2013-14 Governor’s Budget
OMNIBUS EDUCATION TRAILER BILL

Shift K-12 Apprenticeship Program to CCCs (Repeals Article 8 of Chapter 1 of Part 6 of the EC, commencing with Section 8150)

SEC. 1. Repeal Article 8, of Chapter 1, of Part 6, of Division 1, of Title 1 of the California Education Code (commencing with Section 8150).

Child Care Removal of Annual Update to Income Eligibility (Amends ECS 8263.1)

SEC. 2. 8263.1. (a) For purposes of this chapter, “income eligible” means that a family’s adjusted monthly income is at or below 70 percent of the state median income, adjusted for family size, and adjusted annually.
(b) Notwithstanding any other law, for the 2011–12 fiscal year, the income eligibility limits that were in effect for the 2007–08 fiscal year shall be reduced to 70 percent of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size, effective July 1, 2011.
(c) Notwithstanding any other law, for the 2012–13 fiscal year, the income eligibility limits shall be 70 percent of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

Principal Apportionment Deferrals (Repeals ECS 14041.6)

SEC. 3. 14041.6 (a) Notwithstanding subdivision (a) of Section 14041, or any other law, from the 2008–09 fiscal year to the 2011–12 fiscal year, inclusive, 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. Commencing with 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) 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, from the 2009–10 fiscal year to the 2011–12 fiscal year, inclusive, warrants for the principal apportionments for the month of April in the amount of six hundred seventy-eight million six hundred eleven thousand dollars ($678,611,000) and for the month of May in the amount of one billion dollars ($1,000,000,000) instead shall be drawn in August of the same calendar year pursuant to the certification made pursuant to Section 41339. Commencing with the 2012–13 fiscal year, warrants for the principal apportionments for the month of April in the amount of one hundred seventy-five million seven hundred twenty-eight thousand dollars ($175,728,000) and for the month of May in the amount of one billion one hundred seventy-six million seven hundred one thousand dollars
($1,176,701,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

(e) Notwithstanding subdivision (a) of Section 14041 or any other law, commencing with the 2010–11 fiscal year, warrants for the principal apportionments for the month of April in the amount of four hundred 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 pursuant to the certification made pursuant to Section 41339.

(d) Notwithstanding subdivision (a) of Section 14041 or any other law, in the 2011–12 fiscal year, warrants for the principal apportionments 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 seven hundred sixty-three million seven hundred ninety-four thousand dollars ($763,794,000) instead shall be drawn in August of the same calendar year pursuant to the certification made pursuant to Section 41339. Commencing with the 2012–13 fiscal year, warrants for the principal apportionments 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 of the same calendar year pursuant to the certification made pursuant to Section 41339.

(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 subdivisions (a), (b), (c), and (d) 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 XIIIB,” as defined in subdivision (e) of Section 41202, for the fiscal year in which the warrants are drawn.

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

Principal Apportionment Deferrals (Adds ECS 14041.6)

Sec. 4. 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) for the month of April 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) for the month of April 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, commencing with the 2013-14 fiscal year warrants for the principal apportionments for the month of April in the amount of three hundred ninety-three million nine hundred thirty-nine thousand dollars ($390,939,000), 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 April in the amount of seven hundred sixty-three million seven hundred ninety-four thousand dollars ($763,794,000) for the month of April instead shall be drawn in August pursuant to the certification made pursuant to Section 41339.

(g) Notwithstanding subdivision (a) of Section 14041 or any other law, commencing with the 2013-14 fiscal year, warrants for the principal apportionments for the month of May in the amount of two hundred million ($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) Except as provided in subdivisions (c) and (e) of Section 41202, for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the warrants drawn pursuant to subdivisions (a), (b), (c), and (d) 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.

Sale of Surplus Property to Charter Schools (Amends ECS 17457.5)

SEC. 5. 17457.5. (a) Notwithstanding Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code, the governing board of a school district seeking to sell or lease real property designed to provide direct instruction or instructional support it deems to be surplus property shall first offer that property for sale or lease to any charter school that has submitted a written request to the school district to be notified of surplus property offered for sale or lease by the school district, pursuant to the following conditions:

(1) The real property sold or leased shall be used by the charter school exclusively to provide direct instruction or instructional support, for a period of not less than five years from the date upon which the real property is made available to that charter school, pursuant to the sale, or, in the event of a lease, until the real property is returned to the possession of the school district, whichever occurs earlier.

(2) In the event that the charter school fails to comply with the condition set forth in paragraph (1), the charter school that purchased the real property is required to immediately offer that real property for sale pursuant to this article and Article 5 (commencing with Section 17485) and to sell the property pursuant to those provisions. The charter school shall comply, in that regard, with all requirements under those provisions that would otherwise apply to a school district, except that a sale price computed under subdivision (a) of Section 17491 shall be based upon the cost of acquisition incurred by the school district that sold the property pursuant to this subdivision, rather than that incurred by the charter school. In the event, alternatively, of a lease of real property pursuant to this subdivision, the failure by the charter school to comply with paragraph (1) shall constitute a breach of the lease, entitling the school district to immediate possession of the real property, in addition to any damages to which the school district may be entitled under the lease agreement.

(3) The school district, and each of the entities authorized to receive offers of sale pursuant to this article or Article 5 (commencing with Section 17485), has standing to enforce the conditions set forth in this subdivision, and shall be entitled to the payment of reasonable attorney's fees incurred as a prevailing party in any action or proceeding brought to enforce any of those conditions.
(b) A school district seeking to sell or lease real property designed to provide direct instruction or instructional support it deems to be surplus property shall provide a written offer to any charter school that has submitted a written request to the school district to be notified of surplus property offered for sale or lease by the school district. A charter school desiring to purchase or lease the property shall, within 60 days after a written offer is received, notify the school district of its intent to purchase or lease the property. In the event more than one charter school notifies the school district of their intent to purchase or lease the property, the governing board of the school district may determine to which charter school to sell or lease the property.

(c) The price at which property described in this section is sold pursuant to this section shall not exceed the school district's cost of acquisition, adjusted by a factor equivalent to the percentage increase or decrease in the cost of living from the date of purchase to the year in which the offer of sale is made, plus the cost of any school facilities construction undertaken on the property by the school district since its acquisition of the land, adjusted by a factor equivalent to the increase or decrease in the statewide cost index for class B construction, as annually determined by the State Allocation Board pursuant to Section 17072.10, from the year the improvement is completed to the year in which the sale is made. In the event a statewide cost index for class B construction is not available, the school district shall use a factor equal to the average statewide cost index for class B construction for the preceding 10 calendar years. In no event shall the price be less than 25 percent of the fair market value of the property described in this section or less than the amount necessary to retire the share of local bonded indebtedness plus the amount of the original cost of the approved state aid applications on the property. The percentage of annual increase or decrease in the cost of living shall be the amount shown for January 1 of the applicable year by the then current Bureau of Labor Statistics Consumers Price Index for the area in which the schoolsite is located.

(d) Land that is leased pursuant to this section shall be leased at an annual rate of not more than 5 percent of the maximum sales price determined pursuant to subdivision (c), adjusted annually by a factor equivalent to the percentage increase or decrease in the cost of living for the immediately preceding year. The percentage of annual increase or decrease in the cost of living shall be the amount shown for January 1 of the applicable year by the then current Bureau of Labor Statistics Consumers Price Index for the area in which the schoolsite is located.

(e) The sale or lease of the real property of a school district, as authorized under subdivision (a), shall not occur until the school district advisory committee has held hearings pursuant to subdivision (c) of Section 17390.

(f) This section shall only apply to real property identified by a school district as surplus property after July 1, 2012.

(g) This section shall become inoperative on June 30, 2013 2018, and, as of January 1, 2014 2019, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2014, deletes or extends the dates on which it becomes inoperative and is repealed.

Emergency Repair Program (Amends ECS 17592.71)

SEC. 6. 17592.71. (a) There is hereby established in the State Treasury the School Facilities Emergency Repair Account. The State Allocation Board shall administer the account.
(b) (1) Commencing with the 2005-06 fiscal year, an amount of moneys shall be transferred in the annual Budget Act from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account, equaling 50 percent of the unappropriated balance of the Proposition 98 Reversion Account or one hundred million dollars ($100,000,000), whichever amount is greater. Moneys transferred pursuant to this subdivision shall be used for the purpose of addressing emergency facilities needs pursuant to Section 17592.72.

(2) Notwithstanding paragraph (1), for the 2008-09 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall not exceed one hundred one million dollars ($101,000,000).

(3) Notwithstanding paragraph (1), for the 2009-10 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero.

(4) Notwithstanding paragraph (1), for the 2010-11 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero.

(5) Notwithstanding paragraph (1), for the 2011-12 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be zero.

(6) Notwithstanding paragraph (1), for the 2012-13 fiscal year, the amount of money to be transferred from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account pursuant to paragraph (1) shall be nine million six hundred sixty-nine thousand dollars $9,669,000.

(c) The Legislature may transfer to the School Facilities Emergency Repair Account other one-time Proposition 98 funds, except funds specified pursuant to Section 41207, as repealed and added by Section 6 of Chapter 216 of the Statutes of 2004. Donations by private entities shall be deposited in the account and, for tax purposes, be treated as otherwise provided by law.

(d) Funds shall be transferred pursuant to this section until a total of eight hundred million dollars ($800,000,000) has been disbursed from the School Facilities Emergency Repair Account.

K-12 / CCC, 3-Pot Split (Amends ECS 41203.1)

SEC. 7. 41203.1. (a) For the 1990-91 fiscal year and each fiscal year thereafter, allocations calculated pursuant to Section 41203 shall be distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for the purposes of this section, school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution were to be applied separately to each segment and the base year for the purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989-90 fiscal year. Calculations made pursuant to this subdivision shall be made so that each segment of public education is
entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.
(b) If the single calculation made pursuant to Section 41203 yields a guaranteed amount of funding that is less than the sum of the amounts calculated pursuant to subdivision (a), the amount calculated pursuant to Section 41203 shall be prorated for the three segments of public education.
(c) Notwithstanding any other law, this section does not apply to the 1992-93 to 2012-13 2013-14 fiscal years, inclusive.

QEIA  (Adds ECS 41207.7)

SEC. 8. 41207.7. If the Superintendent and the Director of Finance jointly determine that, for the 2012-13 fiscal year, the state has applied moneys for the support of school districts and community college districts in an amount that exceeds the minimum amount required for the 2012-13 fiscal year pursuant to Section 8 of Article XVI of the California Constitution, the excess, up to one hundred sixty two million, eight hundred, twenty four thousand dollars ($162,824,000), shall be deemed, as of June 30, 2013, a payment of the fiscal settlement agreed to by the parties in California Teachers Association, et al. v. Arnold Schwarzenegger (Case Number 05CS01165 of the Superior Court for the County of Sacramento) and Chapter 213 of the Statutes of 2004 for the 2004-05 and 2005-06 fiscal years, as determined in subdivision (a) or (b) of Section 41207.1.

Transfer Charter School Revolving Loan Program from SDE to CSFA (Amends ECS 41365, 41366.6, and 41367)

SEC. 9. 41365. (a) The Charter School Revolving Loan Fund is hereby created in the State Treasury. The Charter School Revolving Loan Fund shall be comprised of federal funds obtained by the state for charter schools and any other funds appropriated or transferred to the fund through the annual budget process. Funds appropriated to the Charter School Revolving Loan Fund shall remain available for the purposes of the fund until reappropriated or reverted by the Legislature through the annual Budget Act or any other act.
(b) Commencing with the 2013-14 fiscal year, the Charter School Revolving Loan Fund shall be administered by the California School Finance Authority.
(c) Loans may be made from moneys in the Charter School Revolving Loan Fund to a chartering authority for charter schools that are not a conversion of an existing school, or directly to a charter school that qualifies to receive funding pursuant to Chapter 6 (commencing with Section 47630) that is not a conversion of an existing school, upon application of a chartering authority or charter school and approval by the Superintendent of Public Instruction California School Finance Authority. Money loaned to a chartering authority for a charter school, or to a charter school, pursuant to this section shall be used only to meet the purposes of the charter granted pursuant to Section 47605. The loan to a chartering authority for a charter school, or to a charter school, pursuant to this subdivision shall not exceed two hundred fifty thousand dollars ($250,000) over the lifetime of the charter school. A charter school may receive money obtained from multiple loans made directly to the charter school or to the school's chartering authority from the Charter School Revolving Loan Fund, as long as the total amount received from the fund over the lifetime of the charter school does not exceed
two hundred fifty thousand dollars ($250,000). This subdivision does not apply to a charter school that obtains renewal of a charter pursuant to Section 47607.

(d) The Superintendent of Public Instruction California School Finance Authority may consider all of the following when making a determination as to the approval of a charter school's loan application:

1. Soundness of the financial business plans of the applicant charter school.
2. Availability of the charter school of other sources of funding.
4. The impact that receipt of funds received pursuant to this section will have on the charter school’s receipt of other private and public financing.
5. Plans for creative uses of the funds received pursuant to this section, such as loan guarantees or other types of credit enhancements.
6. The financial needs of the charter school.

Priority for loans from the Charter School Revolving Loan Fund shall be given to new charter schools for startup costs.

Commencing with the first fiscal year following the fiscal year the charter school receives the loan, the Controller shall deduct from apportionments made to the chartering authority or charter school, as appropriate, an amount equal to the annual repayment of the amount loaned to the chartering authority or charter school for the charter school under this section and pay the same amount into the Charter School Revolving Loan Fund in the State Treasury. Repayment of the full amount loaned to the chartering authority shall be deducted by the Controller in equal annual amounts over a number of years agreed upon between the loan recipient and the State Department of Education California School Finance Authority, not to exceed five years for any loan.

(1) Notwithstanding other provisions of law, a loan may be made directly to a charter school pursuant to this section only in the case of a charter school that is incorporated.
(2) Notwithstanding other provisions of law, in the case of default of a loan made directly to a charter school pursuant to this section, the charter school shall be solely liable for repayment of the loan.

The California School Finance Authority shall adopt emergency regulations to implement this section and sections 41366.6 and 41367 of the Education Code.

SEC. 10. 41366.6. (a) The department California School Finance Authority shall monitor the adequacy of the amount of funds in the Charter School Revolving Loan Fund and report annually to the Department of Finance and the Controller on the need, if any, to transfer funds from the Charter School Security Fund to the Charter School Revolving Loan Fund for the sole purpose of replacing funds lost in the Charter School Revolving Loan Fund due to loan defaults. Before requesting any transfer of funds from the Charter School Security Fund, the department California School Finance Authority shall make all reasonable efforts to recover funds directly from the defaulting loan recipient. To the extent that the department California School Finance Authority determines that a transfer from the Charter School Security Fund to the Charter School Revolving Loan Fund is necessary, the department California School Finance Authority shall obtain approval from the Director of Finance before a transfer of funds is made. Not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, the Director of Finance shall direct the Controller to transfer the appropriate amount of funds.
(b) By October 1 of each year, the California School Finance Authority shall provide detailed fund condition information for the Charter School Revolving Loan Fund and the Charter School Security Fund to the Department of Finance and the Legislative Analyst's Office. At a minimum, this information shall contain an accounting of actual beginning balances, revenues, itemized expenditures, and ending balances for the prior year, as well as projected beginning balances, revenues, itemized expenditures, and ending balances for the current year and budget year.

SEC. 11. 41367. (a) The Charter School Security Fund is hereby created in the State Treasury.
(b) Moneys in the fund shall be available for deposit into the Charter School Revolving Loan Fund in case of default on any loan made from the Charter School Revolving Loan Fund.
(c) Commencing with the 2013-14 fiscal year, the Charter School Security Fund shall be administered by the California School Finance Authority.

Educator Preparation Program Reviews (Adds ECS 44375)

SEC. 12. 44375 (a) The Commission may charge a fee to recover the costs of reviewing initial or new educator preparation programs. Applicable local educational agencies and institutions of higher education shall submit the established fee to the Commission when submitting a proposal for an initial or new program. The Commission may review the established fee on a periodic basis and adjust the fee as necessary. The Commission shall notify the chairpersons of the committees and subcommittees in each house of the Legislature that consider the State Budget and the Department of Finance at least 30 days prior to implementing the fee and at least 30 days prior to making any subsequent fee adjustments.
(b) The Commission may charge Commission-approved entities a fee to recover the costs of accreditation activities in excess of the regularly scheduled data reports, program assessments, and accreditation site visits. This includes, but is not limited to, accreditation re-visits, addressing stipulations, or program assessment reviews beyond the standard. Institutions shall submit the established fee to the Commission in the year that the extraordinary activities are performed. The Commission may review the established fee on a periodic basis and adjust the fee as necessary. The Commission shall notify the chairpersons of the committees and subcommittees in each house of the Legislature that consider the State Budget and the Department of Finance at least 30 days prior to implementing the fee and at least 30 days prior to making any subsequent fee adjustments.

Technology Based Instruction (Amends ECS 46300.8 and Adds ECS 46300.9)

SEC. 13. 46300.8. (a) Commencing with the 2014-15 school year, attendance of pupils in grades 9 to 12, inclusive, under the immediate supervision and control of a certificated employee of the school district, or county office of education, or charter school who is delivering technology-based synchronous, online instruction shall be included in computing average daily attendance, provided that all of the following occur:
(1) The certificated employee providing the instruction confirms pupil attendance through visual recognition during the class period. A pupil logon, without any other pupil identification, is not sufficient to confirm pupil attendance.

