

SENATE THIRD READING

SB 2 x4 (Ducheny)

As Amended July 23, 2009

2/3 vote. Urgency

SENATE VOTE: Vote not relevantSUMMARY: Provides the necessary statutory changes in the area of education in order to enact modifications to fiscal year (FY) 2008-09 and 2009-10 Budget Acts. Specifically, this bill:2008-09 Adjustments:

- 1) Suspends statutory requirements that local educational agencies (LEAs) newly-adopted instructional materials be purchased within 24 months of an adoption for FY 2008-09 through 2012-13 and suspends the regular adoption cycle for K-8 materials for the same period of time.
- 2) Permits, for FY 2008-09 through 2012-13, school districts to reduce the number of school days (or the equivalent instructional minutes) by five days, from 180 per year to 175, while maintaining a longer year incentive adjustment for those districts that currently receive it.
- 3) Makes various average daily attendance (ADA) calculation adjustments for programs that will no longer collect ADA pursuant to the categorical flexibility provisions established in the February enacted budget trailer bill (SB 4x3, Chapter 12, Statutes of 2009-10 Third Extraordinary Session).
- 4) Reduces, for FY 2008-09 through 2012-13, the amount of their General Fund budgets that school districts are required to set aside in "routine restricted maintenance accounts" from 1% to zero, as long as the district maintains its facilities in good repair, as specified.
- 5) Authorizes, for FY 2008-09 through 2012-13, the State Allocation Board to release "extreme hardship" deferred maintenance funding in advance of the normal timeline, if necessary to avoid serious facility damage or hazard to the health and safety of students.
- 6) Makes technical and clarifying changes to the implementation of the categorical program flexibility enacted as part of the February special session, including, prohibiting school districts from retaining funding intended for charter schools.
- 7) Removes statutory language that ties the minimum requirements for a professional clear multiple or single subject teaching credential to budget act funding for beginning teacher induction programs, to clarify that the requirements that apply to individuals' teacher credentials are not contingent on district decisions to offer teacher induction programs.
- 8) Clarifies, for FY 2008-09 through 2012-13, that LEAs in "program improvement" and those who have received a federal correction action sanction by the State Board of Education shall not be prohibited from using categorical flexibility.

- 9) Includes technical adjustments to the class size reduction program, pursuant to the implementation of the education trailer bill enacted as part of the February budget package (SB 4x3).
- 10) Amends, for 2008-09 and 2009-10 only, districts' authority to use their categorical ending balances for any educational purpose by adding several formerly restricted accounts and deleting several formerly non-restricted ones. Changes the due date for an associated report from October 31, 2009, to April 15, 2010.
- 11) Authorizes new charter schools to apply for categorical program funding so long as the charter school is eligible and meets the provisions of the program, including those categorical programs that are included in categorical flexibility.

2009-10 Adjustments:

- 1) Adjusts the county office of education (COE) revenue limit deficit factor to 18.621% and the school district revenue limit deficit factor to 18.355% to reflect a reduction of \$2.3 billion to revenue limits in 2009-10. These statutory factors are created to establish state intent to repay the K-12 per-pupil reductions, including foregone cost-of-living adjustments.
- 2) Reduces categorical funding for Basic Aid school districts by \$80 million to ensure a proportionate reduction to revenue limit reductions implemented for Non-Basic Aid school districts.
- 3) Funds the Quality Education Investment Act (QEIA) in 2009-10 with ongoing, rather than one-time, Proposition 98 funds for a General Fund savings of \$450 million. Eligible districts may apply for federal Title I funds to backfill the redirection of ongoing Proposition 98 funds. Extends the QEIA program for an addition year, though 2014-15.
- 4) Allows school districts to sell surplus property not purchased with state funds and use proceeds for GF purposes for three years.
- 5) Permits, for 2009-10 and 2010-11 only, school districts to operate with one-third of its usual reserve for economic uncertainties.
- 6) Suspends, starting in 2009-10, the requirement that eligible pupils with disabilities pass the high school exit exam in order to graduate from high school. The exemption is in place until the State Board of Education makes a determination if they should adopt regulations authorizing an alternative exam.
- 7) Specifies through July 1, 2013 that the deficiency funding for the charter school categorical block grant be strictly limited to unanticipated increases in average daily attendance (ADA) and counts of economic impact aid (EIA) eligible pupils and prohibits additional funding from being provided to restore the categorical program reductions.
- 8) Prohibits, for the FYs 2011-12 and 2012-13, a county superintendent or the State Superintendent of Public Instruction from assigning a qualified or negative certification to a school district due to the loss of federal economic stimulus funds.

- 9) Changes the Charter School Facility Grant Program from a reimbursement program to a grant program.
- 10) Reinstates the School Districts of Choice program as if it had been operative on July 1, 2009 and sunsets the program July 1, 2014.

Child Care:

- 11) Repeals automatic carryover of child care funds.
- 12) Makes Los Angeles based CARES program contingent upon funding being appropriated in the Budget Act.
- 13) Specifies that subsidized child care providers will be reimbursed at a maximum of the 85th percentile of the 2005 Regional Market Survey.
- 14) Maintains the current family fee schedule for child care services.
- 15) Clarifies that families receiving CalWORKs cash aid will not be charged a family fee for child care services.
- 16) Eliminates the School Age Community Child Care Services (Extended Day or Latchkey) Program, effective August 31, 2009, due to an overlap with existing After School services.
- 17) Clarifies that reimbursements to child care service providers based on a daily rate may only be authorized under specified circumstances.

Higher Education:

- 18) Allows community college districts to transfer funding from 12 categorical programs to any other categorical program. This flexibility provision is operative for 2009-10 through 2012-13.
- 19) Increases community college student fees by \$6 per unit, from the current level of \$20 per unit to \$26 per unit.
- 20) Revises the Quality Education Investments Act (QEIA) allocation of \$48 million for the Community Colleges Career Technical Education program from 2010-11 through 2013-14.

Urgency Clause: Declares this bill take effect immediately as an urgency statute.

Analysis Prepared by: Misty Feusahrens and Sara Bachez / BUDGET / (916) 319-2099

SENATE THIRD READING

SB 3 X4 (Ducheny)

As Amended July 23, 2009

2/3 vote. Urgency

SENATE VOTE: Vote not relevant

- 1) Makes findings and declarations regarding the extraordinary and volatile fiscal circumstances in 2008-09 and 2009-10 that necessitate identifying the amount of the 2008-09 Proposition 98 minimum guarantee and associated maintenance factor and providing a plan for restoring the funding base for public education in the future.
- 2) Reverts \$1.6 billion in unallocated Proposition 98 categorical funds to the General Fund. Reallocates, on a one-time basis, an equivalent amount of district, county office, and charter school general purpose funds to offset the loss of prior year categorical funds.
- 3) Certifies the amounts of the Proposition 98 minimum guarantees and outstanding balances for the 2005-06 through 2008-09 fiscal years.
- 4) Certifies that the maintenance factor owed in 2008-09 year is \$11.2 billion and provides that this amount will be restored to the Proposition 98 base as otherwise provided in the Constitution.
- 5) Creates an alternative statutory appropriation equivalent to the maintenance factor amount to guarantee that the Proposition 98 funding base is restored by the full \$11.2 billion.
- 6) Identifies the portions of the act that are severable and requires any judicial action challenging this act to be filed within 45 days of its chaptering.

Analysis Prepared by: Misty Feusahrens / BUDGET / (916) 319-2099

FN: