the execution, if requested by either party, of a written document incorporating any agreements reached, which document shall, when accepted by the exclusive representative and the public school employer, become binding upon both parties and, notwithstanding Section 3543.7, is not subject to subdivision 2 of Section 1667 of the Civil Code. The agreement may be for a period of not to exceed three years.

**(i) “Nonrepresented employees” means confidential employees, management employees, supervisory employees, and any other employees of a public school employer who are not otherwise represented by a certified organization or recognized organization.**

**(i)**

**(i)** “Organizational security” is within the scope of representation, and means either of the following:

(1) An arrangement pursuant to which a public school employee may decide whether or not to join an employee organization, but which requires **him or her, the employee,** as a condition of continued employment, if **he or she the employee** does join, to maintain **his or her their** membership in good standing for the duration of the written agreement. However, an arrangement shall not deprive the employee of the right to terminate **his or her that employee’s** obligation to the employee organization within a period of 30 days following the expiration of a written agreement.

(2) An arrangement that requires an employee, as a condition of continued employment, either to join the recognized or certified employee organization, or to pay the organization a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments of the organization for the duration of the agreement, or a period of three years from the effective date of the agreement, whichever comes first.

**(j)**

**(k)** “Public school employee” or “employee” means a person employed by a public school employer except persons elected by popular vote, persons appointed by the **Governor of this state, Governor,** management employees, and confidential employees.

**(k)**

**(i)** “Public school employer” or “employer” means the governing board of a school district, a school district, a county board of education, a county superintendent of schools, a charter school that has declared itself a public school employer pursuant to subdivision (b) of Section 47611.5 of the Education Code, an auxiliary organization established pursuant to Article 6 (commencing with Section 72670) of Chapter 6 of Part 45 of Division 7 of Title 3 of the Education Code, except an auxiliary organization solely formed as or operating a student body association or student union, or a joint powers agency, except a joint powers agency established solely to provide services pursuant to Section 990.8, if all the following apply to the joint powers agency:

(1) It is created as an agency or entity that is separate from the parties to the joint powers agreement pursuant to Section 6503.5.

(2) It has its own employees separate from employees of the parties to the joint powers agreement.

(3) Any of the following are true:

(A) It provides educational services primarily performed by a school district, county board of education, or county superintendent of schools.

(B) A school district, county board of education, or county superintendent of schools is designated in the joint powers agreement pursuant to Section 6509.

(C) It is comprised solely of educational agencies.

**(l)**

~~(m)~~ "Recognized organization" or "recognized employee organization" means an employee organization that has been recognized by an employer as the exclusive representative pursuant to Article 5 (commencing with Section 3544).

~~(m)~~

~~(n)~~ "Supervisory employee" means an employee, regardless of job description, having authority in the interest of the employer to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or the responsibility to assign work to and direct them, or to adjust their grievances, or effectively recommend that action, if, in connection with the foregoing functions, the exercise of that authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

Proposed amendments to Section 3540.2 of the Government Code are withdrawn.

3540.2. (a) A school district **that has a qualified or negative certification pursuant to Section 42131 of the Education Code** ~~employer~~ shall allow the county office of education in which the school district is located at least 10 working days to review and comment on any proposed agreement made between the exclusive representative and the public school employer, or designated representatives of the employer, pursuant to this chapter. The school district shall provide the county superintendent of schools with all information relevant to yield an understanding of the financial impact of that agreement.

(b) The Superintendent shall develop a format for use by the appropriate parties in generating the financial information required pursuant to subdivision (a).

(c) The county superintendent of schools shall notify the **school district, the county board of education, the district superintendent, the governing board of the school district, and each parent and teacher organization** ~~employee organization that is the subject of the agreement~~ of the district within those 10 days if, in **his or her** ~~the county superintendent's~~ opinion, the agreement reviewed pursuant to subdivision (a) would endanger the fiscal well-being of the school district.

(d) A school district shall provide the county superintendent of schools, upon request, with all information relevant to provide an understanding of the financial impact of any final collective bargaining agreement reached pursuant to Section 3543.2.

(e) A county office of education, or a school district for which the county board of education serves as the governing board, **that has a qualified or negative certification pursuant to Section 1240 of the Education Code** shall allow the Superintendent at least 10 working days to review and comment on any proposed agreement or contract made between the exclusive representative and the public school employer, or designated representatives of the employer, pursuant to this chapter. The county superintendent of schools shall provide the Superintendent with all information relevant to yield an understanding of the financial impact of that agreement or contract. The Superintendent shall notify the county superintendent of schools, **and the county board of education** ~~education, and each employee organization that is the subject of the agreement~~ within those 10 days if, in **his or her** ~~the Superintendent's~~ opinion, the proposed agreement or contract would endanger the fiscal well-being of the county **office.** ~~office or a school district for which the county board of education serves as the governing board.~~

Proposed Section 3540.3 of the Government Code is withdrawn.

**3540.3. Section 3540.2 shall apply to a proposed agreement made between nonrepresented employees and the public school employer, or designated representatives of the employer, pursuant to this article.**

Proposed amendments to Section 3547.5 of the Government Code are withdrawn.

3547.5. (a) Before a public school employer enters into a written agreement with an exclusive representative covering matters within the scope of representation, the major provisions of the agreement, including, but not limited to, the costs that would be incurred by the public school employer under the ~~terms of the~~ agreement for the current and subsequent fiscal years, shall be disclosed at a public meeting of the public school employer in a format established for this purpose by the Superintendent of Public Instruction.

(b) The superintendent of the school district and chief business official shall certify in ~~writing, under penalty of perjury,~~ that the costs incurred by the school district under the agreement can be met by the district during the term of the agreement. This certification shall be prepared in a format similar to that of the reports required pursuant to Sections 42130 and 42131 of the Education ~~Code Code,~~ and shall itemize any budget revision necessary to meet the costs of the agreement in each year of its term.

(c) If a school district does not adopt all of the revisions to its budget needed in the current fiscal year to meet the costs of a collective bargaining agreement, the county superintendent of schools shall issue a **qualified or negative certification for the district on the next interim report pursuant to Section 42131** ~~notice of going concern determination to the school district pursuant to paragraph (1) of subdivision (a) of Section 42127.6~~ of the Education Code.

Proposed Section 3547.6 of the Government Code is withdrawn.

**3547.6. (a) Before a public school employer enters into a written agreement with a nonrepresented employee or group of nonrepresented employees, the major provisions of the agreement, including, but not limited to, the costs that would be incurred by the public school employer under the terms of the agreement for the current and subsequent fiscal years, shall be disclosed at a public meeting of the public school employer in a format established for this purpose by the Superintendent of Public Instruction.**

**(b) The superintendent of the school district and chief business official shall certify in writing, under penalty of perjury, that the costs incurred by the school district under the agreement can be met by the district during the term of the agreement. This certification shall be prepared in a format similar to that of the reports required pursuant to Sections 42130 and 42131 of the Education Code, and shall itemize any budget revision necessary to meet the costs of the agreement in each year of its term.**

**(c) If a school district does not adopt all of the revisions to its budget needed in the current fiscal year to meet the costs of the written agreement with a nonrepresented employee or group of nonrepresented employees, the county superintendent of schools shall issue a notice of going concern determination to the school district pursuant to Section 42127.6 of the Education Code.**

**AB 1505/AB 1507 Charter School Clean-up**

Section 17581.6 of the Government Code is amended to read:

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

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

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

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

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

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

(iii) As applicable, provide to the Superintendent of Public Instruction the prior year average daily attendance attributable to each restructured charter school to be used in the calculation of funding. The charter school shall provide data in a format prescribed by the Superintendent of Public Instruction **pursuant to Section 47653 of the Education Code.** The total average daily attendance attributable to the restructured charter school or schools pursuant to this clause shall not exceed the total prior year average daily attendance of the original charter school. The definitions in Section 47654 of the Education Code apply for purposes of this subparagraph.

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

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

(3) A school district or county office of education that receives block grant funding pursuant to this section shall not be eligible to submit claims to the Controller for

reimbursement pursuant to Section 17560 for any costs of any state mandates included in the statutes and executive orders identified in subdivision (f) incurred in the same fiscal year during which the school district or county office of education received funding pursuant to this section.

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

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

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

~~(1) Academic Performance Index (01-TC-22; Chapter 3 of the Statutes of 1999, First Extraordinary Session; and Chapter 695 of the Statutes of 2000).~~

~~(2)~~

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

~~(3)~~

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

~~(4)~~

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

~~(5)~~

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

~~(6)~~

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

~~(7)~~

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

~~(8)~~

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

~~(9)~~

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

~~(10)~~

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

~~(11)~~

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

~~(12)~~

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

~~(13)~~

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

~~(14)~~

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

~~(15)~~

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

~~(16)~~

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

~~(17)~~

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

~~(18)~~

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

~~(19)~~

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

~~(20)~~

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

~~(21)~~

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

~~(22)~~

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

~~(23)~~

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

~~(24)~~

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

~~(25)~~

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

~~(26)~~

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

~~(27)~~

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

~~(28)~~

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

~~(29)~~

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

~~(30)~~

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

~~(31)~~

~~(30)~~ Juvenile Court Notices II (CSM 4475; Chapters 1011 and 1423 of the Statutes of 1984; Chapter 1019 of the Statutes of 1994; and Chapter 71 of the Statutes of 1995).

~~(32)~~

~~(31)~~ Notification of Truancy (CSM 4133; Chapter 498 of the Statutes of 1983; Chapter 1023 of the Statutes of 1994; and Chapter 19 of the Statutes of 1995).

~~(33)~~

~~(32)~~ Parental Involvement Programs (03-TC-16; Chapter 1400 of the Statutes of 1990; Chapters 864 and 1031 of the Statutes of 1998; and Chapter 1037 of the Statutes of 2002).

~~(34)~~

~~(33)~~ Physical Performance Tests (96-365-01; Chapter 975 of the Statutes of 1995).

~~(35)~~

~~(34)~~ Prevailing Wage Rate (01-TC-28; Chapter 1249 of the Statutes of 1978).

~~(36)~~

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

~~(37)~~

~~(36)~~ Pupil Health Screenings (CSM 4440; Chapter 1208 of the Statutes of 1976; Chapter 373 of the Statutes of 1991; and Chapter 750 of the Statutes of 1992).

~~(38)~~

~~(37)~~ Pupil Promotion and Retention (98-TC-19; Chapter 100 of the Statutes of 1981; Chapter 1388 of the Statutes of 1982; Chapter 498 of the Statutes of 1983; Chapter 1263 of the Statutes of 1990; and Chapters 742 and 743 of the Statutes of 1998).

~~(39)~~

~~(38)~~ Pupil Safety Notices (02-TC-13; Chapter 498 of the Statutes of 1983; Chapter 482 of the Statutes of 1984; Chapter 948 of the Statutes of 1984; Chapter 196 of the Statutes of 1986; Chapter 332 of the Statutes of 1986; Chapter 445 of the Statutes of 1992; Chapter 1317 of the Statutes of 1992; Chapter 589 of the Statutes of 1993; Chapter 1172 of the Statutes of 1994; Chapter 1023 of the Statutes of 1996; and Chapter 492 of the Statutes of 2000).

~~(40)~~

~~(39)~~ Race to the Top (10-TC-06; Chapters 2 and 3 of the Statutes of 2009).

~~(41)~~

~~(40)~~ School Accountability Report Cards (97-TC-21, 00-TC-09, 00-TC-13, and 02-TC-32; Chapter 918 of the Statutes of 1997; Chapter 912 of the Statutes of 1997; Chapter 824 of the Statutes of 1994; Chapter 1031 of the Statutes of 1993; Chapter 759 of the Statutes of 1992; and Chapter 1463 of the Statutes of 1989).