(2) The class has regularly scheduled starting and ending times, and the pupil is scheduled to attend the entire class period. Average daily attendance shall be counted only for attendance in classes held at the regularly scheduled time.

(3) An individual with exceptional needs, as defined in Section 56026, may participate in technology-based synchronous, online instruction only if his or her individualized education program developed pursuant to Article 3 (commencing with Section 56340) of Chapter 4 of Part 30 specifically provides for that participation.

(4) If a school district, or county office of education, or charter school elects to offer technology-based synchronous, online instruction pursuant to this paragraph, the school district, or county office of education, or charter school shall not deny enrollment to a pupil based solely on the pupil's lack of access to the computer hardware or software necessary to participate in the technology-based synchronous, online course. If a pupil chooses to enroll in a technology-based synchronous, online course and does not have access to the necessary equipment, the school district, or county office of education, or charter school shall provide, for each pupil who chooses to enroll in a technology-based synchronous, online course, access to the computer hardware or software necessary to participate in the technology-based synchronous, online course.

(5) The ratio of average daily attendance for synchronous, online pupils who are 18 years of age or younger to school district or county office of education full-time equivalent certificated employees responsible for synchronous, online instruction, calculated as specified by the department, shall not exceed the equivalent ratio of pupils to full-time certificated employees for all other educational programs operated by the school district or county office of education, unless a higher or lower ratio is negotiated in a collective bargaining agreement.

(6) The ratio of average daily attendance for synchronous, online pupils who are 18 years of age or younger to county office of education full-time equivalent certificated employees who provide synchronous, online instruction, to be calculated in a manner prescribed by the department, shall not exceed the equivalent ratio of pupils to full-time certificated employees for all other educational programs operated by the high school or unified school district, or county office of education, with the greatest average daily attendance of pupils in that county, unless a higher or lower ratio is provided for in a collective bargaining agreement. The computation of the ratios specified in paragraph (5E) and this paragraph shall be performed annually by the reporting agency at the time of, and in connection with, the second principal apportionment report to the Superintendent.

(b) The Superintendent shall establish rules and regulations for purposes of implementing this section that, at a minimum, address all of the following:

(1) How school districts, and county offices of education, or charter schools include pupil attendance in technology-based courses in the calculation of average daily attendance pursuant to Section 46300.

(2) How to ensure a pupil meets minimum instructional time requirements pursuant to the following:

(A) Section 46141 and Section 46201, 46201.5, or 46202, as applicable, for pupils enrolled in a noncharter school in a school district or county office of education.

(B) Section 46170, for pupils enrolled in a continuation school.

(C) Section 46180, for pupils enrolled in an opportunity school.
(3) Require statewide testing results for online technology-based pupils to be reported and assigned to the school in which the pupil is enrolled for regular classroom courses, and to any school district, or county office of education, or charter school within which that school’s testing results are aggregated. Testing results may be disaggregated for the purpose of comparing online pupils testing results to the results of those pupils enrolled for regular classroom courses.
(4) Require attendance accounted for pursuant to this section to be subject to the audit conducted pursuant to Section 41020.
(c) The Superintendent may provide guidance regarding the ability of a school district, or county office of education, or charter school to provide technology-based synchronous, online instruction.
(d) Synchronous technology-based instruction, courses must be approved by the governing board of the school district or county office of education, or by the governing body of the charter school, be as rigorous as a classroom-based course, and meet or exceed all relevant state content standards.
(e) For purposes of this section, “technology-based synchronous, online instruction” means a class or course in which the pupil and the certificated employee who is providing instruction are online at the same time through the use of electronic means, including but not limited to, and the use of real-time, Internet-based collaborative software that combines audio, video, file sharing, and other forms of interaction.
(f) This section shall become inoperative on July 1, 2019, and, as of January 1, 2020, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2020, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 14. 46300.9. Commencing with the 2013-14 school year, attendance of pupils in grades 9 to 12, inclusive, under the supervision of a certificated employee of the school district, county office of education, or charter school who is delivering technology-based asynchronous instruction shall be included in computing average daily attendance, provided that all of the following occur:
(a) Periodic contact between the certificated employee providing instruction and the pupil to assess satisfactory educational progress is made.
(1) If no satisfactory educational progress has been made pursuant to paragraph (3), a certificated employee shall notify the pupil and the pupil’s parent or guardian.
(2) If satisfactory educational progress is not made, an evaluation shall be conducted to determine whether it is in the best interests of the pupil to remain in asynchronous instruction, or whether he or she should return to the regular school program. A written record of the findings of any evaluation made pursuant to this subdivision shall be treated as a mandatory interim pupil record. The record shall be maintained for a period of three years from the date of the evaluation and, if the pupil transfers to another California public school, the record shall be forwarded to that school. A pupil shall not continue to participate in asynchronous instruction without evidence of satisfactory educational progress unless asynchronous instruction is determined by the district or county superintendent, or charter administrator to be in the best interest of the pupil.
(3) For purposes of this section, “satisfactory educational progress” includes measures such as applicable statewide accountability measures and assessments, the completion of assignments, required labs or online workgroups, or other indicators that the pupil is working on assignments and learning required concepts, as determined by the supervising certificated employee.
(b) A requirement that a current written agreement for each pupil engaged in asynchronous instruction shall be maintained on file in a paper or electronic copy.
written agreement shall include a copy of the governing board’s asynchronous instruction authorization, which shall include, but is not limited to, all of the following:

1. A statement of the policies adopted pursuant to subdivision (a) and as determined by each local educational agency that specifies periodic contact between pupils and certificated employees and identifies the accountability measures and assessments that will be used to determine satisfactory educational progress.

2. The duration of the asynchronous instruction written agreement.

3. A statement of the number of course credits or, for the elementary grades, other measures of academic accomplishment appropriate to the agreement, to be earned by the pupil upon completion. In all cases, the authorization for asynchronous instruction shall include the learning objectives required to achieve satisfactory education progress, as defined in paragraph (3) of subdivision (a) of this section.

4. The inclusion of a statement in each asynchronous instruction agreement that asynchronous instruction is an optional educational alternative in which no pupil may be required to participate. In the case of a pupil who is referred or assigned to any school, class, or program pursuant to Section 48915 or 48917, the agreement also shall include the statement that instruction may be provided to the pupil through asynchronous instruction only if the pupil is offered the alternative of classroom instruction.

5. Each written agreement shall be signed, prior to the commencement of independent study, by the pupil, the pupil’s parent, legal guardian, or caregiver, and if the pupil is less than 18 years of age, the certificated employee who has been designated as having responsibility for the general supervision of independent study, and all persons who have direct responsibility for providing assistance to the pupil. For purposes of this paragraph “caregiver” means a person who has met the requirements of Part 1.5 (commencing with Section 6550) of the Family Code. Independent study may commence upon receipt of an electronic copy of this agreement.

6. For purposes of this section, an “electronic copy” includes a computer or electronic stored image of an original document, including, but not limited to, portable document format (PDF), JPEG, or other digital image file type, which may be sent via fax machine, e-mail, or other electronic means.

7. As a condition of apportionment local educational agencies shall retain written or electronic documentation that demonstrates satisfactory educational progress for pupils engaged in asynchronous instruction.

8. An individual with exceptional needs, as defined in Section 56026, may participate in technology-based asynchronous instruction only if his or her individualized education program developed pursuant to Article 3 (commencing with Section 56340) of Chapter 4 of Part 30 specifically provides for that participation.

9. If a school district, county office of education, or charter school elects to offer technology-based asynchronous instruction pursuant to this paragraph, the school district, county office of education, or charter school shall not deny enrollment to a pupil based solely on the pupil’s lack of access to the computer hardware or software necessary to participate in the technology-based asynchronous course. If a pupil chooses to enroll in a technology-based asynchronous course and does not have access to the necessary equipment, the school district, county office of education, or charter school shall provide, for each pupil who chooses to enroll in a technology-based asynchronous course, access to the computer hardware or software necessary to participate in the technology-based asynchronous course.

10. Asynchronous technology-based instruction, courses must be approved by the governing board of the school district or county office of education, or by the governing
body of the charter school, be as rigorous as a classroom-based course, and meet or exceed all relevant state content standards. (h) For purposes of this section, "technology-based asynchronous instruction" means a class or course in which the pupil and the certificated employee who is providing instruction may be online at different times allowing pupils and certificated employees to participate according to their own schedules. Communication and interaction may occur via electronic means, including but not limited to, real-time, Internet-based collaborative software that combines audio, video, file sharing, and other forms of interaction.

Countywide Benefit Charters (Adds ECS 47602.1)

SEC. 15. 47602.1. A petition for the establishment of a countywide charter school, pursuant to Education Code 47605.6, or a statewide benefit charter school, pursuant to Education Code 47605.8, may, at the discretion of petitioners and approval of its charter authorizer, include the establishment of multiple individual schools within a single petition for such purposes as compliance monitoring, data reporting and collection, student performance data, oversight and apportionment.

Delegation of SBE Charter School Oversight (Amends ECS 47605)

SEC. 16. 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, as long as 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 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 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 (b) 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 his or her 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 establish operations at one or more additional sites shall request a material revision to its charter and shall notify the authority that granted its charter of those additional locations. The
authority that granted its charter shall consider whether to approve those additional locations at an open, public meeting. If the additional locations are approved, they shall be a material revision to the charter school’s charter.

(5) A charter school that is unable to locate within the jurisdiction of the chartering school district may establish one site outside the boundaries of the school district, but within the county in which that school district is located, if the school district within the jurisdiction of which the charter school proposes to operate is notified in advance of the charter petition approval, the county superintendent of schools and the Superintendent are notified of the location of the charter school before it commences operations, and either of the following circumstances exists:

(A) The school has attempted to locate a single site or facility to house the entire program, but a site or facility is unavailable in the area in which the school chooses to locate.

(B) The site is needed for temporary use during a construction or expansion project.

(6) Commencing January 1, 2003, a petition to establish a charter school may 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 30 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 district, other employees of the 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 60 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. 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 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. 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 (d).

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

(A) (i) A description of the educational program of the school, designed, among other things, to identify those whom the 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) If the proposed school will serve high school pupils, a description of 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 school demonstrate that they have attained the skills, knowledge, and attitudes specified as goals in the school’s educational program. Pupil outcomes shall include outcomes that address increases in pupil academic achievement both schoolwide and for all groups of pupils served by the charter school, as that term is defined in subdivision (B) of paragraph (3) of subdivision (a) of Section 47607. (C) The method by which pupil progress in meeting those pupil outcomes is to be measured. (D) The governance structure of the school, including, but not limited to, the process to be followed by the school to ensure parental involvement. (E) The qualifications to be met by individuals to be employed by the school. (F) The procedures that the school will follow to ensure the health and safety of pupils and staff. These procedures shall include the requirement that each employee of the school furnish the school with a criminal record summary as described in Section 44237. (G) The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted. (H) Admission requirements, if applicable. (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. (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) A description of the rights of any 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 entity granting the charter to resolve disputes relating to provisions of the charter. (O) A declaration whether or not the charter school shall be deemed the exclusive public school 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. (P) A description of the procedures to be used if the charter school closes. The procedures shall ensure a final audit of the 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. (c) (1) Charter schools shall meet all statewide standards and conduct the pupil assessments required pursuant to Sections 60605 and 60851 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 school’s educational programs.
(d) (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 any 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 his or her 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 school.
(B) If the number of pupils who wish to attend the charter school exceeds the 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 district except as provided for in Section 47614.5. Other preferences may be permitted by the chartering authority on an individual school basis and only if consistent with the law.
(C) In the event of a drawing, the chartering authority shall make reasonable efforts to accommodate the growth of the charter school and in no event shall 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 a transcript of grades or report card, and health information. This paragraph applies only to pupils subject to compulsory full-time education pursuant to Section 48200.
(e) The governing board of a school district shall not require any employee of the school district to be employed in a charter school.
(f) The governing board of a school district shall not require any pupil enrolled in the school district to attend a charter school.
(g) 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 school, including, but not limited to, the facilities to be used by the school, the manner in which administrative services of the school are to be provided, and potential civil liability effects, if any, upon the school and upon the school district. The description of the facilities to be used by the charter school shall specify where the school intends to locate. The petitioner or petitioners shall also 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.
(h) 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 it read before July 19, 2006.
(i) 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.

(j) (1) 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 county board of education shall review the petition pursuant to subdivision (b). If the petitioner elects to submit a petition for establishment of a charter school to the county board of education and the county board of education denies the petition, the petitioner may file a petition for establishment of a charter school with the state board, and the state board may approve the petition, in accordance with subdivision (b). 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 entity 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.

(2) In assuming its role as a chartering agency, the state board shall develop criteria to be used for the review and approval of charter school petitions presented to the state board. The criteria shall address all elements required for charter approval, as identified in subdivision (b) and shall define "reasonably comprehensive" as used in paragraph (5) of subdivision (b) in a way that is consistent with the intent of this part. Upon satisfactory completion of the criteria, the state board shall adopt the criteria on or before June 30, 2001.

(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) If either the county board of education or the state board fails to act on a petition within 120 days of receipt, the decision of the governing board of the school district to deny a petition shall, thereafter, be subject to judicial review.

(5) The state board shall adopt regulations implementing this subdivision.

(6) Upon the approval of the petition by the county board of education, the petitioner or petitioners shall provide written notice of that approval, including a copy of the petition to the department and the state board.

(k) (1) The state board may, by mutual agreement, designate its supervisory and oversight responsibilities for a charter school approved by the state board to any local educational agency, in the county in which the charter school is located or to the governing board of the school district that first denied the petition.

(2) The designated local educational agency shall have all monitoring and supervising authority of a chartering agency, including, but not limited to, powers and duties set forth in Section 47607, except the power of revocation, which shall remain with the state board.

(3) A charter school that is granted its charter through an appeal to the state board and elects to seek renewal of its charter shall, before expiration of the charter, submit its petition for renewal to the governing board of the school district that initially denied the charter. If the governing board of the school district denies the school's petition for renewal, the school may petition the state board for renewal of its charter.

(l) Teachers in charter schools shall hold a Commission on Teacher Credentialing certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold. These documents shall be maintained on file at the charter school and are subject to periodic inspection by the chartering authority. It is the
intent of the Legislature that charter schools be given flexibility with regard to noncore, noncollege preparatory courses.

(m) A charter school shall transmit a copy of its annual, independent financial audit report for the preceding fiscal year, as described in subparagraph (I) of paragraph (5) of subdivision (b), to its chartering entity, 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 entity, 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 entity pursuant to Section 41020.

Multi-track Charter School Language (Amends ECS 47612)

SEC. 17. 47612. (a) A charter school shall be deemed to be under the exclusive control of the officers of the public schools for purposes of Section 8 of Article IX of the California Constitution, with regard to the appropriation of public moneys to be apportioned to any charter school, including, but not limited to, appropriations made for the purposes of this chapter.

(b) The average daily attendance in a charter school may not, in any event, be generated by a pupil who is not a California resident. To remain eligible for generating charter school apportionments, a pupil over 19 years of age shall be continuously enrolled in public school and make satisfactory progress towards award of a high school diploma. The State Board of Education shall, on or before January 1, 2000, adopt regulations defining "satisfactory progress."

(c) A charter school shall be deemed to be a "school district" for purposes of Article 1 (commencing with Section 14000) of Chapter 1 of Part 9, Section 41301, Section 41302.5, Article 10 (commencing with Section 41850) of Chapter 5 of Part 24, Section 47638, and Sections 8 and 8.5 of Article XVI of the California Constitution.

(d) For purposes of calculating average daily attendance, no pupil shall generate more than one day of attendance in a calendar day. Notwithstanding any other provision of law, a charter school that operates a multi-track calendar shall calculate attendance separately for each track and the divisor in the calculation shall be the calendar days in which school was taught for pupils in each track.

Non-classroom Based Charter School Funding Determination Process (Amends ECS 47612.5)

SEC. 18. 47612.5. (a) Notwithstanding any other provision of law and as a condition of apportionment, a charter school shall do all of the following:

(1) For each fiscal year, offer, at a minimum, the following number of minutes of instruction:

(A) To pupils in kindergarten, 36,000 minutes.

(B) To pupils in grades 1 to 3, inclusive, 50,400 minutes.

(C) To pupils in grades 4 to 8, inclusive, 54,000 minutes.

(D) To pupils in grades 9 to 12, inclusive, 64,800 minutes.

(2) Maintain written contemporaneous records that document all pupil attendance and make these records available for audit and inspection.
(3) Certify that its pupils have participated in the state testing programs specified in Chapter 5 (commencing with Section 60600) of Part 33 in the same manner as other pupils attending public schools as a condition of apportionment of state funding.

(b) Notwithstanding any other provision of law and except to the extent inconsistent with this section and Section 47634.2, a charter school that provides independent study shall comply with Article 5.5 (commencing with Section 51745) of Chapter 5 of Part 28 and implementing regulations adopted thereunder. The State Board of Education shall adopt regulations that apply this article to charter schools. To the extent that these regulations concern the qualifications of instructional personnel, the State Board of Education shall be guided by subdivision (l) of Section 47605.

(c) A reduction in apportionment made pursuant to subdivision (a) shall be proportional to the magnitude of the exception that causes the reduction. For purposes of paragraph (1) of subdivision (a), for each charter school that fails to offer pupils the minimum number of minutes of instruction specified in that paragraph, the Superintendent shall withhold from the charter school's apportionment for average daily attendance of the affected pupils, by grade level, the sum of that apportionment multiplied by the percentage of the minimum number of minutes of instruction at each grade level that the charter school failed to offer.

(d)(1) Notwithstanding any other provision of law and except as provided in paragraph (1) of subdivision (e), a charter school that has an approved charter may receive funding for nonclassroom-based instruction only if a determination for funding is made pursuant to Section 47634.2 by the State Board of Education. The determination for funding shall be subject to any conditions or limitations the State Board of Education may prescribe. The State Board of Education shall adopt regulations on or before February 1, 2002, that define and establish general rules governing nonclassroom-based instruction that apply to all charter schools and to the process for determining funding of nonclassroom-based instruction by charter schools offering nonclassroom-based instruction other than the nonclassroom-based instruction allowed by paragraph (1) of subdivision (e). Nonclassroom-based instruction includes, but is not limited to, independent study, home study, work study, and distance and computer-based education. In prescribing any conditions or limitations relating to the qualifications of instructional personnel, the State Board of Education shall be guided by subdivision (l) of Section 47605.

(2) Except as provided in paragraph (2) of subdivision (b) (a) of Section 47634.2, a charter school that receives a determination pursuant to subdivision (b) of Section 47634.2 is not required to reapply annually for a funding determination of its nonclassroom-based instruction program if an update of the information the State Board of Education reviewed when initially determining funding would not require material revision, as that term is defined in regulations adopted by the board. A charter school that has achieved a rank of 6 or greater on the Academic Performance Index for the two years immediately prior to receiving a funding determination pursuant to subdivision (b) of Section 47634.2 shall receive a five-year determination and is not required to annually reapply for a funding determination of its nonclassroom-based instruction program if an update of the information the State Board of Education reviewed when initially determining funding would not require material revision, as that term is defined in regulations adopted by the board. Notwithstanding any provision of law, the State Board of Education may require a charter school to provide updated information at any time it determines that a review of that information is necessary. The State Board of Education may terminate a determination for funding if updated or additional information requested by the board is not made available to the board by the charter school within a reasonable amount of time or if the information otherwise
supports termination. A determination for funding pursuant to Section 47634.2 may not exceed five years.

(3) A charter school that offers nonclassroom-based instruction in excess of the amount authorized by paragraph (1) of subdivision (e) is subject to the determination for funding requirement of Section 47634.2 to receive funding each time its charter is renewed or materially revised pursuant to Section 47607. A charter school that materially revises its charter to offer nonclassroom-based instruction in excess of the amount authorized by paragraph (1) of subdivision (e) is subject to the determination for funding requirement of Section 47634.2.

(e) (1) Notwithstanding any other provision of law, and as a condition of apportionment, "classroom-based instruction" in a charter school, for the purposes of this part, occurs only when charter school pupils are engaged in educational activities required of those pupils and are under the immediate supervision and control of an employee of the charter school who possesses a valid teaching certification in accordance with subdivision (l) of Section 47605.

For purposes of calculating average daily attendance for classroom-based instruction apportionments, at least 80 percent of the instructional time offered by the charter school shall be at the schoolsite, and the charter school shall require the attendance of all pupils for whom a classroom-based apportionment is claimed at the schoolsite for at least 80 percent of the minimum instructional time required to be offered pursuant to paragraph (1) of subdivision (a) of Section 47612.5.

(2) For the purposes of this part, "nonclassroom instruction" or "nonclassroom-based instruction" means instruction that does not meet the requirements specified in paragraph (1). The State Board of Education may adopt regulations pursuant to paragraph (1) of subdivision (d) specifying other conditions or limitations on what constitutes nonclassroom-based instruction, as it deems appropriate and consistent with this part.

(3) For purposes of this part, a schoolsite is a facility that is used principally for classroom instruction.

(4) Notwithstanding any other provision of law, neither the State Board of Education, nor the Superintendent may waive the requirements of paragraph (1) of subdivision (a).

Transfer Charter School Facility Grant Program to School Finance Authority and Adding Non-classroom Based Charter School Eligibility (Amends ECS 47614.5 and repeals ECS 47614.7)

SEC. 19. 47614.5. (a) The Charter School Facility Grant Program is hereby established and, commencing with the 2013-14 fiscal year, shall be administered by the department California School Finance Authority. The grant program is intended to provide assistance with facilities rent and lease costs for pupils in charter schools.

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

1. Inform charter schools of the grant program.
2. Upon application by a charter school, determine eligibility, based on the geographic location of the charter school site, pupil eligibility for free or reduced-price meals, and a preference in admissions, as appropriate. Eligibility for funding shall not be limited to the grade level or levels served by the school whose attendance area is used to determine eligibility. Charter school sites are eligible for funding pursuant to this section if the charter school site meets either of the following conditions:
   A. The charter school site is physically located in the attendance area of a public elementary school in which 70 percent or more of the pupil enrollment is eligible for free or reduced-price meals and the school site gives a preference in admissions to pupils who are currently enrolled in that public elementary school and to pupils who reside in the elementary school attendance area where the charter school site is located.
   B. Seventy percent or more of the pupil enrollment at the charter school site is eligible for free or reduced-price meals.
3. For purposes of this section:
   i. The California School Finance Authority shall use prior year data on pupil eligibility for free or reduced-price meals for the charter school site and prior year rent or lease costs provided by charter schools to determine eligibility for the grant program until current year data and actual rent or lease costs become known or until June 30 of each fiscal year.
   ii. If prior year rent or lease costs are unavailable, and the current year lease and rent costs are not immediately available, the California School Finance Authority shall use rent or lease cost estimates provided by the charter school.
   iii. The California School Finance Authority shall verify that the grant amount awarded to each charter school is consistent with eligibility requirements as specified in this section and in regulations adopted by the Authority. If it is determined by the Authority that a charter school did not receive the proper grant award amount, the: (1) charter school shall transfer funds back to the Authority as necessary within 60 days of being notified by the Authority; or (2) the Authority shall provide an additional apportionment as necessary to the charter within 60 days of notifying the charter, subject to the availability of funds.
4. Inform charter schools of their grant eligibility.
5. Allocate Apportion funding to charter schools for eligible expenditures in a timely manner by August 31 of each fiscal year or 30 days after enactment of the annual Budget Act, whichever is later.
6. No later than June 30, 2005, report to the Legislature on the number of charter schools that have participated in the grant program pursuant to the expanded eligibility prescribed in paragraph (2). In addition, the report shall provide recommendations and suggestions on improving the grant program.

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

1. Units of average daily attendance generated through nonclassroom-based instruction as defined by paragraph (2) of subdivision (d) of Section 47612.5 or that does not comply with conditions or limitations set forth in regulations adopted by the state board pursuant to this section. Noninstructional facilities operated by nonclassroom-based charter schools. The portions of a charter school’s facilities that are used to provide direct instruction and instructional support to pupils enrolled in the school shall be
eligible if the facility and charter school meet all eligibility requirements of this section. A charter school that is eligible pursuant to this paragraph shall receive funds in accordance to subdivision (b) but only for those portions of the facility that are used for direct instruction and instructional support.

(2) Charter schools occupying existing school district or county office of education facilities. A charter school shall be eligible for the portions of its facilities that are not provided using existing school district or county office of education facilities or identified pursuant to paragraph (3).

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

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

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

(gh) The Superintendent California School Finance Authority annually shall report to the state board Department of Education, the Director of Finance, and post information on its website regarding the use of funds that have been made available during the fiscal year to each charter school pursuant to the grant program.

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

(ij) The Superintendent California School Finance Authority shall annually allocate the facilities grants to eligible charter schools no later than October 1 August 31 of each fiscal year or 90 30 days after enactment of the annual Budget Act, whichever is later, for the current school year rent and lease costs. However, the department California School Finance Authority shall first use the funding appropriated for this program to reimburse eligible charter schools for unreimbursed rent or lease costs for the prior school year.

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

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

(ml) The California School Finance Authority shall be considered the senior creditor for purposes of satisfying audit findings pursuant to the audit instructions to be developed pursuant to subdivision (k).

(20) The California School Finance Authority shall adopt emergency regulations to implement this section.
to the amount appropriated for the program in the 2007–08 fiscal year, plus the amount equal to the reduction in funding for the Year-Round School Grant Program (Article 3 (commencing with Section 42260) of Chapter 7 of Part 24 of Division 3) associated with the reduction in the grants for year-round schools that is set forth in Section 42270.

(b) If this act is enacted after the Budget Act of 2008 is enacted and if the Budget Act of 2008 does not reflect the reallocation of funds as specified in subdivision (a), the Director of Finance, upon notice to the Joint Legislative Budget Committee, shall transfer 20 percent of the amount appropriated in Item 6110-224-0001 to Item 6110-220-0001 of Section 2.00 of the Budget Act of 2008 to accomplish the reallocation of funding specified in subdivision (a).

(c) If the Budget Act for any of the 2009–10 to 2012–13 fiscal years, inclusive, does not reflect the reallocation of funds specified in subdivision (a), the Director of Finance, upon notice to the Joint Legislative Budget Committee, shall transfer an amount appropriated in Item 6110-224-0001 of Section 2.00 of the Budget Act for any of those fiscal years, as applicable, to Item 6110-200-0001 of Section 2.00 of the Budget Act for that fiscal year in order to accomplish the reallocation of funds specified in subdivision (a). The total amount of the reallocation in each fiscal year pursuant to this subdivision shall be no less than the applicable amount specified in the following schedule:

(1) For the 2009–10 fiscal year, 40 percent of the amount expended from Item 6110-224-0001 of Section 2.00 of the Budget Act of 2007.

(2) For the 2010–11 fiscal year, 60 percent of the amount expended from Item 6110-224-0001 of Section 2.00 of the Budget Act of 2007.

(3) For the 2011–12 fiscal year, 80 percent of the amount expended from Item 6110-224-0001 of Section 2.00 of the Budget Act of 2007.

(4) For the 2012–13 fiscal year, 100 percent of the amount expended from Item 6110-224-0001 of Section 2.00 of the Budget Act of 2007.

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

Non-classroom Based Charter School Funding Determination Process (Amends ECS 47634.2)

SEC. 21. 47634.2. (a) (1) Notwithstanding any other provision of law, the amount of funding to be allocated to a charter school on the basis of average daily attendance that is generated by pupils engaged in nonclassroom-based instruction, as defined by paragraph (2) of subdivision (d) of Section 47612.5, including funding provided on the basis of average daily attendance pursuant to Sections 47613.1, 47633, 47634, and 47664, shall be adjusted by the State Board of Education. The State Board of Education shall adopt regulations setting forth criteria for the determination of funding for nonclassroom-based instruction, at a minimum the regulation shall specify that the nonclassroom-based instruction is conducted for the instructional benefit of the pupil and substantially dedicated to that function. In developing these criteria and determining the amount of funding to be allocated to a charter school pursuant to this section, the State Board of Education shall consider, among other factors it deems appropriate, the amount of the charter school's total budget expended on certificated employee salaries and benefits and on schoolsites, as defined in paragraph (3) of subdivision (d) of Section 47612.5, and the teacher to-pupil ratio in the school.
(2) For the 2001-02 fiscal year only, the amount of funding determined by the State Board of Education pursuant to this section shall not be less than 90 percent of the unadjusted amount to which a charter school would otherwise be entitled on the basis of average daily attendance.

(3) For the 2002-03 fiscal year, the amount of funding determined by the State Board of Education pursuant to this section shall not be more than 80 percent of the unadjusted amount to which a charter school would otherwise be entitled, unless the State Board of Education determines that a greater or lesser amount is appropriate based on the criteria specified in paragraph (1) of subdivision (a).

(2) A charter school offering nonclassroom-based instruction as defined by paragraph (2) of subdivision (d) of Section 47612.5, shall be required to submit a determination of funding during its first and third years of operation. Thereafter, it shall not be required to submit a determination of funding unless one of the following conditions exists:

(A) The charter school receives a notice to cure for financial issues.

(B) The charter school receives an intent to revoke the charter.

(C) The charter school receives an apportionment significant audit exception.

(D) The charter school initiates a request for an additional funding determination for the purpose of seeking a change to its current funding level.

(3) To the extent that any of the conditions described in subparagraphs (A) through (D) of paragraph (2) apply to a nonclassroom-based charter school after its third year of operation, the nonclassroom-based charter school shall be required to submit a determination of funding for the following year of operation.

(4) For the 2003-04 fiscal year and each fiscal year thereafter, the amount of funding determined by the State Board of Education pursuant to this section shall not be more than 70 percent of the unadjusted amount to which a charter school would otherwise be entitled, unless the State Board of Education determines that a greater or lesser amount is appropriate based on the criteria specified in paragraph (1) of subdivision (a).

(5) This section does not authorize the board to adjust the amount of funding a charter school receives on the basis of average daily attendance generated through classroom-based instruction apportionments by paragraph (1) of subdivision (d) of Section 47612.5.

(b) (1) The State Board of Education shall appoint an advisory committee to recommend criteria to the board in accordance with this section if it has not done so by the effective date of the act adding this section. The advisory committee shall include, but is not limited to, representatives from school district superintendents, charter schools, teachers, parents, members of the governing boards of school districts, county superintendents of schools, and the Superintendent of Public Instruction.

(2) If a charter school submits a substantially complete request for a determination for funding by February 13, 2002, and the State Board of Education does not act on that request by March 19, 2002, full funding is automatically granted for the 2001-02 fiscal year, but the charter school shall reapply for a determination for funding for the 2002-03 fiscal year.

(3) The determination for funding shall be on a percentage basis and the superintendent shall implement the determination for funding by reducing the charter school’s reported average daily attendance by the determination for funding percentage specified by the State Board of Education.

(4) If the State Board of Education denies request for a determination for funding or provides a reduction as authorized by subdivision (a), the board shall, in writing, give the
reasons for its denial or reduction and, if appropriate, may describe how any deficiencies or problems may be addressed.
(c) Each charter school offering nonclassroom-based instruction shall, in each report provided to the Superintendent of Public Instruction for apportionment purposes, identify the portion of its average daily attendance that is generated through nonclassroom-based instruction as defined in paragraph (2) of subdivision (d) of Section 47612.5.
(d) Notwithstanding any other provision of law, charter schools shall be subject, with regard to subdivisions (c) and (d) of Section 47612.5 and this section, to audits conducted pursuant to Section 41020.

Add COLA for Child Nutrition (Amends ECS 49430.5)

SEC. 22. 49430.5. (a) The reimbursement a school receives for free and reduced price meals sold or served to pupils in elementary, middle, or high schools included within a school district, charter school, or county office of education shall be twenty-one cents ($0.21) specified in the annual budget act.
(b) To qualify for the reimbursement for free and reduced price meals provided to pupils in elementary, middle, or high schools, a school shall follow the Enhanced Food Based Meal Pattern, Nutrient Standard Meal Planning, or Traditional Meal Pattern developed by the United States Department of Agriculture or the SHAPE Menu Patterns developed by the state.
(c) The reimbursement rates set forth in this section specified in the annual budget act shall be adjusted annually for increases in cost of living in the same manner set forth in paragraph (2), of subdivision (d) Section 42238.102.

Technology Based Instruction (Repeals ECS 51745.6 and Amends 51747 and 51747.3)

SEC. 23. 51745.6. (a) The ratio of average daily attendance for independent study pupils 18 years of age or less to school district full-time equivalent certificated employees responsible for independent study, calculated as specified by the State Department of Education, shall not exceed the equivalent ratio of pupils to full-time certificated employees for all other educational programs operated by the school district. The ratio of average daily attendance for independent study pupils 18 years of age or less to county office of education full-time equivalent certificated employees responsible for independent study, to be calculated in a manner prescribed by the State Department of Education, shall not exceed the equivalent ratio of pupils to full-time certificated employees for all other educational programs operated by the high school or unified school district with the largest average daily attendance of pupils in that county. The computation of those ratios shall be performed annually by the reporting agency at the time of, and in connection with, the second principal apportionment report to the Superintendent of Public Instruction.
(b) Only those units of average daily attendance for independent study that reflect a pupil-teacher ratio that does not exceed the ratio described in subdivision (a) shall be eligible for apportionment pursuant to Section 42238.5, for school districts, and Section
2558, for county offices of education. Nothing in this section shall prevent a school
district or county office of education from serving additional units of average daily
attendance greater than the ratio described in subdivision (a), except that those
additional units shall not be funded pursuant to Section 42238.5 or Section 2558.
(c) The calculations performed for purposes of this section shall not include either of the
following:
(1) The average daily attendance generated by special education pupils enrolled in
special day classes on a full-time basis, or the teachers of those classes.
(2) The average daily attendance of teachers in necessary small schools that are eligible
to receive funding pursuant to Article 4 (commencing with Section 42280) of Chapter 7
of Part 24.
(d) The pupil-teacher ratio described in subdivision (a) in a unified school district
participating in the class size reduction program pursuant to Chapter 6.10 (commencing
with Section 52120) may, at the school district’s option, be calculated separately for
kindergarten and grades 1 to 6, inclusive, and for grades 7 to 12, inclusive.
(e) The pupils to certificated employee ratio described in subdivision (a) may, in a
charter school, be calculated by using a fixed pupils to certificated employee ratio of 25
to one, or by being a ratio of less than 25 pupils per certificated employee. All charter
school pupils, regardless of age, shall be included in pupil-to-certificated employee ratio
calculations.

