

**ASSEMBLY BILL**

**No. 1186**

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**Introduced by Assembly Member Bonilla**

February 22, 2013

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An act to amend Section 42605 of the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1186, as introduced, Bonilla. School finance: categorical programs.

Existing law establishes various categorical education programs and appropriates the funding for those programs in the annual Budget Act. Existing law requires the Superintendent of Public Instruction, for the 2008–09 to 2014–15 fiscal years, inclusive, to apportion from the amounts provided in the annual Budget Act for specified categorical education programs an amount based on the relative proportion that the local educational agency received in the 2008–09 fiscal year for those programs and authorizes school districts, for those fiscal years, to use these funds, with specified exceptions, for any educational purpose, to the extent permitted by federal law. Existing law requires a local educational agency to report expenditures of these funds to the State Department of Education.

This bill would require the Superintendent to apportion from the amounts provided in the annual Budget Act for specified categorical education programs an amount based on the relative proportion that the local educational agency received in the 2008–09 fiscal year for those programs, through the 2019–20 fiscal year. The bill would authorize school districts, for each fiscal year from the 2013–14 fiscal year to the 2019–20 fiscal year, inclusive, to use these funds for any educational

purpose, with specified exceptions and to the extent permitted by federal law, if at least 7% of those funds are used for purposes of professional development for certificated and administrative employees to implement the common core academic content standards, or implementation of programs that integrate science, technology, engineering, and math, as appropriate for pupils in grades 7 to 12, inclusive, or a combination of those purposes. The bill would, commencing with the 2013–14 fiscal year, require these provisions to be inoperative if funding for the specified categorical programs is not increased by 15% from that funding for the prior fiscal year or if a local control funding formula for kindergarten and grades 1 to 12, inclusive, is enacted during the 2013–14 legislative session. By extending the period of time that a local educational agency is required to report expenditures of funds received pursuant to this provision to the department, the bill would impose a state-mandated local program.

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

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

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 42605 of the Education Code is amended  
 2 to read:  
 3 42605. (a) (1) Unless otherwise prohibited under federal law  
 4 or otherwise specified in subdivision (e), for the 2008–09 fiscal  
 5 year to the ~~2014–15~~ 2019–20 fiscal year, inclusive, recipients of  
 6 funds from the items listed in paragraph (2) may use funding  
 7 received, pursuant to subdivision (b), from any of these items listed  
 8 in paragraph (2) that are contained in Section 2.00 of the annual  
 9 Budget Act, for any educational purpose *if, for each fiscal year*  
 10 *from the 2013–14 fiscal year to the 2019–20 fiscal year, inclusive,*  
 11 *the recipient uses at least 7 percent of the total amount of funds*  
 12 *received pursuant to subdivision (b) for either, or a combination,*  
 13 *of the following purposes:*

1 (A) *Professional development for certificated and administrative*  
2 *employees to implement the common core academic content*  
3 *standards established pursuant to Section 60605.8.*

4 (B) *Implementation of programs that integrate science,*  
5 *technology, engineering, and mathematics, as appropriate for*  
6 *pupils in grades 7 to 12, inclusive.*

7 (2) Items 6110-104-0001, 6110-105-0001, 6110-108-0001,  
8 6110-122-0001, 6110-124-0001, 6110-137-0001, 6110-144-0001,  
9 6110-150-0001, 6110-151-0001, 6110-156-0001, 6110-181-0001,  
10 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001,  
11 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001,  
12 6110-209-0001, 6110-211-0001, 6110-227-0001, 6110-228-0001,  
13 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,  
14 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,  
15 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001,  
16 6110-267-0001, 6110-268-0001, and 6360-101-0001 of Section  
17 2.00.

18 (b) (1) For the 2009–10 fiscal year to the 2014–15 fiscal year,  
19 inclusive, the Superintendent or other administering state agency,  
20 as appropriate, shall apportion from the amounts provided in the  
21 annual Budget Act for the items enumerated in paragraph (2) of  
22 subdivision (a) an amount to recipients based on the same relative  
23 proportion that the recipient received in the 2008–09 fiscal year  
24 for the programs funded through the items enumerated in paragraph  
25 (2) of subdivision (a).