~~(42)~~

~~(41)~~ School District Fiscal Accountability Reporting (97-TC-19; Chapter 100 of the Statutes of 1981; Chapter 185 of the Statutes of 1985; Chapter 1150 of the Statutes of 1986; Chapters 917 and 1452 of the Statutes of 1987; Chapters 1461 and 1462 of the Statutes of 1988; Chapter 525 of the Statutes of 1990; Chapter 1213 of the Statutes of 1991; Chapter 323 of the Statutes of 1992; Chapters 923 and 924 of the Statutes of 1993; Chapters 650 and 1002 of the Statutes of 1994; and Chapter 525 of the Statutes of 1995).

~~(43)~~

~~(42)~~ School District Reorganization (98-TC-24; Chapter 1192 of the Statutes of 1980; and Chapter 1186 of the Statutes of 1994).

~~(44)~~

~~(43)~~ Student Records (02-TC-34; Chapter 593 of the Statutes of 1989; Chapter 561 of the Statutes of 1993; Chapter 311 of the Statutes of 1998; and Chapter 67 of the Statutes of 2000).

~~(45)~~

~~(44)~~ The Stull Act (98-TC-25; Chapter 498 of the Statutes of 1983; and Chapter 4 of the Statutes of 1999).

~~(46)~~

~~(45)~~ Threats Against Peace Officers (CSM 96-365-02; Chapter 1249 of the Statutes of 1992; and Chapter 666 of the Statutes of 1995).

~~(47)~~

~~(46)~~ Training for School Employee Mandated Reporters (14-TC-02; Chapter 797 of the Statutes of 2014).

~~(48)~~

~~(47)~~ Uniform Complaint Procedures (03-TC-02; Chapter 1117 of the Statutes of 1982; Chapter 1514 of the Statutes of 1988; and Chapter 914 of the Statutes of 1998).

~~(49)~~

~~(48)~~ Williams Case Implementation I, II, and III (05-TC-04, 07-TC-06, and 08-TC-01; Chapters 900, 902, and 903 of the Statutes of 2004; Chapter 118 of the Statutes of 2005; Chapter 704 of the Statutes of 2006; and Chapter 526 of the Statutes of 2007).

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

### **Excess Educational Revenue Augmentation Fund Calculation Penalty**

Section 97.2 of the Revenue and Taxation Code is amended to read:

**(New for May Revision)**

97.2. Notwithstanding any other provision of this chapter, the computations and allocations made by each county pursuant to Section 96.1 or its predecessor section shall be modified for the 1992–93 fiscal year pursuant to subdivisions (a) to (d), inclusive, and for the 1997–98 and 1998–99 fiscal years pursuant to subdivision (e), as follows:  
(a) (1) Except as provided in paragraph (2), the amount of property tax revenue deemed allocated in the prior fiscal year to each county shall be reduced by the dollar amounts indicated as follows, multiplied by 0.953649:

|                    | Property Tax Reduction per County |
|--------------------|-----------------------------------|
| Alameda .....      | \$ 27,323,576                     |
| Alpine .....       | 5,169                             |
| Amador .....       | 286,131                           |
| Butte .....        | 846,452                           |
| Calaveras .....    | 507,526                           |
| Colusa .....       | 186,438                           |
| Contra Costa ..... | 12,504,318                        |
| Del Norte .....    | 46,523                            |
| El Dorado .....    | 1,544,590                         |
| Fresno .....       | 5,387,570                         |
| Glenn .....        | 378,055                           |
| Humboldt .....     | 1,084,968                         |
| Imperial .....     | 998,222                           |
| Inyo .....         | 366,402                           |
| Kern .....         | 6,907,282                         |
| Kings .....        | 1,303,774                         |
| Lake .....         | 998,222                           |
| Lassen .....       | 93,045                            |
| Los Angeles .....  | 244,178,806                       |
| Madera .....       | 809,194                           |
| Marin .....        | 3,902,258                         |

|                       |            |
|-----------------------|------------|
| Mariposa .....        | 40,136     |
| Mendocino .....       | 1,004,112  |
| Merced .....          | 2,445,709  |
| Modoc .....           | 134,650    |
| Mono .....            | 319,793    |
| Monterey .....        | 2,519,507  |
| Napa .....            | 1,362,036  |
| Nevada .....          | 762,585    |
| Orange .....          | 9,900,654  |
| Placer .....          | 1,991,265  |
| Plumas .....          | 71,076     |
| Riverside .....       | 7,575,353  |
| Sacramento .....      | 15,323,634 |
| San Benito .....      | 198,090    |
| San Bernardino .....  | 14,467,099 |
| San Diego .....       | 17,687,776 |
| San Francisco .....   | 53,266,991 |
| San Joaquin .....     | 8,574,869  |
| San Luis Obispo ..... | 2,547,990  |
| San Mateo .....       | 7,979,302  |
| Santa Barbara .....   | 4,411,812  |
| Santa Clara .....     | 20,103,706 |
| Santa Cruz .....      | 1,416,413  |
| Shasta .....          | 1,096,468  |

|                  |           |
|------------------|-----------|
| Sierra .....     | 97,103    |
| Siskiyou .....   | 467,390   |
| Solano .....     | 5,378,048 |
| Sonoma .....     | 5,455,911 |
| Stanislaus ..... | 2,242,129 |
| Sutter .....     | 831,204   |
| Tehama .....     | 450,559   |
| Trinity .....    | 50,399    |
| Tulare .....     | 4,228,525 |
| Tuolumne .....   | 740,574   |
| Ventura .....    | 9,412,547 |
| Yolo .....       | 1,860,499 |
| Yuba .....       | 842,857   |

(2) Notwithstanding paragraph (1), the amount of the reduction specified in that paragraph for any county or city and county that has been materially and substantially impacted as a result of a federally declared disaster, as evidenced by at least 20 percent of the cities, or cities and unincorporated areas of the county representing 20 percent of the population within the county suffering substantial damage, as certified by the Director of Emergency Services, occurring between October 1, 1989, and the effective date of this section, shall be reduced by that portion of five million dollars (\$5,000,000) determined for that county or city and county pursuant to subparagraph (B) of paragraph (3).

(3) On or before October 1, 1992, the Director of Finance shall do all of the following:  
(A) Determine the population of each county and city and county in which a federally declared disaster has occurred between October 1, 1989, and the effective date of this section.

(B) Determine for each county and city and county as described in subparagraph (A) its share of five million dollars (\$5,000,000) on the basis of that county's population relative to the total population of all counties described in subparagraph (A).

(C) Notify each auditor of each county and city and county of the amounts determined pursuant to subparagraph (B).

(b) (1) Except as provided in paragraph (2), the amount of property tax revenue deemed allocated in the prior fiscal year to each city, except for a newly incorporated city that did not receive property tax revenues in the 1991–92 fiscal year, shall be

reduced by 9 percent. In making the above computation with respect to cities in Alameda County, the computation for a city described in paragraph (6) of subdivision (a) of Section 100.7, as added by Section 73.5 of Chapter 323 of the Statutes of 1983, shall be adjusted so that the amount multiplied by 9 percent is reduced by the amount determined for that city for "museums" pursuant to paragraph (2) of subdivision (h) of Section 95.

(2) Notwithstanding paragraph (1), the amount of the reduction determined pursuant to that paragraph for any city that has been materially and substantially impacted as a result of a federally declared disaster, as certified by the Director of Emergency Services, occurring between October 1, 1989, and the effective date of this section, shall be reduced by that portion of fifteen million dollars (\$15,000,000) determined for that city pursuant to subparagraph (B) of paragraph (3).

(3) On or before October 1, 1992, the Director of Finance shall do all of the following:  
(A) Determine the population of each city in which a federally declared disaster has occurred between October 1, 1989, and the effective date of this section.

(B) Determine for each city as described in subparagraph (A) its share of fifteen million dollars (\$15,000,000) on the basis of that city's population relative to the total population of all cities described in subparagraph (A).

(C) Notify each auditor of each county and city and county of the amounts determined pursuant to subparagraph (B).

(4) In the 1992-93 fiscal year and each fiscal year thereafter, the auditor shall adjust the computations required pursuant to Article 4 (commencing with Section 98) so that those computations do not result in the restoration of any reduction required pursuant to this section.

(c) (1) Subject to paragraph (2), the amount of property tax revenue, other than those revenues that are pledged to debt service, deemed allocated in the prior fiscal year to a special district, other than a multicounty district, a local hospital district, or a district governed by a city council or whose governing board has the same membership as a city council, shall be reduced by 35 percent. For purposes of this subdivision, "revenues that are pledged to debt service" include only those amounts required to pay debt service costs in the 1991-92 fiscal year on debt instruments issued by a special district for the acquisition of capital assets.

(2) No reduction pursuant to paragraph (1) for any special district, other than a countywide water agency that does not sell water at retail, shall exceed an amount equal to 10 percent of that district's total annual revenues, from whatever source, as shown in the 1989-90 edition of the State Controller's Report on Financial Transactions Concerning Special Districts (not including any annual revenues from fiscal years following the 1989-90 fiscal year). With respect to any special district, as defined pursuant to subdivision (m) of Section 95, that is allocated property tax revenue pursuant to this chapter but does not appear in the State Controller's Report on Financial Transactions Concerning Special Districts, the auditor shall determine the total annual revenues for that special district from the information in the 1989-90 edition of the State Controller's Report on Financial Transactions Concerning Counties. With respect to a special district that did not exist in the 1989-90 fiscal year, the auditor may use information from the first full fiscal year, as appropriate, to determine the total annual revenues for that special district. No reduction pursuant to paragraph (1) for any countywide water agency that does not sell water at retail shall exceed an amount

equal to 10 percent of that portion of that agency's general fund derived from property tax revenues.

(3) The auditor in each county shall, on or before January 15, 1993, and on or before January 30 of each year thereafter, submit information to the Controller concerning the amount of the property tax revenue reduction to each special district within that county as a result of paragraphs (1) and (2). The Controller shall certify that the calculation of the property tax revenue reduction to each special district within that county is accurate and correct, and submit this information to the Director of Finance.

(A) The Director of Finance shall determine whether the total of the amounts of the property tax revenue reductions to special districts, as certified by the Controller, is equal to the amount that would be required to be allocated to school districts and community college districts as a result of a three hundred seventy-five million dollar (\$375,000,000) shift of property tax revenues from special districts for the 1992-93 fiscal year. If, for any year, the total of the amount of the property tax revenue reductions to special districts is less than the amount as described in the preceding sentence, the amount of property tax revenue, other than those revenues that are pledged to debt service, deemed allocated in the prior fiscal year to a special district, other than a multicounty district, a local hospital district, or a district governed by a city council or whose governing board has the same membership as a city council, shall, subject to subparagraph (B), be reduced by an amount up to 5 percent of the amount subject to reduction for that district pursuant to paragraphs (1) and (2).

(B) No reduction pursuant to subparagraph (A), in conjunction with a reduction pursuant to paragraphs (1) and (2), for any special district, other than a countywide water agency that does not sell water at retail, shall exceed an amount equal to 10 percent of that district's total annual revenues, from whatever source, as shown in the most recent State Controller's Report on Financial Transactions Concerning Special Districts. No reduction pursuant to subparagraph (A), in conjunction with a reduction pursuant to paragraphs (1) and (2), for any countywide water agency that does not sell water at retail shall exceed an amount equal to 10 percent of that portion of that agency's general fund derived from property tax revenues.

(C) In no event shall the amount of the property tax revenue loss to a special district derived pursuant to subparagraphs (A) and (B) exceed 40 percent of that district's property tax revenues or 10 percent of that district's total revenues, from whatever source.

(4) For the purpose of determining the total annual revenues of a special district that provides fire protection or fire suppression services, all of the following shall be excluded from the determination of total annual revenues:

(A) If the district had less than two million dollars (\$2,000,000) in total annual revenues in the 1991-92 fiscal year, the revenue generated by a fire suppression assessment levied pursuant to Article 3.6 (commencing with Section 50078) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code.

(B) The total amount of all funds, regardless of the source, that are appropriated to a district, including a fire department, by a board of supervisors pursuant to Section 25642 of the Government Code or Chapter 7 (commencing with Section 13890) of Part 2.7 of Division 12 of the Health and Safety Code for fire protection. The amendment of this subparagraph by Chapter 290 of the Statutes of 1997 shall not be construed to affect any exclusion from the total annual revenues of a special district that was authorized by this subparagraph as it read prior to that amendment.

(C) The revenue received by a district as a result of contracts entered into pursuant to Section 4133 of the Public Resources Code.

(5) For the purpose of determining the total annual revenues of a resource conservation district, all of the following shall be excluded from the determination of total annual revenues:

(A) Any revenues received by that district from the state for financing the acquisition of land, or the construction or improvement of state projects, and for which that district serves as the fiscal agent in administering those state funds pursuant to an agreement entered into between that district and a state agency.

(B) Any amount received by that district as a private gift or donation.

(C) Any amount received as a county grant or contract as supplemental to, or independent of, that district's property tax share.

(D) Any amount received by that district as a federal or state grant.

(d) (1) The amount of property tax revenues not allocated to the county, cities within the county, and special districts as a result of the reductions calculated pursuant to subdivisions (a), (b), and (c) shall instead be deposited in the Educational Revenue Augmentation Fund to be established in each county. The amount of revenue in the Educational Revenue Augmentation Fund, derived from whatever source, shall be allocated pursuant to paragraphs (2) and (3) to school districts and county offices of education, in total, and to community college districts, in total, in the same proportion that property tax revenues were distributed to school districts and county offices of education, in total, and community college districts, in total, during the 1991–92 fiscal year.

(2) (A) The auditor shall, based on information provided by the county superintendent of schools pursuant to this paragraph, allocate the proportion of the Educational Revenue Augmentation Fund to those school districts and county offices of education within the county that are not excess tax school entities, as defined in subdivision (n) of Section 95. The county superintendent of schools shall determine the amount to be allocated to each school district and county office of education in inverse proportion to the amounts of property tax revenue per average daily attendance in each school district and county office of education. In no event shall any additional money be allocated from the fund to a school district or county office of education upon that school district or county office of education becoming an excess tax school entity.

(B) Commencing with fiscal year 2018-19, if a county auditor-controller fails to allocate Educational Revenue Augmentation Fund revenues in accordance with the guidance provided by the Department of Finance, the Department of Finance may request a writ of mandate to require the county auditor-controller to immediately perform this duty. Such actions may be filed only in the County of Sacramento and shall have priority over other civil matters. Any county in which the county auditor-controller fails to perform the duties under this paragraph shall be subject to a civil penalty of 10 percent of the excess, additional, or remaining funds that would otherwise have been allocated to county superintendents of schools, cities, counties, and cities and counties pursuant to clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Sections 97.2 and 97.3 or Article 4 (commencing with Section 98) had this section not been enacted plus 1.5 percent of the amount owed to taxing entities for each month that the duties are not performed. The civil penalties shall be payable to those school districts and county offices of education within the county that are not excess tax school entities, pursuant to subparagraph (A).

(3) The auditor shall, based on information provided by the Chancellor of the California Community Colleges pursuant to this paragraph, allocate the proportion of the Educational Revenue Augmentation Fund to those community college districts within the county that are not excess tax school entities, as defined in subdivision (n) of Section 95. The chancellor shall determine the amount to be allocated to each community college district in inverse proportion to the amounts of property tax revenue per funded full-time equivalent student in each community college district. In no event shall any additional money be allocated from the fund to a community college district upon that district becoming an excess tax school entity.

(4) (A) If, after making the allocation required pursuant to paragraph (2), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (3). If, after making the allocation pursuant to paragraph (3), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (2).

(B) (i) (I) For the 1995–96 fiscal year and each fiscal year thereafter, if, after making the allocations pursuant to paragraphs (2) and (3) and subparagraph (A), the auditor determines that there are still additional funds to be allocated, the auditor shall, subject to clauses (ii) and (iii), allocate those excess funds to the county superintendent of schools. Funds allocated pursuant to this subclause shall be counted as property tax revenues for special education programs in augmentation of the amount calculated pursuant to Section 2572 of the Education Code, to the extent that those property tax revenues offset state aid for county offices of education and school districts within the county pursuant to subdivision (c) of Section 56836.08 of the Education Code.

(II) For the 2007–08 fiscal year and for each fiscal year thereafter, both of the following apply:

(ia) In allocating the revenues described in subclause (I), the auditor shall apportion funds to the appropriate special education local plan area to cover the amount determined in Section 56836.173 of the Education Code.

(ib) Except as otherwise provided by sub-subclause (ia), property tax revenues described in subclause (I) shall not be apportioned to special education programs funded pursuant to Section 56836.173 of the Education Code.

(III) If, for the 2000–01 fiscal year or any fiscal year thereafter, any additional revenues remain after the implementation of subclauses (I) and (II), the auditor shall allocate those remaining revenues among the county, cities, and special districts in proportion to the amounts of ad valorem property tax revenue otherwise required to be shifted from those local agencies to the county's Educational Revenue Augmentation Fund for the relevant fiscal year.

(IV) A county Educational Revenue Augmentation Fund shall not be required to provide funding for special education programs funded pursuant to Section 56836.173 of the Education Code or any predecessor to that section for a fiscal year prior to the 2007–08 fiscal year that it has not already provided for these programs prior to the beginning of the 2007–08 fiscal year.

(ii) For the 1995–96 fiscal year only, clause (i) shall have no application to the County of Mono and the amount allocated pursuant to clause (i) in the County of Marin shall not exceed five million dollars (\$5,000,000).

(iii) For the 1996–97 fiscal year only, the total amount of funds allocated by the auditor pursuant to clause (i) and clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.3 shall not exceed that portion of two million five hundred thousand

dollars (\$2,500,000) that corresponds to the county's proportionate share of all moneys allocated pursuant to clause (i) and clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.3 for the 1995–96 fiscal year. Upon the request of the auditor, the Department of Finance shall provide to the auditor all information in the department's possession that is necessary for the auditor to comply with this clause.

(iv) Notwithstanding clause (i) of this subparagraph, for the 1999–2000 fiscal year only, if, after making the allocations pursuant to paragraphs (2) and (3) and subparagraph (A), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate the funds to the county, cities, and special districts in proportion to the amounts of ad valorem property tax revenue otherwise required to be shifted from those local agencies to the county's Educational Revenue Augmentation Fund for the relevant fiscal year. The amount allocated pursuant to this clause shall not exceed eight million two hundred thirty-nine thousand dollars (\$8,239,000), as appropriated in Item 6110-250-0001 of Section 2.00 of the Budget Act of 1999 (Chapter 50, Statutes of 1999). This clause shall be operative for the 1999–2000 fiscal year only to the extent that moneys are appropriated for purposes of this clause in the Budget Act of 1999 by an appropriation that specifically references this clause.

(C) For purposes of allocating the Educational Revenue Augmentation Fund for the 1996–97 fiscal year, the auditor shall, after making the allocations for special education programs, if any, required by subparagraph (B), allocate all remaining funds among the county, cities, and special districts in proportion to the amounts of ad valorem property tax revenue otherwise required to be shifted from those local agencies to the county's Educational Revenue Augmentation Fund for the relevant fiscal year. For purposes of ad valorem property tax revenue allocations for the 1997–98 fiscal year and each fiscal year thereafter, no amount of ad valorem property tax revenue allocated to the county, a city, or a special district pursuant to this subparagraph shall be deemed to be an amount of ad valorem property tax revenue allocated to that local agency in the prior fiscal year.

(5) For purposes of allocations made pursuant to Section 96.1 or its predecessor section for the 1993–94 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision, other than amounts deposited in the Educational Revenue Augmentation Fund pursuant to Section 33681 of the Health and Safety Code, shall be deemed property tax revenue allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

(e) (1) For the 1997–98 fiscal year:

(A) The amount of property tax revenue deemed allocated in the prior fiscal year to any city subject to the reduction specified in paragraph (2) of subdivision (b) shall be reduced by an amount that is equal to the difference between the amount determined for the city pursuant to paragraph (1) of subdivision (b) and the amount of the reduction determined for the city pursuant to paragraph (2) of subdivision (b).

(B) The amount of property tax revenue deemed allocated in the prior fiscal year to any county or city and county subject to the reduction specified in paragraph (2) of subdivision (a) shall be reduced by an amount that is equal to the difference between the amount specified for the county or city and county pursuant to paragraph (1) of subdivision (a) and the amount of the reduction determined for the county or city and county pursuant to paragraph (2) of subdivision (a).

(2) The amount of property tax revenues not allocated to a city or city and county as a result of this subdivision shall be deposited in the Educational Revenue Augmentation Fund described in subparagraph (A) of paragraph (1) of subdivision (d).

(3) For purposes of allocations made pursuant to Section 96.1 for the 1998–99 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision shall be deemed property tax revenues allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

(f) It is the intent of the Legislature in enacting this section that this section supersede and be operative in place of Section 97.03 of the Revenue and Taxation Code, as added by Senate Bill 617 of the 1991–92 Regular Session.

### **Sunset Executive Order N-26-20 and Senate Bill 117, Chapter 3, Statutes of 2020**

Add uncodified language as follows: **(New for May Revision)**

The provisions of Executive Order N-26-20 and Senate Bill 117, Chapter 3, Statutes of 2020 shall become inoperative on July 1, 2020.

### **Southern California Regional Occupational Center (SoCal ROC)**

Add uncodified language as follows: **(New for May Revision)**

(a) Consistent with the intent expressed in subdivision (c) of Section 76 of Chapter 15 of the Statutes of 2017, the sum of one million dollars (\$1,000,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation to the Southern California Regional Occupational Center for instructional and operating costs in the 2020-21 fiscal year. It is the intent of the Legislature that this allocation assist the Southern California Regional Occupational Center to transition to a fully fee-supported funding model.

(b) As a condition of receiving funding appropriated pursuant to subdivision (a), the Southern California Regional Occupational Center shall submit an updated operational plan to the Department of Finance and the Legislative Analyst's Office on or before September 1, 2020.

(c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the amount appropriated in 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 2020-21 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 2020-21 fiscal year.

### **Guerneville Repayment Plan Allowance**

Add uncodified language as follows: **(New for May Revision)**

If the Superintendent of Public Instruction and the Director of Finance concur that repayment in the current fiscal year of two million three hundred thirty nine thousand three hundred and seventeen dollars (\$2,339,317) by Guerneville Elementary School

District for the 2018-19 fiscal year would constitute a severe financial hardship for the local educational agency, they may approve a plan of equal annual payments over a period of up to five years. The plan shall include interest on each year's outstanding balance at the rate earned on the state's Pooled Money Investment Account during that year. The Superintendent and the Director of Finance jointly establish this plan. The Controller shall withhold amounts pursuant to the plan.

### **Principal Apportionment Deferrals**

Add uncodified language as follows:

**(New for May Revision)**

(a) Notwithstanding any other provision of law, the funds appropriated pursuant to Items 6100-158-0001 and 6100-161-0001 of Section 2.00 of the Budget Act of 2017 shall be encumbered by July 31, 2020. This one-month extension of encumbrance authority is provided due to the effect of the deferral of the June 2020 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, 2020, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2017.

(b) Notwithstanding any other provision of law, the funds appropriated pursuant to Items, 6100-158-0001 and 6100-161-0001 of Section 2.00 of the Budget Act of 2018 shall be encumbered by [XXXX] 2021. This XX-month extension of encumbrance authority is provided due to the effect of the deferral of the June 2021 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 [XXXX] 2021, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2018.