SEC. 24. 51747. A school district, or county office of education, or charter school shall
not be eligible to receive apportionments for independent study by pupils, regardless of
age, unless it has adopted written policies, and has implemented those policies,
pursuant to rules and regulations adopted by the Superintendent of Public Instruction,
that include, but are not limited to, all of the following:
(a) The maximum length of time, by grade level and type of program, that may
elapse—Periodic contact between the certificated employee providing instruction and the
pupil to assess satisfactory educational progress is made, between the time an
Independent study assignments shall be due at regular intervals is made and the date by
which the pupil must complete the assigned work.
(1) If no satisfactory educational progress has been made pursuant to paragraph (3), a
certificated employee shall notify the pupil and the pupil’s parent or guardian.
(b) The number of missed assignments that will be allowed before
(2) If satisfactory educational progress is not made, an evaluation is shall be conducted
to determine whether it is in the best interests of the pupil to remain in independent
study, or whether he or she should return to the regular school program. A written record
of the findings of any evaluation made pursuant to this subdivision shall be treated as a
mandatory interim pupil record. The record shall be maintained for a period of three
years from the date of the evaluation and, if the pupil transfers to another California
public school, the record shall be forwarded to that school. A pupil shall not continue to
participate in independent study without evidence of satisfactory educational progress
unless independent study is determined by the district or county superintendent, or
charter administrator or designee to be in the best interest of the pupil.
(3) For purposes of this section, “satisfactory educational progress” includes measures
such as applicable statewide accountability measures and assessments, the completion
of assignments, required labs or online workgroups, or other indicators that the pupil is
working on assignments and learning required concepts, as determined by the
supervising certificated employee.
(c)(b) A requirement that a current written agreement for each independent study pupil shall be maintained on file, including, but in a paper or electronic copy. The written agreement shall include a copy of the governing board's independent study authorization, which shall include, but is not limited to, all of the following:

1. The manner, time, frequency, and place for submitting a pupil's assignments and for reporting his or her progress.
2. The objectives and methods of study for the pupil's work, and the methods utilized to evaluate that work.
3. The resources, including materials and personnel, that will be made available to the pupil.
4. (1) A statement of the policies adopted pursuant to subdivisions (a) and (b) subdivision (a) and as determined by each local educational agency that specifies periodic contact between pupils and certificated employees and identifies the accountability measures and assessments that will be used to determine satisfactory educational progress. In all cases, the authorization for asynchronous instruction shall include the learning objectives required to achieve satisfactory education progress, as defined in paragraph (3) of subdivision (a) of this section. The maximum length of time allowed between the assignment and the completion of a pupil's assigned work, and the number of missed assignments allowed prior to an evaluation of whether or not the pupil should be allowed to continue in independent study.
5. (2) The duration of the independent study agreement, including the beginning and ending dates for the pupil's participation in independent study under the agreement. No independent study agreement shall be valid for any period longer than one semester, or one half year for a school on a year-round calendar.
6. (3) A statement of the number of course credits or, for the elementary grades, other measures of academic accomplishment appropriate to the agreement, to be earned by the pupil upon completion.
7. (4) The inclusion of a statement in each independent study agreement that independent study is an optional educational alternative in which no pupil may be required to participate. In the case of a pupil who is referred or assigned to any school, class, or program pursuant to Section 48915 or 48917, the agreement also shall include the statement that instruction may be provided to the pupil through independent study only if the pupil is offered the alternative of classroom instruction.
8. (5) Each written agreement shall be signed, prior to the commencement of independent study, by the pupil, the pupil's parent, legal guardian, or caregiver, and if the pupil is less than 18 years of age, the certificated employee who has been designated as having responsibility for the general supervision of independent study, and all persons who have direct responsibility for providing assistance to the pupil. For purposes of this paragraph "caregiver" means a person who has met the requirements of Part 1.5 (commencing with Section 6550) of the Family Code. Independent study may commence upon receipt of an electronic copy of this agreement.
9. (c) For purposes of this section, an "electronic copy" includes a computer or electronic stored image of an original document, including, but not limited to, portable document format (PDF), JPEG, or other digital image file type, which may be sent via fax machine, e-mail, or other electronic means.
10. (d) As a condition of apportionment local educational agencies shall retain written or electronic documentation that demonstrates satisfactory educational progress for independent study pupils.
SEC. 25. 51747.3. (a) (1) Notwithstanding any other provision of law, a local educational agency, including, but not limited to, a charter school, may not claim state funding for the independent study of a pupil, whether characterized as home study or otherwise, if the agency has provided any funds or other thing of value to the pupil or his or her parent or guardian that the agency does not provide to pupils who attend regular classes or to their parents or guardians. A charter school may not claim state funding for the independent study of a pupil, whether characterized as home study or otherwise, if the charter school has provided any funds or other thing of value to the pupil or his or her parent or guardian that a school district could not legally provide to a similarly situated pupil of the school district, or to his or her parent or guardian.

(2) Paragraph (1) does not apply to technology-based instruction courses for which the local educational agency provides computer equipment, software, or both, or other components necessary for pupils to participate in online instruction.

(b) Notwithstanding paragraph (1) of subdivision (d) of Section 47605 or any other provision of law, community school and independent study average daily attendance shall be claimed by school districts, county superintendents of schools, and charter schools only for pupils who are residents of the county in which the apportionment claim is reported, or who are residents of a county immediately adjacent to the county in which the apportionment claim is reported.

(c) The Superintendent of Public Instruction shall not apportion funds for reported average daily attendance, through full-time independent study, of pupils who are enrolled in school pursuant to subdivision (b) of Section 48204.

(d) In conformity with Provisions 25 and 28 of Section 2.00 of the Budget Act of 1992, this section is applicable to average daily attendance reported for apportionment purposes beginning July 1, 1992. The provisions of this section are not subject to waiver by the State Board of Education, by the State Superintendent of Public Instruction, or under any provision of Part 26.8 (commencing with Section 47600).

QEIA (Amends 52055.770)

SEC. 26. 52055.770. (a) School districts and chartering authorities shall receive funding at the following rate, on behalf of funded schools:

(1) For kindergarten and grades 1 to 3, inclusive, five hundred dollars ($500) per enrolled pupil in funded schools.

(2) For grades 4 to 8, inclusive, nine hundred dollars ($900) per enrolled pupil in funded schools.

(3) For grades 9 to 12, inclusive, one thousand dollars ($1,000) per enrolled pupil in funded schools.

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

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

(1) For the 2007–08 fiscal year, three hundred million dollars ($300,000,000), to be allocated as follows:
(A) Thirty-two million dollars ($32,000,000) for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges for the purpose of providing funding to the community colleges to improve and expand career technical education in public secondary education and lower division public higher education pursuant to Section 88532, including the hiring of additional faculty to expand the number of career technical education programs and course offerings.

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

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

(A) Forty-eight million dollars ($48,000,000) for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision (e) for the 2008–09 fiscal year, and under subdivision (f) for the 2011–12 and 2014–15 fiscal years.

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

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

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

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

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

(5) For the 2014–15 fiscal year, the amount of the difference between the sum of amounts appropriated under paragraphs (1) through (4) of subdivision (c) of this section and Sections 41207.6 and 41207.7, and the total fiscal settlement agreed to by the parties in California Teachers Association, et al. v. Arnold Schwarzenegger (Case Number 05CS01165 of the Superior Court for the County of Sacramento), to be allocated pursuant to subparagraphs (A) and (B) of this paragraph. The sum of all fiscal years of funding provided pursuant to this section and Sections 41207.6 and 41207.7 shall not exceed the total funds agreed to by those parties.

(A) Eleven percent for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision (e).

(B) Eighty nine percent for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent pursuant to this article.

(6) Commencing with the 2010–11 fiscal year, payments made pursuant to this subdivision shall be made only on or after October 8 of each fiscal year.

(d) For the 2014–15 fiscal year, the amounts appropriated under subdivision (c) shall be adjusted to reflect the total fiscal settlement agreed to by the parties in California Teachers Association, et al. v. Arnold Schwarzenegger (Case Number 05CS01165 of the Superior Court for the County of Sacramento) and the sum of all fiscal years of
funding provided pursuant to this section and Sections 41207.6 shall not exceed the total funds agreed to by those parties. This annual appropriation shall continue to be made until the Director of Finance reports to the Legislature, along with all proposed adjustments to the Governor's Budget pursuant to Section 13308 of the Government Code, that the sum of appropriations made and allocated pursuant to subdivision (c) equals the total outstanding balance of the minimum state educational funding obligation to school districts and community college districts required by Section 8 of Article XVI of the California Constitution and Chapter 213 of the Statutes of 2004 for the 2004–05 and 2005–06 fiscal years, as determined in subdivision (a) or (b) of Section 41207.1.

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

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

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

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

(B) Instructional materials and support.

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

(D) Library materials.

(E) Technology infrastructure.

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

(G) Architectural barrier removal.

(H) State-mandated local programs.

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

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

(f) For each of the 2011–12 and 2014–15 fiscal years, the sum transferred pursuant to subparagraph (A) of paragraphs (2) and (5) of subdivision (c) shall be allocated by the Chancellor of the California Community Colleges to the community colleges for the purpose of improving and expanding career technical education in public secondary education and lower division public higher education pursuant to Section 88532, including the hiring of additional faculty to expand the number of career technical education programs and course offerings.

(g) The appropriations made under subdivision (c) and the amount specified in Sections 41207.6 and 41207.7 are for the purpose of discharging in full the minimum state educational funding obligation to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution and Chapter 213 of the
Statutes of 2004 for the 2004–05 fiscal year, and the outstanding maintenance factor for the 2005–06 fiscal year resulting from this additional payment of the Chapter 213 amount for the 2004–05 fiscal year.

(h) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, including computation of the state’s minimum funding obligation to school districts and community college districts in subsequent fiscal years, the first one billion six hundred twenty million nine hundred twenty-eight thousand dollars ($1,620,928,000) in appropriations made pursuant to subdivision (c) and the amount specified in Sections 41207.6 and 41207.7 shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 and “General Fund Revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202, for the 2004–05 fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for that fiscal year. The remaining appropriations made pursuant to subdivision (c) and the amount specified in Sections 41207.6 and 41207.7 shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 and “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202, for the 2005–06 fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for that fiscal year.

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

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

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

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

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

Behavior Intervention Plans Mandate Reform (Amends ECS 56520, 56523, 56525 and Adds ECS 56521.1, 56521.2, 56522)
SEC. 27. 56520. (a) The Legislature finds and declares all of the following:
(1) That the state has continually sought to provide an appropriate and meaningful educational program in a safe and healthy environment for all children regardless of possible physical, mental, or emotionally disabling conditions.
(2) That teachers of children with special needs require training and guidance that provides positive ways for working successfully with children who have difficulties conforming to acceptable behavioral patterns in order to provide an environment in which learning can occur.
(2) That procedures for the elimination of maladaptive behaviors shall not include those deemed unacceptable under Section 49001 or those that cause pain or trauma.
(3) That this chapter shall not exceed the requirements of federal law, create new or separate state requirements, or result in a level of state service beyond that needed to comply with federal law and regulations.
(b) It is the intent of the Legislature:
(1) That when positive behavioral interventions and supports, and other strategies are used, they be used in consideration of the pupil’s physical freedom and social interaction, be administered in a manner that respects human dignity and personal privacy, and that ensure a pupil’s right to placement in the least restrictive educational environment.
(2) That behavioral management intervention plans be developed and used, to the extent possible, in a consistent manner when the pupil is also the responsibility of another agency for residential care or related services.
(3) That a statewide study be conducted of the use of behavioral interventions with California individuals with exceptional needs receiving special education and related services.
(4) That training programs be developed and implemented in institutions of higher education that train teachers and that in-service training programs be made available as necessary in school districts and county offices of education to ensure that adequately trained staff are available to work effectively with the behavioral intervention needs of individuals with exceptional needs.

SEC. 28. 56521.1 (a) Emergency interventions may only be used to control unpredictable, spontaneous behavior which poses clear and present danger of serious physical harm to the individual with exceptional needs, or others, and that cannot be immediately prevented by a response less restrictive than the temporary application of a technique used to contain the behavior.
(b) Emergency interventions shall not be used as a substitute for the systematic behavioral intervention plan that is designed to change, replace, modify, or eliminate a targeted behavior.
(c) No emergency intervention shall be employed for longer than is necessary to contain the behavior. A situation which requires prolonged use of an emergency intervention shall require staff to seek assistance of the school site administrator or law enforcement agency, as applicable to the situation.
(d) Emergency interventions shall not include:
(1) Locked seclusion, unless it is in a facility otherwise licensed or permitted by state law to use a locked room.
(2) Employment of a device, material, or objects that simultaneously immobilize all four extremities, except that techniques such as prone containment may be used as an emergency intervention by staff trained in such procedures.
(3) An amount of force that exceeds that which is reasonable and necessary under the circumstances.
(e) To prevent emergency interventions from being used in lieu of planned, systematic behavioral interventions, the parent, guardian, and residential care provider, if appropriate, shall be notified within one school day if an emergency intervention is used or serious property damage occurs. A behavioral emergency report shall immediately be completed and maintained in the file of the individual with exceptional needs. The behavioral emergency report shall include all of the following:
(1) The name and age of the individual with exceptional needs.
(2) The setting and location of the incident.
(3) The name of the staff or other persons involved.
(4) A description of the incident and the emergency intervention used, and whether the individual with exceptional needs is currently engaged in any systematic behavioral intervention plan.
(5) Details of any injuries sustained by the individual with exceptional needs, or others, including staff, as a result of the incident.
(f) All behavioral emergency reports shall immediately be forwarded to, and reviewed by, a designated responsible administrator.
(g) If a behavioral emergency report is written regarding an individual with exceptional needs who does not have a behavioral intervention plan, the designated responsible administrator shall, within two days, schedule an individualized education program (IEP) team meeting to review the emergency report, to determine the necessity for a functional behavioral assessment, and to determine the necessity for an interim plan. The IEP team shall document the reasons for not conducting the functional behavioral assessment, not developing an interim plan, or both.
(h) If a behavioral emergency report is written regarding an individual with exceptional needs who has a positive behavioral intervention plan, an incident involving a previously unseen serious behavior problem, or where a previously designed intervention is ineffective, shall be referred to the IEP team to review and determine if the incident constitutes a need to modify the positive behavioral intervention plan.

SEC. 29. 56521.2 (a) A local educational agency or nonpublic, nonsectarian school or agency serving individuals with exceptional needs pursuant to Sections 56365 and 56366, shall not authorize, order, consent to, or pay for the following interventions, or any other interventions similar to or like the following:
(1) Any intervention that is designed to, or likely to, cause physical pain, including but not limited to, electric shock.
(2) Releasing noxious, toxic, or otherwise unpleasant sprays, mists, or substances in proximity to the face of the individual.
(3) An intervention which denies adequate sleep, food, water, shelter, bedding, physical comfort, or access to bathroom facilities.
(4) An intervention that is designed to subject, used to subject, or likely to subject, the individual to verbal abuse, ridicule, or humiliation, or that can be expected to cause excessive emotional trauma.
(5) Restrictive interventions that employ a device, material, or objects that simultaneously immobilize all four extremities, including the procedure known as prone containment, except that prone containment or similar techniques may be used by trained personnel as a limited emergency intervention.
(6) Locked seclusion, unless it is in a facility otherwise licensed or permitted by state law to use a locked room.
(7) An intervention that precludes adequate supervision of the individual.
(8) An intervention which deprives the individual of one or more of his or her senses.

SEC. 30. 56522. (a) The Superintendent may issue non-mandatory program guidelines, as described in Education Code 33308.5, regarding the systematic use of behavioral interventions and emergency interventions, and may provide related training.
(b) At a minimum, the non-mandatory program guidelines and training shall address all of the following:
(1) The recommended qualifications and training of personnel who participate in the implementation of the behavioral intervention plans, including training in positive behavioral interventions and support.
(2) Special training recommended for the use of emergency behavioral interventions and the types of interventions for which that training would be applicable.
(3) Recommended behavioral emergency procedures.

SEC. 31. 56523. (a) On or before September 1, 1992, the Superintendent shall develop and the board shall adopt and repeal those regulations governing the use of behavioral interventions with individuals with exceptional needs receiving special education and related services, that are no longer supported by statute, including Section 3052 and subdivisions (d), (e), (f), (g), and (ab) of Section 3001, of Title 5 of the California Code of Regulations, as those provisions exist on January 10, 2013.
(b) This section and the implementing regulations adopted by the board are declaratory of federal law and deemed necessary to implement the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and associated federal regulations. This section is intended to provide the clarity, definition, and specificity necessary for local educational agencies to comply with the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), and shall be implemented by local educational agencies without the development by the Superintendent and adoption by the state board of any additional regulations. This section, including the implementing state regulations needed to implement federal law and regulations, shall not exceed the requirements of federal law, create new or separate state requirements, or result in a level of state service beyond that needed to comply with federal law and regulations.
(c) As a condition of receiving funding from the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), a local educational agency shall agree to adhere to this section and implementing federal regulations and state regulations set forth in this section.
(d) The Superintendent may monitor local educational agency compliance with this section and may take appropriate action, including fiscal repercussions, if either of the following is found:
(1) The local educational agency failed to comply with this section and implementing regulations that govern the provision of special education and related services to individuals with exceptional needs and failed to comply substantially with corrective action orders issued by the department resulting from monitoring findings or complaint investigations.
(2) The local educational agency failed to implement the decision of a due process hearing officer based on noncompliance with this part, the state implementing regulations, provisions of the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), or the federal implementing regulations, wherein
noncompliance resulted in the denial of, or impeded the delivery of, a free appropriate public education for an individual with exceptional needs.

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

(f) Contingent on the adoption of a statute in the 2009–10 Regular Session that adds Pursuant to Section 17570.1 of the Government Code, the Legislature hereby requests the Department of Finance on or before December 31, 2013, to exercise its authority pursuant to subdivision (c) of Section 17570 of the Government Code and file a request with the Commission on State Mandates for the purpose of seeking the adoption of a new test claim to supersede CSM-4464 based on subsequent changes in law that may modify a requirement that the state reimburse a local government for a state mandate.

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

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

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

   A. Assesses the appropriateness of positive interventions.

   B. Assures the pupil’s physical freedom, social interaction, and individual choices.

   C. Respects the pupil’s human dignity and personal privacy.

   D. Assures the pupil’s placement in the least restrictive environment.

   E. Includes the method of measuring the effectiveness of the interventions.

   F. Includes a timeline for the regular and frequent review of the pupil’s progress.

3. Specify standards governing the application of restrictive behavioral interventions in the case of emergencies. These emergencies must pose a clear and present danger of serious physical harm to the pupil or others. These standards shall include:

   A. The definition of an emergency.

   B. The types of behavioral interventions that may be utilized in an emergency.

   C. The duration of the intervention which shall not be longer than is necessary to contain the dangerous behavior.

   D. A process and timeline for the convening of an individual education plan meeting to evaluate the application of the emergency intervention and adjust the pupil’s individual education plan in a manner designed to reduce or eliminate the negative behavior through positive programming.

   E. A process for reporting annually to the department and the Advisory Commission on Special Education the number of emergency interventions applied under this chapter.

SEC. 32. 56525. (a) A person recognized by the national Behavior Analyst Certification Board as a Board Certified Behavior Analyst qualifies as a behavioral intervention case manager of a district, special education local plan area, or county office and may conduct behavior assessments and provide behavioral intervention services for individuals with exceptional needs.

(b) This section does not require a district, special education local plan area, or county office to use a Board Certified Behavior Analyst to conduct behavior assessments and
provide behavioral intervention services for individuals with exceptional needs as a behavioral intervention case manager.

Removal of Federal Funds from the Special Education Funding Formula (Amends ECS 56836.08, 56836.10, and 56836.15)

SEC. 33. 56836.08. (a) For the 1998–99 fiscal year, the superintendent shall make the following computations to determine the amount of funding for each special education local plan area:

1. Add the amount of funding per unit of average daily attendance computed for the special education local plan area pursuant to paragraph (1) of subdivision (a) of Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) for the 1998–99 fiscal year.

2. Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the 1997–98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that subdivision read on July 1, 1996.

3. Add the actual amount of the equalization adjustment, if any, computed for the 1998–99 fiscal year pursuant to Section 56836.14 to the amount computed in paragraph (2).

4. Add or subtract, as appropriate, the adjustment for growth computed pursuant to Section 56836.15 from the amount computed in paragraph (3).

(b) For the 1999–2000 fiscal year and each fiscal year thereafter, the superintendent shall make the following computations to determine the amount of funding for each special education local plan area for the fiscal year in which the computation is made:

1. Add the amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year pursuant to Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) through the 2012-13 fiscal year, and for the 2013-14 fiscal year and each fiscal year thereafter, the inflation adjustment pursuant to subdivision (g) for the fiscal year in which the computation is made.

2. Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the fiscal year.

3. Add the actual amount of the equalization adjustment, if any, computed for the special education local plan area for the fiscal year in which the computation is made pursuant to Section 56836.14 to the amount computed in paragraph (2).

4. Add or subtract, as appropriate, the adjustment for growth or decline in enrollment, if any, computed for the special education local plan area for the fiscal year in which the computation is made pursuant to Section 56836.15 from the amount computed in paragraph (3).

(c) For the 1998–99 fiscal year and each fiscal year thereafter through the fiscal year 2012-13, the superintendent shall make the following computations to determine the amount of General Fund moneys that the special education local plan area may claim:

1. Add the total of the amount of property taxes for the special education local plan area pursuant to Section 2572 for the fiscal year in which the computation is made to the amount of federal funds allocated for the purposes of paragraph (1) of subdivision (a) of Section 56836.09 for the fiscal year in which the computation is made.

2. Add the amount of funding computed for the special education local plan area pursuant to subdivision (a) for the 1998–99 fiscal year, and commencing with the 1999–2000 fiscal year and each fiscal year thereafter through the fiscal year 2012-13, the amount computed for the fiscal year in which the computations were made pursuant to
subdivision (b) to the amount of funding computed for the special education local plan area pursuant to Article 3 (commencing with Section 56836.16).

(3) Subtract the sum computed in paragraph (1) from the sum computed in paragraph (2).

(d) For the 1998–99 fiscal year and each fiscal year thereafter through the 2012-13 fiscal year, the superintendent shall make the following computations to determine the inflation adjustment for the fiscal year in which the computation is made:

(1) For the 1998–99 fiscal year, multiply the sum of the statewide target amount per unit of average daily attendance for special education local plan areas for the 1997–98 fiscal year computed pursuant to paragraph (3) of subdivision (a) of Section 56836.11 and the amount determined pursuant to paragraph (e) of Section 56836.155 for the 1997–98 fiscal year that corresponds to the amount determined pursuant to paragraph (1) of subdivision (d) of Section 56836.155 by the inflation adjustment computed pursuant to Section 42238.1 for the 1998–99 fiscal year.

(2) For the 1999–2000 fiscal year and each fiscal year thereafter through the 2012-13 fiscal year, multiply the sum of the statewide target amount per unit of average daily attendance for special education local plan areas for the prior fiscal year computed pursuant to Section 56836.11 and the amount determined pursuant to paragraph (1) of subdivision (d) of Section 56836.155 for the prior fiscal year by the inflation adjustment computed pursuant to Section 42238.1 for the fiscal year in which the computation is made.

(3) For the purposes of computing the inflation adjustment for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area for the 1998–99 fiscal year and each fiscal year thereafter through the 2012-13 fiscal year, the superintendent shall multiply the amount of funding per unit of average daily attendance computed for that special education local plan area for the prior fiscal year pursuant to Section 56836.10 by the inflation adjustment computed pursuant to Section 42238.1 for the fiscal year in which the computation is being made.

(e) For the 1998–99 fiscal year and each fiscal year thereafter to and including the 2002–03 fiscal year, the superintendent shall perform the calculation set forth in Section 56836.155 to determine the adjusted entitlement for the incidence of disabilities for each special education local plan area, but this amount shall not be used in the next fiscal year to determine the base amount of funding for each special education local plan area for the current fiscal year, except as specified in this article.

(f) Notwithstanding any other provision of law, for the 2013-14 fiscal year and each fiscal year thereafter, the Superintendent shall make the following computations to determine the amount of General Fund moneys that the special education local plan area may claim:

(1) Determine the total amount of property taxes for the special education local plan area pursuant to Section 2572 for the fiscal year in which the computation is made.

(2) Calculate the amount of funding computed for the special education local plan area pursuant to subdivision (b) for the fiscal year in which the computation is made.

(3) Subtract the amount computed in paragraph (1) from the amount computed in paragraph (2).

(g) For the 2013-14 fiscal year and each fiscal year thereafter, the superintendent shall make the following computations to determine the inflation adjustment for the fiscal year in which the computation is made:

(1) Multiply the statewide target amount per unit of average daily attendance for special education local plan areas for the prior fiscal year computed pursuant to Section
56836.11 by the inflation adjustment computed pursuant to paragraph (2) of subdivision (d) of Section 42238.02 for the fiscal year in which the computation is made.

(2) For the purposes of computing the inflation adjustment for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, the superintendent shall multiply the amount of funding per unit of average daily attendance computed for that special education local plan area for the prior fiscal year pursuant to Section 56836.10 by the inflation adjustment computed pursuant to paragraph (2) of subdivision (d) of Section 42238.02 for the fiscal year in which the computation is being made.

SEC. 34. 56836.10. (a) The superintendent shall make the following computations to determine the amount of funding per unit of average daily attendance for each special education local plan area for the 1998–99 fiscal year:
(1) Divide the amount of funding for the special education local plan area computed for the 1997–98 fiscal year pursuant to Section 56836.09 by the number of units of average daily attendance, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010 as that subdivision read on July 1, 1997, reported for the special education local plan area for the 1997–98 fiscal year.
(2) Add the amount computed in paragraph (1) to the inflation adjustment computed pursuant to subdivision (d) of Section 56836.08 for the 1998–99 fiscal year.
(b) Commencing with the 1999–2000 fiscal year and each fiscal year thereafter through the 2012-13 fiscal year, the superintendent shall make the following computations to determine the amount of funding per unit of average daily attendance for each special education local plan area for the fiscal year in which the computation is made:
(1) For the 1999–2000 fiscal year, divide the amount of funding for the special education local plan area computed for the 1998–99 fiscal year pursuant to subdivision (a) of Section 56836.08 by the number of units of average daily attendance upon which funding is based pursuant to subdivision (a) of Section 56836.15 for the special education local plan area for the 1998–99 fiscal year.
(2) For the 2000–01 fiscal year, and each fiscal year thereafter through the 2012-13 fiscal year, divide the amount of funding for the special education local plan area computed for the prior fiscal year pursuant to subdivision (b) of Section 56836.08 by the number of units of average daily attendance upon which funding is based pursuant to subdivision (a) of Section 56836.15 for the special education local plan area for the prior fiscal year.
(c) Notwithstanding any other provision of law, for the 2013-14 fiscal year, the Superintendent shall make the following computations to determine the amount of funding per unit of average daily attendance for each special education local plan area:
(1) From the amount of funding for the special education local plan area computed for the 2012-13 fiscal year pursuant to subdivision (b) of Section 56836.08, subtract the total amount of federal funds apportioned to the special education local plan area pursuant to schedule (1) of Item 6110-161-0890 of Section 2.00 of the Budget Act of 2013 for the purposes of special education for individuals with exceptional needs enrolled in kindergarten and grades 1 to 12, inclusive.
(2) Divide the amount computed in paragraph (1) by the number of units of average daily attendance upon which funding is based pursuant to subdivision (a) of Section 56836.15 for the special education local plan area for the 2012-13 fiscal year.
(d) For the 2014-15 fiscal year, and each fiscal year thereafter, divide the amount of funding for the special education local plan area computed for the prior fiscal year...
pursuant to subdivision (b) of Section 56836.08 by the number of units of average daily attendance upon which funding is based pursuant to subdivision (a) of Section 56836.15 for the special education local plan area for the prior fiscal year.

SEC. 35. 56836.15. (a) In order to mitigate the effects of any declining enrollment, commencing in the 1998–99 fiscal year, and each fiscal year thereafter, the superintendent shall calculate allocations to special education local plan areas based on the average daily attendance reported for the special education local plan area for the fiscal year in which the computation is made or the prior fiscal year, whichever is greater. However, the prior fiscal year average daily attendance reported for the special education local plan area shall be adjusted for any loss or gain of average daily attendance reported for the special education local plan area due to a reorganization or transfer of territory in the special education local plan area.

(b) For the 1998–99 fiscal year only, the prior year average daily attendance used in this section shall be the 1997–98 average daily attendance reported for the special education local plan area, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that section read on July 1, 1996.

(c) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is greater than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall be allocated a growth adjustment equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2).

(1) The statewide target amount per unit of average daily attendance for special education local plan areas determined pursuant to Section 56836.11, added to the amount determined in paragraph (1) of subdivision (d) of Section 56836.155.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

(d) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is less than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall receive a funding reduction equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2):

(1) The amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year. For the 2013-14 fiscal year only, the amount of funding per unit of average daily attendance computed for the special education local plan area for the 2013-14 fiscal year shall be used for this purpose.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

(e) If, in the fiscal year for which the computation is made, the number of units of average daily attendance upon which the allocations to the special education local plan
the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area are based is greater than the number of units of average daily attendance upon which the allocations to that special education local plan area were based in the prior fiscal year, that special education local plan area shall be allocated a growth adjustment equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2).

(1) The amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year pursuant to Section 56836.10 multiplied by one plus the inflation adjustment computed pursuant to paragraph (2) of subdivision (d) of Section 42238.102 for the fiscal year in which the computation is being made. For the 2013-14 fiscal year only, the amount of funding per unit of average daily attendance computed for the special education local plan area for the 2013-14 fiscal year shall be used, and multiplied by one plus the inflation adjustment computed pursuant to paragraph (2) of subdivision (d) of Section 42238.02 for the fiscal year in which the computation is being made.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

Low Incidence Disabilities (Amends ECS 56836.22)

SEC. 36. 56836.22. (a) Commencing with the 1985–86 fiscal year, and for each fiscal year thereafter, funds to support specialized books, materials, and equipment as required under the individualized education program for each pupil with low incidence disabilities, as defined in Section 56026.5, shall be determined by dividing the total number of pupils with low incidence disabilities in the state, as reported on December 1 of the prior fiscal year, into the annual appropriation provided for this purpose in the Budget Act.

(b) The per-pupil entitlement determined pursuant to subdivision (a) shall be multiplied by the number of pupils with low incidence disabilities in each special education local plan area to determine the total funds available for each local plan.

(c) The superintendent shall apportion the amount determined pursuant to subdivision (b) to the special education local plan area for purposes of purchasing and coordinating the use of specialized books, materials, and equipment, and/or to provide specialized services for pupils with low incidence disabilities.

(d) As a condition of receiving these funds, the special education local plan area shall ensure that the appropriate books, materials, and equipment are purchased, that the use of the equipment is coordinated as necessary, and that the books, materials, and equipment are reassigned to local educational agencies within the special education local plan area once the agency that originally received the books, materials, and equipment no longer needs them.

(e) It is the intent of the Legislature that special education local plan areas share unused specialized books, materials, and equipment with neighboring special education local plan areas.
CCC Unit Cap and BOG Fee Waiver Reform (Amends ECS 76300 and adds ECS 76305)

**SEC. 37.** 76300. (a) The governing board of each community college district shall charge each student a fee pursuant to this section.

(b) (1) The fee prescribed by this section shall be forty-six dollars ($46) per unit per semester, effective with the summer term of the 2012 calendar year.

(2) The board of governors shall proportionately adjust the amount of the fee for term lengths based upon a quarter system, and also shall proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the board of governors may round the per unit fee and the per term or per session fee to the nearest dollar.

(c) For the purposes of computing apportionments to community college districts pursuant to Section 84750.5, the board of governors shall subtract, from the total revenue owed to each district, 98 percent of the revenues received by districts from charging a fee pursuant to this section.

(d) The board of governors shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee requirement does not apply to any of the following:

1. Students enrolled in the noncredit courses designated by Section 84757.

2. California State University or University of California students enrolled in remedial classes provided by a community college district on a campus of the University of California or a campus of the California State University, for whom the district claims an attendance apportionment pursuant to an agreement between the district and the California State University or the University of California.

3. Students enrolled in credit contract education courses pursuant to Section 78021, if the entire cost of the course, including administrative costs, is paid by the public or private agency, corporation, or association with which the district is contracting and if these students are not included in the calculation of the full-time equivalent students (FTES) of that district.

(f) The governing board of a community college district may exempt special part-time students admitted pursuant to Section 76001 from the fee requirement.

(g) (1) The fee requirements of this section shall be waived for any student who meets all of the following requirements:

(A) Meets minimum academic and progress standards adopted by the board of governors, which fulfill the requirements outlined in this paragraph and paragraphs (2) to (5), inclusive. Any minimum academic and progress standards adopted pursuant to this section shall be uniform across all community college districts and campuses. These standards shall not include a maximum unit cap, and community college districts and colleges shall not impose requirements for fee waiver eligibility other than the minimum academic and progress standards adopted by the board of governors and the requirements of subparagraph (B).

(B) Meets one of the following criteria:
(i) At the time of enrollment, is a recipient of benefits under the Temporary Assistance for Needy Families program, the Supplemental Security Income/State Supplementary Payment Program, or a general assistance program.

(ii) Demonstrates eligibility according to income standards established by regulations of the board of governors equal to or less than 150 percent of the United States Department of Health and Human Services Poverty Guidelines for a family of that size. Family income shall be calculated in accordance with the methodology set forth in federal law for determining if the student is independent or dependent.

(iii) Demonstrates financial need in accordance with the methodology set forth in federal law or regulation for determining the expected family contribution of students seeking financial aid.

(C) Eligibility for subdivisions (B)(i) and (B)(ii) shall be determined by utilizing the Free Application for Federal Student Aid, or a California Dream Act Application, whichever applies.

(2) (A) The board of governors, in consultation with students, faculty, and other key stakeholders, shall consider all of the following in the development and adoption of minimum academic and progress standards pursuant to subparagraph (A) of paragraph (1):

(i) Minimum uniform academic and progress standards that do not unfairly disadvantage financially needy students in pursuing their education.

(ii) Criteria for reviewing extenuating circumstances and granting appeals that, at a minimum, take into account and do not penalize a student for circumstances outside his or her control, such as reductions in student support services or changes to the economic situation of the student.

(iii) A process for reestablishing fee waiver eligibility that provides a student with a reasonable opportunity to continue or resume his or her enrollment at a community college.

(B) To ensure that students are not unfairly impacted by the requirements of subparagraph (A) of paragraph (1), the board of governors shall establish a reasonable implementation period that commences no sooner than one year from adoption of the minimum academic and progress standards, or any subsequent changes to these standards, pursuant to subparagraph (A) of paragraph (1) and that is phased in to provide students adequate notification of this requirement and information about available support resources.

(3) It is the intent of the Legislature that minimum academic and progress standards adopted pursuant to subparagraph (A) of paragraph (1) be implemented only as campuses develop and implement the student support services and interventions necessary to ensure no disproportionate impact to students based on ethnicity, gender, disability, or socioeconomic status. The board of governors shall consider the ability of community college districts to meet the requirements of this paragraph before adopting minimum academic and progress standards, or any subsequent changes to these standards, pursuant to subparagraph (A) of paragraph (1).
(4) It is the intent of the Legislature to ensure that a student shall not lose fee waiver eligibility without a community college campus first demonstrating a reasonable effort to provide a student with adequate notification and assistance in maintaining his or her fee waiver eligibility. The board of governors shall adopt regulations to implement this paragraph that ensure all of the following:

(A) Students are provided information about the available student support services to assist them in maintaining fee waiver eligibility.

(B) Community college district policies and course catalogs reflect the minimum academic and progress standards adopted pursuant to subparagraph (A) of paragraph (1) and that appropriate notice is provided to students before the policies are put into effect.

(C) A student does not lose fee waiver eligibility unless he or she has not met minimum academic and progress standards adopted pursuant to subparagraph (A) of paragraph (1) for a period of no less than two consecutive academic terms.

(5) The board of governors shall provide notification of a proposed action to adopt regulations pursuant to this subdivision to the appropriate policy and fiscal committees of the Legislature in accordance with the requirements of paragraph (1) of subdivision (a) of Section 70901.5. This notification shall include, but not be limited to, all of the following:

(A) The proposed minimum academic and progress standards and information detailing how the requirements of paragraphs (1) to (4), inclusive, have been or will be satisfied.

(B) How many students may lose fee waiver eligibility by ethnicity, gender, disability, and, to the extent relevant data is available, by socioeconomic status.

(C) The criteria for reviewing extenuating circumstances, granting appeals, and reestablishing fee waiver eligibility pursuant to paragraph (2).

(h) The fee requirements of this section shall be waived for any student who, at the time of enrollment, is a dependent or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. “Active service of the state,” for the purposes of this subdivision, refers to a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.

(i) The fee requirements of this section shall be waived for any student who is the surviving spouse or the child, natural or adopted, of a deceased person who met all of the requirements of Section 68120.

(j) The fee requirements of this section shall be waived for any student in an undergraduate program, including a student who has previously graduated from another undergraduate or graduate program, who is the dependent of any individual killed in the September 11, 2001, terrorist attacks on the World Trade Center and the Pentagon or the crash of United Airlines Flight 93 in southwestern Pennsylvania, if that dependent meets the financial need requirements set forth in Section 69432.7 for the Cal Grant A Program and either of the following applies:
(1) The dependent was a resident of California on September 11, 2001.
(2) The individual killed in the attacks was a resident of California on September 11, 2001.

(k) A determination of whether a person is a resident of California on September 11, 2001, for purposes of subdivision (j) shall be based on the criteria set forth in Chapter 1 (commencing with Section 68000) of Part 41 of Division 5 for determining nonresident and resident tuition.

(l) (1) “Dependent,” for purposes of subdivision (j), is a person who, because of his or her relationship to an individual killed as a result of injuries sustained during the terrorist attacks of September 11, 2001, qualifies for compensation under the federal September 11th Victim Compensation Fund of 2001 (Title IV (commencing with Section 401) of Public Law 107-42).

(2) A dependent who is the surviving spouse of an individual killed in the terrorist attacks of September 11, 2001, is entitled to the waivers provided in this section until January 1, 2013.

(3) A dependent who is the surviving child, natural or adopted, of an individual killed in the terrorist attacks of September 11, 2001, is entitled to the waivers under subdivision (j) until that person attains 30 years of age.

(4) A dependent of an individual killed in the terrorist attacks of September 11, 2001, who is determined to be eligible by the California Victim Compensation and Government Claims Board, is also entitled to the waivers provided in this section until January 1, 2013.

(m) (1) It is the intent of the Legislature that sufficient funds be provided to support the provision of a fee waiver for every student who demonstrates eligibility pursuant to subdivisions (g) to (j), inclusive.

(2) From funds provided in the annual Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to 2 percent of the fees waived pursuant to subdivisions (g) to (j), inclusive. From funds provided in the annual Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to ninety-one cents ($0.91) per credit unit waived pursuant to subdivisions (g) to (j), inclusive. It is the intent of the Legislature that funds provided pursuant to this subdivision be used to support the determination of financial need and delivery of student financial aid services, on the basis of the number of students for whom fees are waived. It also is the intent of the Legislature that the funds provided pursuant to this subdivision directly offset mandated costs claimed by community college districts pursuant to Commission on State Mandates consolidated Test Claims 99-TC-13 (Enrollment Fee Collection) and 00-TC-15 (Enrollment Fee Waivers). Funds allocated to a community college district for determination of financial need and delivery of student financial aid services shall supplement, and shall not supplant, the level of funds allocated for the administration of student financial aid programs during the 1992–93 fiscal year.

(n) The board of governors shall adopt regulations implementing this section.
(o) This section shall become operative on May 1, 2012, only if subdivision (b) of Section 3.94 of the Budget Act of 2011 is operative.

SEC. 38. 76305. (a) Beginning in the 2013-14 fiscal year, for courses that students enroll in that exceed the allowed unit cap of 90 units, students shall pay the nonresident tuition fee pursuant to Section 76140, on a per unit basis, for each unit of credit coursework above 90 units.

(b) When calculating the number of units a student completes in the community college system, the board of governors shall exclude the following course units: (1) remedial courses; (2) advanced placement or international baccalaureate units that were obtained while in high school or another secondary school program; and (3) dual enrollment, college-level units obtained by the student prior to receiving a high school diploma.

(c) The board of governors may grant a waiver on a case-by-case basis to students who exceed the allowed unit cap due to factors beyond his or her control, and allow these students to continue to only pay the state-supported tuition fees. For students that are granted waivers, the community college districts are ineligible to receive apportionments pursuant to Sections 84320 and 84321 for those classes. The guidelines and criteria for determining the eligibility of a waiver shall be adopted by the board of governors. The criteria shall include, at minimum, an exception for courses and units that a student enrolled in because he or she was unable to register for courses that would earn credits toward his/her degree program requirements due to lack of access to these courses. It shall be left to the board of governors to determine which course units a student may have accumulated due to his/her inability to enroll in required degree program coursework.

(d) The colleges shall apply the nonresident tuition revenue specified in (a) toward the instructional costs of these courses. Any General Fund savings offset by these revenues should be used to provide additional courses that are in high demand at the colleges.

(e) The board of governors shall report annually to the Legislature, and the Department of Finance, beginning October 1, 2014, on the following information from the preceding academic year: (1) the number of students who exceeded the allowed unit cap specified in (a); (2) the number of students who paid the nonresident student tuition fee pursuant to (a) and the number of excess units that these students completed; (3) the nonresident tuition revenue collected pursuant to (a); (4) how the General Fund savings that were offset by the nonresident student tuition revenue pursuant to (d) were used, including how many additional courses were funded by these General Fund savings; and (5) the number of waivers that were granted pursuant to (c) and the criterion that was used to grant each type of waiver. The reporting requirement pursuant to this subsection shall become inoperative beginning with the 2024-25 fiscal year.

Shift K-12 Apprenticeship Program to CCCs (amends ECS 79146 and 79148, and adds ECS 79149.1, 79149.2, 79149.3, 79149.4, 79149.5, 79149.6)

SEC. 39. 79146. To the extent sufficient resources exist, the board of governors may establish internship training programs and actively support apprenticeship training programs in collaboration with the State Department of Education and the Division of
Apprenticeship Standards. The board of governors may establish internship training programs pursuant to this section for only those occupations not covered by an apprenticeship training program approved by the Division of Apprenticeship Standards of the Department of Industrial Relations prior to January 1, 1998.

SEC. 40. 79148. (a) To the extent that sufficient federal funds and other resources are available, the Division of Apprenticeship Standards, in partnership with the State Department of Education and the California Community Colleges, shall develop and implement innovative apprenticeship training demonstration projects in high-growth industries in emerging and transitioning occupations that meet local labor market needs and that are validated by current labor market data.

(b) The Division of Apprenticeship Standards, in collaboration with the State Department of Education and the California Community Colleges, shall submit a report not later than December 31, 1998, to the Governor and the Legislature containing a summary of educational and vocational outcomes resulting from innovative apprenticeship training demonstration projects. The report shall include a status report on the number of participating registered apprentices as well as a statewide analysis and needs assessment regarding the extent that these apprenticeship training demonstration projects are meeting work force training needs in high growth industries.

SEC. 41. 79149.1. Attendance of apprentices enrolled in any class maintained by a high school, unified school district, regional occupation center or program, community college, or adult school, pursuant to Section 3074 of the Labor Code, shall be reimbursed pursuant to Section 79149.3 only if reported separately to the Chancellor of the California Community Colleges, as appropriate. Attendance reported pursuant to this section shall be used only for purposes of calculating allowances pursuant to Section 79149.3.

SEC. 42. 79149.2. An apprentice attending a high school, unified school district, regional occupational center or program, community college, or adult school in classes of related and supplemental instruction as provided under Section 3074 of the Labor Code and in accordance with the requirements of subdivision (d) of Section 3078 of the Labor Code shall be exempt from the requirements of any interdistrict attendance agreement for such classes.

SEC. 43. 79149.3. (a) The reimbursement rate shall be established in the annual Budget Act and the rate shall be commonly applied to all providers of instruction specified in subdivision (d).

(b) For the purposes of this section, each hour of teaching time may include up to 10 minutes of passing time and breaks.

(c) This section also applies to isolated apprentices, as defined in Section 3074 of the Labor Code, for which alternative methods of instruction are provided.
(d) The Chancellor of the California Community Colleges shall make the reimbursements specified in this section for teaching time provided by high schools, unified school districts, regional occupational centers or programs, community colleges, or adult schools.

(e) Reimbursements may be made under this section for related and supplemental instruction provided to indentured apprentices only if the instruction is provided by a program approved by the Division of Apprenticeship Standards in the Department of Industrial Relations in accordance with Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

SEC. 44. 79149.4. For purposes of the California Firefighter Joint Apprenticeship Program, classes of related and supplemental instruction which qualify for funding pursuant to Section 79149.3, include, but are not limited to, classes which meet both of the following requirements:

(a) The classes are conducted at the workplace.

(b) The person providing instruction is qualified, by means of education or experience, as a journeyman and shares the responsibility for supervision of the apprentices participating in the classes with the certified community college or adult education coordinator.

SEC. 45. 79149.5. The Chancellor of the California Community Colleges, in consultation with the Division of Apprenticeship Standards, shall annually review the amount of state funding necessary to provide the reimbursements specified in Section 79149.3, and shall include an estimate of required funds in their budgets for each fiscal year.

SEC. 46. 79149.6. (a) The Chancellor of the California Community Colleges and the Division of Apprenticeship Standards shall jointly develop a model format for agreements between Joint Apprenticeship Training Councils and local education agencies for instruction pursuant to Section 3074 of the Labor Code.

(b) The Chancellor of the California Community Colleges and the Division of Apprenticeship Standards shall jointly develop a model format for agreements between Joint Apprenticeship Training Councils and local education agencies concerning the calculation and payment of excess costs pursuant to Section 3074 of the Labor Code.

Community College Deferrals (Amends and adds ECS 84321.6)

SEC. 47. 84321.6. (a) Notwithstanding any other law that governs the regulations adopted by the Chancellor of the California Community Colleges to disburse funds, the payment of apportionments to community college districts pursuant to Sections 84320 and 84321 shall be adjusted by the following:

1. For the month of January, one hundred twenty-six million ninety-four thousand dollars ($126,094,000) shall be deferred to July.

2. For the month of February, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.

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(3) For the month of March, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.
(4) For the month of April, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.
(5) For the month of May, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.
(6) For the month of June, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.
(b) In satisfaction of the moneys deferred pursuant to subdivision (a), the sum of eight hundred one million ninety-four thousand dollars ($801,094,000) is hereby appropriated in July of the 2013-14 fiscal year from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts, for expenditure during the 2013-14 fiscal year, to be expended in accordance with Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2012.
(c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (b) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) 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.
(d) This section shall not become operative until December 15, 2012, and shall become operative only if the Schools and Local Public Safety Protection Act of 2012 (Attorney General reference number 12-0009) is approved by the voters at the November 6, 2012, statewide general election, and all of the provisions of that act that modify personal income tax rates become operative. If the Schools and Local Public Safety Protection Act of 2012 (Attorney General reference number 12-0009) is not approved by the voters at the November 6, 2012, statewide general election, or if the provisions of that act that modify personal income tax rates do not become operative due to a conflict with another initiative measure that is approved at the same election and receives a greater number of affirmative votes, this section shall not become operative and shall be repealed on January 1, 2013, as of January 1, 2014, is repealed.

SEC. 48. 84321.6. (a) Notwithstanding any other law that governs the regulations adopted by the Chancellor of the California Community Colleges to disburse funds, the payment of apportionments to community college districts pursuant to Sections 84320 and 84321 shall be adjusted by the following:
(1) For the month of February, eight-two million forty-five thousand dollars ($82,045,000) shall be deferred to July.
(2) For the month of March, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.
(3) For the month of April, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.
(4) For the month of May, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.
(5) For the month of June, one hundred thirty-five million dollars ($135,000,000) shall be deferred to July.
(b) In satisfaction of the moneys deferred pursuant to subdivision (a), the sum of six hundred twenty-two million forty-five thousand dollars ($622,045,000) is hereby appropriated in July of the 2014-15 fiscal year from the General Fund to the Board of
Governors of the California Community Colleges for apportionments to community college districts, for expenditure during the 2014-15 fiscal year, to be expended in accordance with Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2013.

(c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (b) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202, for the 2014-15 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2014-15 fiscal year.

(d) This section shall not become operative until December 15, 2013, and, as of January 1, 2015, is repealed.

CCC Eliminate the Instructional Improvement Program (Repeals Article 7, commencing with Section 84381)

SEC. 49. Repeal Article 7, of Chapter 3, of Part 50, of Division 7, of Title 3 of the California Education Code (commencing with Section 84381).

Community College Attendance Accounting Reform (Amends ECS 84501)

SEC. 50. 84501. (a) Commencing with the 1991-92 fiscal year, the term “community college average daily attendance” (ADA) means full-time equivalent student (FTES) as that term is defined by regulations adopted by the Board of Governors of the California Community Colleges.

(b) Notwithstanding any other provision of law, these regulations shall be amended by the Board of Governors of the California Community Colleges to ensure that FTES are computed based on student contact hours of active enrollment as of the end of the term. This provision shall be phased in over a five-year period until 100 percent of the FTES are computed based on student contact hours of active enrollment as of the end of the term in the 2017-18 fiscal year.

(c) Any savings realized from the attendance accounting adjustments pursuant to this section and the regulations subsequently amended and adopted by the Board of Governors of the California Community Colleges shall be allocated to the community college districts from which the savings were originated for use for the Student Success and Support Program (commencing with Section 78210).

(d) The Board of Governors shall adopt regulations to redirect monies reinvested into the Student Success and Support Program pursuant to subdivision (c) of this section from community colleges which are not increasing completion rates over a reasonable time period, to be defined by the Board of Governors, to other colleges. The Chancellor’s Office shall evaluate the effectiveness of reinvesting savings into the Student Success and Support Program pursuant to subdivision (c) of this section and
provide a report with recommendations to the Department of Finance, the Legislative Analyst's Office, and the Legislature by September 30, 2015.

(e) Commencing with the 2013-14 fiscal year, regulations shall be amended by the Board of Governors of the California Community Colleges to ensure that FTES computed and funding allocated by this section shall exclude any units from students with more than 90 units.

Shift Responsibility for Adult Education to CCCs (Amends ECS 84750.5, 84756, 84757, 84759, and 84760.5)

SEC. 51. 84750.5. (a) The board of governors, in accordance with the statewide requirements contained in paragraphs (1) to (11), inclusive, of subdivision (d), and in consultation with institutional representatives of the California Community Colleges and statewide faculty and staff organizations, so as to ensure their participation in the development and review of policy proposals, shall develop criteria and standards for the purposes of making the annual budget request for the California Community Colleges to the Governor and the Legislature, and for the purpose of allocating the state general apportionment revenues.

(b) In developing the criteria and standards, the board of governors shall utilize and strongly consider the recommendations and work product of the “System Office Recommendations Based on the Report of the Work Group on Community College Finance” that was adopted by the board at its meeting of March 7, 2005. The board shall complete the development of these criteria and standards, accompanied by the necessary procedures, processes, and formulas for utilizing its criteria and standards, by March 1, 2007, and shall submit on or before that date a report on these items to the Legislature and the Governor.