26 (2) This section and Section 42 of Chapter 12 of the Third  
27 Extraordinary Session of the Statutes of 2009 do not authorize a  
28 school district that receives funding on behalf of a charter school  
29 pursuant to Sections 47634.1 and 47651 to redirect this funding  
30 for another purpose unless otherwise authorized in law or pursuant  
31 to an agreement between a charter school and its chartering  
32 authority. Notwithstanding paragraph (1), for the 2008–09 fiscal  
33 year to the ~~2014–15~~ 2019–20 fiscal year, inclusive, a school district  
34 that receives funding on behalf of a charter school pursuant to  
35 Sections 47634.1 and 47651 shall continue to distribute the funds  
36 to those charter schools based on the relative proportion that the  
37 school district distributed in the 2007–08 fiscal year, and shall  
38 adjust those amounts to reflect changes in charter school attendance  
39 in the *school* district. The amounts allocated shall be adjusted for  
40 any greater or lesser amount appropriated for the items enumerated

1 in paragraph (2) of subdivision (a). For a charter school that began  
2 operation in the 2008–09 fiscal year, if a school district received  
3 funding on behalf of that charter school pursuant to Sections  
4 47634.1 and 47651, the school district shall continue to distribute  
5 the funds to that charter school based on the relative proportion  
6 that the school district distributed in the 2008–09 fiscal year and  
7 shall adjust the amount of those funds to reflect changes in charter  
8 school attendance in the *school* district. The amounts allocated  
9 shall be adjusted for any greater or lesser amount appropriated for  
10 the items enumerated in paragraph (2) of subdivision (a).

11 (3) Notwithstanding paragraph (1), for the 2008–09 fiscal year  
12 to the ~~2014–15~~ 2019–20 fiscal year, inclusive, the Superintendent  
13 shall apportion from the amounts appropriated by Item  
14 6110-211-0001 of Section 2.00 of the annual Budget Act an amount  
15 to a charter school in accordance with the per-pupil methodology  
16 prescribed in subdivision (c) of Section 47634.1.

17 (4) Notwithstanding paragraph (1), for the 2008–09 fiscal year  
18 to the ~~2014–15~~ 2019–20 fiscal year, inclusive, the Superintendent  
19 shall apportion from the amounts provided in the annual Budget  
20 Act an amount to a school district, charter school, and county office  
21 of education based on the same relative proportion that the local  
22 educational agency received in the 2007–08 fiscal year for the  
23 programs funded through the following items contained in Section  
24 2.00 of the annual Budget Act: 6110-104-0001, 6110-105-0001,  
25 6110-156-0001, 6110-190-0001, Schedule (3) of 6110-193-0001,  
26 6110-198-0001, 6110-232-0001, and Schedule (2) of  
27 6110-240-0001.

28 (5) For purposes of paragraph (4), if a direct-funded charter  
29 school began operation in the 2008–09 fiscal year, the amount that  
30 the charter school was entitled to receive from the items  
31 enumerated in paragraph (4) for the 2008–09 fiscal year, as certified  
32 by the Superintendent in March 2009, is deemed to have been  
33 received in the 2007–08 fiscal year.

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

1 (2) (A) As a condition of receipt of funds, the governing board  
2 of the school district or governing board of the county office of  
3 education, as appropriate, at a regularly scheduled open public  
4 hearing shall take testimony from the public, discuss, approve or  
5 disapprove the proposed use of funding, and make explicit for each  
6 of the budget items in paragraph (2) of subdivision (a) the purposes  
7 for which the funds will be used.

8 (B) The regularly scheduled open public hearing held pursuant  
9 to subparagraph (A) shall be held before and independent of a  
10 meeting where the governing board of the school district or  
11 governing board of the county office of education adopts a budget.  
12 If the governing board intends to close a program funded by the  
13 items listed in paragraph (2) of subdivision (a), the governing board  
14 shall identify, in the notice of the agenda of the public hearing or  
15 at another public hearing, the program or programs proposed to  
16 be closed.