### **Routine Restricted Maintenance Account Exclusion of On-Behalf Pension Payments**

Add uncodified language as follows:

**(New for May Revision)**

(a) Moneys appropriated pursuant to Sections 22954 and 22955.1 of the Education Code and 6217.5 of the Public Resources Code shall not be considered school district or county office of education general fund expenditures for purposes of Section 17070.75 of the Education Code. This section supplements and does not supersede Section 16 of Assembly Bill 114, Chapter 413 of the Statutes of 2019.

### **Coronavirus Aid, Relief, and Economic Security (CARES) Act Child Care and Development Block Grant Supplemental Funds**

Add uncodified language as follows:

**(New for May Revision)**

(a) The Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Childcare Development Block Grant Supplemental Payment awarded \$350,314,000 to California to address the impact of COVID-19 on child care providers and the families they serve. These funds were awarded to prevent, prepare for, and respond to the COVID-19 emergency, to provide assistance to child care providers in the case of decreased

enrollment or closures, and to provide child care assistance to essential workers during the response to COVID-19.

(b) In response to the COVID-19 pandemic, the state appropriated the sum of one hundred fifty-two million three hundred fourteen thousand dollars (\$152,314,000) General Fund to child care providers for COVID-19 related assistance between March 4, 2020 and June 30, 2020 as follows:

(1) Fifty million dollars (\$50,000,000) allocated to non-local educational agency child care providers, which remained open or intend to reopen during the COVID-19 emergency, for health, safety, and cleaning supplies related to federal, state, and local COVID-19 emergency public health and safety guidance pursuant to SB 89 (Chapter 2, Statutes of 2020).

(2) Fifty million dollars (\$50,000,000) allocated to existing state subsidized child care providers to support additional access to early learning and care for essential workers, and at-risk populations pursuant to SB 89 (Chapter 2, Statutes of 2020).

(3) Forty-one million dollars three hundred fourteen thousand (\$41,314,000) for the estimated cost of provider closures, waived family fees, and other assistance consistent with Executive Order N-45-20.

(4) Three million three hundred thousand (\$3,300,000) allocated to CalWorks Stage 1 Child Care for the estimated cost of waived family fees, consistent with Executive Order N-45-20.

(5) Six million dollars (\$6,000,000) for the estimated costs of extending the family fee waivers through June 30, 2020, consistent with Executive Order N-XX 20.

(6) Two million dollars (\$2,000,000) allocated to CalWORKS Stage 1 Child Care for the estimated costs of extending the family fee waivers through June 30, 2020, consistent with Executive Order N-XX 20.

(c) Consistent with Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Childcare Development Block Grant Supplemental Payment requirements, which allows states to restore amounts, either directly or through reimbursement, for obligations incurred to prevent, prepare for, and respond to coronavirus prior to enactment of the CARES Act, the state shall allocate one hundred fifty-two million three hundred fourteen thousand dollars (\$152,314,000) of the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Childcare Development Block Grant Supplemental Payment fund in reimbursement of the state General Fund costs incurred in subdivision (b).

(d) On July 1, 2020, the State Controller shall transfer the sum of one hundred fifty-two million three hundred fourteen thousand dollars (\$152,314,000) from the Federal Trust Fund (Coronavirus Aid, Relief, and Economic Security Act–Child Care Development Block Grant Supplement Payment) to the state General Fund to offset the state costs incurred in the 2019-20 fiscal year.

(e) For the 2020-21 fiscal year, the sum of one hundred ninety-eight million dollars (\$198,000,000) Federal Trust Fund (Coronavirus Aid, Relief, and Economic Security Act–Child Care Development Block Grant Supplement Payment) is hereby appropriated to the Superintendent for COVID-19 related relief and assistance for child care providers, the families they serve, and essential workers as follows:

(1) Of the funds appropriated in this subdivision, one hundred twenty-five million dollars (\$125,000,000) shall be allocated to state subsidized licensed early learning and care providers, which remained open or intend to reopen during the COVID-19 emergency, in the form of a one-time stipend for financial assistance to address any hardships

incurred as a result of various economic factors such as decreased enrollment, increased teacher to child ratios, and other increased costs to ensure early learning and care providers maintain high quality care, access, and safety for workers and families in the provider settings. These funds will be allocated as follows:

(A) The Department of Education shall determine a flat-rate stipend amount for all providers based on provider capacity.

(B) The Superintendent shall allocated stipends to Alternative Payment providers for distribution to voucher based child care providers according to a schedule to be provided by the Superintendent and approved by the Department of Finance. The Department of Education may designate another agency to distribute these funds to child care providers if the Alternative Payment provider agency in the area is determined by the Department of Education to be unable to allocate the funds.

(C) The Superintendent shall allocate stipends for direct contract providers through additions to existing contracts or through distribution by other agencies as determined by the Department of Education in order to expedite the release of these funds.

(D) The administration fee charged by Alternative Payment Provider agencies distributing the stipends to child care providers may not exceed 10 percent.

(2) Of the funds appropriated in this subdivision, seventy-three million dollars (\$73,000,000) shall be allocated by the Department of Education to existing state subsidized Alternative Payment child care providers, including Migrant Day Care for the support of additional access to early learning and care for essential workers, and at-risk populations.

(h) Notwithstanding Section 26.00, the Department of Education may transfer program expenditure authority provided in paragraph (1) of subdivision (e) between schedules to accurately reflect expenditures in the program schedules, upon approval of the Department of Finance. The Department of Finance may, at its discretion, approve such a transfer to the extent total allocations do not exceed the total amount appropriated in paragraph (1) of subdivision (e). Upon approval from the Department of Finance, the Superintendent shall notify the chairs of the relevant policy committees and budget subcommittees of the Legislature of its intent to transfer between programs.

### **Coronavirus Aid, Relief Economic Security (CARES) Act: Professional Learning Opportunities**

Add uncodified language as follows:

**(New for May Revision)**

(a) The Legislature finds and declares all of the following:

(1) As a result of the COVID-19 crisis, teachers, administrators, and other school personnel will need training and professional development opportunities focused on opportunity gaps and enhanced equity of learning opportunities to address trauma-related health and mental health barriers to learning, and develop strategies to support necessary changes in the educational program, such as distance learning and social distancing.

(b) The sum of fifty-seven million two hundred thirty-one thousand dollars (\$57,231,000) is hereby appropriated from the Federal Trust Fund in accordance with the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act for allocation by the Department of Education.

(c) Of the funds appropriated in subdivision (b), forty million dollars (\$40,000,000) shall be allocated to selected county offices of education pursuant to the requirements of this subdivision to develop professional learning opportunities and resources for use by local educational agencies in the following areas:

(1) Assisting local educational agencies in the development and implementation of an instructional continuity plan in the event of physical school closures or other interruptions in instruction, which shall include, but not be limited to: strategies to provide ongoing stability in learning, including content delivery, mobile devices, and internet connectivity access.

(2) Designing resources for local educational agencies to help address opportunity gaps and enhance equity of learning opportunities, including the effective provision of distance learning, with a focus on the unique learning needs of English learners, special education students, or other unique populations

(3) Developing resources for use by local educational agencies to address trauma-related health and mental health barriers to learning as a result of the COVID-19 crisis

(d) The Marin County Office of Education shall be designated as the administrative agent for this purpose.

(d) By September 1, 2020, the Marin County Office of Education, subject to the approval of the executive director of the state board, shall solicit county offices of education to develop and deliver resources for the purposes identified in this section.

(f) County offices of education receiving funding pursuant to this section shall be required to:

(1) Leverage and utilize resources already identified, developed, and available including, but not limited to, the statewide system of support.

(2) Develop, and deliver free of charge to local educational agencies statewide, professional development and professional learning opportunities that, at a minimum, are content focused, standards and research based, incorporate active learning, support and promote collaboration, use models of effective practice, provide coaching and expert support, offer feedback and reflection, and are of sustained duration.

(3) Work within the statewide system of support to identify local educational agencies interested in the professional development and professional learning opportunities.

(g) Of the funds appropriated in subdivision (b), eight million seven hundred thirty-one thousand dollars (\$8,731,000) shall be allocated to the California Collaborative for Educational Excellence to develop professional learning opportunities and resources for local educational agencies to help address learning loss resulting from the COVID-19 crisis, with a focus on resources to help accelerate progress towards closing opportunity gaps especially during the summer and the beginning of the 2020-21 school year.

(h) Of the funds appropriated in subdivision (b), eight million five hundred thousand dollars (\$8,500,000) shall be allocated to the 21<sup>st</sup> Century School Leadership Academy established pursuant to section 44690 of the Education Code for the purposes of providing training to principals and other school leaders regarding strategies to effectively address the COVID-19 crisis, including learning loss amelioration as well as, strategies to build staff capacity to address distance learning and other necessary modifications to the school program

## Learning Loss Mitigation

Add uncodified language as follows:

**(New for May Revision)**

(a) Of the funding provided in Item 6100-663-0890 and Item 6100-662-8505, the Superintendent shall allocate \$1,500,000,000 in an equal amount per pupil for the 2020–21 fiscal year to eligible local educational agencies using the following methodology:

(1) For each eligible local educational agency, determine the total number of pupils with exceptional needs enrolled in that local educational agency using Fall 1 Census special education data for the 2019-20 fiscal year.

(2) The sum of the totals determined pursuant to paragraph (1) is the total statewide number of pupils with exceptional needs for the applicable year.

(3) Calculate a per pupil grant by dividing the amount specified in subdivision (a) for purposes of this section by the total number of pupils with exceptional needs calculated in paragraph (2).

(4) Calculate the grant for each eligible local educational agency by multiplying the per pupil grant calculated in paragraph (3) by the total amount of pupils with exceptional needs in paragraph (1).

(5) The Superintendent shall allocate the funds calculated in paragraph (4) to eligible local educational agencies.

(b) Additionally, the Superintendent shall allocate \$2,855,000,000 from Item 6100-662-8505 in an equal amount per pupil for the 2020–21 fiscal year to eligible local educational agencies for which a concentration grant was computed pursuant to subdivision (c) of Section 2574 or subdivision (f) of Section 42238.02 as of the 2019-20 second principal apportionment certification. For purposes of making this calculation, funds shall be apportioned on the basis of average daily attendance reported by the eligible local educational agency as of the 2019-20 second principal apportionment certification. This funding will be determined using the applicable average daily attendance of the county office of education used in the concentration grant funding computation pursuant to paragraph (4) of subdivision (c) of Section 2574.

(c) Funds apportioned to eligible local educational agencies shall be used for activities that directly support pupil academic achievement and mitigate learning loss related to COVID-19 school closures, and shall be expended on or before December 30, 2020, for the following purposes:

(1) Addressing learning loss or accelerating progress to close learning gaps through the implementation, expansion or enhancement of learning supports that begin prior to the start of the school year and the continuation of intensive instruction and supports into the school year.

(2) Extending the instructional school year by making adjustments to the academic calendar, increasing the number of instructional minutes provided during each week or schoolday, or taking any other action that increases the amount of instructional time or services provided to pupils based on their learning needs.

(3) Providing additional academic services for pupils, such as diagnostic assessments of student learning needs, intensive instruction for addressing gaps in core academic skills, additional instructional materials or supports, or devices or connectivity for the provision of in-classroom and distance learning.

(4) Providing integrated student supports to address other barriers to learning, such as the provision of health, counseling or mental health services; professional development

opportunities to help teachers and parents support pupils in distance-learning contexts; access to school breakfast and lunch programs; or programs to address student trauma and social-emotional learning.

(d) As a condition of receipt of the funds pursuant to this section, an eligible local educational agency shall adopt at a regularly-scheduled meeting of the governing board or governing body, an instructional continuity plan which shall be posted on the local educational agency's website. The instructional continuity plan shall describe:

(i) How the funds will be used to mitigate learning loss as a result of COVID-19, in a manner that is fully compliant with federal law.

(ii) How the LEA will ensure that all students are provided devices and connectivity.

(iii) How the effectiveness of the services or supports provided with the funding will be measured.

(e) Nothing in this section shall preclude an eligible local educational agency from receiving funds prior to the adoption of their instructional continuity plan.

(f) As a condition of receipt of the funds pursuant to this section, each eligible local educational agency shall maintain a file of all receipts and records of expenditures made pursuant to this section for a period of no less than three years, or, where an audit has been requested, until the audit is resolved, whichever is longer. Receipts and records that are required to be retained by each eligible local educational agency shall be made available to the Superintendent of Public Instruction, upon request.

(g) For the purposes of this funding an eligible local educational agency is a school district, county office of education, or a directly funded charter school that provides a classroom-based educational program as determined pursuant to Education Code Section 47612.5 as of the 2019-20 second principal apportionment certification.

## Opportunity Grant Program

Uncodified language is withdrawn.

**(a) The Legislature finds and declares both of the following:**

**(1) While significant targeted investments have led to a narrowing of achievement gaps, achievement gaps for pupils with exceptional needs and pupils living in deep poverty persists. The state intends to provide struggling school districts, county offices of education, and charter schools with the systemic changes necessary to help eliminate the achievement gap and improve outcomes for all pupils.**

**(2) Intensive interventions in resources and evidence-based practices at the state level will help to build up sustainable school improvement models, targeted towards the education of pupils attending schools in high poverty areas.**

**(b) The Opportunity Grant Program is hereby established as an education funding initiative with the goal of providing grant funds and state technical assistance to the state's highest poverty and lowest performing schools, school districts, county offices of education, and charter schools selected pursuant to subdivision (e).**

**(c) On or before November 30, 2020, the California Collaborative for Educational Excellence shall, in consultation with the State Department of Education, develop a plan for the administration of the Opportunity Grant Program, subject to the approval of the executive director of the State Board of Education. The collaborative shall provide the administration plan to the State Department of Education, the Department of Finance, the appropriate policy and fiscal committees of the Legislature, and the Governor. The**

administration plan shall be revised annually to reflect adjustments needed to attain the greatest improvement in the grant recipients, track outcomes, and successfully apply the knowledge and practices derived from schools statewide. At a minimum, this plan shall include all of the following:

(1) The grant selection process, including the timeline and acceptance criteria.

(2) The low-performance school criteria to be used in the selection process.

(3) The vision and scope of the grants under the program.

(4) The roles of, and requirements for, the county offices of education and grant recipients.

(5) A description of the required instructional review process or processes, implementation plans, or other evaluation methods to be used.

(d) The sum of three hundred million dollars (\$300,000,000) is hereby appropriated from the General Fund to the collaborative to establish the Opportunity Grant Program to be administered and allocated in the manner and for the purposes set forth in this section.

(e) (1) The collaborative shall allocate at least 90 percent of the amount appropriated in subdivision (d) for this program to grant recipients that shall be selected from the following entities:

(A) A single school, in partnership with their local school district, or a consortia of schools within a school district.

(B) A school district with numerous high-poverty schools.

(C) A charter school, in consultation with its chartering authority.

(D) A county office of education with one or more high-poverty schools in their jurisdiction.

(2) The size of the grant for each recipient shall be determined by the collaborative, subject to the approval of the executive director of the state board, pursuant to the process specified in subdivision (c), and shall, at a minimum, take into consideration all of the following:

(A) The number of pupils in the recipient school.

(B) The need for resources and technical assistance as determined by the instructional review process, and plans developed pursuant to subdivision (c).

(C) The size and scope of other awards and grants the award recipients have already received or will receive.

(f) The collaborative may set aside up to 10 percent of the total amount appropriated for this program in subdivision (d) as follows:

(1) An amount to be specified in the annual expenditure plan required pursuant to subdivision (g) may be used by the collaborative, for the following purposes:

(A) Establish capacity to better support grant recipients.

(B) Provide grant recipients with direct supports and services.

(C) Create a school quality diagnostic review and planning process or tool, or both of those things, to assist grant recipients in determining areas of improvement and informing a plan for continuous improvement.

(D) Establish a team of distinguished educators who can support grant recipients directly and assist other struggling local educational agencies.

(E) Develop training models and train leadership teams from grant recipients and other high-need local educational agencies.

(2) An amount to be specified in the annual expenditure plan required pursuant to subdivision (g) shall be allocated to the county office of education in which the grant recipient is located, to assist the collaborative with the purposes specified in subdivision

~~(h) and to develop county resources to be used by other schools in the county and throughout the statewide system of support.~~

~~(g) The collaborative shall submit an annual expenditure plan for the Opportunity Grant Program to the Department of Finance for approval before the release of funds. Upon approval of the expenditure plan, the Department of Finance will notify the Joint Legislative Budget Committee of the intent to release the funds. The annual expenditure plan shall include, but not be limited to, all of the following information:~~

~~(1) The amount allocated to the collaborative and the associated activities.~~

~~(2) The name of each grant recipient, the amount awarded to each grant recipient, and the activities provided with grant funds.~~

~~(3) The amount allocated to the selected county offices of education and the associated activities.~~

~~(h) On or before, March 30, 2021, the executive director of the collaborative shall select the grant recipients under the Opportunity Grants Program pursuant to the process developed in subdivision (e), subject to the approval of the executive director of the state board, and shall ensure the following criteria are met when selecting grant recipients:~~

~~(1) At least 90 percent of the grant recipient's pupil population, in both the 2017-18 and 2018-19 academic years, were eligible for free or reduced-price meals, as determined by Section 42238.01 of the Education Code.~~

~~(2) The grant recipients shall meet the lowest performing school criteria established pursuant to subdivision (c).~~

~~(3) The grant recipients shall be willing to meet all of the requirements specified in subdivision (j).~~

~~(i) Opportunity Grant Program funds allocated to grant recipients pursuant to this section are available for expenditure or encumbrance through the 2024-25 fiscal year and may be used for any of the following:~~

~~(1) Staffing improvements, including recruiting and retaining qualified and experienced teachers and mentors.~~

~~(2) Integrated pupil supports, including health, mental health, social services, and before and after school care.~~

~~(3) Extended learning time.~~

~~(4) English learner development programs and multitiered systems of support.~~

~~(5) Investments in high-quality curriculum materials and training, including English language arts, mathematics, and science, in technology supports, and in social-emotional learning and restorative justice.~~

~~(6) School redesign that enables more personalized, effective instruction, the introduction of advisory systems, teaching teams that share pupils, looping designs, and small learning communities that are known to dramatically reduce dropouts and improve climate and graduation rates.~~

~~(7) Other supports, services, materials, or investments included in the plan developed pursuant to subdivision (c).~~

~~(j) As a condition of receiving a grant under the Opportunity Grants Program, the grant recipient shall agree to meet all of the requirements specified by the collaborative in the plan developed pursuant to subdivision (c).~~

~~(k) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (d) 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 2019–20 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 2019–20 fiscal year.~~

#### Workgroup for Development of School Climate Measures

Uncodified language is withdrawn.

~~(a) For the 2020–21 fiscal year, the sum of one hundred fifty thousand dollars (\$150,000) is hereby appropriated from the General Fund to the State Department of Education for both of the following purposes:~~

~~(1) To support identifying standardized items for local educational agencies to use as part of the school climate survey for pupils pursuant to Sections 47605, 47605.1, 52060, and 52066 of the Education Code and to be reported through the California School Dashboard pursuant to Section 52064.5 of the Education Code.~~

~~(2) To support evaluating the feasibility of developing standardized items for surveys of parents, teachers, and other school staff required pursuant to Sections 47605, 47605.1, 52060, and 52066 of the Education Code and assessing how those standardized survey items and other data could support strengthening the local indicators included in the California School Dashboard pursuant to Section 52064.5 of the Education Code.~~

~~(b) For purposes specified in subdivision (a), the State Department of Education, in collaboration with, and subject to the approval of, the executive director of the State Board of Education, shall enter into contracts with a local educational agency, that may include authorization to enter into subcontracts to provide support and services, as necessary.~~

~~(c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2020–21 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 2020–21 fiscal year.~~

#### State Meal Program Funding Augmentation

Uncodified language is withdrawn.

~~(a) Of the funds appropriated in Item 6100-203-0001 of Section 2.00 the Budget Act of 2020, sixty million dollars (\$60,000,000) is provided without regard to fiscal year to improve the quality of subsidized school meals and encourage participation in federal and state subsidized school meal programs.~~

~~(b) As a condition of receiving funding pursuant to subdivision (a) each participating local educational agency shall report to the State Department of Education on or before June 30, 2021, how it used the funding to improve the quality of subsidized school meals or increase participation in subsidized school meal programs. Potential uses include, but are not limited to, any of the following:~~

~~(1) Implementing a subsidized school meal program.~~

- ~~(2) Adopting a universal meal provision.~~
- ~~(3) Serving additional fresh fruits and vegetables, including California-grown food.~~
- ~~(4) Expanding meal options or meal opportunities such as breakfast after the bell programs.~~
- ~~(5) Serving alternative meal options such as plant-based food products.~~
- ~~(6) Implementing operational improvements to facilitate more efficient delivery of meals or improved meal quality.~~
- ~~(c) As a condition of receiving funding pursuant to subdivision (a), each participating local educational agency shall certify that it will continue to use the funding in a manner that is consistent with this section.~~
- ~~(d) The State Department of Education shall develop a form to be used by local educational agencies to comply with subdivisions (b) and (c).~~
- ~~(e) The State Department of Education shall not recoup reimbursement funds for the 2020–21 fiscal year from local educational agencies that do not comply with subdivisions (b) and (c). However, local educational agencies that do not comply with subdivisions (b) and (c) shall not be eligible to receive funding pursuant to subdivision (a) in the 2021–22 fiscal year and each fiscal year thereafter.~~

#### Classified Employee Professional Development

Uncodified language is withdrawn.

- ~~(a) For the 2020–21 fiscal year, the sum of ten million dollars (\$10,000,000) is hereby appropriated from the General Fund to the State Department of Education to apportion funds to local educational agencies based on the number of classified school employees employed by the local educational agency in the immediately preceding fiscal year.~~
- ~~(b) A local educational agency shall expend funds received pursuant to this section for food service staff to receive training on promoting nutritious food, that may include training on food preparation, healthy food marketing, and changing the school lunchroom environment.~~
- ~~(c) Notwithstanding subdivision (a), each local educational agency shall receive a minimum allocation of one thousand dollars (\$1,000).~~
- ~~(d) For purposes of this section, the following definitions apply:~~
  - ~~(1) “Classified school employee” means a person employed on a full-time or part-time basis as a classified school employee by a local educational agency.~~
  - ~~(2) “Local educational agency” means a school district, county office of education, or charter school.~~
- ~~(e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2018–19 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2018–19 fiscal year.~~

## Computer Science Supplementary Authorization Incentive Grant Program

Uncodified language is withdrawn.