(c) (1) It is the intent of the Legislature in enacting this section to improve the equity and predictability of general apportionment and growth funding for community college districts in order that the districts may more readily plan and implement instruction and related programs, more readily serve students according to the policies of the state’s master plan for higher education, and enhance the quality of instruction and related services for students.

(2) It is the intent of the Legislature to determine the amounts to be appropriated for the purposes of this section through the annual Budget Act. Nothing in this section shall be construed as limiting the authority either of the Governor to propose, or the Legislature to approve, appropriations for California Community Colleges programs or purposes.

(d) The board of governors shall develop the criteria and standards within the following statewide minimum requirements:

(1) The calculations of each community college district’s revenue level for each fiscal year shall be based on the level of general apportionment revenues (state and local) the district received for the prior year plus any amount attributed to a deficit from the adopted standards to be developed pursuant to this section, with revenue adjustments
being made for increases or decreases in full time equivalent students (FTES), for equalization of funding per credit FTES, for necessary alignment of funding per FTES between credit and noncredit programs, for inflation, and for other purposes authorized by law.

(2) Commencing with the 2006–07 fiscal year, the funding mechanism developed pursuant to this section shall recognize the need for community college districts to receive an annual allocation based on the number of colleges and comprehensive centers in the district. In addition to this basic allocation, the marginal amount of credit revenue allocated per FTES shall be funded at a rate not less than four thousand three hundred sixty-seven dollars ($4,367), as adjusted for the change in the cost-of-living in subsequent annual budget acts.

(A) To the extent that the Budget Act of 2006 contains an appropriation of one hundred fifty-nine million four hundred thirty-eight thousand dollars ($159,438,000) for community college equalization, the Legislature finds and declares that community college equalization for credit FTES has been effectively accomplished as of March 31, 2007.

(B) The chancellor shall develop criteria for the allocation of one-time grants for those districts that would have qualified for more equalization under prior law than pursuant to this section and the Budget Act of 2006, and for those districts that would have qualified for more funding under a proposed rural college access grant than pursuant to this section and the Budget Act of 2006, as determined by the chancellor. Appropriations for the one-time grants shall be provided pursuant to paragraph (24) of subdivision (a) of Section 43 of Chapter 79 of the Statutes of 2006.

(3) Noncredit instruction shall be funded at a uniform rate of two thousand six hundred twenty-six dollars ($2,626) per FTES, as adjusted for the change in the cost-of-living provided in subsequent annual budget acts.

(4) Funding for instruction in career development and college preparation, as authorized pursuant to Section 84760.5, shall be provided as follows:

(A) Beginning in the 2006–07 fiscal year, career development and college preparation FTES may be funded at a rate of three thousand ninety-two dollars ($3,092) per FTES for courses in programs that conform to the requirements of Section 84760.5. This rate shall be adjusted for the change in the cost-of-living or as otherwise provided in subsequent annual budget acts.

(B) Changes in career development and college preparation FTES shall result in adjustments to revenues as follows:

(i) Increases in career development and college preparation FTES shall result in an increase in revenues in the year of the increase and at the average rate per career development and college preparation FTES, including any cost-of-living adjustment authorized by statute or by the annual Budget Act.

(ii) Decreases in career development and college preparation FTES shall result in a revenue reduction in the year following the decrease and at the average rate per career development and college preparation FTES.

(5) Except as otherwise provided by statute, current categorical programs providing direct services to students, including extended opportunity programs and services, and
disabled students programs and services, shall continue to be funded separately through
the annual Budget Act, and shall not be assumed under the budget formula otherwise
specified by this section.

(6) (4) For credit and noncredit instruction, changes in FTES shall result in adjustments
in district revenues as follows:
(A) Increases in FTES shall result in an increase in revenues in the year of the increase
and at the amount per FTES provided for in paragraph (2) or (3), as appropriate,
including any cost-of-living adjustment authorized by statute or by the annual Budget
Act.
(B) Decreases in FTES shall result in revenue reductions beginning in the year following
the initial year of decrease in FTES, and at the district’s marginal funding per FTES.
(C) Districts shall be entitled to the restoration of any reductions in apportionment
revenue due to decreases in FTES during the three years following the initial year of
decrease in FTES if there is a subsequent increase in FTES.

(7) (5) Revenue adjustments shall be made to reflect cost changes, using the same
inflation adjustment as required for school districts pursuant to paragraph (2) of
subdivision (b) of Section 42238.102. These revenue adjustments shall be made to
the college and center basic allocations, credit and noncredit-FTES funding rates, and
career development and college preparation-FTES funding rates.

(8) (6) The statewide requested increase in budgeted workload FTES shall be based, at
a minimum, on the sum of the following computations:
(A) Determination of an equally weighted average of the rate of change in the California
population of persons between the ages of 19 and 24 and the rate of change in the
California population of persons between the ages of 25 and 65, both as determined by
the Department of Finance’s Demographic Research Unit as determined for the
preceding fiscal year.
(B) To the extent the California unemployment rate exceeds 5 percent for the most
recently completed fiscal year, that positive difference shall be added to the rate
computed in subparagraph (A). In no event shall that positive difference exceed 2
percent.
(C) The chancellor may also add to the amounts calculated pursuant to subparagraphs
(A) and (B) the number of transfer FTES in the areas of transfer, vocational education,
and basic skills that were unfunded in the current fiscal year. For this purpose, the
following computation shall be determined for each district, and a statewide total shall be
calculated:
(i) Establish the base level of FTES earned in the prior fiscal year for transfer courses
consisting of courses meeting the California State University breadth or Intersegmental
General Education Transfer Curriculum requirements or major course prerequisites
accepted by the University of California or the California State University.
(ii) Establish the base level of FTES earned in the prior fiscal year for vocational
education courses consisting of courses defined by the chancellor’s office Student
Accountability Model codes A and B that are consistent with the courses used for
measuring success in this program area under the accountability system established pursuant to Section 84754.5.

(iii) Establish the base level of FTES in the prior fiscal year for basic skills courses, both credit and noncredit.

(iv) Add the sum of FTES for clauses (i) to (iii), inclusive.

(v) Multiply the result of the calculation made under clause (iv) by one plus the district’s funded growth rate in the current fiscal year. This figure shall represent the maintenance of effort level for the budget year.

(vi) FTES in transfer, vocational education, and basic skills that are in excess of the total calculated pursuant to clause (v), shall be considered in excess of the maintenance of effort level, and shall be eligible for overcap growth funding if the district exceeds its overall funded FTES.

(vii) In no event shall the amount calculated pursuant to clause (vi) exceed the total unfunded FTES for that fiscal year. To the extent the computation specified in subdivision (c) requires the reporting of additional data by community college districts, that reporting shall be a condition of the receipt of apportionment for growth pursuant to this section and those funds shall be available to offset any and all costs of providing the data.

(9) Except as provided in subparagraph (B) of paragraph (6), for the 2006–07 fiscal year or for the first fiscal year for which this section is implemented by the board of governors, whichever is later, all districts shall receive at least the amount of revenue received for the prior fiscal year, adjusted for the cost-of-living adjustment specified in paragraph (2) of subdivision (b) of Section 42238.1 and adjusted for the actual increase in FTES not to exceed the district’s funded growth cap. Thereafter, allocations shall be made pursuant to this section, as implemented by the board of governors pursuant to the annual Budget Act.

(10) Except as specifically provided in statute, regulations of the board of governors for determining and allocating the state general apportionment to the community college districts shall not require district governing boards to expend the allocated revenues in specified categories of operation or according to the workload measures developed by the board of governors.

(e) This section shall become operative on October 1, 2006.

SEC. 52. 84756. It is the intent of the Legislature that community college districts with noncredit adult education programs recognize the importance of noncredit adult education programs and that they will continue to support these offerings. It is also the intent of the Legislature that community college districts with noncredit programs consider the need for both credit and noncredit allocations in allocating future growth pursuant to board of governors regulations.

SEC. 53. 84757. (a) For purposes of this chapter, the following noncredit adult education courses and classes shall be eligible for funding provided by the annual
Budget Act through the Adult Education Block Grant and allocated pursuant to subsection (c) of this section:

1. Parenting, including parent cooperative preschools, classes in child growth and development and parent-child relationships.
2. Elementary and secondary basic skills and other courses and classes such as remedial academic courses or classes in reading, mathematics, and language arts.
3. English as a second language.
4. Classes and courses for immigrants eligible for educational services in citizenship, English as a second language, and workforce preparation classes in the basic skills of speaking, listening, reading, writing, mathematics, decisionmaking and problem solving skills, and other classes required for preparation to participate in job-specific technical training.
5. Education programs for persons with substantial disabilities.
6. Short-term vocational programs with high employment potential.
7. Education programs for older adults.
8. Education programs for home economics.

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

(c) Funds provided in the annual Budget Act for adult education courses and classes shall be allocated to community college districts based on an equal rate of funding per full time equivalent student (FTES). The Chancellor’s Office, in consultation with the State Department of Education, shall issue guidelines to ensure that adult education funding allocated to community college districts is appropriately used to reflect the existing capacities and expertise of adult schools operated by local educational agencies and that adult education is accessible to people living in all geographic areas of the state. Community college districts are authorized to contract with these local educational agencies to provide adult education.

SEC. 54. 84759. (a) As used in this section, the following terms mean:
1. “CalWORKs recipient” means a recipient of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program.
2. “Direct excess costs” means the fixed, variable, and one-time costs associated with providing noncredit instructional services to CalWORKs recipients, as determined by the chancellor’s office.
(b) Notwithstanding any other provision of law, a community college district, to the extent funding is made available in the annual Budget Act, shall receive funding for noncredit adult education instruction developed for and targeted to CalWORKs recipients, including funding to offset the direct excess cost of providing noncredit adult education instruction to CalWORKs recipients when the cost of providing a specific course offering exceeds the average cost of noncredit adult education instruction.
SEC. 55. 84760.5. (a) For purposes of this chapter, the following career development and college preparation courses and classes for which no credit is given, and that are offered in a sequence of courses leading to a certificate of completion, that lead to improved employability or job placement opportunities, or to a certificate of competency in a recognized career field by articulating with college-level coursework, completion of an associate of arts degree, or for transfer to a four-year degree program, shall be eligible for funding subject to subdivision (b):

(1) Classes and courses in elementary and secondary basic skills.
(2) Classes and courses for students, eligible for educational services in workforce preparation classes, in the basic skills of speaking, listening, reading, writing, mathematics, decisionmaking, and problem solving skills that are necessary to participate in job-specific technical training.
(3) Short-term vocational programs with high-employment potential, as determined by the chancellor in consultation with the Employment Development Department utilizing job demand data provided by that department.
(4) Classes and courses in English as a second language and vocational English as a second language.

(b) The board of governors shall adopt criteria and standards for the identification of career development and college preparation courses and the eligibility of these courses for funding, including the definition of courses eligible for funding pursuant to subdivision (a). The criteria and standards shall be based on recommendations from the chancellor, the statewide academic senate, and the statewide association of chief instructional officers. The career and college preparation courses to be identified for this higher rate of funding should include suitable courses that meet one or more of the qualifications described in subdivision (a).

(c) A district that offers courses described in subdivision (a), but that is not eligible for funding under subdivision (b), shall be eligible for funding under Section 84757.

(d) The chancellor, in consultation with the Department of Finance and the Office of the Legislative Analyst, shall develop specific outcome measures for career development and college preparation courses for incorporation into the annual report required by subdivision (b) of Section 84754.5.

(e) The chancellor shall prepare and submit to the Department of Finance and the Legislature, on or before July 1 of each year, a report that details, at a minimum, the following:

(1) The amount of FTES claimed by each community college district for career development and college preparation courses and classes.
(2) The specific certificate programs and course titles of career development and college preparation courses and classes receiving additional funding pursuant to this section, as well as the number of those courses and classes receiving additional funding.

Supplemental Tuition for Excess Units for CSU Undergraduate Students (Adds ECS 89705.5)
SEC. 56. 89705.5. (a) Beginning in academic year 2013-14, for courses that undergraduate resident students enroll in that exceed 150 percent of the units needed to satisfy the degree requirements for a specified undergraduate program, hereinafter referred to as the “base unit standard”, students shall pay the supplemental nonresident tuition rate, as determined by the trustees as authorized in Section 89705, on a per unit basis, in addition to the state-supported systemwide tuition and fees. Beginning in academic year 2015-16, for courses that undergraduate resident students enroll in that exceed 125 percent of the base unit standard, students shall pay the supplemental nonresident tuition rate, on a per unit basis, in addition to the state-supported systemwide tuition and fees.

(b) Beginning in academic year 2013-14, for courses that resident students who transfer to the California State University from a community college with junior year status enroll in that exceed 150 percent of the additional units needed to complete the degree requirements for a specified undergraduate program at the university within two years, hereinafter referred to as the “transfer base unit standard”, students shall pay the supplemental nonresident tuition rate, on a per unit basis, in addition to the state-supported systemwide tuition and fees. Beginning in academic year 2015-16, for courses that resident transfer students enroll in that exceed 125 percent of the transfer base unit standard, students shall pay the supplemental nonresident tuition rate, on a per unit basis, in addition to the state-supported systemwide tuition and fees.

(c) When calculating the number of units a student completes at the university, the California State University shall exclude the following course units: (1) remedial courses; (2) advanced placement or international baccalaureate units that were obtained while in high school or another secondary school program; and (3) dual enrollment, college-level units obtained by the student prior to receiving a high school diploma.

(d) The California State University trustees may grant a waiver on a case-by-case basis to students who exceed the allowed unit cap due to factors beyond their control, and allow these students to continue to only pay the state-supported systemwide tuition and fees. The guidelines and criteria for determining the eligibility of a waiver shall be adopted by the trustees. The criteria shall include, at a minimum, an exception for courses and units that a student enrolled in because he/she was unable to register for courses that would earn credits toward his/her degree program requirements due to lack of access to these courses. It shall be left to the university to determine which course units a student may have accumulated due to his/her inability to enroll in required degree program coursework.

(e) The university shall apply the supplemental nonresident student tuition revenue specified in (a) and (b) toward the instructional costs of these courses. Any General Fund savings offset by these supplemental revenues should be used to provide additional undergraduate courses or course sections that are in high demand at the university.

(f) The university shall report annually to the Legislature and the Department of Finance, beginning October 1, 2014, on the following information from the preceding academic year: (1) the number of students who exceeded the allowed unit cap specified in (a) and (b); (2) the number of students who paid the supplemental nonresident student tuition pursuant to (a) and (b) and the number of excess units that these students completed; (3) the supplemental nonresident tuition revenue collected pursuant to (a) and (b); (4) how the General Fund savings that were offset by the supplemental nonresident student tuition revenue pursuant to (e) were used, including how many additional courses or course sections were funded by these General Fund savings; and (5) the number of waivers that were granted pursuant to (d) and the criterion that was used to grant each
type of waiver. The reporting requirement pursuant to this subsection shall become inoperative beginning with the 2024-25 fiscal year.

Supplemental Tuition for Excess Units for UC Undergraduate Students (Adds Article 7.0, of Chapter 6, of Part 57, of Division 9, of Title 3 of the California Education Code, commencing with Section 92665)

SEC. 57. Add Article 7.0, of Chapter 6, of Part 57, of Division 9, of Title 3 of the California Education Code: Supplemental Tuition for Excess Units

92665. (a) Beginning in academic year 2013-14, it is requested that, for courses that undergraduate resident students enroll in that exceed 150 percent of the units needed to satisfy the degree requirements for a specified undergraduate program, hereinafter referred to as the “base unit standard”, students shall pay the supplemental nonresident tuition rate, on a per unit basis, in addition to the state-supported systemwide tuition and fees. Beginning in academic year 2015-16, it is requested that, for courses that undergraduate resident students enroll in that exceed 125 percent of the base unit standard, students shall pay the supplemental nonresident tuition rate, on a per unit basis, in addition to the state-supported systemwide tuition and fees.

(b) Beginning in academic year 2013-14, it is requested that, for courses that resident students who transfer to the University of California from a community college with junior year status enroll in that exceed 150 percent of the additional units needed to complete the degree requirements for a specified undergraduate program at the university within two years, hereinafter referred to as the “transfer base unit standard”, students shall pay the supplemental nonresident tuition rate, on a per unit basis, in addition to the state-supported systemwide tuition and fees. Beginning in academic year 2015-16, it is requested that, for courses that resident transfer students enroll in that exceed 125 percent of the transfer base unit standard, students shall pay the supplemental nonresident tuition rate, on a per unit basis, in addition to the state-supported systemwide tuition and fees.

(c) When calculating the number of units a student completes at the university, the University of California shall exclude the following course units: (1) remedial courses; (2) advanced placement or international baccalaureate units that were obtained while in high school or another secondary school program; and (3) dual enrollment, college-level units obtained by the student prior to receiving a high school diploma.

(d) The University of California regents may grant a waiver on a case-by-case basis to students who exceed the allowed unit cap due to factors beyond their control, and allow these students to continue to only pay the state-supported systemwide tuition and fees. The guidelines and criteria for determining the eligibility of a waiver shall be adopted by the regents. The criteria shall include, at a minimum, an exception for units and courses that a student enrolled in because he/she was unable to register for courses that would earn credits toward his/her degree program requirements due to lack of access to these courses. It shall be left to the university to determine which course units a student may have accumulated due to his/her inability to enroll in required degree program coursework.