17 (3) Using the Standardized Account Code Structure reporting  
18 process, a local educational agency shall report expenditures of  
19 funds pursuant to the authority of this section by using the  
20 appropriate function codes to indicate the activities for which these  
21 funds are expended. The department shall collect *this information*  
22 and provide ~~this information~~ *it* to the Department of Finance and  
23 the appropriate policy and budget committees of the Legislature  
24 by April 15, 2010, and annually thereafter on April 15 until, and  
25 including, April 15, ~~2016~~ *2021*.

26 (d) For the 2008–09 fiscal year to the ~~2014–15~~ *2019–20* fiscal  
27 year, inclusive, local educational agencies that use the flexibility  
28 provision of this section shall be deemed to be in compliance with  
29 the program and funding requirements contained in statutory,  
30 regulatory, and provisional language, associated with the items  
31 enumerated in subdivision (a).

32 (e) Notwithstanding subdivision (d), the following requirements  
33 shall continue to apply:

34 (1) For Item 6110-105-0001 of Section 2.00 of the annual  
35 Budget Act, the amount authorized for flexibility shall exclude the  
36 funding provided to fund remedial educational services pursuant  
37 to Provision 4. For Item 6110-156-0001 of Section 2.00 of the  
38 annual Budget Act, the amount authorized for flexibility shall  
39 exclude the funding provided for instruction of CalWORKs-eligible

1 students pursuant to Schedules (2) and (3) and Provisions 2 and  
2 4.

3 (2) (A) Any instructional materials purchased by a local  
4 educational agency for kindergarten and grades 1 to 8, inclusive,  
5 and for grades 9 to 12, inclusive, shall be aligned with the state  
6 standards adopted pursuant to Section 60605 or 60605.8, and shall  
7 also meet the reporting and sufficiency requirements contained in  
8 Section 60119.

9 (B) For purposes of this section, “sufficiency requirements”  
10 means are the requirements that each pupil has sufficient textbooks  
11 and instructional materials in the four core areas as defined by  
12 Section 60119 and that all pupils within the local educational  
13 agency who are enrolled in the same course shall have identical  
14 textbooks and instructional materials, as specified in Section  
15 1240.3.

16 (3) For Item 6110-195-0001 of Section 2.00 of the annual  
17 Budget Act, the item shall exclude moneys that are required to  
18 fund awards for teachers that have previously met the requirements  
19 necessary to obtain these awards, until the award is paid in full.

20 (4) For Item 6110-266-0001 of Section 2.00 of the annual  
21 Budget Act, a county office of education shall conduct at least one  
22 site visit to each of the required schoolsites pursuant to Section  
23 1240 and shall fulfill all of the duties set forth in Sections 1240  
24 and 44258.9.

25 (5) For Item 6110-198-0001 of Section 2.00 of the annual  
26 Budget Act, a school district or county office of education that  
27 operates the child care component of the Cal-SAFE program shall  
28 comply with paragraphs (5) and (6) of subdivision (c) of Section  
29 54746.

30 (f) This section does not invalidate any state law pertaining to  
31 teacher credentialing requirements or the functions that require  
32 credentials.

33 (g) (1) *Commencing with the 2013–14 fiscal year, this section*  
34 *shall be inoperative if either of the following apply:*

35 (A) *The amounts provided for the items enumerated in*  
36 *paragraph (2) of subdivision (a) for the 2013–14 fiscal year are*  
37 *increased by less than 15 percent over the amount provided for*  
38 *those items in the 2012–13 fiscal year.*

39 (B) *A local control funding formula for kindergarten and grades*  
40 *1 to 12, inclusive, is enacted during the 2013–14 legislative session.*

1     (2) *If the department determines that this subdivision applies,*  
2 *it shall promptly display that fact prominently on the department's*  
3 *Internet Web site.*

4     SEC. 2. If the Commission on State Mandates determines that  
5 this act contains costs mandated by the state, reimbursement to  
6 local agencies and school districts for those costs shall be made  
7 pursuant to Part 7 (commencing with Section 17500) of Division  
8 4 of Title 2 of the Government Code.

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