~~(a) For the 2020–21 fiscal year, the sum of fifteen million (\$15,000,000) is hereby appropriated from the General Fund to the Commission on Teacher Credentialing for the Computer Science Supplementary Authorization Incentive Grant Program. This funding shall be available for encumbrance until June 30, 2025.~~

~~(b) The Computer Science Supplementary Authorization Incentive Grant Program is hereby established for the purpose of providing one-time grants to local educational agencies to support the preparation of credentialed teachers to earn a supplementary authorization in computer science and provide instruction in computer science coursework in settings authorized by the underlying credential.~~

~~(c) The commission shall approve applications submitted by local educational agencies that meet the criteria established by the commission pursuant to this section. To the extent that funds are available, the commission shall allocate funds to participating local educational agencies in the amount of the award authorized by this section for each approved application.~~

~~(d) A participating teacher is eligible to receive an award of up to one thousand five hundred dollars (\$1,500) from the Computer Science Supplementary Authorization Incentive Grant Program.~~

~~(e) The commission shall do all of the following:~~

~~(1) Issue a request for proposal to all local educational agencies to solicit applications for funding.~~

~~(2) Accept grant applications from participating local educational agencies until funds are fully expended.~~

~~(3) Review applications and verify that each proposed participant teacher holds a valid credential.~~

~~(4) Allocate grants to participating local educational agencies for the purpose of paying the teacher costs of coursework, books, fees, and tuition, as applicable.~~

~~(f) In selecting grant recipients, the commission shall require each applicant to, at a minimum, do all of the following:~~

~~(1) Identify the teachers employed by the local educational agency who have been selected to participate in the incentive grant.~~

~~(2) Identify the number of coursework credits required for each selected teacher to earn a supplementary authorization in computer science.~~

~~(3) Provide an estimated cost for the required coursework, books, fees, tuition, and release time, as applicable.~~

~~(4) Provide a 100-percent match of grant funding in the form of one or both of the following:~~

~~(A) One dollar (\$1) for every one dollar (\$1) of grant funding received that is to be used in a manner consistent with allowable grant activities described in paragraph (3).~~

~~(B) An in-kind match of release time or substitute teacher costs for the participating teacher.~~

~~(g) For purposes of this section, “local educational agency” means a school district, a county office of education, county superintendent of schools, a state operated education program, including a state special school, or an education program providing instruction in kindergarten or any of grades 1 to 12, inclusive, that is offered by~~

~~a state agency, including the California Department of Youth and Community Restoration and the State Department of Developmental Services.~~

~~(h) The awards allocated pursuant to this section shall not be subject to local educational agency indirect costs.~~

~~(i) On or before April 1 of the fiscal year following final disbursement of the funds appropriated in subdivision (a), the commission shall report to the fiscal committees of the Legislature and Department of Finance on the program, including, but not limited to, the number of participating local educational agencies, the number of grants issued, and the number of computer science supplementary authorizations issued. The report shall be submitted in conformance with Section 9795 of the Government Code.~~

~~(j) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2020-21 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 2020-21 fiscal year.~~

### Community School Grant Program

Amend uncodified language as follows:

(a) The Legislature finds and declares all of the following:

(1) **The COVID-19 emergency has exacerbated conditions** ~~Conditions~~ associated with poverty, including food insecurity, housing and employment instability, and inadequate health care, ~~create substantial and compounding~~ **which has led to additional** barriers to learning.

(2) Community schools offer unique models to more efficiently and effectively provide integrated educational, health, and mental health services to pupils with a wide range of needs **that have been affected by the COVID-19 crisis.**

(3) Community schools that provide integrated pupil supports, community partnerships, and expanded learning opportunities ~~have been found to improve pupil attendance, achievement, and attainment in high-poverty communities will help address the trauma and loss of learning that have resulted from the COVID-19 crisis.~~

(b) The sum of ~~three one~~ hundred million dollars ~~(\$300,000,000)~~ **(\$100,000,000)** is hereby appropriated from the ~~General Fund~~ **Federal Trust Fund (Elementary and Secondary School Emergency Relief Fund (ESSER)) in the 2020-21 fiscal year** to the Superintendent of Public Instruction **on a one-time basis** to establish and administer the California Community Schools Partnership Program in the manner and for the purposes set forth in this section. Funds shall be made available for encumbrance or expenditure until June 30, 2025.

(c) On or before ~~January 31, 2021,~~ **November 1, 2020,** the Superintendent, with the approval of the executive director of the State Board of Education, shall develop an application process and administration plan for the selection of grant recipients. Administration of the California Community Schools Partnership Program shall include offering technical assistance to potential applicants before awarding a grant under the program and providing program oversight and technical assistance to grantees selected pursuant to this section.

(d) The Superintendent shall award, **subject to the approval of the executive director of the state board**, grants on a competitive basis to local educational agencies to establish community schools and shall give priority to grant funding based on the following:

- (1) Applicants serving pupils in high-poverty schools in which at least ~~90~~ **80** percent of the pupil population are eligible for free and reduced-price meals.
- (2) Applicants with a demonstrated need for expanded access to integrated services.
- (3) Applicants who propose to partner in a consortium with other schools or county agencies.

**(e) Grant funding may be used for the following purposes:**

**(1) Expanding existing and developing new community schools, which may include direct grants to local educational agencies.**

**(2) Coordinating and providing health, mental health, and student support services to students and families at community schools.**

**(3) Providing training and support to local educational agency personnel to help develop best practices for integrating student supports.**

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

(1) "Community school" means a public school serving kindergarten or any of grades 1 to 12, inclusive, and includes the following:

(A) Integrated supports services, including the coordination of health, mental health, and social services that ensure coordination and support with county and local educational agency resources, and early screening and intervention for learning and other needs.

(B) Family and community engagement, which may include home visits, home-school collaboration, community partnerships, and school climate surveys.

(C) Collaborative leadership and practices for educators and administrators, including professional development to support mental and behavioral health, trauma-informed care, social-emotional learning, restorative justice, and other key areas.

(D) Extended learning time and opportunities, including before and after school care.

(2) "Local educational agency" means a school district, county office of education, or charter school, excluding nonclassroom-based charter schools operating pursuant to Section 47612.5 of the Education Code.

**(f)-(g)** Grant recipients shall commit to providing program data to the State Department of Education, as specified by the Superintendent, and participate in overall program evaluation.

**(g)-(h)** The Superintendent shall provide a comprehensive report, on December 31, 2025, to the Governor and the appropriate policy and fiscal committees of the Legislature on the impact of the grant program in achieving the goals described in this section, including an evaluation of the effectiveness of the opportunities provided.

**(h)-(i)** For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by 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 2020–21 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 2020–21 fiscal year.

California Collaborative for Educational Excellence Coordination, Information, and Communication Campaign

Uncodified language is withdrawn.

~~(a) The sum of eighteen million dollars (\$18,000,000) is hereby appropriated from the General Fund to be allocated by the Controller to the administrative agent selected pursuant to Section 52074 of the Education Code for the California Collaborative for Educational Excellence. With the funds appropriated by this section, the California Collaborative for Educational Excellence shall provide grants to county offices of education based on a methodology determined by the California Collaborative for Educational Excellence, subject to approval by the executive director of the State Board of Education. All funds appropriated pursuant to this subdivision shall be available for encumbrance until June 30, 2025.~~

~~(b) A county office of education that receives a grant pursuant to subdivision (a) shall be required to improve coordination efforts with county and municipal service providers to ensure that high need pupil populations have access to wraparound services.~~

~~(c) In completing the work specified under subdivision (b), the county office of education shall be required to consult with both of the following:~~

~~(1) The California Collaborative for Educational Excellence.~~

~~(2) A public postsecondary educational institution.~~

~~(d) A county office of education that receives a grant pursuant to subdivision (a) shall prioritize and align activities pursuant to this section with the activities of local educational agencies in their jurisdiction that receive funds pursuant to the Opportunity Grants Program established in Section 59 of this act and the California Community Schools Partnership Program established in Section 60 of this act.~~

~~(e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, thirteen million dollars (\$13,000,000) of the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (a) of Section 41202 of the Education Code, for the 2020–21 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 2020–21 fiscal year.~~

~~(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, five million dollars (\$5,000,000) of the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2019–20 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 2019–20 fiscal year.~~

## Computer Science Resource Lead

Uncodified language is withdrawn.

~~(a) For the 2020–21 fiscal year, the sum of two million five hundred thousand dollars (\$2,500,000) is hereby appropriated from the General Fund to the State Department of Education, in collaboration with the California Collaborative for Educational Excellence, to select a county office of education to serve as an expert lead in computer science within the statewide system of support, consistent with Section 52073.1 of the Education Code.~~

~~(b) The expert lead in computer science shall have all of the following responsibilities:~~

~~(1) Collaborate with the California Computer Science Coordinator at the State Department of Education established by Section 84 of Chapter 51 of the Statutes of 2019, the recipients of grants for professional development on the topics of science, technology, engineering, mathematics, and computer science pursuant to paragraph (6) of subdivision (d) of Section 44655 of the Education Code, the University of California subject matter projects in computer science, the State Department of Education, and the California Collaborative for Educational Excellence.~~

~~(2) Support and build capacity within local educational agencies and the statewide system of support to promote computer science instruction in public schools.~~

~~(3) Collect, review, and make available materials for educators to integrate computer science into a cohesive learning model based on real-world applications that enhance access to science learning experiences at all grade levels.~~

~~(4) Identify existing curriculum, resources, professional development, and professional learning opportunities, including the computer science strategic implementation plan adopted by the State Board of Education, and other efforts currently available at the local, state, and federal levels, as well as develop new resources and activities that are designed to support and build capacity within school districts, county offices of education, and charter schools.~~

~~(5) Identify the alignment of curriculum to the computer science content standards, the common core academic content standards, and the Next Generation Science Standards.~~

~~(6) Identify existing free and fee-based computer science curriculum, instructional resources, and collaboration opportunities.~~

~~(7) Identify instructional experiences that can be delivered through courses in addition to specialty computer science courses.~~

~~(8) Detail how the resources and opportunities described in this subdivision will be made available to local educational agencies through the statewide system of support.~~

~~(c) The expert lead in computer science shall identify and develop the resources and activities described in subdivision (b) with the goal of maximizing their usage across the state. To achieve this goal, the expert lead in computer science shall employ strategies that may include any of the following:~~

~~(1) Identifying and providing statewide professional development and professional learning opportunities free of charge to educators.~~

~~(2) Collecting and disseminating information on effective practices.~~

~~(3) Developing train-the-trainer models and online training modules, or other tools and resources, to support the purposes of this section.~~

~~(4) Offering regional conferences and workshops.~~

~~(5) Providing ongoing coaching and training to educators at school districts, county offices of education, and charter schools.~~

~~(6) Using existing networks of educators to provide coaching and training to other school districts, county offices of education, and charter schools.~~

~~(d) The California Collaborative for Educational Excellence, in collaboration with the expert lead in computer science and in consultation with the State Department of Education, shall evaluate the collaboration, resources, and professional learning opportunities offered or funded pursuant to this section for their effectiveness in increasing computer science instruction.~~

~~(e) Of the funds appropriated in this section, the State Department of Education shall allocate up to two hundred fifty thousand dollars (\$250,000) to the California Collaborative for Educational Excellence for purposes of this section.~~

~~(f) The expert lead in computer science receiving funds pursuant to this section shall provide program information to, and as needed by, the California Collaborative for Educational Excellence and the State Department of Education as a condition of receiving those funds.~~

~~(g) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2020–21 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 2020–21 fiscal year.~~

#### Workforce Development Grant

Uncodified language is withdrawn.