(e) The university shall apply the supplemental nonresident student tuition revenue specified in (a) and (b) toward the instructional costs of these courses. Any General Fund savings offset by these supplemental revenues should be used to provide
additional undergraduate courses or course sections that are in high demand at the university.

(f) The university shall report annually to the Legislature and the Department of Finance, beginning October 1, 2014, on the following information from the preceding academic year: (1) the number of students who exceeded the allowed unit cap specified in (a) and (b); (2) the number of students who paid the supplemental nonresident student tuition pursuant to (a) and (b) and the number of excess units that these students completed; (3) the supplemental nonresident tuition revenue collected pursuant to (a) and (b); (4) how the General Fund savings that were offset by the supplemental nonresident student tuition revenue pursuant to (e) were used, including how many additional courses or course sections were funded by these General Fund savings; and (5) the number of waivers that were granted pursuant to (d) and the criterion that was used to grant each type of waiver. The reporting requirement pursuant to this subsection shall become inoperative beginning with the 2024-25 fiscal year.

Specify Future Adjustments of Budget Allocation for State Retirement Costs for CSU Employees (Adds ECS 89762)

SEC. 58. 89762. The California State University’s contributions to the Public Employees’ Retirement Fund as provided by Government Code section 20822 are based on pensionable compensation and the rates set forth in the Budget Act to be paid out of the California State University total appropriation in the annual Budget Act. Beginning in 2013-14 and thereafter, annual adjustments to the budget allocation for California State University pension contributions will be based on the university’s actual 2012-13 pensionable payroll as identified by the State Controller’s Office, by funding source and state member categories, and the incremental change in the rates set forth in the annual Budget Act. Budget adjustments will not be made for subsequent changes in payroll. Pension funding for the university will subsequently be identified annually in the Budget Act.

Require UC to Report on Cost of Education, Broken out by Undergraduate and Graduate Instructional Costs and Research Activities (Adds Article 7.5, of Chapter 6, of Part 57, of Division 9, of Title 3 of the California Education Code, commencing with Section 92670)

SEC. 59. Add Article 7.5, of Chapter 6, of Part 57, of Division 9, of Title 3 of the California Education Code: Expenditures for Undergraduate Instruction, Graduate Instruction, and Research Activities – Reporting Requirements

92670. The University of California shall report biennially to the Legislature and the Department of Finance, beginning October 1, 2014, on the total general campus costs of education, on a systemwide and a campus-by-campus basis, segregated by undergraduate instruction, graduate instruction, and research activities. The costs shall also be reported by fund source, including (1) state General Fund, (2) systemwide tuition and fees and professional fees, (3) nonresident supplemental tuition and other student fees, and (4) all other sources of income. For purposes of this report, undergraduate and graduate research for which a student earns credit toward their degree program shall be included under instructional costs.
Require CSU to Report on Cost of Education, Broken out by Undergraduate and Graduate Instructional Costs and Research Activities (Adds Article 10, of Chapter 2, of Part 55, of Division 8, of Title 3 of the California Education Code, commencing with Section 89290)

SEC. 60. Add Article 10, of Chapter 2, of Part 55, of Division 8, of Title 3 of the California Education Code: Expenditures for Undergraduate Instruction, Graduate Instruction, and Research Activities – Reporting Requirements

89290. The California State University shall report biennially to the Legislature and the Department of Finance, beginning October 1, 2014, on the total costs of education, on a systemwide and a campus-by-campus basis, segregated by undergraduate instruction, graduate instruction, and research activities. The costs shall also be reported by fund source, including (1) state General Fund, (2) systemwide tuition and fees, (3) nonresident tuition and fees and other student fees, and (4) all other sources of income. For purposes of this report, undergraduate and graduate research for which a student earns credit toward their degree program shall be included under instructional costs.

Cash Deferral for CSU (Adds Government Code Section 13313)

SEC. 61. 13313. (a) Notwithstanding any other provision of law, in order to achieve effective cash management of state resources, the Director of Finance may defer payment of General Fund moneys, in a cumulative amount not to exceed two hundred fifty million dollars ($250,000,000) annually, appropriated to the California State University in the annual Budget Act.

(b) The payment of the amount deferred shall be in May or June, as established by the Director of Finance, of the same fiscal year that the original payment would have been made.

Mandates Suspensions (Amends Government Code Section 17581.5)

SEC. 62. 17581.5. (a) A school district or community college district shall not be required to implement or give effect to the statutes, or a portion of the statutes, identified in subdivision (c) during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply:

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

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

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

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

1. School Bus Safety I (CSM-4433) and II (97-TC-22) (Chapter 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994; and Chapter 739 of the Statutes of 1997).
2. County Treasury Withdrawals (96-365-03; and Chapter 784 of the Statutes of 1995 and Chapter 156 of the Statutes of 1996).
4. Law Enforcement Sexual Harassment Training (97-TC-07; and Chapter 126 of the Statutes of 1993).

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

1. Removal of Chemicals (Chapter 1107 of the Statutes of 1984 and CSM 4211 and 4298).
2. Scoliosis Screening (Chapter 1347 of the Statutes of 1980 and CSM 4195).
4. Integrated Waste Management (Chapter 1116 of the Statutes of 1992 and 00-TC-07).
5. Law Enforcement Jurisdiction Agreements (Chapter 284 of the Statutes of 1998 and 98-TC-20).
7. Sexual Assault Response Procedures (Chapter 423 of the Statutes of 1990 and 99-TC-12).
8. Student Records (Chapter 593 of the Statutes of 1989 and 02-TC-34).
10. Brendon Maquire Act (Chapter 391 of the Statutes of 1988 and CSM-4357)
11. California Public Records Act (Chapter 982 of the Statutes of 2000; Chapter 982 of the Statutes of 2001; Chapter 355 of the Statutes of 2001; Chapter 463 of the Statutes of 1992, 02-TC-10; and 02-TC-51)

Mandates Block Grant (Amends Government Code Section 17581.6)
SEC. 63. 17581.6. (a) Commencing with the 2012–13 fiscal year, funds provided in Item 6110-296-0001 of Section 2.00 of the annual Budget Act shall be allocated as block grants to school districts, charter schools, and county offices of education to support all of the mandated programs described in subdivision (d).

(b) (1) Notwithstanding any other law, each fiscal year a school district or county office of education may receive funding for the performance of the mandated activities listed in subdivision (d) either through the block grant established pursuant to this section or by claiming reimbursement pursuant to Section 17560. A school district or county office of education that claims reimbursement for any mandated activities pursuant to Section 17560 for mandated costs incurred during a fiscal year shall not be eligible for funding pursuant to this section for the same fiscal year.

(2) A school district and county office of education that elects to receive block grant funding instead of seeking reimbursement pursuant to Section 17560 shall, and any charter school that elects to receive block grant funding shall, submit a letter of intent to the Superintendent of Public Instruction on or before September 30 of each year requesting block grant funding pursuant to this section. The Superintendent of Public Instruction shall distribute funding provided pursuant to subdivision (a) to school districts, charter schools, and county offices of education pursuant to the rates set forth in Item 6110-296-0001 of Section 2.00 of the annual Budget Act. Funding distributed pursuant to this section is in lieu of reimbursement pursuant to Section 6 of Article XIII B of the California Constitution for the performance of all activities specified in subdivision (d) as those activities pertain to school districts and county offices of education. A school district, county office of education, or charter school that submits a letter of intent and receives block grant funding pursuant to this section shall not also be eligible to submit a claim for reimbursement of costs incurred for a mandated program set forth in subdivision (d) for the fiscal year for which the block grant funding is received.

(c) Block grant funding provided to school districts, charter schools, and county offices of education pursuant to this section is subject to annual audits required by Section 41020 of the Education Code.

(d) Block grant funding provided pursuant to this section to individual school districts, charter schools, and county offices of education is to support all of the following mandated programs:

(1) Absentee Ballots (CSM 3713; Chapter 77 of the Statutes of 1978 and Chapter 1032 of the Statutes of 2002).

(2) Academic Performance Index (01-TC-22; Chapter 3 of the Statutes of 1999, First Extraordinary Session; and Chapter 695 of the Statutes of 2000).

(3) 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).

(4) 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).

(5) Behavioral Intervention Plans (CSM 4464).

(6) California State Teachers’ Retirement System 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) Caregiver Affidavits (CSM 4497; Chapter 98 of the Statutes of 1994).


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


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).

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).

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).

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).

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

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

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

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

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

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

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

High School Exit Examination (00-TC-06; Chapter 1 of the Statutes of 1999, First Extraordinary Session; and Chapter 135 of the Statutes of 1999).

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

Immunization Records—Hepatitis B (98-TC-05; Chapter 325 of the Statutes of 1978; Chapter 435 of the Statutes of 1979; Chapter 472 of the Statutes of 1982; Chapter
(24) (26) 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).

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

(26) (28) Juvenile Court Notices II (CSM 4475; Chapters 1011 and 1423 of the Statutes of 1984; Chapter 1019 of the Statutes of 1994; and Chapter 10 of the Statutes of 1990).

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

(28) (29) 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).

(29) Open Meetings/Brown Act Reform (CSM 4257 and CSM 4469; Chapter 641 of the Statutes of 1986; and Chapters 1136, 1137, and 1138 of the Statutes of 1993).

(30) (31) Physical Performance Tests (96-365-01; Chapter 975 of the Statutes of 1975).

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


(33) (34) 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).


(35) (36) Pupil Expulsions (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).

(36) (37) Pupil Expulsion Appeals (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).

(37) (38) Pupil Suspensions (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).

(38) (39) 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).

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


(44) (42) 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).

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

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

(e) The Superintendent of Public Instruction shall compile a list of all school districts, charter schools, and county offices of education that received block grant funding in the prior fiscal year pursuant to this section. This list shall include the total amount each school district, charter school, and county office of education received. The Superintendent of Public Instruction shall provide this information to the appropriate fiscal and policy committees of the Legislature, the Controller, the Department of Finance, and the Legislative Analyst Office on or before September 9 of each year.

Provide CSU the Authority to Negotiate and Set Employee Health Benefits
(Amends Government Code Section 22871.5)

SEC. 64. 22871.5. (a) Notwithstanding Section 22871, the employer contribution with respect to each excluded employee, as defined by subdivision (b) of Section 3527, who is otherwise eligible shall be determined by the Department of Human Resources subject to the appropriation of funds by the Legislature.

(b) Notwithstanding Section 22871, the employer contribution with respect to each state employee, as defined by subdivision (c) of Section 3513, who is otherwise eligible shall be determined through the collective bargaining process subject to the appropriation of funds by the Legislature.

(c) Notwithstanding Section 22871, the employer contribution with respect to each California State University employee who, pursuant to subdivision (e) of Section 3562, is excluded from coverage of Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, including those in an academic position, who is otherwise eligible shall be determined by the Board of Trustees of the California State University. This employer contribution rate shall not be lower than the rate for excluded employees as determined by the Department of Human Resources pursuant to subdivision (a).

(d) Notwithstanding Section 22871, the employer contribution with respect to each California State University employee who is covered by the provisions of Chapter 12 (the Higher Education Employer-Employee Relations Act (HEERA)) of Division 4 of Title 1, including those in an academic position, who is otherwise eligible shall be determined through the collective bargaining process, subject to the following:

(1) The employer contribution rate shall be a flat dollar amount not less than an amount equal to 80 percent of the weighted average of the basic health benefit plan premiums for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefit plans that had the largest

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active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer contribution rate shall be a flat dollar amount not less than 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. The established flat dollar amounts shall be adjusted as appropriate for the applicable year(s) a memorandum of understanding is in effect. There shall be no further adjustment to the amount(s) in subsequent years without a negotiated agreement.

(2) The employer shall not use impasse procedures to lower an employer contribution rate below the rates allowed by subparagraph (1).

(3) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to HEERA, the memorandum of understanding shall be controlling without further legislative action.

Current Year Backfill of Education Protection Account Funds for CCCs (Adds uncodified section)

SEC. 65. (a) On or before June 30, 2013, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Board of Governors of the California Community Colleges in augmentation of Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2012.

(b) The funds appropriated in subdivision (a) shall only be available to the extent that revenues distributed to community colleges pursuant to subparagraph (A) of paragraph (3) of subdivision (e) of Section 36, of Article XIII of the California Constitution are less than the estimated amount reflected in the Budget Act of 2012, as determined by the Director of Finance.

(c) On or before June 30, 2013, the Director of Finance shall determine if the revenues distributed to community college districts pursuant to subparagraph (A) of paragraph (3) of subdivision (e) Section 36, of Article XIII of the California Constitution exceed the estimated amount reflected in the Budget Act of 2012 and shall reduce Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2012 by that same amount.

(d) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (a) or to make the reduction pursuant to subdivision (c), and the amount needed to address the Education Protection Account shortfall determined pursuant to subdivision (b) or the amount of the reduction made pursuant to subdivision (c). The Controller shall make the funds available not sooner than five days after this notification and the Office of the Chancellor of the California Community Colleges shall work with the Controller to allocate these funds to community college districts as soon as practicable.

(e) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, 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 of the Education Code, for the 2012-13 fiscal year.

Budget Year Backfill of Education Protection Account Funds for CCCs (Adds uncodified section)

SEC. 66. (a) On or before June 30, 2014, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Board of Governors of the California Community Colleges in augmentation of Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2013.
(b) The funds appropriated in subdivision (a) shall only be available to the extent that revenues distributed to community colleges pursuant to subparagraph (A) of paragraph (3) of subdivision (e) of Section 36, of Article XIII of the California Constitution are less than the estimated amount reflected in the Budget Act of 2013, as determined by the Director of Finance.
(c) On or before June 30, 2014, the Director of Finance shall determine if the revenues distributed to community college districts pursuant to subparagraph (A) of paragraph (3) of subdivision (e) of Section 36, of Article XIII of the California Constitution exceed the estimated amount reflected in the Budget Act of 2013 and shall reduce Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2013 by that same amount.
(d) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (a) or to make the reduction pursuant to subdivision (c), and the amount needed to address the Education Protection Account shortfall determined pursuant to subdivision (b) or the amount of the reduction made pursuant to subdivision (c). The Controller shall make the funds available not sooner than five days after this notification and the Office of the Chancellor of the California Community Colleges shall work with the Controller to allocate these funds to community college districts as soon as practicable.
(e) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2013-14 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2013-14 fiscal year.

Backfill of Redevelopment Agencies Revenues for CCCs (Adds uncodified section)

SEC. 67. (a) On or before June 30, 2014, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Board of Governors of the California Community Colleges in augmentation of Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2013.
(b) The funds appropriated in subdivision (a) shall only be available to the extent that revenues distributed to community colleges pursuant to Sections 34177, 34179.5,
34179.6, and 34188 of the Health and Safety Code are less than the estimated amount reflected in the Budget Act of 2013, as determined by the Director of Finance.

(c) On or before June 30, 2014, the Director of Finance shall determine if the revenues distributed to community college districts pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code exceed the estimated amount reflected in the Budget Act of 2013 and shall reduce Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2013 by the amount of that excess.

(d) In making the determinations pursuant to subdivisions (b) and (c), the Director of Finance shall consider any other local property tax revenues and student fee revenues collected in excess or in deficit of the estimated amounts reflected in the Budget Act of 2013.

(e) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (a) or to make the reduction pursuant to subdivision (c), and the amount needed to address the property tax shortfall determined pursuant to subdivision (b) or the amount of the reduction made pursuant to subdivision (c). The Controller shall make the funds available not sooner than five days after this notification and the Office of the Chancellor of the California Community Colleges shall work with the Controller to allocate these funds to community college districts as soon as practicable.

(f) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2013-14 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2013-14 fiscal year.

**Backfill of Redevelopment Agencies Revenues for Special Education (Adds uncodified section)**

**SEC. 68.** (a) On or before June 30, 2014, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Superintendent of Public Instruction in augmentation of Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2013.

(b) The funds appropriated in subdivision (a) shall only be available to the extent that revenues distributed to local educational agencies for special education programs pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code are less than the estimated amount reflected in the Budget Act of 2013, as determined by the Director of Finance.

(c) On or before June 30, 2014, the Director of Finance shall determine if the revenues distributed to local educational agencies for special education programs pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the Health and Safety Code exceed the estimated amount reflected in the Budget Act of 2013 and shall reduce Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2013 by the amount of that excess.
(d) In making the determinations pursuant to subdivisions (b) and (c), the Director of Finance shall consider any other local property tax revenues collected in excess or in deficit of the estimated amounts reflected in the Budget Act of 2013.

(e) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (a) or to make the reduction pursuant to subdivision (c), and the amount needed to address the property tax shortfall determined pursuant to subdivision (b) or the amount of the reduction made pursuant to subdivision (c). The Controller shall make the funds available not sooner than five days after this notification and the State Department of Education shall work with the Controller to allocate these funds to local educational agencies as soon as practicable.

(f) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2013-14 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2013-14 fiscal year.

Extend Reversion Date for Programs Funded at P2 (Adds uncodified section)

SEC. 69. Notwithstanding any other provision of law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-124-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-190-0001, 6110-211-0001, 6110-234-0001, and 6110-243-0001 of Section 2.00 of the Budget Act of 2009 shall be encumbered by July 31, 2013. This one-month extension of encumbrance authority is provided due to the effect of the deferral of the June 2010 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, 2013, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2012.

Appropriations Related to the Budget Bill (Adds uncodified section)

SEC. 70. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.