~~(a) For the 2020–21 fiscal year, the sum of one hundred ninety-two million nine hundred fifty-four thousand dollars (\$192,954,000) is hereby appropriated from the General Fund to the State Department of Education to support the Workforce Development Grant Program, which is hereby created. These funds shall be available for encumbrance through June 30, 2025.~~

~~(b) The purpose of the Workforce Development Grant Program is to increase the number of individuals who provide pupil services, including, but not limited to, counseling, speech therapy, mental and physical health services, clinical and rehabilitative services, social services, and librarian media services through clinical settings or as employees of public schools.~~

~~(c) The State Department of Education shall select an applicant county office of education through a competitive grant process to serve as the designated lead agency for the Workforce Development Grant Program. The department shall allocate the funds to the designated lead agency by January 31, 2021.~~

~~(d) Of the amount appropriated in subdivision (a), up to twenty million dollars (\$20,000,000) shall be available for planning grants for at least 100 local educational agencies or consortia, as described in subdivision (f), and up to one hundred seventy million dollars (\$170,000,000) shall be available for implementation grants. Only recipients of planning grants who are able to demonstrate preparedness to proceed with an implementation grant may receive an implementation grant.~~

~~(e) Of the amount appropriated in subdivision (a), two million nine hundred fifty-four thousand dollars (\$2,954,000) shall be available for the designated lead agency to administer the Workforce Development Grant Program.~~

~~(f) An applicant for a planning or implementation grant may consist of one or more, or any combination, of the following:~~

~~(1) A school district.~~

~~(2) A county office of education.~~

~~(3) A charter school.~~

~~(4) A state special school.~~

~~(g) The designated lead agency shall do all of the following:~~

~~(1) Have sole responsibility for developing requests for proposals and criteria for selecting grant recipients based on the applicant's plan for recruiting, preparing, and developing individuals to provide pupil services, including, but not limited to, counseling, speech therapy, mental and physical health services, clinical and rehabilitative services, social services, and librarian media services through clinical settings or as employees of public schools.~~

~~(2) Issue a request for proposals for planning grants to local educational agencies to solicit applications for funding in accordance with subdivision (d).~~

~~(3) Review planning grant proposals for feasibility in addressing identified workforce shortages and award planning grants.~~

~~(4) Give priority to applicants that propose to do one or both of the following:~~

~~(A) Partner in a consortium of local educational agencies.~~

~~(B) Provide financial support to cover tuition, fees, and books of enrolled candidates.~~

~~(5) Require applicants to partner with one or more public or private institutions of higher education in the planning and implementation phases of the program to develop and support postsecondary programs.~~

~~(6) Determine the number of planning grants to be awarded and the total amount awarded to each grant applicant.~~

~~(7) Issue a request for proposals for implementation grants to all planning grant recipients 12 months after issuing planning grants to solicit proposals for implementation grants in accordance with subdivision (d).~~

~~(8) Require each applicant for an implementation grant to include a progress report of the planning grant to demonstrate the applicant's preparedness to receive an implementation grant.~~

~~(9) Award implementation grants to applicants that demonstrate preparedness to implement strategies and activities that address the identified workforce shortages.~~

~~(10) Require grant recipients to submit an implementation report within three years of receiving a grant award that describes the progress and challenges of addressing the workforce shortages identified in the initial grant application.~~

~~(11) Allocate 100 percent of the funding for a planning grant at the time of the grant award to each grant recipient whose planning grant application is selected.~~

~~(12) Allocate 90 percent of the funding for an implementation grant at the time of the grant award and allocate the final 10 percent of grant funding upon receipt of the final implementation report. If the grantee fails to provide the final implementation report, the grantee shall not receive the final 10 percent of the grant award.~~

~~(13) (A) Conduct an evaluation of the Workforce Development Grant Program to determine the effectiveness of the program in recruiting, preparing, and developing a workforce to provide pupil services, including, but not limited to, counseling, speech~~

~~therapy, mental and physical health services, clinical and rehabilitative services, social services, and librarian media services through clinical settings or as employees of public schools and provide the evaluation to the Department of Finance and the relevant policy and fiscal committees of the Legislature by December 1, 2025.~~

~~(B) The requirement for submitting an evaluation pursuant to subparagraph (A) is inoperative on December 1, 2029, pursuant to Section 10231.5 of the Government Code.~~

~~(h) Applicants for planning and implementation grants shall do all of the following:~~

~~(1) Demonstrate a local need for pupil services personnel or related services and present a plan that proposes one or more solutions that address that local need.~~

~~(2) Submit applications for planning and implementation grants to the designated lead agency at a time, in a manner, and containing information prescribed by the designated lead agency.~~

~~(3) As a condition of receiving grant funds, provide reports and data to the designated lead agency, as determined by the designated lead agency.~~

~~(i) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2020–21 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 2020–21 fiscal year.~~

#### Educator Workforce Investment Grant

Uncodified language is withdrawn.

~~(a) For the 2020–21 fiscal year, the sum of three hundred fifty million dollars (\$350,000,000) is hereby appropriated from the General Fund to the State Department of Education to administer multiyear competitive grants to one or more local educational agencies to provide professional learning opportunities for school staff pursuant to Section 44655 of the Education Code. These funds shall be available for encumbrance through June 30, 2025.~~

~~(b) (1) By November 30, 2023, and November 30, 2025, the State Department of Education shall report to the relevant policy and fiscal committees of the Legislature and the Department of Finance on the process for awarding grants, the name of each grant recipient, the amount awarded to each grant recipient, the activities provided with grant funds, and, if available, the number of schools served and the number of educators served.~~

~~(2) The requirement for submitting reports pursuant to paragraph (1) is inoperative on November 30, 2029, pursuant to Section 10231.5 of the Government Code.~~

~~(c) The funds appropriated in this section shall be allocated as follows:~~

~~(1) (A) Seventy-five million dollars (\$75,000,000) for grants for professional development on the topic of literacy pursuant to paragraph (1) of subdivision (d) of Section 44655 of the Education Code.~~

~~(B) To ensure consistent and coherent delivery of literacy professional development and professional learning opportunities, the grantee or grantees selected to deliver the activities pursuant to this paragraph shall collaborate with both of the following:~~

~~(i) The University of California subject matter projects established pursuant to Section 99200 of the Education Code.~~

~~(ii) The California Collaborative for Educational Excellence.~~

~~(2) (A) Seventy-five million (\$75,000,000) for grants for professional development on the topics of mental health supports and school climate pursuant to paragraphs (2) and (3) of subdivision (d) of Section 44655 of the Education Code.~~

~~(B) To ensure consistent and coherent delivery of mental health and school climate-related professional development and professional learning opportunities, the grantee or grantees selected to deliver the activities pursuant to this paragraph shall collaborate, consult, and coordinate with all of the following:~~

~~(i) The regional lead in the statewide system of support responsible for development and delivery of multitiered systems of support.~~

~~(ii) The California Collaborative for Educational Excellence.~~

~~(iii) The State Department of Education.~~

~~(3) (A) Fifty million dollars (\$50,000,000) for grants for professional development on the topic of supports for pupils with disabilities pursuant to paragraph (4) of subdivision (d) of Section 44655 of the Education Code.~~

~~(B) To ensure consistent and coherent delivery of special education-related professional development and professional learning opportunities, the grantee or grantees selected to deliver the activities pursuant to this paragraph shall collaborate, consult, and coordinate with all of the following:~~

~~(i) The regional lead in the statewide system of support responsible for development and delivery of multitiered systems of support.~~

~~(ii) The California Collaborative for Educational Excellence.~~

~~(iii) The State Department of Education.~~

~~(4) (A) Fifty million dollars (\$50,000,000) for grants for professional development on the topic of English learners pursuant to paragraph (5) of subdivision (d) of Section 44655 of the Education Code.~~

~~(B) To ensure consistent and coherent delivery of English learner-related professional development and professional learning opportunities, the grantee or grantees selected to deliver the activities pursuant to this paragraph shall collaborate, consult, and coordinate with all of the following:~~

~~(i) Regional county office of education English learner specialists.~~

~~(ii) The Commission on Teacher Credentialing.~~

~~(iii) The State Department of Education.~~

~~(iv) The University of California subject matter projects established pursuant to Section 99200 of the Education Code.~~

~~(v) A recipient of an English learner-related Educator Workforce Investment Grant pursuant to Section 84 of Chapter 51 of the Statutes of 2019.~~

~~(5) (A) One hundred million dollars (\$100,000,000) for grants for professional development on the topics of science, technology, engineering, mathematics, and computer science pursuant to paragraph (6) of subdivision (d) of Section 44655 of the Education Code.~~

~~(B) To ensure consistent and coherent delivery of professional development and professional learning opportunities in science, technology, engineering, mathematics, and computer science pursuant to this paragraph, the selected grantee or grantees shall collaborate, consult, and coordinate with all of the following:~~

- ~~(i) The grantee or grantees selected pursuant to Section 84 of Chapter 51 of the Statutes of 2019 to deliver professional learning opportunities in computer science.~~
- ~~(ii) The California Computer Science Coordinator at the State Department of Education established by Section 84 of Chapter 51 of the Statutes of 2019.~~
- ~~(iii) The Computer Science Resource Lead established by Section 62 of this act.~~
- ~~(iv) The University of California subject matter projects in computer science, science, and mathematics established pursuant to Section 99200 of the Education Code.~~
- ~~(v) The California Collaborative for Educational Excellence.~~
- ~~(d) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2020–21 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 2020–21 fiscal year.~~

#### California Teacher Credential Award Program

Uncodified language is withdrawn.

- ~~(a) For the 2020–21 fiscal year, the sum of one hundred million dollars (\$100,000,000) is hereby appropriated from the General Fund to the Commission on Teacher Credentialing for the California Teacher Credential Award Program created pursuant to Section 44415.5 of the Education Code. This funding shall be available for encumbrance until June 30, 2025.~~
- ~~(b) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2020–21 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 2020–21 fiscal year.~~

#### California Classified School Employee Teacher Credentialing Program

Uncodified language is withdrawn.

- ~~(a) For the 2020–21 fiscal year, the sum of sixty-four million one hundred six thousand dollars (\$64,106,000) is hereby appropriated from the General Fund to the Commission on Teacher Credentialing for the California Classified School Employee Teacher Credentialing Program, established pursuant to Section 44393 of the Education Code. This funding shall be available for encumbrance until June 30, 2025.~~
- ~~(b) A grant to a local educational agency shall not exceed twenty thousand dollars (\$20,000) over five years per participant teacher candidate.~~
- ~~(c) The Commission on Teacher Credentialing shall do both of following:
  - ~~(1) Allocate grants for at least 3,200 new participants.~~
  - ~~(2) Give priority to local educational agencies that have not previously received funding pursuant to Section 44393 of the Education Code.~~~~

~~(d) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, forty-four million one hundred six thousand dollars (\$44,106,000) of the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2018-19 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2018-19 fiscal year.~~

~~(e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, twenty million dollars (\$20,000,000) of the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2020-21 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 2020-21 fiscal year.~~

**2019-20 Adults in Correctional Facilities Program**

**(New for May Revision)**

Item 6100-158-0001 of Section 2.00 of the Budget Act of 2019 is amended to read:

6100-158-0001—For local assistance, State Department of Education (Proposition 98), in lieu of the amount that otherwise would be appropriated pursuant to Section 41841.5 of the Education Code for Adults in Correctional Facilities .....15,746,000 5,981,000

Schedule:

(1) 5200163-Adults in Correctional Facilities Program .... ~~15,746,000~~ 5,981,000

Provisions:

1. Notwithstanding Section 41841.5 of the Education Code, or any other provision of law all of the following shall apply:

(a)The amount appropriated in this item and any amount allocated for this program in this act shall be the only funds available for allocation by the Superintendent of Public Instruction to school districts or county offices of education for the Adults in Correctional Facilities Program.

(b)The amount appropriated in this item shall be allocated based upon 2018-19 rather than 2019-20 expenditures.

(c)Funding distributed to each local educational agency (LEA) for reimbursement of services provided in the 2018-19 fiscal year for the Adults in Correctional Facilities Program shall be limited to the amount received by the agency for services provided in the 2017-18 fiscal year, increased by the percentage change determined and provided pursuant to paragraph (2) of subdivision (d) of Section 42238.02 of the Education Code for the 2018-19 fiscal year. Funding shall be reduced or eliminated, as appropriate, for any LEA that reduces or eliminates services provided under this program in the 2018-19 fiscal year, as compared to the level of services provided in the 2017-18 fiscal year. Any funds remaining as a result of those decreased levels of service shall be allocated to provide support for new programs in accordance with Section 41841.8 of the Education Code.

(d)Funding appropriated in this item for growth in average daily attendance (ADA) first shall be allocated to programs that are funded for 20 units or less of ADA, up to a maximum of 20 additional units of ADA per program.

**Eliminate 2019-20 State Preschool Slots Provided in 2019-20 (New for May Revision)**

Item 6100-194-0001 of Section 2.00 of the Budget Act of 2019 is amended to read:

6100-194-0001—For local assistance, State Department of Education, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for childcare and development programs included in this item, in lieu of the amount that otherwise would be appropriated pursuant to any other statute ..... 2,041,558,000

Schedule:

|  |             |
|--|-------------|
| (1) 5210026-General Child Development .....                        | 338,878,000 |
| (2) 5210027-State Preschool Non-Local Educational Agencies .....   | 646,272,000 |
| (3) 5210028-Migrant Day Care .....                                 | 39,551,000  |
| (4) 5210030-Alternative Payment .....                              | 171,385,000 |
| (5) 5210032-Resource and Referral .....                            | 20,799,000  |
| (6) 5210034-CalWORKs Stage 2 .....                                 | 507,457,000 |
| (7) 5210036-CalWORKs Stage 3 .....                                 | 309,066,000 |
| (8) 5210038-Accounts Payable .....                                 | 4,000,000   |
| (9) 5210040-Child Care for Children with Severe Disabilities ..... | 2,089,000   |
| (10) 5210042-California Child Care Initiative .....                | 225,000     |
| (11) 5210044-Quality Improvement .....                             | 1,461,000   |
| (12) 5210046-Local Planning Councils .....                         | 375,000     |

Provisions:

1. Funds in Schedules (5), (10), (11), and (12) shall be allocated to meet federal requirements to improve the quality of childcare and shall be used in accordance with the approved California state plan for the federal Child Care and Development Fund that is developed pursuant to the requirements under Section 8206.1 of the Education Code.

2. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) shall not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.

3. Notwithstanding any other provision of law, funds in Schedule (8) are available for accounts payable for alternative payment programs for actual and allowable costs incurred for additional services, pursuant to Section 8222.1 of the Education Code. The State Department of Education shall give priority for the allocation of these funds for accounts payable.

4. The amounts provided in Schedules (1), (2), (3), (4), and (9) of this item reflect an adjustment to the base funding of -2.01 percent for a decrease in the population of 0-4 year-olds.

5. (a) The maximum standard reimbursement rate shall not exceed \$50.68 per day for general childcare programs. Furthermore, the migrant childcare program shall adhere to the maximum standard reimbursement rates as prescribed for the general childcare programs. All other rates and adjustment factors shall conform.

(b) Notwithstanding any other law, the maximum standard reimbursement rate shall not exceed \$31.58 per day for part-day California state preschool programs. The maximum standard reimbursement rate shall not exceed \$51.00 for full-day California state preschool programs.

6. (a) Alternative payment childcare programs shall be subject to the rate ceilings established in the Regional Market Rate Survey of California childcare and development providers for provider payments. When approved pursuant to Section 8447 of the Education Code, any changes to the market rate limits, adjustment factors, or regions shall be utilized by the State Department of Education, the California Community Colleges, and the State Department of Social Services in various programs under the jurisdiction of these departments.

(b) Notwithstanding any other provision of law, the funds appropriated in this item for the cost of licensed childcare services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse childcare costs up to the greater of either:

(1) The 75th percentile of rates based on the 2016 Regional Market Rate Survey.

(2) The regional market rate ceiling for that region as it existed on December 31, 2017.

(c) The funds appropriated in this item for the cost of license-exempt childcare services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse license-exempt childcare costs up to 70 percent of the regional reimbursement rate limits established for family childcare homes.

(d) The State Department of Education shall distribute funds for increases to the Regional Market Rate based on estimates of how contractors' reimbursements will increase due to the rate change.

7. (a) The State Department of Education (SDE) shall conduct monthly analyses of CalWORKs Stage 2 and Stage 3 caseloads and expenditures and adjust agency contract maximum reimbursement amounts and allocations as necessary to ensure funds are distributed proportionally to need. SDE shall share monthly caseload analyses with the State Department of Social Services (DSS).

(b) SDE shall provide quarterly information regarding the sufficiency of funding for Stage 2 and Stage 3 to DSS. SDE shall provide caseloads, expenditures, allocations, unit costs, family fees, and other key variables and assumptions used in determining the sufficiency of state allocations. Detailed backup by month and on a county-by-county

basis shall be provided to DSS at least on a quarterly basis for comparisons with Stage 1 trends.

(c) By September 30 and March 30 of each year, SDE shall ensure that detailed caseload and expenditure data, through the most recent period for Stage 2 and Stage 3 along with all relevant assumptions, is provided to DSS to facilitate budget development. The detailed data provided shall include actual and projected monthly caseload from Stage 2 scheduled to time off of their transitional childcare benefit from the last actual month reported by agencies through the next two fiscal years as well as local attrition experience. DSS shall utilize data provided by SDE, including key variables from the prior fiscal year and the first two months of the current fiscal year, to provide coordinated estimates in November of each year for each of the three stages of care for preparation of the Governor's Budget, and shall utilize data from at least the first two quarters of the current fiscal year, and any additional monthly data as they become available for preparation of the May Revision. DSS shall share its assumptions and methodology with SDE in the preparation of the Governor's Budget.

(d) SDE shall coordinate with DSS to identify annual general subsidized childcare program expenditures for Temporary Assistance for Needy Families-eligible children. SDE shall modify existing reporting forms as necessary to capture this data.

(e) SDE shall provide to DSS, upon request, access to the information and data elements necessary to comply with federal reporting requirements and any other information deemed necessary to improve estimation of childcare budgeting needs.

(f) (1) On or before January 30 of each year, following consultation with DSS, SDE shall determine the adequacy of funding appropriated by the Legislature for CalWORKs Stage 2 and Stage 3.

(2) If SDE determines that the Stage 2 appropriation exceeds the current year caseload needs and the Stage 3 appropriation is not sufficient to fully fund its caseload need, then SDE shall submit a request to the Department of Finance to transfer the excess funds from Schedule (6), CalWORKs Stage 2 childcare to Schedule (7), CalWORKs Stage 3 childcare. Notwithstanding Section 26.00 or any other provision of law, the Department of Finance may, at its discretion, approve such a transfer.

(3) If SDE determines that the Stage 3 appropriation exceeds the current year caseload needs and the Stage 2 appropriation is not sufficient to fully fund its caseload need, SDE shall submit a request to the Department of Finance to transfer the excess funds from Schedule (7), CalWORKs Stage 3 childcare to Schedule (6), CalWORKs Stage 2 childcare. Notwithstanding Section 26.00 or any other provision of law, the Department of Finance may, at its discretion, approve such a transfer.

(g) Notwithstanding any other provision of law or any other sections of this act, the Department of Finance may augment the appropriation for CalWORKs Stage 3 if the estimate of expenditures, as determined by SDE, following consultation with DSS, will exceed the expenditures authorized in Schedule (7). The Department of Finance shall report any augmentation pursuant to this paragraph to the Joint Legislative Budget Committee. At the time the report is made, the amount of the appropriation made in Schedule (7) shall be increased by the amount of the augmentation.

(h) The Director of Finance may, pursuant to subdivisions (f) and (g), authorize the augmentation of the amount available for expenditure in Schedule (7) by making a transfer from Schedule (6). An augmentation may be authorized not sooner than 30 days after notification in writing of the necessity to exceed the limitations is provided to the Joint Legislative Budget Committee, or whatever lesser time the chairperson of the

joint committee may determine. Any request made by SDE to augment the CalWORKs Stage 3 appropriation shall be approved only in order to cover increases in costs that are consistent with assumptions of this act. This provision shall not be construed to treat Stage 3 as an entitlement.

8. Notwithstanding any other provision of law, the funds in Schedule (7) are reserved exclusively for continuing childcare for the following: (a) former CalWORKs families who are working, have left cash aid, and have exhausted their two-year eligibility for transitional services in either Stage 1 or Stage 2 pursuant to subdivision (c) of Section 8351 or Section 8353 of the Education Code, respectively, but still meet eligibility requirements for receipt of subsidized childcare services, and (b) families who received lump-sum diversion payments or diversion services under Section 11266.5 of the Welfare and Institutions Code and have spent two years in Stage 2 off of cash aid, but still meet eligibility requirements for receipt of subsidized childcare services.

9. Notwithstanding any other provision of law, each local planning council receiving funds appropriated in Schedule (12) shall meet the requirements of Section 8499.5 of the Education Code to the extent feasible and to the extent data is readily accessible.

10. Notwithstanding any other provision of law, the implementation of Provision 12 is not subject to the appeal and resolution procedures for agencies that contract with the State Department of Education for the provision of childcare services or the due process requirements afforded to families that are denied services specified in Chapter 19 (commencing with Section 18000) of Division 1 of Title 5 of the California Code of Regulations.

11. Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Education may implement Provision 12 through management bulletins or similar instructions.

12. Notwithstanding any other provision of law, families shall be disenrolled from subsidized childcare services consistent with the priorities for services specified in subdivision (b) of Section 8263 of the Education Code. Families shall be disenrolled in the following order: (a) families with the highest income below 85 percent of the State Median Income (SMI) adjusted for family size, (b) of families with the same income level, those that have been receiving childcare services for the longest period of time, (c) of families with the same income level, those that have a child with exceptional needs, and (d) families with children who are receiving child protective services or are at risk of being neglected or abused, regardless of family income.

~~13. Of the amount appropriated in Schedule (2), \$31,872,000 is available beginning April 1, 2021, to provide 10,000 additional full-day state preschool slots to non-local educational agencies.~~

14. ~~13.~~ Funds in Schedule (2) shall be allocated to both the part-day and full-day California State Preschool Program for non-local educational agencies.

15. ~~14.~~ Of the amount appropriated in Schedule (1), \$50,000,000 is available beginning July 1, 2019, to provide 3,086 slots for General Child Care.

**Remove 2019-20 Proposition 98 General Fund Savings from LEA State Preschool Program (New for May Revision)**

Item 6100-196-0001 of Section 2.00 of the Budget Act of 2019 is amended to read:

6100-196-0001—For local assistance, State Department of Education (Proposition 98), for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for the purposes of part-day California state preschool programs pursuant to Article 7 (commencing with Section 8235) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code funded in this item, in lieu of the amount that otherwise would be appropriated pursuant to any other statute  
.....~~963,466,000~~ 853,078,000

Schedule:

(1) 5210020-State Preschool—Local Educational Agencies .....~~913,466,000~~ 803,078,000  
(2) 5210010-Child Development, Quality Rating Improvement System Grants .....50,000,000

Provisions:

1. Nonfederal funds appropriated in this item that have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) shall not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
2. The amount provided in Schedule (1) reflects an adjustment to the base funding of -0.68 percent for a decrease in the population of 0-4 year-olds.
3. Notwithstanding any other law, the maximum standard reimbursement rate shall not exceed \$30.87 per day for part-day California state preschool programs. The maximum standard reimbursement rate shall not exceed \$49.85 for full-day California state preschool programs.
4. Of the amount appropriated in Schedule (1), up to \$5,000,000 is available for the family literacy supplemental grant provided to California state preschool programs pursuant to Section 8238.4 of the Education Code.
5. The amount appropriated in Schedule (2) is available for Quality Rating and Improvement System grants provided to California state preschool programs pursuant to Section 8203.1 of the Education Code.
6. Funds in Schedule (1) shall be allocated to both the part-day and full-day California State Preschool Program for local educational agencies.